

Superloop Limited

ABN 96 169 263 094

Appendix 4E

Full Year Financial Report

1. Reporting Period

For the full year ended 30 June 2023.

(Previous corresponding period to 30 June 2022)

2. Results for announcement to the market

	30 June 2023 \$'000	30 June 2022 \$'000	Change \$'000	Change %
Revenue from ordinary activities	322,174	248,212	73,962	29.8%
Total revenue and other income	323,522	249,731	73,791	29.5%
Earnings before interest, tax, depreciation, amortisation, and foreign exchange gains/losses (EBITDA)	25,635	12,658	12,977	102.5%
Loss from ordinary activities after income tax for the full year attributable to members	(43,158)	(61,532)	18,374	29.9%
Loss after income tax for the full year attributable to members	(43,158)	(52,626)	9,468	18.0%
Comprehensive loss from ordinary activities after income tax for the full year attributable to members	(44,596)	(49,015)	4,419	9%

Explanation of profit/(loss) from ordinary activities after tax

Earnings before interest, tax, depreciation, amortisation and foreign exchange gains/losses (EBITDA) was \$25.6 million versus \$12.7 million for the previous corresponding period. The net loss after tax was \$(43.2) million against \$(52.6) million in the previous corresponding period.

Explanation of revenue

Superloop's revenue from ordinary activities for the year ended 30 June 2022 was up 29.8% at \$322.2 million, versus \$248.2 million for the previous corresponding period. The significant increase in Revenue was driven by organic growth, acquisition of MyRepublic subscriber base and the inclusion of the Exetel business for 12 months as against 11 months in the previous corresponding period.

3. Net Tangible Assets

	30 June 2023	30 June 2022	Change	Change %
Net tangible assets per ordinary share	0.08	0.26	(0.18)	(69.2%)

The number of Superloop shares on issue at 30 June 2023 was 491,174,540 (30 June 2022: 486,807,489). The movement in shares on issue since June 2022 represents the issuance of new shares as part consideration for the VostroNet acquisition (15,613,979) and buyback of shares (11,246,928). Superloop shares issued upon acquisition of VostroNet are being held in escrow at 30 June 2023.

4. Dividend

No dividend has been proposed or declared in respect of the year ended 30 June 2023.

5. Additional Information

Additional Appendix 4E Disclosures can be found in the Financial Report which has been audited by the Group's auditors and lodged with the ASX today.



SUPERLOOP LIMITED

ABN 96 169 263 094

CONSOLIDATED FINANCIAL REPORT

For the year ended 30 June 2023

Directors' Report

The Directors present their report on the consolidated entity (referred to hereafter as 'Superloop' or 'the Group') consisting of Superloop Limited and the entities it controlled at the end of, or during, the year ended 30 June 2023.

DIRECTORS

The following persons have been Directors or appointed as Directors, during the period since 01 July 2022 and up to the date of this report:

- Peter O'Connell
- Richard (Tony) Clark
- Vivian Stewart
- Alexander (Drew) Kelton
- Stephanie Lai (retired 01 March 2023)
- Paul Tyler
- Helen Livesey (appointed 02 March 2023)
- Gareth Turner (appointed 02 March 2023)

ABOUT SUPERLOOP

Founded in 2014, and listed on the ASX since 2015, Superloop operates in three segments of the market: Consumer, Business and Wholesale connectivity. All segments 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, Exetel and the other brands within the Group for their connectivity needs.

PURPOSE AND VISION

Superloop's purpose is to enable better internet for all Australians through offering great products and services and the creation of competition. Superloop aims to lead the challenger internet players (both traditional and non-traditional) in the Australian market to a combined 30% market share by leveraging its secure "Infra-on-Demand" platform and in so doing, will strive to deliver superior capital returns to its investors.

STRATEGY

Superloop launched its '3 in 3' strategy in late 2020, this strategy was designed to grow the business – by revenue, EBITDA and customer numbers – three-fold in 3 years. We are pleased to report that the business has delivered against all three key strategic metrics with Underlying EBITDA from ongoing operations increasing 277% to \$37.4m in FY23 (from \$13.5m FY20), revenue increasing 301% to \$323.5m (from \$107.6m in FY20) and growth in the customer base of more than 1000% across the period.

Through this strategy, we have reset Superloop's foundations and transformed the Company. We have restructured the business around three market segments, simplified our portfolio, invested in our networks and systems, rebuilt our go-to-market capability and invested in our sales capability. As a result, we have created a strong, stable and well capitalised base on which to deliver growth in both revenue and profitability moving forward.

A new 'Double Down' strategy has now been set for FY24 and beyond, with a stated ambition of doubling the size of the business between now and the end of FY26. Our ambition is to maintain our cost leadership position, provide deeper and broader market penetration through portfolio richness and continue to accelerate growth organically and via M&A.

Our three-year goal is to reach cashflow positive operations (excluding M&A), move to NPAT positive, double FY23 revenue and expand EBITDA margin quality to mid to high teens.

ESG FRAMEWORK

At Superloop, our purpose is to enable better internet through competition, and this is about more than just providing internet connectivity; it is about enabling better connections for communities, contributing to a sustainable future, and fostering innovation. Our commitment to Environmental, Social and Governance (ESG) principles underpins our core values, strategy, operations, and stakeholder relationships.

ESG framework

We recognise that our obligations to our shareholders extend beyond financial returns to shareholders. In FY23, Superloop engaged extensively with our stakeholders, ranging from shareholders and customers to suppliers, regulators, and the communities we serve, to enable us to better understand their needs and expectations, and to develop a comprehensive understanding of our broader responsibilities to our stakeholders.

Based on this engagement, we have identified the material sustainability topics that are important to both our business and our stakeholders. These material topics form the foundation of our ESG framework, guiding our sustainability approach, reporting, and decision-making processes.

Our sustainability objectives

Environmental Responsibility	We are committed to reducing our carbon emissions, improving energy efficiency, and embracing responsible waste management practices
Social Impact	Our relationships with stakeholders and the communities we operate in drive our initiatives, including promoting diversity, ensuring fair labour practices, and fostering digital inclusion
Governance Excellence	Our robust internal practices ensure effective decision-making, compliance, and accountability, promoting long-term sustainable growth

Our overarching goal is to create sustainable value for all stakeholders. By proactively addressing ESG issues, we believe we can safeguard our company's long-term success, reduce risks, and drive positive outcomes.

Reporting

Superloop is committed to transparent and comprehensive reporting. We aim to adhere to best practice frameworks, integrating internationally recognised standards such as the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD), the Global Reporting Initiative, and the Value Reporting Foundation framework. This approach ensures that our reporting reflects the highest level of accountability, transparency, and comparability.

While we believe our exposure to ESG risks is limited, we maintain transparency by disclosing any identified material risks in the Directors' Report.

FY23 REVIEW OF OPERATIONS

Operating Environment

The NBN/Connectivity market in which Superloop operates can be characterised as one of strong but rational competition. It remains a highly concentrated market around four major incumbents. In the last 12 months however, challenger brands have increased their market share in total from 12.6% to 15.4% as at 30 March 2023.¹

¹ NBN Wholesale Market Indicators Report, ACCC

² including contingent shares and contingent earn out payments deemed as remuneration.

Strategic

On the Strategic front, the Group continued to drive business growth across all three core Australian customer segments, and built significant financial strength and momentum through a number of strategic portfolio transactions, including:

- The acquisition of the VostroNet business for \$35 to \$50 million² cements our position as a leading provider of Fibre to the Premises and intelligent WiFi networks for multi-dwelling units and broadacre developments. Completion of the transaction occurred on 1 November 2022; and
- The acquisition of 50,000 new consumer home broadband subscribers from MyRepublic at a cost of \$250 per migrated customer. The migration to the Superloop network was completed on 7 March 2023.

Consumer

FY23 was another great year for the Consumer segment. The acquisition of the MyRepublic customer base along with continued organic growth from the Superloop brand, saw the total number of consumer broadband subscribers increase from 166k at 30 June 2022 to 243k at 30 June 2023.

The growth in subscriber numbers led to an increase in Consumer revenue of 37.4%, up from \$130.9 million in FY22 to \$179.8 million in FY23. The Gross Margin contribution from the Consumer segment also increased from \$30.7 million in FY22 to \$52.4 million in FY23, an increase of 70.6%. A great result on the back of increased capacity usage across the NBN¹.

Over the last year Superloop's share of the NBN residential market has increased from 2.0% as at 30 June 2022, to 3.1% as at 31 March 2023¹, demonstrating clear subscriber and revenue growth momentum. In FY23, these results have been delivered by:

- Increased investment in marketing and promotion to grow brand awareness;
- Delivering customer experiences that create retention and consequently reduce churn in the portfolio;
- Focusing on growing multi product holdings and Gross Margin per customer; and
- Creating efficiencies in cost to serve.

With over 8.7 million homes now on the NBN¹, consumers can switch to challenger providers like Superloop in minutes and get better performance and customer service at a lower price. The Group

believes that the macro market environment is set to increase customer switching.

With the network build complete, the incremental cost of delivering services to new customers for Superloop is now marginal and the segment is now primed for investment in accelerating profitable customer growth.

Business

In FY23, the acquisition of VostroNet, significantly strengthens our position in the student WiFi market, whilst also unlocking a new revenue stream through the FTTP business. Further improvement will be seen in FY24 with a full year of included operating results.

Business services increased 66% to 89k during the year. Whilst the VostroNet acquisition was a significant driver in growth, it was also pleasing to see continued organic growth in the small, medium and large sub-segments. Revenue in the Business segment increased 23.9% compared to the prior corresponding period, increasing from \$80.5 million in FY22 to \$99.8 million in FY23

The Gross Margin contribution of the Business segment increased 50.4% from \$25.3 million in FY22 to \$38.0 million in FY23.

Wholesale

The strategic goal of the Wholesale segment is to be the trusted Wholesaler of choice for more challenger brands and enable Superloop and those other challenger brands to increase their market share to 30%.

Continuous improvements in functionality and automation of the Superloop Connect platform have continued throughout FY23, driving improved operating results.

Wholesale revenue of \$43.9 million increased 14.6% compared to the prior corresponding period of \$38.3 million in FY22.

The Gross Margin contribution of the Wholesale segment increased 3.5% from \$25.5 million in FY22 to \$26.4 million in FY23, with full year gross margin back on target at 60.1%.

FINANCIAL AND OPERATING PERFORMANCE

Revenue and Profitability

The Group's revenues from continuing operations were \$323.5 million in FY23 versus \$249.7 million in the previous financial year, an increase of 29.5%. The improved performance is the result of organic growth in both the Exetel and Superloop brands in addition to the acquisitions of the MyRepublic

customer base and the VostroNet business.

On a statutory reported basis, the Group generated earnings before interest, tax, depreciation and amortisation (EBITDA) of \$25.6 million compared to \$12.7 million in FY22 on a like for like basis. On an underlying basis (adjusting for the impacts of transaction costs, rebranding, contingent consideration and share based payments) the EBITDA for the Group was \$37.4 million in FY23 compared to \$20.5 million in FY22, an increase of 82.2%.

The Group had a full year net loss after tax from continuing operations of \$43.2 million in FY23 compared to \$61.5 million in FY22. The FY23 impairment of \$2.4 million relates primarily to the write down of historical assets during the implementation of a new ERP system.

Financial position

At 30 June 2023, the Group held property, plant and equipment (primarily the construction of its domestic and subsea fibre networks) of \$126.7 million, and intangible assets of \$325.0 million including rights to access (via Indefeasible Rights to Use (IRU) agreements) network capacity in Australia and Singapore as well as intangible assets arising from business combinations. Intangible assets include \$166.8 million of Goodwill.

During the period, Goodwill increased from \$166.2 million (restated, refer to Note 14 and Note 27) to \$166.8 million. The increase reflects the additional Goodwill booked from the acquisition of VostroNet in the Business segment.

Cash flow performance

The Group's operating activities generated a positive cash inflow of \$43.2 million compared to an outflow of \$11.5 million in the prior year. The favourable movement in cash from operating activities was predominantly driven by higher cash flows generated from improved margins and improved management of both debtors and creditors within the business.

The Group's investing activities resulted in a cash outflow of \$77.4 million compared to an inflow of \$7.4 million in FY22. The result in FY23 reflects the acquisition of VostroNet, the purchase of the MyRepublic subscriber base and IRUs.

The Group's financing activities resulted in an outflow of \$18.4 million compared to an outflow of \$3.9 million driven by share buyback activity, and purchase of treasury shares.

Overall, excluding the impact of foreign exchange movements, the Group's cash declined by \$52.6 million over the course of the year.

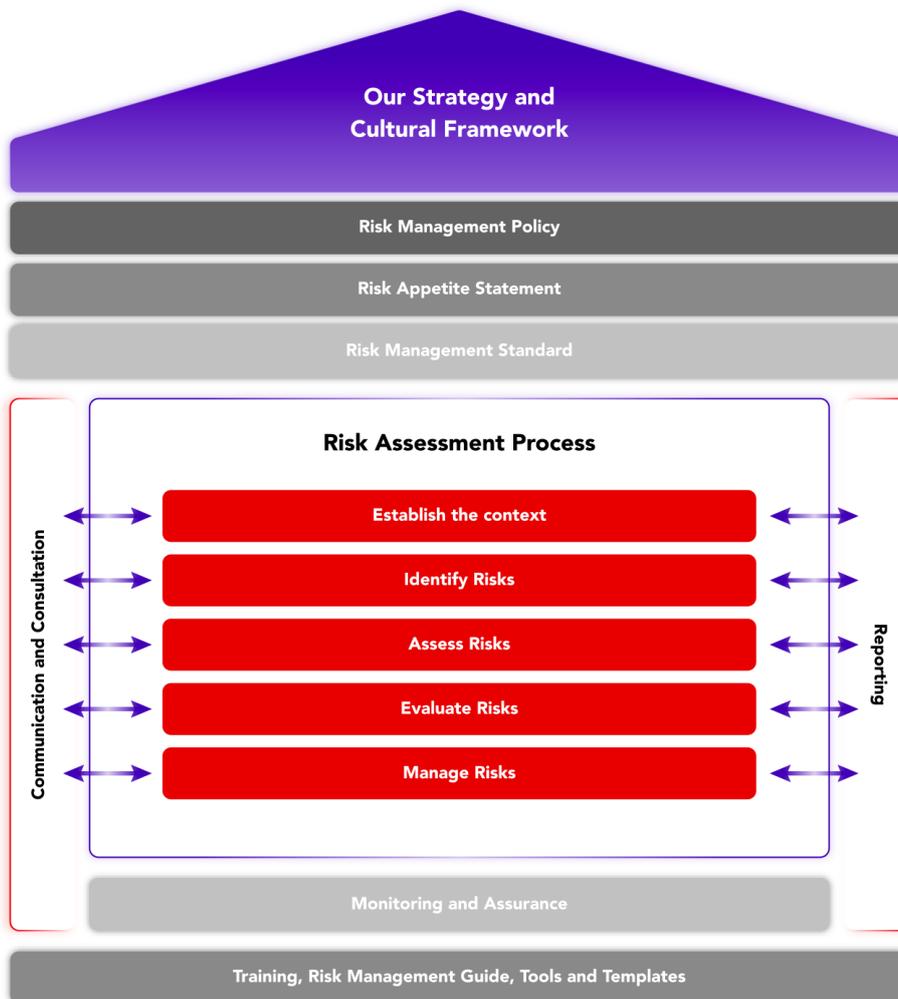
RISK MANAGEMENT

Risk is inherent in all our business activities and effective risk management is crucial to achieving our objectives. Effective risk management provides the business with insights to support effective forward-looking decision making and competitor advantage.

How we manage risk

Superloop is committed to providing confidence in our operations through adopting a comprehensive and systematic approach to the management of risk and opportunities, underpinned by a strong risk culture, to deliver greater certainty and rewards for our stakeholders.

The following diagram provides an overview of the Superloop Risk Management System (RMS). The RMS provides the foundation for the management of Superloop's material business risks.



Material Business Risks

The material business risks faced by the Group that may have an effect on its financial prospects are outlined below:

Material Business Risk	Overview
Competition, pricing and disruption	<p>Superloop operates in a competitive landscape alongside other owners and operators of telecommunications infrastructure with competing offerings and a geographically diverse presence. The competitive environment continues to evolve and failing to appropriately respond could result in a decline in our financial performance and asset valuations. In addition, demand for technology infrastructure can change rapidly due to technological innovation, new product introductions, declining prices and evolving industry standards, among other factors.</p> <p>The risk of disruption to the Consumer business remains escalated with further significant capital investment in 5G deployment. 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 telecommunications infrastructure and offerings. Advances in technology also require Superloop to commit resources to developing or acquiring, and then deploying, new technologies for use in operations.</p> <p>Superloop attempts to mitigate these risks through the following key activities:</p> <ul style="list-style-type: none">• Considering emerging technologies, societal trends and the competitive environment as part of its strategic planning and review processes;• Selecting and deploying technologies with future developments and growth in mind;• Periodically reviewing its customer offerings in the context of the market and customer needs; and• Considering merger and acquisition and capital recycling opportunities that can support and accelerate growth, leverage our competitive advantage and deliver enhanced returns on investment.
Reputation risk	<p>Risks that threaten an organisation's reputation can have significant impacts on its revenue and brand. The speed at which information can now be shared publicly via social media can intensify the impact of this risk. Superloop's governance and risk management framework, the various controls described, combined with our focus on customer experience, social media and crisis management framework are our key mechanisms for managing our reputation.</p>
Material business disruption	<p>A significant business, 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.</p> <p>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, terrorism and natural disasters such as earthquakes.</p> <p>Superloop's key risk mitigations regarding business resilience related risks include:</p> <ul style="list-style-type: none">• Designing and investing in the network to provide in-built resilience;• Implementing advanced security measures to prevent, test for, monitor and respond to cyber security threats or incidents;• Implementation of sophisticated monitoring tools to provide early warning of any developing issues;• Formalising our approach to business resilience through a formal business continuity framework to complement existing technology disaster recovery plans;• Provision in customer contracts protecting Superloop from claims in relation to failure to provide contracted services due to specific events outside of

Material Business Risk Overview

- Superloop's control; and
- Maintenance of business interruption and cyber insurance.

Management also continues to actively manage customer equipment stock levels as far as possible and will continue this practice. The risk trade-off for this practice is the financial impacts of carrying additional stock.

Cyber resilience

The quantum and sophistication of cyber related risks continues to evolve and increase, evidenced by a number of high-profile breaches impacting other Australian businesses in recent years. Customer requirements and expectations are also becoming more stringent. The management of cyber risk and data represents a key legal, financial, operational, and reputational risk for Superloop. Superloop considers the protection of customer, employee and third-party data as a critical business priority and has processes and strategies in place including formal information security and business continuity frameworks.

Funding and cost of finance

While the material capital expenditure associated with Superloop's network build is complete, Superloop's business requires ongoing capital expenditure for the maintenance of telecommunications and IT infrastructure. Superloop requires access to sufficient capital to fund this expenditure. Given the current global and domestic macro-economic conditions, the cost of any future debt is likely to increase.

There is no assurance that additional funds will be available in the future on reasonable terms. Superloop believes the risk is mitigated, to some extent, through the control of capital expenditure requirements, improving operating cash flows, maintenance of lines of credit on reasonable terms, and access to other forms of capital. Failure to obtain capital on favourable terms may hinder Superloop's business, potentially reducing competitiveness and having an adverse effect on the financial performance, position and growth prospects of Superloop.

Organisational capacity and skills to support achievement of objectives

Attracting and retaining talent with the right mix of skills continues to be critical to our ongoing success. A key pillar of our strategy is to attract and retain talent and support our people to reach their potential.

The safety and wellbeing of our people will always be number one at Superloop, particularly in the wake of the Covid-19 pandemic and its flow on impacts. We also continue to develop our workplace health and safety (WHS) management system to not only keep our people safe, but ensure we meet our legal and regulatory requirements.

Failure to manage regulatory change or comply with material regulatory or disclosure requirements

Superloop operates in an increasingly regulated environment with significant growth in the regulation of 'non-traditional' areas including governance of pricing, product, customer experience and increasingly, privacy and data protection.

We continue to actively monitor the evolving regulatory landscape and defend Superloop's and our customers' interests through our memberships to key industry groups and related initiatives.

Post merger and acquisition integration

The VostroNet acquisition and MyRepublic subscriber acquisition present Superloop with significant growth and cross sell opportunities. Most recently, Superloop announced a non-binding proposal to acquire Symbio Holdings Limited (ASX:SYM) to further support Superloop's growth. While Superloop's operating model is structured to successfully deliver against its strategic objectives, there is a risk the Company may not achieve these anticipated opportunities.

This risk is well recognised internally and projects to ensure such opportunities are realised have been developed and are being monitored and governed by the executive team. Significant growth opportunities have been identified which Management

Material Business Risk Overview

continues to focus on for delivery in FY24 and beyond.

Macroeconomic conditions

A lack of business confidence in the economy and cost of living pressures may delay/reduce current and future customer spend. Reduced spending may result in not meeting internal financial targets and external earnings guidance and shareholder and market expectations. This in turn may result in reputation damage and downward pressure on Superloop's share price.

We continue to monitor the economic landscape and periodically review customer offerings in the context of the market and customer needs.

Socio-political risk

The failure to meet ever-increasing social and community expectations as to responsible corporate conduct presents as a risk for many companies on a number of fronts, including environmental, social, and corporate governance (ESG). Recognising the operating environment has changed markedly and stakeholders are seeking to evaluate company performance in a range of areas, Superloop is mitigating this risk by enhancing its activity and disclosures on non-financial, environmental and social sustainability matters.

Superloop continues to monitor socio-political developments to support its domestic and overseas business operations.

Failure to meet earnings guidance

Superloop currently provides earnings guidance to the market. As such, Superloop is required to update the market on its earnings guidance as and when required by ASX Listing Rules. As a growth stock, Superloop is focused on accelerating revenue and profit growth through winning and retaining business, operational efficiencies and considering merger and acquisition opportunities.

In providing earnings guidance to the market, Superloop may make inaccurate assumptions about future performance, including consideration of the probability and impact of various risks, both internal and external. This may trigger the need to issue earnings downgrades which in turn may result in reduced investor confidence, reputation damage and downward pressure on Superloop's share price.

Superloop has a range of controls in place across its risk profile and additional finance and accounting controls, including monthly management financial reporting, sales planning and reporting, and over allocation of sales targets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no other significant changes in the state of affairs of Superloop other than those listed in matters subsequent to the end of financial year below.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The continued growth in transmission and storage of data should underpin a likely growth in demand for services provided by the Company.

The Board continues to evaluate further investment in expansion opportunities, based on underlying market dynamics and demand for products and services.

DIVIDENDS

No dividend has been declared or paid in respect of the 2023 or 2022 financial years.

ENVIRONMENTAL REGULATION

The Group is not subject to any significant environmental laws.

INDEMNIFICATION OF OFFICERS

The Company's Constitution provides that to the extent permitted by law, the Company indemnifies each current and former director or secretary of the Company and/or its related bodies corporate on a full indemnity basis against all losses, liabilities, costs, charges and expenses incurred by the officer as an officer of the Company or a related body corporate.

The current and former directors and secretary of the Company, as well as a number of executives, are also party to a customary deed of insurance, access and indemnity.

During FY23, the Company paid a premium in respect of a contract insuring the directors and officers of the Company against any liability that may arise from the carrying out of their duties and responsibilities to the extent permitted by the Corporations Act. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the deductible or premium.

NON-AUDIT SERVICES

The Group may decide to employ the auditor (Deloitte) on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important. Details of the amounts paid during the year to the Group's

external auditor, Deloitte Australia, for non-audit services are set out in Note 25 to the financial statements.

The Board of Directors has considered the position and, in accordance with advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court under section

237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001.

ROUNDING OF AMOUNTS

The Group is of a kind referred to in the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016 and issued pursuant to section 341(1) of the Corporations Act 2001. In accordance with that Instrument, amounts in the Directors' Report and the financial report have been rounded to the nearest thousand dollars, where permissible in accordance with the Instrument.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 40.

Information on Directors

PETER O'CONNELL

Independent Chair & Non-Executive Director

Appointed: 02 November 2021

Experience and expertise

Peter was most recently CEO and Managing Director of amaysim, which he co-founded in 2010, having previously held Key Management Personnel and board roles at Optus Communications, BellSouth, Commander Communications Eircom (Ireland's national carrier) and Meteor (an Irish mobile operator).

He is the founder of Hargrave Consultants, an advisory firm for the Technology and Telecommunications sector, and was previously a partner at major Australian law firms Minter Ellison and Gilbert & Tobin. Peter is a director and co-founder of Tiger and Bear advisory group that specialises in the telecommunications, technology and energy sectors as well as acting in mergers and acquisitions.

Peter was a member of the team responsible for the formation of Optus, has served on a number of boards for private and public companies in the energy, telecommunications and technology verticals and is also the Chair of Australian fintech company, Padua, Chair of The Climatech Group and Chair and Co-Founder of Climatech Zero that undertakes specialist energy transformation and decarbonisation projects for industrial clients and large commercial property companies.

Other current directorships of listed entities

None

Former directorships of listed entities in last 3 years

- amaysim Australia Limited (ASX : AYS)

Special responsibilities

None

RICHARD ANTHONY (TONY) CLARK

Independent Non-Executive Director

Appointed: 23 December 2015

Experience and expertise

Tony Clark is an Emmy Award-winning Cinematographer as well as co-founder and Managing Director of Rising Sun Pictures (RSP), and co-founder of Cinenet Systems Pty Ltd and Cospective Pty Ltd.

Tony is a 30-year innovator and entrepreneur with a wealth of digital media industry knowledge and experience.

He is a 2010 recipient of an Academy Scientific & Technical Achievement Award as creator of the remote collaboration tool cineSync. His deep understanding of digital film became the foundation for the technology spin-off Rising Sun Research (now Cospective).

Tony has served as a board member on the South Australian Film Corporation and Ausfilm, is an active member of the Academy of Motion Picture Arts and Sciences, and is a Fellow of the Visual Effects Society.

He is a Fellow of the Australian Institute of Company Directors.

Other current directorships of listed entities

None

Former directorships of listed entities in last 3 years

None

Special responsibilities

- Member of the Remuneration and Nomination Committee

VIVIAN STEWART

Independent Non-Executive Director

Appointed: 21 December 2016

Experience and expertise

Vivian Stewart served on BigAir Group Limited's Board from June 2008 and was its Chair at the time of BigAir's acquisition by Superloop in December 2016.

Vivian is the Chief Operating Officer of Bigtincan Holdings Ltd - an ASX listed enterprise software company focused on the Sales Enablement market, where he also leads the M&A and IR functions and special projects.

Prior to Bigtincan, he spent 10 years as an independent corporate advisor specialising in sale, merger and acquisition transactions and related capital strategy for public and private companies.

He has extensive background in the IT&T industry, venture capital and corporate advisory services. He co-founded ISP Magna Data, venture firm Tinshed, corporate advisory firm Callafin and angel investment group Sydney Angels and its two venture capital funds. He serves on the Investment committee of Sydney Angels Sidecar Fund I and II.

Vivian has a Bachelor of Arts (Honours) from The University of Sydney and an eMBA from the Australian Graduate School of Management. He is a Fellow of the Australian Institute of Company Directors.

Other current directorships of listed entities

None

Former Directorships of listed entities in last 3 years

None

Special responsibilities

- Chair of the Risk and Compliance Committee
- Member of the Audit Committee
- Member of the Remuneration and Nomination Committee

STEPHANIE LAI

Independent Non-Executive Director

Appointed: 11 March 2020

Retired: 01 March 2023

Experience and expertise

Stephanie has over 25 years' experience, is a Chartered Accountant, a former Transaction Services partner of Deloitte and KPMG and an experienced listed company Audit and Risk Committee Chair. Stephanie currently chairs the Audit and Risk Committees of HomeCo Daily Needs REIT, HealthCo Healthcare and Wellness REIT, Future Generation Australia and Abacus Storage King.

Stephanie holds a Bachelor of Business (University of Technology Sydney) and is a Graduate of the Australian Institute of Company Directors and the Institute of Chartered Accountants (Australia and New Zealand).

Other current directorships of listed entities

- Future Generation Investment Company Limited (ASX: FGX) - appointed March 2019
- HMC Funds Management Limited, responsible entity of HomeCo Daily Needs REIT Limited (ASX:HDN) - appointed October 2020
- HealthCo Healthcare and Wellness REIT - (ASX:HCW) – appointed August 2021
- Abacus Storage King (ASX:ASK) – appointed June 2023

Former Directorships of listed entities in last 3 years

Superloop Limited - (ASX : SLC)

Special responsibilities

- Chair of the Audit Committee (retired: 01 March 2023)
- Member of the Risk and Compliance Committee (retired: 01 March 2023)
- Member of the Remuneration and Nomination Committee (retired: 01 March 2023)

ALEXANDER (DREW) KELTON

Non-Executive Director

Appointed: 1 April 2021

(Executive Director from 23 Nov 2018 to 31 Mar 2021)

Experience and expertise

Drew Kelton is a global business leader and professional board director. With over 40 years' experience in the ICT and telecommunications arena, he held senior operational roles in the UK, Europe, India, Australasia and most recently, the US. In addition to executive leadership roles in global organisations, he has also been responsible for startups, M&A transactions and the IPO of one of those businesses. Drew would describe himself as a "professional entrepreneur".

Drew holds a Bachelor of Science with commendation in Electrical and Electronic Engineering from the University of Western Scotland. He is a Chartered Engineer with the Institute of Electrical and Electronic Engineers.

Other current directorships of listed entities

- Zoom2u Technologies Limited (ASX:Z2U) – Appointed 30 July 2021

Former Directorship of listed entities in last 3 years

None

Special responsibilities

- Member of the Audit Committee
- Member of the Risk and Compliance Committee

PAUL TYLER

Chief Executive Officer & Managing Director

Appointed: 1 October 2020

Appointed Executive Director: 1 September 2020

Experience and expertise

Paul brings several decades of experience and a distinguished international reputation for transforming and leading businesses in the IT and Telecommunications sector. Prior to Superloop, Paul was the Chief Customer Officer of NBN Co responsible for building the business and government segments from near infancy. As well as holding senior roles in Telstra including Group Managing Director of both Telstra Business and Telstra International, Paul had a long career with Nokia holding executive roles in various countries across Australia, Europe and Asia, most recently based in Singapore as the President of Nokia in the Asia Pacific region.

An experienced public company director (ASX and NYSE), Paul graduated with an Executive MBA from UCD – National University of Ireland, a Bachelor of Electrical Engineering – University of New South Wales and is a Fellow of the Australian Institute of Company Directors.

Other current directorships of listed entities

None

Former Directorship of listed entities in last 3 years

None

Special responsibilities

None

HELEN LIVESEY
Independent Non-Executive Director

Appointed: 02 March 2023

Experience and expertise

Helen joined the Superloop Board in March 2023. She is the Chair of the Remuneration and Nominations Committee and a member of the Risk and Compliance Committee.

Helen brings over 25 years consulting and executive experience in human resources, brand and marketing, strategy and corporate affairs across a range of industries including financial services, energy and resources. Most recently, she served as Chief People & Reputation Officer at AMP Limited, having previously held the roles of Group Executive, Corporate Affairs, Chief of Staff and Chief Marketing Officer.

Helen has a track record of developing enterprise people & culture, brand and reputation strategies, driving transformation and improving business performance. She is an experienced Board Director having served on both not-for-profit and subsidiary boards and is the Managing Director of Reuleaux, executive advisory services.

Helen holds a BSc Management Sciences (Hons) and is a Member of the Australian Institute of Company Directors.

Other current directorships of listed entities

None

Former Directorship of listed entities in last 3 years

None

Special responsibilities

- Chair of the Remuneration and Nomination Committee
- Member of the Risk and Compliance Committee.

GARETH TURNER
Independent Non-Executive Director

Appointed: 02 March 2023

Experience and expertise

Gareth is a senior finance executive with deep experience in the technology and telecommunications sectors. Gareth is currently a non-executive director for Padua Solutions, an Australian Fintech business and is also Chief Commercial Officer of Infomedia (ASX: IFM), a leading global provider of DaaS and SaaS solutions. Prior to this, Gareth was Chief Financial Officer of Infomedia, amaysim Australia Limited (ASX: AYS), GBST

Holdings. (ASX:GBT) and Hills (ASX:HIL).

Gareth has over 20 years of experience in senior leadership positions at large ASX-listed and private-equity owned businesses, is a Chartered Accountant, holds a Master of Business Administration degree from the University of Oxford, United Kingdom and is a graduate of the Australian Institute of Company Directors.

Other current directorships of listed entities

None

Former Directorship of listed entities in last 3 years

None

Special responsibilities

- Chair of the Audit Committee
- Member of the Risk and Compliance Committee.

TINA OOI
Chief Legal and Corporate Services Officer

Appointed: 23 August 2021

Experience and expertise

Tina Ooi is the Chief Legal and Corporate Services Officer for Superloop. Tina is responsible for Company Secretarial, Legal, Risk, Compliance and Regulatory at Superloop as well as People & Culture and Work Health & Safety.

Tina has more than 25 years of experience in governance roles in industries including energy and financial services, most recently as General Counsel and Company Secretary of ME Bank, a role she also held at Jemena/Zinfra. Ms Ooi has also held senior legal, company secretarial, and regulatory roles at Equity Trustees Ltd (ASX:EQT), Alinta Ltd (ASX:ALN), United Energy Ltd (ASX:UEL) and Freehills.

A member of the Australian Institute of Company Directors, Tina holds a Bachelor of Laws/Bachelor of Commerce from the University of Melbourne.

MEETINGS OF DIRECTORS

The number of meetings of the Group's Board of Directors and of each board committee held during the year, and the number of meetings attended by each Director are as follows:

	Meeting of Committees							
	Meetings of Directors		Audit		Risk and Compliance		Remuneration and Nomination	
	A	B	A	B	A	B	A	B
Peter O'Connell	18	19	N/A	N/A	N/A	N/A	N/A	N/A
Tony Clark	19	19	N/A	N/A	N/A	N/A	5	5
Stephanie Lai ¹	14	15	3	3	3	3	2	2
Vivian Stewart	19	19	4	4	4	4	5	5
Alexander (Drew) Kelton	19	19	4	4	4	4	N/A	N/A
Paul Tyler	18	19	N/A	N/A	N/A	N/A	N/A	N/A
Helen Livesey ²	3	4	N/A	N/A	1	1	1	1
Gareth Turner ³	4	4	1	1	1	1	N/A	N/A

¹ Stephanie Lai retired as Non-Executive Director on 01 March 2023.

² Helen Livesey was appointed as Independent Non-Executive Director on 2 March 2023.

³ Gareth Turner was appointed as Independent Non-Executive Director on 2 March 2023.

A = Number of meetings attended

B = Number of meetings held during the time the Director held office or was a member of the committee during the year

N/A = Not applicable. Not a member of the relevant committee

Remuneration Report

LETTER FROM HELEN LIVESEY, REMUNERATION AND NOMINATION COMMITTEE CHAIR

Dear Shareholders,

On behalf of the Board, I am pleased to present Superloop's Remuneration Report for the year ended 30 June 2023.

Response to First Strike against Remuneration Report

At last year's Annual General Meeting (AGM), Superloop received a first strike, with 67.74% voting in favour and 32.26% of shareholders voting against our FY22 Remuneration Report.

The Board has listened to your feedback and used it to both reset our remuneration approach and improve the transparency of our disclosures. Over the course of FY23, we have undertaken actions which included:

- Conducting a comprehensive review of our remuneration framework and disclosures;
- Engaging with shareholders and proxy advisers to better understand concerns and seek views on proposed changes;
- Appointing a new Chair of the RNC; and
- Engaging the services of Ernst & Young (EY) to provide professional guidance around the structure and alignment of our executive remuneration practices to market practice.

The Board's aim has been to ensure the Company's FY24 remuneration structure is both cognisant of market practice and right for the Company, considering our strategic context, stage of maturity and the imperative to ensure management stability through our next phase of growth.

As a result, we have made a number of significant changes:

- **Short Term Incentive (STI):** We have improved transparency of reporting against performance targets and, for FY24, have reweighted the CEO's financial and non-financial metrics and increased the stretch in both financial and non-financial targets.
- **Long Term Incentive (LTI):** For FY24, we have strengthened the alignment of the LTI Plan to strategy while bringing it into line with market practice. The changes include moving to a three-year vesting period, introducing Relative Total Shareholder Return (rTSR) as a second performance metric, removing retesting and tightening the change of control provisions.
- **Remuneration report:** We have redesigned our remuneration disclosures to provide increased transparency around our framework and remuneration decisions.

The changes to the STI and LTI Plans will be implemented for FY24. In the interests of fairness, the Board determined not to make retrospective changes to the structure of the FY23 STI or LTI plan, noting the FY23 LTI grant of performance rights to the CEO was approved at the 2022 AGM. However, the Board has applied discretion to the CEO's FY23 STI delivery mechanism and timeline, introducing a deferred payment for outperformance in equity to better align the outcome to the shareholder experience.

Full details of the feedback received, and actions taken in response to the strike are provided in the table in Section A following this letter.

FY23 Performance

In FY23, Superloop delivered strong financial performance, with Underlying EBITDA from continuing operations improving by 82.2% from \$20.5 million to \$37.4 million, exceeding the guidance range of \$33.0m to \$36.0m. The result was driven by double-digit revenue growth in each of the Company's three operating segments, reflecting a 52.8% increase in total connected customers utilising the Superloop network.

The key financial highlights include:

- Total Revenue from continuing operations of \$323.5 million up from \$249.7 million in the Prior Corresponding Period (PCP), an increase of 29.5%. Excluding the impact of acquisitions, the organic increase in revenue from continuing operations was 17.9% compared to the PCP.
- Overall gross margin from continuing operations of \$116.9 million (or 36.1% of revenue) increasing from \$81.5 million in the PCP. Gross margins have improved across all three customer segments.
- Operating costs (excluding marketing) as a percentage of revenue decreased to 20.1% reflecting ongoing cost discipline and some early benefits of the Company's digital transformation initiatives.
- Operating Cash Flow in excess of the reported Underlying EBITDA.
- Strong Balance Sheet with a Net Debt Position of \$13.3 million plus undrawn debt capacity of \$49 million as at 30 June 2023; and
- Achieved a major financial milestone, with the Company transitioning to being NPATA and Free Cash Flow positive in the second half of FY23.

Additionally, in FY23, the Executive team successfully completed delivery of Superloop's '3 in 3' strategy six months ahead of schedule. Set in early 2021, this strategy was designed to grow the business – by revenue, EBITDA and customer numbers – three-fold in 3 years. Pleasingly, Management has delivered outperformance against all three key strategic metrics with Underlying EBITDA from ongoing operations up to \$37.4m in FY23 (from \$13.5m FY20), revenue up to \$323.5m (from \$107.6m in FY20) and growth in the customer base of more than 1000% across the period.

Through this strategy, we have reset Superloop's foundations and transformed the Company. We have restructured the business around three market segments, simplified our portfolio, invested in our networks and systems, rebuilt our go-to-market capability and invested in our sales capability. As a result, we have created a strong, stable and well capitalised base on which to deliver growth in both revenue and profitability moving forward.

Executive Remuneration Outcomes for FY23

In determining the FY23 remuneration outcomes, the Board actively considered a range of factors including Superloop's overall financial performance, early delivery of the '3 in 3' strategy and individual performance against agreed KPIs.

Fixed remuneration

There was no change to the MD/CEO's Total Fixed Remuneration in FY23. The CFO's Total Fixed Remuneration was adjusted to reflect the statutory increase in superannuation guarantee contributions from 1 July 2022.

FY23 STI Outcome

CEO and Executive team performance was assessed against the STI scorecard, with consideration of outcomes adjusted for strategic transactions undertaken during the period. These adjustments are discussed in figure 4.3.

Reflecting Superloop's strong business performance in FY23, all key financial and non-financial target metrics were either met or significantly exceeded. Full details are provided in table 4.3.1.

This assessment resulted in a FY23 STI outcome for each Executive KMP as set out below:

KMP	STI @ Target	Actual STI achievement	STI @ Outperformance	Awarded STI
MD/CEO	\$350,000	149.52%	\$525,000	\$523,320
CFO	\$120,600	145.90% ¹	\$120,600 ¹	\$120,600

¹ Maximum STI Opportunity capped at 100% of target.

While no changes were applied retrospectively to the structure of the on foot STI FY23 incentive, the Board actively considered the FY23 STI outcomes versus the shareholder experience. In doing so, the Board applied discretion to the delivery mechanism and timeline for outperformance in the CEO's FY23 STI with the target STI (\$350,000) payable in cash, but the outperformance component (\$173,320) payable in equity with a two-year holding lock applied. This one-off approach is appropriate on this occasion as it balances the requirement to retain and motivate the CEO, avoids retrospective change to the on-foot scheme design but seeks to create greater alignment to the shareholder experience. Further details are provided in section 4.3.

FY23 LTI Tranche 1 Vesting Outcome

In FY23, growth in Underlying EPS for Continuing Businesses, after adjustments as defined in the LTI offer, was 33.3% (see Section 4.4 for full details). This resulted in 100% vesting of the FY23 Tranche 1.

In assessing this outcome, the Board actively considered the challenges inherent in the design of the on-foot scheme and acknowledged that while the percentage uplift in Underlying EPS is strong, it is not reflected in the share price performance. In addition, the Board specifically:

- Considered the one-off nature of the share-based payments and contingent consideration treated as remuneration in the adjustments. It was noted that these adjustments largely relate to the acquisition of VostroNet, given the structure of the transaction. This included the consideration component payable in Superloop shares, and the contingent remuneration payable to the VostroNet founders (subject to meeting the necessary performance criteria) both which are required to be treated as remuneration and expensed under the accounting standards; and
- Considered the Tranche 1 vesting outcome versus growth in Statutory EPS, noting that this metric also grew by 29.4%.

On balance, recognising the outperformance delivered in FY23, the early completion of the '3 in 3' strategy, the requirement to retain and motivate the Executive team, the desire to increase executive shareholdings, and the extent of change to be made to the FY24 LTI framework, the Board has determined that this vesting outcome remains appropriate.

As a result, the following outcomes apply:

KMP	Number of Performance Rights due to vest on 1 September 2023 (FY23 Plan Tranche 1)	Value as at 30 June 2023
MD/CEO	271,621	\$157,540
CFO	115,892	\$67,217

Full details of the remuneration outcomes for the Executive KMP are provided in section 8.1.1.

FY23 Non-Executive Director Remuneration

Chair and Non-Executive Directors fees were increased in FY23 within the fee pool approved at the 2022 AGM and as foreshadowed in the FY22 Annual Report. No further changes to Non-Executive Director Remuneration have been made throughout the year.

FY24 CEO and Executive KMP Remuneration Changes

In addition to changes to the FY24 STI and LTI plans outlined above, the Board has reviewed and benchmarked the CEO/MD and Executive KMP remuneration quantum and mix for FY24.

As a result, the Board has determined to make the following changes to remuneration quantum and mix:

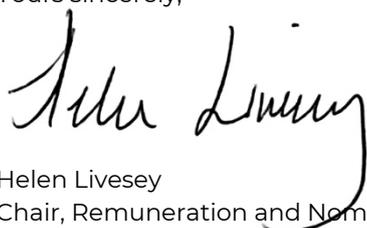
KMP		Action taken for FY24		Rationale
MD/CEO	Element	FY23	FY24	
	Total Fixed Remuneration (TFR)	\$ 750,000	\$800,000	<ul style="list-style-type: none"> • There has been no change in CEO remuneration since joining Superloop in Oct 2020. The proposed change to fixed remuneration represents an increase of 6.7% against an annual market uplift trend in CEO fixed remuneration. • Re-weight CEO remuneration mix towards LTI, to ensure closer alignment to the shareholder experience. • These changes move CEO maximum total remuneration closer to but not at the 75th percentile of the benchmark group (with details of the comparator group in section 2.1). The Board considers this approach to be appropriate given the successful, early delivery of the '3 in 3' strategy, the requirement to motivate and retain the CEO in light of Superloop's new 'Double Down' strategy and the actions taken to grow the Company, seeking index inclusion.
	STI Participation	\$350,000	\$350,000	
	LTI as % of TFR	75% of TFR	100% of TFR	
CFO	Element	FY23	FY24	<ul style="list-style-type: none"> • There has been no change in CFO's fixed remuneration since joining Superloop in Sept 2021 beyond adjustments made to reflect the statutory increase in the super guaranteed employer contributions from 01 July 2022. The proposed change to fixed remuneration represents an increase of 4%. • In addition, in recognition of the early delivery of the '3 in 3' strategy, a significant uplift in the quality of Superloop's financial reporting and the rollout of a new ERP improving the company's financial controls, 10% uplifts to both the STI and LTI opportunities have been introduced. • These changes move the CFO's maximum total remuneration position between Median and 75th Percentile of the benchmark group.
	TFR	\$ 402,000	\$ 418,080	
	STI %	30% of TFR	40% of TFR	
	Maximum Outperformance Opportunity to STI	100% of target	150% of target	
	LTI%	60% of TFR	70% of TFR	

Thank you

On behalf of the Board, I would like to thank those shareholders and other stakeholders who have taken the time to provide feedback and support in resetting Superloop's remuneration framework and disclosures. We hope that the changes to this year's remuneration report improve its overall transparency and readability, and trust that the changes to the FY24 remuneration framework will serve to more closely align remuneration outcomes to the shareholder experience.

We look forward to continuing to engage and welcome your feedback.

Yours sincerely,



Helen Livesey
Chair, Remuneration and Nomination Committee
Superloop Limited

A. RESPONSE TO FEEDBACK ON THE FY22 REMUNERATION REPORT

In response to the issues raised in relation to Superloop's FY22 Remuneration Report, we have undertaken a comprehensive review of our executive remuneration framework and our approach to remuneration disclosure.

As a result, we have made a series of changes to the remuneration structure for FY24 to ensure closer alignment to the business strategy and the shareholder experience. Additionally, the FY23 Remuneration Report has been substantially revised to give greater transparency around our remuneration framework and clarity on the key metrics, rationale and context for our Executive Remuneration outcomes.

The table below summarises the feedback received, and actions taken in response.

Table A1. Feedback received and actions taken

Element	Feedback	Response																						
Short Term Incentive (STI)	Lack of transparency regarding STI threshold and target disclosures	<p>The FY23 Remuneration Report provides greater transparency of the STI scorecard metrics, targets and thresholds and includes commentary regarding performance against target (for full details refer Section 4.3).</p> <p>Additionally, the FY24 STI scorecard has been aligned to the core strategic growth areas with appropriate targets set to better reflect the shareholder experience. The CEO's scorecard has also been reweighted to 70% financial: 30% non-financial metrics (from 80%:20% in FY23) to step towards a more balanced scorecard and bring it in line with market practice.</p> <p>The FY24 STI MD/CEO and CFO metrics are summarised below:</p> <p>MD/CEO</p> <table border="1"> <thead> <tr> <th>Goal & KPI</th> <th>Weighting</th> <th></th> </tr> </thead> <tbody> <tr> <td rowspan="3">Financial</td> <td>EBITDA</td> <td>40%</td> </tr> <tr> <td>Group revenue</td> <td>15%</td> </tr> <tr> <td>Operating</td> <td>15%</td> </tr> <tr> <td rowspan="2">People</td> <td>Engagement score & participation</td> <td>10%</td> </tr> <tr> <td>Cost Out Program</td> <td></td> </tr> <tr> <td rowspan="3">Strategic</td> <td>ESG maturity</td> <td></td> </tr> <tr> <td>Customer Experience transformation</td> <td>20%</td> </tr> <tr> <td>Management leadership development</td> <td>20%</td> </tr> </tbody> </table>	Goal & KPI	Weighting		Financial	EBITDA	40%	Group revenue	15%	Operating	15%	People	Engagement score & participation	10%	Cost Out Program		Strategic	ESG maturity		Customer Experience transformation	20%	Management leadership development	20%
Goal & KPI	Weighting																							
Financial	EBITDA	40%																						
	Group revenue	15%																						
	Operating	15%																						
People	Engagement score & participation	10%																						
	Cost Out Program																							
Strategic	ESG maturity																							
	Customer Experience transformation	20%																						
	Management leadership development	20%																						

CFO

Goal & KPI	Weighting	
	EBITDA	40%
Financial	Group revenue	15%
	Operating cashflow	15%
People	Engagement score & participation	10%
	Cost Out Program	
Strategic	ESG maturity	
	Legacy systems transformation	20%
	Management Segment P&L reporting maturity	20%

During the current phase of growth, the Board considers Group Underlying EBITDA, Revenue and Operating Cash Flow to be the key financial metrics in demonstrating progress against the Company's medium-term goal of delivering a sustainable NPAT result. Once Superloop completes a full financial year being either free cashflow positive or NPAT positive, the intent is to adopt either and/or both of those metrics (as applicable) in the STI scorecard for the following financial year.

FY22 STI payments against overall performance that was not NPAT positive

Superloop has been on a significant transformation journey, restructuring the business around three market segments, simplifying the portfolio, investing in our networks and systems, rebuilding our go-to-market capability and strengthening our sales capability.

Consistent with the rationale outlined above, in FY22 and FY23, Group Underlying EBITDA, Revenue and Operating Cash Flow underpinned the STI scorecard and were used to provide guidance to the market.

Consistent with its stage of maturity, the Company did not deliver a positive NPAT in FY22. However, performance in the scorecard metrics exceeded Superloop's market guidance, with STI outcomes paid accordingly.

Transaction Bonus

MD/CEO transaction bonus

The Board acknowledges the feedback regarding the use of one-off transaction bonuses and confirms there has been no further use in FY23, with no current intent for future use.

Lack of disclosure regarding the rationale and guiding principles for payment

By way of historic context, the FY22 transaction bonus related to the achievement of significant financial synergies and benefits, exceeding \$5m, following the completion of the Exetel acquisition (August 2021) and the successful divestment of Superloop's Hong Kong business and Singapore assets (April 2022). Combined, these transactions have been transformative, underpinning the Company's '3-in-3' strategy and helping create a strong, stable and well capitalised base on which to deliver future growth in both revenue and profitability.

Long Term Incentive (LTI)

Insufficient disclosure of LTI thresholds and targets

The FY23 Remuneration Report provides a comprehensive explanation of the FY 23 LTI Plan including thresholds and targets.

Use of a single performance hurdle

For the FY24 LTI plan, a second performance hurdle has been introduced. Relative Total Shareholder Return (rTSR) has been selected to avoid duplication with STI metrics and to improve alignment to the shareholder experience.

		<p>The comparator group for rTSR component has been set as the ASX Small Ordinaries Industrials Index (AXSID).</p> <p>Recognising Superloop's 'Double Down' strategy of pursuing growth both organically and via disciplined acquisition, the Board continues to believe that Underlying EPS remains the best metric to assess delivery of strategy aligned to the shareholder experience at this point in time. As a result, it has been retained as the primary measure, with the FY24 weightings being 75% Underlying EPS: 25% rTSR.</p> <p>Following review for alignment to the new 'Double Down' strategy, the current Underlying EPS vesting schedule has been retained. However, annual testing has been replaced with a single CAGR calculation against the FY23 Underlying EPS baseline at the end of the 3-year performance period.</p> <p>The 12% CAGR (representing >40% growth over three years) has been tested and considered appropriate for the current stage of growth. However, the Board will continue to evaluate the appropriateness of LTI targets on an annual basis.</p> <p>In addition, the definition of Underlying EPS has been amended to provide more clarity around adjustments to ensure they are one-off in nature and considered on both a case by case and collective basis.</p>
	Provision for retesting	The provision for retesting has been removed from the FY24 LTI Plan.
	Short performance and vesting period	<p>For FY24, a three-year performance and vesting period has been introduced.</p> <p>By way of historic context, the use of short performance and vesting periods in the FY23 plan (with the award vesting in equal tranches over three years) was intended as a transitional arrangement to avoid a 'cliff' during the transfer from the prior Executive Options Plan to the new Executive Performance Rights Plan (LTI Plan), aimed at ensuring the retention of key executives and the stability of the leadership team through a pivotal point in Superloop's growth.</p>
Change of Control	Concern around the 50% automatic vesting of awards in the event of a change in control	<p>Automatic vesting of performance rights has been removed from the FY24 and future LTI grants.</p> <p>The Board retains 100% discretion. The default treatment will vest performance rights on a pro rata basis having regard to the portion of the vesting period that has elapsed.</p>
Governance issues	Absence of MD/CEO LTI resolution at the 2021 AGM	<p>The appropriate resolutions were put to the 2022 AGM, with shareholder approval for the MD/CEO's FY23 LTI grant being sought and obtained.</p> <p>The intent is to continue this practice going forward.</p>

In this Section B:

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Executive KMP Remuneration Structure	25
FY23 Executive Remuneration Performance Outcomes	28
Executive KMP Contracts	33
Non-Executive Director (NED) Remuneration	33
Remuneration Governance	35
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The information in this report has been audited as required by section 308(3C) of the Corporations Act 2001 (Cth).

B. FY23 REMUNERATION REPORT

1. KEY MANAGEMENT PERSONNEL

The Key Management Personnel (KMP) are defined as persons having authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly including any Director (whether executive or otherwise) of that entity.

The table below outlines Superloop's KMP for the financial year ending 30 June 2023.

1.1 Non-Executive Directors

Name	Role	Term as KMP
Peter O'Connell	Independent Chair & Non-Executive Director	Full Year
Tony Clark	Independent Non-Executive Director Member of the Remuneration and Nomination Committee	Full Year
Vivian Stewart	Independent Non-Executive Director Chair of the Risk and Compliance Committee Member of the Remuneration and Nomination Committee Member of the Audit Committee	Full Year
Stephanie Lai	Independent Non-Executive Director Chair of the Audit Committee Member of the Risk and Compliance Committee Member of the Remuneration and Nomination Committee	Up to 1 Mar 2023
Drew Kelton	Non-Executive Director Member of the Audit Committee Member of the Risk and Compliance Committee	Full Year
Gareth Turner	Independent Non-Executive Director Chair of the Audit Committee Member of the Risk and Compliance Committee	From 2 Mar 2023
Helen Livesey	Independent Non-Executive Director Chair of the Remuneration and Nomination Committee Member of the Risk and Compliance Committee	From 2 Mar 2023

1.2 Executive KMP

Name	Position	Term as KMP
Paul Tyler	Managing Director & Chief Executive Officer (MD/CEO)	Full Year
Luke Oxenham	Chief Financial Officer (CFO)	Full Year

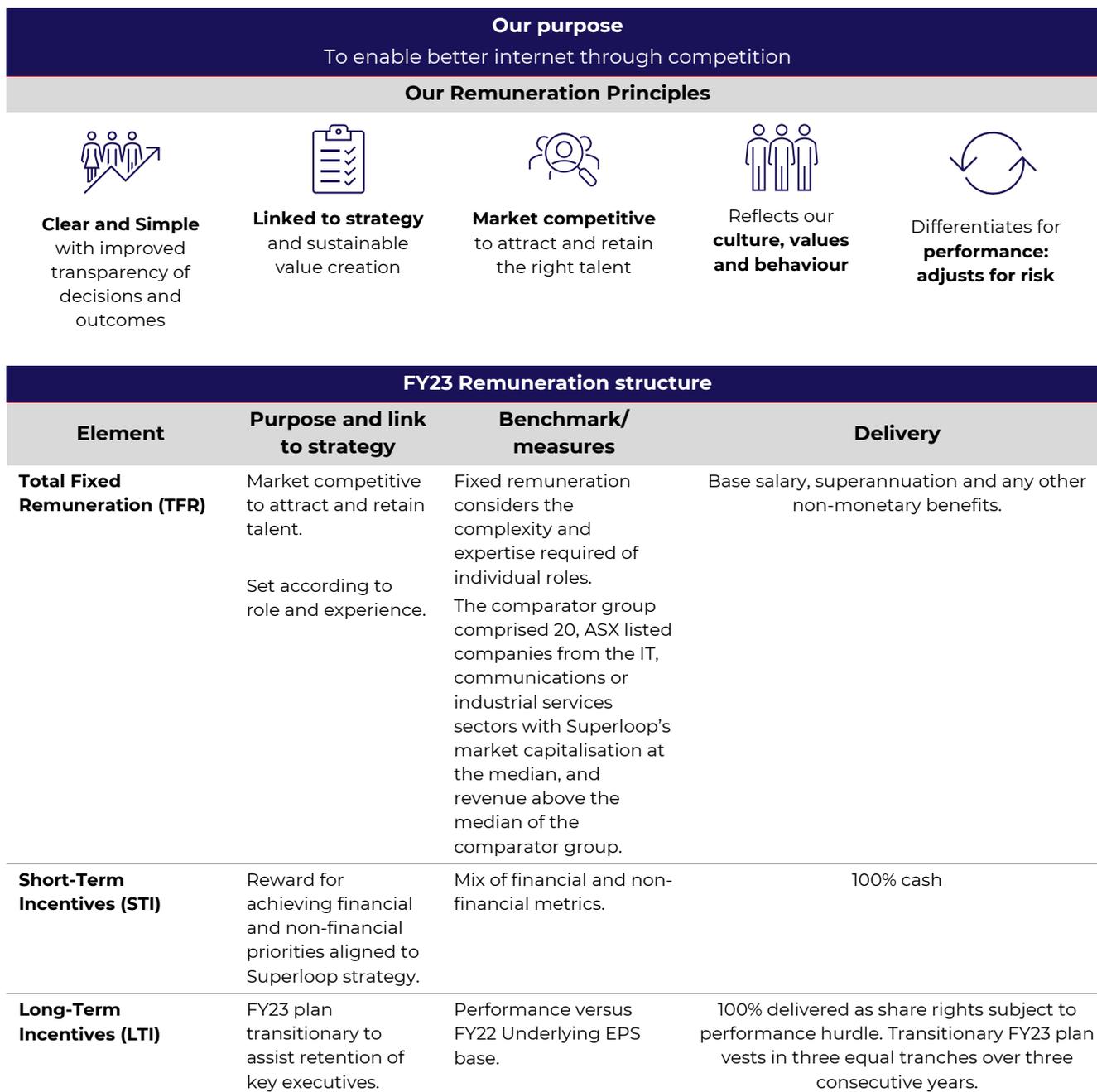
Except as noted above or elsewhere in this report, the named persons held their position for the whole financial year.

2. EXECUTIVE REMUNERATION FRAMEWORK OVERVIEW

Superloop's approach to executive remuneration is designed to attract, motivate, and retain a group of highly qualified, experienced and capable senior executives, rewarding them for delivering the Company's business strategy and creating long-term, sustainable value for shareholders.

The diagram below provides a high-level overview of our FY23 remuneration framework with full details of the STI and LTI components provided in section 3.

Figure 2.1 FY23 Remuneration Framework Overview



3. EXECUTIVE KMP REMUNERATION STRUCTURE

This section sets out Superloop's remuneration approach in FY23. The graphs below illustrate the typical remuneration structure and delivery of the Group CEO, and other Executive KMP for FY23 based on target performance:

Figure 3.1 FY23 Executive KMP Typical Remuneration Structure & Delivery



3.1 Executive Remuneration Structure

Superloop's executive remuneration structure for FY23 comprised a mix of fixed and at-risk remuneration components through the STI and LTI plan arrangements. The design of the fixed remuneration is described in the framework above and a detailed explanation of the STI and LTI plans are provided below:

Table 3.1.1 FY23 STI Plan

FY23 Short Term Incentive Plan

Description STI is an annual performance-based incentive paid 100% in cash. Performance is measured over the 12-month period against KPIs aligned to delivery of strategy.

Opportunity	FY23 STI opportunity as a percentage of TFR			
	MD/CEO		CFO	
Element	%	\$ equivalent	%	\$ equivalent
Threshold	Nil	Nil	Nil	Nil
Target	46.67 % of TFR	350,000	30% of TFR	120,600
Outperformance	150% of target	525,000	Nil	Nil

Performance measures and rationale The STI Plan creates a clear link between business performance and individual behaviours and allows further discretion by the Board to be applied where appropriate. STI outcomes are based on a combination of Superloop's financial performance and non-financial metrics relating to people and strategy. Individual performance is assessed both on what has been achieved and how it was achieved during the year.

A summary of the achievements and performance versus targets in FY23 is provided in the table in figure 4.3.1. An explanation of the measures and their rationale for use is provided below:

Metric	MD / CEO Weighting	CFO Weighting	Description / Rationale
Group Underlying EBITDA	40%	30%	Given Superloop's current phase of growth and maturity, Group Underlying EBITDA, Group Revenue and Operating Cash Flow are considered to be the key financial metrics demonstrating progress towards the Company's medium-term goal of delivering a sustainable NPAT result.
Group Revenue	20%	20%	
Operating Cash Flow	20%	20%	

			Our people and culture underpin Superloop's performance and customer service outcomes.
	People	20%	20%
			In FY23, the people metric comprised two components: employee engagement, taking account of both participation and actual score, and the successful implementation and take-up of a new Human Resources Information System, integrating and consolidating the people data and processes across multiple acquired entities to improve alignment of goals to strategy and strengthen people-related controls.
	Strategic		10%
			Role specific KPIs
Adjustments	The Board retains full discretion on the STI outcomes and consideration is given to individual behaviour and risk management in determining final individual outcomes.		

Table 3.1.2 FY23 LTI Plan

FY23 Long Term Incentive Plan							
Description	The LTI plan consists of an award of performance rights.						
Plan structure and rationale	<p>The FY23 LTI plan was intended as a transitional arrangement to avoid a 'cliff' during the transfer from the prior Executive Options Plan to the new Executive Performance Rights Plan. The one-off grant was designed to ensure the retention of key executives and the stability of the leadership team through a pivotal point in Superloop's growth.</p> <p>As a result, short vesting and performance periods were employed, which were designed to vest in three equal tranches over three consecutive years, with a performance period commencing 1 July 2022 and ending 30 June 2023, 30 June 2024 and 30 June 2025 respectively. The performance rights granted under the FY23 plan for the MD/CEO were approved by shareholders at the FY22 AGM.</p> <p>For the FY24 LTI grant, the performance and vesting period has been extended to three years.</p>						
Value / opportunity	<p>The maximum LTI opportunity for FY23 was as follows.</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th style="background-color: #d3d3d3;">Executive KMP</th> <th style="background-color: #d3d3d3;">% of Fixed Remuneration</th> </tr> </thead> <tbody> <tr> <td>MD/CEO</td> <td>75%</td> </tr> <tr> <td>CFO</td> <td>60%</td> </tr> </tbody> </table> <p>The number of rights issued is calculated by dividing the maximum LTI by the Value-Weighted Average price (VWAP) of Superloop Shares over the 10-day trading period preceding 30 June in the year of grant.</p> <p>For the MD/CEO, specific details of the number of performance rights to be granted, and the percentage of fixed pay, are set out in the notice of meeting for the AGM in the year of grant for approval by shareholders.</p>	Executive KMP	% of Fixed Remuneration	MD/CEO	75%	CFO	60%
Executive KMP	% of Fixed Remuneration						
MD/CEO	75%						
CFO	60%						
Performance measure and rationale	<p>The FY23 Grant vesting is subject to Underlying Earnings Per Share (EPS) Compound Annual Growth Rate (CAGR). The CAGR is calculated using FY22 Underlying EPS as a base (EPS Base, see Table 5.4.2.), noting that:</p> <ul style="list-style-type: none"> • tranche 1 vesting is calculated on the Underlying EPS for FY23 relative to the EPS Base; • tranche 2 vesting is calculated on the Underlying EPS for FY24 relative to the EPS Base, annualised over the two financial year period (FY23 and FY24); and • tranche 3 vesting is calculated on the Underlying EPS for FY25 relative to the EPS Base, annualised over the three financial year period (FY23, FY24 and FY25). 						

	<p>Underlying rather than Statutory EPS has been selected as it was considered to provide a clearer picture of the Company's core operating performance by excluding certain one-off or non-recurring items that may distort the overall earnings figure. This enables stakeholders to get a better understanding of the Company's ability to generate consistent earnings over time.</p> <p>For the FY24 LTI Grant, Relative Total Shareholder Return(rTSR) has been added as a second measure.</p>										
Vesting schedule	<p>In respect of each tranche, the performance rights vest subject to Superloop achieving year on year growth in Underlying EPS in the relevant testing year (calculated against the prior financial year) as follows:</p> <table border="1"> <thead> <tr> <th>CAGR in Underlying EPS</th> <th>% of tranche that will vest</th> </tr> </thead> <tbody> <tr> <td><10%</td> <td>Nil</td> </tr> <tr> <td>10%</td> <td>50%</td> </tr> <tr> <td>10%-12%</td> <td>Pro rata 50%-100%</td> </tr> <tr> <td>>12%</td> <td>100%</td> </tr> </tbody> </table> <p>Following review for alignment to the new Double Down strategy, this schedule has been retained for the Underlying EPS hurdle in the FY 24 LTI grant. However, annual testing has been replaced with a single CGAR calculation against the FY23 Underlying EPS baseline at the end of the 3 year performance period. Full vesting requires circa 40% CAGR in Underlying EPS over the 3 year performance period.</p>	CAGR in Underlying EPS	% of tranche that will vest	<10%	Nil	10%	50%	10%-12%	Pro rata 50%-100%	>12%	100%
CAGR in Underlying EPS	% of tranche that will vest										
<10%	Nil										
10%	50%										
10%-12%	Pro rata 50%-100%										
>12%	100%										
Provision for retesting	<p>Under the FY23 Plan, if the CAGR growth target in respect of tranche 1 or tranche 2 is not achieved (or is only partly achieved), the unvested Performance Rights in respect of that relevant tranche will be re-tested on the vesting date in respect of the following tranche and will vest if the relevant CAGR is achieved over the extended period (on an annualised basis).</p> <p>The provision for retesting has been removed from the FY24 LTI grant.</p>										
Cessation of employment	<p>If employment ceases due to resignation before the performance measures are tested, any unvested performance rights will lapse immediately, subject to Board discretion.</p>										
Clawback	<p>The Performance Rights Plan includes measures for clawback, forfeiture, and divestment, which the Board may enforce in certain situations.</p>										
Change of Control	<p>If a Change of Control Trigger Event occurs, 50% of a Participant's unvested Performance Rights will vest on the date on which the Change of Control Trigger Event Occurs, and a Participant's remaining unvested Performance Rights will vest on the date determined by the Board in its sole and absolute discretion.</p> <p>Automatic vesting of 50% on change of control has been removed from the FY24 LTI grant.</p>										
Board discretion	<p>The Board retains discretion to adjust Underlying EPS performance conditions to ensure that participants are not penalised or provided a windfall benefit arising from matters considered by the Board to be one-off in nature or outside of Management's control.</p>										

The Board acknowledges that the transparency and structure of the FY23 Executive Performance Rights Plan did not align with shareholder expectations.

Following a comprehensive review of Superloop's remuneration framework, a number of significant changes have been made to the FY24 LTI Plan. These changes are highlighted in the table above.

4. FY23 EXECUTIVE REMUNERATION PERFORMANCE OUTCOMES

4.1 Five-year Business Performance

Executive remuneration is directly linked to Superloop's financial performance and aligned with shareholder returns over the long-term.

A summary of the key metrics relating to Superloop's performance over the five-year period to end FY23 is set out below.

Table 4.1.1 Five year Business Performance

INCOME STATEMENT	FY19	FY20	FY21	FY22	FY23
Revenue (A\$m)	119,845	107,591	95,882	249,731	323,522
Reported EBITDA (A\$m)	8,499	13,470	11,419	12,658	25,635
Reported Net Profit/(loss) after tax (A\$m)	(72,057)	(41,088)	(23,605)	(61,532)	(43,158)
Reported EPS (cents)	(30.52)	(12.33)	(6.40)	(12.76)	(9.01)
Underlying EBITDA (A\$m)	5,049	13,478	12,417	20,522	37,381
Underlying NPAT (A\$m)	(24,824)	(41,080)	(22,607)	(12,342)	(8,177)
Underlying EPS (cents)¹	n/a	n/a	n/a	(2.56)	(1.71)

¹ Underlying EPS only introduced as a metric in FY22

SHARE PRICE AND DIVIDENDS	FY19	FY20	FY21	FY22	FY23
Total Dividend Per Share (cents)	Nil	Nil	Nil	Nil	Nil
Share Price as at 30 June (\$)	1.54	0.99	0.93	0.72	0.58 ¹

¹ Superloop's Share Price on 02 July 2023 was \$0.58

4.2 FY23 Business Performance

In FY23, Superloop delivered strong financial performance, with Underlying EBITDA³ from continuing operations⁴ improving by 82.2% from \$20.5 million to \$37.4 million, exceeding guidance of \$33.0m to \$36.0m. The result was driven by double-digit revenue growth in each of the Company's three operating segments, reflecting a 52.8% increase in total connected customers utilising the Superloop network. The key highlights included:

- Total Revenue from continuing operations⁴ of \$323.5 million vs \$249.7 million in the prior corresponding period (PCP), an increase of 29.5%. Excluding the impact of acquisitions, the organic increase in revenue from continuing operations was 17.9% compared to the PCP.
- Overall gross margin from continuing operations⁴ of \$116.9 million (or 36.1% of revenue) increasing from \$81.5 million in the PCP. Gross margins have improved across all three customer segments.
- Operating costs (excluding marketing) as a percentage of revenue decreased to 20.1% reflecting ongoing cost discipline and some early benefits of the Company's digital transformation initiatives.
- Underlying EBITDA³ from continuing operations⁴ of \$37.4m, an increase of 82.2% compared to \$20.5m in the PCP.
- Operating Cash Flow in excess of the reported Underlying EBITDA³.
- Strong Balance Sheet with a Net Debt⁵ Position of \$13.3 million plus undrawn debt capacity of \$49 million as at 30 June 2023; and
- Achieved a major financial milestone, with the Company transitioning to being NPATA⁶ and Free Cash Flow positive in the second half of FY23.

³ Underlying EBITDA is calculated as Statutory EBITDA adjusted for non-recurring transaction/rebranding costs as well as Share Based Payments and contingent consideration treated as remuneration.

⁴ Continuing operations excludes the contribution in FY22 that came from the Singapore and Hong Kong assets that were divested in April 2022.

⁵ Net Debt equates to the total of the drawn debt facility before transaction costs plus bank guarantees less cash and cash equivalents.

⁶ NPATA is defined as Net Profit After tax adjusted for the non-cash amortisation of acquired intangibles assets (including the non-cash expense related to the VostroNet acquisition consideration) and impairment.

4.3 FY23 STI Outcomes

STI awards are determined through assessment of performance against Superloop's STI Scorecard. This comprises a series of financial and non-financial measures set at the beginning of each financial year to reflect Superloop's key strategic priorities.

The FY23 STI outcomes were assessed against both the original FY23 scorecard and the financial targets in that scorecard adjusted for strategic transactions undertaken during the period (i.e. VostroNet, MyRepublic and the restructure of the fixed wireless business). Performance was assessed as follows:

Figure 4.3.1 FY23 STI Outcomes

Area	Measure Weighting MD / CEO	Measure Weighting CFO	Measures	Achievement	FY23 Performance Achievement against target
Financial 	40%	30%	Group Underlying EBITDA	Performance exceeded increased guidance range of \$33m - \$36m, delivering full year result of \$37.4 million	EBITDA 
	20%	20%	Group Revenue	At \$323.5m, Group Revenue from continuing operations was up 29.5% from \$249.7m in FY22.	Revenue 
	20%	20%	Operating Cash Flow	Delivered \$16.8m of Operating Cash Flow less capex representing an outcome more than 300% of budget.	Cashflow 
People 	20%	20%	Employee engagement and implementation of new Human Resource information System (HRIS)	<p>Employee engagement levels exceeded target at 7.6, but with lower than target participation levels, the resultant overall outcome was assessed as just below target.</p> <p>The new HRIS was successfully implemented across all entities, standardising people processes, introducing enhanced controls and better alignment of individual to company performance.</p> <p>Collectively, the people outcomes were assessed as on target.</p>	People 

Strategic



10%

Transforming the organisation
Measures set on an individual basis, linked to the successful delivery of key transformation or strategic projects relevant to each executive.

The CFO's strategic priorities pertained to:

- Successful implementation of an organisational-wide Enterprise Resource Planning solution and retirement of legacy systems.
- Development of a group ESG plan.
- Achievement of cost out target.

Combined, the overall achievement was assessed as just below target.



This STI Scorecard assessment resulted in a FY23 STI outcome for the MD/CEO and Executive KMP which equated to 100% of their respective maximum STI opportunities, details of which are set out below:

Table 4.3.1 FY23 STI KMP Outcomes

KMP	STI @ Target	Actual STI achievement	STI @ Outperformance	Awarded STI
MD/CEO	\$350,000	149.52%	\$525,000	\$523,320
CFO	\$120,600	145.64% ¹	\$120,600 ¹	\$120,600

¹ Maximum STI Opportunity capped at 100% of target.

While no changes were applied retrospectively to the structure of the on foot STI FY23 incentive, the Board actively considered the outcomes versus the shareholder experience. In doing so, the Board applied discretion to the delivery mechanism and timeline for outperformance in the MD/CEO's FY23 STI. In discussion with the MD/CEO, it was agreed that the target STI (\$350,000) should be paid in cash, but the outperformance component (\$173,320) would be paid in equity with a two-year holding lock applied. This approach balances the requirement to retain and motivate the MD/CEO, avoids retrospective change to the on-foot scheme design but seeks to create greater alignment to the shareholder experience.

The MD/CEO FY23 STI outperformance component will be awarded in share rights. The value of the performance rights will be calculated using the average VWAP in the 10 days prior to the financial year end (consistent with the approach to calculation of the LTI Grant). The share rights will not be subject to additional hurdles beyond time and clawback in defined circumstances.

The Board recognises the requirement to continue to ensure sufficient stretch in future STI targets, to drive growth consistent with the Company strategy.

4.4 FY23 LTI Grant and Vesting Outcomes

FY23 LTI Grant

In FY23, a new LTI Plan was implemented. The FY23 Grant was intended as a transitional arrangement to avoid a 'cliff' during the transfer from the prior Executive Options Plan. The one-off grant was designed to ensure the retention of key executives and the stability of the leadership team through a pivotal point in Superloop's growth. As a result, short vesting and performance periods were employed, with the grant designed to vest in three equal tranches over three consecutive years (refer table 3.1.2

for full details of the vesting period and schedule).

The total number of performance rights granted to the Executive KMP under the FY23 Plan and the number eligible for vesting in the first tranche in September 2023 are set out below:

Table 4.4.1 Performance Rights Granted to Executive KMP

KMP	Number of Performance Rights Granted under FY23 Plan	Number of Performance Rights due to vest on 1 September 2023 (FY23 Plan Tranche 1)
MD / CEO	814,863	271,621
CFO	347,675	115,892

The number of Executive Performance Rights allocated is calculated by dividing the opportunity by the ten-day Volume-Weighted Average (VWAP) share price of Superloop prior to the financial year end (30 June). Vesting of LTIs occurs in September at the completion of the relevant performance period and following the announcement of the full year audited results.

Testing of FY23 Tranche 1 Performance Measures and Outcome

For the FY23 grant of Executive Performance Rights, vesting will occur subject to Superloop achieving year-on-year growth in Underlying EPS. This is defined as Net Profit after Tax of the Group for each financial year as per Superloop's audited annual accounts (per the number of Superloop shares on issue on the last day of the financial year) adjusted for acquisition and restructuring costs, share based payments and tax.

The table below shows the Underlying EPS calculations for FY22 and FY23 (excluding the discontinued operations of Singapore and Hong Kong).

Table 4.4.2 Underlying EPS for FY22 and FY23

Calculation	FY22	FY23	Growth
Reported EPS (cents per share)	(12.76)	(9.01)	29.4%
Transaction Costs	1.55	0.51	
Other Transaction related adjustments ¹	6.02	6.10	
Impairment	5.19	0.51	
Underlying EPS	(2.56)	(1.71)	33.3%

¹ Other Transaction related adjustments include non-cash share-based payments as part of consideration, contingent consideration treated as remuneration under AASB3, non-cash amortisation of acquired intangible assets and non-cash tax impacts of changes in deferred tax liabilities.

In FY23, growth in Underlying EPS for Continuing Businesses, after adjustments as defined in the LTI offer, was 33.3%. This resulted in 100% vesting of the FY23 Tranche 1.

In assessing this outcome, the Board actively considered the challenges inherent in the design of the on-foot scheme and acknowledged that while the percentage uplift in Underlying EPS is strong, it is not reflected in the share price performance. In addition, the Board specifically:

- tested the one-off nature of the share-based payments, contingent remuneration and taxation in the adjustments. It was noted that these payments largely relate to the acquisition of VostroNet, given the structure of the transaction. This included the up-front consideration component payable in Superloop equity, and the requirement under accounting standards to expense the potential contingent consideration payable to the VostroNet founders (subject to meeting the necessary performance criteria); and
- considered the Tranche 1 vesting outcome versus growth in Statutory EPS, noting that this metric also grew by 29.4%.

On balance, recognising the outperformance delivered in FY23, the early completion of the '3 in 3' strategy, the requirement to retain and motivate the executive team, the desire to increase executive shareholdings, and the extent of change made to the FY24 LTI grant, the Board has determined that this vesting outcome remains appropriate.

4.5 Summary of Total Executive KMP Remuneration Outcomes

The following table summarises the FY23 MD/CEO and Executive KMP remuneration outcomes.

Table 4.5.1 FY23 MD/CEO and Executive KMP remuneration outcomes

Executive KMP	Year	TFR (Base + Superannuation)	STI	LTI ⁷
MD/CEO	FY23	\$750,000	\$523,320 ¹	\$371,732
	FY22	\$750,000	\$727,500 ²	\$174,278
CFO	FY23	\$402,000	\$120,600	\$181,546
	FY22 ³	\$366,663	\$84,000	\$35,631

¹ Comprises \$350K in cash and balance deferred for two years and paid in share rights.

² The FY22 one-off transaction bonus of \$360,000.

³ Luke Oxenham commenced as the Group CFO on 1 September 2021.

4.6 Legacy Option Plans

In FY23, the LTI Plan was introduced to replace the previous Executive Option Plan (initially approved at the 2016 AGM). The change was initiated by the RNC in the first half of FY22 in recognition that the Executive Option Plan:

No longer provided executives with the appropriate retention incentives; and

Did not reflect contemporary practice in relation to the alignment of pay with performance.

The table below summarises the Executive Options that that have vested to date and/or remain on foot.

Table 4.6.1 Executive Options

KMP	Date Granted	Options Granted	Vesting Date	Exercise Price	Vested FY23	Vested Prior/Expired	Exercised
MD/CEO	18 Nov 20	1,000,000	1 Oct 21	\$1.11	-	1,000,000	nil
		1,000,000	1 Oct 22	\$1.22	1,000,000	-	nil
		1,000,000	1 Oct 23	\$1.34	-	-	-
		1,000,000	1 Oct 24	\$1.47	-	-	-
	1 Sep 21	83,563	1 Sep 22	\$0.98	83,563	-	nil
		83,563	1 Sep 23	\$0.98	-	-	-
		83,562	1 Sep 24	\$0.98	-	-	-
		83,562	1 Sep 25	\$0.98	-	-	-
CFO	1 Sep 21	87,500	1 Sep 22	\$0.98	87,500	-	nil
		87,500	1 Sep 23	\$0.98	-	-	-
		87,500	1 Sep 24	\$0.98	-	-	-
		87,500	1 Sep 25	\$0.98	-	-	-
TOTAL		4,684,250			1,171,063	1,000,000	nil

⁷ LTI remuneration reflects the value of the share-based payments expensed in the income statement for each of the financial years. This amount is made up of the expensing of a component of the previously issued share options, as well as the in-year expense related to the FY23 issue of performance rights. They are NOT the value of what was vested to the KMP relating FY23.

5. EXECUTIVE KMP CONTRACTS

Group Executives enter into individual Employment Agreements with Superloop which include the following key terms:

Table 5.1 Key Executive KMP Contractual Terms

Key Term	Conditions
Duration of agreement	Ongoing until notice is given by either party.
Notice period	MD/CEO: six months, after first 12 months of service. Group Executives & Executive KMP: three-months.
Post-employment restraint	Appropriate non-solicitation and non-compete provisions commensurate with their individual role and seniority, with provision for payment to be made during that period.
Termination	Provision for immediate termination or dismissal for serious misconduct with no entitlement to termination payments in this event
Entitlements	Statutory leave entitlements. Any termination benefits would be subject to compliance with the limits set by the Corporations Act and the terms of the individual contract

6. NON-EXECUTIVE DIRECTOR (NED) REMUNERATION

Superloop's NED remuneration policy is designed to:

- Attract and retain NEDs with the appropriate experience, knowledge, skills and judgment.
- Reflect the demands and responsibilities of the role, and
- Recognise the contribution, time and expertise of each director.

In setting appropriate NED remuneration, the Board considers general industry practice, best principles of corporate governance, the responsibilities and risks associated with the NED role, the expected time commitment on Company matters and the fees paid to NEDs of comparable companies.

NED fees and payments are reviewed annually by the RNC. The maximum aggregate fee pool is approved by shareholders. The current pool is \$900,000, as approved at the 2022 AGM. In FY23, the total fees paid to Superloop NEDs was \$677,703 which represents 75.30% of the shareholder-approved fee pool.

The RNC may, from time to time, receive advice from independent remuneration advisers to ensure NED remuneration is appropriate and in line with market.

NEDs fees include a base fee for membership of the Limited Board plus additional fees for membership of Board committees. Where relevant, the fees are inclusive of superannuation contributions. NED's may be paid additional remuneration where a director performs work or services considered over and above their work in their capacity as a Director of Superloop.

The Chair's fees are determined independently to the fees of other NED's and are based on comparative roles in the market. The Chair is excluded from any discussions relating to the determination of his or her remuneration.

In order to ensure NEDs maintain independence and impartiality, fees are not linked to Company performance and NEDs are not eligible to participate in any of the Company's incentive arrangements. The NEDs are entitled to be reimbursed for travel and other expenses incurred while carrying out their duties as a director of the Company.

The current NEDs fees per annum including statutory superannuation, effective 1 July 2022, are set out below.

Table 6.1 NEDs Fees Per Annum

Board Fee	Chair Fee	Non-Executive Director
Board	\$180,000	\$100,000
Committee Fee	Chair Fee	Committee Member Fee
Audit Committee	\$20,000	\$10,000
Risk and Compliance Committee	\$20,000	\$10,000
Remuneration and Nomination Committee	\$20,000	\$10,000

6.1 FY23 Statutory Remuneration – Non-Executive Directors

Table 6.1 Fees and remuneration received by the NEDs

		Salary / Fees \$	Other benefits \$	Total \$	Super- annuation \$	Total Remuneration Package (TRP) \$
Non-Executive Directors						
Peter O'Connell	2023	162,896	-	162,896	17,104	180,000
	2022	90,559	-	90,559	9,056	99,615
Tony Clark	2023	105,581	-	105,581	11,086	116,667
	2022	63,927	-	63,927	6,393	70,320
Vivian Stewart	2023	126,697	-	126,697	13,303	140,000
	2022	82,192	18,182	100,374	10,037	110,411
Helen Livesey ¹	2023	38,789	-	38,789	4,073	42,862
	2022	-	-	-	-	-
Gareth Turner ¹	2023	38,789	-	38,789	4,073	42,862
	2022	-	-	-	-	-
Drew Kelton	2023	120,000	-	120,000	-	120,000
	2022	82,500	-	82,500	-	82,500
Former Non-Executive Directors						
Stephanie Lai ²	2023	84,952	-	84,952	8,920	93,872
	2022	82,192	36,364	118,556	11,856	130,412
Bevan Slattery ³	2023	-	-	-	-	-
	2022	18,265	-	18,265	1,827	20,092
TOTAL - 2023	2023	677,703	-	677,703	58,559	736,262
TOTAL - 2022	2022	419,635	54,546	474,181	39,169	513,350

¹ Helen Livesey and Gareth Turner commenced as NED on 02 March 2023.

² Stephanie Lai ceased as NED on 01 March 2023.

³ Bevan Slattery ceased as NED on 28 October 2021.

6.2 Equity Holdings of Non-Executive Directors

Table 6.2.1 NED shareholdings¹

	Opening balance 1 July 2022	Received as part of remuneration	Additions	Disposals	Other movements ¹	Closing balance 30 June 2023
Directors						
Peter O'Connell	-	-	-	-	-	-
Drew Kelton	114,993	-	-	-	-	114,993
Tony Clark	566,079	-	-	-	-	566,079
Vivian Stewart	599,243	-	-	-	-	599,243
Stephanie Lai ²	257,243	-	-	-	(257,243)	-
Gareth Turner ³	-	-	16,000	-	-	16,000
Helen Livesey ³	-	-	-	-	-	-
TOTAL	1,768,499	-	179,059	-	(257,243)	1,690,315

¹ The Group's Securities Trading Policy is available on Superloop's website at Superloop - Investor Centre.

² Stephanie Lai ceased as NED on 01 March 2023.

³ Helen Livesey and Gareth Turner commenced as NED on 02 March 2023.

6.3 Terms of appointment

On appointment to the Board, all Non-Executive Directors enter into agreements with the Company in the form of a letter of appointment. The agreements summarise the key terms of engagement including compensation relevant to the office of director. Each appointment has no initial term, has no notice period and is not subject to any termination benefits.

7. REMUNERATION GOVERNANCE

Superloop's remuneration governance framework has been set up to promote accountability, fairness, and alignment to shareholder value.

Remuneration governance and oversight is primarily exercised through the Superloop Limited Board and the Remuneration and Nomination Committee (RNC). The RNC is responsible for developing, monitoring and assessing the remuneration strategy, policies and practices across the Group and ensuring overall pay equity.

Members of the RNC are independent NEDs.

Table 7.1 RNC membership for FY23

Name	Role	Effective Date	Other Committee Membership
Helen Livesey	Chair	2 March 2023	Risk & Compliance Committee
Tony Clark	Member (and former Chair)	Member - Full Year Chair - to 1 March 2023	None
Vivian Stewart	Member	Full Year	Risk & Compliance Committee (Chair) Audit Committee
Stephanie Lai	Member	To 1 March 2023	Audit Committee (Chair up to 1 Mar 23) Risk & Compliance Committee

The Board considers that the members of the RNC provide an appropriate mix of skills to undertake its terms of reference, having regard to their qualifications, knowledge of the IT and telco industry and experience in business management. Further, the cross representation of members on both the Audit and Risk and Compliance committees ensures consideration of audit and risk matters in all remuneration discussions.

From time to time, the RNC may seek external guidance from independent remuneration advisers. During FY23, the RNC engaged Ernst & Young (EY) as independent remuneration advisers to provide support on the review of Superloop's remuneration framework and benchmarking for KMP and Executive remuneration.

No remuneration recommendations (as defined in the Corporations Act) relating to KMP were provided by EY or any other external remuneration consultants during FY23.

Further details of the RNC's role and responsibilities can be found in the Committee's Charter, which forms part of the Corporate Governance Charter, a copy of which is available on Superloop's website at [Superloop - Investor Centre](#).

The following diagram articulates Superloop's remuneration governance framework.

Fig 7.1 Superloop's remuneration governance framework



8. STATUTORY TABLES

8.1 Remuneration and benefits

This information is disclosed in accordance with the requirements of the Corporations Act 2001 and the Australian Accounting Standards.

8.1.1 Executive Directors and KMP

Table 8.1.1 Fees and remuneration received by the Executive directors & KMP

		Short-term employee benefits				Total \$	Post employment benefits	Long-term employee benefits		Total Remuneration Package (TRP) \$	% of TRP linked to performance %
		Salary / Fees \$	STI \$	Retention Bonus	Other benefits \$		Super-annuation \$	LTI \$	Long Service Leave \$		
Paul Tyler	FY23	724,708	523,320	-	-	1,249,533	25,292	371,732	-	1,646,557	54%
	FY22	726,432	367,500	360,000	-	1,453,932	23,568	174,278	-	1,651,778	33%
Luke Oxenham ¹	FY23	376,708	120,600	-	510	497,818	25,292	181,546	-	704,657	43%
	FY22	345,059	84,000	-	495	429,554	21,604	35,631	-	486,789	25%
Lidia Valenzuela	FY23	-	-	-	-	-	-	-	-	-	-
	FY22	81,608	-	-	38,199	119,807	5,892	-	-	125,699	-
TOTAL - 2023	FY23	1,101,415	643,920	-	510	1,747,351	50,585	553,278	-	2,351,213	
TOTAL - 2022	FY22	1,153,099	451,500	360,000	38,694	2,003,293	51,064	209,909	-	2,264,266	

¹ Luke Oxenham commenced as the Group CFO on 01 September 2021.

8.1.2 KMP Equity-Based Compensation Disclosures

Table 8.1.2 KMP Equity-Based Compensation Disclosures

KMP	Tranche	Number of Performance Rights Granted	Grant Date	Vesting Date	Total Fair Value as at Grant Date
MD/CEO	Tranche 1	271,621		01 Sep 2023	\$ 192,851
	Tranche 2	271,621	01/07/2022	01 Sep 2024	\$ 192,851
	Tranche 3	271,621		01 Sep 2025	\$ 192,851
CFO	Tranche 1	115,892		01 Sep 2023	\$ 81,124
	Tranche 2	115,892	01/07/2022	01 Sep 2024	\$ 81,124
	Tranche 3	115,891		01 Sep 2025	\$ 81,123

8.1.3 Options (Legacy)

Prior to FY23, the Company issued KMP securities under the Executive Option Plan that will vest over future years. The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows.

Table 8.1.3 Terms and conditions of Options

KMP	Date Granted	Options Granted	Vesting Date	Expiry Date	Exercise Price	Total Fair Value at Grant Date
MD/CEO	18 Nov 20	1,000,000	1 Oct 22	01 Oct 2023	\$1.22	\$ 93,000
		1,000,000	1 Oct 23	01 Oct 2024	\$1.34	\$111,000
		1,000,000	1 Oct 24	01 Oct 2025	\$1.47	\$ 125,000
	1 Sep 21	83,562	1 Sep 22	01 Sep 2026	\$0.98	\$ 16,479
		83,562	1 Sep 23	01 Sep 2026	\$0.98	\$22,621
		83,563	1 Sep 24	01 Sep 2026	\$0.98	\$28,336
		83,563	1 Sep 25	01 Sep 2026	\$0.98	\$ 32,523
CFO	1 Sep 21	87,500	1 Sep 22	01 Sep 2026	\$0.98	\$ 17,255
		87,500	1 Sep 23	01 Sep 2026	\$0.98	\$ 23,686
		87,500	1 Sep 24	01 Sep 2026	\$0.98	\$ 29,671
		87,500	1 Sep 25	01 Sep 2026	\$0.98	\$ 34,055

8.1.4 Shares Issued on Exercise of Employee Options

During FY23, no ordinary shares were issued as a result of the exercise of options by any KMP.

9. ADDITIONAL DISCLOSURES RELATING TO EXECUTIVE KMP

9.1 Shareholding

The numbers of ordinary shares in the Company held/acquired during the financial year by each current Executive KMP including their personally related parties, is set out below. There were no shares granted during the reporting period as compensation.

Table 9.1 Executive KMP Shareholdings

Name	Opening balance 1 July 2022	Received as part of remuneration	Additions	Disposals	Other movements	Closing balance 30 June 2023
Paul Tyler	230,941	-	163,059	-	-	394,000
Luke Oxenham	-	-	-	-	-	-

9.2 Other Securities Holdings

The number of options over ordinary shares in the Company held during the financial year by each Executive KMP, including their personally related parties, is set out below:

Table 9.2.1 KMP Options holdings

	Opening balance 1 July 2022	Received as part of remuneration	Exercised	Other movements*	Closing balance 30 June 2023	Vested and exercisable	Vested during the year
Key Management Personnel							
Paul Tyler	4,334,250	-	-	(1,000,000)	3,334,250	1,083,562	1,083,562
Luke Oxenham	350,000	-	-	-	350,000	87,500	87,500
TOTAL	4,684,250	-	-	(1,000,000)	3,684,250	1,171,062	1,171,062

*Expired during the year.

The number of performance rights over ordinary shares in the Company held during the financial year by each KMP, including their personally related parties, is set out below:

Table 9.2.2 KMP Performance rights holdings

	Opening balance 1 July 2022	Received as part of remuneration	Exercised	Other movements	Closing balance 30 June 2023	Vested and exercisable	Vested during the year
Key Management Personnel							
Paul Tyler	-	814,863	-	-	814,863	-	-
Luke Oxenham	-	347,675	-	-	347,675	-	-
TOTAL	-	1,162,538	-	-	1,162,538	-	-

9.3 Shares or options over shares in subsidiaries

Executive KMP do not hold any shares or options over shares in any subsidiaries of the Group.

9.4 Loans to Executive KMPs

There were no loans to Executive KMP during FY23 (FY22: \$nil)

9.5 Other Transactions with Executive KMP

There were no other transactions with Executive KMP not otherwise disclosed in the Report.

This report is made in accordance with a resolution of the Board of Directors, in accordance with section 298(2) of the Corporations Act 2001.

On behalf of the Directors



Peter O'Connell

Independent Chair & Non- Executive Director



Paul Tyler

Managing Director / Chief Executive Officer

29 August 2023

Auditor's Independence Declaration

Deloitte.

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29 August 2023

The Board of Directors
Superloop Limited
Level 9, 12 Shelley Street
Sydney
NSW 2000

Dear Directors

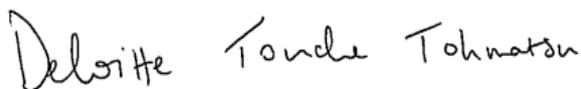
Auditor's Independence Declaration to Superloop Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Superloop Limited.

As lead audit partner for the audit of the financial report of Superloop Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Tendai Mkwananzi
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Financial Report

30 June 2023

These financial statements are the consolidated financial statements of the entity consisting of Superloop Limited (ABN 96 169 263 094) and its controlled entities.

Superloop Limited is a company limited by shares, incorporated, and domiciled in Australia. The financial statements are presented in the Australian currency.

Superloop's registered office and principal place of business is Level 9, 12 Shelley Street, Sydney, NSW 2000.

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' Report on page 2, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 29 August 2023. The Directors have the power to amend and reissue the financial statements.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Note	30 June 2023 \$'000	30 June 2022 \$'000
Continuing operations			
Revenue	5	322,174	248,212
Other income	5	1,348	1,519
Total revenue and other income		323,522	249,731
Direct costs		(206,655)	(168,191)
Employee benefits expense		(48,567)	(40,127)
Share based payments expense	24	(5,360)	(381)
Professional fees		(2,430)	(2,310)
Marketing costs		(14,299)	(8,256)
Administrative and other expenses		(14,190)	(10,325)
Contingent consideration treated as remuneration	27	(3,941)	–
Rebranding costs		(752)	–
Transaction costs	29	(1,693)	(7,483)
Total expenses		(297,887)	(237,073)
Earnings before interest, tax, depreciation, amortisation and foreign		25,635	12,658
Depreciation and amortisation expense		(69,065)	(44,397)
Impairment expense	6	(2,442)	(25,057)
Interest expense	7	(5,204)	(3,964)
Foreign exchange gains / (losses)	8	823	(639)
Loss before income tax		(50,253)	(61,399)
Income tax benefit / (expense)	9	7,095	(133)
Loss for the year from continuing operations		(43,158)	(61,532)
Discontinued operations			
Profit for the year from discontinued operations	28	–	8,906
Loss for the year after tax attributable to the owners of Superloop		(43,158)	(52,626)
Other comprehensive (loss) / income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations		(1,438)	3,611
Total other comprehensive (loss) / income, net of income tax		(1,438)	3,611
Total comprehensive loss for the year attributable to the owners of		(44,596)	(49,015)
Loss per share for loss attributable to the ordinary equity holders of			
<i>From continuing operations</i>			
Basic loss per share	34	(9.01)	(12.76)
Diluted loss per share	34	(9.01)	(12.76)
<i>From continuing and discontinued operations</i>			
Basic loss per share	34	(9.01)	(10.91)
Diluted loss per share	34	(9.01)	(10.91)

The notes following the financial statements form part of the financial report.

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	30 June 2023 \$'000	Restated ⁽¹⁾ 30 June 2022 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	32,153	83,133
Trade and other receivables	11	21,251	22,119
Other current assets	12	13,232	11,862
		66,636	117,114
Assets held for sale		–	989
Total Current Assets		66,636	118,103
NON-CURRENT ASSETS			
Property, plant and equipment	13	126,693	127,271
Intangible assets	14	324,965	297,862
Other non-current assets	12	6,619	5,826
Deferred tax assets	15	998	–
Total Non-Current Assets		459,275	430,959
TOTAL ASSETS		525,911	549,062
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	52,994	31,371
Contingent and deferred consideration		4,041	7,069
Employee benefits	18	10,481	4,833
Deferred revenue	19	8,585	5,037
Interest-bearing loans and borrowings	17	46,492	4,812
Total Current Liabilities		122,593	53,122
NON-CURRENT LIABILITIES			
Employee benefits	18	824	525
Deferred revenue	19	14,917	16,364
Interest-bearing loans and borrowings	17	10,335	53,219
Deferred tax liabilities	15	10,880	9,617
Total Non-Current Liabilities		36,956	79,725
TOTAL LIABILITIES		159,549	132,847
NET ASSETS		366,362	416,215
EQUITY			
Contributed equity	20	615,350	623,967
Reserves	21	6,239	4,317
Other equity		(3,327)	(3,327)
Accumulated losses		(251,900)	(208,742)
TOTAL EQUITY		366,362	416,215

(1) The comparative information is restated on account of finalisation of purchase price accounting for Acurus acquisition. The notes following the financial statements form part of the financial report.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	Contributed equity	Reserves	Other equity	Accumulated losses	Total equity
For the year ended 30 June 2023	\$'000	\$'000 (Note 21)	\$'000 (Note 1C (ii))	\$'000	\$'000
Balance at 1 July 2022	623,967	4,317	(3,327)	(208,742)	416,215
Loss for the year	–	–	–	(43,158)	(43,158)
Other comprehensive loss for the year	–	(1,438)	–	–	(1,438)
Total comprehensive loss for the year	–	(1,438)	–	(43,158)	(44,596)
Share based payments	–	5,360	–	–	5,360
Purchase of treasury shares	–	(2,000)	–	–	(2,000)
Share buyback	(8,571)	–	–	–	(8,571)
Share buyback costs	(46)	–	–	–	(46)
Balance at 30 June 2023	615,350	6,239	(3,327)	(251,900)	366,362

	Contributed equity	Reserves	Other equity	Accumulated losses	Total equity
For the year ended 30 June 2022	\$'000	\$'000 (Note 21)	\$'000 (Note 1C (ii))	\$'000	\$'000
Balance at 1 July 2021	590,927	325	(3,327)	(156,116)	431,809
Loss for the year	–	–	–	(52,626)	(52,626)
Reserves write-back on Hong Kong disposal	–	2,797	–	–	2,797
Other comprehensive loss for the year	–	814	–	–	814
Total comprehensive income / (loss) for the year	–	3,611	–	(52,626)	(49,015)
Dividends paid	–	–	–	–	–
Share based payments	–	381	–	–	381
Issue of ordinary share capital	34,297	–	–	–	34,297
Share issue costs	(1,257)	–	–	–	(1,257)
Balance at 30 June 2022	623,967	4,317	(3,327)	(208,742)	416,215

The notes following the financial statements form part of the financial report.

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Note	30 June 2023 \$'000	30 June 2022 \$'000
OPERATING ACTIVITIES			
Receipts from customers		353,602	280,788
Payments to suppliers and employees		(307,960)	(281,378)
Transaction and rebranding costs		(2,445)	(7,483)
Income taxes received / (paid) ⁽¹⁾		–	(3,399)
Net cash inflow / (outflow) from operating activities	31	43,197	(11,472)
INVESTING ACTIVITIES			
Acquisition of subsidiary		(23,526)	(99,783)
Net proceeds from disposal of subsidiary and select SG	28	–	125,000
Interest received		730	173
Payments for property, plant and equipment		(16,857)	(13,477)
Payments for intangible assets		(37,928)	(5,519)
Proceeds received for sale of PPE & intangible assets		750	996
Deferred consideration payments		(600)	–
Net cash (outflow) / inflow from investing activities		(77,431)	7,390
FINANCING ACTIVITIES			
Proceeds from issues of shares		–	21,297
Transaction costs paid in relation to buyback / issue of		(46)	(1,257)
Purchase of treasury shares		(2,000)	–
Lease payments		(6,165)	(4,924)
Proceeds from borrowings (net of fees)		15,000	24,823
Repayment of borrowings		(13,769)	(41,386)
Share buy-back		(8,571)	–
Interest paid		(2,825)	(2,536)
Net cash outflow from financing activities		(18,376)	(3,983)
Net decrease in cash and cash equivalents held		(52,609)	(8,065)
Cash and cash equivalents at the beginning of the year	10	83,133	89,724
Foreign exchange movement in cash		1,630	1,474
Cash and cash equivalents at the end of the year	10	32,153	83,133

(1) Income tax paid in FY 22 relates to payments made to the Australian Tax Office for income tax payable by Exetel as at the date of acquisition. The notes following the financial statements form part of the financial report.

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1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated Group consisting of Superloop Limited and its subsidiaries. Superloop Limited is a public company limited by shares, incorporated and domiciled in Australia.

(A) REPORTING YEAR AND COMPARATIVE INFORMATION

These financial statements cover the period 1 July 2022 to 30 June 2023. The prior year covers the period 1 July 2021 to 30 June 2022. Comparative information has been applied consistently to all periods presented herein.

(B) BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Superloop Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Superloop Group also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

(ii) New and amended standards adopted by the Group

The Superloop Group has adopted all of the new, revised or amending Accounting Standards and interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

(iii) Early adoption of standards issued, but not effective

The Group has not elected to apply any pronouncements before their operative date in the financial year beginning 1 July 2022.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention.

(v) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(vi) Going concern

The financial statements have been prepared on the basis that the Group is a going concern, able to realise assets in the ordinary course of business and settle liabilities as and when they fall due.

As at 30 June 2023, the Group's current liabilities exceed current assets by \$56.0 million (30 June 2022: \$64.9 million) primarily as a result of bank borrowings being classified as current liabilities due to maturing on 29 June 2024. On 21 July 2023, Superloop has refinanced its three-year revolving facilities with the same syndicate of banks, increasing the committed funding to \$100 million and maturing on 30 September 2026. The Group continually monitors the working capital position and expects to be able to manage its cash flows by, amongst other means, controlling uncommitted expenditure to ensure that adequate liquidity is maintained, and all obligations are satisfied as and when they fall due.

Based on forecast profitability from operating activities and available funding capacity under the Group's debt facilities, the directors are of the opinion that no material uncertainties exist in relation to events or conditions which cast doubt on the Group's ability to continue as a going concern.

(C) PRINCIPLE OF CONSOLIDATION

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of

the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, as are the identifiable net assets acquired.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

If contingent consideration is automatically forfeited upon employment termination, such arrangements are classed as remuneration for post-combination services and are recorded in the Consolidated Statement of Profit or Loss in accordance with AASB 119 Employee Benefits and AASB 2 Share-based Payments.

(iii) Business Combinations under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that the control is not transitory.

Where an entity within the Group acquires an entity under common control, the acquirer consolidates the carrying values of the acquired entity's assets and liabilities from the date of acquisition. No fair value adjustments are made to the acquired entity's assets and liabilities at the date of acquisition. The consolidated financial statements of the Superloop Group include the acquired entity's income and expenses from the date of acquisition onwards. Any difference between the fair value of the consideration paid / transferred by the acquirer and the net assets / (liabilities) of the acquired entity are taken to the common control reserve within other equity.

This other equity relates to transactions during the period ended 30 June 2015 to form the Group.

(D) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the operations of the Group and the internal reporting provided to the chief operating decision maker, as they are ultimately responsible for allocating resources and assessing performance.

(E) REVENUE RECOGNITION

(i) Rendering of Services

Superloop earns revenue from contracts with customers primarily through the provision of telecommunications and other related offerings. Superloop records revenue from contracts with customers over time or at a point in time on the delivery of the promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Revenue is recognised for the major business activities as follows:

(ii) Long term capacity revenue

Long term capacity arrangements (including rights-of-use ('IRU') agreements) provide customers exclusive access to fibre core capacity over an agreed contract term. These arrangements include the initial provisioning of the fibres, ongoing availability of capacity and maintenance of the infrastructure over the contract term which form part of an integrated service to the customer and is considered to be a single performance obligation. The transaction price is generally fixed, net of any upfront discounts given. The customer receives and consumes the benefit of the service simultaneously and revenue is recognised over time, as the service is performed.

IRU agreements generally require the customer to make payment upon the execution of the agreement. In these cases, the Group receives most or all of the transaction price at the inception of the contract, resulting in a contract liability being recognised upfront and amortised over the contract term. Contract liabilities are presented in the Group's consolidated statement of financial position as deferred revenue.

At the inception of each IRU contract, in determining the transaction price, Superloop gives consideration to whether the timing of payments agreed to by the parties to the contract provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. Factors considered take into account the difference, if any, between the amount of promised consideration and the cash selling price of the promised goods or services, and the combined effect of the expected length of time between when Superloop transfers

the promised goods or services to the customer and when the customer pays for those goods or services and the prevailing interest rates in the relevant market. If a significant financing component is deemed to exist, the transaction price is adjusted for the effects of the time value of money, and for revenue to be recognised at an amount that reflects the price that a customer would have paid if the customer had paid cash for the goods or services when (or as) they transfer to the customer (i.e. the cash selling price).

When the period between transferring a good or service and the customer paying for it will be one year or less, Superloop will adopt the practical expedient available in AASB 15 not to adjust the consideration for the effects of a significant financing component and applies this policy consistently to contracts with similar characteristics and in similar circumstances.

The revenue in relation to long term capacity arrangements and IRU's are all recognised within the Wholesale segment.

(iii) Services

Superloop provides a range of tailored services to customers. Revenue associated with these arrangements is recognised over time as the services are performed.

(iv) Contract Costs

For certain long-term capacity agreements and managed services contracts, upfront set-up type activities are required to be performed for hardware to be installed to activate these arrangements. For costs incurred in fulfilling the contract with the customer that are within the scope of another standard, the Group accounts for those costs in accordance with those standards (e.g. AASB 116 Property, Plant and Equipment). Where the costs do not fall within the scope of another standard, the guidance in AASB 15 is applied and Superloop defers costs incurred to fulfil contracts that relate directly to the contract, are expected to generate resources that will be used to satisfy Superloop's performance obligation under the contract and are expected to be recovered through revenue generated under the contract. Contract fulfilment costs capitalised under AASB 15 are expensed to cost of service as Superloop satisfies its performance obligations under each arrangement. Deferred costs are presented in the Group's consolidated statement of financial position as Contract assets as current and non-current.

(v) Wholesale Aggregation (Superloop Connect)

The Group's Wholesale Aggregation product "Superloop Connect" was launched in September of 2021 and is an automated platform that will allow customers to self-serve SQ and order services to qualified NBN locations. The intention behind the platform is to make full use of the Superloop network capability and coverage to make products and services available to customers through an integrated self-service platform.

The Group has determined that under this contract there are two separate performance obligations. The first being arranging for the delivery of Access Virtual Circuit (AVC) services provided by the NBN, and the second being the delivery of AGVC services provided by the Group on its owned Network.

The Group has determined that in relation to the performance obligation of arranging the AVC services for customers on the Superloop Connect product, it is acting as an agent.

Consequently, in relation to the AVC services it arranges, the Group only recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the NBN.

The Group has determined that for the delivery obligation of the AGVC services, it is acting as principal and as such will account for the revenue of these services over time.

Sale of Goods

(i) Hardware and software sales

Superloop sells certain hardware and software products to customers, including installation services as an integrated offering with the respective hardware or software products. Revenue in relation to hardware is recognised on delivery at the point in time when the customer obtains control of the goods. Software products are provided to the customer on-premises with a right-to-use the software as it exists when made available to the customer, generally with no further service obligation once the product has been installed. Revenue from distinct on-premises licenses with no further service obligation is recognised upfront at the point in time when the software is made available to the customer.

There are some software products which require minor ongoing maintenance and software upgrades that do not significantly modify the form or function of the software and are therefore accounted for as a performance obligation distinct from the installed software. The stand-alone selling price of the

ongoing maintenance and software updates has been determined using a residual approach, by reference to the total transaction price less the sum of the observable stand-alone selling price of the installed software (using an expected cost plus margin approach). Revenue associated with the ongoing service obligation is recognised over the term of the contract.

(ii) Other Revenue

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Research & Development Rebate - The Group applies *AASB 120 Accounting for Government Grants and Disclosure of Government Assistance in accounting for the Research & Development (R&D) Tax Offset*. A credit is recognised in profit before tax over the periods necessary to match the benefit of the credit with the costs for which it is intended to compensate. Such periods will depend on whether the R&D costs are capitalised or expensed as incurred. Where R&D costs are capitalised, the government grant income is deferred and recognised over the same period that such costs are amortised.

(F) CASH AND CASH EQUIVALENTS

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts, if applicable, are shown within borrowings in current liabilities in the Consolidated Statement of Financial Position.

(G) TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less any loss allowances. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

The Group recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical

credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The amount of the allowance for expected credit loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income within administrative expenses. When a trade receivable for which an allowance had been recognised becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other administrative expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised against other administrative expenses in the Consolidated Statement of Comprehensive Income.

(H) CONSUMPTION TAXES

Revenues, expenses and assets are recognised net of the amount of associated consumption tax per jurisdiction, unless the consumption based tax incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of consumption based tax receivable or payable. The net amount of the consumption based tax recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis. The consumption based tax components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(I) INCOME TAX

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate in each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively

enacted at the end of the reporting year in each jurisdiction. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

(J) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less depreciation and any impairment identified. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income during the reporting year in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the lease term (if shorter) as follows:

Category	Useful life
Network assets	3-25 years
Communication assets	3-25 years
Other assets	3-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(K) ASSETS IN THE COURSE OF CONSTRUCTION

Assets in the course of construction are shown at historical cost. Historical cost includes directly attributable expenditure on telecommunications infrastructure which at reporting date, has not yet been finalised and/or ready for use. Assets in the course of construction are not depreciated.

Assets in the course of construction are transferred to property, plant and equipment upon successful testing and commissioning.

(L) INTANGIBLE ASSETS

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite useful lives are amortised over the useful lives:

Category	Useful life
Rights and licenses	3-15 years
Software	3-5 years
Customer relationships, brands & trademarks	2-10 years

Intangible assets with finite useful lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful life and the amortisation method for an intangible asset with a finite useful life are reviewed at least each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the useful life or method, as appropriate, which is a change in accounting estimate.

Intangible assets with indefinite useful lives are tested for impairment annually, either individually or at the cash generating unit level. Such intangibles are not amortised.

The useful life of an intangible asset with an indefinite useful life is reviewed each reporting year to determine whether the indefinite useful life assessment continues to be supportable. If not, the change in useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

Indefeasible Rights to Use ('IRUs')

IRUs of capacity are recognised as intangible assets and are amortised on a straight-line basis over the remaining life of the contracts.

Goodwill

Goodwill acquired in a business combination is initially measured at cost of the business combination being the excess of the consideration transferred over the fair value of the Group's net identifiable assets acquired and liabilities assumed. Goodwill has an indefinite useful life and as such, is not amortised. The carrying value is assessed at each reporting date against the value of the cash generating units to which it is assigned.

Software

On the acquisition of a company, internally developed software and systems are valued and brought to account as intangible assets and valued at its amortised replacement cost or discounted future earnings. Software is amortised on a straight-line basis over the period of its expected benefit.

Spectrum licenses

Spectrum licence assets acquired as part of a business combination are measured at their fair value at the date of acquisition. The amortisation of spectrum licence assets is calculated on a straight-line basis over the expected useful life of the asset based on the current renewal dates of each licence.

Customer acquisition costs

Direct customer acquisition costs in relation to customer contracts are recognised as an asset where it is probable that the future economic benefits arising as a result of the costs incurred will flow to the Group. Customer acquisition costs recognised as an asset are amortised from the inception of the contract over the lesser of the period of the contract and the period during which the future economic benefits are expected to be obtained and reviewed for impairment at the end of the financial year. Customer acquisition costs not recognised as an asset are expensed as incurred.

Customer relationships, brands & trademarks

Customer relationships acquired have been valued on acquisition using a multi-period excess earnings approach. The fair value is calculated using an income-based technique to forecast expected earnings and discount the expected cash flows.

Customer brands (including trademarks) are valued using the relief from royalty method utilising evidence based median royalty rates from comparable assets.

Other intangibles

Other intangibles are amortised on a straight-line basis over the period of their expected benefit.

(M) LEASES

When the Group leases an asset, a 'right-of-use asset' is recognised for the leased item and a lease liability is recognised for any lease payments due at the lease commencement date. The right-of-use asset is initially measured at cost, being the present value of the lease payments paid or payable, plus any initial direct costs incurred in entering the lease and less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis from the commencement date to the end of the lease term. The lease term is the non-cancellable period of the lease plus any periods for which the Group is 'reasonably certain' to exercise any extension options.

Lease liabilities are initially measured at the value of the lease payments that are not paid at the commencement date and are discounted using the

incremental borrowing rates of the applicable Group entity (the rate implicit in the lease is used if it is readily determinable). Only fixed lease payments for the term of the lease are included in the lease liability.

After initial recognition, the lease liability is recorded at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate (e.g. an inflation related increase) or if the Group's assessment of the lease term changes; any change in the lease liability as a result of these changes also results in a corresponding change in the recorded right-of-use asset.

(N) IMPAIRMENT OF ASSETS

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

With the exception of Goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss recognised for Goodwill is not reversed in subsequent periods.

(O) TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(P) BORROWINGS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially

ready for their intended use or sale. To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in Consolidated Statement of Profit or Loss and Other Comprehensive Income and reclassified to profit or loss when the qualifying asset affects profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the year of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the year of the facility to which it relates.

(Q) EMPLOYEE BENEFITS

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of each reporting year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the reporting year in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be

made in respect of services provided by employees up to the end of the reporting year using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting year on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Retirement benefit obligations

Except for the statutory superannuation guarantee charge, the Group does not have any other retirement benefit obligations.

(iv) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. This fair value is expensed on a straight-line basis over the vesting period with a corresponding increase in equity.

(R) CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(S) FOREIGN EXCHANGE

The financial statements are presented in Australian dollars, which is the Group's presentation currency.

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the entity using the exchange rates prevailing at the date of the transactions.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into the presentation currency (Australian dollars) using the exchange rates as at the reporting date. The revenues and expenses of the foreign operations are translated into the presentation currency using the average exchange rates, which approximate the rate at the date of the transaction. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the

retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(T) EARNINGS PER SHARE

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit / (loss) attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the year (Note 34).

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(U) ROUNDING OF AMOUNTS

The Company is of a kind referred to in the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016 and issued pursuant to section 341(1) of the Corporations Act 2001. In accordance with that Instrument, amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

(V) HEDGING

Hedging of risk exposure can be carried out using derivatives or physical instruments. Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

(W) HEDGE ACCOUNTING

Superloop designates certain hedging instruments as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

(i) Cash flow hedge

The effective portion of changes in the fair value of financial instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the 'other gains and losses' line item.

(ii) Fair Value hedge

Changes in the fair value of financial instruments that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

(X) PARENT ENTITY FINANCIAL INFORMATION

The financial information for the parent entity, Superloop Limited, disclosed in Note 37 has been prepared on the same basis as the consolidated financial statements.

2. Application of new and revised accounting standards

At the date of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard/amendment	Effective for annual reporting periods beginning on or after
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128, AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections, AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2025
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants	1 January 2024
AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	1 January 2024
AASB 17 Insurance Contracts, AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts, AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information and AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments	1 January 2023
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	1 January 2023

Management has evaluated the impact of the above Standards on the financial statements and have determined that there will be no impact on the initial application of the above Standards.

3. Critical accounting estimates and judgement

The preparation of the Group's consolidated financial statements requires Management to make estimates, judgements and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. These estimates and judgements are continually evaluated against historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. In the process of applying the Group's accounting policies, Management has made the following estimates and judgements, which involved a higher degree of judgement or complexity, and which have the most significant effect on the amounts recognised in the consolidated financial statements.

(i) Impairment Testing

In assessing impairment of goodwill, other tangible and indefinite life intangible assets, in accordance with accounting policy. Management estimates the recoverable amount of each asset, cash-generating or group of cash generating assets based on the greater of "Value in use" or "Fair value less costs to sell". Value in use is assessed through a discounted cash flow analysis which includes significant estimates and the use of assumptions, including growth rates, estimated future cash flows and estimated discount rates based on the current cost of capital, refer to Note 14.

The identification of cash generating units ("CGU") is an area of significant judgement, given the interdependence of the services and offerings. The Group's identified CGU's are Consumer, Business and Wholesale.

With any change to the CGU's and reporting segments, in order to complete the impairment testing analysis, it is also necessary to re-allocate shared COGS, Network assets and intangible assets to the new CGU's.

AASB 136 Impairment of Assets acknowledges that some or all of the COGS, Assets and Goodwill may not be readily assignable to a specific CGU. In this case the Standard provides that those items may be allocated to the CGUs on a 'reasonable and consistent basis.'

The allocation framework adopted by the Group in conducting the impairment testing is:

- Segment Specific – Where costs, assets or Goodwill can be separately identified and allocated specifically to a CGU, they will be allocated to that CGU.
- Shared Costs, Assets and Goodwill – In relation to costs, assets or Goodwill that are not separately identifiable and/or relate to more than one CGU (i.e., Fibre cable of fixed wireless towers that carry traffic for customers in all three segments) COGS have been allocated on an estimated network usage and Assets on the basis of the CGU's estimated relative value.

During FY22, and as a consequence of the disposal of the Hong Kong entity and certain select Singapore Assets, the Group derecognised \$35.1 million of Goodwill. The amount of Goodwill derecognised reflected the relative value of the discontinued operations.

(ii) Deferred tax recoverability

Deferred tax assets are recognised to the extent that their utilisation is probable. The utilisation of deferred tax assets will depend on whether it is possible to generate sufficient taxable income in the respective tax type and jurisdiction. Various factors are used to assess the probability of the future utilisation of deferred tax assets, including past operating results, operational plans, and tax planning strategies.

(iii) Revenue recognition

The Group's construction and other complex contracts are recognised as and when performance obligations are met. Identifying performance obligations, allocating the transaction price to performance obligations, and determining the timing of revenue recognition of these contracts requires the application of judgement due to the complexity and nature of the customer arrangements. The assumptions made in the estimates are based on the information available to Management at the reporting date. A change in the estimated stage of completion could have an impact on the timing of the revenue recognition. Refer to Note 1(E) for further information on revenue recognition.

In respect of the Group's Wholesale Aggregation product (Superloop Connect). The Group has determined that in relation to the performance obligation of arranging the AVC services for wholesale customers in the Superloop Connect product, it is acting as an agent. Consequently, in relation to the AVC services it arranges, the Group only recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

(iv) Useful life of assets

The economic life of property, plant and equipment, and intangible assets is a critical accounting estimate, with the ranges outlined in Note 1(J) and Note 1(L), respectively. The useful economic life is the Board's and Management's best estimate based on historical experiences and industry knowledge. The Group reviews the estimated useful lives at least at each reporting period. Should the actual lives of these component parts be significantly different this would impact the depreciation and amortisation charge recognised.

(iv) Income taxes

The Group is subject to income taxes in each jurisdiction that it operates. Estimation is required in determining the provision for income taxes as there are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year.

(vi) Business combinations

Accounting for acquisitions is inherently complex, requiring a number of judgements and estimates to be made. In accounting for business combinations, the Group has made a number of judgements in relation to identification of fair values attributable to separately identifiable assets and liabilities acquired, including intangible assets such as customer relationships, software and brand name and trademarks identified. The determination of fair values requires the use of valuation techniques based on assumptions including revenue growth, cash flows, margins, customer attrition rates and weighted-average cost of capital. Additional judgement and estimates have been applied in estimating the useful lives of intangible assets and tangible assets acquired refer to Note 1(J) and 1(L).

(vii) Contingent consideration

The calculation of consideration payable in relation to past acquisitions which is contingent upon future performance requires the estimation of future revenues and costs and is subject to uncertainty.

4. Segment information

(A) DESCRIPTION OF SEGMENTS

Description of segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Executive Management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources. In FY22, the operating segments were amended to three "market led" customer segments being Wholesale, Business and Consumer.

Wholesale

The Wholesale segment is defined by large scale telecommunications, data and technology customers who purchase various connectivity services to support their core business services, as well as Retail Internet Service Providers who do not have access to a connectivity network of their own. The products sold in the Wholesale segment include NBN Access, NBN Enterprise Ethernet, Internet Access & IP Transit, Australian Intercapital Capacity, Dark Fibre, Fixed Wireless Access, International Ethernet, Wavelength and international (including 'Indigo') subsea cable capacity.

Business

The Business segment is defined by small, medium and large corporate customers who purchase connectivity services to facilitate their core business. The products sold in the Business segment include NBN TC2 and Enterprise Ethernet, Internet Access, Dark Fibre, Fixed Wireless Access, Third Party Access, Mobile 4G, SD-WAN, Security, VoIP and Managed Wifi.

Consumer

The Consumer segment is defined by customers who purchase basic internet and mobile phone products for domestic residential use.

The operations of the Group are reported in these segments to Superloop's Executive Management team (chief operating decision maker). Items not specifically related to an individual segment are classified as Group Shared Services. Refer below for details of material items. The accounting policies of the segments are the same as the Group (refer to Note 1).

(B) SEGMENT INFORMATION PROVIDED TO EXECUTIVE MANAGEMENT

The segment information provided to Management for the reportable segments is as follows:

Operating Segments for year ended 30 June 2023	Wholesale \$'000	Business \$'000	Consumer \$'000	TOTAL \$'000
Continuing operations				
Revenue and other income	43,911	99,780	179,831	323,522
Direct costs	(17,505)	(61,734)	(127,416)	(206,655)
Gross Margin	26,406	38,046	52,415	116,867
Operating expenses				(71,299)
Transaction Costs				(1,693)
Marketing costs				(14,299)
Depreciation and amortisation	(14,474)	(27,478)	(27,113)	(69,065)
Impairment expense				(2,442)
Contingent consideration treated as remuneration				(3,941)
Interest, FX & other				(4,381)
Loss before income tax				(50,253)
Income tax expense (continuing operations)				7,095
Discontinued operations				
Profit for the year from discontinued operations				-
Loss after tax attributable to the owners of Superloop Limited				(43,158)

Operating Segments as at 30 June 2023	Wholesale \$'000	Business \$'000	Consumer \$'000	TOTAL \$'000
Non-current assets				
Property, plant and equipment	32,266	44,057	50,370	126,693
Intangible assets excluding goodwill (includes indefeasible rights to use)	39,867	49,617	68,685	158,169
Goodwill	40,167	44,423	82,206	166,796
Total	112,300	138,097	201,261	451,658

Australia represents 97.4% of revenue for the period from continuing operations on a geographical segment basis, and there is no reliance on any significant customers.

Operating Segments for year ended 30 June 2022	Wholesale \$'000	Business \$'000	Consumer \$'000	TOTAL \$'000
Continuing operations				
Revenue and other income	38,325	80,522	130,884	249,731
Direct costs	(12,806)	(55,231)	(100,154)	(168,191)
Gross Margin	25,519	25,291	30,730	81,540
Operating expenses				(53,143)
Transaction Costs				(7,483)
Marketing costs				(8,256)
Depreciation and amortisation	(7,769)	(18,312)	(18,316)	(44,397)
Impairment expense (goodwill)				(25,057)
Interest, FX & other				(4,603)
Loss before income tax				(61,399)
Income tax expense (continuing operations)				(133)
Discontinued operations				
Profit for the year from discontinued operations	8,906	-	-	8,906
Loss after tax attributable to the owners of Superloop Limited				(52,626)

Operating Segments as at 30 June 2022 ⁽¹⁾	Wholesale \$'000	Business \$'000	Consumer \$'000	TOTAL \$'000
Non-current assets				
Property, plant and equipment	32,513	41,727	53,031	127,271
Intangible assets excluding goodwill (includes indefeasible rights to use)	48,198	38,772	44,725	131,695
Goodwill	40,167	43,794	82,206	166,167
Total	120,878	124,293	179,962	425,133

(1) The comparative information is restated on account of finalisation of purchase price accounting for Acurus acquisition.

5. Revenue

	30 June 2023 \$'000	30 June 2022 \$'000
<i>Revenue from ordinary activities</i>		
Rendering of Services	315,662	246,528
Sale of Goods	6,512	1,684
	322,174	248,212
<i>Other income</i>		
Interest income	730	147
Gain on sale of assets	618	424
Other income	–	948
Total revenue and other income	323,522	249,731

The transaction price allocated to unsatisfied performance obligations at 30 June 2023 are as set out below.

	30 June 2023 \$'000	30 June 2022 \$'000
Long term capacity contracts	21,045	19,137
Other	2,457	2,264
	23,502	21,401

The total future revenue from the Group's contracts with customers with performance obligations not satisfied at 30 June 2023 is \$23.5 million (FY22: \$21.4 million) of which \$8.6 million (FY22: \$5.0 million) is expected to be recognised within the next year and the remaining amount will be recognised beyond 12 months over the life of the contracts on a straight line basis. The future revenue primarily relates to the Group's long-term capacity arrangements or IRUs. Refer to revenue recognition accounting policy for further information. These contracts have contract terms of between 7 and 20 years, with a weighted average remaining term of 10 years.

6. Impairment expense

During the period, management assessed the carrying value of certain assets. Management determined the recoverable amount was less than the current carrying value and booked an impairment in the value of those assets accordingly.

	30 June 2023	30 June 2022
	\$'000	\$'000
Inventory	943	–
Customer relationships (net)	609	–
Other assets	890	–
Goodwill	–	25,057
Total impairment expense	2,442	25,057

7. Interest expense

	30 June 2023	30 June 2022
	\$'000	\$'000
Finance charge on lease liabilities	(752)	(741)
Interest on borrowings	(4,452)	(3,223)
Total interest expense	(5,204)	(3,964)

8. Foreign exchange gains / (losses)

Foreign exchange gains for the year arose as a result of exchange rate movements in the ordinary course of business.

	30 June 2023	30 June 2022
	\$'000	\$'000
Net foreign exchange gains / (losses) for the year	823	(639)
Total net foreign exchange gains / (losses)	823	(639)

9. Income tax expense

	30 June 2023 \$'000	30 June 2022 \$'000
(a) Income tax recognised in profit or loss		
In respect of the current year	–	–
In respect of prior years	145	–
Total current tax	145	–
Deferred tax		
In respect of the current year	6,950	(133)
In respect of prior years	–	–
Total deferred tax	6,950	(133)
Total income tax benefit/(expense)	7,095	(133)
(b) The income tax expense for the year can be reconciled to the accounting loss as follows:		
Loss from continuing operations before income tax expense	(50,253)	(61,399)
Tax (expense) / credit at the Australian tax rate of 30%	15,076	18,420
Non-deductible acquisition costs	(129)	(2,269)
Non-deductible impairment expense	(733)	(7,517)
Non-deductible entertainment expenses	(33)	(28)
Non-deductible share-based payments	(1,608)	(114)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(686)	49
Deferred taxes arising from unused tax losses and unused tax credits not recognised in the current year	(4,792)	(8,674)
Total income tax benefit/(expense)	7,095	(133)

10. Cash and cash equivalents

	30 June 2023	30 June 2022
	\$'000	\$'000
Cash at bank and on hand	24,125	42,436
Short term deposits	8,028	40,697
Total cash and cash equivalents	32,153	83,133

11. Trade and other receivables

	30 June 2023			
	Note	Current \$'000	Non-current \$'000	Total \$'000
Trade receivables	(A)	22,911	–	22,911
Allowance for expected credit losses	(B)	(2,441)	–	(2,441)
Net trade receivables		20,470	–	20,470
Other receivables		781	–	781
Total		21,251	–	21,251

	30 June 2022			
	Note	Current \$'000	Non-current \$'000	Total \$'000
Trade receivables	(A)	23,722	–	23,722
Allowance for expected credit losses	(B)	(2,351)	–	(2,351)
Net trade receivables		21,371	–	21,371
Other receivables		748	–	748
Total		22,119	–	22,119

(A) PAST DUE BUT NOT IMPAIRED

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for credit loss because there has not been a significant change in credit risk and the amounts are still considered recoverable.

Age of trade receivables that are not impaired	30 June 2023 \$'000	30 June 2022 \$'000
0-30 days	18,335	18,598
31-60 days	1,471	1,258
61 – 90 days	–	115
90 days plus	664	1,400
Total	20,470	21,371

(B) AGING OF ALLOWANCE FOR EXPECTED CREDIT LOSS (“LOSS ALLOWANCE”)

As at 30 June 2023, the Group had a loss allowance of \$2.4 million (2022: \$2.4 million). Superloop applies the AASB 9 simplified approach to measure expected credit loss ("ECL") which uses a lifetime expected loss allowance for all trade receivables.

Aging of credit loss allowance	30 June 2023 \$'000	30 June 2022 \$'000
0 – 60 days	150	1,247
60 – 90 days	443	53
90 days plus	1,848	1,051
Total past due and impaired	2,441	2,351

Movement in credit loss allowance	30 June 2023 \$'000	30 June 2022 \$'000
Balance at beginning of the year	2,351	301
Impairment losses recognised on receivables	(1,393)	(296)
Allowance for expected credit losses	1,483	2,346
Balance at end of the year	2,441	2,351

12. Other assets

	30 June 2023	30 June 2022
	\$'000	\$'000
CURRENT		
Prepayments	6,287	6,979
Contract assets	6,945	4,883
Total other assets – current	13,232	11,862
NON-CURRENT		
Other non-current assets	139	262
Contract assets	6,480	5,564
Total other assets – non-current	6,619	5,826

13. Property, plant and equipment

	30 June 2023	30 June 2022
	\$'000	\$'000
Carrying amounts of:		
Assets in the course of construction	5,357	464
Network assets	77,782	75,903
Communication assets	32,923	38,084
Other assets	10,631	12,820
Total	126,693	127,271

	Assets in the course of construction	Network assets	Communication assets	Other assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Cost or valuation:					
Balance at 30 June 2021	1,871	200,334	69,087	5,709	277,001
Additions	9,566	2,037	3,317	8,615	23,535
Additions through business combination	–	–	70	2,364	2,434
Transfers	(10,999)	2,466	7,605	928	–
Disposals	–	(119,378)	(704)	(943)	(121,025)
Movement in foreign exchange	26	3,452	189	(310)	3,357
Balance at 30 June 2022	464	88,911	79,564	16,363	185,302
Additions	17,042	51	3,360	1,022	21,475
Additions through business combination	–	913	1,298	167	2,378
Transfers	(12,155)	5,139	5,582	1,434	–
Disposals	–	–	(615)	(1,811)	(2,426)
Movement in foreign exchange	6	12	83	287	388
Balance at 30 June 2023	5,357	95,026	89,272	17,462	207,117
Accumulated depreciation and Impairment:					
Balance at 30 June 2021	–	(29,248)	(28,254)	(102)	(57,604)
Depreciation charge	–	(7,336)	(14,059)	(4,172)	(25,567)
Disposals	–	24,939	980	417	26,336
Movement in foreign exchange	–	(1,363)	(147)	314	(1,196)
Balance at 30 June 2022	–	(13,008)	(41,480)	(3,543)	(58,031)
Depreciation charge	–	(4,234)	(15,023)	(3,965)	(23,222)
Disposals	–	–	206	742	948
Movement in foreign exchange	–	(2)	(52)	(65)	(119)
Balance at 30 June 2023	–	(17,244)	(56,349)	(6,831)	(80,424)
Carrying value at 30 June 2023	5,357	77,782	32,923	10,631	126,693
Carrying value at 30 June 2022	464	75,903	38,084	12,820	127,271

Property, plant and equipment includes \$13.6 million carrying value of leased assets. A “right of use” asset is recognised for leased items, with a lease liability recognised for lease payments due. “Right of use” asset additions during FY23 totalled \$3.7 million.

Right of use asset	Communication assets \$'000	Other assets \$'000	Total \$'000
Carrying value at 30 June 2021	5,232	5,301	10,533
Additions through business combination	–	797	797
Additions	3,283	7,719	11,002
Depreciation charge	(2,915)	(2,865)	(5,780)
Disposals	–	(21)	(21)
Movements in foreign exchange	–	(4)	(4)
Carrying value at 30 June 2022	5,600	10,927	16,527
Additions	3,475	241	3,716
Depreciation charge	(3,069)	(2,316)	(5,385)
Disposals	(410)	(1,003)	(1,413)
Movements in foreign exchange	–	110	110
Carrying value at 30 June 2023	5,596	7,959	13,555

14. Intangible assets

	30 June 2023 \$'000	Restated 30 June 2022 \$'000
Carrying amounts of:		
Assets being developed	4,264	1,219
Rights and licences	70,711	59,374
Software	21,839	21,148
Customer relationships, brands and trademarks	61,355	49,954
Goodwill	166,796	166,167
Total intangible assets	324,965	297,862

Movements	Assets being developed	Rights and licences	Software	Customer acquisition costs & other intangible assets	Customer relationships, brands & trademarks	Goodwill	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Cost or valuation:

Balance as at 30 June 2021	3,181	72,839	9,936	9,247	58,446	135,064	288,713
Additions through business combination	–	8,447	15,895	–	39,777	91,304	155,423
Additions	4,759	15,454	–	–	–	–	20,213
Reclassifications	77	–	230	(9,247)	–	–	(8,940)
Transfers	(6,798)	1,691	5,107	–	–	–	–
Disposals	–	(17,318)	–	–	–	(35,143)	(52,461)
Movement in foreign exchange	–	1,152	–	–	–	–	1,152
Balance as at 30 June 2022	1,219	82,265	31,168	–	98,223	191,225	404,100
Additions through business combination	–	–	5,208	–	23,587	628	29,423
Additions	21,118	20,659	592	–	–	–	42,369
Transfers	(18,073)	2,728	2,446	–	12,899	–	–
Movement in foreign exchange	–	1,898	–	–	–	–	1,898
Balance as at 30 June 2023	4,264	107,550	39,414	–	134,709	191,853	477,790

Accumulated amortisation and impairment:

Balance as at 30 June 2021	–	(19,004)	(7,282)	(4,488)	(34,355)	–	(65,129)
Reclassifications	–	–	–	4,488	–	–	4,488
Disposals	–	4,170	–	–	–	–	4,170
Amortisation charge	–	(7,649)	(2,741)	–	(13,912)	–	(24,302)
Impairment charge	–	–	–	–	–	(25,057)	(25,057)
Movement in foreign exchange	–	(408)	3	–	(2)	(1)	(408)
Balance as at 30 June 2022	–	(22,891)	(10,020)	–	(48,269)	(25,058)	(106,238)
Amortisation charge	–	(13,489)	(7,555)	–	(22,050)	–	(43,094)
Impairment charge	–	–	–	–	(3,037)	–	(3,037)
Movement in foreign exchange	–	(459)	–	–	2	1	(456)
Balance as at 30 June 2023	–	(36,839)	(17,575)	–	(73,354)	(25,057)	(152,825)
Carrying value at 30 June 2023	4,264	70,711	21,839	–	61,355	166,796	324,965
Carrying value at 30 June 2022	1,219	59,374	21,148	–	49,954	166,167	297,862

Intangible Assets includes the following carrying values of leased assets recorded as “right of use” asset for the leased items as follows:

	30 June 2023 \$'000	30 June 2022 \$'000
Carrying value, beginning	1,440	–
Additions	–	1,440
Amortisation charge	(96)	–
Carrying value, ending	1,344	1,440

Goodwill has been allocated for impairment testing purposes to the following operating segments, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. The operating segments are comprised of cash-generating units or groups of cash-generating units.

	30 June 2023 \$'000	Restated ⁽¹⁾ 30 June 2022 \$'000
Wholesale	40,167	40,167
Business	44,423	43,794
Consumer	82,206	82,206
Total goodwill	166,796	166,167

(1) The comparative information is restated on account of finalisation of purchase price accounting for Acurus acquisition.

Goodwill and intangible assets with an indefinite useful life are not subject to amortisation and are assessed for impairment at least annually, or whenever an indication of impairment arises.

An impairment loss relating to goodwill is recognised for the amount by which the carrying amount of a group of cash-generating units exceeds their recoverable amount. The recoverable amount for each group of cash-generating units is determined based on the higher of fair value in use less costs of disposal or value in use. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Management applies judgement to identify cash-generating units and groups of cash-generating units. Recoverable amounts and impairment assessment is determined using a value in use calculation. Value in use calculations require judgements to be made in relation to cash flow forecasts and projections, terminal value growth rates and discount rates.

The forecast cash flows are based on the financial year ending 30 June 2024 budget with the cash flows beyond the budget period projected over 5 years using annual growth rates for each product within each cash-generating unit based on historical earnings growth, current and forecast trading conditions and business plans.

For the impairment analysis conducted at 30 June 2023, the range of cash flow inputs have been determined as follows:

Revenue growth rates for years 1-5 of the value in use model are based on most recent past performance, management’s expectations of market development, the expected expansion of market share and the inclusion of new product capabilities such as the Wholesale aggregation on white label products. Specifically, the model revenue growth rates for each segment are:

- Wholesale segment - a range from 6% to 9%,
- Business segment - a range from 5% to 16%; and
- Consumer segment - a range from 4% to 29%.

The forecast **Gross Margin** reflects the above revenues and a commensurate change in the associated cost of goods sold which reflect volume-based increases (in the case of NBN product resale), anticipated price increases in other products, offset by efficiencies that are delivered through ongoing leverage of the Group's purchasing power.

Operating Costs reflect the fixed costs of the CGUs, which do not vary significantly with sales volumes or prices, and also include management forecasts for these and other corporate costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost-saving measures. The annual increase in operating costs over years 1-5 in the value in use model range from 3% to 23%.

Annual **Capital Expenditure** reflects the expected cash costs in the CGUs for hardware and software that is developed to maintain the Network and support customer growth initiatives. The growth in Capital expenditure per year is not expected to be material and is based on an annual capital expenditure envelope of around \$20m per annum.

A **Terminal Value Growth** rate is applied beyond the financial projection period and a post-tax discount rate has been assumed, representing the long-term average and includes a risk-premium given the stage in the business cycle of the Group's business. Management have used the following key assumptions in determining the recoverable amount of each group of cash-generating units to which goodwill has been allocated:

	Terminal value growth rate		Discount rate	
	30 June 2023	30 June 2022 ⁽¹⁾	30 June 2023	30 June 2022 ⁽¹⁾
Consumer	3.00%	3.00%	12.00%	10.50%
Business	2.50%	3.00%	12.00%	11.50%
Wholesale	2.00%	2.75%	12.00%	10.50%

The Group has reviewed sensitivities on the key assumptions used to determine the recoverable amount for each CGU to which goodwill is allocated. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount of the CGU's is based would not cause the individual or aggregate carrying amounts to exceed the individual or aggregate recoverable amounts of the related CGUs.

During FY22, For the Business segment, impairment testing indicated that the carrying amount exceeded the recoverable amount at 30 June 2022, resulting in an impairment of \$25.0 million to Goodwill. Further, as a consequence of the disposal of the Hong Kong entity and certain select Singapore Assets, the Group derecognised \$35.1 million of Goodwill during FY22. The amount of Goodwill derecognised reflected the relative value of the discontinued operations.

Due to current market conditions at the year-end, the Directors believe that appropriate sensitivities to include in the sensitivity analysis included a reduction in the terminal value growth rate by 1.0%, or a 1.0% increase in the post-tax discount rate for each of these cash-generating unit and groups of cash-generating units.

Whilst all of these sensitivities when individually performed would reduce the headroom between the value in use and the carrying value of the CGU's, under all of these scenarios, the carrying value of these CGU's would remain below their estimated value in use.

15. Deferred taxes

	Restated ⁽¹⁾	
	30 June 2023	30 June 2022
Note	\$'000	\$'000
Recognised deferred tax assets / (liabilities) attributed to:		
Employee benefits	1,831	1,592
Expenses deductible in future periods	6,050	9,369
Tax credits from tax losses	12,490	12,490
Deferred revenue	886	871
Future deduction of share issue costs	1,166	849
Customer acquisition and equipment installations costs	(1,681)	(1,653)
Property, plant and equipment and intangible assets	(30,624)	(33,135)
Total deferred taxes	(9,882)	(9,617)

Net DTA/DTL by jurisdiction:

Deferred tax assets	998	–
Deferred tax (liabilities)	(10,880)	(9,617)
Total deferred taxes	(9,882)	(9,617)

(1) The comparative information is restated on account of finalisation of purchase price accounting for Acurus acquisition.

At the reporting date, the Group has unused tax losses of \$134.7 million (FY22: \$161.1 million) available for offset against future profits. A deferred tax asset of \$12.5 million (FY22: \$12.5 million) has been recognised in respect of \$41.6 million (FY22: \$41.6 million) of such losses. No deferred tax asset has been recognised in respect of the remaining \$93.1 million (FY21: \$119.5 million). Deferred tax assets are recognised where it is considered probable that they will be recovered against taxable profits in the future.

16. Trade and other payables

	30 June 2023	30 June 2022
	\$'000	\$'000
Trade payables	32,034	12,790
Other payables	8,955	1,731
Accrued expenses	8,078	13,164
Current tax liabilities	3,927	3,686
Total trade and other payables	52,994	31,371

17. Interest-bearing loans and borrowings

The Group had interest bearing loans and borrowings as at 30 June 2023 of \$56.8 million (30 June 2022: \$58.0 million). The average effective interest rate on bank borrowing is approximately 6.16% (2022: 3.1%) per annum and rates are determined as based on the leverage ratio tiered rate table plus the bank bill swap rate applicable to the term to maturity.

The Group has a \$94.4 million three-year revolving facility with Westpac, HSBC and ANZ maturing on 29 June 2024. The facility can be used for working capital, capital expenditures and permitted acquisitions. The Group is required to adhere to financial covenants, including leverage ratio, debt capitalisation ratio and interest cover ratio.

On 21 July 2023, the Group refinanced its three-year revolving facility with Westpac, HSBC and ANZ increasing the committed funding to \$100 million with a maturity date of 30 September 2026. The Group is required to adhere to financial covenants, including leverage ratio, minimum capital requirement and interest cover ratio.

Bank guarantees to the value of \$2.9 million have been issued under the facility.

	Note	30 June 2023 \$'000	30 June 2022 \$'000
Current			
Lease liability		4,351	4,812
Revolving debt facility drawn (net of transaction costs)	(A)	42,141	–
Total current interest-bearing loans and borrowings		46,492	4,812
Non-current			
Lease liability		10,335	12,903
Revolving debt facility drawn (net of transaction costs)	(A)	–	40,316
Total non-current interest-bearing loans and borrowings		10,335	53,219
Total interest-bearing loans and borrowings		56,827	58,031
Total revolving debt facility limit		94,400	96,900
Less bank guarantees issued under the facility		(2,945)	(3,199)
Less amounts drawn (before transaction costs)		(42,500)	(41,269)
Revolving debt facility available		48,955	52,432

(A) The drawn debt amount is recognised net of transaction costs which are amortised over the term of the facility using the effective interest rate method.

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	30 June 2022 \$'000	Financing inflows	Financing outflows	Non-cash movement	30 June 2023 \$'000
Bank loans (Note 17)	40,316	15,000	(13,769)	594	42,141
Total liabilities from financing activities	40,316	15,000	(13,769)	594	42,141

	30 June 2021 \$'000	Financing inflows	Financing outflows	Non-cash movement	30 June 2022 \$'000
Bank loans (Note 17)	56,134	25,000	(41,386)	568	40,316
Total liabilities from financing activities	56,134	25,000	(41,386)	568	40,316

18. Employee benefits

	30 June 2023 \$'000	30 June 2022 \$'000
Current	10,481	4,833
Non-current	824	525
Total employee benefits	11,305	5,358

The employee benefits represent accrued annual leave, long service leave entitlements and earn out payments in relation to the acquisition of VostroNet that are treated as a remuneration (Note 27).

19. Deferred revenue

	30 June 2023	30 June 2022
	\$'000	\$'000
Current	8,585	5,037
Non-current	14,917	16,364
Total deferred revenue	23,502	21,401

Deferred revenue includes long-term capacity arrangements (rights-of-use ('IRU') agreements) which provide customers exclusive access to fibre core capacity over an agreed contract term in addition to other customer contracts where payment has been received but services not yet provided. The IRU arrangements include the initial provisioning of the fibres, ongoing availability of capacity and maintenance of the infrastructure over the contract term which form part of an integrated service to the customer and is considered to be a single performance obligation. The transaction price is generally fixed, net of any upfront discounts given. The customer receives and consumes the benefit of the service simultaneously and revenue is recognised over time, as the service is performed. For other customer contracts, revenue is recognised once performance obligation is met.

The table below shows the movement of deferred revenue for the year.

	30 June 2023	30 June 2022
Deferred revenue movement	\$'000	\$'000
Opening balance	21,401	39,323
Additions through business combination	–	4,130
Additions	10,181	3,528
Disposals	–	(20,230)
Revenue recognised	(8,080)	(5,350)
Closing balance	23,502	21,401

20. Contributed equity

(A) SHARE CAPITAL

	30 June 2023 Number of shares	30 June 2022 Number of shares	30 June 2023 \$'000	30 June 2022 \$'000
Fully paid ordinary shares	475,560,561	486,807,489	629,657	638,228
Total share capital	475,560,561	486,807,489	629,657	638,228
Less: Buyback / Issue costs			(14,307)	(14,261)
Contributed equity	475,560,561	486,807,489	615,350	623,967

(B) MOVEMENTS IN ORDINARY SHARE CAPITAL

Date	Details	Number of shares	Issue Price \$	Value \$
30-Jun-21	Balance	450,614,343		603,930,627
6-Jul-21	Accelerated Entitlement Offer	22,797,291	0.93	21,201,481
30-Jul-21	Exetel acquisition	9,900,990	1.01	10,000,000
27-Sep-21	Vesting of performance rights	87,400	0.95	83,030
22-Mar-22	Vesting of performance rights	13,800	0.91	12,558
24-Jun-22	Acurus acquisition	3,393,665	0.884	3,000,000
30-Jun-22	Balance	486,807,489		638,227,696
16-Aug-22	Share buyback	(1,572,000)	0.839	(1,319,304)
26-Sep-22	Share buyback	(2,177,387)	0.726	(1,580,411)
27-Oct-22	Share buyback	(3,060,613)	0.744	(2,277,584)
21-Nov-22	Share buyback	(3,386,732)	0.769	(2,604,152)
7-Dec-22	Share buyback	(1,050,196)	0.752	(789,328)
30-Jun-23	Balance	475,560,561		629,656,917

Superloop shares issued upon acquisition of VostroNet (15,613,979 shares at \$0.672 per share) and being held in escrow at 30 June 2023 have not been included as a movement in ordinary share capital. These have been assessed as remuneration for accounting purposes, refer to Note 27.

(C) ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of, and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share, is entitled to one vote.

Ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

(D) DIVIDEND REINVESTMENT PLAN

The Group does not have a dividend reinvestment plan in place.

(E) CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In future, the Directors may pursue other funding options such as other debt, sale and leaseback of assets, additional equity and various other funding mechanisms as appropriate in order to undertake its projects and deliver optimum shareholders' return. The Group intends to maintain a gearing ratio appropriate for a company of its size and stage of development.

	30 June 2023	30 June 2022
	\$'000	\$'000
Total borrowings (as per Note 17)	56,827	58,031
Less: cash and cash equivalents	(32,153)	(83,133)
Net debt / (surplus cash)	24,674	(25,102)
Total equity	366,362	416,215
Gearing ratio	6.7%	-6.0%

The Group manages its capital structure by reviewing its gearing ratio to ensure it maintains an appropriate level of gearing. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total interest-bearing financial liabilities and derivative financial instruments, less cash and cash equivalents. Total capital is calculated as equity, as shown in the Consolidated Statement of Financial Position. Including lease liabilities and net borrowing transaction costs, the gearing ratio was 6.7% as at 30 June 2023 (FY22: -6.0%).

21. Reserves

	30 June 2023	30 June 2022
	\$'000	\$'000
Share based payments	7,061	1,701
Treasury shares reserves	(2,000)	–
Foreign currency translation reserve ⁽¹⁾	1,178	2,616
Total reserves	6,239	4,317

⁽¹⁾The assets and liabilities of foreign operations are translated into the presentation currency (Australian dollars) using the exchange rates as at the reporting date. The revenues and expenses of the foreign operations are translated into the presentation currency using average exchange rates, which approximate the rate at the date of the transaction. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency translation reserve.

22. Dividends

No dividends were paid or declared in FY23 (FY22: Nil).

23. Key management personnel disclosures

(A) KEY MANAGEMENT PERSONNEL COMPENSATION

	30 June 2023	30 June 2022
	\$	\$
Short term employee benefits	2,424,720	2,477,474
Post employment benefits	109,144	90,233
Share based payments	553,278	209,909
Total key management personnel compensation	3,087,142	2,777,616

Detailed remuneration disclosures are provided in the Remuneration Report.

24. Share based payments

During the year, Key Management Personnel and other employees of the Group participated in long-term incentive schemes. Total expense arising from share-based payment transactions in the year to 30 June 2023 was \$5,360,289 (FY22: \$380,508). Share based payment expense for the year includes \$3,500,000 of share based contingent consideration treated as remuneration in relation to VostroNet Acquisition (Refer Note 27).

Shares required to meet the Share Options and Performance Rights obligation will be acquired by an employee share trust on market and are held as treasury shares until such time as they become vested.

Performance Rights

Performance Rights are granted for \$nil consideration. A performance right is a right to an allocation of ordinary shares in Superloop Limited (at no cost) subject to continued employment at the vesting date. On the vesting date, the number of Performance Rights that have vested will be automatically exercised and converted to ordinary shares in Superloop Limited.

The movement in the number of performance rights during the year is as follows:

Year	Beginning of the year No.	Granted No.	Forfeited No.	Exercised No.	Expired No.	End of the Year No.
2023	–	4,255,485	(222,000)	–	–	4,033,485
2022	–	–	–	–	–	–

Details of performance rights is as follows:

Grant Date	Number of rights	Share Price at Grant date.	Fair Value at Grant date	Vesting date	Expiry date	Exercise Price \$
01/07/2022	998,778	0.70	0.70	01/09/2023	01/07/2032	–
01/07/2022	998,772	0.70	0.70	01/09/2023	01/07/2032	–
01/07/2022	998,771	0.70	0.70	01/09/2023	01/07/2032	–
01/07/2022	422,000	0.70	0.70	01/07/2023	01/07/2037	–
01/07/2022	422,000	0.70	0.70	01/07/2024	01/07/2037	–
04/10/2022	1,000	0.66	0.66	01/07/2023	01/07/2037	–
04/10/2022	1,000	0.66	0.66	01/07/2024	01/07/2037	–
01/03/2023	10,000	0.62	0.62	01/04/2025	01/03/2038	–
01/03/2023	10,000	0.62	0.62	01/04/2026	01/03/2038	–
01/12/2022	57,054	0.73	0.73	01/09/2023	01/07/2032	–
01/12/2022	57,055	0.73	0.73	01/09/2024	01/07/2032	–
01/12/2022	57,055	0.73	0.73	01/09/2025	01/07/2032	–

Share Options

Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

Options are exercisable at an exercise price and the vesting period varies from 1 to 4 years. Options are considered expired if they remain unexercised from vesting to options expiration date. Options are forfeited if the employee leaves the Group before the options vesting date unless the Board deems otherwise.

The movement in the number of share options during the year is as follows:

Year	Beginning of the year No.	Granted No.	Forfeited No.	Exercised No.	Expired No.	End of the Year No.
2023	8,378,052	50,000	(316,381)	–	(1,765,000)	6,346,671
2022	8,892,042	2,510,056	(1,500,000)	–	(1,524,046)	8,378,052

Details of Share Options is as follows:

Grant Date	Number of rights	Share Price at Grant date	Fair Value at Grant date	Vesting date	Expiry date	Exercise Price (\$)
19/07/2022	12,500	1.03	0.20	01/09/2022	01/12/2026	0.98
19/07/2022	12,500	1.03	0.27	01/09/2023	01/12/2026	0.98
19/07/2022	12,500	1.03	0.34	01/09/2024	01/12/2026	0.98
19/07/2022	12,500	1.03	0.39	01/09/2025	01/12/2026	0.98
24/06/2022	75,000	0.70	0.05	24/06/2023	24/06/2027	0.92
24/06/2022	75,000	0.70	0.08	24/06/2023	24/06/2027	1.00
24/06/2022	75,000	0.70	0.11	24/06/2023	24/06/2027	1.08
24/06/2022	75,000	0.70	0.16	24/06/2023	24/06/2027	1.17
20/12/2021	25,000	1.16	0.29	20/12/2022	20/12/2026	0.98
20/12/2021	25,000	1.16	0.36	20/12/2023	20/12/2026	0.98
20/12/2021	25,000	1.16	0.43	20/12/2024	20/12/2026	0.98
20/12/2021	25,000	1.16	0.49	20/12/2025	20/12/2026	0.98
10/11/2021	12,500	1.23	0.34	10/11/2022	10/11/2026	0.98
10/11/2021	12,500	1.23	0.34	10/11/2023	10/11/2026	0.98
10/11/2021	12,500	1.23	0.34	10/11/2024	10/11/2026	0.98
10/11/2021	12,500	1.23	0.34	10/11/2025	10/11/2026	0.98
01/09/2021	476,017	1.03	0.20	01/09/2022	01/09/2026	0.98
01/09/2021	476,017	1.03	0.27	01/09/2023	01/09/2026	0.98
01/09/2021	476,017	1.03	0.34	01/09/2024	01/09/2026	0.98
01/09/2021	476,017	1.03	0.39	01/09/2025	01/09/2026	0.98

Grant Date	Number of rights	Share Price at Grant date.	Fair Value at Grant date	Vesting date	Expiry date	Exercise Price (\$)
18/11/2020	1,000,000	0.72	0.093	01/10/2022	01/10/2023	1.22
18/11/2020	1,000,000	0.72	0.111	01/10/2023	01/10/2023	1.34
18/11/2020	1,000,000	0.72	0.125	01/10/2024	01/10/2023	1.47
01/09/2020	211,393	1.10	0.142	01/09/2021	01/09/2025	1.26
01/09/2020	181,028	1.10	0.164	01/09/2022	01/09/2025	1.39
01/09/2020	181,027	1.10	0.179	01/09/2023	01/09/2025	1.53
01/09/2020	181,027	1.10	0.189	01/09/2024	01/09/2025	1.68
12/02/2020	64,356	0.92	0.142	01/09/2020	01/09/2025	1.11
12/02/2020	64,356	0.92	0.164	01/09/2021	01/09/2025	1.22
12/02/2020	29,703	0.92	0.179	01/09/2022	01/09/2025	1.34
12/02/2020	29,703	0.92	0.189	01/09/2023	01/09/2025	1.47

There were no modifications to the awards during the year.

(A) OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

There were no other transactions with Key Management Personnel during the year not otherwise disclosed in the report in Note 30.

25. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(A) DELOITTE TOUCHE TOHMATSU

	30 June 2023	30 June 2022
	\$	\$
Deloitte and related network firms *		
Audit or review of financial reports:		
- Group	547,450	554,300
- Subsidiaries	21,167	24,520
Other assurance and agreed-upon procedures under other legislation or	18,578	8,660
Total remuneration of Deloitte Touche Tohmatsu	587,195	587,480

*The auditor of Superloop Limited is Deloitte Touche Tohmatsu

The Group may decide to employ the auditor (Deloitte) on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important. Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out above.

The Board of Directors has considered the position and, in accordance with advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out above, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

(B) NON-DELOITTE AUDIT FIRMS

Superloop Limited did not engage with any other non-Deloitte audit firms.

26. Commitments and contingencies

(A) CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of each reporting year but not recognised as liabilities is as follows:

	30 June 2023	30 June 2022
	\$'000	\$'000
Property, plant and equipment	6,859	4,119
Total capital commitments	6,859	4,119

Capital commitments relate to contractual commitments associated with network expansion.

(B) CONTINGENT ASSETS

The Group did not have any contingent assets during the year or as at the date of this report.

(C) CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities during the year or as at the date of this report.

27. Controlled entities acquired

Acurus Pty Ltd and its controlled entities ("Acurus")

On 23 June 2022, Superloop Limited acquired 100% of Acurus Pty Ltd and its controlled entities for a total consideration of \$22.3 million, paid as \$10.1 million in cash and \$3.0 million in Superloop Limited shares issued at \$0.884 per share and \$9.1 million in deferred and contingent cash consideration. Finalisation of the purchase price accounting was completed within the 12-month measurement period, resulting in retrospective changes to the provisional fair values presented in the 30 June 2023 Financial Report.

Details of the revised net identifiable assets and goodwill are as follows:

	Provisional Fair Value \$'000	Final Fair Value \$'000
a) Identifiable assets acquired, and liabilities assumed		
Cash	265	265
Receivables	860	860
Other Assets	326	326
Intangibles	10,153	20,686
Payables	(5,700)	(3,133)
Deferred tax liability	(2,795)	(2,806)
Net identifiable assets acquired	3,109	16,198
b) Consideration transferred		
Cash paid	10,139	10,139
Shares issued	3,000	3,000
Deferred and contingent consideration	9,125	7,069
Consideration transferred	22,264	20,208
c) Goodwill on acquisition		
Consideration transferred	22,264	20,208
Less: net identifiable assets acquired	(3,109)	(16,198)
Goodwill on acquisition	19,155	4,010
d) Net cash outflow on acquisition		
Consideration paid in cash	10,139	10,139
Less: cash and cash equivalent balances acquired	(265)	(265)
Net cash outflow on acquisition	9,874	9,874

The finalisation of acquisition accounting resulted in a number of fair value adjustments completed during the measurement period increasing the total fair value of net identified assets acquired from \$3.1 million to \$16.2 million. The prior year balances have been restated to reflect the final fair value adjustments, as these were identified during the measurement period. There is no impact on reported profit after tax, or comprehensive income as previously disclosed for the comparative period.

VostroNet Holdings Pty Ltd and its controlled entities (“VostroNet”)

On 1 November 2022, Superloop Limited acquired 100% of VostroNet Holdings Pty Ltd and its controlled entities for a total consideration of \$35 million (before customary completion adjustments), comprising AU\$23.6 million in cash and AU\$10.5 million in Superloop shares. The Vendors may also be entitled to “earn out” payments capped at A\$15 million subject to certain take-up targets. The earn out payments and consideration in shares are treated as a remuneration and are being recognised in the income statement over the minimum service period of key employees. The goodwill represents the residual value of the purchase price over the fair value of the identifiable assets and liabilities.

Finalisation of the purchase price accounting was completed at 30 June 2023, within the 12 month measurement period, resulting in changes to the provisional fair values as recognised at 1 November 2022.

Details of the acquisition are:

	Final Fair Value
	\$'000
a) Identifiable assets acquired and liabilities assumed	
Cash	209
Receivables	501
Inventories	39
Property, plant and equipment	2,378
Intangibles	28,795
Other assets	41
Payables and other liabilities	(1,555)
Borrowings	(225)
Deferred tax liability	(7,076)
Net identifiable assets acquired	23,107
b) Consideration transferred	
Cash paid	23,735
c) Goodwill on acquisition	
Consideration transferred	23,735
Less: net identifiable assets acquired	23,107
Goodwill on acquisition	628
d) Net cash outflow on acquisition	
Consideration paid in cash	23,735
Less: cash and cash equivalent balances acquired	209
Net cash outflow on acquisition	23,526

Goodwill arose on the acquisition of VostroNet due to the expected synergies obtained from combining the businesses.

Impact of the acquisition on the results of the Group

Loss before tax for the year includes profit before tax of \$2.1 million attributable to VostroNet. Revenue for the year includes \$3.7 million in respect of VostroNet.

Had the acquisition of VostroNet been effected on 1 July 2022, the revenue of the Group from the continuing operations (excluding other income) for the year ended 30 June 2023 would have been \$324.2 million, and the loss for the year after from continuing operations would have been \$41.2 million having excluded one-off transaction costs.

28. Discontinued operations

On 17 October 2021, the Group entered into a sale agreement to dispose of Superloop Hong Kong Pte Ltd and select assets for Superloop Singapore Pte Ltd. The disposal was effected in order to drive greater shareholder returns by redeploying funds into more strategically aligned assets with higher growth opportunities. The disposal was completed on 29 April 2022, on which date control of Superloop Hong Kong Pte Ltd and select assets for Superloop Singapore Pte Ltd passed to the acquirer.

The results of the discontinued operations, which have been included in the profit for the year were as follows:

	30 June 2022
	\$'000
Revenue	12,713
Other income	42
Total revenue and other income	12,755
Direct costs	(4,565)
Employee benefits expense	(1,379)
Professional fees	(10)
Marketing costs	(8)
Administrative and other expenses	(1,878)
Total expenses	(7,840)
Earnings before interest, tax, depreciation, amortisation	4,915
Depreciation and amortisation expense	(7,360)
Interest expense	(2)
Foreign exchange (losses) / gains	2,453
Profit before income tax	6
Income tax benefit	556
Profit for the year from discontinued operations before	562
Net gain on disposal (excluding Goodwill derecognition)	46,606
Goodwill derecognised on discontinued operations	(35,144)
Income tax expense	(3,118)
Profit for the year after tax for the year attributable to	8,906

A gain of \$46.6 million arose on the disposal of Superloop Hong Kong Pte Ltd and select Superloop (Singapore) Pte Ltd assets, being the difference between the proceeds of disposal and the carrying amount of the subsidiary's net assets. The disposal is consistent with the Group's long-term policy to focus its activities on the Group's other

businesses. As a consequence of the disposal of the Hong Kong entity and certain select Singapore Assets, the Group derecognised \$35.1 million of Goodwill. The amount of Goodwill that has been derecognised reflects the relative value of the discontinued operations.

Cash flow information

	30 June 2022
	\$'000
Net cash inflow from operating activities	1,562
Net cash inflow from investing activities	369
Net cash outflow from financing activities	(52)

The net assets of Superloop (Hong Kong) Limited & Superloop (Singapore) Pte Ltd and the net consideration received at 29 April 2022 were as follows:

	29 April 2022
	\$'000
Net assets disposed	125,741
Foreign currency translation reserve write back	2,797
	<hr/> 128,538
Total consideration	140,000
Net gain on disposal (including Goodwill derecognition)	11,462
Consideration received	140,000
Less: cash for acquisition of Intangibles	(15,000)
Net cash inflow arising on disposal	<hr/> 125,000

29. Transaction costs

In the course of strategic merger and acquisition activity, the Group incurs costs associated with the acquisition and disposal of entities or assets, and the subsequent integration or separation of those entities or assets into or from the remainder of the Group's operations. In FY22 transaction costs have been incurred in relation to:

- a) The acquisition of Exetel Pty Ltd which completed on 01 August 2021;
- b) The disposal of the Superloop Hong Kong entity and certain select Singapore Assets which was agreed on 21 October 2021 and completed on 29 April 2022; and
- c) The acquisition of Acurus Pty Ltd which was agreed on 24 May 2022 and completed on 23 June 2022.

In FY23, the transaction costs predominantly relate to the acquisition of VostroNet Holdings Pty Ltd which completed on 01 November 2022.

The components of the transaction costs for each of FY23 and FY22 included in the income statement in accordance were as follows:

	30 June 2023	30 June 2022
	\$'000	\$'000
Adviser Fees ⁽¹⁾	1,477	4,775
Integration – Network ⁽²⁾	–	1,114
Integration – Operational ⁽³⁾	216	337
Termination Charges ⁽⁴⁾	–	622
Employee Retention ⁽⁵⁾	–	635
Total Transaction Costs	1,693	7,483

Notes: Description of Costs included in Transaction Costs

(1) Adviser Fees relate to external legal and professional fees incurred relating to the transaction.

(2) Network Integration costs relate to costs associated with the migration of customers and services onto the Superloop network.

(3) Operational Integration costs relate to costs associated with the migration and integration of systems, processes, software and brands on the Superloop operational platform and includes the costs of the internal acquisitions department as well as general administrative costs associated with the transaction.

(4) Termination Charges relate to costs associated with employee, consultant and other external provider contracts that were terminated due to a duplication of services as a consequence of a transaction.

(5) Employee Retention – During FY22 the Group paid a Transaction Bonus to certain executives contingent upon and related to the successful completion of the Exetel Acquisition.

30. Related party transactions

The following is a summary of transactions with related parties for the financial year.

On 28 October 2021, Bevan Slattery resigned as a Chair & Non-Executive Director of the Group resulting in Capital B, Megaport, APX Partners, and Fiber Sense Pty Limited being classified as non-related parties for financial year ended 30 June 2023. The transactions with these entities for the financial year ended 30 June 2022 are disclosed for comparative purposes.

Shared services agreement with Capital B

The Group has entered into a shared services agreement with Capital B Pty Ltd (Capital B), a company controlled by the former Chair of Superloop (retired 28 October 2021). Under the agreement, Capital B and Superloop provide certain services to/from the Group (e.g., administrative and information technology services) on an as needed basis and provided on arm's length terms. Either party may terminate the agreement for convenience on 60 days' written notice. In FY22, fees earned from Capital B totalled \$1,000,000. Net receivable by the Company in relation to the consulting services provided was \$1,000,000.

Customer agreement with Megaport

Superloop has entered into customer agreements for the provision of connectivity services with Megaport Limited and its operating subsidiaries (Megaport). The former Chair of Superloop (retired 28 October 2021) is the Chair and significant shareholder of Megaport. The agreements were on the same terms as other agreements between Superloop and unrelated customers and the fees are at competitive market rates. In FY22, net fees earned from Megaport totalled \$1,036,718. Net receivables from Megaport at 30 June 2022 was \$53,731.

Customer agreement with Rising Sun Pictures

Superloop has entered into a customer agreement for the provision of connectivity services to Rising Sun Pictures. Non-Executive Director, Mr Tony Clark, is Managing Director of Rising Sun Pictures and has significant influence over the business. The agreement is on an arm's length basis. During FY23, fees earned from Rising Sun Pictures totalled \$151,730 (FY22: \$90,920). Net receivables from Rising Sun Pictures at 30 June 2023 is \$102,890 (FY22: \$nil).

Consulting services provided to APX Partners Pty Ltd

The former Chair of Superloop (retired 28 October 2021) is the founder and a shareholder of APX Partners Pty Ltd. APX Partners Pty Ltd is a party to the Joint Build Agreement with SubPartners Pty Ltd and other counterparties for the construction of the Indigo West and Indigo Central submarine cable systems (completed in May 2019). In addition to the above, the Group provides adhoc consulting services to APX Partners Pty Ltd. In FY22, fees earned from APX Partners Pty Ltd totalled \$45,438. Net receivables from APX Partners Pty Ltd at 30 June 2022 was \$nil.

Customer agreement with Fiber Sense Pty Ltd

Superloop entered into a customer agreement in June 2018 with a former associate entity for the provision of long-term capacity. The former Chair of Superloop (retired 28 October 2021) is the Chairman of Fiber Sense Pty Ltd. The agreement is on the same terms as other agreements between Superloop and unrelated customers and the fees in each service order form are at competitive market rates. In FY22, services received amounted to \$5,218. Net payable to Fiber Sense Pty Ltd at 30 June 2022 totalled \$nil.

Supplier agreement with Subco

Superloop entered into a supplier agreement for the provision of connectivity services with Subco. The former Chair of Superloop (retired 28 October 2021) is the founder/Director of Subco. In FY22, payments made to Subco totalled to \$412,500. Net payable to Subco at 30 June 2022 is \$nil.

PROVISION OF SERVICES TO / FROM RELATED PARTIES

	30 June 2023	30 June 2022
	\$	\$
SALES OF GOODS / SERVICES		
Revenue earned from related parties	151,730	2,273,683
AMOUNTS PAID TO RELATED PARTIES		
Provision of services to Superloop	–	412,500
BALANCE OUTSTANDING AT THE END OF THE YEAR		
Receivables	102,890	1,053,731

31. Reconciliation of loss after income tax to net cash flow from operating activities

	30 June 2023 \$'000	30 June 2022 \$'000
Loss for the year after income tax	(43,158)	(52,626)
Adjustments for:		
Depreciation and amortisation	69,065	51,758
Impairment	2,442	25,057
Share based payments expense	5,360	381
Interest income	(730)	(173)
Interest expense	5,204	3,964
Foreign exchange gains	(823)	(1,815)
Gain on disposal of operations and assets	(618)	(11,538)
Contingent consideration treated as remuneration	3,941	–
Change in operating assets and liabilities		
Increase in trade debtors	(3,295)	(3,212)
Increase in prepayments and other receivables	(7,504)	(4,470)
Increase / (decrease) in trade creditors and other payables	13,208	(14,217)
Increase / (decrease) in deferred revenue	1,133	(3,676)
Increase / (decrease) in provisions	5,949	(36)
Decrease in tax related balances	(6,977)	(869)
Net cash inflows / (outflows) from operating activities	43,197	(11,472)

32. Non-cash transactions

During the year, the Group entered into a number of intangible IRU non-cash investing activities which are not reflected in the consolidated statement of cash flows FY23: \$1.8 million (FY22: \$0.3 million).

33. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

In terms of fair value measurement, the carrying value of the Group's financial assets are set out in Note 10 "Cash and cash equivalents" and Note 11 "Trade and other receivables". For all financial assets held at amortised cost the carrying values approximate fair value. The carrying value of the Group's financial liabilities are set out in Notes 16 "Trade and other payables" and Note 17 "Interest-bearing loans and borrowings". For the Trade and other payables and interest-bearing loans and borrowings, the carrying values approximate fair value.

The Group holds the following financial instruments measured at fair value:

	Level 1 - Quoted prices in active markets \$'000	Level 2 - Significant observable inputs \$'000	Level 3 - Significant unobservable inputs \$'000	Total \$'000
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30 June 2023

Financial liabilities measured at fair value

Contingent consideration	–	3,641	–	3,641
Total financial liabilities	–	3,641	–	3,641

30 June 2022

Financial liabilities measured at fair value

Contingent consideration	–	6,069	–	6,069
Total financial liabilities	–	6,069	–	6,069

(A) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange risk, price risk and interest rate risk.

(i) Foreign exchange risk

Superloop is exposed to exchange rate movements, in particular movements in the A\$/US\$ rate, A\$/SG\$, SG\$/US\$, A\$/NZ\$, and A\$/LKR. Because a proportion of Superloop's payments for employment, inventory and construction work are made or are expected to be made in foreign currency, primarily US dollars, movements in exchange rates impact on the amount paid for assets, inventory and construction work. Also, because a proportion of Superloop's revenues and profits are earned in Singapore, movements in exchange rates impact on the translation of account balances in Superloop's Singapore operations. Therefore, movements in exchange rates, particularly the A\$/US\$ rate, the A\$/SG\$, SG\$/US\$, A\$/NZ\$, and A\$/LKR rate, may have an impact on Superloop's financial position and performance.

The Group has reduced the potential impact of exchange rate movements in contracted foreign currency obligations through the use of derivative foreign exchange contracts, none of which were open as at 30 June 2023.

(ii) Price risk

The Group is not exposed to any equity securities price risk or commodity price risk.

(iii) Cash flow and fair value interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

The Group's main interest rate risk arises from its cash at bank, term deposits (refer Note 10), and the Group's interest-bearing liabilities. The Group mitigates potential exposure to a movement in interest rates via the use of a derivative interest rate swap when required.

(iv) Sensitivity

At 30 June 2023, if interest rates had increased by 100 basis points or decreased by 100 basis points from the year end rates, and the cash balances remained constant for the year along with all other variables, profit before tax for the year would be impacted \$419k higher / lower.

(B) CREDIT RISK

Credit risk arises from cash and cash equivalents, trade receivables, other receivables and loans receivable.

(i) Cash and cash equivalents

Deposits are placed with Australian banks.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Cash at bank and short term deposits

	30 June 2023	30 June 2022
	\$'000	\$'000
AA - rated	32,153	83,133

In determining the credit quality of the financial assets, Superloop has used the long-term rating from Standard & Poor's.

(ii) Trade receivables

Customer credit risk is managed by performing a credit assessment of customers. The Group's standard payment terms are 30 days, but the Group may agree to longer payment terms. The Group does not require collateral in respect of financial assets. Outstanding customer receivables are monitored regularly.

The Group aims to minimise concentration of credit risk by undertaking transactions with a large number of customers. In addition, receivable balances are monitored on an ongoing basis with the intention that the Group's exposure to bad debts is minimised. As at 30 June 2023, the Group had \$22.9 million customer trade receivables (refer Note 11).

(C) LIQUIDITY RISK

Superloop's business is capital intensive in nature, and the continued growth of the Company relies on the acquisition and development of new telecommunications infrastructure and ongoing maintenance of existing telecommunications infrastructure. Superloop requires sufficient access to debt and equity capital to fund this expenditure.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. 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 the Company.

The Group believes the re-financed senior debt facility, together with cash flows from operations, provides sufficient capital to fund its expected working capital requirements for at least the next 12 months.

Contractual maturities of financial liabilities	Within 12 months \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount \$'000
30 June 2023					
Trade and other payables	52,994	–	–	52,994	52,994
Interest-bearing borrowings	46,851	9,205	1,131	57,187	56,827
Total non-derivatives	99,845	9,205	1,131	110,181	109,821
30 June 2022					
Trade and other payables	31,371	–	–	31,371	31,371
Interest-bearing borrowings	5,856	55,259	–	61,115	58,031
Total non-derivatives	37,227	55,259	–	92,486	89,402

34. Earnings per share

(A) EARNINGS PER SHARE

	30 June 2023 Cents	30 June 2022 Cents
Total basic earnings / (loss) per share attributable to the ordinary equity holders of the Group	(9.01)	(10.91)
Continuing operations	(9.01)	(12.76)
Discontinued operations	–	1.85

(B) DILUTED EARNINGS PER SHARE

	30 June 2023 Cents	30 June 2022 Cents
Total diluted earnings / (loss) per share attributable to the ordinary equity holders of the Group	(9.01)	(10.91)
Continuing operations	(9.01)	(12.76)
Discontinued operations	–	1.85

(C) RECONCILIATIONS OF EARNINGS USED IN CALCULATING EARNINGS PER SHARE

	30 June 2023	30 June 2022
	\$'000	\$'000
Basic Earnings Per Share		
Earnings / (loss) attributable to the ordinary equity holders of the Group used in calculating basic losses per share	(43,158)	(52,626)
Continuing operations	(43,158)	(61,532)
Discontinued operations	–	8,906
Diluted Earnings Per Share		
Earnings / (loss) from continuing operations attributable to the ordinary	(43,158)	(52,626)
Continuing operations	(43,158)	(61,532)
Discontinued operations	–	8,906

(D) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

	30 June 2023	30 June 2022
	Number of shares	Number of shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	479,051,467	482,348,909
Effects of dilution from:		
Performance rights	–	–
Share options	–	–
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	479,051,467	482,348,909

Performance rights and Share Options granted to employees under the Performance Rights and Options Plan are considered to be potential ordinary shares. These have not been included in the calculation of diluted earnings per share because potential ordinary shares that would reduce a loss per share are not considered to be dilutive.

35. Subsidiaries

	Country of incorporation	Class of shares	30 June 2023 %	30 June 2022 %
Superloop (Australia) Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Superloop (Singapore) Pte Ltd	Singapore	Ordinary	100%	100%
Superloop (Japan) K.K.	Japan	Ordinary	100%	100%
APEXN Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
CINENET Systems Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
BigAir Group Pty Ltd ⁽¹⁾⁽²⁾	Australia	Ordinary	100%	100%
Clever Communications Australia Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Clever Communications Operations Pty	Australia	Ordinary	100%	100%
Saise Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Access Providers Group Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Activ Australia Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
BigAir Universe Broadband Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
BigAir Community Broadband Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Allegro Networks Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Radiocorp Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Link Innovations Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Intelligent IP Communications Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
BigAir Cloud Managed Services Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Unistar Enterprises Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Oriel Technologies Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Integrated Data Labs Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Applaud IT Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
CyberHound Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%

SubPartners Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
SubPartners Pte Ltd	Singapore	Ordinary	100%	100%
Nuskope Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
GX2 Holdings Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
GX2 Technology Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
My Gossip Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
GX2 Communications Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
GX2 Technology Ltd ⁽³⁾	United Kingdom	Ordinary	100%	100%
Global Gossip LLC	USA	Ordinary	100%	100%
GX2 Technology Pte Ltd	Fiji	Ordinary	100%	100%
GX2 Technology Limited	New Zealand	Ordinary	100%	100%
Superloop (Operations) Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Superloop (Services) Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Superloop Software Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Superloop Broadband Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Exetel Pty Ltd ⁽¹⁾⁽²⁾	Australia	Ordinary	100%	100%
Exetel Communications (Private) Ltd	Sri Lanka	Ordinary	100%	100%
Acurus Holdings Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Acurus Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Acurus Networks Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Acurus Solutions Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
Tomi Broadband Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	100%
VostroNet Holdings Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	–
VostroNet (Australia) Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	–
VostroNet Infrastructure Pty Ltd ⁽¹⁾	Australia	Ordinary	100%	–
VostroNet (New Zealand) Limited	New Zealand	Ordinary	100%	–

(1) These wholly-owned subsidiaries are members of the Australian tax-consolidated group.

(2) These entities along with Superloop Limited are party to the deed of cross guarantee, Pursuant to the ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (ASIC Instrument), for the principal purpose of enabling these entities to take advantage of relief from the requirements of the Corporations Act to prepare and lodge a financial report.

(3) GX2 Technology Ltd was dissolved effective 28 February 2023.*

36. Events occurring after the reporting period

On 21 July 2023, the Group refinanced its three-year revolving facility with the committed funding of \$100 million and maturing on the 30 September 2026. The Group is required to adhere to financial covenants, including leverage ratio, minimum capital requirement and interest cover ratio.

On 1 August 2023, the Group announced that it has made a non-binding indicative proposal to acquire all of Symbio Holdings Limited's 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). 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.

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.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

37. Parent entity financial information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements, except as set out below. Refer to Note 1 for a summary of the significant accounting policies relating to the Group.

Tax consolidation

The company and its wholly owned Australian resident entities are members of a tax-consolidated group under Australian tax law. The company is the head entity within the tax-consolidated group. In addition to its own current and deferred tax amounts, the company also recognises the current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group.

	30 June 2023 \$'000	30 June 2022 \$'000
ASSETS		
Current assets	14,214	40,529
Non-current assets	480,016	439,019
TOTAL ASSETS	494,230	479,548
LIABILITIES		
Current liabilities	15,737	9,328
Non-current liabilities	166,120	149,022
TOTAL LIABILITIES	181,857	158,350
EQUITY		
Contributed equity	615,350	623,967
Dividends paid	(1,050)	(1,050)
Reserves	3,734	(1,626)
Accumulated losses	(305,661)	(300,093)
TOTAL EQUITY	312,373	321,198
Loss for the year	(5,568)	(264,373)
Total comprehensive loss for the period	(5,568)	(264,373)

CONTINGENT LIABILITIES OF SUPERLOOP LIMITED (PARENT ENTITY)

As at 30 June 2023, Superloop Limited did not have any contingent liabilities.

Directors' Declaration

In the directors' opinion:

- a. the financial statements and notes set out on pages 42 to 97 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - ii. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date, and

At the date of this declaration, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable. Note 1(b) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board. The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors as per section 295(5) of the *Corporations Act 2001*.



Paul Tyler
Chief Executive Officer and Director

29 August 2023

Independent Auditor's Report



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Independent Auditor's Report to the Members of Superloop Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Superloop Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company (the "directors"), would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p>Carrying Value of Goodwill Assets</p> <p>As at the 30 June 2023 the Group's goodwill balance totals \$166.8 million as disclosed in Note 14.</p> <p>The assessment of the recoverable amount of the goodwill and other intangible assets allocated to the cash generating units ("CGUs") or groups of CGUs requires management to exercise significant judgement including:</p> <ul style="list-style-type: none"> • the determination of and the allocation of goodwill to the CGUs or groups of CGUs; and • the determination of the following key assumptions used in the calculation of the recoverable amount of each of the CGUs or groups of CGUs: <ul style="list-style-type: none"> ➢ the cash flow forecasts; ➢ terminal growth rates; and ➢ discount rates. 	<p>In conjunction with our valuation specialists our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • obtaining an understanding of the process that management undertook to determine the CGUs or groups of CGUs and prepare the valuation models; • evaluating and challenging the Group's identified CGUs and groups of CGUs and the allocation of goodwill to the carrying value of the CGUs and groups of CGUs based on our understanding of the Group's business. This evaluation included performing an analysis of the Group's internal management reporting; • assessing and challenging: <ul style="list-style-type: none"> ➢ the cash flow forecasts by agreeing inputs in the valuation models to relevant data including approved budgets and assessing forecasting accuracy by comparing historic forecasts to actual outcomes; ➢ the annual and terminal growth rates against relevant historical and industry data; and ➢ the discount rates applied, by comparing the rates used to the discount rates calculated by our valuation specialists. • performing sensitivity analysis on key assumptions; • testing the mathematical accuracy of the valuation models; and • assessing the appropriateness of the disclosures in Notes 3 and 14 to the consolidated financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report, and also includes the following information which will be included in the Group's annual report (but does not include the financial report and our auditor's report thereon): Chair Report, CEO Report, Business Overview, Annual Sustainability Report and ASX Additional Information, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chair Report, CEO Report, Business Overview, Annual Sustainability Report and ASX Additional Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as going concerns.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

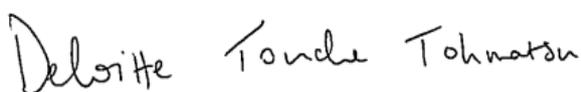
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 39 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Superloop Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



DELOITTE TOUCHE TOHMATSU



Tendai Mkwanzani
Partner
Chartered Accountants
Brisbane, 29 August 2023