



## **ASX Announcement**

**23 February 2021**

### **LODGEMENT OF APPENDIX 4D – HALF YEAR ENDED 31 DECEMBER 2020**

Please find attached Superloop Limited's (**ASX: SLC**) (**Company**) Final Report for the half year ended 31 December 2020.

#### **Highlights:**

- H1 FY21 EBITDA of \$8.2m, 99% growth PcP.
- Total group revenues of \$53.3m, with core connectivity recurring revenue up 30% PcP.
- A multi-year major contract win for Superloop nbn Aggregation Services via our in-house Superloop Connect Platform with an anticipated contract value of ~\$25m.
- Superloop Home Broadband subscribers totalling 39k as at 31 December 2020, growth of 66% PcP.
- On going prudent capital expenditure management with spend of \$8m for the period (H1 FY20 \$12m) excluding IRU swaps.
- Re-affirming EBITDA guidance of \$18m - \$20m, with latest expectation bottom end of the range primarily due to continuing but temporary implications of COVID on Education and Hospitality sectors.

Authorised for release by the Board of Superloop Limited.

## Results for announcement to the market

For the half-year ended 31 December 2020  
 (Previous corresponding period to 31 December 2019)

### Summary of Financial Information

	31 Dec 2020 \$'000	31 Dec 2019 \$'000	Change \$'000	Change %
Revenue from ordinary activities	53,239	50,822	2,417	4.8%
Total revenue and other income	53,265	51,334	1,931	3.8%
<b>Earnings before interest, tax, depreciation, amortisation and foreign exchange gains/losses (EBITDA)</b>	<b>8,150</b>	<b>4,098</b>	<b>4,052</b>	<b>98.9%</b>
(Loss) / profit from ordinary activities after income tax for the half year attributable to members	(18,871)	(21,382)	2,511	11.7%
(Loss) / profit from ordinary activities after income tax attributable to members	(18,871)	(21,382)	2,511	11.7%

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

Earnings before interest, tax, depreciation, amortisation and foreign exchange gains/losses (EBITDA) was \$8.2 million versus \$4.1 million for the previous corresponding period. The Group experienced margin growth in the connectivity and home broadband segments, in addition to a reduction in operating expenses, both of which offset the margin reduction in divestment of non core products (CMS) and the temporary impact of COVID-19 on Student Accommodation & hospitality margins. The net loss after tax of \$(18.9) million for the period, versus a net loss after tax of \$(21.4) million for the previous corresponding period.

### Explanation of revenue

Superloop's revenue from ordinary activities for the period ended 31 December 2020 was \$53.2 million, versus \$50.8 million (+4.8%) for the previous corresponding period. Connectivity Revenue grew to \$30.2 million for the period versus \$26.3m (+15%) in the previous corresponding period. Broadband Revenue increased to \$18.5 million for the period versus \$14.6 million for the previous corresponding period (+27%), Home Broadband subscriber growth contributed to 70% revenue growth, offset by temporary COVID-19 impact to Student Accommodation and Hospitality revenue. Services Revenue declined during the period with all services exited by 31 December 2020, revenue of \$4.5 million for the period versus \$10.0 million for the previous corresponding period.

## Dividends

No dividend has been proposed or declared in respect of the period ended 31 December 2020.

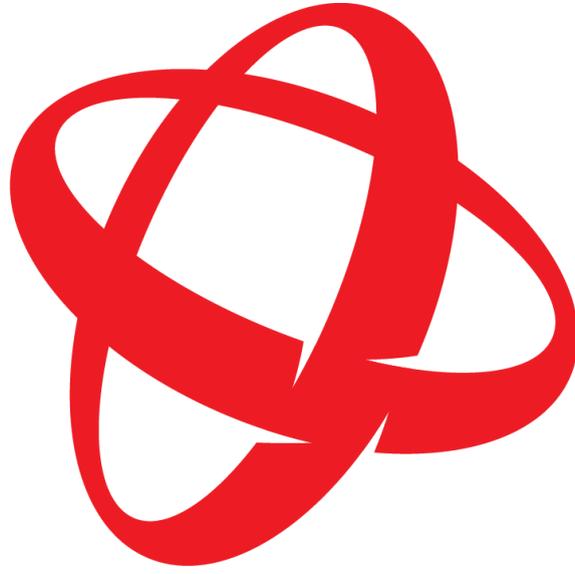
## NTA Backing

	31 Dec 2020	31 Dec 2019
Net tangible assets per ordinary share	\$0.38	\$0.46

The number of Superloop shares on issue at 31 December 2020 was 365,866,416 (31 December 2019: 365,866,416).

## Additional Information

Additional Appendix 4D Disclosures can be found in the attached Financial Report which has been reviewed by the Group's auditors.



superloop

SUPERLOOP LIMITED

ABN 96 169 263 094

CONDENSED CONSOLIDATED HALF YEAR  
FINANCIAL REPORT

For the period ended 31 December 2020

# Contents

Directors' Report	6
Independent Auditor's Independence Declaration	8
Condensed Financial Report	9
Notes to the Condensed Consolidated Financial Report	14
Directors' Declaration	26
Independent Auditor's Report	27
Corporate Directory	29

# 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 half year ended 31 December 2020.

## Directors

The following persons were Directors of the Group during the period:

- Bevan Slattery
- Greg Baynton (resigned 18 Nov 2020)
- Richard (Tony) Clark
- Vivian Stewart
- Stephanie Lai
- Alexander (Drew) Kelton
- Paul Tyler (appointed 9 Sept 2020)

## Financial and Operating Review

Superloop was founded in 2014 to connect Asia Pacific to the cloud, with a legacy-free network capable of fulfilling the growth in demand for bandwidth across the region. Our core purpose is to change the way Asia Pacific connects.

Superloop is delivering on its core purpose by investing in advanced fibre networks connecting bandwidth-intensive properties across key markets in Asia Pacific, complemented by distributing connectivity within those campuses and properties smartly and securely, leveraging the Group's investments and acquisitions in Fixed Wireless access, Guest WiFi, Cybersecurity and Home Broadband assets, processes, systems and people.



The Group's three reporting segments reflect the nature of these service offerings, including Connectivity (fibre, fixed wireless and third party access networks), Broadband (Guest WiFi and Home Broadband) and Services (cybersecurity under the CyberHound product brand and Cloud Managed Services).

In order to deliver Connectivity, Broadband and Services to customers within the Asia Pacific, the Group's process value chain and organisational structure encompasses:

- Developing strategy and capital requirements;
- Building the core network 'loop' connecting bandwidth-intensive properties in Singapore, Australia and Hong Kong including a subsea cable network;
- Marketing and selling to a range of wholesale, enterprise and residential customers under a single Superloop brand;
- Delivering products & services to customers in an efficient and effective manner;
- Operating and maintaining the networks and services to high quality service levels;
- Enabling its core value chain by providing people & culture, legal & governance, finance, technology and security support.

Revenue of \$53.3 million was up \$1.9 million (+4%) compared to the previous corresponding period. Profit after direct costs for the period was \$24.6 million, down from \$26.5 million for the previous corresponding period. Direct costs of \$28.7 million are up \$3.8 million.

Operating expenses for the period were \$16.5 million, a decline of \$6.0 million from the prior corresponding period. Employee costs reduced by \$3.2 million. In June 2020, the Group met the eligibility requirements to receive the Government JobKeeper allowance for its Australian employees. The

Government allowance has been offset against employee benefits expense and for the period ended 31 December 2020 the total amount included in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income was \$2.5 million.

The Group made a Net Loss after Tax of \$18.9 million and earnings before interest-paid, foreign exchange losses, tax, depreciation and amortisation (EBITDA) of \$8.2 million.

#### H1 FY21 Group Profit & Loss Performance

\$ Mil	H1 FY20	H1 FY21	PcP
Total Revenue	\$51.3	\$53.3	4%
Direct Costs	\$(24.8)	\$(28.7)	-16%
<b>Gross Margin</b>	<b>\$26.5</b>	<b>\$24.6</b>	<b>-7%</b>
Gross Margin %	52%	46%	-11%
Operational Costs	\$(22.4)	\$(16.4)	27%
<b>Statutory EBITDA</b>	<b>\$4.1</b>	<b>\$8.2</b>	<b>99%</b>
Depreciation & Amortisation	\$(21.7)	\$(24.8)	
Interest/FX	\$(2.9)	\$(1.8)	
<b>Net profit/ (loss) before tax</b>	<b>\$(20.5)</b>	<b>\$(18.4)</b>	

As at 31 December 2020, the Group held \$13.7 million in cash and cash equivalents.

H1 FY21 (Jul 2020 - Dec 2020) Operational Highlights include:

- H1 FY21 EBITDA of \$8.2m, 99% growth PcP.
- Total group revenues of \$53.3m, with core connectivity recurring revenue up 30% PcP.
- Superloop Home Broadband subscribers totalling 39k as at 31 December 2020, growth of 66% PcP.
- On going prudent capital expenditure management with spend of \$8m for the period (H1 FY20 \$12m) excluding IRU swaps.

## Dividends

No dividends have been declared for the period

## Rounding of amounts

The Group is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the half year financial report have been rounded off in accordance with that Class Order to the nearest thousand dollar.

## 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 8.

The report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Paul Tyler  
Chief Executive Officer

Brisbane  
23 February 2021

# Independent Auditor's Independence Declaration



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The Board of Directors  
Superloop Limited  
Level 1, 545 Queen Street  
Brisbane QLD 4000

23 February 2021

Dear Board Members

## **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 review of the consolidated half-year financial report of Superloop Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

Tendai Mkwanzu  
Partner  
Chartered Accountants  
Brisbane

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Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

# Condensed Interim Financial Report

31 December 2020

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

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

Superloop's registered office is Level 1, 545 Queen Street, Brisbane, QLD, 4000.

A description of the nature of the consolidated entity's operations is included in the Directors' Report on page 6, which are not part of these financial statements.

The financial statements were authorised for issue by the Directors' on 23 February 2021. The Directors have the power to amend and reissue the financial statements.

<b>Contents</b>	
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Condensed Consolidated Statement of Financial Position	11
Condensed Consolidated Statement of Changes in Equity	12
Condensed Consolidated Statement of Cash Flows	13
Notes to the Condensed Consolidated Financial Report	14

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2020

	Note	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Revenue		53,239	50,822
Other income		26	512
<b>Total revenue and other income</b>		<b>53,265</b>	<b>51,334</b>
Direct costs		(28,650)	(24,816)
Employee benefits expense		(11,488)	(14,715)
Professional fees		(1,343)	(1,598)
Marketing costs		(684)	(1,266)
Administrative and other expenses		(2,950)	(4,841)
<b>Total expenses</b>		<b>(45,115)</b>	<b>(47,236)</b>
<b>Earnings before interest, tax, depreciation, amortisation and foreign exchange gains/losses (EBITDA)</b>		<b>8,150</b>	<b>4,098</b>
Depreciation and amortisation expense		(24,817)	(21,650)
Interest expense		(1,594)	(2,740)
Foreign exchange gains / (losses)		(112)	(160)
<b>Loss before income tax</b>		<b>(18,373)</b>	<b>(20,452)</b>
Income tax expense	6	(498)	(930)
<b>(Loss) / profit for the half year after tax for the year attributable to the owners of Superloop Limited</b>		<b>(18,871)</b>	<b>(21,382)</b>
Other Comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations		(6,877)	1,095
<b>Total Other Comprehensive Income, net of income tax</b>		<b>(6,877)</b>	<b>1,095</b>
<b>Total Comprehensive (Loss) / Profit for the half year attributable to the owners of Superloop Limited</b>		<b>(25,748)</b>	<b>(20,287)</b>
<b>Profit / (Loss) per share for profit / (loss) attributable to the ordinary equity holders of the Group:</b>			
Basic (loss) / profit per share	Note	Cents	Cents
	10	(5.16)	(7.09)
Diluted (loss) / profit per share	10	(5.16)	(7.09)

Notes to the condensed consolidated financial statements form part of the half-year financial report.

# Condensed Consolidated Statement of Financial Position

As at 31 December 2020

	Note	31 Dec 2020 \$'000	30 June 2020 \$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		13,696	17,090
Trade and other receivables		12,161	14,691
Other current assets		6,406	7,610
<b>Total Current Assets</b>		<b>32,263</b>	<b>39,391</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	226,176	231,644
Intangible assets	5	230,016	240,013
Other non-current assets		951	1,751
Deferred tax assets		7,058	6,889
<b>Total Non-Current Assets</b>		<b>464,201</b>	<b>480,297</b>
<b>TOTAL ASSETS</b>		<b>496,464</b>	<b>519,688</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		16,256	17,581
Employee benefits		2,260	2,188
Deferred revenue		4,924	4,813
Interest-bearing borrowings	7	6,301	5,889
<b>Total Current Liabilities</b>		<b>29,741</b>	<b>30,471</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits		1,640	1,614
Deferred revenue		35,319	38,389
Interest-bearing borrowings	7	58,458	52,479
Deferred tax liabilities		2,434	1,936
<b>Total Non-Current Liabilities</b>		<b>97,851</b>	<b>94,418</b>
<b>TOTAL LIABILITIES</b>		<b>127,592</b>	<b>124,889</b>
<b>NET ASSETS</b>		<b>368,872</b>	<b>394,799</b>
<b>EQUITY</b>			
Contributed equity	8	514,505	514,505
Reserves		717	7,773
Other equity		(3,327)	(3,327)
Accumulated losses		(143,023)	(124,152)
<b>TOTAL EQUITY</b>		<b>368,872</b>	<b>394,799</b>

Notes to the condensed consolidated financial statements form part of the half-year financial report.

# Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2020

	Contributed equity \$'000	Reserves \$'000	Other equity \$'000	Accumulated losses \$'000	Total equity \$'000
<b>Balance at 30 June 2020</b>	514,505	7,773	(3,327)	(124,152)	394,799
Loss for the period	-	-	-	(18,871)	(18,871)
Other comprehensive income for the period	-	(6,877)	-	-	(6,877)
<b>Total Comprehensive Income for the period</b>	-	(6,877)	-	(18,871)	(25,748)
Share based payments	-	(179)	-	-	(179)
Issue of ordinary share capital	-	-	-	-	-
Share issue costs	-	-	-	-	-
<b>Balance at 31 December 2020</b>	514,505	717	(3,327)	(143,023)	368,872

	Contributed equity \$'000	Reserves \$'000	Other equity \$'000	Accumulated losses \$'000	Total equity \$'000
<b>Balance at 30 June 2019</b>	426,283	6,266	(3,327)	(83,064)	346,158
Loss for the period	-	-	-	(21,382)	(21,382)
Other comprehensive income for the period	-	1,095	-	-	1,095
<b>Total Comprehensive Income for the period</b>	-	1,095	-	(21,382)	(20,287)
Share based payments	-	-	-	-	-
Issue of ordinary share capital	92,304	-	-	-	92,304
Share issue costs	(4,074)	-	-	-	(4,074)
<b>Balance at 31 December 2019</b>	514,513	7,361	(3,327)	(104,446)	414,101

Notes to the condensed consolidated financial statements form part of the half-year financial report.

# Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2020

	31 Dec 2020	31 Dec 2019
	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	60,111	63,708
Payments to suppliers and employees	(52,120)	(57,849)
Income taxes (paid) / received	-	101
<b>Net cash inflow from operating activities</b>	<b>7,991</b>	<b>5,960</b>
<b>INVESTING ACTIVITIES</b>		
Interest received	6	26
Payments for property, plant and equipment	(5,089)	(30,343)
Payments for assets	(2,716)	(12,613)
Proceeds received for sale of assets	16	39
Deferred consideration payments	(500)	(2,000)
<b>Net cash outflow from investing activities</b>	<b>(8,283)</b>	<b>(44,891)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issues of shares	-	92,304
Transaction costs paid in relation to issue of shares	-	(4,074)
Dividends paid	-	-
Lease payments	(2,575)	(2,723)
Proceeds from borrowings (net of fees)	2,424	61,520
Repayment of borrowings	(1,245)	(108,311)
Interest paid	(1,594)	(2,740)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(2,990)</b>	<b>35,976</b>
Net increase/(decrease) in cash and cash equivalents held	(3,282)	(2,954)
Cash and cash equivalents at the beginning of the year	17,090	18,898
Foreign exchange movement in cash	(112)	(160)
<b>Cash and cash equivalents at the end of the half year</b>	<b>13,696</b>	<b>15,784</b>

Notes to the condensed consolidated financial statements form part of the half-year financial report.

# Notes to the Condensed Consolidated Financial Report

Notes to the Condensed Consolidated Financial Report	14
1 Significant accounting policies	15
2 Critical accounting estimates and judgement	15
3 Segment information	16
4 Property, plant and equipment	18
5 Intangible assets	19
6. Income tax expense	20
7 Interest-bearing loans and borrowings	20
8 Contributed equity	22
9 Dividends	22
10 Earnings per share	23
11 Commitments and contingencies	24
12 Fair value of financial instruments	24
13 Events occurring after the reporting period	25

# 1 Significant accounting policies

These general purpose financial statements for the half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB134 'Interim Financial Reporting' and the Corporations Act 2001. The financial statements are for the consolidated entity consisting of Superloop Limited and its subsidiaries (together referred to as 'Superloop' or the 'Group'). Superloop is a public company limited by shares, incorporated and domiciled in Australia.

These condensed financial statements do not include all the notes normally included in the annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Superloop during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year ended 30 June 2020. These accounting policies are consistent with the Australian Accounting Standards and with International Financial Reporting Standards. Superloop has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and are effective for the current half year.

Superloop has not elected to early adopt any new Accounting Standards or Interpretations that have been announced but are not yet effective.

## 2 Critical accounting estimates and judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong.

In preparation of the interim financial report, the significant judgements made by Management in applying Superloop's accounting policies and key sources of estimation uncertainty were the same as that applied to the financial report as at the year ended 30 June 2020.

## 3 Segment information

### Description of segments

Superloop is a trusted enabler of connectivity and managed services in Asia Pacific. During the period, the principal activities of the Group included:

- i) the development and operation of independent connectivity infrastructure and services throughout the Asia Pacific region for wholesale and enterprise customers including fibre optic cable, international submarine cables and fixed wireless networks (Connectivity),
- ii) the provision of outsourced cloud and managed services, cyber security and cyber safety (Services), and
- iii) the provision of broadband services for individual end users including residential NBN, retail fixed wireless and fixed line internet services and connectivity services for hotels, student accommodation sites and schools (Broadband).

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).

### Segment information provided to Executive Management

Operating Segments for half year ending 31 December 2020	Connectivity \$'000	Services <sup>(1)</sup> \$'000	Broadband \$'000	Group Shared Services \$'000	Total \$'000
Revenue and other income	30,206	4,487	18,546	26	53,265
Direct costs	(14,847)	(1,949)	(11,854)	-	(28,650)
<b>Gross Margin</b>	<b>15,359</b>	<b>2,538</b>	<b>6,692</b>	<b>26</b>	<b>24,615</b>
Operating expenses					(16,465)
Depreciation and amortisation	(20,826)	(886)	(3,105)	-	(24,817)
Interest, FX & other					(1,706)
<b>Loss before income tax</b>					<b>(18,373)</b>

(1) Services includes earnings associated with the Cloud Managed Services entities acquired through the 2016 Big Air acquisition, and from cybersecurity subsidiary, CyberHound.

Analysis of Connectivity Operating Segment for the half year ending 31 December 2020	Australia \$'000	Singapore \$'000	Hong Kong \$'000	Connectivity Sub Total \$'000
Revenue and other income	20,687	7,588	1,931	30,206
Direct costs	(11,040)	(1,676)	(2,131)	(14,847)
<b>Gross Margin</b>	<b>9,647</b>	<b>5,912</b>	<b>(200)</b>	<b>15,359</b>
Depreciation and amortisation	(16,079)	(2,475)	(2,272)	(20,826)

Operating Segments for half year ending 31 December 2019	Connectivity <sup>(1)</sup> \$'000	Services \$'000	Broadband \$'000	Group Shared Services \$'000	Total \$'000
Revenue and other income	26,267	10,001	14,553	512	51,334
Direct costs	(12,293)	(5,005)	(7,518)	-	(24,816)
<b>Gross Margin</b>	<b>13,974</b>	<b>4,996</b>	<b>7,035</b>	<b>512</b>	<b>26,518</b>
Operating expenses					(22,420)
Depreciation and amortisation	(18,264)	(1,391)	(1,996)	-	(21,650)
Interest, FX & other					(2,900)
<b>Loss before income tax</b>					<b>(20,452)</b>

Analysis of Connectivity Operating Segment for the half year ending 31 December 2019	Australia <sup>(2)</sup> \$'000	Singapore \$'000	Hong Kong \$'000	Connectivity Sub Total \$'000
Revenue and other income	17,268	7,415	1,584	26,267
Direct costs	(8,818)	(1,314)	(2,161)	(12,293)
<b>Gross Margin</b>	<b>8,450</b>	<b>6,101</b>	<b>(577)</b>	<b>13,974</b>
Depreciation and amortisation	(14,154)	(1,539)	(2,571)	(18,264)

(1) Connectivity includes earnings associated with the development of the INDIGO subsea cable system.

(2) Australia includes INDIGO subsea cable assets and development revenue.

## 4 Property, plant and equipment

	31 Dec 2020	30 June 2020
	\$'000	\$'000
<b>Cost or valuation:</b>		
Opening Balance	298,897	270,233
Adoption of AASB16 Lease accounting standard	-	11,210
Additions	13,640	17,125
Disposals	(32,332)	(593)
Movements in foreign exchange	(9,380)	922
<b>Closing Balance</b>	<b>270,825</b>	<b>298,897</b>
<b>Accumulated depreciation:</b>		
Opening Balance	(67,253)	(41,558)
Depreciation charge	(11,423)	(26,395)
Disposals	32,332	593
Movements in foreign exchange	1,695	107
<b>Closing Balance</b>	<b>(44,649)</b>	<b>(67,253)</b>
<b>Carrying Value</b>	<b>226,176</b>	<b>231,644</b>

A property, plant and equipment impairment of \$7.4m was raised 30 June 2019 for the carrying value of assets relating to the CMS Services segment. These assets were disposed of during the period ended 31 December 2020.

Property, plant and equipment includes \$11.7 million carrying value of leased assets. A “right of use” asset is recognised for the leased item and a lease liability is recognised for lease payments due. “Right of use” asset additions during H1 FY21 totalled \$7.8 million.

	31 Dec 2020	30 June 2020
	\$'000	\$'000
<b>Right of Use Asset</b>		
Opening Balance	6,666	11,210
Additions during the year	7,817	1,138
Depreciation	(2,737)	(5,682)
Movements in foreign exchange	(10)	-
<b>Carrying value – 2020</b>	<b>11,736</b>	<b>6,666</b>

## 5 Intangible assets

	31 Dec 2020	30 June 2020
	\$'000	\$'000
<b>Cost or valuation:</b>		
Opening Balance	336,782	312,632
Additions	4,487	24,128
Disposals	(48,805)	-
Movements in foreign exchange	(2,204)	23
<b>Closing Balance</b>	<b>290,260</b>	<b>336,783</b>
<b>Accumulated amortisation &amp; Impairment:</b>		
Opening Balance	(96,769)	(78,463)
Amortisation charge	(12,583)	(18,408)
Disposals	48,686	-
Movements in foreign exchange	422	101
<b>Closing Balance</b>	<b>(60,244)</b>	<b>(96,770)</b>
<b>Carrying Value</b>	<b>230,016</b>	<b>240,013</b>

A goodwill impairment of \$43.3m was raised 30 June 2019 relating to the CMS Services segment, the asset was disposed of during the period ended 31 December 2020, which is aligned to cessation of the services.

## 6 Income tax expense

	31 Dec 2020 \$'000	31 Dec 2019 \$'000
The income tax expense for the half year can be reconciled to the accounting profit as follows:		
<b>Loss from continuing operations before income tax payable</b>	<b>(18,373)</b>	<b>(20,452)</b>
Tax expense at the Australian tax rate of 30%	5,512	6,136
Non-deductible expenses	(54)	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	(1,051)	(266)
Unrecognised tax losses	(4,905)	(6,800)
<b>Income tax expense</b>	<b>(498)</b>	<b>(930)</b>

## 7 Interest-bearing loans and borrowings

The Group had interest bearing loans and borrowings as at 31 December 2020 of \$64.8 million (30 June 2020: \$58.4 million).

The Group has a \$61.7 million four year revolving facility with ANZ and Westpac maturing on 28 October 2023. The facility can be used for working capital, capital expenditures and permitted acquisitions and is available to be drawn in multiple currencies. The Group is required to adhere to financial covenants, including leverage ratio, debt capitalisation ratio and interest cover ratio.

Bank guarantees to the value of \$1.1 million have been issued under the facility.

The Group utilises an equipment vendor to provide funding for network equipment, entering into three year fixed rate instalment payment agreements. As of 31 December 2020, a total of \$2.6 million had been funded under this arrangement (30 June 2020: \$3.9 million). In terms of the Consolidated Statement of Cash Flows, the impact of the equipment financing has been shown on a gross basis, with the amount of property, plant and equipment funded by the equipment financing included in the payments for property, plant and equipment and shown as a cash inflow in proceeds from borrowings.

	Notes	31 Dec 2020 \$'000	30 Jun 2020 \$'000
<b>Current</b>			
Equipment financing		2,518	2,499
Lease liability		3,783	3,390
<b>Total current interest-bearing loans and borrowings</b>		<b>6,301</b>	<b>5,889</b>
<b>Non-Current</b>			
Equipment financing		122	1,386
Lease liability		8,217	3,398
Revolving debt facility drawn (net of transaction costs)	(A)	50,119	47,695
<b>Total non-current interest-bearing loans and borrowings</b>		<b>58,458</b>	<b>52,479</b>
<b>Total interest-bearing loans and borrowings</b>		<b>64,759</b>	<b>58,368</b>
Total revolving debt facility limit		61,700	61,700
Less: bank guarantees issued under the facility		(1,080)	(1,095)
Less: amounts drawn (before transaction costs)		(51,462)	(49,462)
<b>Revolving debt facility available</b>		<b>9,158</b>	<b>11,143</b>

(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.

## 8 Contributed equity

### (A) Share Capital

	31 Dec 2020 Number of Shares	30 June 2020 Number of Shares	31 Dec 2020 \$'000	30 June 2020 \$'000
Fully paid ordinary shares	365,866,416	365,866,416	525,115	525,115
<b>Total share capital</b>	<b>365,866,416</b>	<b>365,866,416</b>	<b>525,115</b>	<b>525,115</b>
Less: Issue costs			(10,610)	(10,610)
<b>Contributed equity</b>	<b>365,866,416</b>	<b>365,866,416</b>	<b>514,505</b>	<b>514,505</b>

### (B) 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.

### (C) Dividend reinvestment plan

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

## 9 Dividends

No dividends were paid or declared in period to 31 December 2020 (Nil: 31 December 2019).

# 10 Earnings per share

## Earnings per share

	31 Dec 2020 Cents	31 Dec 2019 Cents
Total basic earnings per share attributable to the ordinary equity holders of the Group	(5.16)	(7.09)

## Diluted earnings per Share

	31 Dec 2020 Cents	31 Dec 2019 Cents
Total diluted earnings per share attributable to the ordinary equity holders of the Group	(5.16)	(7.09)

## Reconciliation of earnings used in calculating earnings per share

	31 Dec 2020 \$'000	31 Dec 2019 \$'000
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### Basic earnings Per Share

Earnings attributable to the ordinary equity holders of the Group used in calculating basic losses per share	(18,871)	(21,382)
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### Diluted earnings Per Share

Earnings from continuing operations attributable to the ordinary equity holders of the Group	(18,871)	(21,382)
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## Weighted average number of shares used as the denominator

	31 Dec 2020 Number of Shares	31 Dec 2019 Number of Shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	365,866,416	301,536,366
<i>Effects of dilution from:</i>		
Performance rights	-	-
Share options	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	365,866,416	301,536,366

# 11 Commitments and contingencies

## (a) Capital commitments

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

	31 Dec 2020 \$'000	30 June 2020 \$'000
Property, plant and equipment	725	729
Total capital commitments	725	729

## (b) Contingent assets

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

## (c) Contingent liabilities

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

# 12 Fair value of financial instruments

## Fair value hierarchy

The fair value of financial assets and financial liabilities is based on the lowest level of input that is significant to the fair value measurement as a whole and is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale. Due to the short term nature of trade and other receivables and trade and other payables, their carrying amounts are assumed to approximate their fair value.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities at 31 December and 30 June 2020:

	Level 1 - Quoted prices in active markets \$'000	Level 2 - Significant observable inputs \$'000	Level 3 - Significant unobservable inputs \$'000	Total
<b>31 December 2020</b>				
Financial assets measured at fair value				
Derivative financial assets	-	-	-	-
<b>Total financial assets</b>	-	-	-	-
Financial liabilities measured at fair value				
Deferred consideration	-	-	-	-
Derivative financial liabilities	-	-	-	-
<b>Total financial liabilities</b>	-	-	-	-
<b>30 June 2020</b>				
Financial assets measured at fair value				
Derivative financial assets	-	-	-	-
<b>Total financial assets</b>	-	-	-	-
Financial liabilities measured at fair value				
Deferred consideration	-	-	500	500
Derivative financial liabilities	-	-	-	-
<b>Total financial liabilities</b>	-	-	500	500

There were no transfers between fair value measurement levels during the period. No gain or loss for the half year relating to Level 3 asset or liabilities has been recognised in the statement of profit or loss.

## 13 Events occurring after the reporting period

There are no matters or circumstances that occurred subsequent to the end of the reporting period 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.

# Directors' Declaration

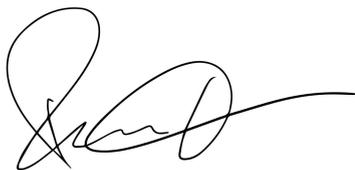
The Directors declare that:

In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Paul Tyler', with a long horizontal flourish extending to the right.

**Paul Tyler**

Chief Executive Officer / Director

23 February 2021

# Independent Auditor's Report



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## Independent Auditor's Review Report to the Members of Superloop Limited

### *Conclusion*

We have reviewed the half-year financial report of Superloop Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2020, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 9 to 26.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the *Accounting Professional and 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 annual 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, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Directors' Responsibilities for the Half-year Financial Report*

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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*Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Tendai Mkwananzi  
Partner  
Chartered Accountants  
Brisbane, 23 February 2021

# Corporate Directory

## Directors

### Bevan Slattery

Non-Executive Chairman

### Richard Anthony (Tony) Clark

Non-Executive Director

### Stephanie Lai

Non-Executive Director

### Vivian Stewart

Non-Executive Director

### Drew Kelton

Executive Director

### Paul Tyler

Executive Director

## Chief Executive Officer

Paul Tyler

## Company Secretary

Louise Bolger

## Registered Office

### Superloop Limited

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Brisbane QLD 4000

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## COMPANY WEBSITE

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## Auditor

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## Solicitors

Baker & McKenzie

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[www.bakermckenzie.com/australia](http://www.bakermckenzie.com/australia)

## Share Register

Link Market Services Limited

Level 21, 10 Eagle Street

Brisbane QLD 4000

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

## Securities Exchange Listing

Superloop Limited shares are listed on the Australian Securities Exchange (ASX: SLC)