

ASX Announcement

Tuesday, 13 September 2016

SUPERLOOP PROPOSAL TO ACQUIRE BIGAIR AND INSTITUTIONAL PLACEMENT TO RAISE APPROXIMATELY \$65 MILLION

Superloop Limited (ASX: SLC) ("**Superloop**" or the "**Company**") is pleased to announce that it has entered into a scheme implementation deed with ASX-listed BigAir Group Limited (ASX: BGL) ("BigAir") under which it is proposed that Superloop will acquire 100% of BigAir's shares on issue by way of a scheme of arrangement (the "**Proposed Acquisition**"). Financial close is expected in December 2016 and will be subject to BigAir shareholder approval, court approval, and other necessary approvals and conditions precedent¹.

The directors of BigAir will unanimously recommend that BigAir shareholders vote in favour of the scheme, in the absence of a superior proposal and subject to an independent expert concluding that the scheme is in the best interests of BigAir's shareholders.

Bevan Slattery, CEO of Superloop said "The acquisition of BigAir will allow us to leverage our fibre network plus provide us with new wireless capabilities to deliver low cost gigabit connectivity."

Jason Ashton, CEO of BigAir said "I am delighted to be able to bring this proposal to BigAir shareholders. The benefit that Superloop's experience, capabilities and fibre infrastructure brings to the BigAir offering are transformational, and I am excited to work together with Bevan as part of Superloop."

HIGHLIGHTS

BigAir owns and operates one of Australia's largest metropolitan fixed wireless broadband network and provides cloud and managed services solutions to mid-sized corporates, and will assist Superloop to execute on its vision to become the leading independent provider of connectivity services across the Asia Pacific region.

BigAir is a strong strategic fit with Superloop:

- The Proposed Acquisition fundamentally enhances opportunities for Superloop's fibre business, allowing Superloop to accelerate the rollout of fibre across Australia
- Superloop will hyper-scale BigAir's wireless and "fibre extender" capability, and by leveraging Superloop its fibre network, Superloop will build a low-cost access alternative for Gigabit+ speeds
- The BigAir managed service offerings will be restructured and rebranded to create a fully integrated and focused managed service provider business with a clear statement on market position and product offerings

The Proposed Acquisition also brings financial benefits:

- Significantly accretive to Superloop's earnings per share
- Diversifies revenue, enhances Superloop's credit profile and provides greater financial flexibility
- Superloop expects that it will be able to implement a dividend policy in conjunction with its FY17 results

ACQUISITION DETAILS

The Proposed Acquisition consideration comprises two alternatives:

- **All scrip:** 0.371 Superloop shares per BigAir share
 - Implied offer price of \$1.13, or a premium of 43%, based on the one month VWAP of Superloop and BigAir shares²
- **Mixed alternative:** \$0.70 plus 0.118 Superloop shares per BigAir share

¹ More information on the proposed scheme is in the Scheme Implementation Deed released to the ASX.

² Calculated as 20 trading days from 17 August 2016 to 13 September 2016 inclusive.

- Implied offer price of \$1.06, or premium of 34% based on the one month VWAP of Superloop and BigAir shares²
- The cash component of this mixed alternative is subject to a \$95 million cap on the amount of cash that will be paid, with a pro rata scale back of the amount of cash to be received by each BigAir shareholder who elects to receive the Mixed consideration alternative. If such a scale back occurs, each BigAir shareholder who elects to receive the Mixed consideration alternative will receive, in relation to each BigAir share held by them, an additional 0.00377 Superloop shares for each 1 cent of cash scaled back.

The cash component of the consideration for the Proposed Acquisition will be funded in part by scrip issued to existing BigAir shareholders, with the cash consideration of up to \$95 million to be funded by a combination of the Placement and a new \$75 million revolving debt facility (with a \$5 million undrawn working capital facility available).

Vivian Stewart (Chairman of BigAir) and Jason Ashton (CEO of BigAir), among others, have granted to Superloop call options over their shareholdings in BigAir, resulting in Superloop having a relevant interest in approximately 10% of the shares in BigAir.

Vivian Stewart and Jason Ashton will enter into voluntary escrow arrangements under which any new Superloop shares they receive as consideration will be escrowed for a period of up to 12 months (or unless they are removed from the Superloop board during that time).

Macquarie Capital is acting as sole financial adviser to Superloop on the Proposed Acquisition, and Gilbert + Tobin is acting as Superloop's legal adviser.

INSTITUTIONAL PLACEMENT

To part fund the cash component of the consideration, the Company has announced a Placement of fully paid ordinary shares ("**New Shares**") to institutional and sophisticated investors in Australia and New Zealand to raise approximately \$65 million at an offer price of \$3.00 per New Share which represents a 9.6% discount to Superloop's last closing price of \$3.31 on 13 September 2016 and a 1.7% discount to Superloop's one month VWAP to 13 September 2016 of \$3.05.

The Placement is expected to settle on Friday, 16 September 2016 and the New Shares issued under the Placement will be allotted on the following business day Monday, 19 September 2016. New Shares issued under the Placement will rank equally with Superloop's existing Shares.

The placement will be conducted after market close on Tuesday, 13 September.

Macquarie Capital (Australia) Limited and Morgans Corporate Limited are acting as underwriters and joint lead managers to the Placement.

ADDITIONAL INFORMATION

For further information please contact:

Investor Relations

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About Superloop

Established in 2014, Superloop is quickly becoming one of the leading independent providers of interconnection services in the Asia Pacific region.

The Company owns and operates fibre networks in Australia and Singapore spanning over 300km and connecting over 48 of the region's key data centres. The network is continually expanding with further extensions currently underway to connect the Singapore Exchange, iO and NTT data centres in Singapore.

In Hong Kong, Superloop is establishing a 110 km fibre optic network connecting 30 strategic sites including the Hong Kong Stock Exchange data centre, and is on track to commence operations in December 2016. Additionally, the Company is also constructing TKO Express, the first submarine cable to connect the traditional carrier hotels located in Chai Wan on Hong Kong Island and the data centre campus located at Hong Kong Science and Technology Park's Tseung Kwan O Industrial Estate on the mainland, providing much needed physical diversity and a lowest latency path between Hong Kong's major finance and technology hubs.

The Group also operates acquired businesses, APEXN and CINENET in Australia.

For more information, visit: www.superloop.com.

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