



BIGAIR GROUP LIMITED

Proposed Scheme of Arrangement with Superloop

13 September 2016



AGENDA

A close-up photograph of a person's hand in a dark suit jacket, holding a blue pen. A bright white line is being drawn from the bottom left towards the pen tip, which is glowing. In the background, a glowing white silhouette of a person is visible.

01

Offer Overview

02

Strategic Rationale

03

Overview of Superloop

01

OFFER OVERVIEW



SUMMARY OF THE OFFER

BigAir Group Limited (ASX:BGL) and Superloop Limited (ASX:SLC) have entered into a Scheme Implementation Deed pursuant to which Superloop will acquire 100% of the equity of BigAir

BigAir shareholders may elect as consideration for each BigAir share either:

- a) **all scrip:** 0.371 Superloop shares for each BigAir share held

This consideration reflects an implied value of (i) \$1.23, being a **premium of 46%** over the closing prices of BigAir and Superloop shares on 13 September, 2016 of \$0.84 and \$3.31 respectively; and (ii) \$1.13 being a **premium of 43%** based on the one month daily weighted average price of BigAir and Superloop shares;

OR

- b) **mixed alternative:** a combination of \$0.70 in cash payable on completion of the Scheme and 0.118 Superloop shares for each BigAir share held

This consideration reflects an implied value of: (i) \$1.09 being a **premium of 30%** over the closing prices on 13 September, 2016; and (ii) \$1.06 being a **premium of 34%** based on the one month daily weighted average price of BigAir and Superloop shares.

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.

**Key
offer
terms**

SUMMARY OF THE OFFER

Strategic rationale

- Superloop and BigAir combined will become a leading independent provider of connectivity services across the Asia Pacific region

Conditions

- The Scheme is subject to limited conditionality including regulatory approval, BigAir shareholder and court approval, and no Prescribed Occurrence or Material Adverse Change occurring

Option / Escrow arrangements

- Call options have been granted by major and supportive BigAir shareholders in respect of approximately 10% of BigAir shares including current management and board members
- Vivian Stewart (Independent Chairman of BigAir) and Jason Ashton (Co-founder and CEO of BigAir) have, in addition, entered into voluntary escrow arrangements under which the new Superloop shares they receive as consideration will be escrowed for a period of 12 months

Timing

- The acquisition of BigAir is expected to complete in December 2016, subject to satisfaction of all conditions precedent including approval by BigAir shareholders at the Scheme meeting

Board recommendation

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

INDICATIVE TIMETABLE

EVENT

DATE

Bookbuild for Superloop placement conducted	Tuesday, 13 September 2016
Announcement of completion of Superloop Placement	Wednesday, 14 September 2016
Settlement of new Superloop shares issued under the Placement	Friday, 16 September 2016
Issue and commencement of trading for new Superloop shares issued under the Placement	Monday, 19 September 2016
BigAir EGM and completion of the Scheme (expected)	Late 2016

02

STRATEGIC RATIONALE



STRATEGIC RATIONALE

1

Superloop



The acquisition fundamentally enhances the opportunity for Superloop's fibre business

Superloop will remain focused on its core fibre-based service and product offering across APAC, interconnecting major enterprise buildings and data centres.

The acquisition provides the critical mass to scale Superloop's Australian footprint into enterprise buildings, at low cost due to BigAir's presence in high quality towers in close proximity to Superloop fibre.

Superloop remains a leading provider of the "big pipes".

2

BigAir



Benefits to the existing BigAir business from the acquisition by Superloop

BigAir will focus on the wholesale "last mile" wireless access market.

Leveraging Superloop's fibre assets and BigAir's existing wireless network and capabilities, we will deliver wholesale providers a high-speed NBN alternative in outer metro and regional Australia.

3

Managed Services



Repositioning BigAir's managed services business

Superloop will functionally separate, rebrand and reposition BigAir's current managed services business (enterprise connectivity + voice + cloud) as a separate operating organisation managed by Jason Ashton, focusing on the medium to large enterprise space.

This business will leverage Superloop's and BigAir's infrastructure advantage as a wholesale provider.

The Board and management of both businesses see significant opportunity for growth in this business unit.

STRATEGIC RATIONALE (CONT.)

The combination enables Superloop to accelerate its rollout of fibre across Australia



SUPERLOOP



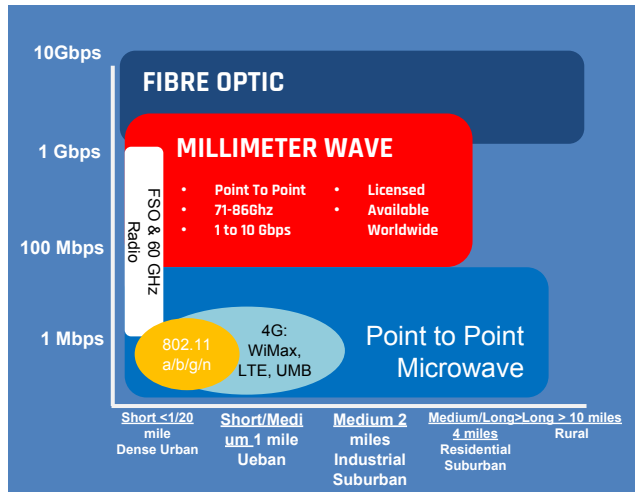
**IMPROVED
COVERAGE**

**LEVERAGE BIGAIR'S
PRESENCE IN 60–100 KEY
ENTERPRISE BUILDINGS**

- The BigAir base station backhaul network can be “swapped out” with Superloop fibre in high-value CBD and inner metro buildings
 - Little or no incremental OPEX (one-time capex only)
- Allows Superloop to offer wholesale and enterprises customers last mile dark fibre and metro access to many of the major buildings existing markets
- Additional benefit of bolstering backhaul to current wireless base station POPs, reducing incremental operating costs for additional capacity
- Improves network coverage whilst also adding the capability to deliver redundancy (via technology diversity) to enterprise customers
- Ability to leverage BigAir’s existing relationships in a number of new verticals, including education, health, retirement living, resources and construction for a greater share of wallet

STRATEGIC RATIONALE (CONT.)

Superloop will hyper-scale BigAir’s wireless and “fibre extender” capability, and by leveraging Superloop fibre will build a low-cost access alternative for Gigabit+ speeds



- BigAir “fibre extender” millimetre wireless solution for 1km-4km services to be combined with Superloop fibre backbone to deliver low cost Gigabit+access alternative
- BigAir has over 300+ POP’s including key strategic rooftop locations
- Provides significantly greater coverage as a primary or redundant service
- Avoids NBN CVC charge and the combined company will be able to provide an offering which scales and allows customers low-latency, low-cost access to managed service offerings including hosted PBX, managed firewall, corporate VPN and hosted private and public cloud offerings

STRATEGIC RATIONALE (CONT.)

Superloop will functionally separate, rebrand and reposition BigAir's current managed services business



MANAGED SERVICES

- 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
- This business unit will be focused on the medium enterprise space and will leverage Superloop and BigAir network capabilities along with other providers to underpin the connectivity piece of this “New Co” managed service offering
- The Board and management of both companies believes there is significant opportunity for growth in the medium enterprise market

STRATEGIC RATIONALE (CONT.)

Synergies : Estimated to deliver - \$4 million of annual cost savings

Network capabilities

\$2 - 3m

Expected to be realised over first 24 months

Corporate overhead

\$1 - 2m

Rationalisation and public company costs

Expected to be realised over first 12 months

FURTHER OPPORTUNITIES

Cross-selling opportunities across combined customer base

Notable savings from future costs avoided

Total

\$4.0m+

Annual cost synergies

IMMEDIATE COST RATIONALISATION

\$4.0m+ cost synergies expected to be fully realised over 2 years

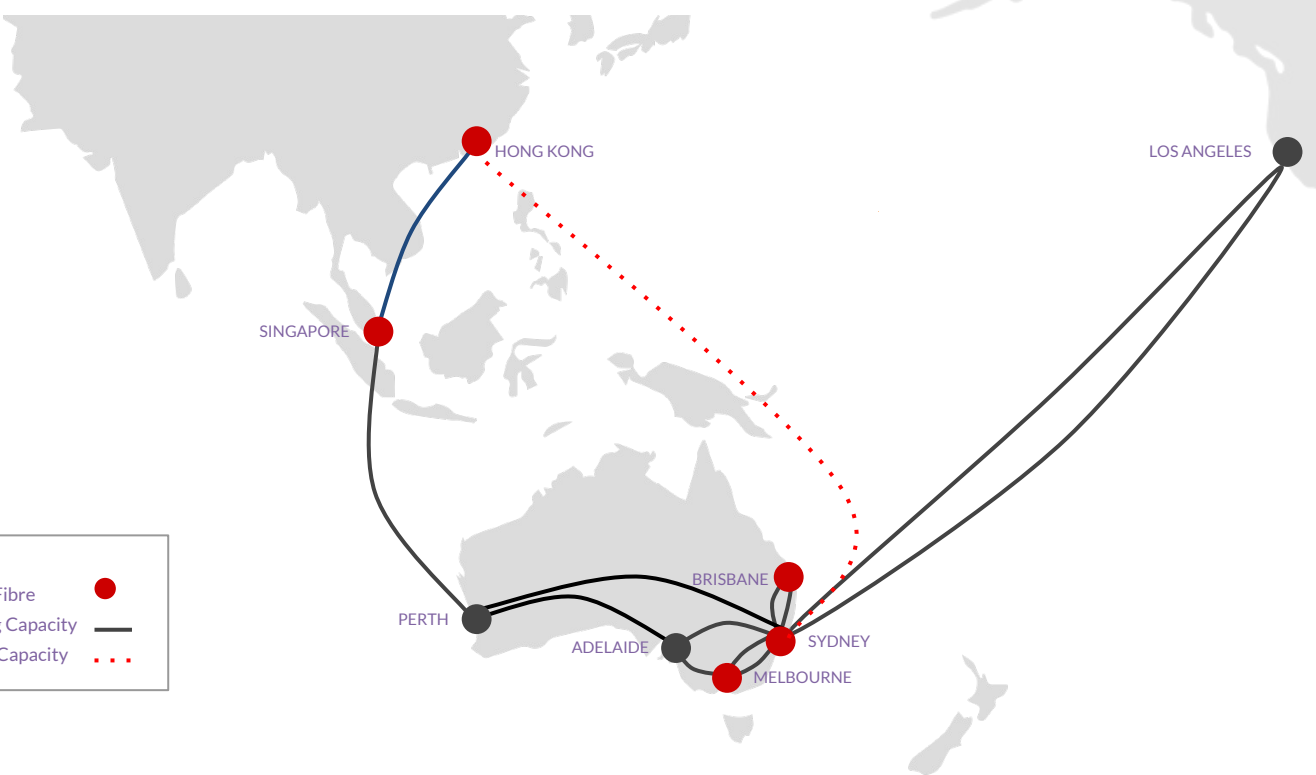
One-time costs associated with synergies estimated to be ~\$1 million

03

OVERVIEW OF SUPERLOOP



INTERNATIONAL NETWORK



Legend

- Metro Fibre ●
- Existing Capacity —
- Future Capacity ···

INTERNATIONAL NETWORK (AS OF JUNE 2016)

International network able to deliver end to end connectivity solutions for carrier/wholesale and enterprise customers in Australia, Singapore, Hong Kong and the United States

SUPERLOOP KEY MILESTONES – FY16

CORPORATE

Completed integration of APEXN and CINENET acquisitions

SCALING RETURNS

Singapore and Australia monthly recurring revenue covering direct network operating costs

SALES/PRODUCTS

Launched new products including Wavelength and Ethernet Backhaul

\$11.9m

SCALING RETURNS

Contracted annualised recurring revenue over \$11.9m at 30 June 2016

INFRASTRUCTURE

Core fibre networks in Singapore and Australia completed and live. Hong Kong network on track

SALES/PRODUCTS

Sales team ramping up in line with plans to manage growing opportunity pipeline

INFRASTRUCTURE

Hong Kong core network construction 38% complete (TKO Industrial Estate campus 91% complete) and on track for December 2016 completion

38%

INFRASTRUCTURE

Project Red Lion (SG) delivering on-net footprint focusing on up to 100 key enterprise buildings, with 14 buildings connected

INFRASTRUCTURE

TKO Express (HK) domestic submarine cable crossing project on track for January 2017 completion

SUPERLOOP PERFORMANCE SUMMARY



FIBRE

378km



UP 105%
SINCE 1 JULY 2015

540km+
DECEMBER 2016



DATA CENTRES

52



UP 41%
SINCE 1 JULY 2015

75+
DECEMBER 2016



REVENUE

\$11.9m+



UP 558%
SINCE 1 JULY 2015

annualised contracted recurring
revenue at 30 June 2016


DECEMBER 2016



MARGIN

27.6%



UP 27.6%
SINCE 1 JULY 2015

gross margin:
revenue less direct network costs


DECEMBER 2016

SUPERLOOP FY16 PERFORMANCE

Strong growth across key operating metrics at 30 June 2016

Contracted annualised
revenue at 30 June
2016 (\$m)

11.9

Invoicing annualised
revenue at 30 June
2016 (\$m)

9.7

On-net revenue %

28

Fibre installed (km)

378

Data centres
connected (#)

52

Average fibre cores

AU: 288

SG: 624

HK: 2,000

Utilisation (%)

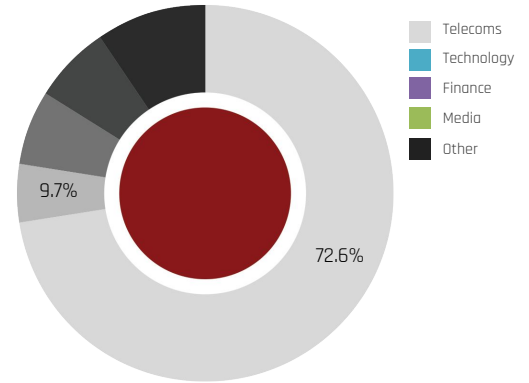
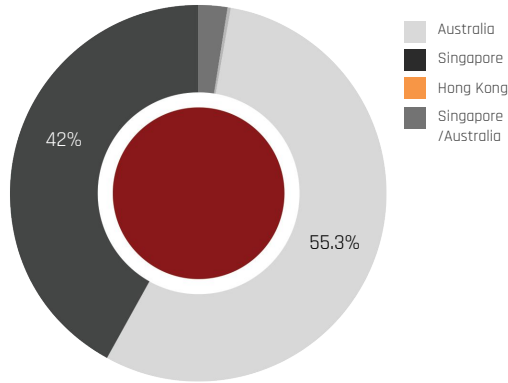
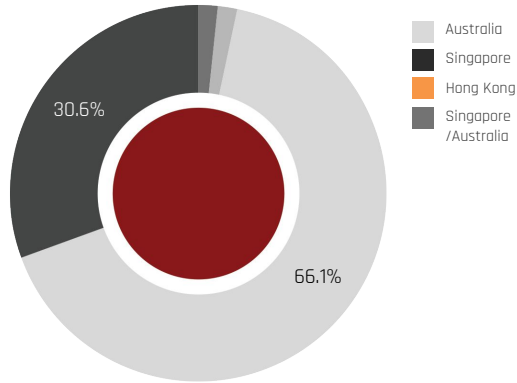
12.9

Number of
customers (#)

160

SUPERLOOP CUSTOMER PROFILE

Superloop fibre products (excluding APEXNetworks & CINENET)



CUSTOMERS BY REGION

Customers by region is currently dominated by Australia with Singapore and Hong Kong growing as the networks become more established

TCV BY REGION

Total Contract Value by region shows the impact of the greater value per contract in Singapore and Hong Kong

CUSTOMERS BY SEGMENT

Current customer segmentation is dominated by telecommunications and technology providers. As our networks connect to more enterprise buildings, our customer base will shift towards finance and media companies

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THANK YOU

