2017 SUPERLOOP ANNUAL REPORT

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Superloop Limited | ABN 96 169 263 094

2017 ANNUAL REPORT

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Letter from the Chairman

On behalf of the Board of Directors of Superloop Limited, it is my pleasure to present our Annual Report for the year ended 30 June 2017 (FY17).

In June this year, your Board decided to appoint me as its Chairman, and I am honoured to have the opportunity of guiding the Group through its next growth phase alongside our CEO, Bevan Slattery, the diverse board, and the highly talented management team. This was the fortunate result of Bevan agreeing to stay on as CEO for at least the next three years, an endorsement of his genuine belief and enthusiasm in your company.

Superloop is a young company, having been established in 2014, and listed in 2015. The Group has grown very quickly, and the past financial year saw several significant outcomes achieved:

- Launch of the Hong Kong network and expansion of the Singapore network to strategic locations, with infrastructure now in place to underpin growth in the Asia-Pacific region;
- 15-year capacity agreement with Vocus providing significant additional coverage to the Australian network;
- Joined with our fellow team members in the BigAir Group in December 2016, and commenced integration and realisation of revenue and cost synergies;
- Acquired SubPartners in April 2017;
- Grew talent base from less than 50 to over 315, with key appointments made to further strengthen the Board and senior management; and
- Achieved positive EBITDA and operating cashflow.

During the year, we updated the Group's vision to be: "The most trusted enabler of connectivity and managed services in Asia Pacific". The milestones we have achieved in infrastructure and product development over FY17 are consistent with this vision and ensure we have a sustainable platform to accelerate growth.

Across the Asia Pacific region, we have built our own dedicated networks, offering customers the latest low-loss fibre technology designed for terabit network connectivity requirements. This technology, combined with a network designed and installed in the most direct paths between strategic locations, allows for ultra-low latency connectivity, a feature important for many enterprise and financial clients, while ensuring that reliability and self-healing are core to every design decision.

Over the past 12 months, we have added to our network footprint, successfully completing two strategic acquisitions that management are now fully integrating into the Group. The acquisition of BigAir Group in December 2016 fundamentally enhanced our ability to scale our Australian footprint by providing high speed data infrastructure into enterprise buildings at low cost. This network has been designed to provide speeds of up to 10 Gbps and will offer a compelling alternative for businesses and wholesale partners. We are now able to take advantage of the increasing appetite for point to point wireless connectivity solutions.

The acquisition of SubPartners in April 2017 will provide strategic assets including ownership of international submarine cable capacity as a member of the INDIGO consortium, as well as a team with substantial experience and an ability to lead or participate in other future undersea cable investments. The completion of the INDIGO international cable systems in mid-2019 will further expand our network so we can offer customers a fully meshed pan-Asian network.

During the year, Superloop enhanced its Board with three key appointments, two of which also joined our management team:

- Jason Ashton, previously the CEO of BigAir, was appointed an Executive Director;
- Vivian Stewart, previously the Chairman of BigAir, was appointed a Non-executive Director; and
- Matt Hollis, previously the Director of Corporate & Wholesale at Vocus Communications, was appointed as an Executive Director.

During the year, the Remuneration and Nomination Committee completed a review of best practice remuneration frameworks. The review's objective was to ensure that the remuneration framework implemented by the Group is transparent, competitive and reasonable, and ultimately aligned to shareholder interest. As your Chairman, I am committed to ensuring that from time to time the framework is reassessed and, if necessary, realigned to the Group's vision and strategy.

Looking ahead, Superloop is focussed on integrating the networks and systems of the acquired businesses and realising the inherent synergies. Throughout FY18 and beyond, we will continue to invest in our networks by adding strategic sites to meet customer demand. We will also continue to consider further earnings-accretive acquisitions that are strategically and culturally aligned to our business, accelerate our time to market and provide the Group with valuable assets or systems.

With expanding networks in place across Australia, Singapore and Hong Kong, the Group has established a platform to leverage our core infrastructure assets and drive further growth and customer acquisition. Execution of key strategic sales opportunities and the continued development of products, leveraging our established infrastructure to achieve return on investment, remains a key focus.

In closing, I would like to express my gratitude to our shareholders for their ongoing support of the Company. In recognition of this support, and reflecting the strength of the balance sheet, growing earnings, and confidence in management's ability to deliver sustainable returns, your Board was pleased to declare Superloop's maiden dividend of $0.005 per share fully franked, paid on 18 September 2017.

I would also like to thank my fellow Directors for their professionalism, experienced counsel and input throughout the year. On behalf of the Board, thanks must also go to our experienced management team, led by CEO Bevan Slattery, for their passion and dedication to growing Superloop.

Lastly, I would like to thank our talented employees, whose numbers have grown almost 7-fold to more than 315, for their tremendous commitment and effort in helping to deliver the excellent outcomes that have been achieved in FY17. Many of you have done it before, and once again, we're going to change the rules of this game for the better. We hope you can join us for the Annual General Meeting.

Michael Malone
Chairman
Superloop Limited

Our vision
is to be the most trusted enabler of connectivity and managed services in Asia Pacific

Report from the Chief Executive Officer

I am pleased to report that over the year ended 30 June 2017 (FY17) we have seen significant growth and accelerating development in the organisation.

FY17 was a busy and constructive year, expanding the Group through the strategic acquisitions of BigAir Group and SubPartners, launching a fibre optic network in Hong Kong, and expanding our networks in Australia and Singapore.

Over FY17, we achieved several major milestones:

- Grew revenue from ordinary activities by 755% to $59.8 million
- Generated underlying EBITDA of $9 million; a $14.6 million turnaround from FY16
- Increased our customer base from 160 to 2,300+ active customers
- Installed over 230 kilometres of fibre, taking total installed fibre to over 610 kilometres
- Completed construction and commissioning of the 110 kilometre backbone fibre cable network for the launch in Hong Kong
- Completed construction of TKO Express domestic submarine fibre-optic cable and the data centre campus in Hong Kong
- Completed the expansion of the Singapore network to strategic locations, including the Singapore Exchange, iO and NTT data centres.

Superloop's infrastructure footprint continued to grow over the 2017 financial year. We added significant network coverage across Asia Pacific through successful expansion in Australia and Singapore to another 150+ and 24 strategic sites respectively, and the launch of the network in Hong Kong initially connecting the first 17 strategic data centre and enterprise buildings.

During this time Superloop completed two strategic acquisitions of BigAir Group and SubPartners. Superloop's network coverage, combined with the assets acquired, has enabled the Company to offer customers a unique product and service offering both now and in the future.

The acquisition of BigAir fundamentally enhances the opportunity for Superloop's fibre business and extends the Group's activities to the provision of connectivity and managed services through fixed wireless broadband networks, community broadband and cloud managed services. Since the acquisition in December 2016, more than $2.0 million of annualised corporate synergies and over $1.5 million in annualised network integration cost savings have been realised.

The acquisition of SubPartners in April 2017 provides Superloop with an opportunity to expand international capacity through the INDIGO West cable (Singapore to Perth) and INDIGO Central cable (Perth to Sydney). The cable systems, expected to be completed by mid-2019, will provide the basis for connectivity between Superloop's existing metropolitan networks, creating a broad fully meshed pan-Asian network.

During the year we strengthened our team with the appointments of:

- Jason Ashton (who was previously the CEO and co-founder of BigAir), Executive Director, and GM Cloud and Managed Services division.
- Matt Hollis, Executive Director and Group GM Sales and Marketing
- Alex West, Head of Integration and Transformation
- Julian Breen, Head of Customer Experience
- Dan Whitford, GM Wholesale
- Daniel Lawrence, GM Enterprise

With these additions, we have established a highly skilled management team that offers a strong competitive advantage, a fundamental driver to our success and unprecedented growth.

In addition, a number of experienced senior sales executives joined the team in Australia, and the Group continues to recruit talented people, with particular emphasis on sales managers in Singapore and Hong Kong.

I am excited about the opportunities that lie ahead for the Company as our strong network and product offering continues to be developed to support the ever-growing need for increased bandwidth requirements.

Having successfully acquired BigAir and SubPartners, we continue to consider acquisitions that meet our specific investment criteria:

- Strategically aligned to our vision
- Accelerate our time to market
- Have teams that are culturally aligned and which are earnings accretive
- Have technology, software and systems that are of value to the combined group.

Consistent with these criteria, after year end, in September 2017 we announced the acquisition of NuSkope, a leading fixed wireless Internet Service Provider delivering advanced high-speed Internet access to homes, schools and businesses in South Australia.

As a management team, we are focussed on achieving the Company's vision of becoming "The most trusted enabler of connectivity and managed services in Asia Pacific". With expanding networks in place across Australia, Singapore and Hong Kong, the Group has established a strong platform to leverage our core infrastructure assets and drive further growth and customer acquisition.

FY17 has been an exciting year of transformation and development for Superloop with much of the year focused on the development and progression of Superloop's strategy to achieve our vision. I would like to thank the Board, management team, and all of those on the expanded Superloop team for their continued dedication and drive. I would also like to thank our shareholders for their continued support.

Superloop has come a long way in a short space of time. We are excited by the growth runway for our business and by the potential for it to become a truly great Asia Pacific connectivity and managed services company.

Bevan Slattery
Chief Executive Officer
Superloop Limited

Business Overview

Customer satisfaction is at the core of **what we do**

A fully integrated Pan Asian communications business operating on one common platform

Successfully fused network ownership economics and software automation to deliver the most powerful on-demand gigabit+ network in Asia

A high performance culture that attracts the best and brightest

A no bull NPS of 70+

Operating Segments

Connectivity services

superloop

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

Superloop remains 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".

BigAir

Benefits to the existing BigAir business from the acquisition by Superloop

BigAir focuses 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 alternative in outer metro and regional Australia.

Managed services

Cloud and Managed Services

BigAir's cloud & managed services business

The BigAir cloud and managed services business unit will provide a fully integrated and focused managed service offering with a clear statement on market position and products. There is a significant opportunity for growth in the medium to large enterprise market.

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

Asia Pacific Fibre Network

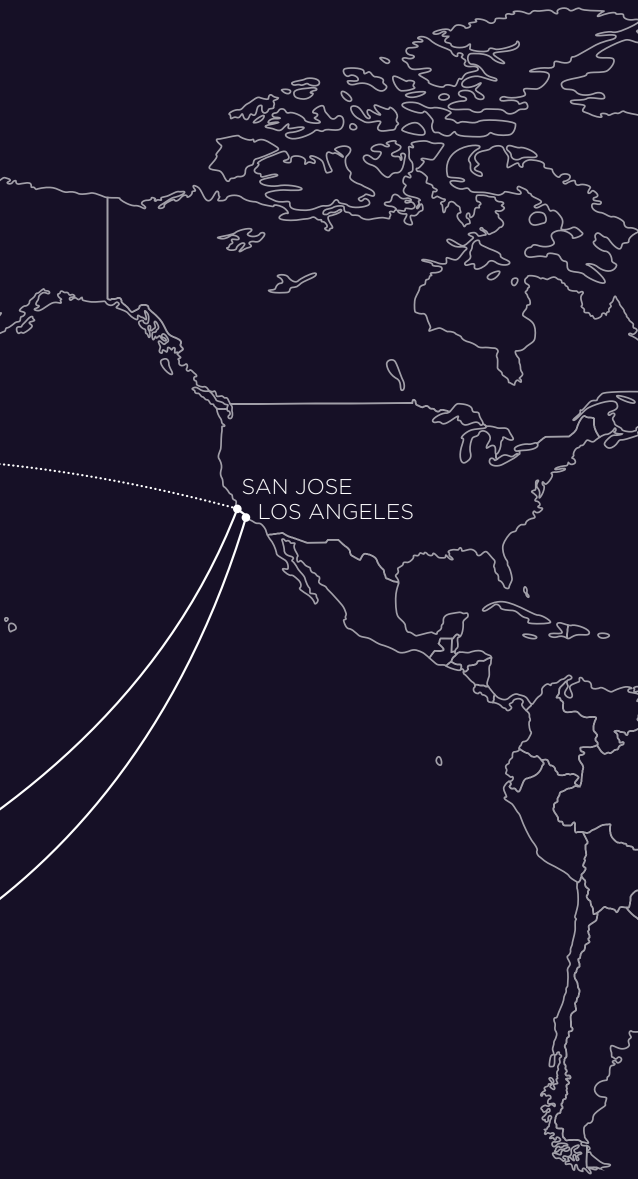
— Current
······· FY18

Hong Kong	
30 June 2017	30 June 2016
221km Fibre	83km Fibre
17 Strategic sites	- Strategic sites

Singapore	
30 June 2017	30 June 2016
176km Fibre	136km Fibre
48 Strategic sites	24 Strategic sites

Australia	
30 June 2017	30 June 2016
217km Fibre	159km Fibre
200+ Strategic sites	50 Strategic sites

FY17 Milestones



Performance

30 June 2017	30 June 2016
2300+ Customers	159km Customers
$59.8m Revenue	$7.0m Revenue

Hong Kong

- Completed construction of initial Hong Kong backbone fibre cable network (110 km x 2,000 cores)
- Completed construction of TKO Express domestic submarine cable

Singapore

- Achieved EBITDA break-even in Singapore, before corporate allocations
- Completed expansion of Singapore network to IO, NTT and Singapore Exchange data centres with diverse paths

Australia

- Acquired BigAir Group in December 2016 and commenced integration and realisation of synergies
- Expanded coverage with 15 year access agreement for metro fibre, regional, and inter-capital capacity

International expansion

- Expanded coverage with 15 year access agreement for international capacity
- Acquired SubPartners in April 2017

Integration synergies achieved

- Realised corporate overhead savings over $2.0m and network cost savings over $1.5m

Strengthend management team

- Appointed key management team members to lead group through next phase of growth

Directors' Report

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 2017.

DIRECTORS

The following persons were directors of the Group during the year:

- Michael Malone (Chairman)
- Bevan Slattery (Chief Executive Officer)
- Greg Baynton
- Louise Bolger
- Richard (Tony) Clark
- Vivian Stewart (appointed 21 December 2016)
- Jason Ashton (appointed 21 December 2016)
- Matthew Hollis (appointed 1 March 2017)
- Daniel Abrahams (resigned 18 November 2016)

PRINCIPAL ACTIVITIES

Superloop's vision is to be the most trusted enabler of connectivity and managed services in Asia Pacific.

During the year, the principal activities of the Group consisted of the development and operation of independent telecommunications infrastructure throughout the Asia Pacific region, and the provision of complete high-performance network solutions.

Following the Group's acquisition of BigAir Group Limited (BigAir), the Group's principal activities now extend to the provision of connectivity and managed services through fixed wireless broadband networks, community broadband and cloud and managed services.

REVIEW OF OPERATIONS

During the year, the Group experienced major transformation with the acquisition of BigAir. BigAir enhances Superloop's network coverage at strategic Australian sites and locations nationally, including regional markets, greatly expands the product set and adds depth in technical and sales resources. It allows Superloop to expand its wholesale offering through microwave connectivity and offers compelling synergies.

Superloop continued to expand its pan-Asian network with strategic sites added to its Singapore network while making significant investment in its Hong Kong network which was launched in December 2016.

The acquisition of SubPartners Pty Ltd in April 2017 will deliver Superloop strategic ownership of international submarine cable capacity through the INDIGO West and INDIGO Central cable systems, which will become the basis of connectivity between existing metropolitan networks, once complete in mid-2019, creating a broad interconnected network.

In addition, the Board and senior management team has been strengthened with key appointments during the year. Superloop has established the platform for the delivery of scalable services across the Asia Pacific region.

Specifically, during the year, Superloop:

- Completed the acquisition of BigAir Group Limited via scheme of arrangement;
- Commenced integration and realisation of synergies;
- Raised $65.0 million by way of institutional placement to partly fund the acquisition of BigAir;
- Entered into a 3 year $80.0 million revolving debt facility;
- Continued to develop Superloop 360 customer provisioning and network management portal;
- Completed the expansion of the Singapore network to strategic locations including the IO, NTT and Singapore Exchange data centres;
- Continued the rollout of Project Red Lion in Singapore, with 31 commercial buildings connected to the network;
- Completed the 110 km backbone fibre cable network to launch the initial Hong Kong network;
- Completed the construction and commissioning of Hong Kong's TKO Express domestic submarine cable to connect Chai Wan to Tseung Kwan O Industrial Estate;
- Entered into agreements for access to certain network infrastructure assets via a 15 year Indefeasible Right of Use agreements; and
- Completed the acquisition of SubPartners Pty Ltd.

FINANCIAL AND OPERATING PERFORMANCE

The Group generated earnings before interest, tax, depreciation and amortisation (EBITDA) of $4.6 million. Adjusting for large one-off costs associated with the acquisitions of BigAir and SubPartners Pty Ltd results in underlying EBITDA of $9.0 million.

Profit after direct costs for the year was $31.8 million, up from $1.9 million for the previous corresponding period, with revenue of $59.8 million offset by direct costs of $28.0 million.

Revenue from continuing operations grew $52.8 million, compared to the previous corresponding period, including $40.6 million from BigAir for the period from 21 December 2016 and $2.9 million from SubPartners Pty Ltd which was acquired on 4 April 2017.

The Group's Connectivity segment, which includes the Superloop fibre infrastructure and high performance network solution businesses, as well as SubPartners and BigAir's fixed wireless business, contributed revenue of $30.6 million. The Managed Services segment, which includes BigAir's cloud and managed services business and community broadband campus wifi business, contributed revenue of $28.7 million.

On a geographic basis, the Australian businesses, which includes Superloop (Australia), BigAir Group, SubPartners, CINENET Systems and APEXnetworks, contributed revenue of $54.8 million, an increase of $49.3 million over the previous corresponding period. Singapore contributed revenue of $3.9 million, an increase of $2.4 million over the previous corresponding period and Hong Kong commissioned its first service during the period to contribute $1.0 million in revenue.

Operating expenses for the period were $27.2 million and include $4.4 million of one-off costs associated with the acquisitions of BigAir and SubPartners. Employee costs were $14.8 million reflecting the significant increase in staff through the BigAir acquisition.

At 30 June 2017, the Group held $7.1 million in cash and cash equivalents. During the year, the Group entered into a three year revolving debt facility of $80.0 million, with $32.8 million of the facility utilised at balance date. The Group has sufficient funding flexibility for its upcoming planned projects.

The Group invested $52.6 million in network assets (excluding acquisitions) in the year, and at 30 June 2017 held property, plant and equipment of $147.6 million.
At 30 June 2017, the Group held intangible assets of $235.5 million including the Group's right to access (via an Indefeasible Rights to Use (IRU)) Australian network capacity as well as intangible assets arising from business combinations.

Cash flows from operations contributed $4.7 million.

BUSINESS STRATEGIES AND PROSPECTS FOR FUTURE FINANCIAL YEARS

Superloop's networks are strategically positioned to capitalise on market dynamics, driven by strong data growth, growth in data centre demand and the need for connectivity services with a focus on the Asia Pacific region.

The Group's operating networks in Australia, Singapore and Hong Kong uniquely positions Superloop as a true Pan Asian telecommunications network owner and operator.

This network coverage across the Asia Pacific region, combined with the recent acquisitions of BigAir and SubPartners will enable existing and new customers access to a greater range of products and services.

Superloop intends to continue to invest in connectivity solutions and managed products and services in markets where the Board and management believe the demand for services will deliver an attractive return for Shareholders.

BUSINESS RISKS

The material business risks faced by the Group that are likely to have an effect on its financial prospects include:

- **Customer demand** – Superloop's growth strategy incorporates commitment of substantial operational and financial resources to design, construct and maintain telecommunications infrastructure and to expand existing infrastructure. Development or expansion of networks does not necessarily require commitments from customers prior to commencement, and as such, sufficient demand may not exist post-completion. A lack of customer demand, or oversupply of telecommunications infrastructure in the market, could have negative implications on the Group's ability to achieve desired rates of return on investment, and have a material adverse effect on the growth prospects and/or financial position of the Group.

- **Planning, development and construction risks** – Any delay or unexpected costs associated with planning, construction and development activities may harm growth prospects, future operating results and financial conditions. Superloop requires access to both public and non-public spaces to install and deliver services. Superloop must negotiate access to areas where it cannot rely on its carrier powers to access. The terms of access may be such that the build is not economically viable (in the opinion of the Board and management) or access may not be able to be negotiated.

- **Funding** – The continued growth of Superloop's business relies on the acquisition and development of new telecommunications infrastructure and ongoing maintenance of existing infrastructure. Superloop requires sufficient access to debt and equity capital to fund this expenditure. 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 Group. Superloop's continued ability to implement its business plans effectively over time may depend in part on its ability to raise future funds. There is no assurance that additional funds will be available in the future and/or be secured on reasonable commercial terms.

- **Regulatory risk** – There is a risk that Government policy could directly affect the product offerings and competitive landscape, particularly in markets where the Government has significant investment in telecommunications assets. Superloop requires certain licences to operate in its various jurisdictions and any modifications or cancellation of any of these licences may impact its ability to operate in that jurisdiction.

- **Network damage** – Any accidental damage from civil works, intentional damage from vandalism or terrorism and acts of God such as earthquakes or other natural disasters may result in outages and damage to Superloop's network.

Directors' Report

- **Foreign exchange risk** – Superloop operates in foreign jurisdictions and as a result, fluctuations in applicable exchange rates could have an impact on the financial position and performance of the Group.

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 the Review of Operations above.

MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

On 11 August 2017, the Group issued 1,161,495 shares to Mr Bevan Slattery as partial consideration for the acquisition of SubPartners Pty Ltd.

Also, on 11 August 2017, 336,094 options were issued to Mr Matthew Hollis under the Group's Executive Option Plan.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

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

DIVIDENDS

A final dividend of $0.005 per share, fully franked, was declared after the end of the year.

ENVIRONMENTAL REGULATION

The Group is not subject to any significant environmental laws.

INDEMNIFICATION OF OFFICERS

The Group has entered into standard deeds of indemnity and insurance with the Directors. Pursuant to those deeds, the Group has undertaken, consistent with the Corporations Act 2001, to indemnify each Director in certain circumstances and to maintain directors and officers insurance cover in favor of the Director for seven years after the Director has ceased to be a Director.

During the year, the Group paid premiums of $156,956 (2016: $37,381) to insure the directors and officers of the Group against a liability incurred as a director or officer, to the extent permitted by the Corporations Act 2001.

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 26 to the financial statements.

The Board of Directors has considered the position and, in accordance with advice received from the Audit and Risk Management 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 and Risk Management Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- 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 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 42.

Information on Directors

MICHAEL MALONE

Independent Non-Executive Chairman

Appointed Non-executive Director: 27 April 2015
Appointed Chairman: 22 June 2017

Experience and expertise

Michael Malone is the former CEO of iiNet Limited, having founded the company in 1993. During his tenure, iiNet became the second largest broadband DSL ISP in Australia.

In 2009, Michael was CEO of the Year in the Australian Telecom Awards and National Customer Service CEO of the Year in the CSIA's Australian Service Excellence Awards. Michael was named a finalist for WA Citizen of the Year and in 2011, he won the Ernst & Young Entrepreneur of the Year Award.

In April 2016, Michael was appointed to the Board of NBN Co Limited.

Michael holds a Bachelor of Science (Mathematics) and a Postgraduate Diploma in Education from UWA. He is a Fellow of the Australian Computing Society, a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Management.

Other current directorships of listed entities

Seven West Media Limited (ASX: SWM) - appointed 24 June 2015
SpeedCast Ltd (ASX: SDA) – appointed 14 July 2014
Dreamscape Networks Limited (ASX: DN8) - appointed 16 September 2016

Former Directorships of listed entities in last 3 years

Nil

Special responsibilities

> Chairman
> Member of the Audit and Risk Management Committee

Interests in shares and options

632,894 fully paid ordinary shares

BEVAN SLATTERY

Chief Executive Officer (CEO)

Appointed CEO: 23 February 2016
(Executive Chairman until 22 June 2017)

Experience and expertise

Bevan Slattery is founder and Chief Executive Officer of Superloop. Bevan has a background in building successful Australian IT and telecommunications companies and an earlier career in administration in local and state government. Prior to establishing Superloop, Bevan founded Megaport in 2013 with the aim of becoming a global leader in the fast growing elastic interconnection services market. The Company successfully listed on the ASX in December 2015.

In 2010, Bevan founded NEXTDC, with a vision to become Australia's largest independent data centre provider. As the inaugural CEO of NEXTDC, Bevan oversaw its listing on the ASX, overall design of its initial facilities and its initial facility rollout. In 2002, Bevan co-founded PIPE Networks which grew to become Australia's largest Internet Exchange and Australia's third largest metropolitan fibre network provider with over 1,500km of fibre in 5 cities connecting 80 data centres, 250 Telstra exchanges and over 1000 buildings. In 2009, PIPE Networks completed construction of Pipe Pacific Cable 1 (PPC-1), a $200 million submarine cable system linking Sydney to Guam. PIPE Networks was sold to TPG for an enterprise value of $420 million in May 2010.

Bevan has been awarded an honorary Master of Business Administration from Central Queensland University.

Other current directorships of listed entities

Bevan is a director of Megaport Limited (ASX: MP1) - appointed 27 July 2015

Former Directorships of listed entities in last 3 years

Asia Pacific Data Centre Group Limited (ASX: AJD) - resigned 30 June 2014

Special responsibilities

> Chief Executive Officer

Interests in shares and options

61,169,389 fully paid ordinary shares
395,898 share options

GREG BAYNTON
Independent Non-Executive Director

Appointed: 28 April 2014

Experience and expertise
Greg Baynton is the founder and Managing Director of Orbit Capital, an investment and advisory company and holder of an Australian Financial Services Licence. He has a background in investment banking, infrastructure investment, and new projects and has experience in IPOs and other capital raisings, mergers and acquisitions, investor relations and corporate governance.

He has considerable experience as a director of ASX-listed companies. Among those, Greg is a former Director of Asia Pacific Data Centre Limited, NEXTDC and of PIPE Networks. Greg is also a director of State Gas Limited.

Greg holds a Master of Business Administration (QUT), a Master of Economic Studies (UQ), a Postgraduate Diploma in Applied Finance & Investment (SIA), and a Bachelor of Business (Accountancy). He has completed a Certificate course in Risk Management and Corporate Governance and is a Fellow of the Governance Institute of Australia.

Other current directorships of listed entities
NOVONIX Limited (ASX: GRA) – appointed 05 April 2012

Former Directorships of listed entities in last 3 years
Asia Pacific Data Centre Group Limited (ASX: AJD) – resigned 04 February 2015
Lamboo Resources Limited (ASX: LMB) – resigned 11 September 2014

Special responsibilities
> Chairman of the Audit and Risk Management Committee
> Member of the Remuneration and Nomination Committee

Interests in shares and options
812,331 fully paid ordinary shares

LOUISE BOLGER
Independent Non-Executive Director

Appointed: 27 April 2015

Experience and expertise
Louise Bolger is an experienced in-house telecommunications, media and technology lawyer and company secretary.

Currently Louise is General Counsel and Company Secretary for the ASX listed pre-paid cards issuer Emerchants Limited, and prior to that was General Counsel and Company Secretary at Southern Cross Media Group Limited and PIPE Networks Limited.

Louise commenced her career in private legal practice before continuing on to in-house roles with Telstra, Logica and Bank of Queensland.

Louise holds a Bachelor of Laws (Hons), a Bachelor of Arts (Modern Asian Studies) from Griffith University and a Bachelor of Education Studies from the University of Queensland. She is a member of the Australian Institute of Company Directors.

Other current directorships of listed entities
Nil

Former Directorships of listed entities in last 3 years
Nil

Special responsibilities
> Chairman of the Remuneration and Nomination Committee

Interests in shares and options
66,165 fully paid ordinary shares

Information on Directors

RICHARD ANTHONY (TONY) CLARK

Independent Non-Executive Director

Appointed: 23 December 2015

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

Tony has a wealth of industry knowledge and experience in digital media. His credits as a VFX Supervisor for RSP include Alfonso Cuarón's Gravity, Pirates of the Caribbean: On Stranger Tides, The Sorcerer's Apprentice, The Last Mimzy, The Core and Harry Potter & the Goblet of Fire.

Tony is a 2010 recipient of an Academy Award for Scientific & Technical Achievement 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, is currently on the board of Ausfilm and is an active member of both AMPAS, the Academy of Motion Picture Arts, and Sciences and the Visual Effects Society. He is a Graduate of the Australian Institute of Company Directors.

Other current directorships of listed entities
Nil

Former Directorships of listed entities in last 3 years
Nil

Special responsibilities
Nil

Interests in shares and options
396,343 fully paid ordinary shares

VIVIAN STEWART

Independent Non-Executive Director

Appointed: 21 December 2016

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

Vivian is the CEO of VentureCrowd – an alternative assets crowdfunding platform.

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. He has 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 serves on the management committee of Sydney Angels, the investment committee of the Sydney Angels Sidecar Fund and on the Board of Hey You.

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 Graduate of the Australian Institute of Company Directors.

Other current directorships of listed entities
Nil

Former Directorships of listed entities in last 3 years
BigAir Group Limited - appointed June 2008

Special responsibilities
- Member of the Audit and Risk Management Committee
- Member of the Remuneration and Nomination Committee

Interests in shares and options
577,738 fully paid ordinary shares

JASON ASHTON
Executive Director

Appointed: 21 December 2016

Experience and expertise
Jason Ashton is Superloop's GM - Cloud and Managed Services.

Jason has a background in building Australian telecommunications companies. In 2002, Jason co-founded BigAir Group Limited and was its Chief Executive Officer from 2006 until its acquisition by Superloop in December 2016.

Jason was previously Managing Director of business ISP Magna Data which he co-founded in 1993 and subsequently sold in 1999.

Jason has extensive experience with high speed microwave and fixed wireless access networks and is a regular speaker at industry conferences.

Jason has a Bachelor of Science from the University of Sydney and a Master of Commerce from the University of NSW.

Other current directorships of listed entities
Nil

Former Directorships of listed entities in last 3 years
BigAir Group Limited - appointed 2002

Special responsibilities
Nil

Interests in shares and options
1,347,447 fully paid ordinary shares

MATTHEW HOLLIS
Executive Director

Appointed: 01 March 2017

Experience and expertise
Matthew Hollis is Superloop's Group GM Sales and Marketing.

Prior to joining Superloop, Matt was the Director of Corporate & Wholesale at Vocus Communications for over 6 years. Prior to joining Vocus, Matt served in various sales and corporate roles with Pipe Networks and other ISPs and System Integrators.

Matt is a member of the Australian Institute of Company Directors and has attended the Company Directors course.

Other current directorships of listed entities
Nil

Former Directorships of listed entities in last 3 years
Nil

Special responsibilities
Nil

Interests in shares and options
27,010 fully paid ordinary shares
336,094 share options

Company Secretary

PAUL JOBBINS
Company Secretary

Paul is Superloop's Group Chief Financial Officer and has responsibility for corporate functions including Finance, Legal, Talent and Culture and Investor Relations as well as driving the Group's corporate strategy.

Paul has previously worked in senior executive roles with several ASX listed companies including NEXTDC Limited, Reverse Corp Limited and Sunshine Gas Limited.

Paul holds a Bachelor of Business (Accountancy) from QUT, a Graduate Diploma in Applied Finance and Investment from Finsia, a Master of Applied Finance from Macquarie University, is a Chartered Accountant and a member of the Australian Institute of Company Directors.

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:

	Meetings of Directors		Meeting of Committees			
			Audit and Risk Management		Remuneration and Nomination	
	A	B	A	B	A	B
Bevan Slattery	16	16	N/A	N/A	2	2
Greg Baynton	15	16	5	5	3	3
Louise Bolger	16	16	N/A	N/A	3	3
Michael Malone	14	16	5	5	N/A	N/A
Tony Clark	15	16	N/A	N/A	N/A	N/A
Vivian Stewart(1)	6	6	3	3	1	1
Jason Ashton(1)	6	6	N/A	N/A	N/A	N/A
Matthew Hollis(2)	3	3	N/A	N/A	N/A	N/A
Former Directors						
Daniel Abrahams(3)	8	9	2	2	N/A	N/A

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

(1) Mr Stewart and Mr Ashton were appointed to the Board on 21 December 2016
(2) Mr Hollis was appointed to the Board on 01 March 2017
(3) Mr Abrahams resigned from the Board on 18 November 2016

Remuneration Report

Director's Report (Remuneration Report)

MESSAGE FROM THE CHAIR OF THE REMUNERATION AND NOMINATION COMMITTEE

Dear Shareholders,

We are pleased to present Superloop's Remuneration Report for 2017, for which we seek your support.

Superloop's updated vision, "to be the most trusted enabler of connectivity and managed services in Asia Pacific", is designed to support the creation of long term shareholder value. Throughout the 2017 year, the Company underwent significant transformation in pursuit of this vision with growth in revenue, earnings and assets, number of customers and employees.

The acquisitions of BigAir Group in December 2016 and SubPartners in April 2017 have seen the size of the team increase from under 50 employees at the start of the year to over 315 employees by 30 June 2017.

During the year, key appointments were made to the Board and senior management team. While the Company has been able to recruit high calibre candidates across the wider organisation it is critical to the success of the organisation that it is able to continue to attract and retain appropriate people to lead the Company through its next phase of growth.

The role of the Remuneration and Nomination Committee is to assist the Board, and make recommendations on remuneration, related policies and practices including the remuneration of senior management and non-executive Directors. A key principle which the Committee operates by is to ensure that the remuneration framework is transparent, competitive and reasonable.

The Committee oversees the development and implementation of a remuneration policy and remuneration structure that ensures there is a direct link between remuneration and performance, both Company and individual, that is ultimately aligned to shareholder interest.

The Committee has undertaken a review of best practice remuneration frameworks and also considered structures implemented in organisations of a similar size and in similar industries. A comprehensive remuneration policy, including at-risk short term and long term incentives has been implemented which the Committee, and the Board, believes will continue to support the Group's vision and strategy.

We welcome your feedback on the development of our remuneration practices and reporting. We thank you for your continued support and hope that you find this report useful.

L. Bolger

Louise Bolger
Chair, Remuneration and Nomination Committee
Superloop Limited

REMUNERATION REPORT - AUDITED

The Remuneration Report, which forms part of the Directors' Report, sets out the remuneration arrangements for Directors and other Key Management Personnel ("KMP") of Superloop for the year ended 30 June 2017 (FY17), and is prepared in accordance with section 300A of the Corporations Act 2001 (Corporations Act). The information in this report has been audited as required by section 308(3C) of the Corporations Act.

1. THE PERSONS COVERED IN THIS REPORT

Key Management Personnel ("KMP") include Directors of the Group and Senior Executives. The term "Senior Executives" refer to the Chief Executive Officer and those executives with responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

NON-EXECUTIVE DIRECTORS

NAME	POSITION
Michael Malone	Independent Non-Executive Chairman (appointed 22 June 2017) Member of the Audit and Risk Management Committee
Greg Baynton	Independent Non-Executive Director Chair of the Audit and Risk Management Committee Member of the Remuneration and Nomination Committee
Louise Bolger	Independent Non-Executive Director Chair of the Remuneration and Nomination Committee
Tony Clark	Independent Non-Executive Director
Vivian Stewart	Independent Non-Executive Director (appointed 21 December 2016) Member of the Audit and Risk Management Committee Member of the Remuneration and Nomination Committee

SENIOR EXECUTIVES

NAME	POSITION
Bevan Slattery	Chief Executive Officer (CEO) (Executive Chairman to 22 June 2017)
Matthew Hollis	Executive Director (appointed 1 March 2017) Group GM Sales and Marketing
Jason Ashton	Executive Director (appointed 21 December 2016) GM Cloud and Managed Services
Paul Jobbins	Group Chief Financial Officer Company Secretary
Ryan Crouch	Chief Operating Officer - Networks
Matthew Whitlock	Chief Operating Officer - Infrastructure
Alex West	Head of Transformation and Integration (appointed 24 July 2017)
FORMER EXECUTIVES	
Steven Bond	General Manager, Sales and Marketing
Matthew Gregg	General Manager, Customer Experience

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

CHANGES SINCE THE END OF THE REPORTING PERIOD
Since the end of the financial year, Alex West was appointed Head of Transformation and Integration on 24 July 2017.

Director's Report (Remuneration Report)

2. OVERVIEW OF REMUNERATION GOVERNANCE FRAMEWORK

2.1 REMUNERATION AND NOMINATION COMMITTEE CHARTER

The purpose of the Committee is to assist the Board in the development and implementation of policies and practices in relation to the appointment and remuneration of senior management and non-executive Directors. This includes making recommendations to the Board about the appointment of new Directors (both executive and non-executive) and senior management.

The Committee's functions include:

- development of criteria (including skills, qualifications and experience) for Board candidates;
- identification and consideration of possible candidates and recommendation to the Board;
- ensuring appropriate induction and continuing professional development programs are implemented for Directors;
- review of processes for succession planning for the Board, CEO and other senior executives;
- establishment of procedures, and recommendations to the Chairman, for the proper oversight of the Board and management;
- ensuring the performance of each Director, and of senior management, is reviewed and assessed each year using procedures adopted by the Board;
- review and evaluation of market practices and trends on remuneration matters;
- recommendations to the Board about the Group's remuneration policies and procedures;
- oversight of the performance of senior management and non-executive Directors;
- recommendations to the Board about remuneration of senior management and non-executive Directors; and
- reviewing the Group's reporting and disclosure practices in relation to the remuneration of Directors and senior executives.

Meetings are held at least once a year and more often as required. A copy of the Committee's charter, which forms part of the Corporate Governance Charter, is available on Superloop's website at www.superloop.com/investors

2.2 SECURITIES TRADING POLICY

A securities trading policy ("Trading Policy") has been adopted by the Board to provide guidance to Directors, employees of Superloop, and other parties who may have access to price sensitive information, who may be contemplating dealing in Superloop's securities or the securities of entities with whom Superloop may have dealings.

The Trading Policy is designed to ensure that any trading in Superloop's securities is in accordance with the law. Any non-compliance with the Trading Policy will be regarded as an act of serious misconduct.

The Trading Policy is available on Superloop's website at www.superloop.com/investors

3. DIRECTOR REMUNERATION

3.1 DIRECTOR REMUNERATION POLICY

Superloop's Director remuneration policy is to provide fair remuneration that is sufficient to attract and retain non-executive Directors with appropriate experience, knowledge, skills and judgment.

The Directors decide the total amount paid to each Director as remuneration for their services. Under the Listing Rules, the total amount paid to all non-executive Directors must not exceed in any financial year the amount fixed in a general meeting of Superloop. This amount is currently $750,000. Non-executive Directors fees include base fees and fees for membership of board committees, and where relevant are inclusive of superannuation contributions.

Non-executive Directors may be paid such additional or special remuneration where a Director performs extra work or services which are not conducted in their capacity as a Director of Superloop.

Fees paid to non-executive Directors in FY17 were $322,375 (FY16: $251,129).

There are no retirement benefit schemes for Directors other than statutory superannuation contributions.

3.2 NON-EXECUTIVE DIRECTOR FEES

The current base director fees per annum, including statutory superannuation, are:

- Chairman $110,000
- Non-executive Director $60,000
- Committee member $10,000 (per committee)

Michael Malone was appointed non-executive Chairman on 22 June 2017 and will receive fees of $110,000 including superannuation.

To preserve independence, non-executive Directors do not receive incentive or performance based remuneration. Non-executive Directors are entitled to be reimbursed for travel and other expenses incurred while carrying out their duties as a director.

4. EXECUTIVE REMUNERATION

4.1 SENIOR EXECUTIVE REMUNERATION POLICY

Superloop's executive remuneration policy is designed to be transparent, competitive and reasonable while strengthening the alignment between performance related remuneration and shareholder returns. Its goal is to ensure the Group can attract and retain key talent while being linked to the achievement of the Group's strategic and business objectives.

The policy includes at-risk short term and long term incentives with direct links between remuneration and performance (both Company and individual) that is ultimately aligned to shareholder interest.

The remuneration framework consists of three key components:

- Fixed remuneration
- Short term incentives
- Long term incentives

4.2 SHORT TERM INCENTIVE (STI) POLICY AND PROCEDURE

For the period from 1 July 2017, the short term incentive policy provides incentives for executives to achieve the Group's strategic objectives by delivering or exceeding annual plans.

Measurement period and award

The initial measurement period for achieving objectives is the financial year to 30 June 2018, with assessment of performance conducted following the end of the measurement period upon finalisation of the full year audited results.

Short term incentives will be paid in cash following assessment.

The CEO can earn up to 50% of his annual fixed remuneration in short term incentives. Other executives have a target award of 20% but can earn up to 30% of their annual fixed remuneration for a superior outcome.

Performance metrics and weightings

The performance metrics for the CEO include:
- Financial performance: Group EBITDA (60%)
- Operational performance (40%)

The performance metrics for other executives include:
- Financial performance: Group EBITDA (40%)
- Operational performance (30%)
- Specific individual performance incentives linked to specific strategic projects or objectives (30%).

The policy also allows for incentives to be paid for achieving specific strategic objectives or for specific outstanding performance.

Cessation of employment

If an executive's employment terminates prior to the end of the measurement period, all entitlements will be forfeited, unless otherwise determined by the Board.

4.3 LONG TERM INCENTIVE (LTI) POLICY AND PROCEDURE

The purpose of the Long Term Incentive policy is to align executive rewards with sustainable growth in shareholder value over time. It also acts as a retention mechanism for key executives.

Further, the policy acts to establish a method by which eligible employees can participate in the future growth and profitability of the Company.

Shareholders have approved two long term incentive plans being the Employee Rights Plan and the Executive Option Plan.

The Company's Securities Trading Policy prohibits executives from entering into transactions which limit the economic risk related to equity-based remuneration schemes without written clearance.

Measurement period and award

The initial measurement period for long term incentives is three financial years from 1 July 2017, unless the Board determines otherwise. The policy intends for grants to be issued annually with overlapping cycles.

Incentives will be issued in the form of options or performance rights, subject to shareholder approval for Executive Directors. Where shareholder approval is not received for the issue of options to Directors, incentives will be awarded in cash.

The CEO can earn up to 50% of his annual fixed remuneration in long term incentives, paid in cash. Other executives can be awarded long term incentives of up to 20% of their annual fixed remuneration.

Performance metrics and weightings

The performance metrics for the CEO include:
- Financial performance: Earning per share target (50%)
- Operational performance (50%): including meeting short term objectives

The performance metrics for other executives includes earnings per share targets.

The achievement of long term objectives is subject to the satisfaction of the Board as assessed and declared on an annual basis.

Cessation of employment

If an executive's employment terminates prior to the end of the measurement period, all entitlements will be forfeited, unless otherwise determined by the Board.

Employee Rights Plan

At the 2015 Annual General Meeting held on 24 November 2015, shareholders approved an Employee Rights Plan. The Directors are empowered to operate the Employee Rights Plan and grant Performance Rights to Eligible Participants in according with the Listing Rules and on the terms and conditions summarised in the plan.

The Board may offer any number of Performance Rights to an Eligible Participant on the terms the Board decides, subject to the Employee Rights Plan rules and any applicable law or the Listing Rules. An Offer is required to set out details such as the total number of Performance Rights being offered, the vesting date and vesting conditions, any disposal restrictions, and other terms attaching to the Performance Rights.

A Participant is not required to pay for the grant of any Performance Rights or the issue of Superloop Shares on vesting. Once the Performance Rights vest, the Participant will be issued Superloop Shares, unless Superloop decides to provide a cash payment in lieu of Superloop Shares. A Participant does not have the right to participate in dividends on Superloop Shares until Superloop Shares are issued after vesting of the Performance Rights. A Participant does not have the right to vote in respect of a Performance Right.

Director's Report (Remuneration Report)

The Company shall not grant Performance Rights if the number of shares to be issued on exercise of the Rights exceeds 5% of the issued shares at the time the offer is made.

At 30 June 2017, 180,765 Performance Rights were on issue. After balance date, on 12 July 2017, a further 2,075 Performance Rights were issued.

Executive Option Plan

At a general meeting of shareholders held on 21 June 2016, shareholders approved an Executive Option Plan.

The Executive Option Plan is open for participation by Directors, executives and senior management. The Directors of Superloop believe an Executive Option Plan is an important part of a comprehensive remuneration strategy. The grant of options to participants under the Executive Option Plan further aligns the interests of the Company's senior management and shareholders and helps preserve the Company's cash funds.

The Directors are empowered to operate the Executive Option Plan and grant options to Eligible Participants in accordance with the Listing Rules and on the terms and conditions summarised in the Schedule. The Executive Option Plan is administered by the Board, which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions in addition to those set out in the plan.

All options are to be offered to Participants for no consideration. The offer must be in writing and specify, amongst other things, the number of options for which the Participants may accept, the year within which the options may be exercised and any conditions to be satisfied before exercise, the option expiry date (as determined by the Board) and the exercise year for the options.

The options shall lapse upon the earlier of the date specified by the Board or events contained in the Executive Option Plan rules, including termination of employment or resignation, redundancy, death or disablement. The Company shall not grant options if the number of shares to be issued on exercise of the options exceeds 5% of the issued shares at the time the offer is made.

During the year to 30 June 2017, 725,814 options were issued and at the date of this report there were 731,992 options on issue.

5. LOANS TO KEY MANAGEMENT PERSONNEL

Certain key management personnel were eligible to participate in a loan scheme provided by a related party to enable them to acquire shares as part of a private capital raising undertaken by the Group in FY15, prior to listing on the Australian Securities Exchange ("ASX"). The terms and conditions of the loan agreement are commercial in nature, including a market based interest rate. Under the terms and conditions of the loan agreement, if an employee resigns or leaves the Group before the end of the original loan term, the loan plus any accrued interest is repayable immediately. The loans are unsecured.

The Group does not guarantee or have any obligations with respect to the loan agreement between the employee and the related party.

At 30 June 2017, Matthew Whitlock owed $80,000 to the related party.

6. EMPLOYMENT TERMS FOR KEY MANAGEMENT PERSONNEL

6.1 DIRECTORS

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.

Subject to ASX Listing Rules, directors must retire from office at the conclusion of the third annual general meeting after the Director was last elected and will be eligible for re-election at that annual general meeting.

Upon cessation of a Director's appointment, the Director will be paid his or her Director's fees on a pro-rata basis, to the extent that they are unpaid, up to the date of cessation.

6.2 REMUNERATION OF EXECUTIVE DIRECTORS

CHIEF EXECUTIVE OFFICER

Bevan Slattery is the founder and Chief Executive Officer (CEO) of the Superloop Group and served as its Executive Chairman until 22 June 2017. He served as CEO for the Group on an interim basis from 23 February 2016 until signing a new Executive Employment Agreement on 22 June 2017 effective for three years from 1 July 2017.

Effective 1 July 2017, Mr Slattery's remuneration package consists of:

- fixed salary of $500,000 including superannuation;
- short term incentives of up to $250,000 per annum in the form of an annual cash bonus based on achieving yearly objectives including budgeted EBITDA targets and operational targets as approved by the Board from time to time;
- long term incentives of up to $250,000 per annum over 3 years based on achieving yearly objectives including annual budget and earnings per share targets and other long term strategic objectives determined by the Board to support the long term growth of the Company.

The contract stipulates a notice period of six months, a restraint period of twelve months and payments on termination equal to one month's salary including superannuation for each month during the restraint period.

Mr Slattery holds 395,898 options which were issued as part of his package for the 2017 financial year, which vested on 1 March 2017.

GROUP GM SALES & MARKETING

Matthew Hollis was appointed as an Executive Director on 1 March 2017 and is the Group GM Sales and Marketing. Mr Hollis has an Executive Employment Agreement in place with a term of three years.

His remuneration package consists of

- fixed salary of $350,000 including superannuation;
- short term incentives of up to $100,000 per annum in the form of an annual discretionary cash bonus;
- quarterly sales commissions based on meeting sales targets.

The contract stipulates a notice period of three months, a restraint period of six months and payments on termination equal to one month's salary including superannuation for each month during the restraint period.

After year end, on 11 August 2017, shareholders approved the issue of 336,094 options to Mr Hollis under the Executive Option Plan and in accordance with the Executive Employment Agreement with a value of $250,000.

In March 2017, Mr Hollis received a sign on bonus of $250,000 including superannuation.

GM CLOUD AND MANAGED SERVICES

Jason Ashton was appointed as an Executive Director on 21 December 2016 and is the GM Cloud and Managed Services. Mr Ashton has a service agreement in place with no fixed term and a notice period of three months. His remuneration package includes a fixed salary of $330,747 including superannuation.

During the year, Mr Ashton participated in a short term incentive scheme which was operated by BigAir Group Limited prior to its acquisition by Superloop. The scheme is no longer in operation.

6.3 REMUNERATION OF OTHER SENIOR EXECUTIVES

Remuneration and other terms of employment for other senior executives are formalised in employment agreements. Key terms of those employment agreements are as follows:

Name	Contract Duration	Notice Period	Termination Payments
Paul Jobbins	No fixed term	6 Months	6 Months
Ryan Crouch	No fixed term	3 Months	3 Months
Matthew Whitlock	No fixed term	1 Months	1 Months
Alex West	No fixed term	3 Months	3 Months

(1) Base salary payable if the Company terminates the executive without notice or without cause.

Director's Report (Remuneration Report)

7. REMUNERATION FOR FY17

The tables below outline the remuneration received by Key Management Personnel ("KMP") during the year.
This information is disclosed in accordance with the Corporations Act 2001 and the Australian Accounting Standards.

DIRECTORS

Fees and remuneration received by the Directors

		Short-term employee benefits				Post employment benefits	Long-term employee benefits			
		Salary/ Fees $	STI $	Other benefits $	Total $	Super-annuation $	LTI $	Long Service Leave $	Total Remunera-tion Package $	% of TRP linked to performance %
EXECUTIVE DIRECTORS										
Bevan Slattery(1)	2017	178,082		315,135	493,217	16,918	-	-	510,135	-
	2016	178,082	-	-	178,082	16,918	-	-	195,000	-
Jason Ashton(2)	2017	160,321	30,984	-	191,305	18,174	-	2,672	212,151	14.60%
	2016	-	-	-	-	-	-	-	-	-
Matthew Hollis(3)	2017	106,547		250,000	356,547	10,122	-	-	366,669	-
	2016	-	-	-	-	-	-	-	-	-
Daniel Abrahams(4)	2017	202,470		64,280	266,750	17,669	8,030	-	292,449	2.75%
	2016	273,978	-	3,240	277,218	26,028	-	-	303,246	-
NON - EXECUTIVE DIRECTORS										
Michael Malone	2017	70,000	-	-	70,000	-	-	-	70,000	-
	2016	70,000	-	-	70,000	-	-	-	70,000	-
Louise Bolger	2017	63,927	-	-	63,927	6,073	-	-	70,000	-
	2016	63,927	-	-	63,927	6,073	-	-	70,000	-
Greg Baynton	2017	80,000	-	-	80,000	-	-	-	80,000	-
	2016	80,000	-	-	80,000	-	-	-	80,000	-
Tony Clark	2017	54,975	-	-	54,975	5,205	-	-	60,000	-
	2016	28,428	-	-	28,428	2,701	-	-	31,129	-
Vivian Stewart(5)	2017	38,699	-	-	38,699	3,676	-	-	42,375	-
	2016	-	-	-	-	-	-	-	-	-
TOTAL - 2017	**2017**	**954,841**	**30,984**	**629,415**	**1,615,240**	**77,837**	**8,030**	**2,672**	**1,703,779**	**2.29%**
TOTAL - 2016	**2016**	**694,415**	**-**	**3,240**	**697,655**	**51,720**	**-**	**-**	**749,375**	**0.00%**

(1) Other benefits includes the value of options issued to Mr Slattery and which vested during the period.
(2) Mr Ashton was appointed on 21 December 2016.
(3) Mr Hollis was appointed on 1 March 2017.
(4) Mr Abrahams resigned as an Executive Director on 18 November 2016 but continued to serve as a senior executive as Chief Infrastructure Officer until 28 February 2017. The information above includes remuneration until cessation of employment on 28 February 2017. Mr Abrahams received termination benefits of $64,280, shown above in Other benefits.
(5) Mr Stewart was appointed on 21 December 2016.

SENIOR EXECUTIVES

Fees and remuneration received by the Senior Executives;

		Short-term employee benefits				Post employment benefits	Long-term employee benefits			
		Salary/ Fees $	STI $	Other $	Total $	Super-annuation $	LTI $	Long Service Leave $	Total Remunera-tion Package $	% of TRP linked to performance %
SENIOR EXECUTIVES										
Paul Jobbins[1]	2017	245,420	75,000	-	320,420	19,580	82,153	-	422,153	37.23%
	2016	53,981	-	-	53,981	4,455	-	-	58,436	0.00%
Ryan Crouch	2017	182,650	-	-	182,650	17,350	12,749	3,044	215,793	5.91%
	2016	114,158	100,000	-	214,158	10,845	-	3,044	228,047	43.85%
Matt Whitlock[2]	2017	194,489	70,000	-	264,489	18,475	12,749	-	295,713	27.98%
	2016	144,282	150,000	-	294,282	13,707	-	-	307,989	48.70%
FORMER SENIOR EXECUTIVES										
Steven Bond[3]	2017	153,774	-	-	153,774	12,896	8,341	-	175,011	4.77%
	2016	20,999	-	-	20,999	1,758	-	-	22,757	0.00%
Greg Bryant[4]	2017	-	-	-	-	-	-	-	-	-
	2016	179,522	-	2,548	182,070	17,055	-	-	199,125	0.00%
Matthew Greg[5]	2017	167,431	-	-	167,431	15,906	11,110	2,790	197,237	5.63%
	2016	114,158	100,000	-	214,158	10,845	-	3,044	228,047	43.85%
TOTAL - 2017	**2017**	**943,764**	**145,000**	**-**	**1,088,764**	**84,207**	**127,102**	**5,834**	**1,305,907**	**20.84%**
TOTAL - 2016	**2016**	**627,100**	**350,000**	**2,548**	**979,648**	**58,665**	**-**	**6,088**	**1,044,401**	**33.51%**

(1) Mr Jobbins commenced employment with Superloop on 12 April 2016.

(2) Mr Whitlock commenced employment with Superloop on 10 April 2015 as Chief Operating Officer. From 12 April 2016 until 28 February 2017 he reported to Chief Infrastructure Officer, Mr Daniel Abrahams and was not considered Key Management Personnel for that period. The information above includes remuneration for each financial year as if he was considered Key Management Personnel for the whole period.

(3) Mr Bond commenced employment as General Manager, Sales and Marketing on 30 May 2016 and was considered Key Management Personnel until 1 March 2017 when he reported to Matthew Hollis.

(4) Mr Bryant commenced employment with Superloop on 26 March 2015 as Chief Financial Officer. Following an internal management reorganisation on 12 April 2016, Mr Bryant reported to Paul Jobbins and for the purposes of this report was no longer considered Key Management Personnel.

(5) Following an internal management reorganisation on 16 May 2017, Mr Gregg, General Manager, Customer Experience, reported to Ryan Crouch and for the purposes of this report was no longer considered Key Management Personnel.

8. PERFORMANCE OUTCOMES FOR FY17

The following table outlines the performance of the Company over the 2017 financial year and the previous periods since the company was incorporated. Since listing in June 2015, with an IPO share price of $1.00, Superloop Limited's share price has risen to $2.56 at 30 June 2017.

Year ended 30 June	2017	2016	2015*
Net loss	($1,239,792)	($7,164,110)	($1,193,442)
Dividends paid or declaired	$0.005	-	-
Share price at the start of the year	$2.35	$1.94	$1.00
Share price at the end of the year	$2.56	$2.35	$1.94

**2015 includes the period from 28 April 2014 to 30 June 2015. The share price at the start of the 2015 period refers to the issue price of shares in the Company's Initial Public Offering in June 2015.*

The 2017 financial year was the Company's second full financial year since listing and a year when the Company underwent significant transformation. Throughout the year, the strategic objectives for the Group related to the expansion of core infrastructure assets, the continued development of operating systems and the recruitment of key personnel able to pursue these objectives.

Key achievements included:

- the completion of Superloop's network in Hong Kong with the construction of a 110 km fibre optic network;
- the completion of the strategically important TKO Express domestic submarine in Hong Kong;
- the expansion of the Group's Australian infrastructure, network capability, product set and customer base through the acquisition of BigAir Group Limited;
- the further expansion of the Group's Australian infrastructure through a long term agreement with Vocus; and
- the acquisition of SubPartners Pty Ltd which will provide the basis for connectivity between Superloop's metropolitan networks.

The incentive arrangements in place throughout the year were aligned to the achievement of these strategic objectives.

The future strategic objectives for the Group continue to relate to the expansion of core infrastructure assets in Singapore, Hong Kong and Australia and the utilisation of these networks by generating sales to key industry segments of financial services, digital media and telecommunications providers. The integration of networks and systems of acquired businesses is also considered strategically important. Achieving these objectives will deliver an increasing return on the Group's investment. The Company's remuneration framework will support these performance outcomes for future financial years, leading to the continued creation of shareholder value.

During the year, the following short term incentives arrangements were in place:

Name	Grant date	Performance criteria	Contribution to Strategic objectives	Measurement	Form of incentive	Amount	Percentage of grant paid
Matthew Whitlock	10 November 2015	Seven key project milestones in relation to construction, installation, rollout and commissioning of the Group's network assets	Development of the Group's core infrastructure assets being the initial networks strategically positioned to capitalise on market demand dynamics	Successful provisioning of operational networks, meeting of regulatory requirements, on-net connection of enterprise buildings	Cash bonus	$50,000	100%

Matthew Whitlock	15 February 2017	Project milestones in relation to the construction of TKO Express submarine cable in Hong Kong	Development of a strategic and unique network asset to attract important customers	Completion of the project on time	Cash bonus	$20,000	100%
Paul Jobbins	12 April 2016	Meeting group earnings targets and funding targets as well as completion of specific projects	Meeting earnings and funding targets allows the Company to expand and pursue growth opportunities	Successful achievement of objectives	Cash bonus	$35,000	Deferred to FY18
Paul Jobbins	21 December 2016	Completion of the acquisition of BigAir Group including funding the acquisition	Strategic acquisition to expand the Group's network, products and customer base in Australia	Successful completion of transaction including arranging debt facility, equity raising and scheme of arrangement	Cash bonus	$75,000	100%

Mr Whitlock was eligible for short term cash incentive payments of up to $200,000 over the 2016 and 2017 financial years subject to achieving project milestones in relation to the on-net connection of enterprise buildings in Singapore and the construction of the Company's Hong Kong fibre network. Key project milestones were successfully met by the target dates allowing the expansion of the Company's business in important markets. Mr Whitlock received a further short term incentive payment in the form of a cash bonus of $20,000 during year for the achievement of specific project milestones in relation to the completion of the Company's TKO Express submarine cable in Hong Kong.

There have been no alterations to any of the terms or conditions of the grants since grant date.

In addition to the incentive arrangements described above for Executive Directors Mr Slattery and Mr Hollis (refer section 6.2), and the short term incentive policy in place (refer section 4.2), the following specific short term incentive arrangements are currently in place for senior executives for the 2018 financial year:

Name	Grant date	Performance criteria	Contribution to Strategic objectives	Measurement	Form of incentive	Minimum amount payable	Maximum amount payable
Paul Jobbins	12 April 2016	Meeting group earnings targets and funding targets as well as completion of specific projects	Meeting earnings and funding targets allows the Company to expand and pursue growth opportunities	Successful achievement of objectives	Cash bonus	Nil	$35,000
Alex West	24 July 2017	Completion of integration of BigAir wireless and backhaul network	Integration of networks will optimise performance and drive operational cost savings	Successful integration of networks	Cash bonus	Nil	$100,000

Director's Report (Remuneration Report)

During the year, Performance Rights were issued to senior executives in accordance with the Employee Rights Plan. The Performance Rights outlined in the table below are considered long term incentive arrangements provided as part of the senior executive's remuneration for the 2017 financial year and beyond:

Name	Date of issue	Number of rights granted / to be issued	Number of rights vested	Issue price of shares	Fair value of right at grant date	Vesting date	Expiry date of rights
Daniel Abrahams	21 February 2017	4,150	-	-	2.28	15 September 2017	15 September 2017
	21 February 2017	4,149	-	-	2.28	15 September 2018	15 September 2018
Paul Jobbins	13 July 2016	4,150	-	-	2.44	15 September 2017	15 September 2017
	13 July 2016	4,149	-	-	2.44	15 September 2018	15 September 2018
	13 July 2016	13,227	13,227	$2.30	2.44	15 April 2017	15 April 2017
	13 July 2016	13,228	-	-	2.44	15 April 2018	15 April 2018
	13 July 2016	13,227	-	-	2.44	15 April 2019	15 April 2019
	13 July 2016	13,228	-	-	2.44	15 April 2020	15 April 2020
Steven Bond	13 July 2016	4,150	-	-	2.44	15 September 2017	15 September 2017
	13 July 2016	4,149	-	-	2.44	15 September 2018	15 September 2018
Ryan Crouch	13 July 2016	4,150	-	-	2.44	15 September 2017	15 September 2017
	13 July 2016	4,149	-	-	2.44	15 September 2018	15 September 2018
Matthew Gregg	13 July 2016	4,150	-	-	2.44	15 September 2017	15 September 2017
	13 July 2016	4,149	-	-	2.44	15 September 2018	15 September 2018
Matt Whitlock	13 July 2016	4,150	-	-	2.44	15 September 2017	15 September 2017
	13 July 2016	4,149	-	-	2.44	15 September 2018	15 September 2018

9. SUMMARY OF SHARES HELD BY KEY MANAGEMENT PERSONNEL

The table below outlines the movement in shareholdings by Key Management Personnel during the year

	Opening balance 1 July 2016	Balance at date of appointment	Received as part of remuneration	Additions	Disposals	Other movements[1]	Closing balance 30 June 2017
Directors							
Michael Malone	632,894	-	-	-	-	-	632,894
Bevan Slattery[2]	60,007,894	-	-	-	-	-	60,007,894
Greg Baynton	710,788	-	-	101,543	-	-	812,331
Louise Bolger	57,894	-	-	8,271	-	-	66,165
Tony Clark	346,800	-	-	49,543	-	-	396,343
Jason Ashton	-	1,347,447	-	-	-	-	1,347,447
Vivian Stewart	-	577,738	-	-	-	-	577,738
Matthew Hollis	-	27,010	-	-	-	-	27,010
Executives							
Paul Jobbins	7,484	-	13,227	1,411	-	-	22,122
Ryan Crouch	456,727	-	-	50,000	-	-	506,727
Matt Whitlock	120,000	-	-	-	(9,470)	-	110,530
Alex West	-	-	-	-	-	-	-
Former Key Management Personnel							
Daniel Abrahams	1,057,894	-	-	-	-	(1,057,894)	-
Steven Bond	5,000	-	-	-	-	(5,000)	-
Matthew Gregg	448,833	-	-	99,076	-	(547,909)	-
TOTAL	**63,852,208**	**1,952,195**	**13,227**	**309,844**	**(9,470)**	**(1,610,803)**	**64,507,201**

(1) Other movements are not due to disposal of shares, but are as a result of these individuals either ceasing employment or no longer being considered Key Management Personnel for the purpose of this report.

(2) After year end, on 11 August 2017, 1,161,495 shares were issued to Mr Slattery as partial consideration for the acquisition of SubPartners Pty Ltd.

Director's Report (Remuneration Report)

10. SUMMARY OF OPTIONS HELD BY KEY MANAGEMENT PERSONNEL

The table below outlines the movement in options held by Key Management Personnel during the year:

	Opening balance 1 July 2016	Received as part of remuneration	Exercised	Other movements	Closing balance 30 June 2017	Vested and exercisable	Vested during the year
Directors							
Bevan Slattery	-	725,814	-	(329,916)	395,898	395,898	395,898
Matthew Hollis[1]	-	-	-	-	-	-	-
TOTAL	**-**	**725,814**	**-**	**(329,916)**	**395,898**	**395,898**	**395,898**

(1) After year end, Mr Hollis was issued 336,094 options on 11 August 2017.

11. SUMMARY OF RIGHTS HELD BY KEY MANAGEMENT PERSONNEL

The table below outlines the movement in Performance Rights by Key Management Personnel during the year:

	Opening balance 1 July 2016	Received as part of remuneration	Vested and converted to shares	Other movements[1]	Closing balance 30 June 2017	Vested during the year
Executives						
Paul Jobbins	-	61,209	(13,277)	-	47,982	13,227
Ryan Crouch	-	8,299	-	-	8,299	-
Matthew Whitlock	-	8,299	-	-	8,299	-
Alex West	-	-	-	-	-	-
Former key management personnel						
Daniel Abrahams	-	8,299	-	(8,299)	-	-
Steven Bond	-	8,299	-	(8,299)	-	-
Matthew Gregg	-	8,299	-	(8,299)	-	-
TOTAL	**-**	**102,704**	**(13,277)**	**(24,897)**	**64,580**	**13,227**

(1) Other movements are not due to disposal of shares, but are as a result of these individuals either ceasing employment or no longer being considered Key Management Personnel for the purpose of this report.

12. SHARES UNDER OPTION OR PERFORMANCE RIGHTS

Details of unissued shares or interest under Option at the date of this report are:

Date of issue	Number of shares under option	Class of shares	Exercise price of option	Vesting date	Expiry date of options
13 July 2016	395,898	Ordinary	$2.00	01 March 2017	01 March 2018
11 August 2017	168,047	Ordinary	$2.50	01 March 2018	01 March 2020
11 August 2017	168,047	Ordinary	$2.50	01 March 2019	01 March 2020

At the date of this report there were 731,992 Options on issue. 329,916 Options lapsed during the year.

The Options are subject to the terms and conditions as set out in the Executive Option Plan. The holders of these Options do not have the right, by virtue of the Option, to participate in any share issue or interest issue of the company.

Details of unissued shares or interest under Performance Rights at the date of this report are:

Date of issue	Number of rights granted / to be issued	Class of shares	Issue price of shares	Vesting date	Expiry date of options
13 July 2016	66,409	Ordinary	-	15 September 2017	15 September 2017
13 July 2016	13,228	Ordinary	-	15 April 2018	15 April 2018
13 July 2016	66,374	Ordinary	-	15 September 2018	15 September 2018
13 July 2016	13,227	Ordinary	-	15 April 2019	15 April 2019
13 July 2016	13,228	Ordinary	-	15 April 2020	15 April 2020
28 February 2017	4,150	Ordinary	-	15 September 2017	15 September 2017
28 February 2017	4,149	Ordinary	-	15 September 2018	15 September 2018
12 July 2017	1,038	Ordinary	-	15 September 2017	15 September 2017
12 July 2017	1.037	Ordinary	-	15 September 2018	15 September 2018

15,302 Performance Rights vested and 8,300 lapsed during the year to 30 June 2017.

At the date of this report there were 182,840 Performance Rights on issue.

Performance Rights are subject to the terms and conditions as set out in the Employee Rights Plan. The holders of the Rights are not entitled, by virtue of the Performance Right, to participate in any share issue or interest issue of the company. Each Performance Right entitles the holder, upon vesting, to be issued one Ordinary share. The participant must be an eligible employee on the vesting date to for the rights to vest.

13. OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

There were no other transactions with key management personnel not otherwise disclosed in the report. Refer Note 29 Related Party Transactions.

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

Bevan Slattery
Chief Executive Officer
28 August 2017

Auditor’s Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Level 25, Riverside Centre
123 Eagle Street
Brisbane QLD 4000
GPO Box 1463
Brisbane QLD 4001 Australia

Tel: +61 7 3308 7000
Fax: +61 (0) 3308 7000
www.deloitte.com.au

The Board of Directors
Superloop Limited
Level 17, 333 Ann Street
Brisbane QLD 4000

28 August 2017

Dear Board Members

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 statements of Superloop Limited for the financial year ended 30 June 2017, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

Stephen Tarling
Partner
Chartered Accountants

Corporate Governance Statement

The following statement sets out the corporate governance framework adopted by the Board of Directors ("the Board") of Superloop Limited. The Board is dedicated to ensuring its policies and procedures in the critical area of corporate governance meet high levels of disclosure and compliance.

As a Company listed on the Australian Securities Exchange ("ASX"), Superloop is required either to apply the recommendations contained within the ASX Corporate Governance Council's ("ASX CGC") Corporate Governance Principles and Recommendations with 2010 Amendments (3rd Edition) ("ASX 3rd Edition Recommendations") or disclose any differences to them.

The Board has reported against ASX 3rd Edition Recommendations for the financial year ended 30 June 2017.

	Principle	Compliance	Commentary
	Principle 1 – Lay solid foundations for management and oversight		
1.1	Companies should disclose the roles and responsibilities of its board and management, and those which are expressly reserved to the board and those delegated to senior management.	Complies	The Board is responsible for the overall corporate governance of the Company. The role of the Board and delegation to management have been formalised in the Corporate Governance Charter ("Charter") which outlines the main corporate governance practices in place for the Company and to which the Board and each director are committed. The conduct of the Board is also governed by the Company's constitution, and where there is inconsistency with that document, the constitution prevails to the extent of the inconsistency. The Charter will be reviewed and amended from time to time as appropriate taking into consideration practical experience gained in operating as a listed company.
1.2	Undertake appropriate checks before appointing a person as a director or putting forward a candidate for election, and provide shareholders with all material information relevant to a decision on whether or not to elect or reelect a director.	Complies	The Company completes police checks, insolvency and banned director searches before appointing directors. Material information relevant to a decision to elect or re-elect a Director, including biographical details and relevant qualifications and skills brought to the Board, is disclosed in the notice of meeting provided to shareholders for each annual general meeting.
1.3	Have a written agreement with each director and senior executive setting out the terms of their appointment.	Complies	The Company completes police checks, insolvency and banned director searches before appointing directors. Material information relevant to a decision to elect or re-elect a Director, including biographical details and relevant qualifications and skills brought to the Board, is disclosed in the notice of meeting provided to shareholders for each annual general meeting.
1.4	The company secretary should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.	Complies	As set out in the Charter, the Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. Each Director is entitled to access the advice and services of the Company Secretary. Further, in accordance with the Company's Constitution, the appointment or removal of a Company Secretary is a matter for the Board as a whole.
1.5	Establish a diversity policy and disclose the policy or a summary of that policy. The policy should include requirements to establish measurable objectives for achieving gender diversity and to assess annually both the objectives and progress in achieving them, for reporting against in each reporting period. Disclose at the end of each reporting period the measurable objectives for achieving gender diversity and progress towards achieving them	Does not comply	The Company does not have a formal diversity policy. The Board is committed to fostering a corporate culture that embraces diversity, however the Board considers that because of the size and the nature of the Company it is not appropriate at this time to set measurable objectives to achieve gender diversity. At year end, the respective proportions of men and women across the organisation was as follows: Board: 7 men, 1 woman Senior executives: 8 men, 1 woman Whole organisation: 273 men, 67 women

	Principle	Compliance	Commentary
1.6	Have a process for periodically evaluating the performance of the Board, its committees and individual directors, and disclose that process and, at the end of each reporting period, whether such performance evaluation was undertaken in that period.	Complies	The Board has adopted a charter establishing the requirements to undertake performance reviews at least annually. Board performance has been evaluated during the 2017 financial year.
1.7	Have a process for periodically evaluating the performance of the company's senior executives, and disclose that process and, at the end of each reporting period, whether such performance evaluation was undertaken in that period.	Complies	The Board's broad function is to formulate strategy and set financial targets for the Company, monitor the implementation and execution of strategy and performance against financial targets, appoint and oversee the performance of executive management, and generally take an effective leadership role in relation to the Company. The Chairman, with assistance from the Remuneration and Nomination Committee, annually assesses the performance of Directors and senior executives, and the Chairman's performance is assessed by at least 2 independent non-executive Directors.
	Principle 2 - Structure the board to add value		
2.1	The Board should have a nomination committee, which has at least three members, a majority of independent directors and is chaired by an independent director. The Company should disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period with the individual attendances of the members at those meetings.	Complies	A Remuneration and Nomination Committee has been established with its own Charter. A copy of the Committee's charter, which forms part of the Corporate Governance Charter, is available on Superloop's website at www.superloop.com/investor. The committee consists of: • Ms Louise Bolger (Committee Chair), Independent non-executive Director, • Mr Greg Baynton, Independent non-executive Director, and • Mr Vivian Stewart, Independent non-executive Director. Refer to the Directors' Report for the number of meetings held during the year and the attendance of the members at those meetings.
2.2	Have and disclose a board skills matrix, setting out what the board is looking to achieve in its membership.	Partially	The Company has established a charter for the Remuneration and Nomination Committee which sets out the Committee's responsibility with respect to the mix of skills, expertise and experience of current and proposed Board members. Together, the current Directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the Company and its business. The Board has prepared and considered a board skills matrix but has not disclosed it.

Corporate Governance Statement

	Principle	Compliance	Commentary
2.3	Disclose the names of the directors that the Board considers to be independent directors, and an explanation of why the Board is of that opinion if a factor that impacts on independence applies to a director, and disclose the length of service of each director	Complies	• Mr Michael Malone (appointed 27 April 2015) • Ms Louise Bolger (appointed 27 April 2015) • Mr Greg Baynton (appointed 28 April 2014) • Mr Richard (Tony) Clark (appointed 23 December 2015) • Mr Vivian Stewart (appointed 21 December 2016) While Mr Baynton has had a long business relationship with Mr Slattery, as co-directors and investors of PIPE Networks Limited and NEXTDC Limited, the Board does not believe that those relationships influence Mr Baynton to extent that he ought not be classified as independent.
2.4	A majority of the Board should be independent	Complies	The Board currently has eight members of whom five are independent non-executive Directors.
2.5	The chair of the Board should be an independent director and should not be the CEO.	Complies	The Chairman is Mr Michael Malone, an independent non-executive director. The CEO is Mr Bevan Slattery, an Executive Director
2.5	There should be a program for inducting new directors and providing appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively	Complies	The Company has established an induction process and provides professional development opportunities for Directors.
	Principle 3 - Act ethically and responsibly		
3.1	Have a code of conduct for the Board, senior executives and employees, and disclose that code or a summary of that code.	Complies	The Company has adopted a Code of Conduct, which sets out a framework to enable Directors to achieve the highest possible standards in the discharge of their duties and to give a clear understanding of best practice in corporate governance. The Code of Conduct forms part of the Corporate Governance Charter and is available at the Company's website at www.superloop.com/investor

	Principle	Compliance	Commentary
	Principle 4 - Safeguard integrity in corporate reporting		
4.1	The Board should have an audit committee, which consists of only non-executive directors, a majority of independent directors, is chaired by an independent chairman who is not chairman of the Board, and has at least three members. The Company should disclose the charter of the committee, the relevant qualifications and experience of members of the committee and the number of times the committee met throughout the period with the individual attendances of the members at those meetings.	Complies	An Audit and Risk Committee has been established with its own Charter. A copy of the Committee's charter, which forms part of the Corporate Governance Charter, is available on Superloop's website at www.superloop.com/investor. The committee consists of: Mr Greg Baynton, (committee Chair) Independent non-executive Director, Mr Michael Malone, Independent non-executive Director, and Mr Vivian Stewart, Independent non-executive Director. The relevant qualifications and experience for each committee member are disclosed in the Directors' Report. The number of meetings held during the year and the attendance of the members at those meetings is also disclosed in the Directors' Report.
4.2	The Board should, before approving financial statements for a financial period, receive a declaration from the CEO and CFO that, in their opinion, the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, formed on the basis of a sound system of risk management and internal controls, operating effectively.	Complies	The Company has implemented this requirement and the declarations are provided to the Board.
4.3	The Company's auditor should attend the AGM and be available to answer questions from security holders relevant to the audit.	Complies	Superloop's auditor attends the Company's AGM and shareholders are entitled to ask questions in accordance with the Corporations Act and these Guidelines.
	Principle 5 - Make timely and balanced disclosure		
5.1	Have a written policy for complying with continuous disclosure obligations under the Listing Rules, and disclose that policy or a summary of it.	Complies	Superloop has a written Continuous Disclosure Policy that is designed to ensure that all material matters are appropriately disclosed in a balanced and timely manner and in accordance with the requirements of the ASX Listing Rules. The policy is available at the Company's website at www.superloop.com/investor
	Principle 6 - Respect the rights of security holders		
6.1	Provide information about the Company and its governance to investors via its website.	Complies	The Board Charter and other applicable policies are available on the Company's website. All market releases and reports are also made available on the Company's website.

Corporate Governance Statement

	Principle	Compliance	Commentary
6.2	Design and implement an investor relations program to facilitate effective two-way communication with investors.	Complies	The Company aims to ensure that all shareholders are well informed of all major developments affecting the Company. The Board Charter sets out the Company's obligations with respect to investor relations and the Company has adopted a Continuous Disclosure Policy.
6.3	Disclose the policies and processes in place to facilitate and encourage participation at meetings of security holders.	Complies	The Company facilitates effective participation at General Meetings, as well as the ability to submit written questions ahead of the meetings. The Company adopts appropriate technologies to facilitate the effective communication and conduct of general meetings.
6.4	Give security holders the option to receive communications from, and send communications to, the Company and its share registry electronically.	Complies	The Company, via its shareholder website and its share registry, provides security holders the option to receive and send electronic communications.
	Principle 7- Recognise and manage risk		
7.1	The Board should have a risk committee which is structured so that it consists of a majority of independent directors, is chaired by an independent director, and has at least three members. The Company should disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period with the individual attendances of the members at those meetings.	Complies	The Company has a combined Audit and Risk Committee. The functions and operations of the Committee are established under the Charter. The Audit and Risk Management Committee consists of three non-executive Directors. non-executive Director chairs the committee. Refer principle 4.1 for additional disclosures.
7.2	The Board or a committee of the Board should review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, and disclose, in relation to each reporting period, whether such a review has taken place.	Complies	The Committee continues to develop and enhance its risk management framework. Reviews of the risk management framework and risk register are undertaken at least annually. In addition, the Board is provided and reviews detailed risk assessments of material projects on an ongoing basis. A review of the risk management framework was undertaken during the financial year.
7.3	Disclose if the Company has an internal audit function, how the function is structured and what role it performs, or if it does not have an internal audit function, that fact and the processes the Company employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Complies	The Company does not have an internal audit function due to the Company's size, nature and scale of its operations. The Company has an external auditor and the Audit and Risk Management Committee monitors and evaluates material or systemic risks. The Board believes it and the Audit and Risk Management Committee have appropriate oversight of existing operations and risks.

	Principle	Compliance	Commentary
7.4	Disclose whether the Company has any material exposure to economic, environmental and social sustainability risks and, if so, how it manages those risks.	Complies	The Board has disclosed what it believes are the material risks faced by the business in the Directors' Report.
	Principle 8- Remunerate fairly and responsibly		
8.1	The Board should have a remuneration committee which is structured so that it consists of a majority of independent directors, is chaired by an independent director, and has at least three members. The Company should disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period with the individual attendances of the members at those meetings.	Complies	The Board has established a Remuneration and Nomination Committee to assist the Board to discharge its responsibilities in relation to remuneration and issues relevant to remuneration policies and practices, including those for senior management and Directors. The remuneration committee consists of three Directors, all of whom are independent, non-executive Directors and is chaired by an independent, non-executive Director who is not the Chairman. The composition and role of the Remuneration and Nomination Committee is set out in the Remuneration and Nomination Committee Charter. Refer principle 2.1 for additional disclosures.
8.2	The policies and practices regarding the remuneration of non-executive directors, and the remuneration of executive directors and other senior executives, should be separately disclosed	Complies	The Company's Remuneration Report within the Directors' Report sets out the policies and practices for the remuneration of non-executive directors, executive directors and senior executives. No Director or senior executive is involved directly in deciding their own remuneration.
8.3	If the Company has an equity-based remuneration scheme, it should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme, and disclose that policy or a summary of it.	Complies	In accordance with the Company's Securities Trading Policy, participants are not permitted to enter into transactions which limit economic risk related to equity-based remuneration scheme without written clearance.

Financial Report

These financial statements are the consolidated financial statements of the consolidated 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 17, 333 Ann Street, Brisbane QLD 4000.

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' Report on page 16, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 28 August 2017. The Directors have the power to amend and reissue the financial statements.

Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

	Note	30 June 2017 $	30 June 2016 $
RESULTS FROM CONTINUING OPERATIONS			
Revenue	5	59,805,182	6,248,753
Other gains from transactions with customers	6	-	754,617
Direct costs		(28,026,161)	(5,063,806)
Profit after direct costs		**31,779,021**	**1,903,564**
OPERATING EXPENSES			
Employee benefits expense		(14,802,708)	(4,168,141)
Professional fees		(6,301,485)	(1,312,789)
Marketing costs		(1,056,867)	(300,903)
Office and administrative expenses		(5,045,361)	(1,785,738)
Total operating expenses		**(27,206,421)**	**(7,567,571)**
Earnings before interest-paid, tax, depreciation, amortisation and foreign exchange gains/losses (EBITDA)		**4,572,600**	**(5,637,007)**
Depreciation and amortisation expense		(9,012,643)	(1,881,969)
Interest expense	7	(1,235,735)	-
Foreign exchange gains	8	12,534	354,866
Loss before income tax		**(5,663,244)**	**(7,164,110)**
Income tax expense	9	4,423,452	-
Loss for the year after tax from contributing operations		**(1,239,792)**	**(7,164,110)**
Other comprehensive income, net of income tax Items that may have been reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations		(5,122,485)	457,999
Net fair value loss on hedging transactions entered into the cash flow hedge reserve		(820,329)	(368,560)
Total other comprehensive income, net of income tax		**(5,942,814)**	**89,439**
Total comprehensive loss for the year		**(7,182,606)**	**(7,074,671)**
Loss for the year attributable to:			
> Owners of Superloop Limited		(1,239,792)	(7,164,110)
Total comprehensive loss for the year attributable to:			
> Owners of Superloop Limited		(7,182,606)	(7,074,671)

	Note	Cents	Cents
Loss per share for loss attributable to the ordinary equity holders of the group			
Basic loss per share		(0.69)	(6.81)
Diluted loss per share		(0.69)	(6.81)

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

Financial Report

Consolidated Statement of Financial Position

As at 30 June 2017

	Note	30 June 2017 $	30 June 2016 $
ASSESTS			
CURRENT ASSETS			
Cash and cash equivalents	10	7,104,685	45,854,135
Trade and other receivables	11	10,549,796	1,397,290
Current tax asset		2,898,701	-
Other current assets	12	2,708,752	471,550
Total current assets		**23,261,934**	**47,722,975**
NON-CURRENT ASSETS			
Property, plant and equipment	13	147,616,941	66,850,737
Other non-current assets	12	298,714	17,180
Intangible assets	14	235,538,982	12,363,209
Deferred tax assets	15	1,943,363	-
Total non-current assets		**385,389,000**	**79,231,126**
TOTAL ASSETS		**408,650,934**	**126,954,101**
LIABILITES			
CURRENT LIABILITES			
Trade and other payables	16	26,506,303	6,579,093
Provisions	18	1,916,767	342,124
Deferred revenue	19	1,957,882	204,314
Interest-bearing borrowings	17	31,563	-
Total current liabilities		**30,412,515**	**7,125,531**
NON-CURRENT LIABILITES			
Provisions	18	2,617,708	69,303
Deferred revenue	19	474,691	22,458
Interest-bearing borrowings	17	29,632,910	-
Deferred tax liabilites	20	12,040,841	-
Total non-current liabilities		**44,766,150**	**91,761**
TOTAL LIABILITIES		**75,178,665**	**(7,217,292)**
NET ASSETS		**333,472,269**	**119,736,809**
EQUITY			
Contributed equity	21	351,290,163	131,186,364
Reserves	22	(4,893,516)	235,031
Other equity		(3,327,034)	(3,327,034)
Accumulated losses	23	(9,597,344)	(8,357,552)
TOTAL EQUITY		**333,472,269**	**119,736,809**

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

	Note	Contributed equity $	Reserves $	Other equity $	Accumulated losses $	Total equity $
Balance at 1 July 2016		**131,186,364**	**235,031**	**(3,327,034)**	**(8,357,552)**	**119,736,809**
Loss for the year		-	-	-	(1,239,792)	(1,239,792)
Other comprehensive income for the year		-	(5,942,814)	-	-	(5,942,814)
Total comprehensive loss for the year		**-**	**(5,942,814)**	**-**	**(1,239,792)**	**(7,182,606)**
Share based payments		-	814,267	-	-	814,267
Issue of ordinary share capital		222,301,981	-	-	-	222,301,981
Share issue costs		(2,198,182)	-	-	-	**(2,198,182)**
Balance at 30June 2017		**351,290,163**	**(4,893,516)**	**(3,327,034)**	**(9,597,344)**	**333,472,269**

	Note	Contributed equity $	Reserves $	Other equity $	Accumulated losses $	Total equity $
Balance at 1 July 2015		**58,144,794**	**145,592**	**(3,327,034)**	**(1,193,442)**	**53,769,910**
Loss for the year		-	-	-	(7,164,110)	(7,164,110)
Other comprehensive income for the year		-	89,439	-	-	89,439
Total comprehensive loss for the year		-	89,439	-	(7,164,110)	**(7,074,671)**
Issue of ordinary share capital		75,306,005	-	-	-	75,306,005
Share issue costs		(2,264,435)	-	-	-	(2,264,435)
Balance at 30June 2016		**131,186,364**	**235,031**	**(3,327,034)**	**(8,357,552)**	**119,736,809**

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

Financial Report

Consolidated Statement of Cash Flows

For the year ended 30 June 2017

	Note	30 June 2017 $	30 June 2016 $
OPERATING ACTIVITIES			
Receipts from customers		57,875,152	6,445,063
Payments to suppliers and employees		(53,509,527)	(12,775,358)
Income taxes received / (paid)		302,149	-
Net cash outflow from operating activities	30	**4,667,774**	**(6,330,295)**
INVESTING ACTIVITIES			
Interest received		514,669	50,700
Payments for property, plant and equipment		(52,620,433)	(30,654,996)
Proceeds from sale of property, plant and equipment		-	755,719
Payments for intangible assets		(16,240,413)	(204,530)
Net cash outflow on acquisition of subsidiaries		(43,663,892)	(4,648,685)
Transaction costs associated with the acquisition of subsidiaries		(4,376,289)	(55,164)
Non-current deposits		-	(17,180)
Net cash inflow / (outflow) from investing activities		**(116,386,358)**	**(34,765,136)**
FINANCING ACTIVITIES			
Proceeds from issues of shares		77,830,239	71,806,005
Transaction costs paid in relation to issue of shares		(2,154,647)	(1,943,679)
Payment of pre-acquisition financing		-	(518,134)
Repayment of borrowings		(30,055,019)	-
Proceeds from borrowings (net of fees)		29,632,910	-
Interest paid		(1,235,735)	-
Net cash inflow from financing activities		**74,017,748**	**69,344,192**
Net increase in cash and cash equivalents held		(37,700,836)	28,248,761
Cash and cash equivalents at the beginning of the year	10	45,854,135	18,011,900
FX movement in cash		(1,048,614)	(406,526)
Cash and cash equivalents at the end of the year	10	**7,104,685**	**45,854,135**

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

Notes to the Consolidated Financial Report

Notes to the Consolidated Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The financial statements are for the consolidated entity 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 2016 to 30 June 2017. The prior year covers the period 1 July 2015 to 30 June 2016.

(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. None of the new, revised or amended standards had a material impact on in the current period or any prior period.

(iii) Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date in the financial year beginning 1 July 2016.

(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 consolidated financial statements have been prepared on a going concern basis. At 30 June 2017, current liabilities exceeded current assets by $7.1 million principally due to one off liabilities associated with acquisitions made by Superloop of which $2.7 million was settled by the issue of Superloop shares as deferred consideration.

Based on forecast profitability, positive operating cash flows and the significant available funding capacity under the Group's three year debt facility ($47.2 million unused facilities at 30 June 2017), 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.

The financial statements have been prepared on the basis that the Group will 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.

Inter-company 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 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 reserve 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. During the year, operating segments have been expanded to include the Connectivity and Managed Services divisions.

(E) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Customer Revenue

Revenue on services is recognised when the service has been provided, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group.

Revenue from long term capacity arrangements, is recognised in line with the delivery of the service, based on the stage of completion.

Upfront discounts provided to customers are amortised over the life of the customer contract.

Installation fees charged where there is no direct expenditure for the establishment of services are brought to account as revenue over the effective life of the customer contracts. Installation fees charged as a recovery of direct operational expenditure are brought to account as revenue at the time of the transaction.

Revenue from the sale of goods (hardware or software) is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership, generally when the customer has taken undisputed delivery of the goods.

Revenue from the sale of goods with no significant service obligation is recognised on delivery.

(ii) Other Revenue

Interest income

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 Tax Offset

The Group applies AASB 120 Accounting for Government Grants and Disclosure of Government Assistance in accounting for the Research & Development (R&D) Tax Offset, whereby 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 using the effective interest method, less provision for impairment. 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.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the Consolidated Statement of Comprehensive Income within administrative expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent year, 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 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

Notes to the Consolidated Financial Report

payable to the taxation authority, are presented as operating cash flows.

(I) INCOME TAX

The income tax expense or revenue 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 liability 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.

(J) INVESTMENTS AND OTHER FINANCIAL ASSETS

Loans and receivables

Classification

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting year which are classified as non-current assets. Loans and receivables are included in trade and other receivables (Note 11) in the Consolidated Statement of Financial Position.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the Consolidated Statement of Comprehensive Income, transaction costs that are directly attributable to the acquisition of the financial asset. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment

The Group assesses at the end of each reporting year whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the Consolidated Statement of 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 in the Consolidated Statement of Comprehensive Income. Impairment testing of trade receivables is described in Note 1(G).

(K) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less depreciation. 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 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	25-40 Years
Fibre opric cable	15-25 Years
Communications assets	3-5 Years
Other assets	3-10 Years
Office furnature and equipment	3-10 Years
Leasehold improvements	3-10 Years

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

(M) 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, brand & trademarks	4-10 Years

Intangible assets with finite useful lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired The amortisation year and the amortisation method for an intangible asset with a finite useful life are reviewed at least at 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 amortisation year 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. The software is valued at its amortised replacement cost. Software is amortised on a straight-line basis over the period of its expected benefit, being its finite life of between 3 to 5 years.

Spectrum Licenses

Spectrum licence assets acquired as part of a business combination are measured at their fair value at the date of acquisition less accumulated amortisation and impairment charges. 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.

Other intangibles

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

(N) LEASES

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(O) IMPAIRMENT OF ASSETS

Intangible assets that have an indefinite useful life are not

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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 charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

(P) 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.

(Q) BORROWINGS

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 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.

(R) 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 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.

(S) BORROWINGS COSTS

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the year of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(T) 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.

(U) FOREIGN EXCHANGE

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

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.

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.

(V) 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 33).

(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.

(W) 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 dollar.

(X) 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.

(Y) 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.

(Z) PARENT ENTITY FINANCIAL INFORMATION
The financial information for the parent entity, Superloop Limited, disclosed in Note 36 has been prepared on the same basis as the consolidated financial statements.

2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

Certain new accounting standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been early adopted by the Group. The Group's assessment of the impact of these new standards, amendments and interpretations are provided below.

AASB 9 FINANCIAL INSTRUMENTS
This standard addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard replaces all previous versions of AASB 9 introduces new classification and measurement models for financial assets. New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of entities along with requirements for financial assets and amendments to the classification and measurement for certain debt instruments. In relation to the impairment of financial assets requirements under AASB 9, the new standard requires an 'expected credit loss' model as opposed to an incurred credit loss model. This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The assessment of the impact of this standard on the Group is ongoing.

AASB 15 REVENUE FROM CONTRACTS WITH CUSTOMERS
AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. This standard will apply to the Group from 1 July 2018 and may impact the timing of revenue recognition. The assessment of the impact of this standard on the Group is ongoing.

AASB 16 LEASES
This standard will replace AASB 117 Leases and is applicable This standard will replace AASB 117 Leases and is applicable to annual reporting periods beginning on or after 1 January 2019. This standard provides a comprehensive model for the identification of lease

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arrangements and their treatment in the financial statements of both lessees and lessors. This standard introduces three main changes:

- Enhanced guidance on identifying whether a contract contains a lease;
- A completely new leases accounting model for lessees that require lessees to recognise all leases on balance sheet, except for short-term leases and leases of low value assets; and
- Enhanced disclosures.

Leases currently classified as operating leases will be capitalised in the Consolidated Statement of Financial Position with a liability corresponding to future lease payments also recognised. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs).

This standard will apply to the Group from 1 July 2019 and impact the financial statements for the financial year ending 30 June 2020. The full assessment of the impact on the Group is ongoing. There are no other new standards and interpretations that are not yet effective and that are expected to have a material impact on the Group's consolidated financial statements in the current or future reporting periods.

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 accompany 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.

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, refer to Note 37. 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(M).

For the acquisition of BigAir, the Group has commissioned an independent valuation expert to assist in the determination of the methodology and calculation of the attributed fair values to identified intangible assets. The acquisition accounting for both BigAir and SubPartners remain provisional at the balance sheet date, with the excess purchase consideration over the fair value of identified assets and liabilities acquired in both acquisitions recognised as goodwill.

Goodwill and other indefinite life intangible assets

In assessing impairment on goodwill and other indefinite life intangible assets, in accordance with accounting policy outlined in Note 1(O), 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 in which such determination is made 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.

Revenue recognition

The Group undertakes long term capacity contracts which span a number of reporting periods. Revenue from these long term capacity arrangements, is recognised in line with the delivery of the service, based on the stage of completion. Determining the stage of completion in relation to the delivery of long term capacity arrangements requires the application of judgement due to the complexity and specific nature of the customer arrangements and estimation of future costs of completing the contract and the expected outcome of the contract. The assumptions made in the estimates are based on the information available to management at the reporting date, however future changes or additional information may mean that management revises estimates of the revenue recognition pattern in future years. A change in the estimated stage of completion could have a significant impact on the timing of the revenue recognition. Refer to Note 1(E) for further information on revenue recognition.

Useful life of assets

The economic life of property, plant and equipment, which includes network infrastructure is a critical accounting estimate, with the ranges outlined in Note 1(K). 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 of property, plant and equipment including network infrastructure at the end of each annual reporting period. Should the actual lives of these component parts be significantly different this would impact the depreciation charge recognised.

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. Refer to Note 15, for judgement made in relation to deferred tax assets.

4. SEGMENT INFORMATION

(A) DESCRIPTION OF SEGMENTS

Superloop is a trusted enabler of connectivity and managed services in Asia Pacific. During the year, the principal activities of the Group consisted of the development and operation of independent connectivity infrastructure throughout the Asia Pacific region, and the Group's recent acquisitions expanded its principal activities to include complete network managed services. The operations of the Group are reported in these segments to Superloop's executive management team (chief operating decision makers). Items not specifically related to an individual segment are classified as Corporate, 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 MANAGEMENT

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

	Connectivity $	Managed Services $	Total Segments $	Corporate $	Total $
30 June 2017					
Revenue	30,624,037	28,679,435	59,303,472	501,710	59,805,182
Direct costs	(8,674,146)	(19,189,907)	(27,864,053)	(162,108)	(28,026,161)
Profit after direct costs	**21,949,891**	**9,489,528**	**31,439,419**	**339,602**	**31,779,021**
Employee benefits expense	(7,408,734)	(4,320,820)	(11,729,554)	(3,073,154)	(14,802,708)
Other expenses	(4,838,720)	(1,792,841)	(6,631,561)	(5,772,152)	(12,403,713)
EBITDA	**9,702,437**	**3,375,867**	**13,078,304**	**(8,505,704)**	**4,572,600**
Depreciation and amortisation	(5,576,639)	(1,764,173)	(7,340,812)	(1,671,831)	(9,012,643)
Finance expenses	(11,894)	21,918	10,024	(1,233,225)	(1,223,201)
Profit / (loss) before income tax	**4,113,904**	**1,633,612**	**5,747,516**	**(11,410,760)**	**(5,663,244)**

Significant items excluded from segments, and classified as corporate are:

- Employee benefits expenses which relate to corporate head office staff;
- Other expenses which relate to office and administrative expenses associated with corporate head office activities;
- Finance income and costs are not allocated to individual segments as the underlying instruments are managed on a group basis.
- Inter-segment revenues are eliminated on consolidation.

Due to the Group's recent acquisitions, the reportable segments results above are not for the full financial year.

	Connectivity $	Managed Services $	Total Segments $
30 June 2017			
Non-current assets			
Property, plant and equipment	130,581,926	17,035,015	147,616,941
Intangible assets	160,649,569	74,889,413	235,538,982
	291,231,495	**91,924,428**	**383,155,923**

The carrying amount of non-current assets excludes other non-current assets and deferred tax assets.

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	Connectivity $	Managed Services $	Total Segments $	Corporate $	Total $
30 June 2016					
Revenue	6,947,001	-	6,947,001	47,369	6,994,370
Direct costs	(5,063,806)	-	(5,063,806)	-	(5,063,806)
Profit after direct costs	**1,883,195**	**-**	**1,883,195**	**47,369**	**1,930,564**
Employee benefits expense	(2,888,265)	-	(2,888,265)	(1,279,876)	(4,168,141)
Other expenses	(1,444,281)	-	(1,444,281)	(1,955,149)	(3,399,430)
EBITDA	**(2,449,351)**	**-**	**(2,449,351)**	**(3,187,656)**	**(5,637,007)**
Depreciation and amortisation	(1,624,225)	-	(1,624,225)	(257,744)	(1,881,969)
Finance expenses	(236,055)	-	(236,055)	590,921	354,866
Profit / (loss) before income tax	**(4,309,631)**	**-**	**(4,309,631)**	**(2,854,479)**	**(7,164,110)**

	Connectivity $	Managed Services $	Total Segments $
30 June 2016			
Non-current assets			
Property, plant and equipment	66,850,737	-	66,850,737
Intangible assets	12,363,209	-	12,363,209
	79,213,946	**-**	**79,213,946**

The carrying amount of non-current assets excludes other non-current assets and deferred tax assets.

(C) GEOGRAPHIC INFORMATION

Superloop operates in three strategic markets of Australia, Singapore and Hong Kong and the operations of the Group are also reported in these segments to Superloop's executive management team (chief operating decision maker).

	Australia $	Singapore $	Hong Kong $	Total $
30 June 2017				
Revenue	54,831,769	3,927,094	1,046,319	59,805,182
Direct costs	(25,689,503)	(1,149,093)	(1,187,565)	(28,026,161)
Profit after direct costs	**29,124,266**	**2,778,001**	**(141,246)**	**31,779,021**
Employee benefits expense	(13,074,654)	(892,472)	(835,582)	(14,802,708)
Other expenses	(11,504,769)	(413,118)	(485,826)	(12,403,713)
EBITDA	**4,562,843**	**1,472,411**	**(1,462,654)**	**4,572,600**
Depreciation and amortisation	(6,903,517)	(1,550,328)	(558,798)	(9,012,643)
Finance expenses	(1,126,361)	(12,478)	(84,362)	(1,223,201)
Profit / (loss) before income tax	**(3,467,035)**	**(90,395)**	**(2,105,814)**	**(5,663,244)**

Inter-segment revenues are eliminated on consolidation.

	Australia $	Singapore $	Hong Kong $	Total $
30 June 2017				
Non-current assets				
Property, plant and equipment	49,579,278	42,724,899	55,312,764	147,616,941
Intangible assets	235,381,296	157,686	-	235,538,982
	284,960,574	**42,882,585**	**55,312,764**	**383,155,923**

The carrying amount of non-current assets excludes other non-current assets and deferred tax assets.

	Australia $	Singapore $	Hong Kong $	Total $
30 June 2016				
Revenue	5,510,747	1,483,623	-	6,994,370
Direct costs	(3,950,895)	(927,328)	(185,583)	(5,063,806)
Profit after direct costs	**1,559,852**	**556,295**	**(185,583)**	**1,930,564**
Employee benefits expense	(3,230,966)	(685,307)	(251,868)	(4,168,141)
Other expenses	(2,866,257)	(247,941)	(285,232)	(3,399,430)
EBITDA	**(4,537,371)**	**(376,953)**	**(722,683)**	**(5,637,007)**
Depreciation and amortisation	(784,514)	(1,097,455)	-	(1,881,969)
Finance expenses	583,077	(239,527)	11,316	354,866
Profit / (loss) before income tax	**(4,783,808)**	**(1,713,935)**	**(711,367)**	**(7,164,110)**

	Australia $	Singapore $	Hong Kong $	Corporate $
30 June 2016				
Non-current assets				
Property, plant and equipment	3,095,414	40,167,133	23,588,210	66,850,737
Intangible assets	11,786,391	576,818	-	12,363,209
	14,881,805	**40,743,931**	**23,588,210**	**79,213,946**

The carrying amount of non-current assets excludes other non-current assets and deferred tax assets.

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5. REVENUE

	30 June 2017 $	30 June 2016 $
From continuing operations		
Customer revenue	**58,457,284**	**6,197,637**
Other revenue		
Interest income	514,669	50,700
Other income	833,229	416
Total revenue	**59,805,182**	**6,248,753**

6. OTHER GAINS AND LOSSES

	Note	30 June 2017 $	30 June 2016 $
Gain on disposal of property, plant and equipment	(A)	-	745,617
Total other gains and losses		**-**	**745,617**

(A) During the previous financial year the Group sold a small number of fibre cores between two points of interconnection to a customer. The transaction has been accounted for as a disposal of an asset, and the revenue has been recognised as a gain on disposal of property, plant and equipment. In addition to the sale, the Group entered into an operation and maintenance agreement with the customer. The fee payable under the operation and maintenance agreement is payable monthly and will be recognised on a monthly basis as recurring revenue as the services are provided.

7. INTEREST EXPENSE

	Note	30 June 2017 $	30 June 2016 $
Interest on borrowings	(A)	(1,235,735)	-
Total interest expense		**(1,235,735)**	-

(A) INTEREST ON BORROWINGS
The Group incurs interest on the drawn amount of its debt facility (refer to Note 17).

8. FOREIGN EXCHANGE GAINS

	Note	30 June 2017 $	30 June 2016 $
Foreign exchange gains	(A)	12,534	354,866
Total foreign exchange gains		**12,534**	**354,866**

(A) FOREIGN EXCHANGE GAINS
Foreign exchange gains for the year arose as a result of favourable exchange rate movements in the ordinary course of business.

9. INCOME TAX EXPENSE

	30 June 2017 $	30 June 2016 $
(a) Income tax recognised in profit or loss		
Current tax	-	-
Deferred tax		
In respect of the current year	1,311,441	-
In respect of prior years	3,112,011	-
Sub-total	**4,423,452**	**-**
(b) Numerical reconciliation of income tax credit to prima facie tax payable		
Loss from continuing operations before income tax expense	(5,663,244)	(7,164,110)
Tax credit at the Australian tax rate of 30%	1,698,973	2,149,233
Effect of income that is exempt from taxation @ 30%	200,361	223,685
Non-deductible research and development expenditure	(112,814)	-
Non-deductible entertainment expenses	(16,591)	-
Non-deductible share based payments	(255,481)	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	(203,007)	(389,234)
Effect of current year tax losses for which no deferred tax asset has been recognised (Note c)	-	(1,860,502)
Effect of current year timing differences for which no deferred tax asset has been recognised	-	(123,182)
Deferred tax credits in respect of temporary differences and unused tax losses not recognised in prior years	3,112,011	-
Income tax expense / (benefit)	**4,423,452**	**-**
(c) Deferred tax assets from tax losses		
Deferred tax assets from current tax losses which have not been recognised	-	1,860,502
Deferred tax assets from prior tax losses which have not been recognised	-	915,934
Change in prior year tax loss estimates	-	(69,123)
Total deferred tax asset from losses not recognised	**-**	**(2,707,313)**

The tax rate used for the 2017 and 2016 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

10. CASH AND CASH EQUIVALENTS

	30 June 2017 $	30 June 2016 $
Cash at bank and in hand	6,523,424	44,819,463
Deposits	581,261	1,034,699
Total cash and cash equivalents	**7,104,685**	**45,854,135**

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11. TRADE AND OTHER RECEIVABLES

	Note	Current $	Non-Current $	Total $
30 June 2017				
Trade receivables	(A)	10,542,024	-	**10,542,024**
Provision for doubtful debts	(B)	(183,285)	-	**(183,285)**
Net trade receivables		**10,358,739**	**-**	**10,358,739**
Consumption tax receivable	(C)	106,486	-	**106,486**
Other receivables		84,571	-	**84,571**
Total		**10,549,796**	**-**	**10,549,796**

	Note	Current $	Non-Current $	Total $
30 June 2016				
Trade receivables		1,263,033	-	**1,263,033**
Provision for doubtful debts		(20,990)	-	**(20,990)**
Net trade receivables		**1,242,043**	**-**	**1,242,043**
Consumption tax receivable	(C)	155,071	-	**155,071**
Other receivables		-	-	**-**
Receivables - related parties		176	-	**176**
Total		**1,397,290**	**-**	**1,397,290**

(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 doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Age of Trade Receivables that are past due but not impaired

	30 June 2017 $	30 June 2016 $
60-90 days	2,046,804	61,661
90 days plus	591,239	20,661
Total past due but not impaired	**2,638,043**	**82,322**

(B) IMPAIRED TRADE RECEIVABLES

As at 30 June 2017, the Group had trade receivables with an initial carrying value of $183,285 (2016: $20,990) which were impaired and fully provided for.

Age of Impaired Trade Receivables

	30 June 2017 $	30 June 2016 $
0-60 days	85,484	6,600
60-90 days	48,248	6,600
90 days plus	49,553	7,790
Total past due but not impaired	**183,285**	**20,990**

Movement in Provision for Impairment

	30 June 2017 $	30 June 2016 $
Balance at beginning of the year	20,990	-
Impairment losses recognised on receivables	20,651	20,990
Balance from acquisition	141,644	-
Balance at end of the year	**183,285**	**20,990**

(C) CONSUMPTION TAX RECEIVABLES

These amounts generally arise from consumption tax paid by the Group in the respective tax jurisdictions in which the Group operates and where a consumption tax exists. Ordinarily these amounts are offset against the consumption tax collected by the Group as part of its sales and the net amount remitted to the local tax authorities, however where the amount of consumption tax paid by the Group per jurisdiction is greater than the amount collected from sales to customers in that jurisdiction, a receivable is raised.

12. OTHER ASSETS

	30 June 2017 $	30 June 2016 $
Current		
Prepayments	2,311,019	471,550
Other current assets	178,993	-
Other current financial assets	218,740	-
Total other assets – current	**2,708,752**	**471,550**
Non-current		
Other non-current assets	298,714	17,180
Total other assets – non-current	**298,714**	**17,180**

13. PROPERTY, PLANT AND EQUIPMENT

	30 June 2017 $	30 June 2016 $
Carrying amounts of:		
Assets in the course of construction	6,596,821	27,047,827
Network assets	100,435,100	39,600,670
Communication assets	39,472,761	-
Other assets	1,112,259	202,240
Total	**147,616,941**	**66,850,737**

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	Assets in the course of construction $	Network assets $	Communication assets $	Other assets $	Total $
Cost or Valuation:					
Balance at 30 June 2015	**5,654,845**	**28,424,093**	-	**14,499**	**34,093,437**
Additions	33,201,161	-	31,184	19,582	33,251,927
Additions through business combinations (Note 37)	-	-	226,820	-	226,820
Movement in foreign exchange	181,037	964,988	-	497	1,146,522
Disposals	-	(12,769)	-	-	(12,769)
Transfer	(11,989,216)	10,808,984	906,218	274,014	-
Balance at 30 June 2016	**27,047,827**	**40,185,296**	**1,164,222**	**308,592**	**68,705,937**
Additions	47,228,062	-	4,537,080	102,658	51,867,800
Additions through business combinations (Note 37)	1,192,865	521,840	35,706,556	990,439	38,411,700
Movement in foreign exchange	-	(3,405,173)	(1,272,515)	(2,456)	(4,680,144)
Disposals	-	-	-	-	-
Transfer	(68,871,933)	66,714,507	2,091,524	65,902	-
Balance at 30 June 2017	**6,596,821**	**104,016,470**	**42,226,867**	**1,465,135**	**154,305,293**
Accumulated depreciation:					
Balance at 30 June 2015	**-**	**(513,333)**	**-**	**(3,708)**	**(517,041)**
Depreciation charge	-	(1,116,098)	(92,567)	(102,416)	(1,311,081)
Disposals	-	155	-	-	155
Movement in foreign exchange	-	(27,001)	(4)	(228)	(27,233)
Balance at 30 June 2016	**-**	**(1,656,277)**	**(92,571)**	**(106,352)**	**(1,855,200)**
Depreciation charge	-	(1,947,198)	(2,664,726)	(246,659)	(4,858,583)
Disposals	-	-	-	-	-
Movement in foreign exchange	-	22,105	3,191	135	25,431
Balance at 30 June 2017	**-**	**(3,581,370)**	**(2,754,106)**	**(352,876)**	**(6,688,352)**
Carrying value – 2017	**6,596,821**	**100,435,100**	**39,472,761**	**1,112,259**	**147,616,941**
Carrying value – 2016	**27,047,827**	**38,529,019**	**1,071,650**	**202,240**	**66,850,737**

Assets in the course of construction:
Included in property, plant and equipment at 30 June 2017 was an amount of $6,596,821 (2016: $27,047,827) relating to expenditure for network assets in the course of construction.

14. INTANGIBLE ASSETS

	30 June 2017 $	30 June 2016 $
Carrying amounts of:		
Development costs	-	23,820
Rights and licences	17,292,686	4,185,744
Software	1,740,532	1,576,957
Customer relationships, brands and trademarks	52,683,300	551,246
Goodwill	163,822,464	6,025,442
Total intangible assets	**235,538,982**	**12,363,209**

	Development costs $	Rights and licenses $	Software $	Customer, brand and trademarks $	Goodwill $	Total $
Cost or Valuation:						
Balance as at 30 June 2015	**-**	**4,375,000**	**-**	**-**	**-**	**4,375,000**
Additions through business combinations (refer Note 37)	-	**-**	1,720,487	581,000	6,025,442	8,326,929
Other additions	23,820	185,784	91,289	-	-	300,893
Movements in foreign exchange	-	6,365	-	-	-	6,365
Balance as at 30 June 2016	**23,820**	**4,567,149**	**1,811,776**	**581,000**	**6,025,442**	**13,009,187**
Additions through business combinations (refer Note 37)	**-**	**-**	-	54,598,480	157,797,022	212,395,502
Other additions	(23,820)	13,610,000	660,608	697,271	-	14,944,059
Movements in foreign exchange	-	(10,184)	-	-	**-**	(10,184)
Balance as at 30 June 2017	**-**	**18,166,965**	**2,472,384**	**55,876,751**	**163,822,464**	**240,338,564**
		-				
Accumulated amortisation:						
Balance as at 30 June 2015	**-**	**(75,000)**	**-**	**-**	**-**	**(75,000)**
Amortisation charge	-	(306,315)	(234,819)	(29,754)	-	(570,888)
Movements in foreign exchange	-	(90)	-	-	-	(90)
Balance as at 30 June 2016	**-**	**(381,405)**	**(234,819)**	**(29,754)**	**-**	**(645,978)**
Amortisation charge	**-**	(493,331)	(497,033)	(3,163,696)	-	(4,154,060)
Movements in foreign exchange	-	457	-	-	-	457
Balance as at 30 June 2017	**-**	**(874,279)**	**(731,852)**	**(3,193,450)**	**-**	**(4,799,582)**
Carrying value – 2017	**-**	**17,292,686**	**1,740,532**	**52,683,301**	**163,822,464**	**235,538,982**
Carrying value – 2016	**23,820**	**4,185,744**	**1,576,957**	**551,246**	**6,025,442**	**12,363,209**

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

	30 June 2017 $
Connectivity	104,362,876
Managed Services	59,459,588
Total goodwill	**163,822,464**

An impairment loss is recognised for the amount by which the carrying amount of the cash-generating units exceeds their recoverable amount. The recoverable amount for the cash-generating units and groups of cash-generating units is determined based on a value in use calculation which is based on the present value of future forecast cash earnings, as measured by earnings before interest expense, taxes, depreciation and amortisation (EBITDA). The forecast earnings are based on financial year ending 30 June 2018 budget approved by the Board with the earnings beyond the budget period extrapolated using a growth rate per annum and a long term growth rate of 2.5%. A pre-tax discount rate of 12% 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.

For the cash-generating units and groups of cash-generating units, impairment testing has indicated that the carrying amount will not exceed the recoverable amount, therefore no impairment loss on goodwill has been identified.

Management has reviewed sensitivity on the key assumptions on which the recoverable amounts are based and believes that changes would not cause the cash-generating units or groups of cash-generating units carrying amounts to exceed the recoverable amounts. The sensitivity applied was to reduce the long term growth rate from 2.5% to 1.5% and an increase to the pre-tax discount rate from 12% to 13% for each cash-generating unit or groups of cash-generating units, which did not result in the cash-generating units or groups of cash-generating units carrying amounts exceeding the recoverable amounts.

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15. DEFERRED TAX ASSETS

	Note	30 June 2017 $	30 June 2016 $
Deferred tax assets attributable to:			
Employee benefits		937,542	100,265
Exchange differences on foreign operations		541,287	-
Cashflow hedges		351,569	-
Expenses deductible in future periods		1,214,915	71,245
Tax credits from tax losses		4,446,117	2,707,314
Total deferred tax assets		**7,491,430**	**2,878,823**
Set-off of deferred tax liabilities pursuant to set-off provisions	20	(5,548,067)	(48,329)
Deferred tax assets not recognised		-	(2,830,494)
Deferred tax assets recognised in the statement of financial position		**1,943,363**	-

Deferred tax assets are recognised where it is considered probable that they will be recovered in the future, and, as such, are subjective. Superloop had previously not recognised any deferred tax assets in the statement of financial position as a significant portion relate to credits for tax losses. Following the acquisition of BigAir, combined with the progress in Singapore and Hong Kong, Superloop has elected to recognise the value of deferred tax assets at 30 June 2017, including tax credits for prior period tax losses.

16. TRADE AND OTHER PAYABLES

	30 June 2017 $	30 June 2016 $
Trade payables	8,682,709	2,803,428
Other payables	9,191,635	94,745
Accrued expenses	4,049,716	3,680,920
Other current financial payables	1,390,638	-
Deferred consideration	3,191,605	-
Total trade and other payables	**26,506,303**	**6,579,093**

17. INTEREST-BEARING LOANS AND BORROWINGS

The Company had debt outstanding as at 30 June 2017 of $31,331,563 (30 June 2016: nil).

During the year the Company entered into a $25 million three year revolving debt facility with the ANZ Bank. This facility was subsequently replaced with an $80 million three year revolving facility. The facility can be used for working capital, capital expenditure and permitted acquisitions and is available to be drawn in multiple currencies.

Bank guarantees to the value of $1,515,398 have been issued under the facility.

	Note	30 June 2017 $	30 June 2016 $
Current			
Finance lease	(A)	31,563	-
Revolving debt facility drawn		-	-
Total current interest-bearing loans and borrowings		**31,563**	**-**
Non-current			
Revolving debt facility drawn	(B)	29,632,910	-
Total non-current interest-bearing loans and borrowings		**29,632,910**	**-**
Total interest-bearing loans and borrowings		**29,664,473**	**-**
Total revolving debt facility limit		80,000,000	-
Less bank guarantees issued under the facility		(1,515,398)	-
Less amounts drawn (before transaction costs)		(31,300,000)	-
Revolving debt facility available		**47,184,602**	**-**

	Note	30 June 2017 $	30 June 2016 $
Bank guarantee facilities – accessible	(C)	-	604,394
Bank guarantee facilities – utilised	(C)	-	295,606

(A) The finance lease was acquired through the acquisition of BigAir (refer Note 37). At the date of acquisition, BigAir Group Limited had debt outstanding of $30,055,019 which was repaid by Superloop from its existing cash reserves.

(B) 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.

(C) The bank guarantee facility available during 2016 was closed with guarantees now issued under the revolving facility.

18. PROVISIONS

	30 June 2017 $	30 June 2016 $
Current – employee benefits	1,916,767	342,124
Non-current – employee benefits	2,617,708	69,303
Total provisions	**4,534,475**	**411,427**

The provision for employee benefits represents annual leave and long service leave entitlements accrued.

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19. DEFERRED REVENUE

	30 June 2017 $	30 June 2016 $
Deferred revenue	2,302,986	195,432
Deferred installation fees	129,587	31,340
Total deferred revenue	**2,432,573**	**226,772**
Current	1,957,882	204,314
Non-current	474,691	22,458
Total deferred revenue	**2,432,573**	**226,772**

20. DEFERRED TAX LIABILITIES

	Note	30 June 2017 $	30 June 2016 $
Deferred tax liabilities attributable to:			
Prepayments		-	
Deferred revenue		661,792	3,803
Recognition of intangible assets		16,927,116	-
Total deferred tax liabilities		**17,588,908**	44,526
Set-off of deferred tax liabilities pursuant to set-off provisions	(15)	(5,548,067)	**48,329**
Deferred tax liabilities recognised in the statement of financial position		**12,040,841**	(48,329) **-**

21. CONTRIBUTED EQUITY

(A) SHARE CAPITAL

	Note	30 June 2017 Number of Shares	30 June 2016 Number of Shares	30 June 2017 $	30 June 2016 $
Fully paid ordinary shares	(C)	208,795,883	128,243,301	356,408,128	134,106,147
Total share capital		**208,795,883**	**128,243,301**	**356,408,128**	**134,106,147**
Less: Issue costs				(5,117,965)	(2,919,783)
Contributed equity		**208,795,883**	**128,243,301**	**351,290,163**	**131,186,364**

(B) MOVEMENTS IN ORDINARY SHARE CAPITAL

Date	Details	Number of Shares	Issue Price $	Value $
30-Jun-15	**Balance**	**90,000,000**		**58,800,142**
16-Oct-15	Partial consideration for acquisition of APEXN Pty Ltd (i)	897,666	2.23	2,000,000
30-Nov-15	Partial consideration for acquisition of CINENET Systems Pty Ltd (i)	677,812	2.21	1,500,000
11-Dec-15	Share placement	22,045,000	1.90	41,885,500
30-Dec-15	Share purchase plan	3,937,118	1.90	7,480,524
29-Jun-16	Entitlement offer (institutional component)	10,685,705	2.10	22,439,981
30-Jun-16	**Balance**	**128,243,301**		**134,106,147**
19-Jul-16	Entitlement offer (retail component)	6,109,637	2.10	12,830,238
19-Sep-16	Share placement	21,666,667	3.00	65,000,001
21-Dec-16	Partial consideration for acquisition of BIGAIR Group Limited (i)	52,470,602	2.74	143,769,449
21-Feb-17	Vesting of performance rights (i)	2,075	2.44	5,063
4-Apr-17	Partial consideration for acquisition of SubPartners Pty Ltd (i)	290,374	2.29	664,956
26-Apr-17	Vesting of performance rights (i)	13,227	2.44	32,274
30-Jun-17	**Balance**	**208,795,883**		**356,408,128**

(i) These share issues were non-cash transactions (refer to Note 31).

(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 their 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 position of development.

Notes to the Consolidated Financial Report

	Note	30 June 2017 $	30 June 2016 $
Total borrowings	17	29,664,473	-
Less: cash and cash equivalents		7,104,685	45,854,135
Net debt / (surplus cash)		22,559,788	(45,854,135)
Total equity		333,472,269	119,736,809
Gearing ratio		6.8%	(38.3%)

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 statement of financial position.

22. RESERVES

	30 June 2017 $	30 June 2016 $
Opening balance	235,031	145,592
Cash flow hedge reserve(1)	(820,329)	(368,560)
Share based payments	814,267	-
Foreign currency translation reserves(2)	(5,122,485)	457,999
Total reserves	**(4,893,516)**	**235,031**

(1) The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments entered into as cash flow hedges. The cumulative gain or loss arising from changes in fair value of the hedging instruments that are recognised and accumulated in the cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or is included in the carrying value of a fixed asset where the purpose of the hedge was to minimise the exposure on a contractual commitment to acquire or construct a fixed asset.

(2) 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.

23. ACCUMULATED LOSSES

	30 June 2017 $	30 June 2016 $
Opening balance	(8,357,552)	(1,193,442)
Profit / (loss) for the year	(1,239,792)	(7,164,110)
Total accumulated losses	**(9,597,344)**	**(8,357,552)**

24. DIVIDENDS

A fully franked dividend of $0.005 per share was declared after the end of the year.

25. KEY MANAGEMENT PERSONNEL DISCLOSURES

(A) KEY MANAGEMENT PERSONNEL COMPENSATION

	30 June 2017 $	30 June 2016 $
Short-term employee benefits	2,388,869	1,913,563
Post-employment benefits	162,044	132,830
Long-term employee benefits	8,506	61,416
Share-based payments	450,267	-
Total key management personnel compensation	**3,009,686**	**2,107,809**

Detailed remuneration disclosures are provided in the Remuneration Report.

(B) SHARE BASED PAYMENTS

During the year, key management personnel and other employees of the Group participated in long term incentive schemes.

Expense arising from equity-settled share based payments	851,604	-
Total expense arising from share based payment transactions	**851,604**	**-**

There were no cancellations or modifications to the awards during the year.

(C) LOANS TO KEY MANAGEMENT PERSONNEL

Key management personnel were eligible to participate in a loan scheme provided by a related party to enable them to acquire shares as part of a private capital raising undertaken by the Group in 2015. The terms and conditions of the loan scheme are considered arm's length. The Group does not guarantee or have any obligations with respect to the loan agreements between employees and the related party.

Details of the loan terms and conditions are provided in the Remuneration Report.

(D) 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 29.

26. 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 2017 $	30 June 2016 $
Parent Entity Auditor		
(i) Audit, review of financial statements	170,000	107,670
(ii) Audit, review of subsidiary statutory reports	20,000	14,500
Network Firm of the Parent Entity Auditor		
(iii) Audit of subsidiary statutory reports and regulatory compliance	40,800	24,432
Total Remuneration of Deloitte	**230,800**	**146,602**

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 and Risk Management 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:

Notes to the Consolidated Financial Report

> all non-audit services have been reviewed by the Audit and Risk Management 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) RELATED PRACTICES OF DELOITTE TOUCHE TOHMATSU
The following fees were paid for services provided by Deloitte Corporate Finance Pty Ltd, a related practice of Deloitte Touche.

	30 June 2017 $	30 June 2016 $
Investigating accountant's report for the BigAir Group Limited Scheme booklet	85,000	-
Total remuneration of Deloitte Tohmatsu related practices	**85,000**	**-**

(C) NON-DELOITTE AUDIT FIRMS
Superloop Limited did not engage with any other non-Deloitte audit firms.

27. OPERATING LEASE ARRANGEMENTS

Operating leases relate to the leasing of office premises. The Group has entered lease terms for office space of up to four years in length. The Group has the option, under some of its leases, to lease the assets for additional terms. For the year ended 30 June 2017, the Group made operating lease payments for its office premises in Brisbane, Maroochydore, Melbourne, Sydney, Perth, Singapore and Hong Kong.

Payments recognised as an expense under operating leases are as follows:

	30 June 2017 $	30 June 2016 $
Minimum lease payments	2,916,748	137,817
Total operating lease arrangements	**2,916,748**	**137,817**

Non-cancellable operating lease rentals are payable as follows:

	30 June 2017 $	30 June 2016 $
Not later than 1 year	2,570,795	574,050
Later than 1 year and not later than 5 years	4,633,609	1,199,262
Later than 5 years	194,997	-
Total non-cancellable operating lease commitments	**7,399,401**	**1,773,312**

28. COMMITMENTS AND CONTIGENCIES

(A) CAPITAL COMMITMENTS
Capital expenditure contracted for at the end of each reporting year but not recognised as liabilities is as follows:

	30 June 2017 $	30 June 2016 $
Property, plant and equipment	41,385,683	24,953,584
Total capital commitments	**41,385,683**	**24,953,584**

Capital commitments disclosed above relate to contracted capital commitments associated with network expansion to the value of A$3.3 million and US$29.1 million in relation to submarine cable construction.

Non-cancellable operating lease commitments are disclosed in Note 27 to the financial statements.

(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 contingent liabilities during the year or as at the date of this report.

29. RELATED PARTY TRANSACTIONS

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

ACQUISITION OF SUBPARTNERS PTY LTD

On 4 April 2017, the Group completed the acquisition of SubPartners Pty Ltd (SubPartners). The Founder and significant shareholder of Superloop is also the Founder and was a significant shareholder of SubPartners. Refer to Note 37 Controlled entities acquired or disposed.

SHARED SERVICES AGREEMENT

The Group has entered into a shared services agreement with Capital B Pty Ltd (Capital B), a company controlled by the Founder. Under the agreement, Capital B provides certain services to the Group (e.g. administrative and information technology services) and the Group provides to Capital B as well as the right for Capital B to occupy a portion of the Group's premises at Level 17, 333 Ann Street, Brisbane. The services, and the right to occupy the premises, are provided on arm's length terms. Either party may terminate the agreement for convenience on 60 days' written notice.

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 Founder and significant shareholder of Superloop is also the Founder and significant shareholder of Megaport. Under the agreements, the customer (Megaport) issues a service order form to the Superloop operating entity (as applicable) which sets out the nature of and the applicable fees for the connectivity services provided. The agreements are 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.

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.

APX PARTNERS PTY LTD

The Founder and significant shareholder of Superloop is also the Founder and shareholder of APX Partners Pty Ltd. APX Partners are 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. At reporting date, APX Partners had an amount outstanding to Subpartners Pty Ltd for fees in relation to the construction of Sydney landing facilities.

LOANS TO KEY MANAGEMENT PERSONNEL

Certain key management personnel were eligible to participate in a loan scheme provided by a related party to enable them to acquire shares as part of a private capital raising undertaken by the Group prior to listing on the Australian Securities Exchange in 2015.

(A) PROVISION OF SERVICES TO / FROM RELATED PARTIES

	30 June 2017 $	30 June 2016 $
Sales of goods / services		
Revenue earned from related parties	3,847,606	260,143
Provision of services to Superloop		
Payments to related parties for provision of shared services and rent	625,413	1,023,689
Balance outstanding at year end		
Receivables	2,234,805	260,143
Trade and other payables	6,341,951	41,171

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30. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

	30 June 2017 $	30 June 2016 $
Loss for the year after income tax	**(1,239,792)**	**(7,164,110)**
Adjustments for:		
Depreciation and amortisation	9,012,643	1,881,969
Doubtful debts expense	183,285	-
Share based payments expense	851,604	-
Interest income	(514,669)	(50,700)
Interest expense	1,235,735	-
Foreign exchange gain / (losses)	(12,534)	(754,899)
Proceeds from the sale of property, plant and equipment	-	(755,719)
Transaction costs associated with the acquisition of subsidiaries	4,376,289	55,164
Change in operating assets and liabilities		
(Increase) / decrease in trade debtors	(1,880,667)	-
(Increase) / decrease in prepayments and other receivables	(2,098,380)	(775,810)
(Decrease) / increase in trade creditors and other payables	(2,482,140)	927,935
(Decrease) / increase in accruals	419,834	-
(Decrease) / increase in deferred revenue	465,306	-
(Decrease) / increase in provisions	1,606,832	223,625
(Decrease) / increase in finance lease liabilities	31,563	-
(Decrease) / increase in tax related balances	(5,287,135)	82,250
Net cash from operating activities	**4,667,774**	**(6,330,295)**

31. NON-CASH TRANSACTIONS

During the year, the Group entered into the following non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows:

On 21 December 2016, the Group acquired BigAir Group Limited. The acquisition included non-cash consideration of $143.8 million in Superloop Limited shares issued at $2.74 per share.

On 4 April 2017, the Group acquired SubPartners Pty Ltd. The acquisition included non-cash consideration of $3.3 million in Superloop Limited shares issued at $2.255 per share. 290,374 shares were issued during the year and 1,161,495 shares were issued after the end of the year.

Refer to Note 37 for additional information on these transactions.

In the prior year, the Group acquired APEXN Pty Ltd (APEXnetworks) with the transaction including non-cash consideration of $2.0 million in Superloop Limited shares issued at $2.228 per share. The Group also acquired CINENET Systems Pty Ltd with the transaction including non-cash consideration of $1.5 million in Superloop Limited shares issued at $2.213 per share.

32. 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.

The Group holds the following financial instruments

	30 June 2017 $	30 June 2016 $
Financial assets		
Cash and cash equivalents	6,523,424	44,819,436
Term deposits	581,261	1,034,699
Trade and other receivables	10,542,024	1,370,090
Other current financial assets	218,740	-
Other non-current assets	298,714	17,180
Total financial assets	**18,164,163**	**47,241,405**
Financial liabilities		
Trade and other payables	26,506,303	6,579,093
Finance lease	31,563	-
Interest-bearing borrowings	31,300,000	-
Total financial liabilities	**57,837,866**	**6,579,093**

(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$/S$ and S$/US$. Because a proportion of Superloop's payments for 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 and Hong Kong, movements in exchange rates impact on the translation of account balances in Superloop's Singapore and Hong Kong operations. Therefore, movements in exchange rates, particularly the A$/US$ rate, the A$/S$ and the S$/US$ 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.

The Group also has a multi-currency debt facility (refer (C)), which allows the Group to draw funds in a range of different currencies, providing the Group with another method to manage the potential adverse impacts of changes in exchange rate movements.

(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 has reduced the level of potential exposure to a movement in interest rates via the use of a derivative interest rate swap. The interest rate swap has the economic effect of converting borrowings from floating rates to fixed rates.

(iv) Sensitivity

At 30 June 2017, if interest rates had increased by 100 basis points or decreased by 100 basis points from the year end rates, and the cash balances remain constant for the year along with all other variables, profit before tax for the year would be impacted $213,316 higher / $213,316 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:

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Cash at Bank and Short Term Deposits

	30 June 2017 $	30 June 2016 $
AA rated	7,104,685	45,854,135
A+ rated	-	-
BBB+ rated	-	-
Total	**7,104,685**	**45,854,135**

In determining the credit quality of the financial assets, Superloop has used the long term rating from Standard & Poor's in July 2017.

(i) 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 2017, the Group had $10,542,024 customer trade receivables (refer Note 11).

(ii) Loans to related parties
Loans to related parties are not provided within the Group's normal operating activities. Loans to related parties are only provided on commercial terms after a risk assessment has been performed and only with approval from the Board of Directors. The Group's maximum exposure to credit risk in respect of loans to related parties is its carrying value. The Group does not require collateral in respect of loans to related parties.

(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 favorable 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.

During the year the Group entered into a $25 million three year revolving debt facility with the ANZ Bank. This facility was subsequently replaced with an $80 million three year revolving facility. The facility can be used for working capital, capital expenditure and permitted acquisitions and is available to be drawn in multiple currencies. During the year, the Group was in compliance with the debt covenant requirements of the facility.

As at 30 June 2017, the Group had cash at bank and short term deposits of $7.1 million, and available funding of $47.2 million through its debt facility. The Group believes this is sufficient capital to complete its budgeted capital expenditure program, fund working capital requirements and potential growth opportunities.

Contractual maturities of financial liabilities	Within 12 months $	Between 1 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount $
2017					
Trade payables	26,506,303	-	-	26,506,303	26,506,303
Interest-bearing borrowings	31,563	31,300,000	-	31,331,563	31,331,563
Total non-derivatives	**26,537,866**	**31,300,000**	**-**	**57,837,866**	**57,837,866**
2016					
Trade payables	6,579,093	-	-	6,579,093	6,579,093
Interest-bearing borrowings	-	-	-	-	-
Total non-derivatives	**6,579,093**	**-**	**-**	**6,579,093**	**6,579,093**

The Group has reduced the level of potential exposure to a movement in interest rates via the use of a derivative interest rate swap. The interest rate swap has the economic effect of converting borrowings from floating rates to fixed rates. The notional value of the derivative contract was $10.0 million at year end. After year end, the notional value of the contract was increased to $20.0 million.

The Group has reduced the potential impact of exchange rate movements in contracted foreign currency obligations through the use of derivative foreign exchange contracts. A USD participating forward exchange contract consisting of forward exchange contracts and AUD/USD put options with a total notional value of US$20.0 million has been entered into to reduce the potential impact of exchange rate movements in contracted obligations in relation to submarine cable construction.

(D) FAIR VALUE MEASUREMENT

(i) Trade and other receivables
Due to the short term nature of the trade and other receivables, their carrying amount is assumed to be the same as their fair value.

(ii) Trade and other payables
Due to the short term nature of the trade and other payables, their carrying amount is assumed to be the same as their fair value.

33. EARNINGS PER SHARE

(A) LOSSES PER SHARE

	30 June 2017 Cents	30 June 2016 Cents
Total basic losses per share attributable to the ordinary equity holders of the Group	(0.69)	(6.81)

(B) DILUTED LOSSES PER SHARE

	30 June 2017 Cents	30 June 2016 Cents
Total diluted losses per share attributable to the ordinary equity holders of the Group	(0.69)	(6.81)

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

	30 June 2017 Cents	30 June 2016 Cents
Basic Earnings Per Share		
Loss attributable to the ordinary equity holders of the Group used in calculating basic losses per share	(1,239,792)	(7,164,110)
Diluted Earnings Per Share		
Loss from continuing operations attributable to the ordinary equity holders of the Group	(1,239,792)	(7,164,110)

Notes to the Consolidated Financial Report

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

	30 June 2017 Number of Shares	30 June 2016 Number of Shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	178,422,870	105,191,913
Effects of dilution from:		
> Performance rights	190,092	-
> Share options	612,405	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	179,225,367	105,191,913

34. SUBSIDIARIES

	Country of incorporation	Class of shares	30 June 2017 %	30 June 2016 %
Name of Entity				
Superloop (Australia) Pty Ltd(1)	Australia	Ordinary	100%	100%
Superloop (Singapore) Pte Ltd	Singapore	Ordinary	100%	100%
Superloop (Hong Kong) Limited	Hong Kong	Ordinary	100%	100%
Superloop (Japan) K.K.	Japan	Ordinary	100%	-
APEXN Pty Ltd(1)	Australia	Ordinary	100%	100%
CINENET Systems Pty Ltd(1)	Australia	Ordinary	100%	100%
ACN 614 507 247 Pty Ltd(1)	Australia	Ordinary	100%	-
BigAir Group Pty Ltd(1)	Australia	Ordinary	100%	-
Clever Communications Pty Ltd(1)	Australia	Ordinary	100%	-
Clever Communications Operations Pty Ltd(1)	Australia	Ordinary	100%	-
Saise Pty Ltd(1)	Australia	Ordinary	100%	-
Access Providers Group Pty Ltd(1)	Australia	Ordinary	100%	-
Activ Australia Pty Ltd(1)	Australia	Ordinary	100%	-
BigAir Universe Broadband Pty Ltd(1)	Australia	Ordinary	100%	-
BigAir Community Broadband Pty Ltd(1)	Australia	Ordinary	100%	-
Allegro Networks Pty Ltd(1)	Australia	Ordinary	100%	-
Radiocorp Pty Ltd(1)	Australia	Ordinary	100%	-
Link Innovations Pty Ltd(1)	Australia	Ordinary	100%	-
Intelligent IP Communications Pty Ltd(1)	Australia	Ordinary	100%	-
BigAir Cloud Managed Services Pty Ltd(1)	Australia	Ordinary	100%	-
Unistar Enterprises Pty Ltd(1)	Australia	Ordinary	100%	-
Oriel Technologies Pty Ltd(1)	Australia	Ordinary	100%	-
Integrated Data Labs Pty Ltd(1)	Australia	Ordinary	100%	-
Applaud IT Pty Ltd(1)	Australia	Ordinary	100%	-
Everywhere Internet Holdings Pty Ltd(1)	Australia	Ordinary	100%	-
Everywhere Internet Systems Pty Ltd(1)	Australia	Ordinary	100%	-
CyberHound Pty Ltd(1)	Australia	Ordinary	100%	-
SubPartners Pty Ltd(1)	Australia	Ordinary	100%	-
SubPartners Pte Ltd	Singapore	Ordinary	100%	-
APX West Limited	Bermuda	Ordinary	100%	-

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

35. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 11 August 2017, upon receiving shareholder approval, the Company issued 1,161,495 shares at fair value to Mr Bevan Slattery to satisfy the deferred consideration payable in conjunction with the acquisition of SubPartners Pty Ltd.

Also, on 11 August 2017, 336,094 options were issued to Mr Matthew Hollis under the Group's Executive Option Plan.

36. 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.

	30 June 2017 $	30 June 2016 $
Assets		
Current assets	143,726,359	86,145,245
Non-current assets	253,995,498	43,944,847
Total assets	**397,721,857**	**130,090,092**
Liabilities		
Current liabilities	19,540,818	638,016
Non-current liabilities	31,300,000	-
Total liabilities	**50,840,818**	**638,016**
Equity		
Contributed equity	351,290,163	131,186,364
Reserves	814,267	(368,560)
Accumulated losses	(5,223,392)	(1,365,728)
Total equity	**346,881,038**	**129,452,076**
Loss for the year	(3,857,664)	(483,505)
Total comprehensive loss for the period	(2,674,837)	(483,505)

(A) GUARANTEES ENTERED INTO BY THE PARENT ENTITY IN RELATION TO THE DEBTS OF ITS SUBSIDIARIES
As at 30 June 2017, Superloop Limited had issued a parent company guarantee in relation to the obligations of SubPartners Pty Ltd in accordance with a supply agreement for the construction of INDIGO West and INDIGO Central submarine cable systems.

(B) CONTINGENT LIABILITIES OF SUPERLOOP LIMITED (PARENT ENTITY)
As a 30 June 2017, Superloop Limited did not have any contingent liabilities.

Notes to the Consolidated Financial Report

37. CONTROLLED ENTITIES ACQUIRED OR DISPOSED

During the year Superloop Limited acquired the following entities:

BigAir Group Limited	21 December 2016
SubPartners Pty Ltd	4 April 2017

If both entities had been acquired at 1 July 2016, the Group would have generated total revenue of $97.2 million and a Net Loss before Tax of $7.6 million for the full financial year to 30 June 2017, based on unaudited financial information provided by each entity prior to the date of acquisition.

Goodwill arose in the acquisitions of BigAir Group Limited and SubPartners Pty Ltd because the consideration paid for the respective subsidiaries included amounts in relation to the benefit of expected synergies, revenue growth, enhanced capability, future market development and the assembled workforces of each group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

BigAir Group Limited
On 21 December 2016, Superloop Limited acquired 100% of BigAir Group Limited for a total consideration of $189.6 million, paid as $45.8 million in cash and $143.8 million in Superloop Limited shares issued at $2.74 per share. The acquisition of BigAir allows Superloop to leverage its fibre network plus provide the Group with new wireless capabilities to deliver low cost gigabit connectivity. Goodwill of $148.2 million represents the residual value of the purchase price over the fair value of the identifiable assets shown below. The acquired business contributed revenues of $40.6 million during the period from acquisition. At 30 June 2017, the Company is continuing to receive the information required to assess the fair values of assets and liabilities acquired. Accordingly the fair values identified below are provisional as at the reporting date.

Details of the acquisition are as follows:

Identifiable assets acquired and liabilities assumed	Provisional Fair Value ($)
Cash	2,134,644
Receivables	7,482,719
Other assets	4,674,065
Property, plant and equipment	37,632,555
Payables	(9,978,605)
Deferred revenue	(2,899,682)
Provisions and other liabilities	(6,578,202)
Deferred tax liabilities	(15,399,000)
Term debt funding	(30,055,019)
Customer relationships	48,739,000
Brand name and trademarks	500,000
Other identifiable intangible assets	5,114,000
Net identifiable assets acquired	**41,366,475**
Consideration transferred	
Cash paid	45,804,556
Shares	143,769,449
Total consideration	**189,574,005**
Goodwill on acquisition	
Consideration	189,574,005
Less net identifiable assets acquired	(41,366,475)
Goodwill on acquisition	**148,207,530**
Net cash outflow on acquisition	
Consideration paid in cash	45,804,556
Less cash and cash equivalent balances acquired	(2,134,644)
Net cash outflow on acquisition	**43,669,912**

Transaction costs of $4.2 million related to the acquisition have been expensed during the year.

SubPartners Pty Ltd

On 4 April 2017, Superloop Limited acquired 100% of SubPartners Pty Ltd for a total consideration of $3.3 million, to paid in Superloop Limited shares issued at $2.255 per share. The acquisition of SubPartners will provide the basis for connectivity between existing metropolitan networks to create a broad interconnected pan-Asian network, through the construction of the INDIGO West and INDIGO Central submarine cable systems. Goodwill of $9.9 million represents the residual value of the purchase price over the fair value of the identifiable net liabilities shown below. The acquired business contributed revenues of $2.9 million during the period. The fair values identified below are provisional as at the reporting date, 30 June 2017.

Details of the acquisition are as follows:

Identifiable assets acquired and liabilities assumed	Provisional Fair Value $
Cash	6,020
Property, plant and equipment	691,843
Other assets	22,623
Payables – accounts	(84,290)
Payables – related party	(6,364,640)
Accruals and provisions	(797,128)
Income tax liabilities & provision	-
Net identifiable liabilities acquired	**(6,525,572)**

Consideration transferred	
Cash paid	-
Shares	664,956
Deferred consideration	2,659,824
Total consideration	**3,324,780**

On 11 August 2017, upon receiving shareholder approval, the Company issued 1,161,495 shares to Mr Bevan Slattery to satisfy the deferred consideration payable.

Goodwill on acquisition	
Consideration	3,324,780
Add net identifiable liabilities acquired	6,525,572
Goodwill on acquisition	**9,850,352**

Net cash outflow on acquisition	
Consideration paid in cash	-
Cash and cash equivalent balances acquired	6,020
Net cash inflow on acquisition	**6,020**

Transaction costs of $176,289 related to the acquisition have been expensed during the year.

Total net cash outflow on acquisition of subsidiaries	
Net cash outflow on acquisition	
Consideration paid in cash	45,804,556
Less cash and cash equivalent balances acquired	(2,140,664)
Net cash outflow on acquisitions (refer statement of cash flows)	**43,663,892**

Total goodwill recognised on acquisition of subsidiaries	
Goodwill arising from acquisition of BigAir Group Limited	148,207,530
Goodwill arising from acquisition of SubPartners Pty Ltd	9,850,352
Total goodwill arising from acquisition of subsidiaries	**158,057,882**

Directors' Declaration

In the directors' opinion:

(a) The financial statements and notes set out on pages 50 to 87 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 2017 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(a) 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.

Bevan Slattery
Chief Executive Officer
Brisbane
28 August 2017

Independent Auditor's Report

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Level 25, Riverside Centre,
123 Eagle Street
Brisbane QLD 4000
Australia

Tel: +61 (0) 7 3308 7000
Fax: +61 (07) 3308 7004
www.deloitte.com.au

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 2017, 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:

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(ii) 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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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, 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.

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

Independent Auditor's Report

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

Business acquisition
 	
As disclosed in note 37, the Group completed the acquisition of 100% of the shares of BigAir Group Limited via a Scheme of Arrangement for cash and equity consideration of $189.6 million on 21 December 2016. The fair values of the assets and liabilities identified in relation to the acquisition are provisional as at the 30 June 2017.
 	
Accounting for acquisitions is complex and involves a number of significant judgements and estimates as disclosed in note 3 including:
 	
• the identification of and fair value attributed to the separately identifiable assets and liabilities acquired, including intangible assets; and
• the determination of the useful lives of the acquired intangible assets.
	In conjunction with our valuation specialists our procedures included, but were not limited to:
	
	• reading the Scheme of Arrangement agreement to understand the terms and conditions of the transaction and evaluating management's application of the relevant accounting standards including appropriateness of the acquisition date and identification of the acquiring entity;
	• obtaining an understanding of and assessing the external expert's draft report by reading the report and evaluating its scope, and holding discussions with the expert;
	• assessing the competency and objectivity of the expert and challenging the appropriateness of valuation methodologies and key judgements adopted in determining the fair values of software, customer relationships, licences and brands which include:
	  - EBIT margins;
	  - growth rates;
	  - discount rates; and
	  - attrition rates.
	• evaluating the useful lives of the intangible assets, based on the nature of the assets and industry practice; and
	• assessing the appropriateness of the disclosures included in notes 3 and 37 to the financial statements.

Revenue recognition – appropriateness of revenue recorded from complex contracts As disclosed in note 3, the determination of the timing of revenue recognition associated with some of the Group's capacity contracts involves the application of judgement due to the complexity and bespoke nature of the arrangements entered into with customers.	In conjunction with our accounting technical specialists, our procedures included, but were not limited to: • reviewing the underlying agreements; • understanding the substance of the transactions and specific nature of the service being provided; • assessing the appropriateness of the application of the relevant accounting standards and industry practice; • agreeing the amounts recorded in the financial records to supporting documentation; and • assessing the appropriateness of the disclosures included in note 3 to the financial statements.
Carrying value of goodwill As at the 30 June 2017 the Group's goodwill balance totals $163.8 million. As disclosed in note 3 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: • 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: - the cash flow forecasts; - market growth rates; - terminal growth factors; and - discount rates.	In conjunction with our valuation specialists our procedures included, but were not limited to: • obtaining an understanding of the process that management undertook to determine the CGUs and prepare the valuation models; • evaluating the Group's identified CGUs and the allocation of goodwill to the carrying value of CGUs based on our understanding of the Group's business. This evaluation included performing an analysis of the Group's internal reporting; • assessing and challenging: - the cash flow forecasts by agreeing inputs in the cash flow models to relevant data including approved budgets and assessing forecasting accuracy by comparing historic forecasts to actual outcomes; - the market 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;

Independent Auditor's Report

	• testing on a sample basis the mathematical accuracy of the valuation models; and • assessing the appropriateness of the disclosures in note 3 and 14 to the 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): Chairman's letter, Report from the Chief Executive Officer, Business Overview, Corporate Governance Statement and Shareholder 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 and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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 Chairman's letter, Report from the Chief Executive Officer, Business Overview, Corporate Governance Statement and Shareholder 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 has 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 this 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 a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents 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 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, related safeguards.

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.

Independent Auditor's Report

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 29 to 41 of the Directors' Report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Superloop Limited, for the year ended 30 June 2017, 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

DELOITTE TOUCHE TOHMATSU

Stephen Tarling
Partner
Chartered Accountants
Brisbane, 28 August 2017

ASX Additional Information

The following shareholder information was applicable as at 15 September 2017.
The Company has one class of shares on issue, fully paid ordinary shares.

(A) DISTRIBUTION OF EQUITY SECURITES

Holding	Number of investors	Number of securities
100,001 and over	108	145,292,032
10,001 to 100,000	1,709	42,227,986
5,001 to 10,000	1,631	12,100,157
1,001 to 5,000	3,256	9,480,073
1 to 1,000	1,767	857,130
Total	**8,471**	**209,957,378**
Unmarketable parcels	290	13,251

(B) EQUITY SECURITY HOLDERS

The names of the twenty largest holders of quoted equity securities are listed below:

	Name	Percentage of issued shares	Percentage of issued shares
1	BEVAN ANDREW SLATTERY	61,169,389	29.13%
2	J P MORGAN NOMINEES AUSTRALIA LIMITED	23,799,848	11.34%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,636,621	3.64%
4	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LTD <VFA A/C>	7,578,144	3.61%
5	NATIONAL NOMINEES LIMITED	6,624,638	3.16%
6	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	2,526,369	1.20%
7	CITICORP NOMINEES PTY LIMITED	2,329,985	1.11%
8	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	2,169,574	1.03%
9	AVANTEOS INVESTMENTS LIMITED <THE FISON FAMILY A/C>	1,870,588	0.89%
10	BNP PARIBAS NOMS PTY LTD <DRP>	1,682,483	0.80%
11	SCM CAPITAL PTY LTD	1,437,594	0.68%
12	AUST EXECUTOR TRUSTEES LTD <HENROTH PTY LIMITED>	1,250,000	0.60%
13	MICROEQUITIES ASSET MANAGEMENT PTY LIMITED <MICROEQUITIES NANOCAP A/C>	1,225,104	0.58%
14	JMAS PTY LTD <THE ASHTON A/C>	1,201,207	0.57%
15	J P MORGAN NOMINEES AUSTRALIA LIMITED	1,107,996	0.53%
16	BLUE STAMP COMPANY PTY LTD <BLUE STAMP A/C>	1,013,102	0.48%
17	LEANNE CATELAN SUPERANNUATION FUND PTY LTD <LEANNE CATELAN S/F A/C>	719,297	0.34%
18	ALLEGRO CAPITAL NOMINEES PTY LTD <ALLEGRO CAPITAL ACCOUNT>	690,788	0.33%
19	HACKETT CP NOMINEES PTY LTD	599,999	0.29%
20	SYMMALL PTY LTD <MASTERMAN SUPER FUND A/C>	590,000	0.28%
	SUB-TOTAL	**127,222,726**	**60.59%**
	BALANCE OF REGISTER	**82,734,652**	**39.41%**
	TOTAL	**209,957,378**	**100.00%**

(C) SUBSTANTIAL HOLDERS

	Name	Percentage of issued shares	Percentage of issued shares
1	BEVAN ANDREW SLATTERY	61,169,389	29.13%

(D) UNQUOTED EQUITY SECURITIES

Options

A total of 731,992 unlisted options are on issue. All unlisted options are held by current employees under the Company's Executive Option Plan.

Performance Rights

A total of 182,840 unlisted performance rights are on issue. All unlisted performance rights are held by current and former employees under the Company's Employee Rights Plan.

(E) VOTING RIGHTS

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

Holders of options do not have voting rights.

Performance Rights

Holders of performance rights do not have voting rights.

Corporate Directory

DIRECTORS

Michael Malone
Non-executive Chairman

Bevan Slattery
Chief Executive Officer

Greg Baynton
Non-executive Director

Louise Bolger
Non-executive Director

Richard Anthony (Tony) Clark
Non-executive Director

Vivian Stewart
Non-executive Director

Jason Ashton
Executive Director

Matthew Hollis
Executive Director

COMPANY SECRETARY

Paul Jobbins
Group Chief Financial Officer

REGISTERED OFFICE

Superloop Limited
Level 17, 333 Ann Street
Brisbane QLD 4000
Tel: +61 (7) 3088 5999

AUDITOR

Deloitte Touche Tohmatsu
Level 25, Riverside Centre
123 Eagle Street
Brisbane QLD 4000
www.deloitte.com/au

SOLICITORS

McCullough Robertson
Level 11, Central Plaza Two
66 Eagle Street
Brisbane QLD 4000
www.mccullough.com.au

SHARE REGISTER

Link Market Services Limited
Level 15, 324 Queen Street
Brisbane QLD 4000
www.linkmarketservices.com.au
Telephone: (within Australia): 1300 554 474
Facsimile: (02) 9287 0303

SECURITIES EXCHANGE LISTING

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

COMPANY WEBSITE

www.superloop.com


Superloop Limited Annual Report FY17