



ASX ANNOUNCEMENT

28 October 2021

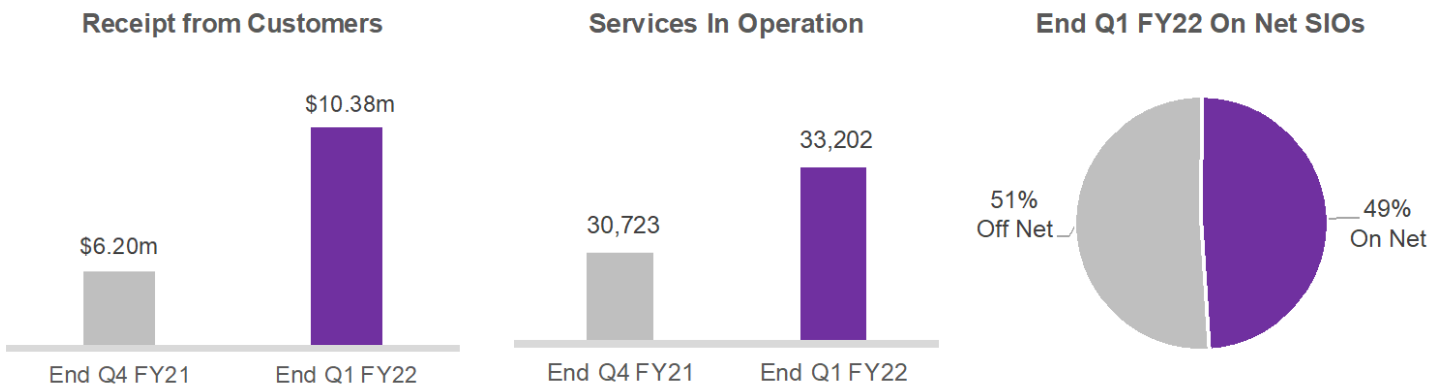
Appendix 4C Quarterly Cash Flow Report and Quarterly Activities Report

Swoop Holdings Limited (**ASX: SWP**) is pleased to release its quarterly activities report and Appendix 4C for the three-month period ended 30 September 2021 (**Q1**).

The quarterly cash flow report provided by Swoop incorporates the operations of Swoop as well as the acquired businesses (Beam and Speedweb) for the full period of Q1.

Highlights of Q1 & Events Subsequent to the Quarter

- Q1 receipts of \$10.3m for the quarter which is up 67% from the previous quarter of \$6.2m and consists of strong organic growth plus the full 3 months contribution from Beam and Speedweb acquisitions.
- Achieved positive operating cash flows of \$0.98m for the quarter.
- Number of Services in Operation (SIO's) at the end of Q1 increased to 33,202 representing an 8% increase from the end of Q4.
- Swoop continues to execute on its regional roll out and now has 454 towers and masts across the country which is an increase of 16% from end of Q1.
- Cash balance at 30 September was \$7.79m (excluding the recent capital raise).
- Completed (post Q1) a \$41 million fully underwritten share placement to institutional, sophisticated, and professional investors.
- Commenced (post Q1) a Share Purchase Plan capped at \$5m (expected to complete by 11 November 2021).
- Announced (post Q1) 2 additional acquisitions have been entered into: Countrytell Holdings Pty and VoiceHub Group Pty Ltd/Harbourtel Pty Ltd.
- The Company has no bank debt and is in discussions for a debt facility to allow for further growth and expansion.





Acquisition highlights

Completed during the Q1;

- **Completed** the acquisition of Wan Solutions Pty Ltd (trading as Beam Internet) for \$6.7m, including \$4.7m cash paid on completion, \$1.3m deferred cash consideration and \$0.7m shares, with annualised FY21 EBITDA of \$1.6m.

Beam expands Swoop's network coverage to the South East regions in South Australia, and also parts of the West Victoria and Mallee regions in regional Victoria.

- **Completed** the acquisition of Kallistrate Pty Ltd (trading as Speedweb) for \$1.6m, including \$0.7m cash paid on completion, \$0.4m deferred cash consideration and \$0.5m shares, with annualised FY21 EBITDA of \$0.5m.

Speedweb expands the Swoop network coverage in the South East regions in Victoria.

Announced post Q1;

- Entered into an agreement to acquire Countrytell Holdings Pty Ltd for \$4.2 million, comprising \$2.1 million cash and \$2.1 million in Swoop shares.

Countrytell operates a fixed wireless network comprising over 30 towers, one of Newcastle's largest datacentres and has recently completed a Newcastle CBD dark fibre network. The acquisition will be funded from existing cash reserves and Swoop is targeting completion on 31 October 2021, with an effective date of 1 July 2021.

- Entered into an agreement to acquire Sydney-based wholesale voice service provider VoiceHub Group Pty Ltd and Harbortel Pty Ltd (together, VoiceHub). The Purchase Price payable at completion is \$6 million, comprising \$4 million in cash and \$2 million in Swoop shares, plus an earn out of up to a maximum of \$2.5 million payable based on VoiceHub's FY2022 EBITDA performance.

VoiceHub provides wholesale voice services including traditional voice services, unified communications, virtual numbers, SMS messaging solutions and Advanced Intelligent Networking, and operates in Australia and New Zealand. The acquisition will be funded from existing cash reserves and Swoop is targeting completion on 31 October 2021.



Use of Funds

In accordance with ASX Listing Rule 4.7C2, Swoop provides the following (unaudited) update on its use of funds against amounts set out in the Prospectus:

Allocation of Funds	Estimated total per prospectus	Actual cash outflows incurred 21 May 2021 to 30 September 2021
Fixed wireless and core network expenditure and deployment across Sydney, Melbourne, key regional areas and Perth	\$8,500,000	\$5,200,000
Acquisition of complementary businesses and associated costs	\$4,000,000	\$6,050,000
Completion payments on listing of Swoop	\$3,200,000	\$3,200,000
Marketing and Customer Acquisition	\$2,600,000	\$690,000
Implementation of enhanced operating systems	\$1,500,000	\$380,000
Customer Experience Platforms	\$1,600,000	\$130,000
Repayment of loan to NodeOne Vendors	\$720,000	\$720,000
Product Development	\$600,000	\$22,000
Expenses of the Offer and the Acquisitions	\$1,500,000	\$1,334,000
Working capital and general operating expenses	\$2,109,000	\$809,000
Total	\$26,329,000	\$18,535,000

Payments to related parties of Swoop and their associates

The amounts included in item 6 in the Appendix 4C relate to the Directors Fees for the quarter (\$71k) and software subscription costs for software provided by a company related to Matthew Hollis (\$3k). This subscription cost is provided at commercial market rates.

Approved for release by the Board of Directors of Swoop Holdings Limited.

ENDS

Louise Bolger, Company Secretary

Email: investorrelations@swoop.com.au

Phone: 0438 441 594

Forward looking statements



This announcement contains forward-looking statements, which address a variety of subjects including, for example product development, marketing position and technical advances. Statements that are not historical facts, including statements about our beliefs, plans and expectations, are forward-looking statements. Such statements are based on our current expectations and information currently available to management and are subject to a number of factors and uncertainties, which could cause actual results to differ materially from those described in the forward-looking statements. The Company's management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or the ASX Listing Rules. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events, and developments to differ materially from our historical experience and our present expectations.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Swoop Holdings Limited

ABN

20 009 256 535

Quarter ended ("current quarter")

30-Sep-21

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	10,384	10,384
1.2	Payments for		-
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(5,772)	(5,772)
	(c) advertising and marketing	(414)	(414)
	(d) leased assets	(636)	(636)
	(e) staff costs	(2,760)	(2,760)
	(f) administration and corporate costs	(605)	(605)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(43)	(43)
1.6	Income taxes paid	(12)	(12)
1.7	Government grants and tax incentives	841	841
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	983	983

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	(6,139)	(6,139)
	(b) businesses	-	-
	(c) property, plant and equipment	(3,916)	(3,916)
	(d) investments	(231)	(231)
	(e) intellectual property	(173)	(173)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	203	203
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(10,256)	(10,256)
3	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	175	175
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(644)	(644)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(469)	(469)
4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	17,539	17,539
4.2	Net cash used in operating activities (item 1.9 above)	983	983
4.3	Net cash used in investing activities (item 2.6 above)	(10,256)	(10,256)
4.4	Net cash from financing activities (item 3.10 above)	(469)	(469)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	7,797	7,797

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
5	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	7,797	7,797
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,797	7,797

6 Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(74)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
6.3	Include below any explanation necessary to understand the transaction included in items 6.1 and 6.2:	

7 Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	983
8.2	Cash and cash equivalents at quarter end (item 4.6)	7,797
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	7,797
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A*
	* Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A
- 2 This statement gives a true and fair view of the matters disclosed.

Date:

Authorised by:

.....
(Name of body or officer authorising release – see note 4)

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.