



## ASX ANNOUNCEMENT

31 January 2022

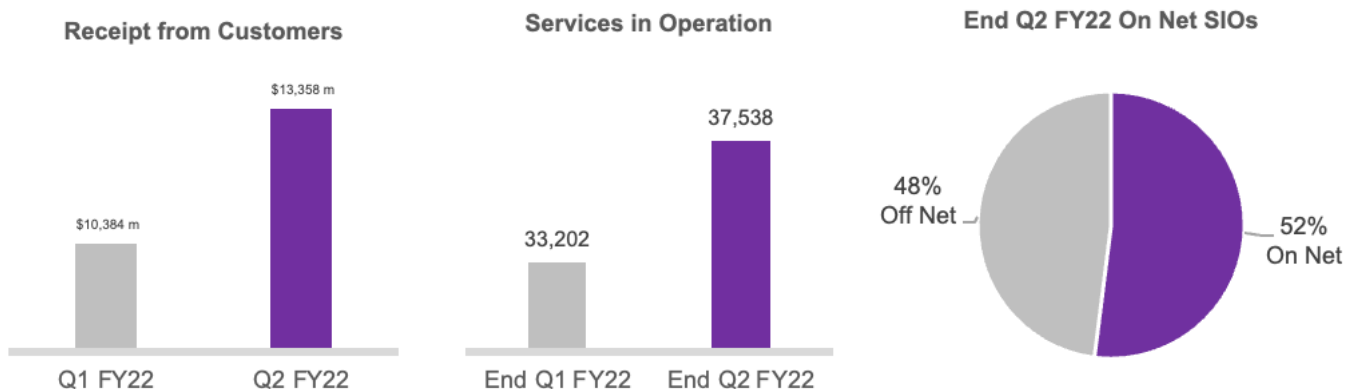
### Appendix 4C Quarterly Cash Flow Report and Quarterly Activities Report

Swoop Holdings Limited (**ASX: SWP**) is pleased to release its quarterly activities report and Appendix 4C for the three-month period ended 31 December 2021 (**Q2**).

The quarterly cash flow report provided by Swoop incorporates the operations of Swoop (and its subsidiaries) including the businesses acquired during the quarter: (Countrytell for the 6-month period from July to December 2021 and VoiceHub for the 2-month period from November to December 2021). As the Countrytell acquisition occurred with an effective date of 1 July the closing cash balance (from the 4C report released on 28 October 2021) has been restated for this acquisition.

#### Highlights of Q2 & Events Subsequent to the Quarter

- Q2 receipts of \$13.4m for the quarter which is up from the previous quarter of \$10.4m and consists of organic growth plus 6 months contribution from Countrytell and 2 months contribution from VoiceHub.
- Achieved positive operating cash flows of \$1.92m for the quarter, which is up from \$0.98m in the previous quarter.
- Number of Services in Operation (SIO's) at the end of Q2 increased to 37,538 representing a 13% increase from the end of Q1.
- Following the acquisition of Countrytell and the recent decommissioning of a small number of non-revenue earning sites, Swoop now has 477 towers and masts across the country.
- Cash balance at 31 December was \$44.59m (includes the placement and share purchase plan completed during the quarter).
- Announced (post Q2) an additional acquisition: the dark fibre assets and customers of iFibre.
- The Company is in final negotiations for a debt facility to facilitate further growth and expansion.





## Acquisition highlights

### Completed during Q2:

**Completed** the acquisition of 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 completed on 31 October 2021, with an effective date of 1 July 2021.

**Completed** the acquisition of Sydney-based wholesale voice service provider VoiceHub Group Pty Ltd and Harbournel Pty Ltd (together, VoiceHub). The Purchase Price payable at completion was \$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 completed on 31 October 2021 with an effective date of 1 November 2021.

### Announced post Q2:

**Entered** into an agreement to acquire the dark fibre network assets and customers of iFibre Pty Ltd. The purchase price for the acquisition is \$1.5 million payable in cash.

The assets consist of 34km of fibre in the Adelaide CBD and outer metro areas, connecting key data centres and commercial buildings. Completion of the acquisition is expected to occur on 31 January 2022.

## 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 of April 2021. The use of funds relates to the following entities in the Swoop Group: Swoop (comprising Anycast, Bosley and Cirrus), Node, Beam and Speedweb who formed part of the Group to which the original prospectus was intended to cover (note: cash outflows for Countrytell and VoiceHub have been excluded as these were funded from the October/November 2021 capital raise; operating cash flows for these entities have consequently also been excluded):

Allocation of Funds	Estimated total per prospectus	Actual cash outflows incurred 21 May 2021 to 31 December 2021
Fixed wireless and core network expenditure and deployment across Sydney, Melbourne, key regional areas and Perth	\$8,500,000	\$8,882,000
Acquisition of complementary businesses and associated costs	\$4,000,000	\$6,256,000
Completion payments on listing of Swoop	\$3,200,000	\$3,200,000
Marketing and Customer Acquisition	\$2,600,000	\$898,000
Implementation of enhanced operating systems	\$1,500,000	\$580,000
Customer Experience Platforms	\$1,600,000	\$264,000
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
<b>Total</b>	<b>\$26,329,000</b>	<b>\$22,965,000</b>

### Use of Funds – explanations to actual cash outflows compared to amounts set out in prospectus

Swoop provides below explanations for material variances between prospectus estimate and actual cash outflows as reflected in the table above:

- Acquisition of complementary businesses and associated costs is higher than originally forecast as opportunities to acquire similar businesses arose quicker than anticipated
- Funds allocated to implementation of enhanced operating systems are being spent over a longer timeframe
- Funds allocated to marketing and customer acquisition are less than originally forecast as the acquisition of complementary businesses have provided additional customers to the Group, without the need for additional customer acquisition costs
- Funds allocated to customer experience platforms are being spent over a longer time frame; in addition, existing customer experience platforms have been components of recent acquisitions and these platforms can be leveraged across the broader Group with minimal additional spend



- Funds for product development will be allocated in the 2H FY22 and into FY23.

### **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 (\$84k) and software subscription costs for software provided by a company related to Matthew Hollis (\$5k). 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

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### **About Swoop**

Swoop is a national provider of fixed wireless internet services to wholesale, business and residential customers. The Swoop network is designed and scaled to deliver ultra-reliable, high throughput, flexible telecom network services. Swoop is established and has the goal to build its business to become Australia's best challenger internet and telecommunications provider.

### **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	Quarter ended ("current quarter")	
20 009 256 535	31-Dec-21	
<b>Consolidated statement of cash flows</b>	<b>Current quarter</b>	<b>Year to date</b>
	<b>\$A'000</b>	<b>(6 months)</b>
		<b>\$A'000</b>
<b>1 Cash flows from operating activities</b>		
1.1 Receipts from customers	13,358	23,742
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(6,605)	(12,377)
(c) advertising and marketing	(333)	(747)
(d) leased assets	(760)	(1,396)
(e) staff costs	(2,901)	(5,661)
(f) administration and corporate costs	(831)	(1,424)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(14)	(57)
1.6 Income taxes received	2	(10)
1.7 Government grants and tax incentives	-	841
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,916</b>	<b>2,911</b>

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>2</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	(6,573)	(12,712)
	(b) businesses	-	-
	(c) property, plant and equipment	(4,286)	(8,202)
	(d) investments	(42)	(273)
	(e) intellectual property	(111)	(284)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(11,012)</b>	<b>(21,268)</b>
<b>3</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	45,989	45,989
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	175
3.4	Transaction costs related to issues of shares, convertible notes or options	(1,747)	(1,747)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(644)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>44,242</b>	<b>43,773</b>
<b>4</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	9,430	19,160
4.2	Net cash from in operating activities (item 1.9 above)	1,916	2,911
4.3	Net cash used in investing activities (item 2.6 above)	(11,012)	(21,268)
4.4	Net cash from financing activities (item 3.10 above)	44,242	43,773
4.5	Effect of movement in exchange rates on cash held	13	13
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>44,589</b>	<b>44,589</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
<b>5</b>	<b>Reconciliation of cash and cash equivalents</b> 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	44,589	44,589
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>44,589</b>	<b>44,589</b>
<b>6</b>	<b>Payments to related parties of the entity and their associates</b>		<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1		(89)
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:		-
	6.1 Payment of Directors' remuneration (\$84k) and payments to Director related entities (\$5k)		
<b>7</b>	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	<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	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	2,911
8.2	Cash and cash equivalents at quarter end (item 4.6)	44,589
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	<b>44,589</b>
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	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?	
	<i>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.</i>	

### 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: 31 January 2022

By the Board

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.