



SWOOP HOLDINGS LIMITED

ACN 009 256 535

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Swoop Holdings Limited ACN 009 256 535 (**Swoop** or **Company**) will be held at:

TIME: 11:00am (AEDT)

DATE: 25 November 2022

PLACE: The Meeting will be held virtually. See details below.

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Meeting will be held virtually by using an online meeting platform powered by Automic (further instructions are enclosed in this Notice). Shareholders will not be able to physically attend the Meeting. The Company will ensure that all Shareholders have a reasonable opportunity to participate in the Meeting via the following means:

- ***ability to ask questions in advance of the Meeting by sending your questions by email to the Company Secretary at investorrelations@swoop.com.au at least 48 hours before the start of the Meeting; and***
- ***the Meeting will be live webcast, with the ability of Shareholders to submit questions and vote in real time via the webcast platform. Details on how to access the webcast platform are set out below.***

Voting on all resolutions will be decided by poll.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of Swoop Holdings Limited ACN 009 256 535 (**Company**) will be held virtually on 25 November 2022 at 11:00am AEDT, for the purpose of transacting the following business referred to in this Notice of Meeting.

An Explanatory Statement provides additional information on matters to be considered at the Meeting.

Please note the important procedural requirements that will apply to the Meeting as set out in this Notice. The Company is implementing these procedural requirements to ensure that Shareholders will have a reasonable opportunity to participate in the Meeting.

AGENDA

ORDINARY BUSINESS

FINANCIAL REPORT

To receive the financial report of the Company and the reports of the Directors and of the Auditors for the financial year ended 30 June 2022.

Note: There is no requirement for shareholders to approve the reports.

RESOLUTION 1: REMUNERATION REPORT

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“The Remuneration Report for the financial year ended 30 June 2022 as disclosed in the Company’s Annual Report be adopted.”

Note: This Resolution is advisory only and does not bind the Company or the Directors. This resolution is subject to voting exclusions which are set out below. The Chairperson of the meeting will not vote undirected proxies on this resolution.

RESOLUTION 2: RE-ELECTION OF DIRECTOR – ANTHONY GRIST

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purpose of Article 41.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Anthony Grist, a Director having been appointed by the Board, retires, and being eligible, is re-elected as a Director of the Company.”

SPECIAL BUSINESS

RESOLUTION 3: RATIFICATION OF PRIOR ISSUE OF CONSIDERATION SHARES – LUMINET ACQUISITION

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the issue on 1 April 2022 of a total of 1,482,854 fully paid ordinary shares in the Company as part consideration for the acquisition of Luminet Pty Ltd and Luminet Fibre Pty Ltd on the terms and conditions set out in the Explanatory Memorandum.”

Note: This resolution is subject to voting exclusions which are set out below.

RESOLUTION 4: RATIFICATION OF PRIOR AGREEMENT TO ISSUE CONSIDERATION SHARES – TELCO PAY ACQUISITION

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the agreement to issue a total of 9,881,423 fully paid ordinary shares in the Company as part consideration for the acquisition of Telco Pay Pty Ltd on the terms and conditions set out in the Explanatory Memorandum.”

Note: This resolution is subject to voting exclusions which are set out below.

RESOLUTION 5: APPROVAL OF FINANCIAL ASSISTANCE – TELCO PAY ACQUISITION

To consider and, if thought fit, pass the following resolution, with or without amendment, as a special resolution:

“That for the purposes of section 260B(2) of the Corporations Act and for all other purposes, approval is given for financial assistance to be provided by Telco Pay Pty Ltd, which will become a subsidiary of the Company, in connection with the Telco Pay Acquisition of such subsidiary as described in the Explanatory Memorandum.”

Note: This resolution is subject to voting exclusions which are set out below.

VOTING EXCLUSIONS:**Voting Exclusions in accordance with the Corporations Act**

Resolution 1: The Company will disregard any votes, in accordance with section 250R(4) of the Corporations Act, by or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, in accordance with section 250R(5) of the Corporations Act, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described in section 250R(4) and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on Resolution 1 and expressly authorises the Chairperson to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of the Key Management Personnel.

Resolution 3 & 4 : In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 3 and 4 by or on behalf of any person who participated in the relevant issue or any associates of those persons.

However, the above voting exclusion statements under the ASX Listing Rules will not apply and, the Company need not disregard a vote cast in favour of Resolution 3 and 4 if it is cast by a person as:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution in accordance with the directions given on the Proxy Form or to the attorney to vote on the resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction on the Proxy Form to vote as the proxy or attorney decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5: In accordance with section 260B of the Corporations Act, the Company will disregard any votes cast in favour of Resolution 5 by any person acquiring shares under the Telco Pay Acquisition or by their associates.

IMPORTANT NOTES FOR SHAREHOLDERS

These notes form part of the Notice of Meeting.

Time and Place of Meeting

Notice is given that an Annual General Meeting of members will be held virtually on 25 November 2022 at 11:00am AEDT.

There will be no physical venue of the Annual General Meeting at which Shareholders may attend in person. The Meeting will be held virtually using Automic's online meeting platform (**Webcast**), which gives shareholders access to join and participate in the Meeting virtually, submit questions to the Chairperson in real time and directly vote at the Meeting using the Webcast.

Shareholders are also invited to submit questions to the Company prior to the Meeting, in relation to the business of the Meeting. The Company requests that Shareholders lodge any questions electronically by email to: investorrelations@swoop.com.au at **least 48 hours before the start of the Meeting**.

Online voting procedures during the Meeting

Shareholders wishing to vote, or their attorneys or in the case of a Shareholder or proxy which is a corporation, corporate representatives, must log in online and register to participate in the virtual Meeting by clicking on the following link: <https://investor.automic.com.au>.

Registration for attendance at the virtual meeting will open at 10:30am (AEDT) on Friday, 25 November 2022. Shareholders wishing to attend the Meeting will need to login to the Automic portal at this time to obtain the virtual meeting webinar link.

Voting virtually on the day of the Meeting

Shareholders who wish to vote virtually on the day of the Meeting will need to login to the Automic website (<https://investor.automic.com.au/#/home>) with their username and password.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account as soon as possible and well in advance of the Meeting to avoid any delays on the day of the Meeting.

How do I create an account with Automic?

To create an account with Automic, please go to the Automic website at:

<https://investor.automic.com.au/#/home>

Click on 'register' and follow the steps. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

I have an account with Automic, what are the next steps?

Shareholders who have an existing account with Automic (Note: with a username and password) are advised to take the following steps to attend and vote virtually on the day of the Meeting:

1. Login to the Automic website (<https://investor.automic.com.au/#/home>) using your username and password.
2. (Registration on the day) If registration for the virtual Meeting is open, click on 'Meeting open for registration' and follow the steps. After registering successfully, you will be provided with the virtual meeting webinar link.
3. (Live voting on the day) If live voting for the virtual Meeting is open, click on 'Meeting open for voting' and follow the steps.

Voting by proxy

Completed Proxy Forms must be delivered to the Share Registry by 11:00am (Sydney time) on 23 November 2022 in any of the following ways:

- (i) By mail:
Automic, GPO Box 5193, Sydney NSW 2091
- (ii) By email to the Share Registry at meetings@automicgroup.com.au
- (iii) Online if you wish to appoint your proxy online, you should do so by visiting <https://investor.automic.com.au> and by following the instructions on that website. Online appointments of proxies must be done by 11:00am (Sydney time) on 23 November 2022.

Your Vote is Important

The business of the Annual General Meeting affects your shareholding and your vote is important.

Voting Eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm AEDT on 23 November 2022.

Notice to Persons outside Australia

This Explanatory Statement has been prepared in accordance with Australian laws, disclosure requirements and accounting standards. These laws, disclosure requirements and accounting standards may be different to those in other countries.

The distribution of this Explanatory Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Explanatory Statement should inform themselves of, and observe, any such restrictions.

Voting requirements

In accordance with section 250JA of the Corporations Act, all resolutions to be considered at the Meeting as set out in this Notice of Meeting will be decided on a poll (and not a show of hands).

In accordance with the Company's Constitution, the Corporations Act and the ASX Listing Rules, each Resolution put to Shareholders at the meeting must be passed by way of an ordinary resolution (in the case of Resolutions 1, 2, 3 and 4) or special resolution (in the case of Resolution 5), which requires the Resolution be approved by a majority of votes cast by Shareholders entitled to vote on the Resolution or at least 75% of the votes cast by Shareholders entitled to vote on the Resolution, respectively.

PROXY AND VOTING INSTRUCTIONS

Voting by proxy

1. Shareholders are advised that all resolutions will be decided based on proxy votes which must be received by the Company by no later than 11:00am AEDT on 23 November 2022.
2. To vote by proxy, please complete the enclosed proxy form and return by the time and in accordance with the instructions set out on the proxy form.
3. In accordance with section 249L of the Corporations Act, members are advised that:
 - (a) each member of the Company entitled to attend and vote at the Meeting has a right to appoint a proxy;
 - (b) the proxy need not be a member of the Company; and
 - (c) a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.
4. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the Proxy Form:
 - (d) the full name of the body corporate appointed as proxy; and
 - (e) the full name or title of the individual representative of the body corporate to attend the Meeting.

5. Proxy appointments in favour of the Chairperson, the secretary or any Director that do not contain a direction on how to vote will be voted by the Chairperson in favour of each of the Resolutions proposed in this Notice of Meeting (except as expressly set out in this Notice of Meeting).
6. Proxy Forms must be signed by a Shareholder or the Shareholder's attorney or, if a corporation, executed under seal or in accordance with section 127 of the Corporations Act, or signed by an authorised officer or agent.
7. A Proxy Form is attached. If required, it should be completed, signed (and if the appointment is signed by the appointer's attorney, accompanied by the original authority under which the appointment was signed or a certified copy of the authority). Proxy forms must be returned in accordance with the instructions on the proxy form.

Dated: 21 October 2022

By order of the Board

A handwritten signature in black ink that reads "L. Bolger". The signature is written in a cursive style.

Louise Bolger
Company Secretary
Swoop Holdings Limited

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held virtually on 25 November 2022 at 11:00am AEDT.

This Explanatory Statement should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Statement is to provide information to Shareholders in deciding whether or not to pass the Resolution set out in the Notice.

A Proxy Form is located at the end of this Notice of Meeting and available online at <https://investor.automic.com.au>.

Annual Report

In accordance with section 317(1) of the Corporations Act, the Company's Annual Report must be laid before the Annual General Meeting. There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (f) discuss the Annual Report which is available online on the Company's ASX announcement platform at www.asx.com.au
- (g) ask questions about, or comment on, the management of the Company;
- (h) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements in the Annual Report and the independence of the auditor in relation to the conduct of the audit; and
- (i) ask questions about, or make comments on, the Remuneration Report.

In addition to taking questions at the Meeting, written questions to the Chairperson about the management of the Company, or to the Company's auditor about:

- (j) the content of the Auditor's Report; and
- (k) the conduct of the audit;

may be submitted no later than 48 hours before the start of Meeting to the Company Secretary by email to investorrelations@swoop.com.au or may be raised during the Meeting.

1. RESOLUTION 1 – REMUNERATION REPORT

The Remuneration Report is set out in the Company's Annual Report which is available online on the Company's ASX Announcement Platform at www.asx.com.au.

The Chairperson of the meeting will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the Remuneration Report at the meeting.

The Remuneration Report identifies the Company's Key Management Personnel for the financial year to 30 June 2022 and sets out the remuneration policy for the Company and the remuneration arrangements in place for such persons.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

However, if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board (except a managing director). Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required

to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than a managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election. The Company notes that its Remuneration Report did not receive a Strike at last year's annual general meeting.

A voting exclusion statement for Resolution 1 is included in the voting exclusions. The Chairperson intends to exercise all available proxies in favour of Resolution 1.

2. **RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ANTHONY GRIST**

Pursuant to Article 14.2 of the Constitution and Listing Rule 14.4, Anthony Grist, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Anthony Grist – Non-Executive Deputy Chairman

Mr Grist has extensive experience in the capital markets. He has been involved in the management of publicly listed companies across a range of industries both in Australia and overseas. He was co-founder and Chairman of ASX listed enterprise/business carrier Amcom Telecommunications, ultimately leading the merger with Vocus Communications helping create a major Trans-Tasman fibre optic carrier business and served as Deputy Chairman of the merged business. He holds a Bachelor of Commerce from the University of Western Australia, is an Associate of the Financial Services Institute of Australasia and a Fellow of the Australian Institute of Company Directors.

The Company has assessed the independence of its Directors having regard to the requirements for independence which are set out in Principle 2 of the ASX Corporate Governance Principles and has determined that Anthony Grist is not an independent director.

The Board (excluding Mr Grist) recommends that shareholders vote in favour of Resolution 2.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

3. **RESOLUTIONS 3 & 4 - RATIFICATION OF PRIOR ISSUES OF / AGREEMENT TO ISSUE SECURITIES**

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The Company has issued Shares, or agreed to issue Shares, under two transactions (detailed below) which do not fit within any of these exceptions and, as they have not yet been approved by the Company's shareholders, each of these issues uses up part of the 15% limit in ASX Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the respective issues.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future to finance its growth strategy without having to obtain shareholder approval for such issues under ASX Listing Rule 7.1.

To this end, Resolutions 3 and 4 seek shareholder approval for the issues of these Shares under and for the purposes of ASX Listing Rule 7.4.

If each of Resolutions 3 and 4 are passed, the number of Shares referred to in each such resolution will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without shareholder approval over the subsequent 12 month period.

If either of Resolutions 3 and 4 are not passed, the number of Shares in such unsuccessful resolution will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without shareholder approval over the subsequent 12 month period.

The Directors unanimously recommend Shareholders vote in favour of Resolutions 3 and 4.

The Chairperson intends to exercise all available proxies in favour of Resolutions 3 and 4.

3.1 Resolution 3 – Ratification of issue of consideration shares – Luminet Acquisition

On 1 April 2022, the Company issued 1,482,854 Shares as part consideration for the acquisition of Luminet Pty Ltd ACN 131 318 646 (**Luminet**) and Luminet Fibre Pty Ltd ACN 600 756 116 (**Luminet Fibre**), the details of which were announced to the market on 17 February 2022 (**Luminet Acquisition**).

For the purposes of ASX Listing Rule 7.5, the following information is provided:

- (l) the Shares were issued to the shareholders of Luminet and Luminet Fibre on 1 April 2022;
- (m) 1,482,854 fully paid Shares were issued as part consideration for the Luminet Acquisition;
- (n) no funds were raised by the Company in relation to the issue of Shares under the Luminet Acquisition;
- (o) the Shares issued under the Luminet Acquisition rank equally with other existing Shares from the date of issue;
- (p) the Shares issued under the Luminet Acquisition were issued under the terms of a Share Purchase Deed the material terms of which are summarised in the Appendix to this Notice; and
- (q) a voting exclusion statement applies to Resolution 3 and is set out earlier in this Notice of Meeting.

3.2 Resolution 4 – Ratification of agreement to issue consideration shares – Telco Pay Acquisition

The Company has agreed to issue 9,881,423 Shares as part consideration for the acquisition of Telco Pay Pty Ltd ACN 610 525 856, trading as Moose Mobile (**Telco Pay**), the details of which were announced to the market on 1 July 2022 (**Telco Pay Acquisition**).

For the purposes of ASX Listing Rule 7.5, the following information is provided:

- (r) the Shares will be issued to the shareholders of Telco Pay on completion of the Telco Pay Acquisition;
- (s) the Company has agreed to issue 9,881,423 fully paid Shares as part consideration for the Telco Pay Acquisition;
- (t) no funds will be raised by the Company in relation to the issue of the Shares under the Telco Pay Acquisition;
- (u) the Shares issued under the Telco Pay Acquisition will rank equally with other existing Shares from their date of issue;
- (v) the Shares will be issued on completion of the Telco Pay Acquisition which is targeted to occur on or before 31 October 2022 but may occur at a later date following the

- satisfaction or waiver of the conditions precedent under the Share Purchase Deed (but will be issued no later than 3 months after the date of the Meeting);
- (w) the Shares to be issued under the Telco Pay Acquisition will be issued under the terms of a Share Purchase Deed the material terms of which are summarised in the Appendix to this Notice; and
 - (x) a voting exclusion statement applies to Resolution 4 and is set out earlier in this Notice of Meeting.

4. RESOLUTION 5 – FINANCIAL ASSISTANCE – TELCO PAY ACQUISITION

4.1 Restrictions on companies giving financial assistance

- (a) Pursuant to section 260A(1) of the Corporations Act a company may financially assist a person to acquire shares (or units of shares) in the company or a holding company of the company only if:
 - (i) giving the assistance does not materially prejudice:
 - (A) the interests of the company or its shareholders; or
 - (B) the company's ability to pay its creditors; or
 - (ii) the assistance is approved by shareholders under section 260B of the Corporations Act (with a notice of the proposed meeting of shareholders or the proposed shareholders' resolution being lodged with ASIC in advance); or
 - (iii) the assistance is exempted under section 260C of the Corporations Act.
- (b) A company may be regarded as providing financial assistance if it furnishes something which is needed in order for a transaction to be carried out or something in the nature of aid or help. Common examples of financial assistance include paying a dividend, debt forgiveness, issuing a debenture, giving a guarantee or granting security over a company's assets to secure another person's liability.
- (c) The requirements for shareholder approval of financial assistance are described in section 4.2 below.

4.2 Shareholder approval of financial assistance

- (a) Under section 260B(1) of the Corporations Act, for a company to financially assist a person to acquire shares (or units of shares) in itself or a company of which it is a subsidiary, the financial assistance must be approved by its shareholders by:
 - (i) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or
 - (ii) a resolution agreed to, at a general meeting, by all ordinary shareholders.
- (b) If, immediately after the acquisition, the company will be a subsidiary of another:
 - (i) domestic corporation that is listed in Australia (**Listed Australian Holding Company**); or
 - (ii) domestic corporation that is not listed in Australia and is not itself a subsidiary of another domestic corporation (**Ultimate Australian Holding Company**),

then the financial assistance must also be approved by a special resolution passed under section 260B(2) (in the case of a Listed Australian Holding Company) or 260B(3) (in the case of an Ultimate Australian Holding Company) of the Corporations Act at a general meeting of that corporation.

4.3 Approval by shareholders of the Company under section 260B(2)

The purpose of this section 4 is to explain in further detail the proposed Resolution 5 which must be passed under section 260B(2) of the Corporations Act to enable Telco Pay to financially assist the Purchaser (as defined in section 4.4 below) in connection with the Telco Pay Acquisition (as defined in section 4.4 below) (such resolution being referred to in this section 4 as the **Financial Assistance Resolution**).

4.4 Background

As described in section 4.2 above, on 1 July 2022, Cirrus Communications Pty Limited ACN 109 931 731 (**Purchaser**), a subsidiary of the Company, entered into a share purchase deed under which it has agreed to acquire all of the issued share capital in Telco Pay as summarised in the Appendix to this Notice.

4.5 Funding arrangements and financial assistance

(a) Overview

A facility agreement dated on or about 9 June 2022 was entered into between, among others, the Company (as 'Initial Borrower' and 'Initial Guarantor'), certain of its subsidiaries (as 'Initial Guarantors') (each an **Obligor** and together the **Obligors**) and Westpac Banking Corporation ABN 33 007 457 141 (as **Lender**) (**Facility Agreement**). The Company intends to draw upon the Facility Agreement in order to fund the cash component of the purchase price payable upon completion of the Telco Pay Acquisition (\$19 million, subject to customary net debt and working capital adjustments).

It is proposed that, following completion of the Telco Pay Acquisition, Telco Pay:

- (i) execute an accession deed (**Accession Deed**) in order to accede to, and become a 'New Guarantor' under the Facility Agreement; and
- (ii) enter into a general security deed with the Lender (**General Security Deed**), pursuant to which Telco Pay will grant security over all of its assets in favour of the Lender.

(b) Facilities

- (i) Under the Facility Agreement, the facilities provided by the Lender comprise the following as at the date of this notice:
 - (A) an amortising non-revolving variable rate bank bill business loan facility of \$20 million with a five year maturity term;
 - (B) a revolving variable rate bank bill business loan facility of \$10 million with a five year maturity term;
 - (C) a revolving overdraft facility of \$2 million with no fixed term, but subject to the Lender's usual term for facilities of this nature; and
 - (D) a corporate Visa credit card facility of \$100,000 with no fixed term, but subject to the Lender's usual term for facilities of this nature,

(each a **Facility**).

- (ii) The Facility Agreement includes a guarantee and indemnity which is provided by each Guarantor pursuant to which each Guarantor irrevocably and unconditionally guarantees to the Lender the payment of all amounts due and payable in accordance with the Finance Documents and the performance by each other Obligor of all its other obligations under the Finance Documents.
- (iii) The Facility Agreement also includes events of default, undertakings and representations and warranties from the Obligors which are customary for facilities of this nature. The undertakings include, without limitation:
 - (A) a negative pledge;
 - (B) undertaking not to allow reduction of share or unit capital;
 - (C) undertaking not to enter into or invest in any partnership or joint venture;
 - (D) undertakings not to dispose of any assets or attempt to do so;
 - (E) undertakings not to acquire any assets or attempt to do so;
 - (F) undertakings not to incur financial indebtedness or provide guarantees or other financial accommodation; and
 - (G) restrictions with respect to the making of distributions,

in each case subject to agreed exceptions.

(c) Accession Deed

It is intended that Telco Pay will accede to the Facility Agreement as a 'New Guarantor', following which it will:

- (i) give the guarantee and indemnities set out in that document; and
- (ii) be bound by the representations, warranties and undertakings and be subject to the events of default set out in that document.

(d) Security

It is intended that Telco Pay will enter into the General Security Deed pursuant to which it will provide security over all of its assets to the Lender.

4.6 Financial Assistance

(a) Entry into the Finance Documents

- (i) It is proposed that, following completion of the Telco Pay Acquisition, Telco Pay accede to the Facility Agreement and enter into the General Security Deed and enter into any other Finance Documents or any other documents under and for the purposes of the Facility Agreement.
- (ii) Upon execution of each of the above, Telco Pay will (among other things) become bound by the guarantees, indemnities and undertakings and give the representations and warranties referred to above.

(b) Other support

In addition, Telco Pay may be required to:

- (i) transfer assets to, or assume other liabilities of other subsidiaries or related parties of the Company;
- (ii) make available directly or indirectly its cash flows (whether through dividends, capital distributions, intercompany loans or otherwise) or other resources in order to enable related parties of the Company to comply with their payment and other obligations in respect of the financing arrangements provided under the Finance Documents;
- (iii) consent or agree to amendments to the Finance Documents, including amendments that make its obligations more onerous;
- (iv) provide additional support which may include incurring additional obligations and/or providing additional guarantees, mortgages and/or charges on the same or different terms to the security under the General Security Deed; and
- (v) provide other financial assistance in connection with the Telco Pay Acquisition including, without limitation, if required in future, in connection with any refinancing of, or amendments to, a Facility or the Facility Agreement or any other Finance Document.

4.7 Financial Assistance Resolutions

- (a) Financial assistance approvals
 - (i) The entry by Telco Pay into, and the performance by such entity of its rights and obligations under the Finance Documents, including, if required in future, under any documentation in connection with a Facility, and the participation in the funding arrangements and other transactions, all as described above, constitutes the giving of financial assistance in connection with the Telco Pay Acquisition, within the meaning of Part 2J.3 of the Corporations Act.
 - (ii) It is proposed that the giving by Telco Pay of the financial assistance be approved by financial assistance resolutions pursuant to section 260B(1) of the Corporations Act. This approval will be sought from the sole shareholder of Telco Pay upon completion of the Telco Pay Acquisition in accordance with section 260B(1) of the Corporations Act in due course.
 - (iii) It is also proposed that the giving of financial assistance by Telco Pay, be approved by a special resolution of the shareholders of the Company pursuant to section 260B(2) of the Corporations Act.
- (b) Reasons for giving financial assistance
 - (i) Pursuant to the terms of the Facility Agreement, each Obligor is required to ensure that certain members of the Group are 'Guarantors' under and for the purposes of the Facility Agreement (the **Guarantor Group Undertaking**). The Guarantors under the Facility Agreement must account for not less than 95% of 'EBITDA' of the Group, and not less than 95% of 'Total Assets' of the Group (with 'EBITDA' and 'Total Assets' being defined in the Facility Agreement).
 - (ii) The reason for the giving of the financial assistance described above is to enable the Obligors to comply with the Guarantor Group Undertaking and thereby avoid the occurrence of a 'Default' under the Finance Documents.
- (c) Effect of financial assistance

- (i) The substantial effect of the giving of the financial assistance on Telco Pay is that such entity will have guaranteed all amounts payable under the Finance Documents and will have granted security for such obligations over all of its present and after acquired property. The operations of Telco Pay will also be restricted by the representations and warranties and by the undertakings given by it under the Finance Documents.
 - (ii) The directors of the Company do not currently believe that the Company or any other Obligor or any of the other parties to the Finance Documents would be likely to default on their respective obligations under the Finance Documents.
- (d) Advantages of the proposed resolutions
- (i) The advantage to Telco Pay and to the Company and each other Obligor of the proposed resolutions is that Telco Pay will be able to accede to the Finance Documents enabling the Obligors (including the Company) to comply with the Guarantor Group Undertaking and avoid a Default occurring under the Finance Documents.
 - (ii) The directors of the Company also believe that the purchase by the Purchaser of Telco Pay will benefit the Company, Telco Pay and the wider Group due to synergies, cost savings and the greater growth potential for the integrated and enlarged Group.
 - (iii) The directors of the Company believe that approving the transactions contemplated by this Explanatory Memorandum is in the best interests of the Company.
- (e) Disadvantages of the proposed resolution
- The disadvantages of the proposed resolution for Telco Pay include the following:
- (i) it will become liable for the amounts due under the Finance Documents;
 - (ii) its assets will be subject to the Security and its operations will be restricted by the representations and undertakings given by it under the Finance Documents;
 - (iii) the Company and/or any of the other Obligors may default under the Facility Agreement or any other Finance Document;
 - (iv) the Lender may make a demand under the guarantees provided by Telco Pay requiring immediate repayment of the amounts due under the Finance Documents;
 - (v) the Lender may enforce the guarantee and/or Security granted by Telco Pay to recover the amounts due; and/or
 - (vi) a demand made under the guarantees may result in the winding up of Telco Pay and a sale of its assets by the Lender upon an enforcement of the Security and this may result in a return to such entity (and ultimately its shareholders, including the Company) significantly lower than could have been achieved by that entity had those assets been sold in the ordinary course of business or had any of those entities continued trading.
- (f) Passing the Financial Assistance Resolution

- (i) The Financial Assistance Resolution is set out in the Notice that accompanies this Explanatory Memorandum.
- (ii) The Financial Assistance Resolution will be passed if 75% of the votes cast by Shareholders entitled to vote on the Financial Assistance Resolution vote in favour of the resolution.
- (iii) The Shareholders may vote either for or against the Financial Assistance Resolution.

4.8 Directors recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

The Chairperson intends to exercise all available proxies in favour of Resolution 5.

4.9 Prior notice to Australian Securities & Investments Commission

As required by section 260B(5) of the Corporations Act, copies of the Notice of Meeting and this Explanatory Memorandum as sent to the Shareholders were lodged with the Australian Securities & Investments Commission prior to their dispatch to the Shareholders.

4.10 Disclosure

The directors consider that this Explanatory Memorandum contains all information known to the Company that would be material to the Shareholders in deciding how to vote on the proposed Financial Assistance Resolution other than information which it would be unreasonable to require the Company to include because it has been previously disclosed to the Shareholders of the Company.

GLOSSARY

\$ means Australian dollars.

Accession Deed has the meaning given in section 4.5.

Telco Pay means Telco Pay Pty Ltd ACN 610 525 856.

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2022.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Chairperson means the chair of the Meeting (or, where the context requires, a particular part of the Meeting).

Closely Related Party has the meaning given in the Corporations Act.

Company means Swoop Holdings Limited ACN 009 256 535.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Equity Security has the meaning given in the ASX Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice.

Facility has the meaning given in section 4.5.

Facility Agreement has the meaning given in section 4.5.

Finance Document means the Facility Agreement, the General Security Deed, the Accession Deed and any other documents which are 'Finance Documents' under and for the purposes of the Facility Agreement.

General Security Deed has the meaning given in section 4.5.

Group means the Company and each of its subsidiaries.

Guarantor Group Undertaking has the meaning given in section 4.7.

Key Management Personnel has the meaning given in the Corporations Act and the ASX Listing Rules.

Lender means Westpac Banking Corporation ABN 33 007 457 141.

Listed Australian Holding Company has the meaning given in section 4.2.

Luminet means Luminet Pty Ltd ACN 131 318 646.

Luminet Acquisition has the meaning given in section 3.1.

Luminet Fibre means Luminet Fibre Pty Ltd ACN 600 756 116.

Notice or Notice of Meeting means this notice of meeting including the Explanatory Statement and the Proxy Form.

Obligor has the meaning given in section 4.5.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Purchaser means Cirrus Communications Pty Limited ACN 109 931 731.

Resolution means the resolution set out in the Notice.

Security means the security being provided by Telco Pay as described in section 4.5 and includes the guarantees and indemnities being provided under the Facility Agreement and the security interests being provided under the General Security Deed.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Telco Pay means Telco Pay Pty Ltd ACN 610 525 856.

Telco Pay Acquisition has the meaning given in section 3.2.

Ultimate Australian Holding Company has the meaning given in section 4.2.

VWAP means the volume weighted average price of the Shares on ASX for the prescribed period as defined in the ASX Listing Rules.

APPENDIX

SUMMARY OF ACQUISITION AGREEMENTS

Luminet Acquisition

Term	Details
Parties	<p>The shareholders of Luminet Pty Ltd ACN 131 318 646 and Luminet Fibre Pty Ltd ACN 600 756 116, as sellers</p> <p>Anycast Holdings Pty Ltd (ACN 128 650 635) (a wholly owned subsidiary of Swoop), as purchaser</p> <p>Swoop Holdings Limited</p>
Transaction	Acquisition of the entire issued share capital of Luminet Pty Ltd ACN 131 318 646 and Luminet Fibre Pty Ltd ACN 600 756 116
Announcement Date	17 February 2022
Purchase price	<p>\$8,000,000 payable as follows:</p> <ul style="list-style-type: none"> • \$5,580,000 was paid in cash at completion (subject to customary net debt and working capital adjustments); • \$1,600,000 was satisfied by the issue of 1,482,854 fully paid ordinary shares of Swoop at completion (based on the 30 day VWAP of the Company Shares prior to completion) (Luminet Consideration Shares); and • \$820,000 to be paid twelve months after completion (subject to any amounts withheld for claims or adjustments under the agreement). <p>The Luminet Consideration Shares are escrowed until 1 April 2023 (12 months from Completion).</p>
Completion date	1 April 2022

Telco Pay Acquisition

Term	Details
Parties	<p>The shareholders of Telco Pay Pty Ltd ACN 610 525 856, as sellers</p> <p>Cirrus Communications Pty Limited (a wholly owned subsidiary of Swoop), as purchaser</p> <p>Swoop Holdings Limited</p>
Transaction	Acquisition of the entire issued share capital of Telco Pay Pty Ltd
Announcement Date	1 July 2022
Purchase price	\$24,000,000 million payable as follows:

	<ul style="list-style-type: none"> • \$19,000,000 million payable in cash at completion (subject to customary net cash and working capital adjustments), with \$2.85 million to be paid into and held in escrow for 6 months for any potential claims and adjustments; • \$5,000,000 million to be satisfied by the issue of 9,881,423 fully paid ordinary shares of Swoop at completion (based on the 5 day VWAP of the Company Shares prior to the date which the agreement was signed) (Telco Pay Consideration Shares); <p>Up to \$7 million in deferred consideration based upon the EBITDA of Telco Pay for FY2023 and FY2024, as well as mobile and NBN services in operations growth over FY2023 and FY2024, to be paid in cash in two tranches (the first on 1 November 2023 and the second on 1 November 2024)(subject to any amounts withheld for claims or adjustments under the agreement).</p> <p>The Telco Pay Consideration Shares will be escrowed for a period of 12 months from completion.</p>
Completion date	Expected to occur on or before 31 October 2022



Swoop Holdings Limited | ACN 009 256 535

Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.00am (AEDT) on Wednesday, 23 November 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

