



FY24 Financial and Operational Results

Investor Briefing | August 2024



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Financial data - All dollar values are in Australian dollars (AUD\$) unless as otherwise presented.

Non IFRS financial measures

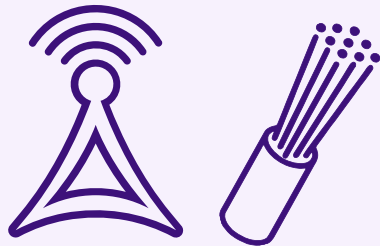
Swoop uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards or IFRS. These measures are collectively referred to in this document as 'non-IFRS financial measures' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by the Australian Securities and Investments Commission (ASIC). Management uses these non-IFRS financial measures to evaluate the performance and profitability of the overall business. The principal non-IFRS financial measures that are referred to in this document is EBITDA. EBITDA is earnings before interest, tax, depreciation and amortisation and significant items. Management uses EBITDA to evaluate the operating performance of the business prior to the impact of significant items, the non-cash impact of depreciation and amortisation and interest and tax charges.

Although Swoop believes that these measures provide useful information about the financial performance of Swoop, they should be considered as supplements to the income statement measures that have been presented in accordance with the Australian Accounting Standards and IFRS and not as a replacement for them.

Connecting people, improving lives.



Premium provider of residential and SMB Broadband



Fixed Wireless and Fibre infrastructure to improve margins



NBN for national coverage



Residential mobile telephony for price-conscious customers



National MVNO on the Optus network

FY24 Highlights Summary



FY24 Revenue¹ of \$88.9m, up 14% on FY23 Revenue.



Underlying EBITDA² of \$16.4m. Core Business EBITDA which excludes one-off co build projects is up 6% on FY23 with \$15.2m in FY24.



Strong growth with +42% Revenue CAGR and increase of \$10.7m in Underlying EBITDA from \$5.7m in FY21 to \$16.4m in FY24.



A 18% increase in total subscriber numbers to 179,092³ from Jun-23, all from organic growth.



Mobile SIOs were 131,459 in Jun-24, increasing by 20,283 (18%) on Jun-23.
Non-Mobile SIOs were 47,633 in Jun-24, increasing by 6,575 (16%) on Jun-23.



Operating cashflow⁴ was strong with \$10.7m delivered in FY24.



Announced the divestment of Wholesale Voice Business in June 2024 for \$9m, with transaction completed in July 2024.



\$17.3m of available funding (including \$11.8m of cash) as at 30 June 2024. Together with divestment proceeds received in July 2024 we have a significant runway for growth and strategic opportunities.

Notes:

1. References to Revenue include revenue from both discontinued and continuing operations.
2. Underlying EBITDA excludes non-cash (share-based payment expenses) and other non operating items (acquisition and integration costs, corporate restructuring costs) that are not considered to be reflective of underlying earnings.
3. Jun-23 Non-Mobile SIOs have been re-stated to remove non-tolling items to better reflect a comparison of the business performance.
4. Operating cashflow excludes net interest payments.

FY24 Financial Highlights

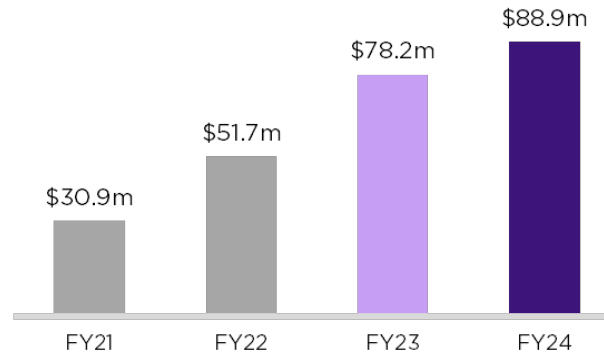
Revenue¹ **\$88.9m**
+14% YoY

Gross Margin **\$34.8m**
+8% YoY

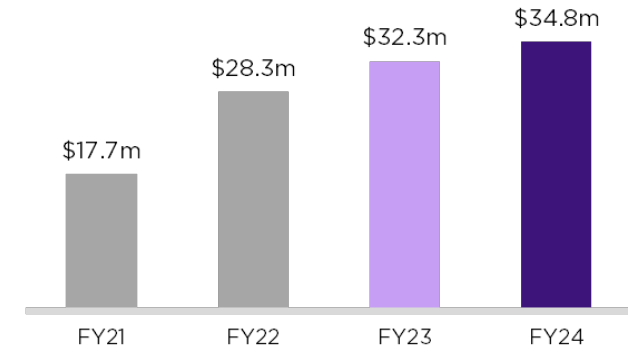
Underlying EBITDA² **\$16.4m**

Opex % of Revenue **21%**

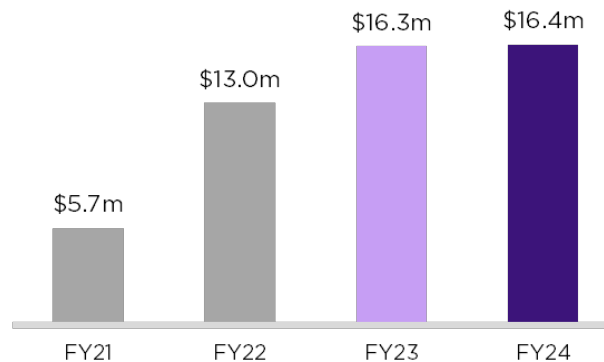
Revenue



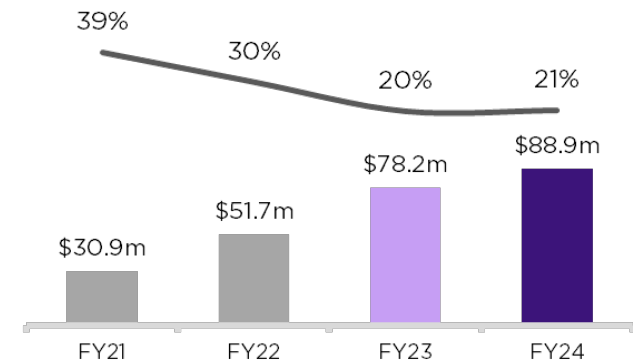
Gross Margin



EBITDA¹



Revenue vs Opex/Revenue %



Notes:

1. Revenue and other income from discontinued and continuing operations.
2. Underlying EBITDA excludes non-cash (share-based payment expenses, prior year impairment charges) and other non operating or one-off items (acquisition and integration costs, corporate restructuring costs, one-off legal costs) that are not considered to be reflective of underlying earnings.

FY24 Core Business Results

Government Funded Regional Infrastructure grants included in Reported Revenue

Core Business excludes one-off payments from these programs

Reported Results

Revenue **\$88.9m**
+14% YoY

Gross Margin **\$34.8m**
+8% YoY

Underlying EBITDA² **\$16.4m**
+0% YoY

Core Business Results¹

Revenue **\$87.7m**
+15% YoY

Gross Margin **\$33.7m**
+12% YoY

Underlying EBITDA² **\$15.2m**
+6% YoY

Notes:

1. Core Business excludes contribution from the Regional Connectivity Program ('RCP') and other Co-Build Projects.
2. Underlying EBITDA excludes non-cash (share-based payment expenses, prior year impairment charges) and other non operating or one-off items (acquisition and integration costs, corporate restructuring costs, one-off legal costs) that are not considered to be reflective of underlying earnings.

FY24 Wins & Awards



▶ Winner
Canstar Blue
Outstanding Value



▶ Winner
WhistleOut
Best SIM-only Provider, Value Plans



▶ Winner
WeMoney
Postpaid Mobile Plan of the Year



▶ Winner
Mozo
People's Choice Award & Experts Choice Award



▶ Winner
CSIA Australian Service Excellence Award
Service Champion



▶ Winner
Product Review
Most Satisfied Customers



▶ Finalist
Australian Growth Company Award
Technology Growth Company of the Year



▶ Shortlisted
Australian Financial Review
Digital Transformation Leaders



FY24 Financial Results

Financial Results

Financial Results¹ (\$'000)

	FY23	FY24	Change
Revenue	77,993	88,895	10,902
COGS	(45,919)	(54,138)	(8,219)
Gross Margin	32,074	34,757	2,683
Gross Margin %	41%	39%	
Other income	189	18	(171)
Operating Expenses and Overheads	(15,961)	(18,399)	(2,438)
Underlying EBITDA ²	16,302	16,376	74
Underlying EBITDA %	21%	18%	
Statutory Net Loss before Tax	(35,457)	(5,906)	29,551
Statutory Net Loss after Tax	(37,514)	(3,790)	33,724

Notes:

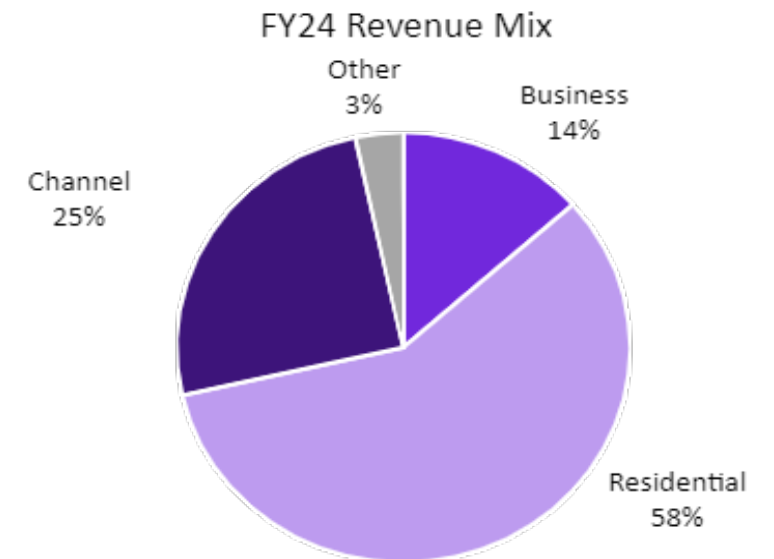
1. Financial results include those of both discontinued operations and continuing operations. Discontinued operations represent those of Voicehub (wholesale voice business) which was divested in July 2024. Voicehub's results are included in the financial results for the full twelve months in FY24 and FY23.
2. Underlying EBITDA excludes non-cash (share-based payment expenses, prior year impairment charges) and other non operating or one-off items (acquisition and integration costs, corporate restructuring costs, one-off legal costs) that are not considered to be reflective of underlying earnings.
3. Organic growth excludes co-build revenue.

- Revenue increased by 14% YOY.
- Revenue growth reflects organic growth³ of 13% plus contribution from RCP (Regional Connectivity Program) co-build revenue.
- Underlying EBITDA growth, excluding co-build revenue, of 6%.
- Operating expenses and overhead as a proportion of revenue are 21%, with tight cost control maintained.
- Statutory Net Loss before Tax has reduced significantly YoY reflective of \$27.0m impairment charges recognised in FY23 and associated decrease in depreciation and amortisation in FY24.

Revenue Analysis

Revenue (\$000)

	FY23	FY24	Change
Business	9,102	11,961	+31%
Residential	45,038	51,538	+14%
Channel	20,819	22,371	+7%
Other	3,034	3,025	-
Total	77,993	88,895	14%



Summary Cash Flow

Summary Cash Flow (\$'000)

	FY23	FY24
Customer receipts	82,793	91,812
Co-build income received	1,333	577
Payments to suppliers and employees	(69,445)	(81,671)
Operating Cash Flow ¹	14,681	10,718
Capex	(16,713)	(16,399)
Free Cash Flow ²	(2,032)	(5,681)
Net interest payments	(928)	(1,587)
Other investing activities	(24,545)	(4,428)
Financing activities	14,516	4,501
Cash Flow movement	(12,989)	(7,195)
Opening cash	32,021	19,044
Fx changes	12	(3)
Closing cash	19,044	11,846

1. Operating Cash Flow is before net interest payments.

2. Free Cash Flow is defined as Operating Cash Flow (Net Cash from Operating Activities less Net Interest Payments) less Capex.

- YoY change in operating cash flow reflects timing of co-build receipts, timing benefit of acquisition in FY23 and timing differences in working capital.
- Majority of capex is network expansion and supporting customer and network systems.
- Free cash flow in FY24 excluding the Regional Connectivity Program was \$(3.5M).
- Net interest payments are higher in FY24, largely reflecting the drawdown of facilities in November 2022 to fund the acquisition of Moose.
- Other investing outflows in FY24 includes payment of the Moose earn-out for the First Performance Period, the acquisition of residential fibre infrastructure assets and costs associated with the divestment of the wholesale voice business.
- Cash flows from financing activities reflect funding from our Westpac capex facility, less repayments on the Moose acquisition facility.
- Strong closing cash position of \$11.8M.

Summary Balance Sheet

Summary Balance Sheet (\$'000)

	Jun 23	Jun 24
Cash	19,044	10,898
Other current assets	10,028	10,882
Trade and other payables	(20,421)	(20,421)
Borrowings (current)	(1,764)	(1,907)
Deferred consideration (current)	(2,399)	(2,638)
Other current liabilities	(4,102)	(4,075)
Assets classified as held for sale	-	2,597
Liabilities associated with assets held for sale	-	(1,914)
Net Current Assets	386	(6,578)
Property, plant and equipment (including ROU)	40,532	45,988
Intangible assets	51,193	49,824
Borrowings (non-current)	(16,782)	(21,353)
Deferred consideration (non-current)	(2,079)	-
Other non-current assets	3,451	4,519
Other non-current liabilities	(14,398)	(12,928)
Net Assets	62,303	59,472

- Total cash at 30 June 2024 of \$11.8M, including \$10.9M from continuing operations and \$0.9M included in assets classified as held for sale.
- Assets held for sale relates to the assets of the Voicehub entities (wholesale voice business) which were divested in July 2024.
- Strong cash position of \$11.8M, with undrawn debt facilities of \$5.4M, provides firepower for acquisitive and organic growth.
- Deferred consideration represents the fair value of the remaining contingent consideration for Moose.
- Other non-current liabilities include lease liabilities and deferred tax balances.
- Change in NCA position due to 2nd Moose earn out payment (now current) and funding of capex with operating cash flows. Sufficient available funding is forecast.



Products & Focus

Mobile

SIO's

YoY

+18%

20,000 net ads

Churn

< 2%

Building Strong Brand – FY24 Awards



5 years running



PRODUCT REVIEW .COM.AU



Rated 4.7/5 stars from 3,100+ reviews

PRODUCT REVIEW .COM.AU 2024 AWARDS WINNER



Rated 4.4/5 stars from 840+ reviews



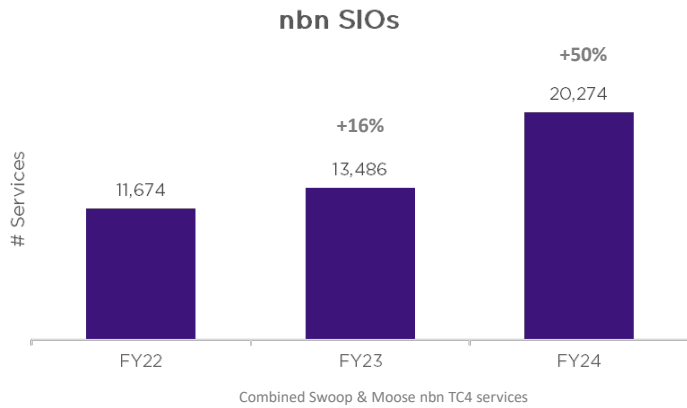
- Value proposition data banking, unlimited talk & text, local support and no lock-in contract
- New “upgraded” Moose Mobile website launched July 2024
- Moose nbn launched July 2024, plus cross-sell to >90k unique addresses
- Swoop Mobile launched October 2023
- Continued focus on cost out and operational efficiencies
- FY25 increased focus on growing AMPU and mobile market ARPUs

FY24 Financial & Operational Results



Swoop nbn®

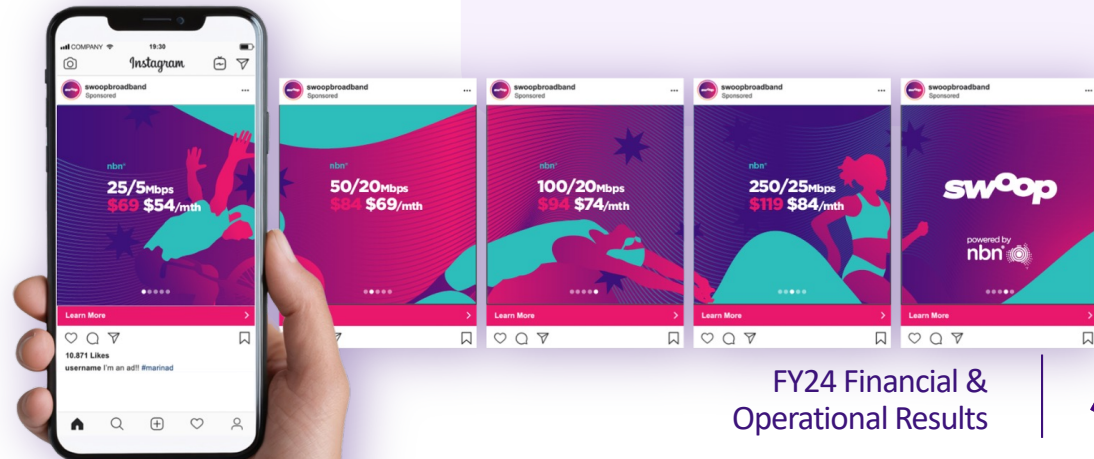
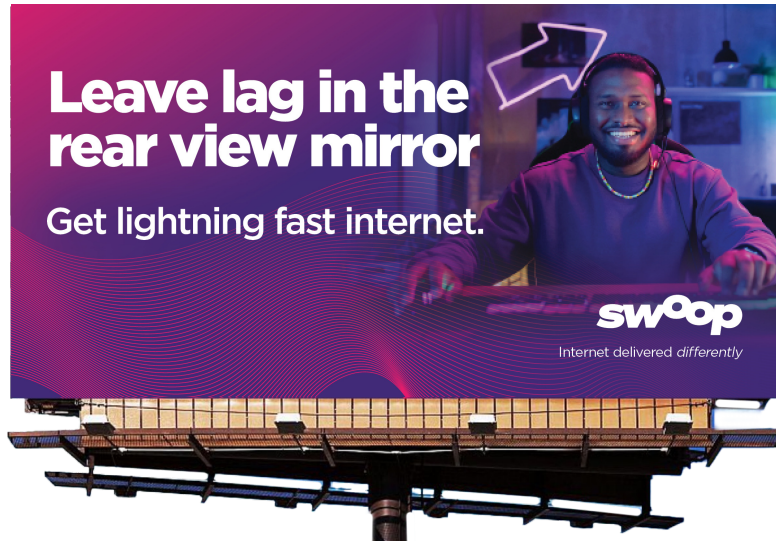
Winning in nbn



PRODUCT REVIEW ★★★★★ 4.6

nbn results

- 1st to launch high-speed tier business plans
- Top 10 Enterprise Ethernet provider
- Top 5 Best Internet Providers on Product Review, ahead of the likes of Aussie Broadband (4.5), iinet (3.1), Superloop (3.0).
- TC4 175% increase FY24 vs FY23
- 22% new sales are on high-speed tiers (250/25+), leading to a higher ARPU



FY24 Financial & Operational Results



Fixed Wireless



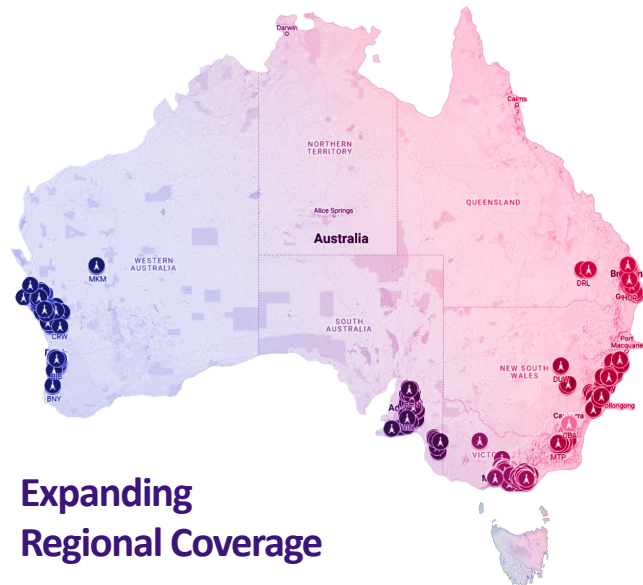
Hey Australind...
Fast, reliable Fixed Wireless internet has arrived!

PRODUCT REVIEW COM.AU ★★★★★ 4.6

Get started today and enjoy **\$25 off per month** for 6 months* – see over for more details.

swoop
Internet delivered differently

*Terms apply, visit swoop.com.au/legal



Expanding Regional Coverage

VIC: Connecting Victoria program

- 'Connecting Victoria' program, poised to bring significant benefits to over 130k businesses and households in 180 towns that are grappling with connectivity issues
- Network Expansion: 14 new and upgraded sites to offer Swoop's fast internet to 20k addresses in Moe and Morwell including building new infrastructure to serve the community
- Mt Baw Baw Live: High-speed, reliable broadband now serving residential and commercial customers

WA: Boosting Regional Connectivity

- New Infrastructure: Building new and upgrading existing towers in Regional WA
- Expanded Access: We have +9K addresses available for Swoop services and a further +15k addresses coming by the end of 2024
- 58% of this program will be powered by solar

Fixed Wireless Performance

- Simplified offerings for improved customer experience
- Price increase successfully implemented in November
- \$1.5m enterprise fixed wireless deal rolling out through FY25
- Advanced software being used to optimise network performance

Voice



Simplify your business phone system with Unlimited SIP trunks

Domestic SIP

\$25 per month

- ✓ Includes unlimited calling to local, national, 1300, and mobile numbers
- ✓ \$25 min. cost over 1 month*

[Learn more](#)

Domestic Plus SIP

\$30 per month

- ✓ Includes unlimited calling to local, national, 1300, and mobile numbers
- ✓ Includes International destinations
- ✓ \$30 min. cost over 1 month*

[Learn more](#)

Targeting our existing business customer base of approximately

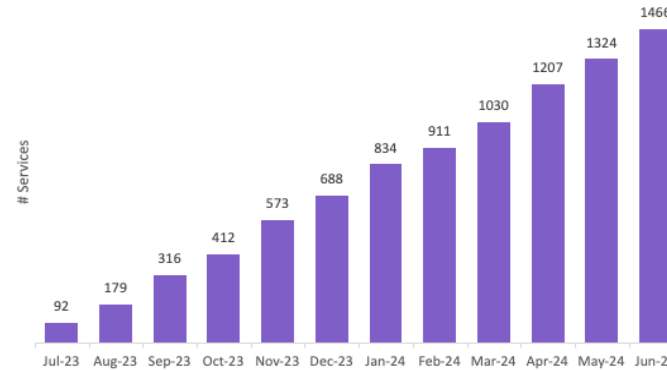
5k

SME (1-4 seats) market opportunity

700k
+\$200m*

SIP Channels

Cumulative SIP Channel Sales From Jul-23



Swoop's national voice network provides a better user experience through low latency and redundancy

Channel

Flexible, cost effective & scalable business voice services:

- SIP Trunks with unlimited calling
- Unified Communication offering
- Inbound services
- Hosted PBX services

Direct

- New Data and Voice Bundles launched to allow business customers to save money on their telecommunication needs
- Advertising campaign planned for Q2
- Relaunch of the Residential VoIP Addon Service



Residential Fibre



Internet delivered differently



Greenfield Opportunity

- 1-1.2m estimated new builds in next 5 years
- Targeting 1-2% of this market



Brownfield Opportunity

- 6m Australian properties still on copper access
- Targeting a fraction of this market

Strategic Alignment

- Aligns with Swoop's purpose of connecting people, improving lives
- Fibre can support high-speed services enabling future AI adoption
- Long-term strategy to deliver high margins from fibre products
- Extensive experience in building fibre assets and industry relationships

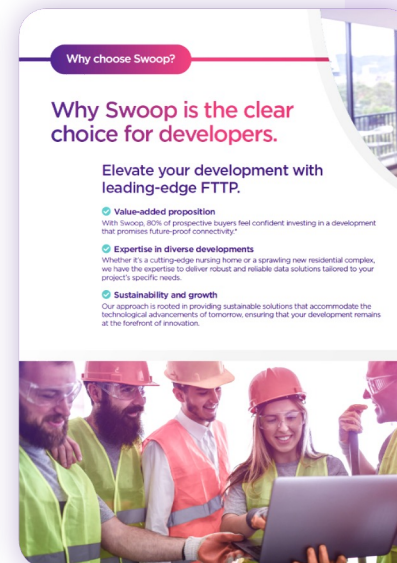
Seacrest Estate, Geraldton WA

- Conduit and fibre assets acquired in Jun-24
- Connects approximately 900 existing homes
- Projected to deliver \$1.2m over 3 years



Goal

- Target 10k-20k new fibre on-net, high margin services
- >\$9m ARR



Melbourne Fibre Rollout

Long term contracted revenues of

\$36m

Potential new customers in Swoop fibre area

~42k businesses



Internet delivered differently

- ~300km Swoop owned fibre infrastructure being constructed over the next 2 years
- Long term contract with Nasdaq listed global technology company that provides initial revenues of ~\$36m
- Footprint covers Western and Northern Melbourne, including the CBD
- There are ~42k businesses and ~450k residential premises in the new fibre coverage area
- Connecting several key digital infrastructure areas seeing high growth in new facilities driven by AI



Focus on our People

We believe that everyone deserves a better telco experience. Delivering on this mission starts with focusing on our team, with the vision to become one of Australia's employers of choice, not just in our industry but across all industries.





WGEA Reporting

Swoop submitted its first report on its gender equality profile covering period 1 April 2022 to 30 March 2023, **the results are well ahead of our industry.**

Current Gender Pay Gap
Average (mean)
total remuneration

7.8%

Significantly better than
Industry Comparison of
23.5%

Current Gender Pay Gap
Median total
remuneration

11.8%

Better than the
Industry Comparison of
18.7%

Current Gender Pay Gap
Average (mean)
base salary

1.9%

Significantly better than
Industry Comparison of
20.1%

Current Gender Pay Gap
Median
base salary

5.6%

Significantly better than
Industry Comparison of
16.2%



When compared with industry benchmarks, Swoop's performance in closing the gender pay gap is commendable. The industry average total remuneration GPG is significantly higher, indicating that Swoop is ahead in ensuring more equitable pay practices. We acknowledge there remains room for improvement but are invigorated by the progress we've already made and the strategies we have in place.

Improving Customer Service



Delivering better support training for better customer outcomes



Live chat launched for digital accessibility, reducing phone support reliance



Offshore operation launched to scale the Support teams



New contact centre and phone system delivered

Invest in Systems and Integration



Improved customer experience and increased activations to sales ratio



Consolidated into a standard suite of Swoop systems



Efficient Processing:
>90% of orders utilise a uniform pipeline



Streamlined Experience:
Simplified and accelerated order handling



Triple nbn orders:
Driving growth by investing in process automation

Acquisitions Strategy



Mobile

Acquired Moose Mobile

Nov 22 - \$24m

Potential further M&A in MVNO space



Residential Infrastructure

Acquired Regional Infrastructure Beam, Speedweb, CountryTel, Community Communications.

Seacrest Fibre Infrastructure

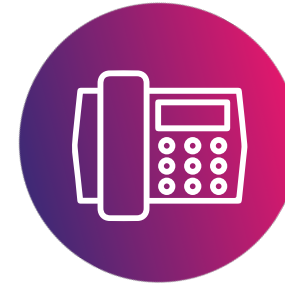
Potential further M&A in Residential Infrastructure



nbn

No previous M&A in this space

Potential M&A for NBN customer bases



Voice UC & SIP

Acquired channel and SMB Voice provider Seventeen

Dec 22 - <\$400k

Potential M&A in Direct and channel voice



Other

Acquired wholesale fibre IFibre and Luminet.
Nov 21 to Apr 22 - \$15.5m

Divested wholesale voice provider Voicehub
June 24 - \$9m

No current M&A focus



Summary



Strong organic growth



Focusing on our teams building strong engagement and values



Expanding customer brand in our regions and low churn



Continuing to grow services on high margin infrastructure



Acquisitions integrating well and growing faster under Swoop



Leverage experience and capabilities to build the next large scale national telecommunications company

swoop

Thank you

swoop.com.au