



ASX ANNOUNCEMENT

18 October 2024

SWOOP ANNOUNCES OFF-MARKET TAKEOVER OFFER FOR VONEX LIMITED

Swoop Holdings Limited (ASX:SWP) (**Swoop**) is pleased to announce its intention to make an off-market takeover offer (**Offer**) to acquire all of the ordinary shares of Vonex Limited (ASX:VN8) (**Vonex**) that it does not currently own (**Vonex Shares**).

Highlights

- Swoop is offering 1 fully paid Swoop ordinary share (**Swoop Share**) for every 4.2 Vonex Shares.
- The implied Offer price is 5 cents per Vonex Share (based on Swoop's 30 day VWAP up to 17 October 2024).
- The implied Offer price represents:
 - a premium of 19% to the current MaxoTel on-market cash offer of \$0.042 announced on 17 October 2024;
 - a premium of 178% to the closing price of Vonex Shares of 1.80 cents on 24 June 2024, being the last closing price prior to the announcement of the MaxoTel Scheme; and
 - a premium of 22% to the closing price of Vonex Shares on 17 October 2024 of \$0.041
- Swoop currently holds 19.9% of the Vonex Shares.

Background to the Offer

Maxo Telecommunications Pty Ltd ACN 129 852 526 (**MaxoTel**) and Vonex entered into a scheme implementation deed on 25 June 2024 (subsequently varied by deed on 19 August 2024 and 12 September 2024) in relation to the proposed acquisition by MaxoTel of all of the ordinary shares in the capital of Vonex by way of scheme of arrangement (**MaxoTel Scheme**). The cash offer price under the MaxoTel Scheme is \$0.0419 for each Vonex Share..

On 5 September 2024, Swoop announced it had submitted a non-binding indicative offer to Vonex to acquire all the Vonex Shares at a nominal offer price of \$0.04 per Vonex Share, payable as a combination of cash and scrip with a maximum of 25% cash and the remainder in Swoop Shares valued at \$0.23 per Swoop Share.

Swoop currently holds 72,000,000 Vonex Shares representing 19.9% of the share capital of Vonex, and on 4 October has announced that it has voted against the MaxoTel Scheme. Due to the voting power in Vonex held by Swoop and the fact that MaxoTel (together with its associates) are not permitted to vote on the MaxoTel Scheme, the MaxoTel Scheme is unlikely to be approved at the upcoming meeting on 23 October 2024.

On 17 October 2024, MaxoTel made an on-market takeover offer to acquire all of the ordinary shares



in Vonex for \$0.042 cash per Vonex Share.

This revised Swoop Offer represents a 19% premium to the current all cash MaxoTel offer of 4.2c; and still provides Vonex shareholders the ability to continue to participate in the benefits of the combined larger businesses in contrast to the MaxoTel offer.

Strategic rationale

We believe Swoop offers a compelling opportunity for Vonex's shareholders to realise an attractive premium for their Vonex Shares, while retaining upside exposure to the value creation opportunity for a combined group with Vonex and Swoop.

We see strong strategic fit and realisable near-term commercial opportunities and significant synergies under the combination. Specifically, if Swoop was to be successful in acquiring Vonex, the Merged Group would benefit from:

- providing an immediate opportunity to cross-sell services, leveraging Vonex and Swoop's enlarged combined customer base;
- creating a platform that provides the opportunity to unlock significant synergies at scale;
- creating a more diverse business across the combined service and customer base.

Given that the Offer comprises scrip consideration, it would allow Vonex shareholders to share in exposure to and potential upside of a stronger and larger combined entity including significant synergies. The potential benefits of the Swoop Offer to Vonex shareholders include:

- opportunity for Vonex shareholders to gain exposure to the combined organisation and synergies. Pro forma revenue for the Merged Group for FY24 would take Swoop revenue to ~\$137m¹.
- Swoop currently anticipates synergies could represent over \$5.0m EBITDA on an annualised basis;
- the acquisition would create a larger scale business and more attractive investment opportunity for capital markets

About the Offer

Swoop intends to offer accepting shareholders consideration of 1 **Swoop Share** for every 4.2 Vonex Shares. The implied Offer price for each Vonex Share is **5 cents** per Vonex Share (based on Swoop's 30-day VWAP up to 17 October 2024).

The Offer is subject to certain conditions which are summarised in Annexure A.

Further information about the Offer will be provided in Swoop's Bidder's Statement, which will be sent to Vonex shareholders in due course. The Bidder's Statement will set out information on how to accept the Offer, information for Vonex shareholders on why they should **accept** the Offer and information about Swoop.

Swoop recommends that Vonex Shareholders do not accept the Maxotel on-market offer until they have had an opportunity to read and consider Swoop's Bidder's statement.

¹ Based on aggregated revenue disclosed in audited accounts for Swoop and Vonex for the year ended 30 June 2024



About Swoop

Swoop is a national provider of data, mobile and voice services to channel, business and residential customers with a focus on its own fibre and fixed wireless infrastructure. 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.

Since listing on the ASX in FY21, Swoop has delivered an outstanding compound annual revenue growth of 42%, with a clear strategy delivering strong organic growth as well a proven ability to integrate acquired businesses to extract synergies. It is continuing its vision to connect people and improve lives with highly engaged staff that focus on delighting customers, backed by one of Australia's most experienced Board and management teams in the telecommunications industry.

About Vonex

Vonex is a full service, award-winning telecommunications service provider selling mobile, internet, traditional fixed lines, infrastructure solutions and hosted PBX and VoIP services - predominantly to small to medium enterprise ("SME") customers under the Vonex brand. Vonex also develops new technologies in the telecommunications industry, including a feature-rich cloud-hosted PBX system.

Vonex also provides wholesale customers, such as internet service providers, access to the core Vonex PBX, 5G mobile broadband and call termination services at wholesale rates via a white label model. Vonex is pursuing a disciplined M&A growth strategy, targeting profitable IT and telco businesses that offer potential for growth through further product expansion, scale and cross-selling.

Advisers

Moelis Australia is acting as financial adviser to Swoop and Maddocks is acting as legal adviser to Swoop.

<ENDS>

This announcement has been authorised for release by the Board of Swoop Holdings Limited.

For further information, please contact:

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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.

ANNEXURE A

OFFER CONDITIONS

The Offer and any contract resulting from acceptance of the Offer is subject to fulfilment of the following conditions (**Offer Conditions**):

(a) **Minimum Acceptance Condition**

At or before the end of the Offer Period, Swoop and its Associates have a Relevant Interest in at least 50% (by number) of Vonex Shares (on a fully diluted basis).

(b) **No Prescribed Occurrences**

None of the following events (being the occurrences listed in section 652C of the Corporations Act happen between the date of this announcement and three business days after the end of the Offer Period:

- (i) Vonex converts all or any of its shares into a larger or smaller number of shares under 254H of the Corporations Act;
- (ii) Vonex or any Vonex Subsidiary resolves to reduce its share capital in any way;
- (iii) Vonex or any Vonex Subsidiary:
 - (A) enters into a buy back agreement in relation to its shares; or
 - (B) resolves to approve the terms of a buy back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Vonex or any Vonex Subsidiary issues shares or grants an option over its shares or agrees to make such an issue or grant such an option;
- (v) Vonex or any Vonex Subsidiary issues, or agrees to issue, convertible notes;
- (vi) Vonex or any Vonex Subsidiary disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Vonex or any Vonex Subsidiary grants, or agrees to grant, an Encumbrance in the whole, or a substantial part, of its business or property;
- (viii) Vonex or any Vonex Subsidiary resolves to be wound up;
- (ix) a liquidator or provisional liquidator of Vonex or a Vonex Subsidiary is appointed;
- (x) a court makes an order for the winding up of Vonex or any Vonex Subsidiary;
- (xi) an administrator of Vonex or a Vonex Subsidiary is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Vonex or a Vonex Subsidiary executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Vonex or a Vonex Subsidiary.]

(c) **No action by Regulatory Authority materially adversely affecting the Offer**

That during the Condition Period there is not any final decision, order or decree issued by a Regulatory Agency which restrains or prohibits or threatens to restrain or prohibit the making of the Offer and the completion of acceptances pursuant to the Offer or imposes any conditions upon the Offer.

(d) Lender consent

Before the end of the Offer Period, Westpac Banking Corporation provides approval, in accordance with the terms of Swoop's existing debt facilities, for the acquisition of the Vonex Shares by Swoop under the Offer.

DEFINITIONS AND INTERPRETATION

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it.

Bidder's Statement means the bidder's statement to be prepared by Swoop in relation to the Offer and includes any supplementary or replacement bidder's statement.

Condition Period means the period beginning on the Announcement Date and ending at the end of the Offer Period.

Announcement Date means 18 October 2024.

Corporations Act means the Corporations Act 2001 (Cth).

Merged Group means Swoop and each of its Subsidiaries (including the Vonex Group) which will exist as a result of the takeover bid as constituted by the Offer, should the takeover proceed to its conclusion.

Offer means the offer for Vonex Shares under the terms and conditions set out in this announcement and which will be contained in the Bidder's Statement.

Offer Period means the period during which the Offer is open for acceptance by Vonex shareholders in accordance with the Bidder's Statement.

Regulatory Authority means:

- (a) a government or governmental, semi-governmental or judicial entity or authority;
- (b) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (c) any regulatory organisation established under statute and any entity having powers or jurisdiction under the rules of any recognised stock or securities exchange.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Subsidiaries has the meaning given in section 46 of the Corporations Act.

Swoop Group means Swoop and its Subsidiaries.

Vonex Group means Vonex and its Subsidiaries.