

Swoop Holdings Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Swoop Holdings Limited
ABN:	20 009 256 535
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

Statutory results

\$

Continuing Operations

Revenues from ordinary activities	up	14.6%	to	45,277,303
Loss after income tax from continuing operations	up	130.9%	to	(4,091,045)

Discontinued Operations

Profit after tax from discontinued operations	up	467.8%	to	4,148,945
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Total Group

Gain for the half-year attributable to the owners of Swoop Holdings Limited	up	105.6%	to	57,900
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Non-Statutory Results

Gross margin *	down	3.1%	to	16,641,978
Underlying EBITDA **	down	11.3%	to	7,259,060
Underlying net loss before tax ***	up	2,355.3%	to	(2,809,002)

		2024	2023
		Cents	Cents
Earnings per share from continuing operations			
Basic earnings per share		(1.96)	(0.85)
Earnings per share from discontinued operations			
Basic earnings per share		1.99	0.35
Earnings per share attributable to the owners of Swoop Holdings Limited			
Basic earnings per share		0.03	(0.50)
Diluted earnings per share		0.03	(0.50)

Comments

The gain for the consolidated entity after providing for income tax amounted to \$57,900 (31 December 2023: loss of \$1,040,855).

3. Underlying results

Underlying results disclosed in section 2 above have been derived as follows:

*Gross Margin

	2024	2023
	\$	\$
Revenue	45,793,344	43,453,451
Cost of sales	(29,151,366)	(26,279,079)
Gross margin	<u>16,641,978</u>	<u>17,174,372</u>

* Gross Margin - is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents operating revenue, less the direct cost of deriving revenue from operating activities. The Gross Margin calculation for 2024 has been presented on a basis consistent with 2023. Gross margin reported includes revenue and cost of sales for both discontinued operations and continuing operations.

**Underlying Earnings before interest, tax, depreciation, and amortisation (Underlying EBITDA)

	2024	2023
	\$	\$
Gross margin	16,641,978	17,174,372
Operating expenses		
Employee benefit expense	(5,461,912)	(5,341,333)
Marketing and advertising	(1,471,667)	(1,508,645)
General and administrative	(2,128,370)	(1,563,825)
Other expenses	(340,562)	(417,365)
Bad and doubtful debt expense	19,593	(156,351)
Total operating expenses	<u>(9,382,918)</u>	<u>(8,987,519)</u>
Underlying EBITDA	<u>7,259,060</u>	<u>8,186,853</u>

** Underlying EBITDA - Earnings before interest, tax, depreciation, and amortisation (EBITDA) is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-cash (share-based payments expense) and other one-off items (corporate restructuring expenses, acquisition and integration costs) which are not considered to be reflective of underlying earnings. The underlying EBITDA calculation for 2024 has been presented on a basis consistent with 2023. Underlying EBITDA reported above includes gross margin and operating expenses for both discontinued operations and continuing operations.

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*****Underlying Net Loss before Tax**

	2024	2023
	\$	\$
Net Gain/(Loss) before Tax	(1,258,709)	(2,049,538)
Gain on sale of subsidiary	4,028,375	-
Non-operating and other one-off expenses		
Share based payments expense	(434,722)	(656,718)
Corporate restructuring expenses	(27,420)	(56,892)
Acquisition and integration costs	(2,015,940)	(1,221,522)
Total non-operating and other one-off expenses	<u>(2,478,082)</u>	<u>(1,935,132)</u>
Underlying Net Loss before Tax	<u>(2,809,002)</u>	<u>(114,406)</u>

***Underlying net loss before tax is a financial measure which is not prescribed by the Australian Accounting Standards ('AAS') and represents net loss before tax, adjusted for non-cash (share-based payments expense) and other one-off items (corporate restructuring expenses, acquisition and integration costs, gain on sale of subsidiary) which are not considered to be reflective of underlying earnings. The underlying net loss before tax calculation for 2024 has been presented on a basis consistent with 2023. Underlying net loss before tax reported above includes the underlying net loss before tax for both discontinued operations and continuing operations.

4. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>7.83</u>	<u>6.72</u>

5. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

6. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

7. Attachments

Details of attachments (if any):

The Interim Report of Swoop Holdings Limited for the half-year ended 31 December 2024 is attached.

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8. Signed



Signed _____

James Spenceley
Chairman

Date: 27 February 2025

Swoop Holdings Limited

ABN 20 009 256 535

Interim Report - 31 December 2024

Swoop Holdings Limited
Directors' report
31 December 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Swoop Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were directors of Swoop Holdings Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

James Spenceley (Non-Executive Director)
Anthony Grist (Non-Executive Director)
Jonathan Pearce (Non-Executive Director)
Matthew Hollis (Non-Executive Director)
William Reid (Non-Executive Director)

Principal activities

During the financial half-year, the principal continuing activities of Swoop Holdings Limited included:

- fixed wireless broadband services to residential customers;
- the provision of residential mobile telephony for price-conscious customers;
- fixed wireless access as well as wholesale transit services to other ISPs and Telcos;
- internet and telecommunication services to small and medium sized enterprises;
- services over the NBN fixed line and fixed wireless networks to customers who cannot connect to the company's fixed wireless network; and
- fibre network management and construction.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Financial and operating performance

The consolidated financial results for Swoop Holdings Ltd comprise the results of all controlled entities for the half year to 31 December 2024.

Summary financial results, including both discontinued operations and continuing operations:

- Revenue of the Group for the half-year of \$45.8 million, including \$0.5 million from discontinued operations (2023: \$43.5 million, including \$3.9 million from discontinued operations).
- Profit after income tax of \$57,200 (2023: loss after income tax of \$1.0 million).
- Included in the result are share based payment expenses of \$0.4 million (2023: \$0.7 million) and acquisition and integration costs of \$2.0 million (2023: \$1.2 million).
- Depreciation and amortisation expense of \$9.2 million (2023: \$7.2 million).

Financial position

The Group is in a net asset position of \$60.1 million as at 31 December 2024 (30 June 2024: \$59.5 million). Total assets are \$114.6 million (30 June 2024: \$125.9 million).

Working capital, being current assets less current liabilities, is in a deficit position of \$11.4 million as at 31 December 2024 (30 June 2024: deficit of \$4.0 million). The working capital deficiency is due to the funding of Group capital expenditure with operating cash flows as the Group invests in the network and invests in the automation and optimisation of operational platforms and systems for growth. In addition, \$7.1 million of repayments were made on the Group's capital expenditure and acquisition debt facilities during the half-year.

The Group had positive net cash flows from operating activities (including net interest payments) for the half-year of \$2.8 million. The cash and cash equivalents as at 31 December 2024 were \$5.5 million and the Group had an additional \$10.0 million in undrawn financing facilities available.

Based on forecasts of cash and available funding the Directors believe there will be sufficient funds for the Group to meet its obligations and liabilities for at least twelve months from the date of this report.

Swoop Holdings Limited
Directors' report
31 December 2024

Review of operations

The Group is a fixed wireless, fibre and wholesale network infrastructure carrier with a high performance national network that is an alternative provider to the large carriers for delivering services in Australia. With the FY23 acquisition and subsequent integration of Telco Pay Pty Ltd (Moose Mobile), a national MVNO on the Optus Network, Swoop is also now a significant provider of mobile services.

Swoop's purpose is connecting people and improving lives – we believe everyone deserves a better telco experience.

Swoop has operations around Australia and has the following diversified core products:

- providing internet services over its own fixed wireless network across its national footprint under the Swoop brand, with residential services in key regional towns;
- providing wholesale transit and other services to smaller ISPs across its national and international POP locations;
- providing residential mobile telephony for price-conscious customers;
- providing wholesale and business voice and unified communications services to customers across Australia; and
- operation of dark fibre networks in Australia to provide dedicated point-to-point dark fibre networks between data centres and private high density multi-fibre solutions for businesses.

Swoop also provides services over the NBN fixed line and fixed wireless networks nationally to residential and SME customers who cannot connect to the Swoop fixed wireless network.

The Group's strategic focus is to:

- invest in infrastructure growth - continue to increase market share of fixed wireless infrastructure by expanding the fixed wireless footprint into areas already covered by Swoop infrastructure, continue to roll out co-build projects supporting regional growth and invest in new rural areas;
- invest in customer growth by building on our strong brand presence, increase customer acquisition via targeted marketing, continue focus on reducing churn in core products and provide great customer focused service;
- invest in systems and integration - focus on integration and automation by building and integrating platforms of existing and acquired businesses;
- continue to drive synergy realisation of recently acquired businesses and scale these businesses for further expansion and development;
- expand channel partners to realise cross-selling opportunities between products and service offerings across the Group's businesses;
- introduce new high margin and in demand products;
- leverage the experience, capability and extensive industry knowledge within the business to build the next large scale national telecommunications company;
- seek to expand the Group's products to complementary offerings to its customers such as fixed wireless, resale of NBN, fibre and voice;
- use our extensive experience in building fibre assets and industry relationships to deliver on our long-term strategy to deliver high margins from fibre products; and
- seek to participate in ongoing industry consolidation as opportunities arise.

Operational highlights for the half-year include:

- Revenue from continuing operations for the half-year ended 31 December 2024 of \$45.3 million, up 14.6%.
- Total Services in Operation (SIO's) at 31 December 2024 were 200,726 representing an overall organic growth of 24%. Mobile SIO's were 128,349, up 10,283 from 31 December 2023, representing 9% annual growth. Non-Mobile SIO's were 72,377 at the end of the half-year, representing 67% annual growth.
- The divestment of our wholesale voice business for \$8.8 million, with the transaction completing in July 2024 and the final retention received in December 2024.
- \$15.5 million in available funding (including \$5.5 million of cash and \$10.0 million undrawn debt facilities) as at 31 December 2024.

Swoop Holdings Limited
Directors' report
31 December 2024

Significant changes in the state of affairs

During the half-year reporting period, the following significant events occurred:

- Following the announcement in June 2024 of Swoop's decision to divest its wholesale focused voice call termination business to Pivotal, on 19 July 2024 this transaction was completed. The final retention, which was retained by Pivotal / in escrow to be adjusted based on the performance of the business for 9 months post completion, was subsequently agreed to be settled earlier and the final amount of \$0.8 million was received in December 2024. This resulted in total sales proceeds, before transaction costs, of \$8.8 million.
- On 22 July 2024, Swoop announced its intention to significantly expand its fibre infrastructure network to greater Melbourne, supported by a key customer contract. Under the terms of this contract Swoop will construct, own and operate a significant new fibre infrastructure network in Melbourne. Swoop has entered into agreements with a multi-billion dollar global technology company listed on the NASDAQ which provide a right to use part of the network for 20 years as well as ongoing operations and maintenance services (subject to extension at the option of the customer or earlier termination by the customer). The contract for the new network includes initial committed revenues of a minimum of \$24.0 million and up to \$36.0 million over the next 22 years. This infrastructure will deliver fibre to a number of key infrastructure areas and new developments in greater Melbourne and continues Swoop's focus on core telecommunication infrastructure and residential high-speed services, as well as servicing business customers.
- The following events took place in relation to Swoop's investment in Vonex Limited (ASX: VN8) during the half-year reporting period:
 - On 5 September 2024 Swoop announced that it had submitted a non-binding indicative proposal to acquire 100% of Vonex as a competing proposal to the scheme of arrangement with Maxo Telecommunications Pty Limited (MaxoTel) which Vonex had previously announced on 25 June 2024. Swoop's non-binding combined cash and scrip offer was to acquire 100% of the issued ordinary shares in Vonex Limited for \$0.040 per Vonex share, which represented a premium to the then MaxoTel scheme at \$0.0375 per Vonex share. Swoop's indicative proposal was for a scheme of arrangement offering a combination of cash and fully paid ordinary shares in Swoop, with Vonex shareholders able to elect to receive various combinations of cash and scrip (subject to certain caps). Given the material scrip component of Swoop's proposed offer, it would have allowed Vonex shareholders to share in exposure to and participate in the potential upside of a stronger and larger combined entity including significant synergies. Swoop believed the indicative proposal stood to create significant value for both Vonex and Swoop shareholders.
 - On 11 September 2024, Swoop confirmed that it had acquired 19.9% of the ordinary issued shares in Vonex. Swoop acquired its interest in Vonex at an average price of \$0.040 per share on market at a total cost of approximately \$2.87 million, which was funded from existing cash resources.
 - On 12 September 2024, Vonex announced that under a revised Scheme of Implementation Deed, the scheme consideration payable proposed by MaxoTel had increased from \$0.0375 per Vonex share to \$0.0419 per Vonex share, remaining 100% payable in cash.
 - On 17 October 2024, MaxoTel made an on-market takeover bid to acquire all of the fully paid ordinary shares in Vonex which MaxoTel (or its associates) did not already own or control for \$0.042 cash per share.
 - On 18 October 2024, Swoop made an off-market takeover offer to acquire all of the fully paid ordinary shares of Vonex which Swoop did not already own, offering 1 fully paid Swoop ordinary share for every 4.2 Vonex shares. The implied Offer price was \$0.050 per Vonex share (based on Swoop's 30-day VWAP up to 17 October 2024).
 - On 23 October 2024, MaxoTel increased the Offer Price under the MaxoTel on-market takeover bid from \$0.042 to \$0.044 cash per Vonex share.
 - On 22 November 2024, Swoop lodged a Bidder's Statement for its off-market takeover offer to acquire all the shares in Vonex not already owned by it (with that offer being subject to, amongst other things, lender consent for financing, and a 50.1% minimum acceptance condition). The offer consideration was 1 Swoop ordinary share for every 3.9 Vonex shares. The implied offer price was \$0.050 per Vonex share (based on Swoop's 5-day VWAP to 21 November 2024).
 - On 9 December 2024, Swoop released a Supplementary Bidder's Statement with an increased offer consideration, to 1 Swoop ordinary share for every 3.8 Vonex shares. The implied value of the offer remained unchanged at \$0.050 per Vonex share.

Swoop Holdings Limited
Directors' report
31 December 2024

Matters subsequent to the end of the financial half-year

- On 6 January 2025, Swoop announced it had signed an agreement to provide wholesale internet services to Flip TV Pty Ltd (Flip). The three-year agreement resulted in the migration of Flip's broadband customer accounts, which at the time of the announcement were 26,000 and growing, onto Swoop's network. The agreement is expected to add over \$10m revenue annually from January 2025 with further upside based on Flip's growing customer base.
- The following events have taken place in relation to Swoop's investment in Vonex Limited (ASX: VN8) subsequent to the end of the financial half-year:
 - On 23 January 2025, Swoop's off-market takeover offer to acquire up to 100% of the issued capital of Vonex that it does not own was declared free of previously stipulated conditions, that is, the offer was declared unconditional.
 - On 20 February 2025, Swoop announced its intention to participate in the Vonex 1 for 1 pro rata renounceable entitlement offer as previously announced by Vonex on 4 February 2025. Swoop took up its full entitlement. The cost of the additional shares was \$3.2 million and was funded from existing cash reserves.
 - On 21 February 2025, Swoop's off-market takeover offer to acquire up to 100% of the issued capital of Vonex that it does not own closed. Swoop's final interest in Vonex post the close of the offer, including its original 19.9% interest acquired on market in September 2024, was 22.98%.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



James Spenceley
Chairman

27 February 2025



PKF(NS) Audit & Assurance Limited Partnership

ABN 91 850 861 839

755 Hunter Street, Newcastle West NSW 2302

Level 8, 1 O'Connell Street, Sydney NSW 2000

Newcastle T: +61 2 4962 2688 F: +61 2 4962 3245

Sydney T: +61 2 8346 6000 F: +61 2 8346 6099

info@pkf.com.au

www.pkf.com.au

Auditors' Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Swoop Holdings Limited

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A stylized, handwritten signature of 'PKF' in black ink.

PKF

A handwritten signature in black ink that reads 'P. Pearman'.

PAUL PEARMAN

PARTNER

27 FEBRUARY 2025

SYDNEY, NSW

Swoop Holdings Limited
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31 December 2024

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Swoop Holdings Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	Note	Consolidated	
		31 Dec 2024 \$	31 Dec 2023 ⁽¹⁾ \$
Revenue	3	45,277,303	39,523,085
Other income	4	558,530	144,226
Expenses			
Cost of sales		(28,849,459)	(23,700,896)
Marketing and advertising		(1,471,667)	(1,508,645)
General and administrative expense		(2,130,635)	(1,514,801)
Bad and doubtful debt expense		19,593	(156,351)
Employee benefit expense		(5,428,199)	(5,107,531)
Depreciation and amortisation expense		(9,247,856)	(7,236,791)
Share based payments expense		(434,722)	(656,718)
Finance costs		(1,378,736)	(1,201,615)
Acquisition and integration costs		(2,015,940)	(1,221,522)
Corporate restructuring expense		(27,420)	(56,892)
Other expenses		(330,118)	(398,889)
Loss before income tax benefit from continuing operations		(5,459,326)	(3,093,340)
Income tax benefit from continuing operations		1,368,281	1,321,824
Loss after income tax benefit from continuing operations		(4,091,045)	(1,771,516)
Profit after income tax expense from discontinued operations		4,148,945	730,661
Profit/(loss) after income tax benefit for the half-year attributable to the owners of Swoop Holdings Limited		57,900	(1,040,855)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Gain/(loss) on the revaluation of financial assets at fair value through other comprehensive income, net of tax		128,654	(211,418)
Other comprehensive income/(loss) for the half-year, net of tax		128,654	(211,418)
Total comprehensive loss for the half-year attributable to the owners of Swoop Holdings Limited		186,554	(1,252,273)
Total comprehensive income/(loss) for the half-year is attributable to:			
Continuing operations		(3,962,391)	(1,982,934)
Discontinued operations	13	4,148,945	730,661
		186,554	(1,252,273)

⁽¹⁾ 2023 has been restated to reflect discontinued operations as a result of divestments of subsidiaries on 19 July 2024.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Swoop Holdings Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	31 Dec 2024	31 Dec 2023⁽¹⁾
	Cents	Cents
Earnings per share from continuing operations		
Basic earnings per share	(1.96)	(0.85)
Earnings per share from discontinued operations		
Basic earnings per share	1.99	0.35
Earnings per share attributable to the owners of Swoop Holdings Limited		
Basic earnings per share	0.03	(0.50)
Diluted earnings per share	0.03	(0.50)

⁽¹⁾2023 has been restated to reflect discontinued operations as a result of divestments of subsidiaries on 19 July 2024.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Swoop Holdings Limited
Statement of financial position
As at 31 December 2024

	Note	Consolidated	
		31 Dec 2024	30 June 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		5,465,196	10,897,573
Trade receivables		6,868,540	6,499,226
Inventories		1,947,957	2,023,958
Prepayments		2,147,985	1,527,148
Other assets		-	687,333
Other financial assets		192,017	144,094
		<u>16,621,695</u>	<u>21,779,332</u>
Assets classified as held for sale		-	5,184,794
Total current assets		<u>16,621,695</u>	<u>26,964,126</u>
Non-current assets			
Financial assets at fair value through other comprehensive income		-	1,004,868
Financial assets at fair value through profit or loss		3,168,000	-
Property, plant and equipment	5	38,152,042	38,016,066
Right-of-use assets	6	7,399,238	7,971,458
Intangibles	7	46,577,749	47,236,300
Deferred tax		2,386,720	4,368,569
Other financial assets		294,753	304,753
Total non-current assets		<u>97,978,502</u>	<u>98,902,014</u>
Total assets		<u>114,600,197</u>	<u>125,866,140</u>
Liabilities			
Current liabilities			
Trade payables		19,327,921	17,021,204
Other payables		2,081,108	1,816,766
Contract liabilities		675,721	1,582,729
Borrowings		1,992,072	1,907,494
Lease liabilities	6	2,613,739	2,769,148
Employee benefits		1,313,415	1,305,558
Deferred consideration	8	-	2,637,563
		<u>28,003,976</u>	<u>29,040,462</u>
Liabilities directly associated with assets classified as held for sale		-	1,914,111
Total current liabilities		<u>28,003,976</u>	<u>30,954,573</u>
Non-current liabilities			
Contract liabilities		500,000	-
Borrowings		15,715,738	21,353,351
Lease liabilities	6	5,470,511	6,039,641
Deferred tax		4,567,396	7,865,992
Employee benefits		249,432	180,715
Total non-current liabilities		<u>26,503,077</u>	<u>35,439,699</u>
Total liabilities		<u>54,507,053</u>	<u>66,394,272</u>
Net assets		<u>60,093,144</u>	<u>59,471,868</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Swoop Holdings Limited
Statement of financial position
As at 31 December 2024

		Consolidated	
	Note	31 Dec 2024	30 Jun 2024
		\$	\$
Equity			
Issued capital	9	127,845,815	127,266,230
Reserves		4,203,245	4,348,108
Accumulated losses		(71,955,916)	(72,142,470)
Total equity		<u>60,093,144</u>	<u>59,471,868</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Swoop Holdings Limited
Statement of changes in equity
For the half-year ended 31 December 2024

Consolidated	Issued capital \$	Share-based payments reserve \$	Foreign currency reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	126,550,345	3,849,892	11,755	(68,109,275)	62,302,717
Loss after income tax benefit for the half-year	-	-	-	(1,040,855)	(1,040,855)
Other comprehensive loss for the half-year, net of tax	-	-	-	(211,418)	(211,418)
Total comprehensive loss for the half-year	-	-	-	(1,252,273)	(1,252,273)
<i>Transactions with owners in their capacity as owners:</i>					
On-market share buy-back, including transaction costs	(3,973)	-	-	-	(3,973)
Issue of shares to employees on vesting and conversion of performance rights	719,860	(719,860)	-	-	-
Share based payments expense	-	656,718	-	-	656,718
Balance at 31 December 2023	127,266,232	3,786,750	11,755	(69,361,548)	61,703,189
Consolidated	Issued capital \$	Share-based payments reserve \$	Foreign currency reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	127,266,230	4,336,353	11,755	(72,142,470)	59,471,868
Profit after income tax benefit for the half-year	-	-	-	57,900	57,900
Other comprehensive income for the half-year, net of tax	-	-	-	128,654	128,654
Total comprehensive income for the half-year	-	-	-	186,554	186,554
<i>Transactions with owners in their capacity as owners:</i>					
Issue of shares to employees on vesting and conversion of performance rights	579,585	(579,585)	-	-	-
Share based payments expense	-	434,722	-	-	434,722
Balance at 31 December 2024	127,845,815	4,191,490	11,755	(71,955,916)	60,093,144

The above statement of changes in equity should be read in conjunction with the accompanying notes

Swoop Holdings Limited
Statement of cash flows
For the half-year ended 31 December 2024

Note	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	47,641,535	44,867,731
Payments to suppliers and employees (inclusive of GST)	<u>(45,505,720)</u>	<u>(37,840,778)</u>
	2,135,815	7,026,953
Interest received	10,286	140,580
Interest and other finance costs paid	(843,619)	(863,307)
Co-build income received	<u>1,490,635</u>	<u>289,753</u>
Net cash from operating activities	<u>2,793,117</u>	<u>6,593,979</u>
Cash flows from investing activities		
Payment for purchase of subsidiary, net of cash acquired	(2,801,616)	(2,778,726)
Payments for investments	(3,141,409)	-
Payments for property, plant and equipment	(7,426,993)	(8,243,811)
Proceeds from disposal of subsidiary, net of transaction costs	8,079,524	-
Proceeds from the sale of businesses, net of transaction costs	440,000	-
Proceeds from sale of financial assets	1,284,235	-
Proceeds from disposal of property, plant and equipment	<u>22,000</u>	<u>15,833</u>
Net cash used in investing activities	<u>(3,544,259)</u>	<u>(11,006,704)</u>
Cash flows from financing activities		
Proceeds from borrowings	1,500,000	2,557,384
On-market share buy-back, including transaction costs	-	(3,977)
Repayment of borrowings	<u>(7,149,102)</u>	<u>(1,018,000)</u>
Net cash (used in)/from financing activities	<u>(5,649,102)</u>	<u>1,535,407</u>
Net decrease in cash and cash equivalents	(6,400,244)	(2,877,318)
Cash and cash equivalents at the beginning of the financial half-year ⁽¹⁾	11,846,251	19,043,911
Effects of exchange rate changes on cash and cash equivalents	<u>19,189</u>	<u>7,998</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>5,465,196</u></u>	<u><u>16,174,591</u></u>

⁽¹⁾ Cash and cash equivalents at the beginning of the financial half-year includes cash included within assets classified as held for sale.

The above statement of cash flows should be read in conjunction with the accompanying notes

Swoop Holdings Limited
Notes to the financial statements
31 December 2024

Note 1. General information

The financial statements cover Swoop Holdings Limited as a consolidated entity consisting of Swoop Holdings Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Swoop Holdings Limited's functional and presentational currency.

Swoop Holdings Limited is a listed public company limited by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business is:

Level 5, 126 Phillip Street
 Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2025.

Note 2. Significant accounting policies

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The directors believe there will be sufficient funds for the consolidated entity to meet its obligations and liabilities for at least twelve months from the date of this half-year financial report.

Note 3. Revenue

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
<i>Revenue from contracts with customers</i>		
Business	5,684,603	5,965,332
Residential	30,209,870	24,835,497
Channel	7,621,974	7,055,121
Other revenue	1,760,856	1,667,135
Revenue	<u>45,277,303</u>	<u>39,523,085</u>

Consolidated - 31 December 2024	Business services \$	Residential services \$	Channel \$	Other revenue \$	Total \$
<i>Timing of revenue recognition</i>					
Goods transferred at a point in time	100,561	346,676	357,679	-	804,916
Services transferred over time	5,584,042	29,863,194	7,264,295	1,760,856	44,472,387
	<u>5,684,603</u>	<u>30,209,870</u>	<u>7,621,974</u>	<u>1,760,856</u>	<u>45,277,303</u>

Swoop Holdings Limited
Notes to the financial statements
31 December 2024

Note 3. Revenue (Continued)

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Continuing operations	45,277,303	39,523,085
Discontinued operations	516,041	3,930,366
Revenue from continuing operations and discontinued operations	<u>45,793,344</u>	<u>43,453,451</u>

Note 4. Other income

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Other income	245,892	3,646
Interest income	18,702	140,580
Net fair value gains on financial assets	293,936	-
	<u>558,530</u>	<u>144,226</u>

Note 5. Property, plant and equipment

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Networks - at cost	79,824,440	74,846,530
Less: Accumulated depreciation	<u>(43,715,314)</u>	<u>(39,242,406)</u>
	36,109,126	35,604,124
Plant and equipment - at cost	4,717,936	4,693,617
Less: Accumulated depreciation	<u>(3,229,161)</u>	<u>(2,869,065)</u>
	1,488,775	1,824,552
Motor vehicles - at cost	845,390	903,464
Less: Accumulated depreciation	<u>(610,750)</u>	<u>(635,575)</u>
	234,640	267,889
Property - at cost	<u>319,501</u>	<u>319,501</u>
	<u>38,152,042</u>	<u>38,016,066</u>

Swoop Holdings Limited
Notes to the financial statements
31 December 2024

Note 5. Property, plant, and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Networks \$	Plant & equipment \$	Motor vehicles \$	Property \$	Total \$
Balance at 1 July 2024	35,604,124	1,824,552	267,889	319,501	38,016,066
Additions	5,217,033	31,727	5,306	-	5,254,066
Disposals	(203,982)	(2,263)	(2,375)	-	(208,620)
Depreciation expense	(4,508,049)	(365,241)	(36,180)	-	(4,909,470)
Balance at 31 December 2024	<u>36,109,126</u>	<u>1,488,775</u>	<u>234,640</u>	<u>319,501</u>	<u>38,152,042</u>

Note 6. Right-of-use assets

(a) Right-of-use assets

The carrying value of right-of-use assets is presented below:

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Premises and sites - right-of-use	10,503,587	9,461,713
Less: Accumulated amortisation	(6,355,271)	(4,801,441)
	<u>4,148,316</u>	<u>4,660,272</u>
Network assets - right-of-use	5,705,606	5,704,517
Less: Accumulated amortisation	(2,454,684)	(2,393,331)
	<u>3,250,922</u>	<u>3,311,186</u>
	<u><u>7,399,238</u></u>	<u><u>7,971,458</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Premises and sites \$	Network assets \$	Total \$
Balance at 1 July 2024	4,660,272	3,311,186	7,971,458
Net additions	717,823	623,696	1,341,519
Amortisation expense	(1,229,779)	(683,960)	(1,913,739)
Balance at 31 December 2024	<u>4,148,316</u>	<u>3,250,922</u>	<u>7,399,238</u>

Swoop Holdings Limited
Notes to the financial statements
31 December 2024

Note 6. Right-of-use assets (continued)

(b) Lease liabilities

The carrying value of lease liabilities is presented below:

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Lease liabilities - current	2,613,739	2,769,148
Lease liabilities - non-current	5,470,511	6,039,641
	<u>8,084,250</u>	<u>8,808,789</u>

(c) Maturity profile of contractual undiscounted liability cashflows:

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
- not later than one year	2,797,853	2,964,890
- later than one year but not later than five years	6,227,307	6,829,778
	<u>9,025,160</u>	<u>9,794,668</u>

Swoop Holdings Limited
Notes to the financial statements
31 December 2024

Note 7. Intangibles

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Goodwill - at cost	36,439,616	36,439,616
Licence agreements - at cost	536,095	536,095
Less: Accumulated amortisation	(499,593)	(445,543)
	<u>36,502</u>	<u>90,552</u>
Patents and trademarks - at cost	389,824	389,824
Less: Accumulated amortisation	(109,985)	(90,610)
	<u>279,839</u>	<u>299,214</u>
Customer relationships and contracts - at cost	7,311,952	7,311,952
Less: Accumulated amortisation	(5,864,885)	(5,568,021)
	<u>1,447,067</u>	<u>1,743,931</u>
Computer software - at cost	7,829,396	6,063,300
Less: Accumulated amortisation	(3,902,834)	(2,775,354)
	<u>3,926,562</u>	<u>3,287,946</u>
Brands – at cost	<u>2,050,760</u>	<u>2,050,760</u>
Contractual agreements - at cost	6,845,280	6,845,280
Less: Accumulated amortisation	(4,447,877)	(3,520,999)
	<u>2,397,403</u>	<u>3,324,281</u>
	<u><u>46,577,749</u></u>	<u><u>47,236,300</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill \$	Customer relationships and contracts \$	Patents and trademarks \$	Contractual agreements \$	Computer software \$	Licence agreements \$	Brands \$	Total \$
Balance at 1 July 2024	36,439,616	1,743,931	299,214	3,324,281	3,287,946	90,552	2,050,760	47,236,300
Additions	-	-	-	-	1,766,096	-	-	1,766,096
Amortisation expense	-	(296,864)	(19,375)	(926,878)	(1,127,480)	(54,050)	-	(2,424,647)
Balance at 31 December 2024	<u>36,439,616</u>	<u>1,447,067</u>	<u>279,839</u>	<u>2,397,403</u>	<u>3,926,562</u>	<u>36,502</u>	<u>2,050,760</u>	<u>46,577,749</u>

Swoop Holdings Limited
Notes to the financial statements
31 December 2024

Note 7. Intangibles (continued)

Impairment disclosures and testing of goodwill

As disclosed in the 30 June 2024 Annual Report, as part of the annual impairment testing required under AASB 136 Impairment of Assets, the Group reviewed the carrying value of fixed assets and intangibles at that date. During that review it was identified that no assets were showing indicators of impairment. As a result, no provision for impairment was recognised.

The Group has again assessed at 31 December 2024 whether there is any indication that a group asset, including goodwill and other intangible assets, may be impaired. A key indicator considered was that the net assets of the Group as at the reporting date exceeded its market capitalisation. The evaluation of whether any impairment existed at 31 December 2024 included, amongst other factors, consideration of the general market volatility currently affecting smaller capitalisation stocks, the current liquidity in Swoop's shares and the Directors' longer-term view of the underlying intrinsic value of the business. As a result of the assessment, the Group has determined that no impairment charge is required at 31 December 2024. Annual impairment testing will again be undertaken in relation to the 30 June 2025 reporting period.

Note 8. Deferred consideration

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Current		
Deferred consideration (fair value of contingent consideration)	-	2,637,563
	<u>-</u>	<u>2,637,563</u>

During the half-year an amount of \$2,761,341 was paid to the vendors of Telco Pay Pty Limited, being the earn out payment for the Second Performance Period.

Note 9. Issued capital

	Consolidated			
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>209,138,937</u>	<u>208,208,937</u>	<u>127,845,815</u>	<u>127,266,230</u>

Movements in share capital

Details	Date	Shares	\$
Opening balance	1 July 2024	208,208,937	127,266,230
Vesting and conversion of employee performance rights	25 October 2024	<u>930,000</u>	<u>579,585</u>
Closing balance	31 December 2024	<u>209,138,937</u>	<u>127,845,815</u>

Swoop Holdings Limited
Notes to the financial statements
31 December 2024

Note 10. Financial instruments

Fair value of financial instruments

The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the consolidated entity are as follows:

Consolidated	31 Dec 2024	30 Jun 2024
	\$	\$
<i>Financial assets at amortised cost:</i>		
Cash and cash equivalents	5,465,196	10,897,573
Trade receivables	6,868,540	6,499,226
Other financial assets	486,770	448,847
<i>Financial assets at fair value:</i>		
Financial assets at fair value	3,168,000	1,004,868
Total financial assets	<u>15,988,506</u>	<u>18,850,514</u>
<i>Financial Liabilities:</i>		
Trade payables	19,327,921	17,021,204
Other payables	2,081,108	1,816,766
Borrowings	17,707,810	23,260,845
Lease liabilities	92,698	156,741
<i>Financial liabilities at fair value</i>		
Deferred consideration – fair value of contingent consideration	-	2,637,563
Total financial liabilities	<u>39,209,537</u>	<u>44,893,119</u>

Note 11. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Consolidated – 31 December 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Assets</i>				
Financial assets at fair value	3,168,000	-	-	3,168,000
Total assets	<u>3,168,000</u>	<u>-</u>	<u>-</u>	<u>3,168,000</u>
<i>Liabilities</i>				
Deferred consideration – fair value of contingent consideration	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

There were no transfers between levels during the financial half-year.

Swoop Holdings Limited
Notes to the financial statements
31 December 2024

Note 11. Fair value measurement (continued)

Critical accounting judgements, estimates and assumptions - Deferred consideration

The deferred consideration liability is the difference between the total purchase consideration, usually on an acquisition of a business combination, and the amounts paid or settled up to the reporting date, discounted to net present value. The Group applies provisional accounting for any business combination unless otherwise stated. Any reassessment of the liability during the earlier of the finalisation of the provisional accounting or 12 months from acquisition-date is adjusted for retrospectively as part of the provisional accounting rules in accordance with AASB 3 'Business Combinations'. Thereafter, at each reporting date, the deferred consideration liability is reassessed against revised estimates and any increase or decrease in the net present value of the liability will result in a corresponding gain or loss to profit or loss. The increase in the liability resulting from the passage of time is recognised as a finance cost.

Note 12. Share-based payments

Performance rights

In connection with its long-term incentive program, Swoop granted 7,917,647 performance rights to management in November 2024. Of the performance rights granted, 5,383,995 are subject to market based vesting conditions associated with total shareholder returns (TSR) measured against an absolute range of returns as outlined in the table below:

Annual %TSR Thresholds	Performance Rights that vest
Less than 20%	0%
>=20%	100% allocation

The other 2,533,652 performance rights are subject only to non-market based vesting conditions in the form of a service condition.

The vesting conditions above and the TSR test will be measured having regard to an assessment period. For the purpose of the TSR assessment, the market value will be based on the 15 days volume weighted average price (VWAP) at the beginning and at the end of the performance period. The TSR of Swoop is determined on an annual growth rate basis by reference to:

- the changes in the market value of a share in Swoop from the beginning to the end of the assessment periods (i.e. the TSR test dates) which is the date Swoop's audited financial statements are released for that year; and
- the value of any shareholder benefits (including dividends or any other benefits) paid or otherwise made generally available to shareholders in Swoop during the assessment periods.

Each vested performance right is a right to receive one security. Performance rights will vest and convert into shares at the end of their respective assessment periods and be issued at a zero exercise price. The employee must remain an employee of Swoop at each applicable vesting date.

The performance rights subject to market based vesting conditions are split into three tranches (Tranche 1,2 and 3) with the performance rights subject to non-market vesting conditions split into two tranches (Tranche 4 and 5).

The table below sets out the grant date, expiry date, vesting period and indicative fair value of the performance rights granted during the half-year ended 31 December 2024:

	Grant date	Expiry date	Vesting date	No. of rights granted	Fair value per right at grant date
Tranche 1	5 Nov 2024	31 Dec 2027	1 Oct 2025	1,794,665	\$0.088
Tranche 2	5 Nov 2024	31 Dec 2027	1 Oct 2026	1,794,665	\$0.119
Tranche 3	5 Nov 2024	31 Dec 2027	1 Oct 2027	1,794,665	\$0.125
Tranche 4	5 Nov 2024	31 Dec 2027	1 Oct 2026	1,266,826	\$0.195
Tranche 5	5 Nov 2024	31 Dec 2027	1 Oct 2027	1,266,826	\$0.195
				<u>7,917,647</u>	

The share-based payments expense disclosed in the statement of profit or loss and other comprehensive income for the half-year ended 31 December 2024 relates to performance rights granted in the current half-year, details of which are disclosed above, and those performance rights issued in previous financial years.

Swoop Holdings Limited
Notes to the financial statements
31 December 2024

Note 13. Disposal of subsidiaries

Following a strategic review of operations and plan to focus on key markets, in June 2024 Swoop announced the decision to divest its wholesale focused voice call termination business to Pivotal Group Pty Ltd (Pivotal). Swoop entered into a binding sale agreement to divest the entire issued share capital of Voicehub Group Pty Ltd and Harbourtel Pty Ltd (the entities that own and operate Swoop’s wholesale focused voice call termination business) to Pivotal for \$8.0 million cash, which was received on 19 July 2024 (completion date), plus a retention of \$1.0 million which was retained by Pivotal / in escrow to be adjusted based on the performance of the business for 9 months post completion. This retention was subsequently agreed to be settled earlier and the final amount of \$0.8 million was received in December 2024. This resulted in total sales proceeds, before transaction costs, of \$8.8 million.

Profit or loss from discontinued operations included in the statement of profit or loss and other comprehensive income

	Discontinued operations	
	19 days ended 19 Jul 2024	6 months ended 31 Dec 2023
	\$	\$
Revenue	516,041	3,930,366
Expenses	(343,799)	(2,886,564)
Profit or loss from discontinued operations before income tax (expense)/benefit	172,242	1,043,802
Income tax (expense)/benefit	(51,672)	(313,141)
Gain on sale of the subsidiary after income tax	4,028,375	-
Profit from discontinued operations	<u>4,148,945</u>	<u>730,661</u>

Swoop Holdings Limited
Directors' declaration
31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



James Spenceley
Chairman

27 February 2025

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SWOOP HOLDINGS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Swoop Holdings Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Swoop Holdings Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors of the Company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.



Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Swoop Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten signature of the letters "PKF" in black ink.

PKF

A handwritten signature in black ink that reads "P. Pearman".

PAUL PEARMAN
PARTNER

27 FEBRUARY 2025
SYDNEY, NSW