



FY22 Financial and Operational Results

Investor Briefing

29 AUGUST 2022



FY22 Highlights

FY22 Highlights



✓ Revenue of \$51.7M up 130% year-on-year on a Statutory basis¹ and up 67% on FY21 Pro Forma Results²



✓ Underlying EBITDA³ of \$13.0M, up 129% on FY21 Underlying EBITDA²



✓ First positive Underlying NPAT³ of \$58k, up from Net Loss after Tax position of (\$2.9M) in FY21



✓ A 26% year-on-year increase in subscriber numbers to 38,582



✓ Financially completed 5 accretive acquisitions during the FY22 year, and integrated the 2 accretive acquisitions financially completed in late FY21



✓ Undertook a successful capital raise of over \$45M via a placement and share purchase plan in October-November 2021



✓ Secured \$32M bank financing facilities in June 2022, combining with our strong cash position \$32M at 30 June 2022 to provide additional firepower



✓ Announced the acquisition of Moose Mobile in July 2022, with completion expected in September 2022

Notes:

1. Statutory results as per the Annual Report - 30 June 2021. FY21 reflects Swoop for 12 months and only one month of Node1, Stemify and Beam.
2. Year on year comparisons shown above are to the FY21 Pro Forma Results. FY21 Pro Forma Results have been prepared using information from the audited FY21 Annual Report dated September 2021. FY21 Pro Forma Results add in the results of Node 1 as if included for the full period of FY21, providing a like for like comparison of the two businesses that listed in May 21.
3. Underlying EBITDA and Underlying NPAT exclude non-cash (share based payment expenses) and other one-off items (acquisition and integration costs, one-off legal costs) that are not considered to be reflective of underlying earnings.

FY22 Financial Highlights

Revenue

\$51.7m

+67% YoY¹

Gross Margin

\$28.3m

+60% YoY¹

Underlying EBITDA

\$13.0m

+129% YoY¹

EBITDA Margin

25%

+39% Growth YoY¹



Notes:

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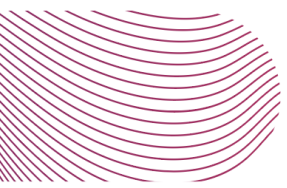


FY22 Business Update



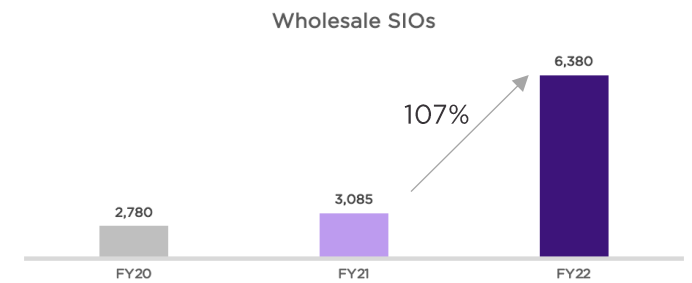
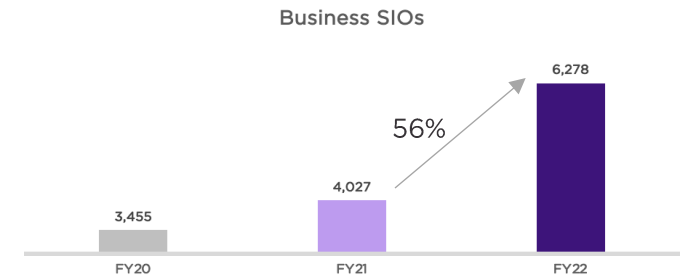
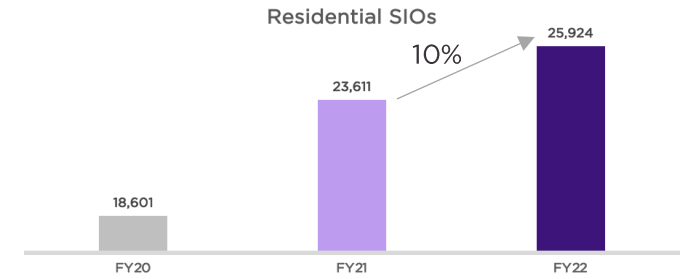
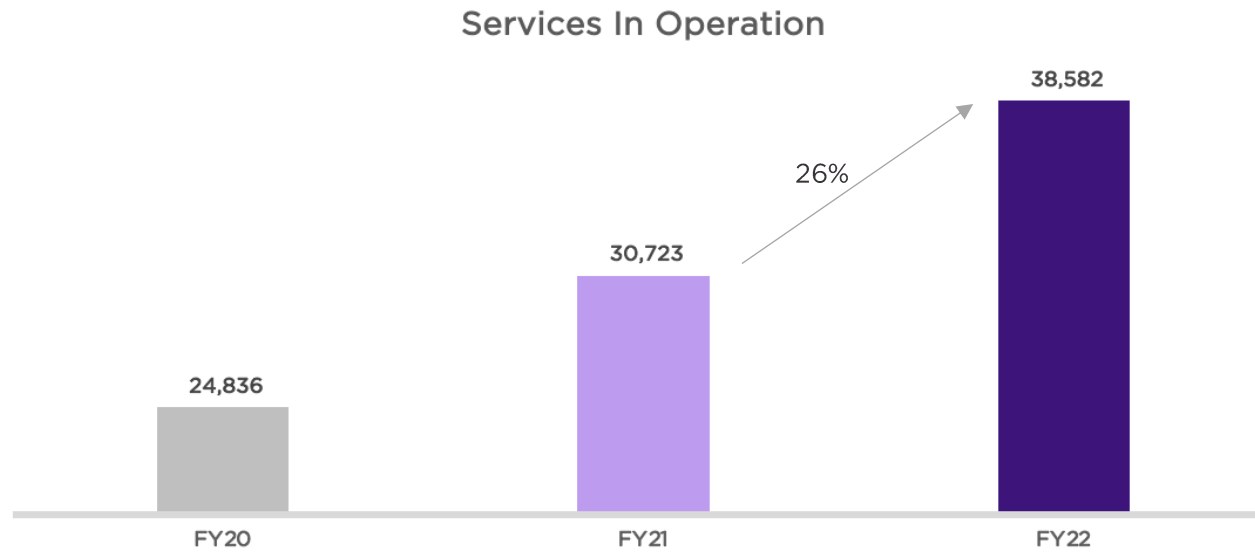
Key Operating Metrics (Jun-22)

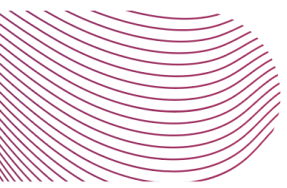




FY22 SIO Growth

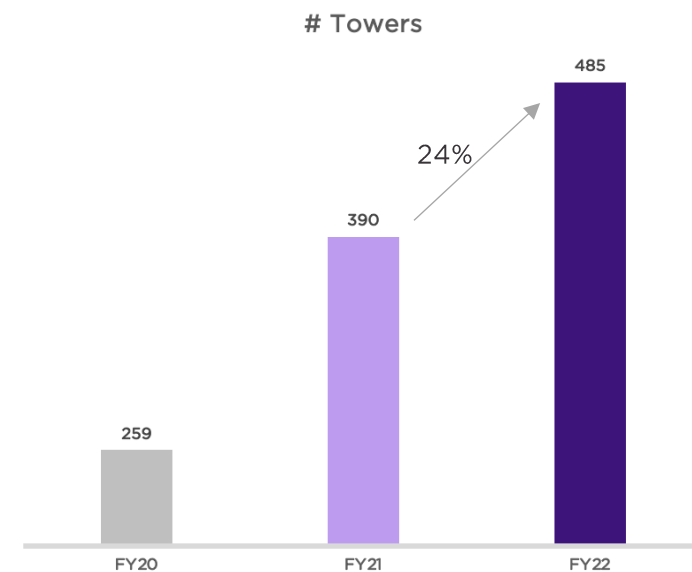
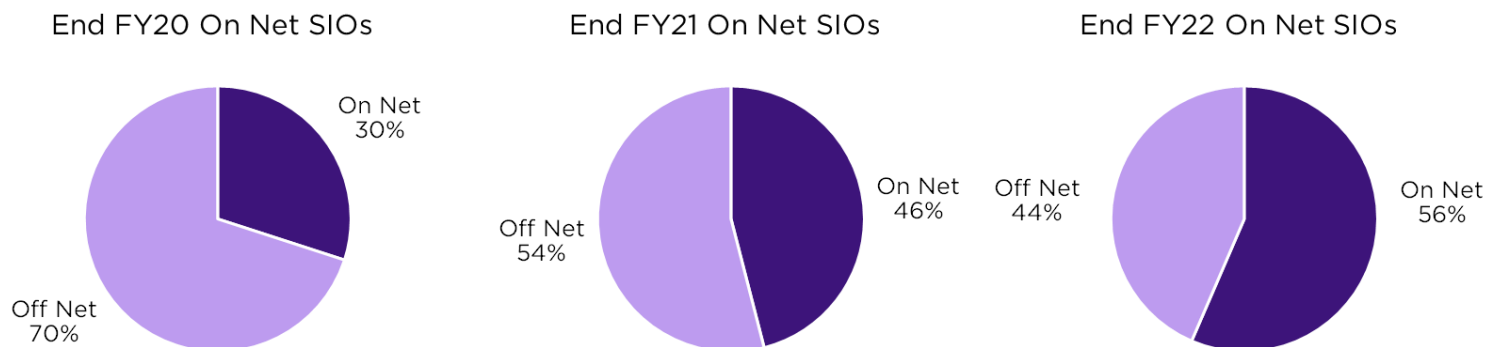
- 38,582 Services in Operation (SIOs) in Jun-22, having increased by 7,859 services or 26% in the financial year
- All sectors grew in the year, Residential by 2,313, Business by 2,251 and Wholesale by 3,295





FY22 Infrastructure Expansion

- More than half of our services are now on Swoop's network
- Our Fixed Wireless tower footprint grew by 95 to 485 towers in FY22, representing an increase of 24%





FY22 Financial Results

Financial Results

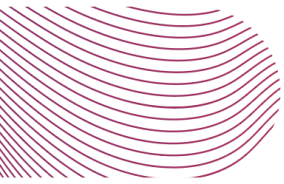
Financial Results (\$000)

	FY21 ¹	FY22	Change
Revenue	30,882	51,668	20,786
COGS	(13,199)	(23,352)	(10,153)
Gross Margin	17,683	28,316	10,633
Gross Margin %	57%	55%	
Operating Expenses and Overheads	(11,997)	(15,271)	(3,274)
Underlying EBITDA ⁵	5,686	13,045	7,359
Underlying EBITDA %	18%	25%	
Underlying NPAT ⁶	(2,876)	58	2,934
Statutory NPAT	(13,789)	(4,883)	8,906

- Revenue increased by 67% over the prior corresponding period (pcp)
- Revenue growth reflects organic growth³ of 9% plus contribution from acquisitions⁴
- EBITDA margin reflects increased scale and operational efficiencies

Notes:

- Year on year comparisons shown above are to the FY21 Pro Forma Results. FY21 Pro Forma Results have been prepared using information from the audited FY21 Annual Report dated September 2021. FY21 Pro Forma Results add in the results of Node 1 as if included for the full period of FY21, providing a like for like comparison of the two businesses that listed in May 21.
- FY22 is based on the unaudited Preliminary Final Report dated 29 August 2022.
- Organic growth is based on entities included in the FY21 Pro Forma Results for a full 12 month period and therefore excludes the organic growth derived from acquired entities while under the ownership of Swoop.
- FY21 and FY22 acquisitions - Beam (June 2021), Speedweb (July 2021), Countrytell (July 2021), Voicehub (November 2021), Luminet (April 2022).
- Underlying EBITDA excludes non-cash (share based payment expenses) and other one-off items (acquisition and integration costs, one-off legal costs) that are not considered to be reflective of underlying earnings.
- Underlying NPAT excludes non-cash (share based payment expenses) and other one-off items (acquisition and integration costs, one-off legal costs) that are not considered to be reflective of underlying earnings.



Revenue Analysis

Segment Revenue (\$000)

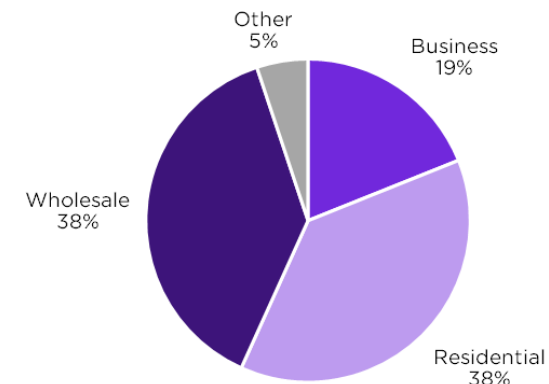
	FY21 ¹	FY22	Change
Business	3,121	9,773	+213%
Residential	14,890	19,551	+31%
Wholesale	12,871	19,702	+53%
Other	-	2,641	-
Total	30,882	51,667	67%

- Business revenue growth driven by organic growth of the NBN EE market, plus Countrytell acquisition
- Wholesale revenue growth reflects solid organic growth plus VoiceHub acquisition
- Residential revenue growth reflects organic SIO growth of ~10% (annualised) for the reporting period plus contribution from acquisitions

Notes:

1. FY21 Pro Forma Results add in the results of Node 1 as if included for the full period of FY21, providing a like for like comparison of the two businesses that listed in May 21.
2. FY22 is based on the unaudited Preliminary Final Report dated 29 August 2022.

FY22 Revenue Mix

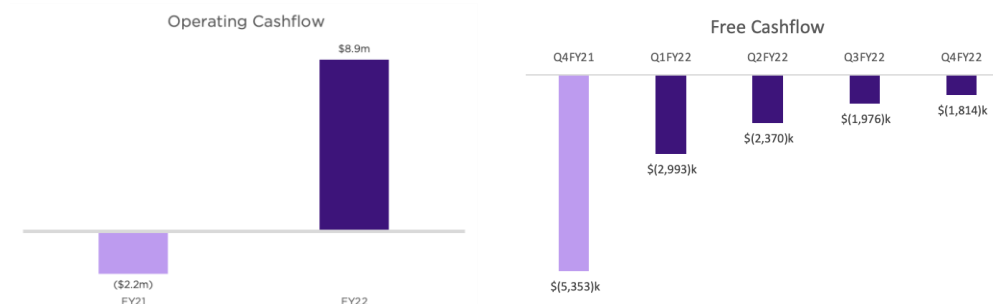


Summary Cash Flow

Summary Cash Flow (\$000)

	FY21 ²	FY22
Customer Receipts	22,730	51,435
Payments to Suppliers and Employees	(26,971)	(43,123)
Other net operating cash flows	2,040	549
Operating Cash Flow	(2,201)	8,861
Capex	(5,915)	(17,941)
Free Cash Flow ³	(8,116)	(9,080)
Other Investing Activities	(627)	(19,695)
Financing Activities	23,614	43,228
Cash Flow Movement	14,871	14,453
Opening Cash	2,627	17,498
Fx changes	-	70
Closing Cash Balance	17,498	32,021

- Free Cash Flow continues to improve, from (\$2.9m) in Q1 FY22 to (\$1.8m) in Q4 FY22
- Majority of capex is network expansion and supporting customer and network systems
- Other investing outflows is acquisitions consideration, net of cash acquired
- Financing activities is primarily the capital raise and share placement which were completed in October and November respectively
- Strong closing cash position of \$32m.



Notes:

- Cash flows for both FY21 and FY22 as extracted from the unaudited Preliminary Final Report dated 29 August 2022.
- Statutory results as per the Annual Report - 30 June 2021. FY21 reflects Swoop for 12 months and only one month of Node1, Stemify and Beam.
- Free Cash Flow is defined as Operating Cash Flow less Capex



Summary Balance Sheet

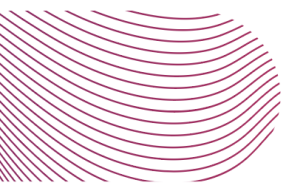
Summary Balance Sheet (\$000)

	FY21	FY22
Cash at Bank	17,498	32,021
Other Current Assets	7,085	7,404
Trade and Other Payables	(9,810)	(14,307)
Deferred Consideration	(5,525)	(5,479)
Other Current Liabilities	(4,547)	(4,049)
Net Current Assets	4,701	15,590
Property, Plant and Equipment (including ROU)	23,816	45,364
Intangible Assets	28,729	44,414
Other Non-Current Assets	2,466	3,438
Non-Current Liabilities	(10,176)	(12,222)
Net Assets	49,536	96,584
NTA	14.5 cents	26.9 cents

- Strong cash position, with a debt facility finalised in June 22, provides substantial firepower for acquisitive and organic growth
- Growth in fixed assets reflects recent acquisitions plus network infrastructure expansion
- NTA position has significantly improved as the business scales
- Deferred consideration represents amounts payable for Beam, Countrytell, VoiceHub, Luminet, IFibre
- Intangible assets represents predominantly goodwill, customer relationships and software

Notes:

1. Balance sheet for both FY21 and FY22 is extracted from the unaudited Preliminary Final Report dated 29 August 2022.



FY22 EBITDA Growth

- Increase in EBITDA came from both partial contribution from acquisitions and organic growth and efficiencies in the combined business; 59% and 41% of Total FY22 EBITDA growth respectively.

FY22 EBITDA Breakdown





Acquisitions

Acquisitions Recap



7 accretive acquisitions completed to date



8th acquisition announced (Moose) to be completed in Q1 FY23



Significant pipeline in discussion across Fixed Wireless, Resell, Fibre, Voice

Name	Product	Geography	Segment	Infrastructure	Purchase Price	EBITDA	Date Completed	FY23 EBITDA
Announced								
Moose	Resell	Aust wide	Residential	-	\$24.0m	\$3.5m ¹	September 2022	\$3.2m
Planned (under investigation/in discussions)²								
Confidential targets	FW/Voice/Fibre/Resell	Aust wide	Residential/SME/Wholesale	Towers/Fibre	TBA	Combined up to \$8.5 - \$10m ¹	FY23	TBA

Notes

1. Based on vendor provided unaudited management accounts of the relevant targets; note contribution to Swoop EBITDA will vary due to integration costs, accounting policy harmonisation and potential synergies.
2. Swoop is in discussions with these targets and the terms of any potential acquisition have not yet been agreed. Accordingly, there is no guarantee these opportunities will be pursued or proceed.

Acquisitions Summary

Name	Product	Geography	Segment	Infrastructure	Purchase Price	Announced EBITDA	Date Completed	FY22 EBITDA Contribution
Community Communications	FW	Perth	Residential	14 Towers	\$0.3m	\$0.1m ¹	June 2021	\$0.1m
Beam	FW	Regional SA	Residential/SME	65 Towers	\$6.7m	\$1.6m ¹	June 2021	\$1.6m
Speedweb	Fixed Wireless (FW)	Regional VIC	Residential	51 Towers	\$1.75m	\$0.5m ¹	July 2021	\$0.5m
Countrytell	FW/Fibre/ Data Centres	Regional NSW	SME/Government	33 Towers/Data Centres/CBD Fibre	\$4.2m	\$1.0m ¹	July 2021	\$1.0m
Voicehub	Voice	National	Wholesale	-	\$6.0m	\$1.5m ¹	November 2021	\$0.87m
iFibre	Fibre	SA	Wholesale	Metro Fibre	\$1.5m	\$0.15m ¹	February 2022	\$0.06m
Luminet	Fibre	NSW	Wholesale	Metro Fibre	\$8.0	\$0.8m ¹	April 2022	\$0.2m

Acquisition Highlight – Moose Mobile



✔ Moose Mobile is a Queensland based national mobile virtual network operator (MVNO)



✔ Moose provides over 95,000 mobile services on the Optus network to customers across Australia



✔ Cross-sell potential – 95,000 Moose customers for Swoop Fixed Wireless and nbn services, and 26,000 Swoop residential broadband customers for a Moose mobile services



✔ Strong cash generation with a very high proportion of EBITDA converting to cash

Completion anticipated
September 2022

Purchase price of \$24m
comprising \$19m in cash and
\$5m in Swoop shares

Strong Customer Growth of
24.3% over the last 12 months¹

Notes:

1. Mobile SIO growth over the 12 months to 31 July 2022

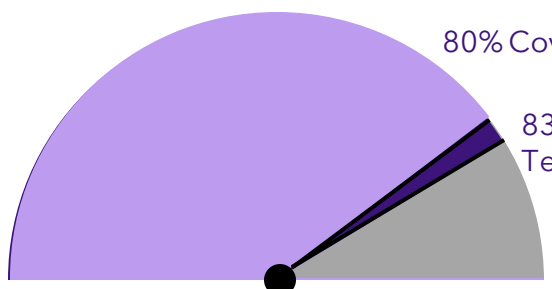


Strategy & Outlook

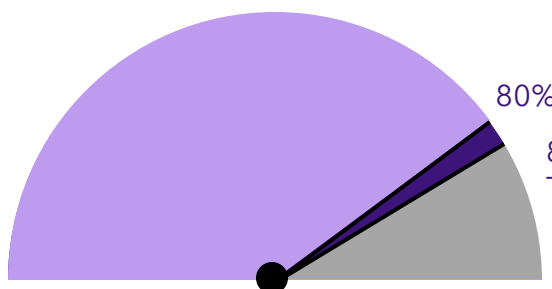


Growth through Infrastructure

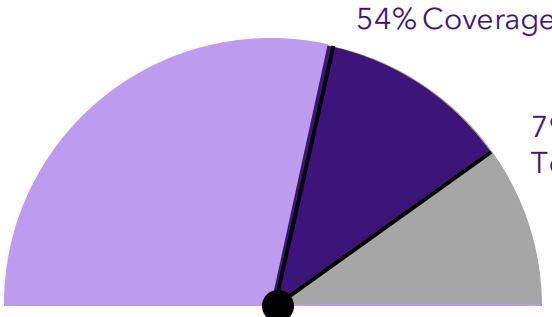
Massive opportunity to increase market share in areas already covered by Swoop infrastructure.



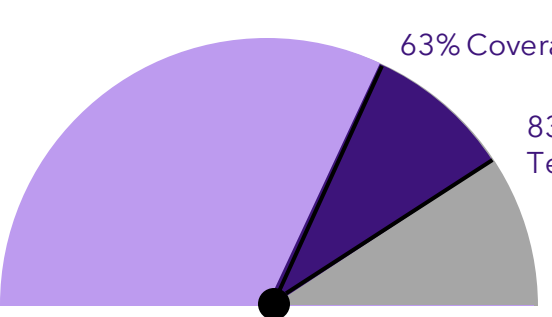
Metro Perth
930k Addressable Premises



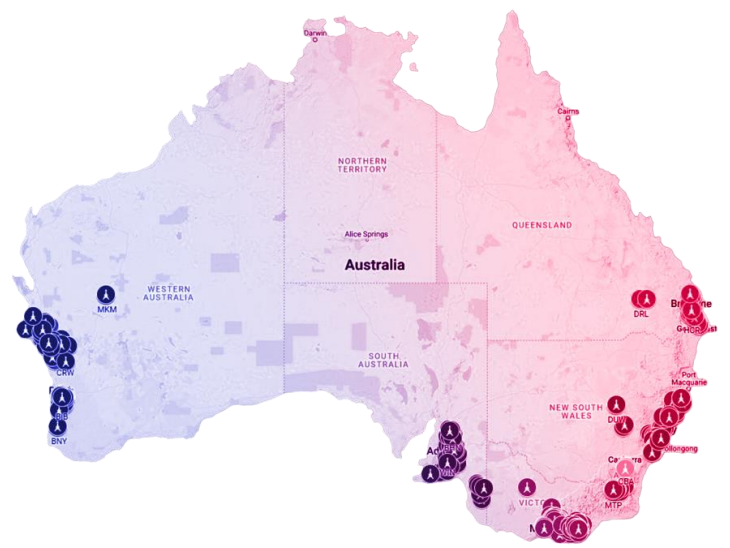
Geelong/Metro Melbourne
1,952k Addressable Premises



Newcastle/Central Coast
361k Addressable Premises



SE Queensland
1,476k Addressable Premises



Legend:
■ Legacy Technology
■ Within 5km of Swoop PoP



Focus on Customer Obsession



Build on our strong brand

Google

4.6



facebook

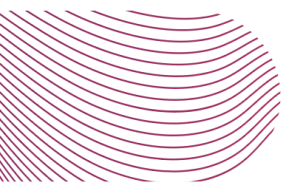
4.8



Continued focus on
reducing churn now 0.8%
in July
(down 0.4% YoY)



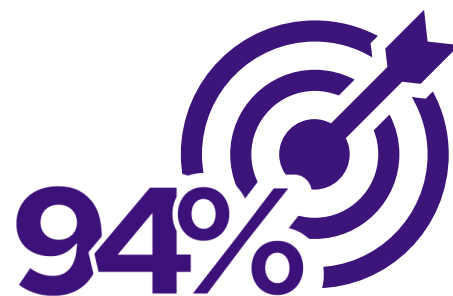
Grow number of Channel Partners
(13% growth in FY22)
now 260 active partners



Focus on Integration and Automation



Continue to build platforms and turn stuff off in FY23



Achieved 94% of targeted synergies from acquisitions in FY22



Additional 25% annualised synergies identified to be delivered in FY23



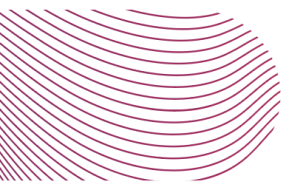
High Margin in Demand Products



5G Fixed Wireless being rollout in strategic locations VIC & WA providing greater speeds

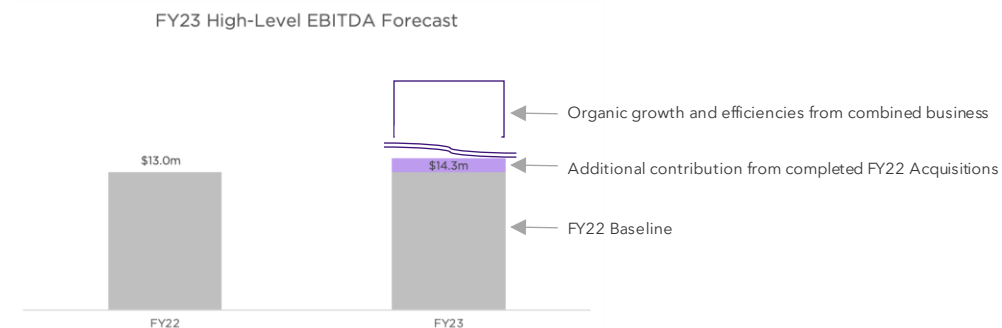
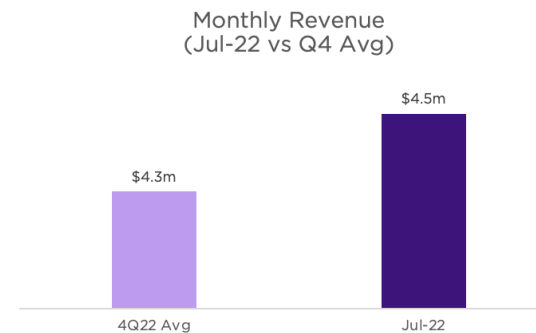


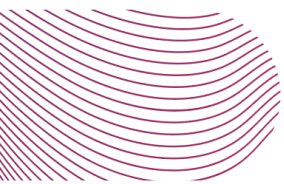
Expanding fibre based on customer demand in existing regions



FY23 Outlook

- Monthly Revenue (excluding one-off Projects) for July up 5% on Q4FY22 average (from \$4.3m to \$4.5m)
- Qtr on Qtr improvement in Free Cash Flow¹. Targeting FCF neutral to positive in FY23
- Strong YoY Increase in Operating Cashflow to continue into FY23
- FY23 includes additional contribution from acquisitions completed and announced in FY22; as well as continued growth and efficiencies from combined businesses.





Summary



Expanding organic revenue growth



Acquisitions integrating well and growing better under Swoop



Strong acquisition pipeline across our key growth areas



High Margin Products



Scale & Acquisition synergies delivered in FY22 and future benefits into FY23



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



Appendix



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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 Australia Accounting Standards and IFRS and not as a replacement for them.

The logo for Swoop, featuring the word "swoop" in a bold, white, lowercase sans-serif font. The letters are slightly slanted to the right. The background is a gradient of purple and pink with a pattern of thin, white, wavy lines that create a sense of motion and depth.

swoop

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