



ASX ANNOUNCEMENT

28 February 2023

FY23 Half Year Results – Swoop Records Revenue Growth of 55% and Underlying EBITDA Growth of 38%

1H FY23 Highlights include:

- Revenue of \$37.0M up 55% half year-on-half year.
- Gross Margin of \$15.7M up 15% half year-on-half year.
- Underlying EBITDA¹ of \$7.3M, up 38% on half year-on-half year.
- 155% growth in Net Operating Cash Flow from 1H22, and continuing to target FCF neutral position exiting FY23.
- A 279% half year-on-half year increase in subscriber numbers to 142,441.
- Completed the acquisition of Moose Mobile in November 2022, adding a strong growth engine and FCF generator to the business.
- Remaining Westpac financing facilities of \$13M combined with our strong cash position of \$21M provides significant firepower.
- Commenced an on-market share buy back in August 2022 of up to 10% of the company's share capital, purchasing 5.4%, this was in order to maximise our allocation of capital by investing in our own high-quality business.

After a successful first full year on the ASX in FY2022, the company continued this half to integrate and grow the seven materially accretive acquisitions it had completed; being Speedweb, Countrytell, Voicehub, Luminet, iFibre, Beam Internet and Community Communications, delivering significant synergies and organic growth opportunities in high margin products.

For 1H FY23, the business reported revenue growth from 1H FY22 of 55% to \$37.0M and corresponding underlying EBITDA growth of 38% to \$7.3M.

In November 2022 the company completed the acquisition of Queensland-based national mobile virtual network operator Moose Mobile for \$24M. At the time of the transaction announcement Moose provided over 94,000 mobile services, on the Optus network to customers across Australia, which has now grown to over 100,000 services at the end of the half. This coupled with amazing cross-sell potential and strong cash generation, makes it a significant growth opportunity for Swoop.

The company drew down on the secured \$32.1M in Westpac financing facilities, with \$12M remaining to fund further growth and expansion. The company closed the year with a strong cash position of \$20.9M.

Throughout the half the company commenced an on-market share buyback of up to 10% of the company's share capital, purchasing 5.4% during the half. The purpose of which is to capitalise on the recent movement in Swoop's share price and to use this outstanding opportunity to make a highly accretive investment in the Swoop business.

Notes:

1. Underlying EBITDA excludes non-cash (share-based payment expenses) and other one-off items (acquisition and integration costs, corporate restructuring costs, one-off legal costs) that are not considered to be reflective of underlying earnings.

Commenting on the results, Swoop Chief Executive Officer Alex West said “We have had a fantastic start to the year continuing to integrate our previous acquisitions and extract further synergies from the combined business.

Our continued growth in revenues, both via acquisition and strong organic growth, shows the high demand for reliable, locally supported internet services in a post pandemic hybrid working environment, that remains resistant to pressures from increases in the cost of living.

The acquisition of Moose in the half contributed well to the overall performance of the business, and we are excited by the ability to cross-sell mobile products into our customer base as well as the opportunity to sell our great internet products to Moose’s customers.

We will continue our strong focus on managing costs and cashflow as we increasingly see acquisition synergies flow through to the bottom line, as we target a free cash flow neutral position as we exit the financial year. We have a strong cash balance of \$20.9M and a further \$13M remaining in our Westpac financing facilities, putting us in a strong position to continue to fund growth and capitalise on opportunities as they arise.

Along with the Board, the Executive and the entire Swoop team are looking forward to continued success in the remainder of FY23 and beyond.”

<ENDS>

FY23 Half Year Results Investor Briefing

CEO, Alex West and CFO, Patricia Jones, will host an investor call starting at 10.00 a.m. (AEST) on 28 February 2023. The call details are as follows:

Teleconference Conference ID: 60165

Participant numbers: Participants must pre-register for the call at the link below. They will then receive a calendar invite and a unique code which is to be quoted when dialling into the call.

Pre-registration Link: <https://registrations.events/direct/OCP60165>

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

For further information, please contact:

Louise Bolger, Company Secretary
Email: investorrelations@swoop.com.au
Phone: 0438 441 594

About Swoop

Swoop is a national provider of data and voice services to wholesale, 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.

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.