



ASX ANNOUNCEMENT

11 June 2024

Swoop to Divest its Wholesale Voice Business for \$9m

Transaction Highlights include:

- Swoop has entered into an agreement to divest its wholesale voice business to Pivotel.
- The purchase price is \$9 million in an all-cash transaction, and represents a 5.2 and 4.5 times multiple of the business units' FY23 and FY24 normalised EBITDA.
- The Voicehub business was originally acquired by Swoop in October 2021 for a purchase price of \$6m (comprised of \$4m cash and \$2m Swoop Shares).
- The divestment proceeds will provide balance sheet flexibility as well as funding growth across Swoop's core residential, SMB, data and voice businesses.
- As part of the transaction, Swoop has entered into a 5-year contract with Pivotel to maintain its wholesale rates and cost structure.
- The parties are targeting completion on 1 July, 2024.

Following a strategic review of its ongoing operations, Swoop has made the decision to divest its wholesale focused voice call termination business to Pivotel Group Pty Ltd (Pivotel).

Swoop has entered into a binding sale agreement to divest the entire issued share capital of Voicehub Group Pty Ltd and Harbortel Pty Ltd (the entities that own and operate Swoop's wholesale focused voice call termination business) to Pivotel for \$9m cash. The purchase price is comprised of \$8m payable on completion and \$1m to be held in escrow (and adjusted based on performance of the business for 9 months post completion).

The acquisition is subject to customary conditions precedent including obtaining consents to change of control and employees entering into new employment agreements on terms satisfactory to the Pivotel.

Commenting on the transaction, Swoop Chief Executive Officer Alex West said "As we close out FY24 we continue to see the core underlying residential and SMB focused business units deliver strong organic growth across our key products of FW Broadband, NBN, Mobile and Voice.

Whilst we have seen some growth since the original acquisition of Voicehub, we have made the decision to divest this business in order to focus on our key markets and customers.

The proceeds of this transaction will provide additional balance sheet flexibility as well as being used to fund growth in our residential infrastructure, mobile and NBN sales engine and provide a stronger operating cash position in the underlying business for FY25.

We are pleased this process has reached a successful outcome; and that our customers

and Voicehub staff will find a good home with the Pivotel team. This sets up the business well for FY25 and provides additional firepower for continued organic growth in the year ahead.”

<ENDS>

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

For further information, please contact:

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About Swoop

Swoop is a national provider of data 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.

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.