



## ASX ANNOUNCEMENT

30 July 2021

### Appendix 4C Quarterly Cash Flow Report and Quarterly Activities Report

Swoop Holdings Limited (**ASX: SWP**) (**Swoop** or the **Company**) is pleased to release its quarterly activities report and Appendix 4C for the three-month period ended 30 June 2021.

Stemify Limited (**Stemify**) completed the acquisition of Cirrus Communications Pty Limited (**Cirrus**) and N1 Telecommunications Pty Ltd (**Node1**) on 20 May 2021 prior to the Company's re-listing on ASX on 27 May 2021.

From an accounting perspective, under the prospectus, the acquisition was treated as a take-over by Cirrus of Stemify and Node1.

Accordingly, the quarterly cash flow report provided by Swoop incorporates the operations of Cirrus for the full period and only the pro-rata operations of the acquired businesses (e.g. Stemify, Node1 and Beam) for the period from their acquisition dates. As a result, (excluding one off government grants) the breakdown of the cashflow between the businesses in the attached Appendix 4C is as follows:

- **Receipts from Operations accounted for;**  
Cirrus for the full period to June 30<sup>th</sup> at 78%  
The acquired businesses for the pro-rata period at 22%
- **Net Cashflow from Operations accounted for;**  
Cirrus for the period to June 30<sup>th</sup> at 90%  
The acquired businesses for the pro-rata period at 10%
- **Cashflow from Investing activities accounted for;**  
Cirrus for the period to June 30<sup>th</sup> at 87%  
The acquired businesses for the pro-rata period at 13%

The majority of one-off costs and full year prepaid costs associated with the transactions including the restructuring, re-listing, capital raise and acquisitions has been included in the period covered by this quarterly 4C predominantly under administration and corporate costs.

#### Highlights

- The combined business performance is on track for a strong FY22 EBITDA result and a material increase on FY21
- Number of Services in Operation (SIO's) for Swoop as at 30 June 2021 is 27,078 which is a 6% increase on 31 December 2020
- Swoop continues to execute on its Regional roll out program in both Victoria and Western Australia which is reflected in the increased number of masts and towers deployed since 31 December 2020



- Swoop now has 280 towers and masts across the country which is an increase of 34 since 31 December 2020
- During June 2021, Swoop completed one acquisition being the assets of Community Communications Pty Ltd, a WA based fixed wireless operator with approximately 370 SIO's and 14 masts and towers. This business was acquired for \$0.33m with 50% of this consideration paid in June and the final instalment due in September 2021. This acquisition was not considered material
- Cash balance at 30 June was \$17.36m
- The Company has no bank debt and is in discussions for a debt facility to allow for further growth and expansion

### 1. Use of Funds

In accordance with ASX Listing Rule 4.7C2, Swoop provides the following (unaudited) update on its use of funds against amounts set out in the Prospectus:

Allocation of Funds	Estimated total per prospectus	Actual cash outflows incurred 21 May 2021 to 30 June 2021
Fixed wireless and core network expenditure and deployment across Sydney, Melbourne, key regional areas and Perth	\$8,500,000	\$1,550,000
Acquisition of complementary businesses	\$4,000,000	\$220,000
Completion payments on listing of Swoop	\$3,200,000	\$3,200,000
Marketing and Customer Acquisition	\$2,600,000	\$200,000
Implementation of enhanced operating systems	\$1,500,000	\$250,000
Customer Experience Platforms	\$1,600,000	\$60,000
Repayment of loan to NodeOne Vendors	\$720,000	\$720,000
Product Development	\$600,000	\$15,000
Expenses of the Offer and the Acquisitions	\$1,500,000	\$1,114,000
Working capital and general operating expenses	\$2,109,000	\$1,726,000
<b>Total</b>	<b>\$26,329,000</b>	<b>\$9,055,000</b>

### 2. Events subsequent to end of Quarter 4 FY2021

Since 30 June 2021, the Company has completed the following acquisitions:

- Acquisition of Kallistrate Pty Ltd (trading as Speedweb) for \$1.75m “cash free debt free” basis. Speedweb offers fast and affordable high speed Wireless Broadband on its own network of over 50 towers and masts and has more than 1,800 services in



operation. Its network covers the major towns of Morwell, Moe, Traralgon, Trafalgar, Churchill, Newborough and Walhalla. Effective date of this acquisition was 1 June 2021

- Acquisition of Wan Solutions Pty Ltd (trading as Beam Internet) for \$6.7m on a “cash free debt free” basis with effect from 1 June 2021. Beam Internet offers fast and affordable high speed Wireless Broadband on its own network of over 60 towers and masts and has more than 3,600 on-net residential and SME services in operation. The Beam network covers the Fleurieu Peninsula, Barossa, Kangaroo Island, Mid North, Murray Bridge and South East regions in South Australia, and also parts of the West Victoria and Mallee regions in regional Victoria.

Both these acquisitions provide opportunities for the Company to expand its operations into existing regions (Gippsland) and to a new region (South Australia). Both acquisitions are expected to be materially earnings accretive in FY2022.

### **3. Payments to related parties of Swoop and their associates**

The amounts included in item 6 in the Appendix 4C relate to the remuneration of Directors and their associates (\$60k), completion payments paid on listing of Swoop as described in the Company’s re-listing prospectus (\$3,200k) and software subscription costs for software provided by a company related to Matthew Hollis (\$3k).

Approved for release by the Board of Directors of Swoop Holdings Limited.

#### **END**

Louise Bolger, Company Secretary

Email: [investorrelations@swoop.com.au](mailto:investorrelations@swoop.com.au)

Phone: 0438 441 594

### **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.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity		
Swoop Holdings Limited		
ABN		Quarter ended ("current quarter")
20 009 256 535		30-Jun-21
<b>Consolidated statement of cash flows</b>		<b>Year to date (3 months - 1st April to 30 June)</b>
		<b>Current quarter</b>
		<b>\$A'000</b>
		<b>\$A'000</b>
<b>1</b>	<b>Cash flows from operating activities</b>	
1.1	Receipts from customers	6,204
1.2	Payments for	-
	(a) research and development	-
	(b) product manufacturing and operating costs	(4,133)
	(c) advertising and marketing	(200)
	(d) leased assets	(462)
	(e) staff costs	(2,389)
	(f) administration and corporate costs	(3,956)
1.3	Dividends received (see note 3)	-
1.4	Interest received	-
1.5	Interest and other costs of finance paid	(16)
1.6	Income taxes paid	(359)
1.7	Government grants and tax incentives	1,980
1.8	Other (provide details if material)	(144)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(3,475)</b>
<b>2</b>	<b>Cash flows from investing activities</b>	
2.1	Payments to acquire:	
	(a) entities	-
	(b) businesses	(239)
	(c) property, plant and equipment	(1,878)
	(d) investments	(1,032)
	(e) intellectual property	(14)
	(f) other non-current assets	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>months - 1st April to 30 June) \$A'000</b>
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3,163)</b>	<b>(3,163)</b>
<b>3</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	20,000	20,000
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(1,006)	(1,006)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(873)	(873)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>18,121</b>	<b>18,121</b>
<b>4</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	5,905	5,905
4.2	Net cash used in operating activities (item 1.9 above)	(3,475)	(3,475)
4.3	Net cash used in investing activities (item 2.6 above)	(3,163)	(3,163)
4.4	Net cash from financing activities (item 3.10 above)	18,121	18,121

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>months - 1st April to 30 June) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>17,390</b>	<b>17,390</b>
<b>Reconciliation of cash and cash equivalents</b>			
<b>5</b>	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	17,390	17,390
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>17,390</b>	<b>17,390</b>
<b>6</b>	<b>Payments to related parties of the entity and their associates</b>		<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1		(3,263)
6.2	Aggregate amount of payments to related parties and their associates included in item 2		-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>			

<b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<b>7</b>		
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 Unused financing facilities available at quarter end</b>		-
Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8 Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,475)
8.2 Cash and cash equivalents at quarter end (item 4.6)	17,390
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	17,390
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	5.00
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A
- 2 This statement gives a true and fair view of the matters disclosed.

Date:

Authorised by: .....  
 (Name of body or officer authorising release – see note 4)

**Notes**

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.