

Swoop Holdings Limited
(Formerly known as Stemify Limited)
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Swoop Holdings Limited
ABN:	20 009 256 535
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

2. Results for announcement to the market

Statutory Results

Revenues from ordinary activities	up	143.1%	to	22,419,905
Statutory EBITDA	down	467.6%	to	(8,758,323)
Loss from ordinary activities after tax attributable to the owners of Swoop Holdings Limited	down	192.3%	to	(14,927,322)
Loss for the year attributable to the owners of Swoop Holdings Limited	down	192.3%	to	(14,927,322)

Non-Statutory Results

Gross margin *	up	50.1%	to	9,575,049
Underlying EBITDA **	up	78.3%	to	2,154,528
Underlying NPAT ***	down	70.4%	to	(4,014,471)

Definitions of Non-Statutory Results

***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 those sales. The Gross Margin calculation for 2021 has been presented on a basis consistent with 2020.

****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-specific non-cash and significant items. The underlying EBITDA calculation for 2021 has been presented on a basis consistent with 2020.

*****Underlying NPAT** - represents NPAT adjusted for non-specific non-cash and significant items. The underlying NPAT calculation for 2021 has been presented on a basis consistent with 2020.

	2021	2020
	Cents	Cents
Basic earnings per share	(15.17)	(11.66)
Diluted earnings per share	(15.17)	(11.66)
Underlying diluted earnings per share ****	(4.08)	(5.38)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax amounted to \$14,927,322 (30 June 2020: loss of \$5,108,176).

******Underlying diluted earnings per share (EPS)** - is calculated by dividing the underlying NPAT by the weighted average number of fully diluted shares for the period.

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3. Non-Statutory results

Gross Margin (defined in Section 2)

	2021	2020
	\$	\$
Sales	22,419,905	9,224,313
Other income	655,167	24,210
Total revenue	23,075,072	9,248,523
Cost of sales	(13,500,023)	(2,869,209)
Gross margin	9,575,049	6,379,314

Underlying EBITDA (defined in Section 2)

	2021	2020
	\$	\$
Gross margin	9,575,049	6,379,314
Operating expenses		
Employee benefits expense	(2,842,356)	(1,999,514)
Marketing and advertising	(1,563,686)	(1,230,521)
General and administrative	(1,735,144)	(836,106)
Impairment of plant and equipment	-	(287,801)
Other expenses	(1,279,335)	(816,236)
Total operating expenses	(7,420,521)	(5,170,268)
Underlying EBITDA	2,154,528	1,209,046

Underlying Net Profit after Tax (NPAT) (defined in Section 2)

	2021	2020
	\$	\$
Net Profit after Tax	(14,927,322)	(5,108,176)
Share based payments expense	(3,330,386)	(2,703,779)
Corporate restructuring expenses	(3,008,401)	-
Acquisition costs	(4,574,064)	(48,360)
Total non-operating and other one-off expenses	(10,912,851)	(2,752,139)
Underlying NPAT	(4,014,471)	(2,356,037)

4. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>14.05</u>	<u>3.60</u>

5. Commentary on Preliminary Financial Results

FY2021 was a significant year for Swoop, with a listing on the ASX, a raising of \$20m via an oversubscribed public offer, undertaking three successful acquisitions and continuing to build a national fixed wireless network. These achievements have provided Swoop with a solid base for strong organic growth in the future. The business has invested significantly in our Executive and Management team in anticipation of continued growth, both organic and acquisitive.

As a result of reverse acquisition accounting rules, Swoop (Cirrus Communications) was deemed to have acquired two businesses (Node1 and Stemify) on May 20th ahead of listing on the ASX on May 27th. As a result, these Statutory accounts do not include any results for Node1 in FY20 and only ~5 weeks of revenue in FY21. Therefore, the numbers in this presentation do not represent an accurate picture of the combined business or an accurate comparison of the growth between FY20 and FY21 of the combined businesses (Node1 and Swoop) that listed on the ASX on May 27th.

The board of Swoop has detailed the pro-forma, like for like comparison of the businesses that relisted (Node1 and Swoop) in the FY21 Results Presentation (lodged with the ASX) and believes this provides a much more accurate picture of the business. A breakdown of the bridge between the Statutory 4E financial statements and the pro-forma results can be found on page 4 of the FY21 Investor Presentation.

6. Control gained over entities

Name of entities (or group of entities)	Cirrus Communications Pty Ltd (and controlled entities) Node One Telecommunications Pty Ltd (and controlled entities)
Date control gained	21 May 2021
Name of entities (or group of entities)	Wan Solutions Pty Ltd
Date control gained	1 June 2021

7. Loss of control over entities

Not applicable.

8. 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.

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9. Dividend reinvestment plans

Not applicable.

10. Details of associates and joint venture entities

Not applicable.

11. Foreign entities

Details of origin of accounting standards used in compiling the report:

MyStemKits, Inc. is a company incorporated in the USA and applied International Financial Reporting Standards (IFRS).

12. Audit qualification or review

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

The annual financial report is in the process of being audited by PKF. The annual report and financial statements are unlikely to be the subject of dispute or qualification.

13. Attachments

Details of attachments (if any):

The Preliminary Financial Report of Swoop Holdings Limited for the year ended 30 June 2021 is attached.

14. Signed



Signed _____

Date: 26 August 2021

James Spenceley
Chairman

Swoop Holdings Limited

(Formerly known as Stemify Limited)

ABN 20 009 256 535

Preliminary Final Report - 30 June 2021

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Swoop Holdings Limited
(Formerly known as Stemify Limited)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	Consolidated 2021 \$	2020 \$
Revenue			
Sales		22,419,905	9,224,313
Other income		655,167	24,210
Total revenue		23,075,072	9,248,523
Cost of sales		<u>(13,500,023)</u>	<u>(2,869,209)</u>
Gross margin		9,575,049	6,379,314
Operating expenses			
Employee benefit expense		(2,842,356)	(1,999,514)
Marketing and advertising		(1,563,686)	(1,230,521)
General and administrative		(1,735,144)	(836,106)
Impairment of plant and equipment		-	(287,801)
Other expenses		<u>(1,279,335)</u>	<u>(816,326)</u>
Total operating expenses		<u>(7,420,521)</u>	<u>(5,170,268)</u>
Underlying EBITDA		2,154,528	1,209,046
Non-operating and other one-off expenses			
Share based payments expense		(3,330,386)	(2,703,779)
Corporate restructuring expenses		(3,008,401)	-
Acquisition costs		<u>(4,574,064)</u>	<u>(48,360)</u>
Total non-operating and other one-off expenses		<u>(10,912,851)</u>	<u>(2,752,139)</u>
Statutory EBITDA		(8,758,323)	(1,543,093)
Depreciation and amortisation expense		(5,874,216)	(3,721,241)
Finance costs		<u>(294,783)</u>	<u>(304,379)</u>
Loss before income tax benefit		(14,927,322)	(5,568,713)
Income tax benefit		-	<u>460,537</u>
Loss after income tax benefit for the year attributable to the owners of Swoop Holdings Limited		(14,927,322)	(5,108,176)
Other comprehensive income for the year, net of tax		11,755	-
Total comprehensive income for the year attributable to the owners of Swoop Holdings Limited		<u>(14,915,567)</u>	<u>(5,108,176)</u>
		Cents	Cents
Basic earnings per share		(15.17)	(11.66)
Diluted earnings per share		(15.17)	(11.66)

Swoop Holdings Limited
(Formerly known as Stemify Limited)
Statement of financial position
As at 30 June 2021

	Note	Consolidated 2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents		17,497,867	2,626,799
Trade receivables		3,379,154	1,134,349
Inventories		1,697,835	151,450
Other assets		2,099,664	276,648
Total current assets		<u>24,674,520</u>	<u>4,189,246</u>
Non-current assets			
Property, plant and equipment		16,461,458	7,685,470
Right-of-use assets		6,295,939	5,485,903
Intangibles		25,853,541	6,202,707
Deferred tax		590,503	590,503
Other assets		1,025,269	-
Total non-current assets		<u>50,226,710</u>	<u>19,964,583</u>
Total assets		<u>74,901,230</u>	<u>24,153,829</u>
Liabilities			
Current liabilities			
Trade payables		5,735,342	1,620,719
Other payables		1,078,263	621,248
Consideration payable		5,525,216	-
Contract liabilities		2,825,429	-
Current tax liability		301,725	-
Lease liabilities		1,793,360	1,457,008
Employee benefits		985,038	576,751
Provisions		420,723	317,788
Other liabilities		70,266	188,569
Total current liabilities		<u>18,735,362</u>	<u>4,782,083</u>
Non-current liabilities			
Deferred consideration		1,300,000	-
Lease liabilities		5,741,060	4,484,239
Deferred tax		457,584	287,578
Employee benefits		226,640	97,688
Total non-current liabilities		<u>7,725,284</u>	<u>4,869,505</u>
Total liabilities		<u>26,460,646</u>	<u>9,651,588</u>
Net assets		<u>48,440,584</u>	<u>14,502,241</u>
Equity			
Issued capital		70,020,923	24,579,030
Reserves		5,026,497	2,703,779
Accumulated losses		<u>(26,606,836)</u>	<u>(12,780,568)</u>
Total equity		<u>48,440,584</u>	<u>14,502,241</u>

Swoop Holdings Limited
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Statement of changes in equity
For the year ended 30 June 2021

Consolidated	Issued capital \$	Redeemable preference shares \$	Foreign exchange translation reserve \$	Share-based payment reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	12,004,029	500,000	-	-	(7,672,391)	4,831,638
Loss after income tax benefit for the year	-	-	-	-	(5,108,176)	(5,108,176)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(5,108,176)	(5,108,176)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	5,425,000	6,650,000	-	-	-	12,075,000
Share-based payments	-	-	-	2,703,779	-	2,703,779
Balance at 30 June 2020	<u>17,429,029</u>	<u>7,150,000</u>	<u>-</u>	<u>2,703,779</u>	<u>(12,780,567)</u>	<u>14,502,241</u>

Consolidated	Issued capital \$	Redeemable preference shares \$	Foreign exchange translation reserve \$	Share-based payment reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	17,429,029	7,150,000	-	2,703,779	(12,780,567)	14,502,241
Loss after income tax expense for the year	-	-	-	-	(14,927,322)	(14,927,322)
Other comprehensive income for the year, net of tax	-	-	11,755	-	-	11,755
Total comprehensive income for the year	-	-	11,755	-	(14,927,322)	(14,915,567)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	39,941,894	5,500,000	-	(1,019,423)	1,101,053	45,523,524
Share-based payments	-	-	-	3,330,386	-	3,330,386
Balance at 30 June 2021	<u>57,370,923</u>	<u>12,650,000</u>	<u>11,755</u>	<u>5,014,742</u>	<u>(26,606,836)</u>	<u>48,440,584</u>

Swoop Holdings Limited
(Formerly known as Stemify Limited)
Statement of cash flows
For the year ended 30 June 2021

	Consolidated	
	2021	2020
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	23,309,121	10,565,168
Payments to suppliers (inclusive of GST)	<u>(24,253,489)</u>	<u>(8,665,636)</u>
	(944,368)	1,899,532
Interest received	31	208
Interest and other finance costs paid	(16,233)	(304,379)
Government grants received	1,980,000	-
Income taxes paid	(359,382)	(356,414)
Other	<u>(144,022)</u>	<u>-</u>
Net cash from operating activities	<u>516,026</u>	<u>1,238,947</u>
Cash flows from investing activities		
Payment for businesses	(239,432)	-
Proceeds of cash balances from purchase of subsidiary	690,010	-
Payment for purchase of subsidiary, net of cash acquired	0	(919,809)
Payments for property, plant and equipment	(6,873,160)	(3,432,782)
Proceeds from disposal of property, plant and equipment	0	14,784
Payments for investments	(1,054,859)	-
Payments for intangibles	(100,588)	-
Proceeds from disposal of intangibles	<u>0</u>	<u>(43,071)</u>
Net cash used in investing activities	<u>(7,578,029)</u>	<u>(4,380,878)</u>
Cash flows from financing activities		
Proceeds from issue of shares	25,499,999	6,650,000
Repayment of borrowings	(873,214)	(213,832)
Repayment of lease liabilities	(1,688,006)	(811,459)
Transaction costs related to issue of shares	<u>(1,005,708)</u>	<u>-</u>
Net cash from financing activities	<u>21,933,071</u>	<u>5,624,709</u>
Net increase in cash and cash equivalents	14,871,068	2,482,778
Cash and cash equivalents at the beginning of the financial year	<u>2,626,799</u>	<u>144,021</u>
Cash and cash equivalents at the end of the financial year	<u><u>17,497,867</u></u>	<u><u>2,626,799</u></u>