



## ASX ANNOUNCEMENT

6 October 2021

# Swoop to Acquire Newcastle-based Telco Countrytell

### Transaction highlights

- Swoop has entered into an agreement to acquire 100% of the shares of Newcastle-based connectivity provider Countrytell Holdings Pty Ltd (**Countrytell**).
- Countrytell operates:
  - a fixed wireless network comprising over 30 towers;
  - one of Newcastle's largest datacentres; and
  - a recently completed CBD dark fibre network.
- The Purchase price is \$4.2 million, comprising \$2.1 million in cash (plus a payment representing the net cash as at the effective date for the acquisition) and \$2.1 million in Swoop shares to be issued at the 30 day VWAP prior to Completion.
- The purchase price represents a 4.2 multiple of vendors' expected FY22 EBITDA for Countrytell.
- Under the agreement, \$630,000 of the cash consideration will be held back for 12 months for any potential claims and adjustments.
- The Swoop shares will be subject to 12 months escrow.
- The acquisition will be funded from existing cash reserves and is expected to complete by 31 October 2021.

Swoop Holdings Limited (**ASX: SWP**) (**Swoop**) is pleased to announce that its wholly owned subsidiary has agreed to acquire Countrytell Holdings Pty Ltd ACN 623 906 178, a regional connectivity provider based in Newcastle, New South Wales for \$4.2 million, payable as follows:

- \$1,470,000 payable in cash at Completion, (plus a payment representing the net cash and working capital as at the effective date for the acquisition);
- \$2,100,000 to be satisfied by the issue of fully paid ordinary shares of Swoop at Completion at the 30 day VWAP of the Swoop Shares prior to Completion (Consideration Shares); and
- \$630,000 to be paid 12 months after Completion (subject to any amounts withheld from this sum to pay for claims or adjustments under the agreement).

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

The Consideration Shares will be issued from Swoop's existing placement capacity under Listing Rule 7.1. and will be escrowed for a period of 12 months from Completion. The acquisition is expected to complete by 31 October 2021 with an effective date of 1 July 2021.



Countrytell is a telecommunications and data centre provider delivering high-speed internet through a mix of technologies, including fibre and fixed wireless. It has wireless network coverage in and around Newcastle, the Hunter, Mid-coast and Snowy Monaro regions in New South Wales. It also owns and operates data centre facilities in Newcastle and has a recently constructed fibre network in that city.

Swoop CEO, Alex West stated, "Acquiring Countrytell's network provides another opportunity for Swoop to further expand the coverage of our infrastructure footprint in regional Australia, as well as providing additional services via its data centre operations.

The company has invested significantly in upgrading its wireless, network infrastructure and transmission capacity; and gives us a strong springboard for continued growth in this market. We look forward to the opportunities this acquisition provides in establishing a Newcastle presence for the Swoop brand.

I am also excited to be working with this great team again, having previously collaborated when Vocus purchased Ipera from Newcastle entrepreneur Chris Deere, and eagerly welcome the Countrytell customers and staff to Swoop".

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 fixed wireless internet services to wholesale, business and residential customers. 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.