

Swoop Holdings Limited
Appendix 4D
Half-year report

1. Company details

| | |
|-------------------|--|
| Name of entity: | Swoop Holdings Limited |
| ABN: | 20 009 256 535 |
| Reporting period: | For the half-year ended 31 December 2021 |
| Previous period: | For the half-year ended 31 December 2020 |

2. Results for announcement to the market

Statutory Results

| | | | | |
|--|----|--------|----|-------------|
| Revenues from ordinary activities | up | 121.3% | to | 23,852,777 |
| Loss from ordinary activities after tax attributable to the owners of Swoop Holdings Limited | up | 11.2% | to | (2,861,835) |
| Loss for the year attributable to the owners of Swoop Holdings Limited | up | 11.2% | to | (2,861,835) |

Non-Statutory Results

| | | | | |
|----------------------|----|--------|----|-------------|
| Gross margin * | up | 133.2% | to | 13,624,782 |
| EBITDA | up | 193.5% | to | 3,778,981 |
| Underlying EBITDA ** | up | 273.3% | to | 5,285,324 |
| Underlying NPAT *** | up | 26.7% | to | (1,349,079) |

| | 2021 | 2020 |
|--|--------------|--------------|
| | Cents | Cents |
| Basic earnings per share | (1.57) | (2.72) |
| Diluted earnings per share | (1.57) | (2.72) |
| Underlying diluted earnings per share **** | (0.74) | (2.49) |

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

Comments

The loss for the consolidated entity after providing for income tax amounted to \$2,861,835 (31 December 2020: (\$2,571,682)).

3. Underlying results

Underlying results disclosed in section 2 above have been derived as follows:

*Gross Margin

| | 2021 \$ | 2020 \$ |
|---------------------|--------------------------|-------------------------|
| Operating revenue | <u>23,852,777</u> | <u>10,779,081</u> |
| Cost of sales | 23,852,777 | 10,779,081 |
| Cost of sales | <u>(10,227,995)</u> | <u>(4,936,490)</u> |
| Gross margin | <u>13,624,782</u> | <u>5,842,591</u> |

Gross margin is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents operating revenue, excluding other income; less the direct cost of deriving those sales. The Gross Margin calculation for 2021 has been presented on a basis consistent with 2020.

**Underlying Earnings before interest, tax, depreciation and amortisation (EBITDA)

| | 2021 \$ | 2020 \$ |
|---------------------------------|-------------------------|-------------------------|
| Gross margin | 13,624,782 | 5,842,591 |
| Operating expenses | | |
| Employee benefits expense | (5,940,525) | (2,936,971) |
| Marketing and advertising | (552,783) | (127,156) |
| General and administrative | (1,287,460) | (671,259) |
| Other expenses | <u>(558,688)</u> | <u>(691,022)</u> |
| Total operating expenses | <u>(8,339,456)</u> | <u>(4,426,408)</u> |
| Underlying EBITDA | <u>5,285,326</u> | <u>1,416,183</u> |

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 (share-based payment expense) and other one-off items (acquisition and integration costs). The underlying EBITDA calculation for 2021 has been presented on a basis consistent with 2020.

***Underlying Net Profit after Tax (NPAT)

| | 2021 \$ | 2020 \$ |
|---|---------------------------|---------------------------|
| Net Profit after Tax | (2,861,835) | (2,571,682) |
| Share based payments expense | (250,000) | (631,802) |
| Acquisition and integration costs | <u>(1,262,758)</u> | <u>(100,000)</u> |
| Total non-operating and other one-off expenses | <u>(1,512,758)</u> | <u>(731,802)</u> |
| Underlying NPAT | <u>(1,349,077)</u> | <u>(1,839,880)</u> |

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.

4. Net tangible assets

| | Reporting period Cents | Previous period Cents |
|---|------------------------------|-----------------------------|
| Net tangible assets per ordinary security | <u>27.44</u> | <u>12.45</u> |

5. Control gained over entities

| | |
|---|---|
| Name of entities (or group of entities) | Countrytell Holdings Pty Ltd (and controlled entities) Kallistrate Pty Ltd |
| Date control gained | 1 July 2021 |
| Name of entity | VoiceHub Pty Ltd (and controlled entities) |
| Date of control gained | 1 November 2021 |

6. 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.

7. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report.

8. Attachments

Details of attachments (if any):

The Interim Financial Report of Swoop Holdings Limited for the half-year ended 31 December 2021 is attached.

9. Signed



Signed _____

Date: 21 February 2022

James Spenceley
Chairman

Swoop Holdings Limited

ABN 20 009 256 535

Interim Report - 31 December 2021

Swoop Holdings Limited
Directors' report
31 December 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Swoop Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

The following persons were directors of Swoop Holdings Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

James Spenceley
Anthony Grist
Jonathan Pearce
Matthew Hollis
William (Paul) Reid

Principal activities

During the financial half year the principal continuing activities of Swoop Holdings Limited included:

- fixed wireless access as well as wholesale transit services to other ISPs and Telcos;
- internet and telecommunication services to small and medium sized enterprises;
- fixed wireless broadband services to residential customer; and
- services over the NBN fixed line and fixed wireless networks to customers who cannot connect to the company's fixed wireless network.

During the financial half-year the Company continued its process of seeking other business targets.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Financial and operating performance

Revenue for the reporting period was \$23.9 million (2020: \$10.8 million). The loss of the Group for the period after providing for income tax amounted to \$2.9 million (2020: \$2.5 million loss). The underlying EBITDA of the Group for the period was \$5.3 million (2020: \$1.4m pro forma and underlying) after adjusting for one off acquisition and integration costs and share based payments expense.

Operating expenses for the financial year were \$20.1 million (31 December 2020: \$10.1 million). The major items included cost of sales \$10.2m, employee benefit expenses of \$5.9 million and acquisition and integration costs of \$1.2 million.

The consolidated financial results for Swoop Holdings Ltd comprise the following:

- Cirrus Communications Pty Ltd (including Anycast and Bosley) for the 6 months ending 31 December 2021
- NodeOne Telecommunications Pty Ltd for the 6 months ending 31 December 2021
- Wan Solutions Pty Ltd (trading as Beam Internet) for the 6 months ending 31 December 2021
- Kallistrate Pty Ltd (trading as Speedweb) from acquisition completion (1 July 2021) to 31 December 2021
- Countrytell Holdings Pty Ltd from effective acquisition date (1 July 2021) to 31 December 2021
- VoiceHub Pty Ltd from acquisition completion (1 November 2021) to 31 December 2021
- Comparative data reflects the audited financial statements of Cirrus Communications Pty Ltd (and controlled entities) for the six months ended 31 December 2020. The comparative data is for Cirrus due to the reverse acquisition of Swoop Holdings Ltd (Stemify Ltd) by Cirrus Communications Pty Ltd in May 2021 and is deemed to be the accounting parent entity due to the level of shareholding acquired under the Acquisition agreements.

The Company is predominately a fixed wireless and wholesale network infrastructure carrier with a high performance national and international network that is an alternative provider to the large carriers for delivering services in Australia. Swoop has operations around Australia including:

- providing Internet services over its own fixed wireless network across its national footprint under Swoop Wholesale and Swoop Business, with residential services in key regional towns under Swoop Broadband, NodeOne, and Beam; and
- providing wholesale transit and other services to smaller ISPs across its national and international POP locations, through Swoop Wholesale and NodeOne Wholesale.

Swoop Holdings Limited
Directors' report
31 December 2021

Swoop also provides services over the NBN fixed line and fixed wireless networks nationally to residential and SME customers who cannot connect to the Swoop fixed wireless network.

The Company's key strategies are to:

- continue to grow its residential and wholesale fixed wireless infrastructure by expanding the fixed wireless footprint into new areas;
- concentrate its sales and marketing efforts to grow customers organically by focusing on digital acquisition of customers;
- expand its strong wholesale offering into new products that address the needs of other market segments such as business and residential; expand into new geographic areas to increase the reach of its fixed wireless infrastructure;
- continue to innovate and deliver superior customer service to minimise customer churn and increase the recurring revenue base; develop new business systems and software; and
- seek to participate in ongoing industry consolidation as opportunities arise.

Swoop continues to consider a range of potential acquisition targets which may assist in achieving its growth objectives. Areas of consideration in assessing potential acquisitions include:

- expanding the Group's products to complementary offerings to its customers such as Voice and Security;
- expand the Group's products and skills into technologies that allow for fast customer acquisition, such as NBN Resell;
- infrastructure companies that operate in targeted regional locations to accelerate go to market and provide early entry;
- acquiring customers in the Group's target markets, with a focus on small to medium business Telco's, to improve the Group's capabilities and reach; and
- expand the Group's infrastructure reach as well as technology mix, focusing on fibre to pair with the Group's existing fixed wireless footprint to reduce backhaul costs whilst increasing speed.

Operational highlights for the half year include:

- Number of Services in Operation (SIO's) for Swoop as at 31 December 2021 is 37,538 which is a 22% increase on end of FY21
- 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 the end of FY21
- Swoop now has 477 towers and masts across the country
- Cash balance at 31 December was \$44.55m
- The Company is in final negotiations for a debt facility to allow for further growth and expansion.

Operating results

The statutory loss for the 6 months to 31 December 2021 for the consolidated entity after providing for income tax amounted to \$2.9m (31 December 2020: Loss of \$2.6m). The statutory loss includes significant once-off items including costs incurred for the following:

- The acquisitions of Speedweb, Countrytell and VoiceHub with associated acquisition and integration costs of \$1.2 million
- Granting of non-cash share based expenses relating to performance rights issued during the 6 months to staff of Swoop resulting in a cost for the period of \$250,000

Financial position

The consolidated entity is in a net asset position of \$97.0m as at 31 December 2021 (30 June 2021: \$49.5m).

Working capital, being current assets less current liabilities, was in surplus of \$32.7m as at 31 December 2021 (30 June 2021: surplus of \$4.7m). The consolidated entity had cash flows from operating activities for the 6 months of \$2.9m (31 December 2020 positive cash flows from operations: \$3.1m). The cash and cash equivalents as at 31 December 2021 were \$44.55m (31 December 2020: \$7.0m).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 1 February 2022 the company completed an agreement to acquire the dark fibre network assets and customers of iFibre Pty Ltd. The purchase price for the acquisition was \$1.5 million payable in cash.

Swoop Holdings Limited
Directors' report
31 December 2021

On 17 February 2022 the company announced the acquisition of Luminet Pty Ltd, a Sydney based dark fibre network builder, owner and operator. The purchase price is \$8m payable in a mixture of cash and shares and the acquisition is expected to complete by 28 February 2022.

Refer to note 13 for details.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



James Spenceley
Chairman

21 February 2022

Swoop Holdings Limited

Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2021, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



PKF



PAUL PEARMAN
PARTNER

21 FEBRUARY 2022
SYDNEY, NSW

PKF (NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

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under Professional Standards Legislation

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For our office locations visit www.pkf.com.au

Swoop Holdings Limited

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31 December 2021

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Swoop Holdings Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

| | Note | Consolidated 31 Dec 2021 \$ | 31 Dec 2020 \$ |
|---|------|-----------------------------------|--------------------|
| Revenue | 3 | 23,852,777 | 10,779,081 |
| Other income | 4 | 6,415 | 603,186 |
| Expenses | | | |
| Cost of sales | | (10,227,995) | (4,936,490) |
| Marketing expenses | | (552,783) | (127,156) |
| General and administrative | | (1,287,460) | (671,259) |
| Employee benefit expense | | (5,940,525) | (2,936,971) |
| Depreciation and amortisation expense | | (6,376,921) | (3,649,948) |
| Share based payments | | (250,000) | (631,802) |
| Finance costs | | (347,828) | (209,301) |
| Acquisition and integration costs | | (1,262,758) | (100,000) |
| Other expenses | | (558,688) | (691,022) |
| Loss before income tax benefit | | (2,945,766) | (2,571,682) |
| Income tax benefit | | 83,931 | - |
| Loss after income tax benefit for the half-year attributable to the owners of Swoop Holdings Limited | | (2,861,835) | (2,571,682) |
| Other comprehensive income for the half-year, net of tax | | - | - |
| Total comprehensive income for the half-year attributable to the owners of Swoop Holdings Limited | | <u>(2,861,835)</u> | <u>(2,571,682)</u> |
| | | Cents | Cents |
| Basic earnings per share | | (1.57) | (2.72) |
| Diluted earnings per share | | (1.57) | (2.72) |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Swoop Holdings Limited
Statement of financial position
As at 31 December 2021

| | Note | Consolidated 31 Dec 2021 \$ | 30 June 2021 \$ |
|--------------------------------------|------|-----------------------------------|---------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 44,547,993 | 17,497,867 |
| Trade receivables | | 3,587,522 | 3,348,547 |
| Inventories | | 1,678,000 | 1,697,835 |
| Other | | 1,441,206 | 2,039,012 |
| Total current assets | | <u>51,254,721</u> | <u>24,583,261</u> |
| Non-current assets | | | |
| Financial assets at fair value | | 1,231,295 | 1,025,269 |
| Property, plant and equipment | 5 | 21,684,101 | 17,103,153 |
| Right-of-use assets | 6 | 8,673,354 | 6,712,788 |
| Intangibles | 7 | 43,193,775 | 28,729,307 |
| Deferred tax | | 1,322,397 | 1,440,413 |
| Other | | 577,749 | - |
| Total non-current assets | | <u>76,682,671</u> | <u>55,010,930</u> |
| Total assets | | <u>127,937,392</u> | <u>79,594,191</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade payables | | 7,376,285 | 7,078,635 |
| Other payables | | 250,296 | 716,881 |
| Contract liabilities | | 1,755,302 | 2,825,429 |
| Borrowings | | 48,554 | - |
| Lease liabilities | 6 | 2,565,598 | 2,567,918 |
| Income tax | | 484,515 | 191,413 |
| Provisions | | 1,161,058 | 976,030 |
| Consideration payable | 8 | 4,918,284 | 5,525,216 |
| Total current liabilities | | <u>18,559,892</u> | <u>19,881,522</u> |
| Non-current liabilities | | | |
| Borrowings | | 355,188 | - |
| Lease liabilities | 6 | 6,598,384 | 5,376,160 |
| Deferred tax | | 4,987,784 | 3,358,022 |
| Provisions | | 407,406 | 142,719 |
| Other | 8 | - | 1,300,000 |
| Total non-current liabilities | | <u>12,348,762</u> | <u>10,176,901</u> |
| Total liabilities | | <u>30,908,654</u> | <u>30,058,423</u> |
| Net assets | | <u>97,028,738</u> | <u>49,535,768</u> |
| Equity | | | |
| Issued capital | 9 | 119,678,634 | 70,020,924 |
| Reserves | | 5,276,497 | 5,026,497 |
| Accumulated losses | | <u>(27,926,393)</u> | <u>(25,511,653)</u> |
| Total equity | | <u>97,028,738</u> | <u>49,535,768</u> |

The above statement of financial position should be read in conjunction with the accompanying notes

Swoop Holdings Limited
Statement of changes in equity
For the half-year ended 31 December 2021

| Consolidated | Issued capital \$ | Preference shares \$ | Share-based payment reserve \$ | Foreign currency 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 half-year | - | - | - | - | (2,571,682) | (2,571,682) |
| Other comprehensive income for the half-year, net of tax | - | - | - | - | - | - |
| Total comprehensive income for the half-year | - | - | - | - | (2,571,682) | (2,571,682) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | | |
| Issue of redeemable preference shares | - | 5,500,000 | - | - | - | 5,500,000 |
| Share based payments | - | - | 631,802 | - | - | 631,802 |
| Balance at 31 December 2020 | <u>17,429,029</u> | <u>12,650,000</u> | <u>3,335,581</u> | <u>-</u> | <u>(15,352,249)</u> | <u>18,062,361</u> |
| Consolidated | Issued capital \$ | Preference shares \$ | Share-based payments reserves \$ | Foreign currency reserve \$ | Accumulated losses \$ | Total equity \$ |
| Balance at 1 July 2021 | 70,020,924 | - | 5,014,742 | 11,755 | (25,064,558) | 49,982,863 |
| Loss after income tax benefit for the half-year | - | - | - | - | (2,861,835) | (2,861,835) |
| Other comprehensive income for the half-year, net of tax | - | - | - | - | - | - |
| Total comprehensive income for the half-year | - | - | - | - | (2,861,835) | (2,861,835) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | | |
| Contributions of equity, net of transaction costs (note 9) | 44,157,710 | - | - | - | - | 44,157,710 |
| Share-based payments (note 14) | - | - | 250,000 | - | - | 250,000 |
| Share options exercised during the period | 175,000 | - | - | - | - | 175,000 |
| Consideration shares issued during the period | 5,325,000 | - | - | - | - | 5,325,000 |
| Balance at 31 December 2021 | <u>119,678,634</u> | <u>-</u> | <u>5,264,742</u> | <u>11,755</u> | <u>(27,926,393)</u> | <u>97,028,738</u> |

The above statement of changes in equity should be read in conjunction with the accompanying notes

Swoop Holdings Limited
Statement of cash flows
For the half-year ended 31 December 2021

| | Note | Consolidated 31 Dec 2021 | 31 Dec 2020 |
|---|-------------|---|--------------------|
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 23,741,085 | 11,586,593 |
| Payments to suppliers and employees (inclusive of GST) | | (21,620,851) | (8,234,609) |
| Interest received | | 272 | 6,129 |
| Interest and other finance costs paid | | (57,222) | (274,253) |
| Government grants received | | 840,841 | - |
| | | <u>2,904,125</u> | <u>3,083,860</u> |
| Net cash from operating activities | | | |
| Cash flows from investing activities | | | |
| Payment for purchase of business | 12 | (272,524) | - |
| Payment for purchase of subsidiary, net of cash acquired | 12 | (11,101,869) | - |
| Payments for property, plant and equipment | 5 | (8,201,427) | (3,416,847) |
| Payments for intangibles | 7 | (283,861) | - |
| Proceeds from disposal of property, plant and equipment | | 203,245 | - |
| | | <u>(19,656,436)</u> | <u>(3,416,847)</u> |
| Net cash used in investing activities | | | |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | | 45,989,160 | 5,500,000 |
| Proceeds from exercise of share options | | 175,000 | - |
| Share issue transaction costs | | (1,747,190) | - |
| Repayment of borrowings | | (643,744) | (642,790) |
| Repayment of lease liabilities | | - | (160,572) |
| | | <u>43,773,226</u> | <u>4,696,638</u> |
| Net cash from financing activities | | | |
| Net increase in cash and cash equivalents | | 27,020,915 | 4,363,651 |
| Cash and cash equivalents at the beginning of the financial half-year | | 17,497,867 | 2,626,799 |
| Effects of exchange rate changes on cash and cash equivalents | | 29,211 | - |
| | | <u>44,547,993</u> | <u>6,990,450</u> |
| Cash and cash equivalents at the end of the financial half-year | | | |

The above statement of cash flows should be read in conjunction with the accompanying notes

Swoop Holdings Limited
Notes to the financial statements
31 December 2021

Note 1. General information

The financial statements cover Swoop Holdings Limited as a consolidated entity consisting of Swoop Holdings Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Swoop Holdings Limited's functional and presentation currency.

Swoop Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5, 126 Phillip Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 21 February 2022.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The directors believe there will be sufficient funds for the consolidated entity to meet its obligations and liabilities for at least twelve months from the date of this half-year financial report.

Note 3. Revenue

| | Consolidated | |
|-----------------------------|---------------------|--------------------|
| | 31 Dec 2021 | 31 Dec 2020 |
| | \$ | \$ |
| Sale of Goods - Business | 3,346,195 | 1,285,216 |
| Sale of Goods - Residential | 10,681,007 | 3,733,137 |
| Sale of Goods - Wholesale | 8,508,325 | 5,760,728 |
| Government project grants | 1,317,250 | - |
| Revenue | <u>23,852,777</u> | <u>10,779,081</u> |

Swoop Holdings Limited
Notes to the financial statements
31 December 2021

Note 3. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

| | Business services | Residential services | Wholesale services | Government project grants | Total |
|--------------------------------------|-------------------|----------------------|--------------------|---------------------------|-------------------|
| Consolidated - 31 Dec 2021 | \$ | \$ | \$ | \$ | \$ |
| <i>Timing of revenue recognition</i> | | | | | |
| Goods transferred at a point in time | - | 178,300 | 83,692 | - | 261,992 |
| Services transferred over time | 3,346,195 | 10,502,707 | 8,424,633 | 1,317,250 | 23,590,785 |
| | <u>3,346,195</u> | <u>10,681,007</u> | <u>8,508,325</u> | <u>1,317,250</u> | <u>23,852,777</u> |

Note 4. Other income

| | Consolidated | |
|----------------|---------------------|--------------------|
| | 31 Dec 2021 | 31 Dec 2020 |
| | \$ | \$ |
| Other income | 6,361 | 597,057 |
| Finance income | 54 | 6,129 |
| Other income | <u>6,415</u> | <u>603,186</u> |

Note 5. Property, plant and equipment

| | Consolidated | |
|--------------------------------|---------------------|---------------------|
| | 31 Dec 2021 | 30 June 2021 |
| | \$ | \$ |
| Networks - at cost | 54,915,006 | 39,818,046 |
| Less: Accumulated depreciation | (35,929,617) | (25,769,897) |
| | <u>18,985,389</u> | <u>14,048,149</u> |
| Plant and equipment - at cost | 4,663,744 | 3,575,147 |
| Less: Accumulated depreciation | (2,277,628) | (1,710,250) |
| | <u>2,386,116</u> | <u>1,864,897</u> |
| Software - at cost | - | 2,213,648 |
| Less: Accumulated depreciation | - | (1,382,231) |
| | <u>-</u> | <u>831,417</u> |
| Motor vehicles - at cost | 838,841 | 742,777 |
| Less: Accumulated depreciation | (526,245) | (384,087) |
| | <u>312,596</u> | <u>358,690</u> |
| | <u>21,684,101</u> | <u>17,103,153</u> |

Swoop Holdings Limited
Notes to the financial statements
31 December 2021

Note 5. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

| Consolidated | Networks \$ | Plant & equipment \$ | Computer Software ¹ \$ | Motor vehicles \$ | Total \$ |
|---|-------------------|----------------------------|---|-------------------------|-------------------|
| Balance at 1 July 2021 | 14,048,149 | 1,864,897 | 831,417 | 358,690 | 17,103,153 |
| Additions | 5,792,706 | 809,070 | - | 4,977 | 6,606,753 |
| Additions through business combinations (note 12) | 2,060,174 | 79,657 | - | 28,537 | 2,168,368 |
| Reclassification to intangibles (refer note 7) | - | - | (831,417) | - | (831,417) |
| Depreciation expense | (2,915,640) | (367,508) | - | (79,608) | (3,362,756) |
| Balance at 31 December 2021 | <u>18,985,389</u> | <u>2,386,116</u> | <u>-</u> | <u>312,596</u> | <u>21,684,101</u> |

Note: Software has been reclassified from 30 June 2021 into intangibles as at 31 December 2021 for consistency in application of asset categorisation.

Note 6. Lease assets and liabilities

(a) Right-of-use assets

The carrying value of right-of-use assets is presented below:

| | Consolidated | |
|--------------------------------|---------------------|---------------------|
| | 31 Dec 2021 | 30 June 2021 |
| | \$ | \$ |
| Right-of-use asset - Premises | 1,539,364 | 554,109 |
| Less: Accumulated Depreciation | (377,992) | (309,901) |
| | <u>1,161,372</u> | <u>244,208</u> |
| Right-of-use asset - Networks | 10,776,391 | 9,108,175 |
| Less: Accumulated Depreciation | (3,264,409) | (2,639,595) |
| | <u>7,511,982</u> | <u>6,468,580</u> |
| | <u>8,673,354</u> | <u>6,712,788</u> |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

| Consolidated | Premises \$ | Network assets \$ | Total \$ |
|---|------------------|-------------------------|------------------|
| Balance at 1 July 2021 | 244,208 | 6,468,580 | 6,712,788 |
| Additions | 454,677 | 1,800,287 | 2,254,964 |
| Additions through business combinations (note 12) | 662,732 | 633,792 | 1,296,524 |
| Disposals | (20,686) | (272,429) | (293,115) |
| Depreciation expense | (179,559) | (1,118,248) | (1,297,807) |
| Balance at 31 December 2021 | <u>1,161,372</u> | <u>7,511,982</u> | <u>8,673,354</u> |

(b) Lease liabilities

The carrying value of lease liabilities is presented below:

Swoop Holdings Limited
Notes to the financial statements
31 December 2021

Note 6. Right-of-use assets (continued)

| | Consolidated | |
|---------------------------------|---------------------|---------------------|
| | 31 Dec 2021 | 30 June 2021 |
| | \$ | \$ |
| Lease liabilities - current | 2,565,598 | 2,567,918 |
| Lease liabilities - non-current | 6,598,384 | 5,376,160 |
| | <u>9,163,982</u> | <u>7,944,078</u> |

(c) Maturity profile of contractual undiscounted liability cashflows:

| | Consolidated | |
|---|---------------------|---------------------|
| | 31 Dec 2021 | 30 June 2021 |
| | \$ | \$ |
| - not later than one year | 2,358,949 | 2,273,322 |
| - later than one year but not later than five years | 6,684,421 | 6,023,549 |
| | <u>9,043,370</u> | <u>8,296,871</u> |

Note 7. Intangibles

| | Consolidated | |
|----------------------------------|---------------------|---------------------|
| | 31 Dec 2021 | 30 June 2021 |
| | \$ | \$ |
| Goodwill - at cost | 23,823,222 | 15,868,905 |
| Licences - at cost | 536,095 | 536,095 |
| Less: Accumulated amortisation | (177,936) | (123,886) |
| | <u>358,159</u> | <u>412,209</u> |
| Trademarks - at cost | 434,261 | 209,041 |
| Less: Accumulated amortisation | (39,312) | (10,983) |
| | <u>394,949</u> | <u>198,058</u> |
| Customer relationships - at cost | 17,670,497 | 11,748,097 |
| Less: Accumulated amortisation | (1,938,341) | (954,090) |
| | <u>15,732,156</u> | <u>10,794,007</u> |
| Software - at cost | 5,141,424 | 1,866,025 |
| Less: Accumulated amortisation | (2,577,700) | (598,899) |
| | <u>2,563,724</u> | <u>1,267,126</u> |
| Brands - at cost | 375,000 | 190,800 |
| Less: Accumulated amortisation | (53,435) | (1,798) |
| | <u>321,565</u> | <u>189,002</u> |
| | <u>43,193,775</u> | <u>28,729,307</u> |

Swoop Holdings Limited
Notes to the financial statements
31 December 2021

Note 7. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

| Consolidated | Goodwill \$ | Customer relationships \$ | Trademarks \$ | Software \$ | Licences \$ | Brands \$ | Total \$ |
|--|-------------------|---------------------------------|------------------|------------------|----------------|----------------|-------------------|
| Balance at 1 July 2021 | 15,868,905 | 10,794,007 | 198,058 | 1,267,126 | 412,209 | 189,002 | 28,729,307 |
| Additions | - | - | 225,220 | 1,063,272 | - | - | 1,288,492 |
| Additions through business combinations (note 12) | 8,169,036 | 5,922,400 | - | - | - | 184,200 | 14,275,636 |
| Adjustment of prior period reporting | (214,719) | - | - | - | - | - | (214,719) |
| Reclassification - from property, plant & equipment (refer note 5) | - | - | - | 831,417 | - | - | 831,417 |
| Amortisation expense | - | (984,251) | (28,329) | (598,091) | (54,050) | (51,637) | (1,716,358) |
| Balance at 31 December 2021 | <u>23,823,222</u> | <u>15,732,156</u> | <u>394,949</u> | <u>2,563,724</u> | <u>358,159</u> | <u>321,565</u> | <u>43,193,775</u> |

Impairment disclosures and testing of goodwill

The recoverable amount of goodwill has been determined based on a value in use calculation. These calculations use the present value using cash flows projections over a five-year period, based on a one-year budget approved by the Board followed by an extrapolation of expected cash flows using estimated terminal growth rates. The present value of the expected cash flows of each cash-generating unit is determined by applying a suitable discount rate.

Impairment charge for goodwill

As a result of the impairment testing and evaluation, the Group has determined that the carrying value of goodwill does not exceed their value-in-use, and no impairment charge is required.

Note 8. Consideration payable

| | Consolidated | |
|------------------------|---------------------|---------------------|
| | 31 Dec 2021 | 30 June 2021 |
| | \$ | \$ |
| Current | | |
| Consideration payable | 196,784 | 5,525,216 |
| Deferred consideration | 4,721,500 | - |
| | - | - |
| Non current | | |
| Deferred consideration | - | 1,300,000 |
| | <u>4,918,284</u> | <u>6,825,216</u> |

Swoop Holdings Limited
Notes to the financial statements
31 December 2021

Note 9. Issued capital

| | Consolidated | | | |
|------------------------------|---------------------|---------------------|--------------------|---------------------|
| | 31 Dec 2021 | 30 June 2021 | 31 Dec 2021 | 30 June 2021 |
| | Shares | Shares | \$ | \$ |
| Ordinary shares - fully paid | <u>197,993,435</u> | <u>169,594,300</u> | <u>119,678,634</u> | <u>70,020,924</u> |

Movements in share capital

| Details | Date | Shares | Issue price | \$ |
|---|------------------|--------------------|--------------------|--------------------|
| Balance | 1-Jul-21 | 169,594,300 | | 70,020,924 |
| Exercise of options | 24-Sep-21 | 304,348 | \$0.58 | 175,000 |
| Capital raise | 22-Oct-21 | 22,162,162 | \$1.85 | 41,000,000 |
| Capital raising costs | 22-Oct-21 | - | \$0.00 | (1,842,305) |
| Securities purchase plan | 11-Nov-21 | 2,702,711 | \$1.85 | 5,000,015 |
| Consideration shares issued - Speedweb | 1-Jul-21 | 557,917 | \$0.94 | 525,000 |
| Consideration shares issued - Beam | 22-Jul-21 | 718,686 | \$0.97 | 700,000 |
| Consideration shares issued - Countrytell | 1-Nov-21 | 1,000,476 | \$2.09 | 2,100,000 |
| Consideration shares issued - VoiceHub | 1-Nov-21 | <u>952,835</u> | <u>\$2.09</u> | <u>2,000,000</u> |
| Balance | 31 December 2021 | <u>197,993,435</u> | | <u>119,678,634</u> |

Note 10. Financial instruments

Fair value of financial instruments

The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the consolidated entity are as follows:

| Consolidated | 31 Dec 2021 | | 30 June 2021 | |
|---------------------------------------|--------------------------|-------------------|--------------------------|-------------------|
| | At amortised cost | Fair value | At amortised cost | Fair value |
| | \$ | \$ | \$ | \$ |
| <i>Financial Assets</i> | | | | |
| Cash and cash equivalents | 44,547,993 | 44,547,993 | 17,497,867 | 17,497,867 |
| Trade receivables | 3,587,522 | 3,587,522 | 3,348,547 | 3,348,547 |
| Other assets | 1,441,206 | 1,441,206 | 1,984,012 | 1,984,012 |
| Financial assets at fair value | - | 1,231,295 | - | 1,025,269 |
| | <u>49,576,721</u> | <u>50,808,016</u> | <u>22,830,426</u> | <u>23,855,695</u> |
| <i>Financial Liabilities</i> | | | | |
| Trade payables | 7,376,285 | 7,376,285 | 7,078,635 | 7,078,635 |
| Other payables | 250,296 | 250,296 | 716,881 | 716,881 |
| Deferred consideration (refer note 8) | 4,721,500 | 4,721,500 | 1,300,000 | 1,300,000 |
| Consideration payable (refer note 8) | 196,784 | 196,784 | 5,525,216 | 5,525,216 |
| | <u>12,544,865</u> | <u>12,544,865</u> | <u>14,620,732</u> | <u>14,620,732</u> |

Swoop Holdings Limited
Notes to the financial statements
31 December 2021

Note 11. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

| Consolidated - 31 Dec 2021 | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|--------------------------------------|------------------|------------------|---------------|------------------|
| <i>Assets</i> | | | | |
| Financial assets at fair value | 1,231,295 | - | - | 1,231,295 |
| Total assets | <u>1,231,295</u> | <u>-</u> | <u>-</u> | <u>1,231,295</u> |
| <i>Liabilities</i> | | | | |
| Deferred consideration at fair value | 2,297,500 | 2,424,000 | - | 4,721,500 |
| Total liabilities | <u>2,297,500</u> | <u>2,424,000</u> | <u>-</u> | <u>4,721,500</u> |

There were no transfers between levels during the financial half-year.

Valuation techniques for fair value measurements categorised within level 2

Unquoted deferred consideration has been valued using a discounted cash flow model.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Critical accounting judgements, estimates and assumptions - Deferred consideration

The deferred consideration liability is the difference between the total purchase consideration, usually on an acquisition of a business combination, and the amounts paid or settled up to the reporting date, discounted to net present value. The Group applies provisional accounting for any business combination unless otherwise stated. Any reassessment of the liability during the earlier of the finalisation of the provisional accounting or 12 months from acquisition-date is adjusted for retrospectively as part of the provisional accounting rules in accordance with AASB 3 'Business Combinations'. Thereafter, at each reporting date, the deferred consideration liability is reassessed against revised estimates and any increase or decrease in the net present value of the liability will result in a corresponding gain or loss to profit or loss. The increase in the liability resulting from the passage of time is recognised as a finance cost.

Swoop Holdings Limited
Notes to the financial statements
31 December 2021

Note 12. Business combinations (continued)

Note 12. Business combinations

Countrytell Holdings Pty Ltd

On 1 July 2021, Cirrus Communications Pty Ltd ("Swoop"), a subsidiary of Swoop Holdings Limited, acquired 100% of the ordinary shares of Countrytell Holdings Pty Ltd ("Countrytell"). The acquisition has been assessed to be a Business Combination under AASB 3 and the transaction was completed on 31 October 2021, however Swoop is deemed to have been in control of Countrytell from 1 July 2021.

Total consideration for the acquisition of 100% of the share capital of Countrytell was \$4,936,560. Countrytell was acquired as part of Swoop's infrastructure expansion into regional NSW, given Countrytell is a regional wireless internet provider with a focus on SME customers.

The goodwill of \$1,707,548 represents the expected synergies and organic growth from integrating this business with the broader Swoop business.

The acquired business contributed revenues of \$2,151,718 and profit before tax of \$286,384 to the consolidated entity for the period from 1 July to 31 December 2021.

Details of the acquisition are as follows:

| | Fair value |
|--|-------------------|
| | \$ |
| Cash and cash equivalents | 1,620,899 |
| Trade receivables | 287,754 |
| Prepayments | 53,428 |
| Other current assets | 2,199 |
| Plant and equipment | 1,730,347 |
| Right-of-use assets | 1,377,923 |
| Customer relationships | 765,000 |
| Brand | 71,000 |
| Other non-current assets | 42,934 |
| Trade payables | (704,587) |
| Contract liabilities | (52,000) |
| Deferred tax liability | (250,800) |
| Employee benefits | (83,997) |
| Lease make good provision | (168,096) |
| Hire purchase | (250,503) |
| Lease liability | (1,212,489) |
| Net assets acquired | 3,229,012 |
| Goodwill | 1,707,548 |
| Acquisition-date fair value of the total consideration transferred | <u>4,936,560</u> |
| Representing: | |
| Cash paid or payable to vendor | 2,206,560 |
| Swoop Holdings Limited shares issued to vendor | 2,100,000 |
| Contingent consideration | 630,000 |
| | <u>4,936,560</u> |
| Acquisition costs expensed to profit or loss | <u>174,706</u> |

Swoop Holdings Limited
Notes to the financial statements
31 December 2021

Note 12. Business combinations (continued)

Kallistrate Pty Ltd

On 1 July 2021, Cirrus Communications Pty Ltd ("Swoop"), a subsidiary of Swoop Holdings Limited, acquired 100% of the ordinary shares of Kallistrate Pty Ltd ("Speedweb"). The acquisition has been assessed to be a Business Combination under AASB 3 and the transaction was completed on 1 July 2021.

Total consideration for the acquisition of 100% of the share capital of Speedweb was \$1,606,525. Speedweb was acquired as part of Swoop's infrastructure expansion into regional Victoria, given Speedweb is a regional wireless internet provider.

The goodwill of \$648,304 represents the expected synergies and organic growth from integrating this business with the broader residential service line.

The acquired business contributed revenues of \$815,486 and profit before tax of \$236,370 to the consolidated entity for the period from 1 July 2021 to 31 December 2021 \$815,486.

Details of the acquisition are as follows:

| | Fair value |
|--|-------------------|
| | \$ |
| Cash and cash equivalents | 15,612 |
| Trade receivables | 124,888 |
| Inventories | 5,000 |
| Plant and equipment | 394,440 |
| Motor vehicles | 28,538 |
| Right-of-use assets | 65,586 |
| Customer relationships | 869,000 |
| Security deposits | 3,000 |
| Trade & other payables | (113,840) |
| Contract liabilities | (71,362) |
| Deferred tax liability | (260,700) |
| Employee benefits | (22,115) |
| Hire purchase | (10,447) |
| Lease liability | (69,379) |
| | <hr/> |
| Net assets acquired | 958,221 |
| Goodwill | 648,304 |
| | <hr/> |
| Acquisition-date fair value of the total consideration transferred | <u>1,606,525</u> |
| Representing: | |
| Cash paid or payable to vendor | 714,025 |
| Swoop Holdings Limited shares issued to vendor | 525,000 |
| Contingent consideration | 367,500 |
| | <hr/> |
| | <u>1,606,525</u> |
| Acquisition costs expensed to profit or loss | <u>245,158</u> |

Swoop Holdings Limited
Notes to the financial statements
31 December 2021

Note 12. Business combinations (continued)

VoiceHub Group Pty Ltd

On 1 November 2021, Cirrus Communications Pty Ltd ("Swoop"), a subsidiary of Swoop Holdings Limited, acquired 100% of the ordinary shares of VoiceHub Group Ltd and controlled entities ("VoiceHub"). The acquisition has been assessed to be a Business Combination under AASB 3 and the transaction was completed on 1 November 2021.

Total consideration for the acquisition of 100% of the share capital of VoiceHub \$9,938,343. VoiceHub was acquired as part of Swoop's infrastructure expansion into regional NSW and provides wholesale and business voice and unified communications services to customers across Australia.

The goodwill of \$4,782,405 represents the expected synergies from integrating this business with the broader Swoop business and wholesale service lines.

The acquired business contributed revenues of \$1,439,208 and profit after tax of \$290,776 to the consolidated entity for the period from 1 November to 31 December 2021.

Details of the acquisition are as follows:

| | Fair value |
|---|-------------------------|
| | \$ |
| Cash and cash equivalents | 2,096,383 |
| Trade receivables | 678,480 |
| Plant and equipment | 9,452 |
| Customer contracts & relationships | 4,288,400 |
| Brand | 113,200 |
| Security deposits | 120,000 |
| Trade & other payables | (445,008) |
| Provision for income tax | (228,618) |
| Deferred tax liability | (1,320,480) |
| Employee benefits | (34,695) |
| Other liabilities | (121,176) |
| | <hr/> |
| Net assets acquired | 5,155,938 |
| Goodwill | 4,782,405 |
| | <hr/> |
| Acquisition-date fair value of the total consideration transferred | <u><u>9,938,343</u></u> |
| Representing: | |
| Cash paid or payable to vendor | 5,514,343 |
| Swoop Holdings Limited shares issued to vendor | 2,000,000 |
| Contingent consideration - earn out on 1 July 2021 to 30 June 2022 EBITDA | 2,424,000 |
| | <hr/> |
| | <u><u>9,938,343</u></u> |
| | |
| Acquisition costs expensed to profit or loss | <u><u>390,920</u></u> |

Note 13. Events after the reporting period

On 1 February 2022 the company completed an agreement to acquire the dark fibre network assets and customers of iFibre Pty Ltd. The purchase price for the acquisition was \$1.5 million payable in cash.

On 17 February 2022 the company announced the acquisition of Luminet Pty Ltd, a Sydney based dark fibre network builder, owner and operator. The purchase price is \$8m payable in a mixture of cash and shares and the acquisition is expected to complete by 28 February 2022.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 14. Share-based payments

Performance rights

During the reporting period there was an issue of unlisted Performance Rights to selected members of staff of the company. The details are as follows:

- 990,000 unlisted performance rights granted on 30 November 2021. The rights vest upon the meeting of pre-determined performance criteria and have an expiry date 3 years from issue. These rights have been valued at a face value of \$1.80 per right, with a probability applied to achieving the performance hurdles over the rights period. This has given rise to a total share-based payment expense of \$250,000 as at 31 December 2021.

Swoop Holdings Limited
Directors' declaration
31 December 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



James Spenceley
Chairman

21 February 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SWOOP HOLDINGS LIMITED

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Swoop Holdings Limited and its controlled entities (the 'consolidated entity'), which comprises the condensed consolidated statement of financial position as at 31 December 2021, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Swoop Holdings Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021, and of its financial performance for the half year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors of the consolidated entity a written Auditor's Independence Declaration.

Directors' Responsibility for the Half Year Financial Report

The directors of the consolidated entity are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001. As the auditor of Ignite Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

PKF (NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

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Auditor's Responsibility (cont'd)

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF



PAUL PEARMAN
PARTNER

21 FEBRUARY 2022
SYDNEY, NSW