



## ASX ANNOUNCEMENT

29 April 2022

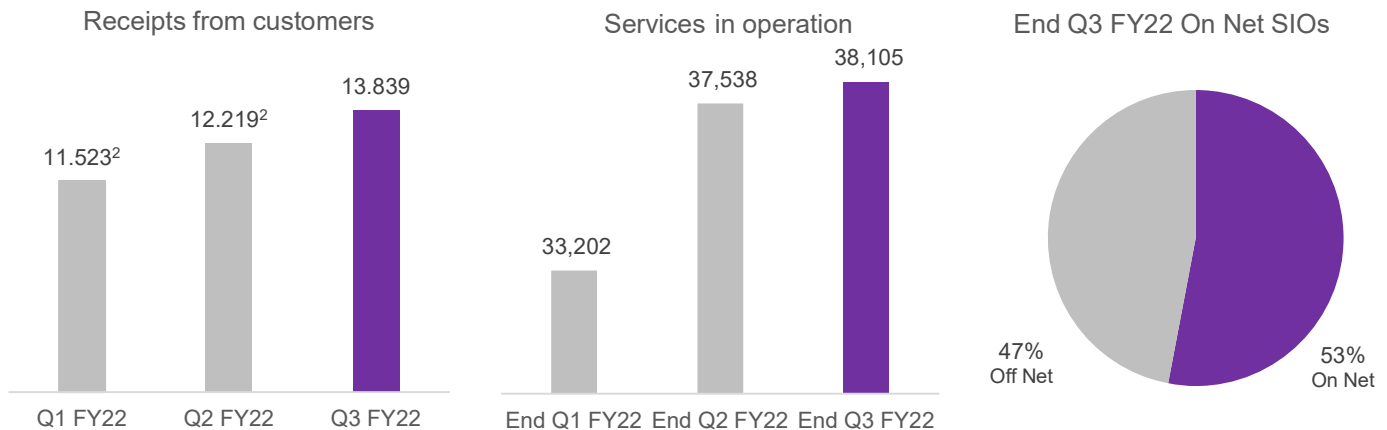
### Appendix 4C Quarterly Cash Flow Report and Quarterly Activities Report

Swoop Holdings Limited (**ASX: SWP**) is pleased to release its quarterly activities report and Appendix 4C for the three-month period ended 31 March 2022 (**Q3**).

The quarterly cash flow report provided by Swoop incorporates the operations of Swoop (and its subsidiaries) including the businesses acquired during the quarter: (iFibre for the 2-month period from February to March 2022).

#### Highlights of Q3 & Events Subsequent to the Quarter

- Q3 receipts of \$13.8m for the quarter which is up 13% from Q2 receipts of \$12.2m<sup>1</sup>.
- The majority of the \$1.6m increase in cash receipts is driven by organic growth.
- Positive operating cash flows of \$0.93m for the quarter, which is down from the previous quarter, largely due to the timing of expenses.
- Number of Services in Operation (SIO's) at the end of Q3 increased to 38,105 representing a 2% organic increase from Q2.
- The proportion of SIO's which are On Net at the end of Q3 is 53%, up from 52% at the end of Q2.
- Swoop now has 479 towers and masts across the country.
- Cash balance at 31 March was \$40.51m.
- Completed (post Q3) an additional acquisition of Sydney based dark fibre builder, owner and operator Luminet.
- The Company has concluded terms with Westpac for \$32m of funding facilities to facilitate further growth and expansion.



<sup>1</sup> The Appendix 4C for the three month period ended 31 December 2021 incorporated the operations of Countrytell for the 6 month period July to December 2021 (Countrytell was acquired in the quarter ended 31 December 2021 however the acquisition occurred with an effective date of 1 July 2021). To facilitate comparability in the commentary above the previous quarter amounts reported in that Appendix 4C (as released on 31 January 2022) have been adjusted in the commentary to exclude the relevant cash flows for the 3 month period July to September 2021.



<sup>2</sup> To facilitate comparability these amounts reported in the chart have been adjusted to allocate Countrytell receipts to the period in which they physically occurred. Refer Footnote 1.

## **Acquisition highlights**

### **Completed during Q3:**

**Completed** the acquisition of the dark fibre network assets and customers of iFibre Pty Ltd on 31 January 2022. The purchase price for the acquisition was \$1.5 million payable in cash and was funded from existing cash reserves.

The assets consist of 34km of fibre in the Adelaide CBD and outer metro areas, connecting key data centres and commercial buildings.

### **Completed post Q3:**

**Completed** an agreement to acquire Sydney based dark fibre provider Luminet on 1 April 2022. Luminet assets consist of 58km of dark fibre in the Sydney CBD and outer metro areas, connecting key data centres and Hyperscale facilities. The Purchase Price was \$8 million, comprising \$6.4 million in cash and \$1.6 million in Swoop shares issued at the 30-day VWAP prior to Completion. The cash component of the acquisition was funded from existing cash reserves – of that cash component \$820k will be held back for 12 months for any potential claims and adjustments.



## 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 of April 2021. The use of funds relates to the following entities in the Swoop Group: Swoop (comprising Anycast, Bosley and Cirrus), Node, Beam and Speedweb who formed part of the Group to which the original prospectus was intended to cover (note: cash outflows for the acquisition of CountryTell, VoiceHub and iFibre have been excluded as these were funded from the October/November 2021 capital raise; operating cash flows for these entities have consequently also been excluded):

| Allocation of Funds   | Estimated total per prospectus | Actual cash outflows incurred 21 May 2021 to 31 March 2022 |
|---|--------------------------------|--|
| Fixed wireless and core network expenditure and deployment across Sydney, Melbourne, key regional areas and Perth | \$8,500,000                    | \$11,300,000   |
| Acquisition of complementary businesses and associated costs  | \$4,000,000                    | \$6,590,000  |
| Completion payments on listing of Swoop   | \$3,200,000                    | \$3,200,000  |
| Marketing and Customer Acquisition  | \$2,600,000                    | \$1,520,000  |
| Implementation of enhanced operating systems  | \$1,500,000                    | \$670,000  |
| Customer Experience Platforms   | \$1,600,000                    | \$270,000  |
| Repayment of loan to NodeOne Vendors  | \$720,000                      | \$720,000  |
| Product Development   | \$600,000                      | \$22,000   |
| Expenses of the Offer and the Acquisitions  | \$1,500,000                    | \$1,334,000  |
| Working capital and general operating expenses  | \$2,109,000                    | \$703,000  |
| <b>Total</b>  | <b>\$26,329,000</b>            | <b>\$26,329,000</b>  |

### Use of Funds – explanations to actual cash outflows compared to amounts set out in prospectus

Swoop provides below explanations for material variances between prospectus estimate and actual cash outflows as reflected in the table above:

- Fixed wireless and core network expenditure costs are higher due to the construction of wireless infrastructure on Kangaroo Island, South Australia
- Acquisition of complementary businesses and associated costs are higher than originally forecast as opportunities to acquire similar businesses arose earlier than anticipated
- Funds allocated to implementation of enhanced operating systems are being spent over a longer timeframe
- Funds allocated to marketing and customer acquisition are less than originally forecast as the acquisition of complementary businesses have provided additional customers to the Group, without the need for additional customer acquisition costs



- Funds allocated to customer experience platforms are being spent over a longer time frame; in addition, existing customer experience platforms have been components of recent acquisitions and these platforms can be leveraged across the broader Group with minimal additional spend
- Funds for product development will be allocated into FY23.

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

The amounts included in item 6 in the Appendix 4C relate to the Directors Fees for the quarter (\$87k) and software subscription costs for software provided by a company related to Matthew Hollis (\$5k). This subscription cost is provided at commercial market rates.

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

### **ENDS**

Louise Bolger, Company Secretary

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

Phone: 0438 441 594

### **About Swoop**

Swoop is a national provider of data and voice services to wholesale, 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.

## Appendix 4C

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

|   |   |                                   |                     |
|---|---|-----------------------------------|---------------------|
| Name of entity                              |   |                                   |                     |
| <b>Swoop Holdings Limited</b>               |   |                                   |                     |
| ABN   |   | Quarter ended ("current quarter") |                     |
| 20 009 256 535                              |   | 31-Mar-22                         |                     |
| <b>Consolidated statement of cash flows</b> |   |                                   |                     |
|   |   | <b>Current quarter</b>            | <b>Year to date</b> |
|   |   | <b>\$A'000</b>                    | <b>(9 months)</b>   |
|   |   |                                   | <b>\$A'000</b>      |
| <b>1</b>                                    | <b>Cash flows from operating activities</b>           |                                   |                     |
| 1.1   | Receipts from customers                               | 13,839                            | 37,581              |
| 1.2   | Payments for  |                                   |                     |
|   | (a) research and development                          | -                                 | -                   |
|   | (b) product manufacturing and operating costs         | (7,871)                           | (20,248)            |
|   | (c) advertising and marketing                         | (318)                             | (1,065)             |
|   | (d) leased assets                                     | (726)                             | (2,122)             |
|   | (e) staff costs                                       | (3,334)                           | (8,995)             |
|   | (f) administration and corporate costs                | (649)                             | (2,072)             |
| 1.3   | Dividends received (see note 3)                       | -                                 | -                   |
| 1.4   | Interest received                                     | -                                 | -                   |
| 1.5   | Interest and other costs of finance paid              | (8)                               | (65)                |
| 1.6   | Income taxes received                                 | -                                 | (10)                |
| 1.7   | Government grants and tax incentives                  | -                                 | 841                 |
| 1.8   | Other (provide details if material)                   | -                                 | -                   |
| <b>1.9</b>                                  | <b>Net cash from / (used in) operating activities</b> | <b>933</b>                        | <b>3,845</b>        |

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

| <b>Consolidated statement of cash flows</b> |  | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(9 months)<br/>\$A'000</b> |
|---|--|------------------------------------|--|
| <b>2</b>                                    | <b>Cash flows from investing activities</b>                                  |                                    |  |
| 2.1   | Payments to acquire:   |                                    |  |
|   | (a) entities   | (638)                              | (13,350)                                       |
|   | (b) businesses   | (1,318)                            | (1,318)  |
|   | (c) property, plant and equipment  | (2,909)                            | (11,111)                                       |
|   | (d) investments  | (8)                                | (281)  |
|   | (e) intellectual property  | (91)                               | (375)  |
|   | (f) other non-current assets   | -                                  | -  |
| 2.2   | Proceeds from disposal of:   |                                    |  |
|   | (a) entities   | -                                  | -  |
|   | (b) businesses   | -                                  | 203  |
|   | (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>(4,964)</b>                     | <b>(26,232)</b>                                |
| <b>3</b>                                    | <b>Cash flows from financing activities</b>                                  |                                    |  |
| 3.1   | Proceeds from issues of shares   | -                                  | 45,989   |
| 3.2   | Proceeds from issue of convertible notes                                     | -                                  | -  |
| 3.3   | Proceeds from exercise of share options                                      | -                                  | 175  |
| 3.4   | Transaction costs related to issues of shares, convertible notes or options  | (25)                               | (1,772)  |
| 3.5   | Proceeds from borrowings   | -                                  | -  |
| 3.6   | Repayment of borrowings  | -                                  | (644)  |
| 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>(25)</b>                        | <b>43,748</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                             | 44,590                             | 19,160   |
| 4.2   | Net cash from in operating activities (item 1.9 above)                       | 933                                | 3,845  |
| 4.3   | Net cash used in investing activities (item 2.6 above)                       | (4,964)                            | (26,232)                                       |
| 4.4   | Net cash from financing activities (item 3.10 above)                         | (25)                               | 43,748   |
| 4.5   | Effect of movement in exchange rates on cash held                            | (27)                               | (14)   |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of period</b>                            | <b>40,507</b>                      | <b>40,507</b>                                  |

| <b>Consolidated statement of cash flows</b> |  | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|---|--|------------------------------------|-------------------------------------|
| <b>5</b>                                    | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows)<br>to the related items in the accounts |                                    |                                     |
| 5.1   | Bank balances  | 40,507                             | 44,589                              |
| 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>40,507</b>                      | <b>44,589</b>                       |

| <b>6</b>  |  | <b>Current quarter<br/>\$A'000</b> |
|---|--|------------------------------------|
|   | <b>Payments to related parties of the entity and their associates</b>                                |                                    |
| 6.1   | Aggregate amount of payments to related parties and their associates included in item 1              | (87)                               |
| 6.2   | Aggregate amount of payments to related parties and their associates included in item 2              | (5)                                |
| 6.3   | Include below any explanation necessary to understand the transaction included in items 6.1 and 6.2: | -                                  |
| 6.1 Payment of Directors' remuneration (\$87k) and payments to Director related entities (\$5k) |  |                                    |

| <b>7</b> |   | <b>Total facility<br/>amount at<br/>quarter end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|----------|---|---|--|
|          | <b>Financing facilities</b>   |   |  |
|          | <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>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)  | -   | -  |
| 7.4      | <b>Total financing facilities</b>   | -   | -  |
| 7.5      | <b>Unused financing facilities available at quarter end</b>   |   | -  |
| 7.6      | 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. |   |  |

| 8   | Estimated cash available for future operating activities   | \$A'000       |
|-----|--|---------------|
| 8.1 | Net cash from / (used in) operating activities (item 1.9)  | 3,845         |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6)  | 40,507        |
| 8.3 | Unused finance facilities available at quarter end (item 7.5)  | -             |
| 8.4 | Total available funding (item 8.2 + item 8.3)  | <b>40,507</b> |
| 8.5 | <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>  | N/A*          |
|     | * 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.          |               |
| 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?  |               |
|     | <div style="border: 1px solid black; height: 20px;"></div>   |               |
|     | 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? |               |
|     | <div style="border: 1px solid black; height: 20px;"></div>   |               |
|     | 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?  |               |
|     | <div style="border: 1px solid black; height: 20px;"></div>   |               |
|     | <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: 29-Apr-22

By the board

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.