



ASX ANNOUNCEMENT

15 August 2022

Earnings Update and On Market Share Buyback

Swoop Holdings Limited (ASX:SWP) (**Swoop**) seeks to further clarify information provided in its recent announcement on 29 July 2022 relating to the reclassification of previous cash flows.

On a like-for-like basis, before incorporating any adjustments resulting from a financial integration review (see below), Swoop expects to deliver an FY22 Underlying EBITDA of \$12.3m - \$12.4m, comfortably within previous guidance of between \$12.0m and \$12.5m (and materially above original FY22 guidance of \$10.0m) this represents a strong 151% - 153% increase on the FY21 Underlying EBITDA of \$4.9m¹. This increase reflects the partial contribution from 7 successful acquisitions during the financial year as well as strong organic growth in the underlying business.

With the change of Chief Financial Officer and coming into the audit period after 7 successful acquisitions during FY22, the business undertook a review of the accounting policies, accruals, and treatments of the acquired businesses with a view to bring them broadly in-line with the existing pre-listing policies of Swoop. Among the adjustments were:

- Integration costs which should have been capitalised;
- Bringing the acquired businesses in line with Swoop's existing (industry standard) employee capitalisation policy;
- Increase in accruals for one-off employee costs;
- Accruals for minor accounting corrections across the 7 acquired businesses; and
- Correction related to historical treatment of employee leave entitlements.

The net impact resulting from the reviewed items was a positive \$700,000 contribution to EBITDA. The Company therefore expects to report between \$13.0m and \$13.1m Underlying EBITDA, including the net adjustments resulting from the review.

Swoop also announces the launch of an on-market share buy-back of up to 14,532,529 fully paid ordinary shares, representing 10 per cent of the Company's issued share capital².

¹ Pro Forma pcip (prior comparative period), as defined in the Swoop FY21 Results Investor Presentation dated 26 August 2021, represents the FY21 statutory results adjusted for the results of Node 1 and subsidiaries as if owned for the full year ended 30 June 2021

² Ordinary fully paid securities which are not restricted.

Alex West, Chief Executive Officer of Swoop, stated “While we will continue to pursue further growth opportunities through both acquisition and organic strategies, the recent movement in Swoop’s share price represents an outstanding opportunity to maximise our allocation of capital by investing in our own high quality business. Following completion of the acquisition of Moose Mobile (targeting completion by 1 September) and while undertaking the on-market share buy-back, we intend to maintain sufficient cash and debt liquidity to take advantage of current identified and new growth opportunities in the future.”

The proposed buy-back start date is 29 August 2022 and the buy-back period will run for the duration of one year, until 29 August 2023. The timing and actual number of shares purchased under the buy-back, and other matters relating to the conduct of the buy-back, will depend on the prevailing share price, market conditions, forecast future capital requirements and any other considerations including any unforeseen circumstances.

Swoop reserves the right to vary, suspend or terminate the buy-back at any time and there is no guarantee that the Company will purchase any or all of the shares referred to above. An Appendix 3C will be lodged separate to this announcement.

This announcement has been authorised for release by the Board of Swoop Holdings Limited.

For further information, please contact:

Louise Bolger, Company Secretary
Email: 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.