



ASX ANNOUNCEMENT

27 April 2023

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 2023 (**Q3 FY23**).

The quarterly cash flow report incorporates the operations of Swoop (and its subsidiaries) for the 3-month period from 1 January 2023 to 31 March 2023.

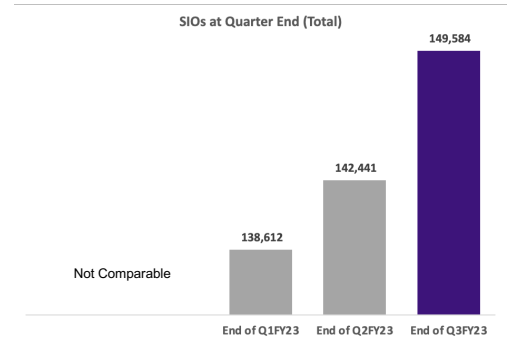
Swoop CEO Alex West comments *"We are very pleased to report what is our strongest free cash flow and organic SIO growth quarterly results since listing almost 2 years ago. Our efforts to automate and improve the business has not only resulted in lower operating costs but also delivered us record organic growth over the period. The business is in great shape, we are well capitalised and demonstrating strong organic growth and the ongoing consolidation of our systems is delivering real differences. Forward sales are at record levels meaning we are on track for neutral free cash flow exiting FY23 all while continuing to invest in the business for future growth."*

Highlights of Q3

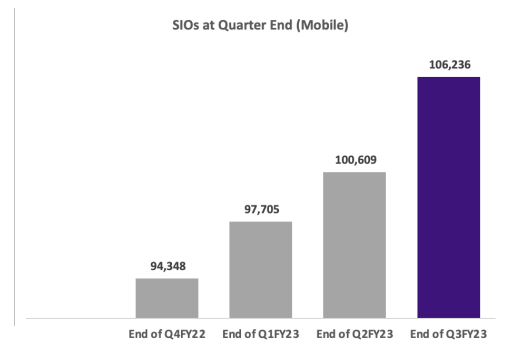
- Consistent QoQ growth in customer receipts (up 9.3% annualised from Q2) driven by accelerating organic growth.
- Companywide record sales and connections month for March (which will deliver an increase in customer receipts in Q4).
- Invested in exciting regional capex projects showing early signs of success.
- All acquired businesses performing better than at time of acquisition and are well progressed in terms of integration.
- Largest acquisition (Moose) providing strong free cash generation and performing ahead of expectations with SIOs increasing from 94,348 to 106,236 (up 13%) in the 9 months since announcing the acquisition in July 2022.
- Fixed Line and Fixed Wireless business had the best organic quarterly growth since listing.
- Streamlining of the business continues to improve operational performance while reducing overheads.
- Cash Balance of \$19.7m at the end of the Q3.

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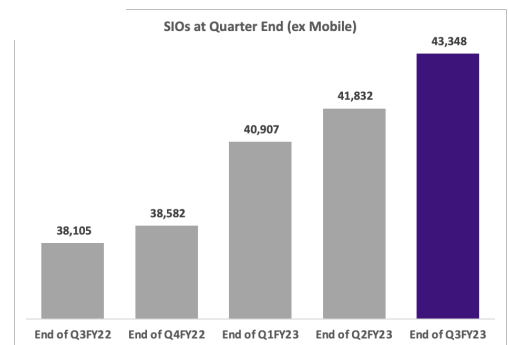
Total SIOs at the end of Q3 was 149,584 up +7,143 from 142,441 at the end of the previous quarter, representing 5.0% quarter on quarter organic growth.



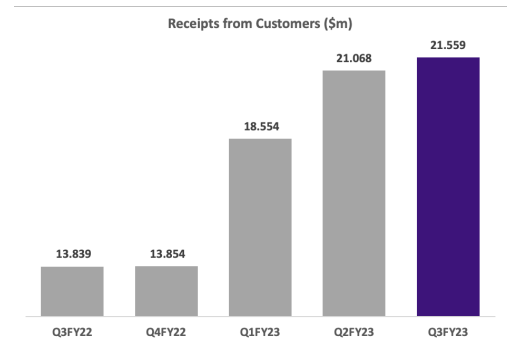
Mobile SIOs at the end of Q3 was 106,236 up +5,627 from 100,609 at the end of the previous quarter, representing 5.6% quarter on quarter organic growth.



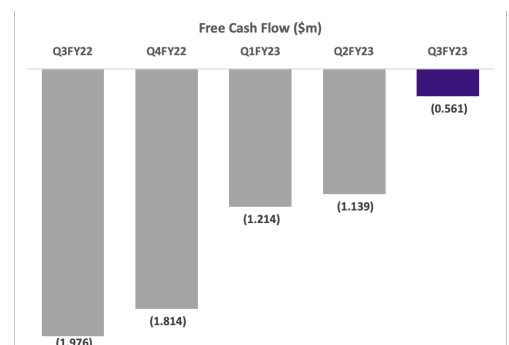
Non-Mobile SIO at the end of Q3 was 43,348 up +1,516 from 41,832 at the end of the previous quarter, representing 3.6% quarter on quarter organic growth.



Q3 Customer Receipts of \$21.6m for the quarter, an increase of \$0.5m from the previous quarter, with strong Q3 sales expected to deliver revenue growth in Q4. Previous FY23 quarterly increases reflect the timing of the Moose acquisition.



Free Cash Flow continues to show quarterly improvement, reducing from (\$1.1m) to (\$0.56m). Q3FY23 includes (\$123k) of one-off restructure costs. The company continues towards a neutral FCF position exiting FY23.



Acquisition and other highlights

There are no significant events to report.

Events subsequent to 31 March 2023

There are no significant events subsequent to 31 March 2023 to report.

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 (\$88k) and software subscription costs for software provided by a company related to Matthew Hollis (\$10k). This subscription cost is provided at commercial market rates.

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

ENDS

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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

Swoop Holdings Limited

ABN

20 009 256 535

Quarter ended ("current quarter")

31-Mar-23

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	21,559	61,181
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(13,759)	(36,329)
	(c) advertising and marketing	(685)	(1,916)
	(d) leased assets	(616)	(1,757)
	(e) staff costs	(3,113)	(9,040)
	(f) administration and corporate costs	(590)	(2,654)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	23
1.5	Interest and other costs of finance paid	(326)	(556)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	865
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	2,476	9,817

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities, net of cash acquired	(81)	(22,784)
	(b) businesses	-	(330)
	(c) property, plant and equipment	(3,285)	(13,053)
	(d) investments	-	(200)
	(e) intellectual property	(69)	(1,168)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	27
	(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)	-	-
2.6	Net cash from / (used in) investing activities	(3,435)	(37,508)
3	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Share buy-back, including transaction costs	-	(3,439)
3.5	Proceeds from borrowings	300	19,560
3.6	Repayment of borrowings	(597)	(786)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Provide details)	-	-
3.10	Net cash from / (used in) financing activities	(297)	15,335
4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	20,938	32,021
4.2	Net cash from in operating activities (item 1.9 above)	2,476	9,817
4.3	Net cash used in investing activities (item 2.6 above)	(3,435)	(37,508)
4.4	Net cash from financing activities (item 3.10 above)	(297)	15,335
4.5	Effect of movement in exchange rates on cash held	1	18
4.6	Cash and cash equivalents at end of period	19,683	19,683

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Consolidated statement of cash flows		Current quarter \$A'000	Previous quarter \$A'000
5	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	19,683	20,938
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	19,683	20,938

6		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	88
6.2	Aggregate amount of payments to related parties and their associates included in item 2	10
6.3	Include below any explanation necessary to understand the transaction included in items 6.1 and 6.2:	-
6.1 and 6.2 Payment of Directors' remuneration (\$88k) and payments to Director related entities (\$10k)		

Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	29,009	19,009
7.2	Credit standby arrangements	2,000	-
7.3	Other (Corporate Card Facility)	300	69
7.4	Total financing facilities	31,309	19,078
7.5	Unused financing facilities available at quarter end		12,231
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.		
The following facilities were made available by Westpac Banking Corporation under a Facility Agreement dated 9 June 2022 (and Amended and Restated on 31 October 2022):			
A \$30.0m term loan facility with an interest rate consisting of a Base Rate (BBSY) + Margin. The facilities were available to fund permitted acquisitions and capex programmes and, subject to certain drawdown restrictions, will be available for a 5 year term. For \$20m of the facility, any amount repaid is not available for redrawing (as at 31 March 2023 this part of the facility was fully drawn and continues to reduce as repayments are made). For \$10m of the facility, any amounts repaid are available for redrawing.			
A \$2.0m overdraft facility (maturity on demand) with an interest rate consisting of an Overdraft Base Rate (Market Linked Debit Rate) + Margin.			
A \$300,000 corporate card facility (maturity on demand).			
All facilities are secured. Margins are established at the time of drawdown of the applicable facilities.			

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8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	2,476
8.2	Cash and cash equivalents at quarter end (item 4.6)	19,683
8.3	Unused finance facilities available at quarter end (item 7.5)	12,231
8.4	Total available funding (item 8.2 + item 8.3)	31,914
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	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?	
	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?	
	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?	
	<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: 27-April-2023

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.

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