Swoop Holdings Limited

ABN 20 009 256 535

Annual Report - 30 June 2024

Swoop Holdings Limited
Corporate directory
30 June 2024

Directors	James Spenceley (Non-Executive Director) Anthony Grist (Non-Executive Director) Jonathan Pearce (Non-Executive Director) Matthew Hollis (Non-Executive Director) William Reid (Non-Executive Director)
Company secretary	Louise Bolger
Registered office	Level 5, 126 Phillip Street Sydney NSW 2000 Telephone: (02) 8072 1400
Share registry	Automic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000
Auditor	PKF (NS) Audit & Assurance Limited Partnership Level 8, 1 O'Connell Street Sydney NSW 2000
Solicitors	Maddocks Level 27, 123 Pitt Street Sydney New South Wales 2000
Stock exchange listing	Swoop Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: SWP)
Website	www.swoop.com.au

Swoop Holdings Limited
Directors' report
30 June 2024

Directors
The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'Swoop') 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 year ended 30 June 2024.

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

James Spenceley (Non-Executive Director)
Anthony Grist (Non-Executive Director)
Jonathan Pearce (Non-Executive Director)
Matthew Hollis (Non-Executive Director)
William (Paul) Reid (Non-Executive Director)

Principal activities
During the financial year the principal continuing activities of Swoop Holdings Limited included:
- fixed wireless broadband services to residential customers;
- the provision of residential mobile telephony for price-conscious customers;
- fixed wireless access as well as wholesale transit services to other ISPs and Telcos;
- internet and telecommunication services to small and medium sized enterprises;
- services over the NBN fixed line and fixed wireless networks to customers who cannot connect to the company's fixed wireless network; and
- fibre network management and construction.

Review of operations
The Group is a fixed wireless, fibre and wholesale network infrastructure carrier with a high performance national network that is an alternative provider to the large carriers for delivering services in Australia. With the FY23 acquisition and subsequent integration of Telco Pay Pty Ltd (Moose Mobile), a national MVNO on the Optus Network, Swoop is also now a significant provider of mobile services.

Swoop's purpose is connecting people and improving lives – we believe everyone deserves a better telco experience.

Swoop has operations around Australia and has the following diversified core products:

- providing internet services over its own fixed wireless network across its national footprint under the Swoop brand, with residential services in key regional towns;
- providing wholesale transit and other services to smaller ISPs across its national and international POP locations;
- providing residential mobile telephony for price-conscious customers;
- providing wholesale and business voice and unified communications services to customers across Australia; and
- operation of dark fibre networks in Australia to provide dedicated point-to-point dark fibre networks between data centres and private high density multi-fibre solutions for businesses.

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 Group's strategic focus is to:

- invest in infrastructure growth - continue to increase market share of fixed wireless infrastructure by expanding the fixed wireless footprint into areas already covered by Swoop infrastructure, continue to roll out co-build projects supporting regional growth and invest in new rural areas;
- invest in customer growth by building on our strong brand presence, increase customer acquisition via targeted marketing, continue focus on reducing churn in core products and provide great customer focused service;
- invest in systems and integration - focus on integration and automation by building and integrating platforms of existing and acquired businesses;
- continue to drive synergy realisation of recently acquired businesses and scale these businesses for further expansion and development;

Review of operations (continued)

- expand channel partners to realise cross-selling opportunities between products and services offerings across the Group's businesses;
- introduce new high margin and in demand products;
- leverage the experience, capability and extensive industry knowledge within the business to build the next large scale national telecommunications company;
- seek to expand the Group's products to complementary offerings to its customers such as fixed wireless, resale of NBN, fibre and voice;
- use our extensive experience in building fibre assets and industry relationships to deliver on our long-term strategy to deliver high margins from fibre products; and
- seek to participate in ongoing industry consolidation as opportunities arise.

Operational highlights for the financial year include:

- Revenue (discontinued and continuing operations) for the year ended 30 June 2024 of $88.9 million, up 14%.
- Total Services in Operation (SIO's) at the end of the year were 179,092. Mobile SIO's were 131,459, up 20,283 from 30 June 2023, representing 18% annual growth. Non-Mobile SIO's were 47,633 at the end of the year, up 6,575 from 30 June 2023, representing 16% annual growth.
- Operating cash flows (excluding net interest payments) was strong with $10.7 million delivered in FY24.
- Announcement of the divestment of our wholesale voice business in June 2024 for $9.0 million, with the transaction completing in July 2024.
- $17.3 million in available funding (including $11.8 million of cash and $5.4 million undrawn debt facilities) as at 30 June 2024. Together with the wholesale voice business divestment proceeds received in July 2024 we continue to have a significant runway for further investment in growth and strategic opportunities.

Investment for future performance

The Company has outlined its strategy and outlook it will pursue over the next 12-24 months. These are set out below:

- drive strong organic growth with low churn;
- focus on our teams building strong engagement and values;
- expanding customer brand in our regions;
- continuing to grow services on high margin infrastructure;
- continue our demonstrated performance of acquisitions integrating well and growing faster under Swoop; and
- continue to leverage experience and capabilities to build the next large scale national telecommunications company.

Dividends

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

Financial and operating performance

The consolidated financial results for Swoop Holdings Ltd comprise the results of all controlled entities for the full year to 30 June 2024.

FY24 has been another significant year for Swoop.

In its third full year of being listed on the ASX, the company continued to integrate and source organic growth from the previous eight acquisitions, with the most recent being Moose Mobile in FY23, delivering significant synergies and benefits from operating as a combined integrated entity.

Since the acquisition of Moose Mobile in November 2022, the company has continued to grow our national mobile virtual network operator presence. At the time of the transaction announcement, Moose provided just over 94,000 mobile services on the Optus network to customers across Australia. This has now grown to over 131,000 services at the end of the financial year. This coupled with significant cross-sell opportunities and strong cash generation from the revenue and cost synergies of the combined organisation, has demonstrated the success of our growth strategy, through both acquisition and organic growth opportunities.

Financial and operating performance (continued)

Swoop has achieved further record sales throughout the year across its key products of fixed wireless broadband, NBN, mobile and voice. The sustained increase in the group's revenue this year, fuelled primarily by organic growth, demonstrates the strong demand for dependable internet and mobile services with one of the highest customer satisfaction ratings in Australia, that continues to withstand the impact of the rising cost of living.

Following a strategic review of operations and plan to focus on key markets, in June 2024 Swoop announced the decision to divest its wholesale focused voice call termination business to Pivotel Group Pty Ltd (Pivotel). Swoop entered into a binding sale agreement to divest the entire issued share capital of Voicehub Group Pty Ltd and Harbourtel Pty Ltd (the entities that own and operate Swoop's wholesale focused voice call termination business) to Pivotel for $9 million cash. The purchase price is comprised of $8 million payable on completion and an additional amount of $1 million to be retained by Pivotel / in escrow and will be adjusted based on the performance of the business for 9 months post completion. The sale was subsequently completed on 19 July 2024. The financial statements have been prepared in accordance with AASB 5 "Non-current Assets Held for Sale and Discontinued Operations", as at 30 June 2024. The assets of the divested business have been classified as held for sale in the financial statements and the results classified as discontinued operations. As the sale was completed in July 2024 the results for the discontinued operations included in the financial statements for the year ended 30 June 2024 are the results of the divested operations for the full 12 month period. Where applicable the prior period results have been restated to comply with AASB 5 guidance. The expected gain on sale from this transaction will be recognised in the year ending 30 June 2025, based on the July 2024 completion date.

At the back end of the financial year, Swoop also announced its move into residential fibre infrastructure, alongside its fixed wireless products, delivering high margin services to its customers.

Summary financial results, including both discontinued operations and continuing operations:

- Revenue of the Group for the year of $88.9 million, including $7.8 million from discontinued operations (2023: $78.0 million, including $8.2 million from discontinued operations).
- Loss after income tax of $3.8 million (2023: loss after income tax of $37.5 million including impairment charges of $27.0 million).
- Included in the result are share based payment expenses of $1.2 million (2023: $1.2 million) and acquisition and integration costs of $3.2 million (2023: $2.2 million).
- Depreciation and amortisation expense of $15.5 million (2023: $18.6 million, including $0.4 million from discontinued operations).

A summary of the results of discontinued operations which have been included in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows is included in note 6 to the financial statements.

Financial position
The Group is in a net asset position of $59.5 million as at 30 June 2024 (30 June 2023: $62.3 million). Total assets are $125.9 million (2023: $126.7 million).

Working capital, being current assets less current liabilities, is in a deficit position of $4.0 million as at 30 June 2024 (30 June 2023: surplus of $0.4 million). The working capital deficiency is due to the estimated fair value of the 2nd tranche of the Moose Mobile deferred consideration, payable in November 2024, becoming current in the year ended 30 June 2024, and the funding of Group capital expenditure with operating cash flows. These have been partly offset by $2.6m non-current assets moving to assets held for sale within current assets.

The Group had positive net cash flows from operating activities (including net interest payments) for the year of $9.1 million. The cash and cash equivalents as at 30 June 2024 were $11.8 million (refer note 9) and the Group has an additional $5.4 million in undrawn financing facilities available.

In July 2024 the Group received $8.0 million cash from the previously announced divestment of its wholesale voice business, with an additional amount of $1.0 million retained by the Purchaser / in escrow and to be adjusted based on the performance of the business for the nine months post completion.

Based on forecasts of cash and available funding the Directors believe there will be sufficient funds for the Group to meet its obligations and liabilities for at least twelve months from the expected signing date of the annual financial report.

Significant changes in the state of affairs

- Following a strategic review of operations and plan to focus on key markets, in June 2024 Swoop announced the decision to divest its wholesale focused voice call termination business to Pivotel Group Pty Ltd (Pivotel). Swoop entered into a binding sale agreement to divest the entire issued share capital of Voicehub Group Pty Ltd and Harbourtel Pty Ltd (the entities that own and operate Swoop's wholesale focused voice call termination business) to Pivotel for $9 million cash. The purchase price is comprised of $8 million payable on completion and an additional amount of $1 million to be retained by Pivotel / in escrow and will be adjusted based on the performance of the business for 9 months post completion. The sale was subsequently completed on 19 July 2024. The financial statements have been prepared in accordance with AASB 5 "Non-current Assets Held for Sale and Discontinued Operations", as at 30 June 2024. The assets of the divested business have been classified as held for sale in the financial statements and the results classified as discontinued operations. As the sale was completed in July 2024, the results for the discontinued operations included in the financial statements for the year ended 30 June 2024 are the results of the divested operations for the full 12 month period. Where applicable the prior period results have been restated to complete with AASB 5 guidance. The expected gain on sale from this transaction will be recognised in the year ending 30 June 2025, based on the July 2024 completion date.

Matters subsequent to the end of the financial year

- Following the announcement in June 2024 of Swoop's decision to divest its wholesale focused voice call termination business to Pivotel, on 19 July 2024 Swoop announced that this transaction had been completed.
- On 22 July 2024, Swoop announced its intention to significantly expand its fibre infrastructure network to greater Melbourne, supported by a key customer contract. Under the terms of this contract Swoop will construct, own and operate a significant new fibre infrastructure network in Melbourne. Swoop has entered into agreements with a multi-billion dollar global technology company listed on the NASDAQ which provide a right to use part of the network for 20 years as well as ongoing operations and maintenance services (subject to extension at the option of the customer or earlier termination by the customer). The contract for the new network includes initial committed revenues of a minimum of $24.0 million and up to $36.0 million over the next 22 years. This infrastructure will deliver fibre to a number of key infrastructure areas and new developments in greater Melbourne and continues Swoop's focus on core telecommunication infrastructure and residential high-speed services, as well as servicing business customers. Swoop will commence construction of the new project immediately and is targeting completion by the end of FY26.
- On 5 September 2024 Swoop announced that it had submitted a non-binding indicative proposal to acquire 100% of Vonex Limited (ASX: VN8) as a competing proposal to the scheme of arrangement with Maxo Telecommunications Pty Limited (MaxoTel) which Vonex had previously announced on 25 June 2024. Swoop's non-binding combined cash and scrip offer is to acquire 100% of the issued ordinary shares in Vonex Limited for $0.040 per Vonex share, which represented a premium to the then MaxoTel scheme at $0.0375 per Vonex share. Swoop's indicative proposal is for a scheme of arrangement offering a combination of cash and fully paid ordinary shares in Swoop, with Vonex shareholders able to elect to receive various combinations of cash and scrip (subject to certain caps). Given the material scrip component of Swoop's proposed offer, it would allow Vonex shareholders to share in exposure to and participate in the potential upside of a stronger and larger combined entity including significant synergies. Swoop believes the indicative proposal stands to create significant value for both Vonex and Swoop shareholders.
- On 11 September 2024, Swoop confirmed that it had acquired 19.9% of the ordinary issued shares in Vonex. Swoop acquired its interest in Vonex at an average price of $0.040 per share on market at a total cost of approximately $2.87 million, which has been funded from existing cash resources.
- On 12 September 2024, Vonex announced that under a revised Scheme of Implementation Deed, the scheme consideration payable proposed by MaxoTel had increased from $0.0375 per Vonex share to $0.0419 per Vonex share, remaining 100% payable in cash.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Refer to review of operations for overview of key strategies.

Corporate governance

Our Corporate Governance Statement, detailing our compliance with the ASX Corporate Governance Council's "Corporate Governance Principles & Recommendations – 4th Edition" can be found online at www.swoop.com.au/corporate-governance/.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Material business risks

The material business risks faced by the Group that are likely to have an effect on its financial prospects include:

Integration and growth risk

The Group is exposed to risks associated with pursuing growth through the continued rollout of its fixed wireless network, the expansion of its fibre infrastructure network, the integration of acquired businesses within the consolidated entity and the pursuit of new geographies and customers.

There is a risk that the implementation of the Group's growth and integration strategies could be subject to delays or cost overruns, and there is no guarantee that these strategies will be successful or generate growth.

Network performance

The Group depends on the performance, reliability and availability of its own and third party technology platforms. There is a risk that these platforms and systems may be adversely affected by a number of factors, including damage, equipment faults, power failure, computer viruses, malicious interventions, and natural disasters. Further, there is a risk that the Company's operational processes, redundancy capacity and capability or disaster recovery plans may not adequately address every potential event.

Poor system performance could reduce the Group's ability to provide the level of customer service required and cause damage to the brand, leading to a reduction in customer retention rates and revenue.

Supplier risks

The Group relies on key supplier arrangements with respect to the NBN wholesale services, fibre optic network operators, mobile services, and international cable system operators.

Any loss of access to, disruption to, or performance failures of these services could cause harm to business operations and reputation and loss of revenue resulting to the group (with limited ability to recoup any such loss from the supplier). Increases in fees charged by suppliers could have an adverse impact on the Group's financial performance.

Customer contract risks

Many customers, particularly residential customers of Swoop, are typically on short term or no contracts. These residential customers account for over 58% of the group's revenue.

Further, the industry is subject to price sensitivity and competition that can lead to regular 'churn' of customers. This gives the Group less security over future revenue levels.

Brands and reputation

Swoop operates a number of brands and believes that the reputation of its brands are a key to its success. The Group's reputation, the value of its brands and its ability to retain and attract new customers may be damaged as a result of negative customer or end-user experiences due to poor product performance or product failures, adverse media coverage or other publicity.

Data security risks

It is possible that the Group's procedures and systems may not stop or detect cyberattacks, data theft and hacking from obtaining unauthorised access to confidential data collected by the group. If such activities were successful, any data security breaches or the Company's failure to protect confidential information could result in loss of information integrity, and breaches of the Group's obligations under applicable laws or customer agreements.

Failures or breaches of data protection systems can result in reputational damage, regulatory impositions (such as for breaches of the Privacy Act or Australian Privacy Principles) and financial loss, including claims for compensation by customers or penalties by telecommunications regulators or other authorities.

Future acquisitions

As part of its growth strategy, the Group intends to make further acquisitions of complementary businesses or enter into strategic alliances with third parties should those opportunities arise. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, and retaining key staff.

Material business risks (continued)

Competition risk
The Group faces competition for customers from a number of alternative suppliers of broadband internet connectivity services, including resellers of NBN, and mobile operators. A number of these competitors are major telecommunications businesses with much greater resources than the Group.

The Group's fixed wireless operations are in direct competition with the NBN based services and would be directly impacted by changes in the NBN wholesale pricing. Further improvements in NBN or other network operator infrastructure or reach, could reduce the relative attractiveness of the group's fixed wireless services and ability to compete on a profitable basis.

Regulatory and licensing compliance risk
The Group holds a number of carrier licences under the Telecommunications Act 1997 (Cth) which permit the companies within the Group to provide carrier services.

In conducting its operations, the Group is also required to comply with a range of laws and regulations applicable to the telecommunications, consumer protection, privacy, competition, employment and workplace safety.

A failure to comply with a licence condition could result in the cancellation of a carrier licence or fines, and a failure to comply with applicable laws and regulations could result in restrictions or fines being imposed on the Group, or legal proceedings being commenced against the Group. These consequences would be likely to have a negative effect on the Group's reputation and profitability, and adversely affect its financial performance.

The Group mitigates this risk by conducting regular reviews (both internally and by engaging external advisers) to ensure compliance with its licences and applicable laws and regulations.

Technology risks
The telecommunications and communications industry continues to experience rapid technological change and development. The Group is at risk from major technological improvements in alternative services or on its ability to access and adapt to technological changes in a cost-effective manner. The introduction of new practices and technology may have significant implications for the Group's current infrastructure and business model. As such, the Group's success will be dependent upon its ability to develop, adopt and integrate the latest technologies into its existing infrastructure.

Information on directors

Name:	James Spenceley
Title:	Chairman, Non- Executive Director
Experience and expertise:	James is a well-known Australian entrepreneur and experienced company director. In 2007 he founded Vocus Communications Limited (now Vocus Group Limited) (previously ASX: VOC), one of Australia's largest telecommunications companies which he grew, both organically and through acquisitions, to a multi-billion dollar business. James has twice won the Ernst & Young Australian Entrepreneur of the Year Award (in the young and listed categories) and in 2018 was inducted into the Telecommunications Hall of Fame.
Other current directorships:	Kogan.com Limited (ASX: KGN)
Former directorships (last 3 years):	Think Childcare Limited (ASX: TNK) (ceased 21 October 2021), Airtasker Limited (ASX: ART) (ceased 30 June 2023)
Special responsibilities:	Chairman, member of the Audit and Risk Committee, member of the Remuneration and Nomination Committee
Interests in shares at 30 June 2024:	12,211,350 fully paid ordinary shares

Information on directors (continued)

Name:	Anthony Grist
Title:	Deputy Chairman, Non-Executive Director
Qualifications:	Bachelor of Commerce (University of Western Australia); Associate of the Financial Services Institute of Australasia; Fellow of the Australian Institute of Company Directors.
Experience and expertise:	Anthony has been involved in the management of publicly listed companies across a range of industries, both in Australia and overseas. In 1990 Tony founded Albion Capital Partners. He was the co-founder and Chairman of ASX listed Amcom Telecommunications Limited (Amcom) and led the merger with Vocus Communications helping create a major trans-Tasman fibre optic carrier business. Tony then went on to serve as Deputy Chairman of the merged business. Tony represented Amcom on the iiNet Board, as a 27% shareholder, between 2006 and 2011.
Other current directorships:	The Minderoo Foundation, The Fremantle Football Club
Former directorships (last 3 years):	None
Special responsibilities:	Deputy Chairman, Chairman of the Audit and Risk Committee
Interests in shares at 30 June 2024:	14,150,000 fully paid ordinary shares

Name:	Jonathan Pearce
Title:	Non-Executive Director
Qualifications:	Bachelor of Finance (Australian National University); Graduate Diploma of Applied Finance (Kaplan).
Experience and expertise:	Jonathan has worked in the finance industry for more than 15 years, focused primarily on funds management and corporate finance for small and mid-cap companies listed on the ASX. He is currently a portfolio manager at the CVC Emerging Companies Fund where he manages investments in growth companies primarily located in Australia. Prior to joining CVC, Jonathan held senior roles at Blue Ocean Equities and Canaccord Genuity.
Other current directorships:	Jonathan currently sits on the board of CVC Emerging Companies IM Pty Ltd and a number of private company boards.
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Remuneration and Nomination Committee, member of the Audit and Risk Committee
Interests in shares at 30 June 2024:	2,638,344 fully paid ordinary shares

Name:	Matthew Hollis
Title:	Non-Executive Director
Experience and expertise:	Matt has over 25 years experience in the Australian Telco industry that includes working at two very successful start-ups, PIPE Networks and Vocus Communications. At Vocus, Matt grew the sales team from 3 to 110 sales people, managed 550 staff and participated in 15+ acquisitions in a little over 6 years. Currently Matt is the CEO of Cloud Assess, a successful Australian SaaS company selling Learning Management Software to Registered Training Organisations (RTO) and businesses with frontline workers. Matt has previously served as an Executive Director at ASX-listed Superloop (resigned as Director in November 2018), where he gained an in-depth insight into the telco landscape in Singapore and Hong Kong.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares at 30 June 2024:	3,791,412 fully paid ordinary shares

Information on directors (continued)

Name:	William (Paul) Reid
Title:	Non-Executive Director
Qualifications:	Masters of Science (IT) (University of Stirling); Bachelor of Arts (Hons) (Kingston University).
Experience and expertise:	Prior to joining Swoop in 2008, Paul was a management consultant with over 15 years of experience holding roles as Principal at A.T Kearney, and Senior Management Consultant at Andersen Consulting. Paul has managed network deployment for Swoop across Australia along with the development of the Business Grade product and Wholesale Partner Channel.
Other current directorships:	Highett Community Financial Services Limited (Chair, appointed January 2024)
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Remuneration and Nomination Committee
Interests in shares at 30 June 2024:	22,684,706 fully paid ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Louise Bolger

Louise has over 20 years' experience as an in-house telecommunications, media and technology lawyer and company secretary having held General Counsel and Company Secretary roles with various ASX-listed companies. She holds a Bachelor of Laws (Hons) and a Bachelor of Arts (Modern Asian Studies) from Griffith University and is a Fellow of the Governance Institute of Australia.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
James Spenceley	11	12	3	3	4	6
Anthony Grist	12	12	-	-	5	6
Jonathan Pearce	12	12	3	3	5	6
Matthew Hollis	12	12	-	-	-	-
Paul Reid	12	12	3	3	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 30 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 30 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former directors of PKF(NS) Audit & Assurance Ltd Partnership
There are no officers of the company who are former directors of PKF(NS) Audit & Assurance Ltd Partnership.

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 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

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James Spenceley
Chairman

27 September 2024

Remuneration report (audited)

1. Introduction

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel ("KMP") are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

In the FY24 year, the following were assessed to be KMP:

Directors
Swoop Holdings Ltd from 1 July 2023 to 30 June 2024

- James Spenceley – Chairman, Non-Executive Director
- Anthony Grist – Non-Executive Director
- Jonathan Pearce – Non-Executive Director
- Matthew Hollis – Non-Executive Director
- Paul Reid – Non-Executive Director

Executives
Swoop Holdings Ltd from 1 July 2023 to 30 June 2024

- Alex West – Chief Executive Officer
- Patricia Jones – Chief Financial Officer
- Louise Bolger – General Counsel & Company Secretary

For the purposes of FY23 comparative information, the KMP listed above were also assessed as the KMP for the period from 1 July 2022 to 30 June 2023.

2. Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

2. Principles used to determine the nature and amount of remuneration (continued)

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

Executive remuneration
The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include share-based payments. Shares are awarded to executives over a period of time based on long-term incentive measures. These include increase in shareholder value.

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined financial and non-financial targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Board.

Voting and comments made at the company's 2023 Annual General Meeting ('AGM')
At the 2023 AGM held on 24 November 2023, 82.51% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

3. Remuneration Structure for Swoop Holdings Limited

Fixed Pay:

Fixed Pay comprises cash salary and superannuation contributions, delivered in accordance with terms and conditions of each KMP's employment as set in their employment agreement.

3. Remuneration Structure for Swoop Holdings Limited (continued)

Short term incentives:

STI payments are granted to executives based on specific annual targets and key performance indicators (‘KPI’s’) being achieved and is monitored by the Remuneration and Nomination Committee.

Long term incentives:

The Company has adopted an employee incentive scheme titled “Swoop Holdings Long Term Incentive Plan” (**Incentive Plan**). The objective of the Incentive Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Incentive Plan and the future issue of awards under the Incentive Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

The key terms of the Incentive Plan are as follows:

(a) Award

For the Purpose of the Incentive Plan, an ‘Award’ means:

(i) an Option;
(ii) a Performance Right;
(iii) a Share Award; and/or
(iv) a Loan Funded Share,

as the case may be.

(b) Eligibility

Participants in the Incentive Plan may be:

(i) any Director (whether executive or non-executive) or employee of the Company and any Associated Body Corporate of the Company (each, a **Group Company**); or
(ii) any other person providing services to a Group Company and who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Awards under the Incentive Plan.

4. Executive Service agreements

All Executive team members have service agreements determining Fixed Pay comprising cash salary and superannuation and performance based variable rewards (if applicable). There are no fixed employment terms. The termination notice period is six months by either party. All agreements include non-solicitation and non-compete restrictions and agreements provide for dismissal due to gross misconduct with no entitlement to termination payments in this event. Statutory leave entitlements apply in each agreement.

Details of these agreements are as follows:

Name:	Alex West
Title:	Chief Executive Officer
Agreement commenced:	3 February 2020
Term of agreement:	Ongoing
Details:	Base Salary: Annual salary of AUD$300,000 plus statutory superannuation. Performance-based Incentives: Eligible to partake in the company’s STI and LTI Plan; may be terminated by the company without cause by giving 6 month's written notice.

4. Executive Service agreements (continued)

Name:	Patricia Jones
Title:	Chief Financial Officer
Agreement commenced:	19 April 2022
Term of agreement:	Ongoing
Details:	Base Salary: Annual salary of AUD$295,946 plus statutory superannuation Performance-based Incentives: Eligible to partake in the company's STI and LTI Plan; may be terminated by the company without cause by giving 6 month's written notice.

Name:	Louise Bolger
Title:	General Counsel
Agreement commenced:	7 June 2021
Term of agreement:	Ongoing
Details:	Base Salary: Annual salary of AUD$293,964 plus statutory superannuation. Performance-based Incentives: Eligible to partake in the company’s STI and LTI Plan; may be terminated by the company without cause by giving 6 month's written notice.

5. Non-executive Director Remuneration

Non-executive directors receive a Board fee. The total aggregate fees to be paid per annum to non-executive directors is currently limited to $500,000. All non-executive directors enter into an agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director. Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors’ fees and payments will be reviewed annually by the Remuneration and Nomination Committee.

The Remuneration and Nominations Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors’ fees and payments are appropriate and in line with the market.

The Non-Executive Director Fee structure (per annum) for the period 1 July 2023 to 30 June 2024 has been set at the following level:

- Non-Executive Chairman - $160,000 for the full financial year
- Non-Executive Directors - $60,000 for the period 1 October 2023 to 30 June 2024, and $50,000 for the period 1 July 2023 to 30 September 2023

An additional fee of $15,000 (per annum and effective from 1 October 2023) is payable in respect of each of the Chair of the Audit and Risk Committee and the Chair of the Remuneration and Nominations Committee. No other additional fees are payable in respect of Committee memberships. Superannuation is included in the above amounts.

6. Remuneration Governance

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for all Directors and Executives. It is intended that executive management regularly report to the Committee on issues that may impact their decisions and attend meetings by invitation, but do not participate in decisions regarding their own remuneration arrangements.

Use of remuneration consultants

Under the provisions of the Committee’s Charter, the Committee may engage the assistance and advice from external remuneration advisors. To ensure that any recommendations made by remuneration consultants are provided without undue influence being exerted by Executives, external remuneration consultants are engaged by and deliver their advice directly to members of the Committee.

The Committee engaged the services of Egan Associates in the FY22 financial year to review and to provide recommendations in respect of the amount and elements of executive remuneration, including short-term and long-term incentives. Under the terms of the engagement, Egan Associates provided remuneration recommendations as defined in section 9B of the Corporations Act 2001 for fees of $17,500 in FY22.

6. Remuneration Governance (continued)

Egan Associates confirmed that any recommendations have been made free from undue influence by members of the Group's key management personnel.

Egan Associates were engaged by, and reported directly to, the Committee Chair. The Board is satisfied that the recommendations were made free from undue influence from any members of key management personnel.

Share Trading Policy

The company has a Share Trading Policy which aims to ensure that all employees understand their obligations in relation to insider trading, describes restrictions on buying and selling the company's shares by the employees and when approvals need to be sought. The Share Trading Policy can be found on the Corporate Governance page in the Investors section of the Company's website at www.swoop.com.au/corporate-governance.

7. Statutory Remuneration Disclosures

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables. The information below has been prepared in accordance with the requirements of the Corporations Act 2001 and relevant Australian Accounting Standards.

The key management personnel of the Group consisted of the following directors of Swoop Holdings Limited:
- James Spenceley (Chairman, Non-Executive Director)
- Anthony Grist (Non-Executive Director)
- Jonathan Pearce (Non- Executive Director)
- Matthew Hollis (Non- Executive Director)
- Paul Reid (Non- Executive Director)

And the following executives:
- Alex West - Chief Executive Officer
- Patricia Jones - Chief Financial Officer
- Louise Bolger - General Counsel & Company Secretary

	Short-term benefits			Long-term benefits	Share based payments expense	
2024	Cash salary and fees $	Cash bonus $	Annual leave $	Super-annuation $	Performance rights $	Total $
Non-Executive Directors:						
James Spenceley	144,144	-	-	15,856	-	160,000
Anthony Grist	61,937	-	-	6,813	-	68,750
Jonathan Pearce	68,750	-	-	-	-	68,750
Matthew Hollis	51,802	-	-	5,698	-	57,500
Paul Reid	51,802	-	-	5,698	-	57,500
Other Key Management Personnel:						
Alex West	266,978	108,108	44,538	27,399	262,558	709,581
Patricia Jones	288,879	108,108	19,892	27,399	121,632	565,910
Louise Bolger	268,367	54,054	23,582	27,399	90,312	463,714
	1,202,659	270,270	88,012	116,262	474,502	2,151,705

7. Statutory Remuneration Disclosures (continued)

	Short-term benefits			Long-term benefits	Share based payments expense	
2023	Cash salary and fees $	Cash bonus $	Annual leave $	Super-annuation $	Performance rights $	Total $
Non-Executive Directors:						
James Spenceley	144,796	-	-	15,204	-	160,000
Anthony Grist	47,624	-	-	2,376	-	50,000
Jonathan Pearce	50,000	-	-	-	-	50,000
Matthew Hollis	45,249	-	-	4,751	-	50,000
Paul Reid	45,249	-	-	4,751	-	50,000
Other Key Management Personnel:						
Alex West	262,632	72,398	29,077	25,292	257,995	647,394
Patricia Jones	276,266	18,100	11,752	25,292	108,713	440,123
Louise Bolger	261,497	36,199	20,462	25,292	66,670	410,120
	1,133,313	126,697	61,291	102,958	433,378	1,857,637

Share-based compensation disclosures

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2024.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the period 1 July 2023 to 30 June 2024.

7. Statutory Remuneration Disclosures (continued)

Performance rights

The terms and conditions of each grant of Share Rights granted during the period 1 July 2023 to 30 June 2024, affecting remuneration in the current or a future reporting period are set out below.

Performance rights – granted in FY24

In connection with its long-term incentive program, the following performance rights were granted by the company to key management personnel in the financial year:

Name		Number of rights granted	Grant date	Vesting date	Expiry date	Fair value per right at grant date
Alex West	Tranche 1	160,976	1 Nov 2023	1 Oct 2024	31 Dec 2026	$0.109
Patricia Jones	Tranche 1	97,561	1 Nov 2023	1 Oct 2024	31 Dec 2026	$0.109
Louise Bolger	Tranche 1	97,561	1 Nov 2023	1 Oct 2024	31 Dec 2026	$0.109
Alex West	Tranche 2	160,976	1 Nov 2023	1 Oct 2025	31 Dec 2026	$0.117
Patricia Jones	Tranche 2	97,561	1 Nov 2023	1 Oct 2025	31 Dec 2026	$0.117
Louise Bolger	Tranche 2	97,561	1 Nov 2023	1 Oct 2025	31 Dec 2026	$0.117
Alex West	Tranche 3	160,976	1 Nov 2023	1 Oct 2026	31 Dec 2026	$0.123
Patricia Jones	Tranche 3	97,561	1 Nov 2023	1 Oct 2026	31 Dec 2026	$0.123
Louise Bolger	Tranche 3	97,561	1 Nov 2023	1 Oct 2026	31 Dec 2026	$0.123
Alex West	Tranche 4	197,561	1 Nov 2023	1 Oct 2025	31 Dec 2026	$0.200
Patricia Jones	Tranche 4	97,561	1 Nov 2023	1 Oct 2025	31 Dec 2026	$0.200
Louise Bolger	Tranche 4	97,561	1 Nov 2023	1 Oct 2025	31 Dec 2026	$0.200
Alex West	Tranche 5	197,561	1 Nov 2023	1 Oct 2026	31 Dec 2026	$0.200
Patricia Jones	Tranche 5	97,561	1 Nov 2023	1 Oct 2026	31 Dec 2026	$0.200
Louise Bolger	Tranche 5	97,561	1 Nov 2023	1 Oct 2026	31 Dec 2026	$0.200

Of the performance rights granted to key management personnel, 1,068,294 are subject to market based vesting conditions associated with total shareholder returns (TSR) measured against an absolute range of returns and 785,366 are subject only to non-market based vesting conditions in the form of a service condition.

Vesting conditions for performance rights granted in FY24

For performance rights that are subject to market based vesting conditions, as at the vesting date for each tranche, the following hurdles apply:

Individual performance

The KMP must achieve at a minimum a “Nailed It” performance rating, which includes any additional KPIs required for their role outside of the short term incentive framework.

Total Shareholder Return (TSR)

This performance hurdle is based on the TSR compared against an absolute range of returns, with a maximum grant achieved at an Annual Growth Rate (AGR) of 20% and above.

The table below sets out the proportion of the TSR allocation which will vest depending on the TSR achieved by Swoop relative to the absolute return range:

AGR of TSR Thresholds	Performance Rights Allocation
Less than 20%	0%
>=20%	100% allocation

TSR Assessment

The TSR test date will be conducted at the end of each performance period which for the first tranche is the date of release of Swoop’s half year financial statements and for the second and third tranche is the date of release of Swoop’s audited annual financial statements for that year (or any other day determined by the Board).

7. Statutory Remuneration Disclosures (continued)

For the purposes of the TSR allocation:

- “Base share price” means the share price at the “base date”. For FY24, the grant date of 1 November 2023 is considered to be the base date. Subsequent years’ base dates will be determined by the Board, but it is initially proposed to be the share prices as at the TSR test date.
- “Performance period” is the 1-3 year period from the base date to the TSR test date (for each of the tranches).
- “Market Value” means:
  - on the base date, the VWAP at which the shares were traded on the ASX in the 15 day period following (and including) the base date; and
  - on the TSR test date, the VWAP at which the shares were traded on the ASX in the 15 days period following (and including) the TSR test date.
- “TSR” as at the TSR test date of Swoop means the total shareholder return of Swoop determined on an Annual Growth Rate basis by reference to:
  - the changes in market value of a share in Swoop from the base date to the TSR test date; and
  - the value (on a basis determined by the Board from time to time) of any shareholder benefits (including dividends or any other benefits that the Board determines from time to time are to be taken into account) paid or otherwise made generally available to shareholders in Swoop from the base date to the TSR test date.

For performance rights that are subject to non-market based vesting conditions, as at the vesting date for each tranche, the key management personnel granted those rights must remain an employee of Swoop and meet the following performance hurdle:

Individual performance
The KMP must achieve at a minimum a “Nailed It” performance rating, which includes any additional KPIs required for their role outside of the short term incentive framework.

Performance rights granted carry no dividend or voting rights.

These performance rights were issued at no cost to the recipients and represent a right to one ordinary share in the company in the future for no consideration, subject to satisfying the performance conditions.

Performance rights that vested in FY24

The following performance rights, granted 29 April 2022, vested and were issued as ordinary shares to key management personnel during the year ended 30 June 2024:

Name	Number of rights vested	Share issue date	Fair value of right at grant date
Alex West	240,000	23 Oct 2023	$0.218
Patricia Jones	100,000	23 Oct 2023	$0.218
Louise Bolger	60,000	23 Oct 2023	$0.218

8. Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Disposal	Balance at the end of the year
Ordinary shares				
James Spenceley	12,211,350	-	-	12,211,350
Anthony Grist	14,150,000	-	-	14,150,000
Matthew Hollis	3,791,412	-	-	3,791,412
Paul Reid	22,684,706	-	-	22,684,706
Jonathan Pearce	2,638,344	-	-	2,638,344
Alex West	1,554,748	240,000	-	1,794,748
Patricia Jones	-	100,000	-	100,000
Louise Bolger	-	60,000	-	60,000
	57,030,560	400,000	-	57,430,560

Performance rights holding

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Alex West	1,580,436	878,050	(240,000)	-	2,218,486
Patricia Jones	739,130	487,805	(100,000)	-	1,126,935
Louise Bolger	539,130	487,805	(60,000)	-	966,935
	2,858,696	1,853,660	(400,000)	-	4,312,356

Loans to KMP

In October 2019 and July 2020, Cirrus Communications Pty Limited issued shares for limited recourse loan consideration to Directors and Executives. The Company was assigned the benefit of these loans as at 21 May 2021, at which time the loans were limited recourse with respect to the Consideration Shares issued as consideration for the shares to which the loans previously related. Details of the loan balances outstanding are as follows:

Name	Balance at the start of the year $	Repayments $	Balance at the end of the year $
Paul Reid – Non-Executive Director	669,683	-	669,683
Matthew Hollis – Non-Executive Director	1,046,103	-	1,046,103
Alex West – Chief Executive Officer	549,296	-	549,296
Total	2,265,082	-	2,265,082

8. Additional disclosures relating to key management personnel (continued)

These loans are repayable under certain circumstances as set out in the respective loan agreements, including where the borrower receives payment in respect of the sale, disposal or cancellation of their shares. The liability of the borrower is limited to remitting the proceeds of sale or disposal of the shares, or any distributions received in relation to the shares issued as consideration for the Cirrus Communications Pty Limited shares to which the loans previously related, up to the loan amount. The loans are interest free.

Related Party Disclosures

The following are transactions with related parties and balances outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2024	**2023**
	$	**$**
Payment for goods and services:		
Payment for SaaS usage fees to Opvia Pty Ltd (director-related entity of Matthew Hollis)	17,839	21,136
Current payables at the end of the financial year:		
Amount payable for SaaS usage fees to Opvia Pty Ltd (director-related entity of Matthew Hollis)	495	-
Amount payable for professional services from CVC ECF Managers Pty Ltd (director-related entity of Jonathan Pearce)	-	14,850

Other transactions with KMP

During the year ended 30 June 2024 an agreement was entered into between Swoop Infrastructure Pty Ltd and Mako Minerals Pty Ltd (Mako Minerals) for the installation of a telecommunications network for a development to be undertaken by Mako Minerals. Mako Minerals is a director-related entity of Jonathan Pearce. No amounts have been received in the year ended 30 June 2024, and installation activities are expected to commence in future financial periods.

Some of the non-executive directors hold directorships or positions in other companies or organisations. From time to time, the company may provide or receive services from these companies or organisations on arm's length terms. None of the non-executive directors were, or are, involved in any procurement or Board decision-making regarding the companies or organisations with which they have an association.

This concludes the remuneration report, which has been audited.

On behalf of the directors

James Spenceley
Chairman
27 September 2024

PKF(NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839
755 Hunter Street, Newcastle West NSW 2302
Level 8, 1 O'Connell Street, Sydney NSW 2000

Newcastle T: +61 2 4962 2688 F: +61 2 4962 3245
Sydney T: +61 2 8346 6000 F: +61 2 8346 6099
info@pkf.com.au
www.pkf.com.au

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Swoop Holdings Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

PKF

P. Pearman.

PAUL PEARMAN
PARTNER

27 SEPTEMBER 2024
SYDNEY, NSW

General information

The financial statements cover Swoop Holdings Limited as a Group consisting of Swoop Holdings Limited and the entities it controlled at the end of, or during, the 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 – 130 Phillip Street
Sydney NSW 2000

A description of the nature of the Group'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 27 September 2024. The directors have the power to amend and reissue the financial statements.

Swoop Holdings Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 $	Restated[1] 2023 $
Revenue	3	81,142,791	69,776,701
Other income	4	201,436	257,271
Expenses			
Cost of sales		(49,094,482)	(40,092,883)
Marketing and advertising		(3,121,436)	(2,556,985)
Finance costs	5	(2,497,508)	(2,051,187)
General and administrative		(3,460,674)	(2,180,441)
Depreciation and amortisation expense	5	(15,485,987)	(18,200,516)
Bad and doubtful debt expense	10	(532,017)	(58,985)
Employee benefit expense	22	(9,856,091)	(9,371,593)
Share based payments expense	5,39	(1,206,321)	(1,219,170)
One-off legal costs		-	(323,001)
Impairment charges	5,7	-	(22,779,390)
Acquisition and integration costs		(3,202,053)	(2,210,404)
Corporate restructuring expenses		(72,271)	(342,880)
Other expenses		(885,878)	(1,326,165)
Loss before income tax benefit from continuing operations		(8,070,491)	(32,679,628)
Income tax benefit/(expense) from continuing operations	8	2,743,825	(2,586,704)
Loss after income tax benefit/(expense) from continuing operations		(5,326,666)	(35,266,332)
Profit / (loss) after income tax (expense)/benefit from discontinued operations	6	1,536,584	(2,247,171)
Loss after income tax benefit/(expense) for the year attributable to the owners of Swoop Holdings Limited		(3,790,082)	(37,513,503)
Items that will not be reclassified subsequently to profit or loss			
Other comprehensive income for the year, net of tax		(243,113)	(76,825)
Total comprehensive income for the year attributable to the owners of Swoop Holdings Limited		(4,033,195)	(37,590,328)
Total comprehensive income for the year is attributable to:			
Continuing operations		(5,569,779)	(35,343,157)
Discontinued operations		1,536,584	(2,247,171)
		(4,033,195)	(37,590,328)
		Cents	**Cents**
Earnings per share from continuing operations			
Basic earnings per share		(2.56)	(17.06)
Earnings per share from discontinued operations			
Basic earnings per share		0.74	(1.09)
Earnings per share attributable to the owners of Swoop Holdings Limited			
Basic earnings per share		(1.82)	(18.15)
Diluted earnings per share		(1.82)	(18.15)

[1] 2023 has been restated to reflect discontinued operations as a result of divestments post 30 June 2024.

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 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Assets			
Current assets			
Cash and cash equivalents	9	10,897,573	19,043,911
Trade and other receivables	10	6,499,226	5,599,055
Inventories	11	2,023,958	2,297,497
Prepayments	16	1,527,148	1,675,406
Other assets	12	687,333	-
Other financial assets	13	144,094	456,166
		21,779,332	29,072,035
Assets classified as held for sale	6	5,184,794	-
Total current assets		26,964,126	29,072,035
Non-current assets			
Financial assets at fair value through other comprehensive income	14	1,004,868	1,247,981
Property, plant and equipment	17	38,016,066	32,398,112
Right-of-use assets	15	7,971,458	8,134,009
Intangibles	18	47,236,300	51,192,551
Deferred tax	8	4,368,569	4,309,555
Other financial assets	13	304,753	333,458
Total non-current assets		98,902,014	97,615,666
Total assets		125,866,140	126,687,701
Liabilities			
Current liabilities			
Trade payables	19	17,021,204	15,433,352
Other payables	20	1,816,766	2,835,897
Contract liabilities	21	1,582,729	2,151,327
Borrowings	27	1,907,494	1,763,915
Lease liabilities	15	2,769,148	2,432,200
Current tax liabilities	8	-	317,886
Employee benefits	22	1,305,558	1,351,971
Deferred consideration	24	2,637,563	2,399,377
		29,040,462	28,685,925
Liabilities directly associated with assets classified as held for sale	6	1,914,111	-
Total current liabilities		30,954,573	28,685,925
Non-current liabilities			
Borrowings	27	21,353,351	16,781,708
Lease liabilities	15	6,039,641	6,518,048
Deferred tax	8	7,865,992	9,979,515
Employee benefits	22	180,715	172,769
Deferred consideration	24	-	2,078,923
Provisions	23	-	168,096
Total non-current liabilities		35,439,699	35,699,059
Total liabilities		66,394,272	64,384,984
Net assets		59,471,868	62,302,717

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

Swoop Holdings Limited
Statement of financial position
As at 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Equity			
Issued capital	25	127,266,230	126,550,345
Reserves	26	4,348,108	3,861,647
Accumulated losses		(72,142,470)	(68,109,275)
Total equity		59,471,868	62,302,717

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 year ended 30 June 2024

Consolidated	Issued capital $	Share-based payments reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2022	123,737,206	3,353,992	11,755	(30,518,947)	96,584,006
Loss after income tax expense for the year	-	-	-	(37,513,503)	(37,513,503)
Other comprehensive loss for the year, net of tax	-	-	-	(76,825)	(76,825)
Total comprehensive loss for the year	-	-	-	(37,590,328)	(37,590,328)
Transactions with owners in their capacity as owners:					
On-market share buy-back, including transaction costs	(3,743,466)	-	-	-	(3,743,466)
Consideration shares issued to vendors of acquired entities	5,833,335	-	-	-	5,833,335
Issue of shares to employees on vesting and conversion of performance rights	723,270	(723,270)	-	-	-
Share based payments expense	-	1,219,170	-	-	1,219,170
Balance at 30 June 2023	126,550,345	3,849,892	11,755	(68,109,275)	62,302,717

Consolidated	Issued capital $	Share-based payments reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2023	126,550,345	3,849,892	11,755	(68,109,275)	62,302,717
Loss after income tax benefit for the year	-	-	-	(3,790,082)	(3,790,082)
Other comprehensive loss for the year, net of tax	-	-	-	(243,113)	(243,113)
Total comprehensive loss for the year	-	-	-	(4,033,195)	(4,033,195)
Transactions with owners in their capacity as owners:					
On-market share buy-back, including transaction costs	(3,975)	-	-	-	(3,975)
Issue of shares to employees on vesting and conversion of performance rights	719,860	(719,860)	-	-	-
Share based payments expense	-	1,206,321	-	-	1,206,321
Balance at 30 June 2024	127,266,230	4,336,353	11,755	(72,142,470)	59,471,868

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 year ended 30 June 2024

	Note	Consolidated 2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		91,812,243	82,793,131
Payments to suppliers and employees (inclusive of GST)		(81,670,879)	(69,444,567)
		10,141,364	13,348,564
Interest received		171,634	77,335
Interest and other finance costs paid		(1,759,053)	(1,005,449)
Co-build income received		576,952	1,332,571
Net cash from operating activities	37	9,130,897	13,753,021
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		(490,445)	(330,000)
Payment for purchase of subsidiary, net of cash acquired		(3,313,753)	(22,866,501)
Payments for investments		-	(200,000)
Payments for property, plant and equipment		(16,398,930)	(16,712,502)
Divestment costs		(647,308)	-
Payments for intangibles		-	(1,178,714)
Proceeds from disposal of property, plant and equipment		23,271	30,492
Net cash used in investing activities		(20,827,165)	(41,257,225)
Cash flows from financing activities			
Proceeds from borrowings		6,557,384	19,560,040
On-market share buy-back, including transaction costs		(3,977)	(3,744,498)
Repayment of borrowings		(2,052,392)	(1,299,878)
Net cash from financing activities		4,501,015	14,515,664
Net decrease in cash and cash equivalents for the year		(7,195,253)	(12,988,540)
Cash and cash equivalents at the beginning of the financial year		19,043,911	32,020,568
Effects of exchange rate changes on cash and cash equivalents		(2,407)	11,883
Cash and cash equivalents at the end of the financial year	9	11,846,251	19,043,911

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

Note 1. Material accounting policy information

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going concern
The Group is in a net asset position of $59.5 million as at 30 June 2024 (30 June 2023: $62.3 million). Total assets are $125.9 million (2023: $126.7 million).

Working capital, being current assets less current liabilities, is in a deficit position of $4.0 million as at 30 June 2024 (30 June 2023: surplus of $0.4 million). The working capital deficiency is due to the estimated fair value of the 2nd tranche of the Moose Mobile deferred consideration, payable in November 2024, becoming current in the year ended 30 June 2024, and the funding of Group capital expenditure with operating cash flows. These have been partly offset by $2.6m non-current assets moving to assets held for sale within current assets.

Notwithstanding the deficit of current assets less current liabilities, the above financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity, the realisation of assets, settlement of liabilities through the normal course of business including the presumption that sufficient funds will be available to finance the operations of the consolidated entity. In adopting this position, the directors have had regard to the following:

- The Group had positive net cash flows from operating activities (including net interest payments) for the year of $9.1 million. The cash and cash equivalents as at 30 June 2024 were $11.8 million (refer note 9) and the Group has an additional $5.4 million in undrawn financing facilities available.

- In July 2024 the Group received $8.0 million cash from the previously announced divestment of its wholesale voice business, with an additional amount of $1.0 million retained by the Purchaser / in escrow and to be adjusted based on the performance of the business for the nine months post completion.

- Forecasts of cash and available funding which indicate sufficient funding for at least twelve months from the date of this report, with year to date performance being in line with those forecasts.

The directors plan to continue the consolidated entity's operations on the basis as outlined above and 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 report.

Note 1. Material accounting policy information (continued)

If the consolidated entity is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they become due and payable.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 33.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Swoop Holdings Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Swoop Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Swoop Holdings Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Note 1. Material accounting policy information (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Finance costs
Finance costs are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold and will be written off or written down.

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on fair value less costs of disposal (FVLCD) calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

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. 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.

Business combinations
Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Capitalised labour costs
Capitalised labour costs incurred has been recognised as an asset when it is deemed probable that future economic benefit associated with the item will flow to the entity and the cost can be measured reliably. Management have made estimates when applying percentages of certain employee costs that are attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Management have deemed the allocated percentage of certain staff costs applied is appropriate based on their assessment of staff roles, responsibilities and divisions.

Note 3. Revenue

	Consolidated 2024 $	Consolidated 2023 $
Revenue from contracts with customers		
Business	11,960,909	9,102,045
Residential	51,537,713	45,037,844
Channel	14,619,254	12,602,661
Other revenue	3,024,915	3,034,151
Revenue	81,142,791	69,776,701

	Consolidated 2024 $	Consolidated 2023 $
Revenue composition		
Continuing operations	81,142,791	69,776,701
Discontinued operations	7,751,896	8,216,392
Revenue from continuing operations and discontinued operations	88,894,687	77,993,093

Further information on discontinued operations is included in note 6.

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

Consolidated - 2024	Residential services $	Channel $	Business services $	Other revenue $	Total $
Revenue by service					
Hardware	517,688	-	5,122	-	522,810
Installations	19,230	-	2,286	-	21,516
Recurring fees	51,000,795	14,619,254	11,953,501	-	77,573,550
Co-build income	-	-	-	1,213,875	1,213,875
Other revenue	-	-	-	1,811,040	1,811,040
	51,537,713	14,619,254	11,960,909	3,024,915	81,142,791
Timing of revenue recognition					
Goods transferred at a point in time	517,688	-	5,122	-	522,810
Services transferred over time	51,020,025	14,619,254	11,955,787	3,024,915	80,619,981
	51,537,713	14,619,254	11,960,909	3,024,915	81,142,791

Note 3. Revenue (continued)

Consolidated - 2023	Residential services $	Channel $	Business services $	Other revenue $	Total $
Revenue by service					
Hardware	292,781	-	57,418	-	350,199
Installations	248,509	221,817	170,097	-	640,423
Recurring fees	44,496,554	12,380,844	8,874,530	-	65,751,928
Co-build income	-	-	-	2,098,342	2,098,342
Other revenue	-	-	-	935,809	935,809
	45,037,844	12,602,661	9,102,045	3,034,151	69,776,701
Timing of revenue recognition					
Goods transferred at a point in time	292,781	-	57,418	-	350,199
Services transferred over time	44,745,063	12,602,661	9,044,627	3,034,151	69,426,502
	45,037,844	12,602,661	9,102,045	3,034,151	69,776,701

Accounting policy for revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Refer to note 21 for further information about revenue recognition timing that gives rise to contract liabilities.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services and sale of goods
The group earns revenue from contracts with customers primarily through the provision of telecommunications and other related offerings. Revenue from contracts with customers is recognised over time or at a point in time on the delivery of the promised goods or services to the customer in an amount which reflects the consideration to which the group expects to be entitled in exchange for those goods and services.

Note 4. Other income

	Consolidated	
	2024	2023
	$	$
Other income	17,653	189,106
Interest income	183,783	68,165
Other income	201,436	257,271

Accounting policy for other income

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income
Other income is recognised when it is received or when the right to receive payment is established.

Note 5. Expenses

	Consolidated 2024 $	Consolidated 2023 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	721,976	728,597
Motor vehicles	79,430	100,288
Networks	7,402,860	8,677,407
Right-of-use assets	3,290,857	2,752,167
Total depreciation	11,495,123	12,258,459
Amortisation		
Patents and trademarks	38,434	41,811
Licence agreements	107,219	107,219
Computer software	1,417,653	1,487,600
Contractual agreements	1,838,642	1,682,357
Customer relationships and contracts	588,916	2,542,017
Brands	-	81,053
Total amortisation	3,990,864	5,942,057
Total depreciation and amortisation	15,485,987	18,200,516
Finance costs		
Interest and finance charges paid/payable	1,842,919	1,439,732
Interest and finance charges paid/payable on lease liabilities	654,589	611,455
Finance costs expensed	2,497,508	2,051,187
Share-based payments expense		
Share-based payments expense	1,206,321	1,219,170
Employee benefits expense		
Superannuation	1,050,697	1,100,001
Other expenses		
Impairment of non-financial assets	-	22,779,390

Note 6. Assets held for sale and discontinued operations

Following a strategic review of operations and plan to focus on key markets, in June 2024 Swoop announced the decision to divest its wholesale focused voice call termination business to Pivotel Group Pty Ltd (Pivotel). Swoop entered into a binding sale agreement to divest the entire issued share capital of Voicehub Group Pty Ltd and Harbourtel Pty Ltd (the entities that own and operate Swoop's wholesale focused voice call termination business) to Pivotel for $9 million cash. The purchase price is comprised of $8 million payable on completion and an additional amount of $1 million to be retained by Pivotel / in escrow and will be adjusted based on the performance of the business for 9 months post completion. The sale was subsequently completed on 19 July 2024. The financial statements have been prepared in accordance with AASB 5 "Non-current Assets Held for Sale and Discontinued Operations", as at 30 June 2024. The assets of the divested business have been classified as held for sale in the financial statements and the results classified as discontinued operations. As the sale was completed in July 2024 the results for the discontinued operations included in the financial statements for the year ended 30 June 2024 are the results of the divested operations for the full 12 month period. Where applicable the prior period results have been restated to comply with AASB 5 guidance. The expected gain on sale from this transaction will be recognised in the year ending 30 June 2025, based on the July 2024 completion date.

Profit or loss from discontinued operations included in the statement of profit or loss and other comprehensive income

	Discontinued operations	
	2024	**2023**
	$	**$**
Revenue	7,751,896	8,216,392
Expenses	(5,587,217)	(6,727,389)
Impairment charges	-	(4,266,610)
Profit or loss before income tax (expense)/benefit	2,164,679	(2,777,607)
Income tax (expense)/benefit	(628,095)	530,436
Profit or loss after income tax (expense)/benefit	1,536,584	(2,247,171)

Assets held for sale and liabilities associated with assets held for sale included in the statement of financial position

	30 June 2024
	$
Cash and cash equivalents	948,678
Trade receivables	1,409,601
Prepayments	93,674
Other financial assets	100,000
Property plant and equipment	6,834
Intangibles – computer software	37,993
Goodwill	2,588,014
Assets classified as held for sale – current assets	5,184,794
Trade payables	1,595,414
Other payables	55,801
Contract liabilities	192,524
Employee benefits	70,372
Liabilities associated with assets classified as held for sale – current liabilities	1,914,111

Note 6. Assets held for sale and discontinued operations (continued)

Cash flows from operating, investing and financing activities included in the statement of cash flows

	Discontinued operations	
	2024	2023
	$	$
Cash flows from operating activities	2,977,242	2,142,520
Effects of exchange rate changes on cash and cash equivalents	(14,571)	18,615
Net increase in cash and cash equivalents for the year	2,962,671	2,161,135

Cash flows above exclude intercompany cash flows between the discontinued operations and other entities in the group.

Note 7. Impairment of non-financial assets

	Consolidated	
	2024	2023
	$	$
Impairment charges		
Property, plant and equipment (note 17)	-	7,463,082
Intangibles, excluding goodwill (note 18)	-	15,227,996
Goodwill (note 18)	-	4,354,922
Tota impairment charges	-	27,046,000

Impairment charges in the year ended 30 June 2023 include those for continuing operations and discontinued operations (note 6).

Impairment disclosures, cash generating units and testing of goodwill

As disclosed in the 30 June 2023 Annual Report, as part of the annual impairment testing required under AASB 136 Impairment of Assets, the Group reviewed the carrying value of fixed assets and intangibles at that date. During that review it was identified that certain assets were showing indicators of impairment. As a result, a provision for impairment was recognised to ensure the carrying value of those assets did not exceed their recoverable amount. Of the $27,046,000 impairment charges recognised for the year ended 30 June 2023, $7,463,082 related to fixed assets, $15,227,996 related to intangibles (excluding goodwill) and $4,354,922 related to goodwill.

The Group has again assessed at 30 June 2024 whether there is any indication that a Group asset, including goodwill and other intangible assets, may be impaired.

A key indicator considered was that the net assets of the Group as at the reporting date exceeded its' market capitalisation. The evaluation of whether any impairment existed at 30 June 2024 included, amongst other factors, consideration of the general market volatility currently affecting smaller capitalisation stocks, the current liquidity in Swoop's shares and the Directors' longer term view of the underlying intrinsic value of the business.

As part of the annual impairment testing, the Group also tested the recoverability of goodwill. For the purpose of impairment testing, goodwill is allocated to the CGU's which represent the lowest level at which goodwill is monitored for internal management purposes. Following the acquisition of Telco Pay Pty Limited in November 2022 and for the year ended 30 June 2023, Swoop impairment testing was conducted on the basis of 2 CGU's, the Moose CGU and the Swoop CGU which consisted of the rest of the Group entities. This was on the basis that Moose was previously managed and tracked as a separately run business over that specific period. Following the integration of Moose and a restructure of the business during FY24 the Group now manages the entire business as one CGU, this is reflected in reporting and management structures, centralised systems, cost synergies and resource use and interdependent product revenues through cross-selling. The cash flows of the business are considered to be fully integrated and interdependent, and therefore annual impairment testing as at 30 June 2024 has been conducted on a single CGU basis.

In performing the annual impairment testing, the recoverable amount for the Swoop CGU has been determined based on Fair Value Less Costs of Disposal (FVLCD) calculations using Discounted Cash Flow ("DCF") projections. The DCF projections are based on three-years forecast beyond FY24 as approved by the Board. The cash flows used in the FVLCD calculations beyond the three-year period are estimated using long term growth rates and a terminal value consistent with

Note 7. Impairment of non-financial assets (continued)

the Reserve Bank of Australia's long- term inflation target under standard valuation principles.

As a result of the annual impairment assessment, the Group has determined that no impairment charge is required at 30 June 2024.

Key assumptions and sensitivities underlying the annual impairment assessment are set out below.

Key assumptions
The fair value measurement of the recoverable amount is a level 3 measurement under the fair value hierarchy of AASB 13 *Fair Value Measurement*, which reflects that the inputs are not based on observable market data.

In calculating the FVLCD recoverable amount for the Swoop CGU, the following key assumptions have been applied:

Assumption	Description	Swoop CGU
Revenue Growth rate (continuing operations)	Revenue growth rate is based on the CGU's business plan for continuing operations as approved by management, with the terminal value reflecting the long-term growth rate.	FY25 to FY29: 12.5% - 15.4%
Earnings margin	Earnings margin represents the forecasted earnings margin (EBITDA), on a pre AASB 16 *Leases* basis, based on the CGU's business plan approved by management, with operating expenditure post FY27 growing in line with revenue.	FY25 to FY29: 12.0% - 15.5%
Long-term growth rate	Long-term growth rate reflects management's estimation of the long-term inflation rate as at the assessment date, which is within the Reserve Bank of Australia's long-term inflation target range of 2.0% to 3.0% per annum.	2.5%
Period of projected cashflows for DCF	The cash flow projections for the three years FY25 to FY27 included in the model are based on management forecasts and have been derived using past experience, current strategies and business plans and assessment of economic and regulatory factors which may impact the markets within which the Group operates. These forecasts have been extrapolated for the two year period from FY28 to FY29 using longer term revenue growth assumptions. Beyond FY29 the cash flows have been prepared using the long-term growth rate specified above.	5 years
Discount rate	Discount rate represents post tax nominal discount rate used to equate the future cash flows to their present value and reflects the risk adjusted rate of return demanded by a hypothetical investor for the asset or business being valued. Discounted rates are determined based on the cost of an entity's debt and equity weighted by the proportion of debt and equity selected, that is, a weighted average cost of capital. The cost of equity capital has been determined using the capital asset pricing model.	12.50%

As a cross-check for the assessed recoverable amount determined using the above assumptions, a comparison of the implied EBITDA multiples of Swoop to the implied EBITDA multiples of a set of broadly comparable companies was undertaken. This cross-check had regard to the average and median multiples of those comparable companies. This implied multiples analysis supported the recoverable amount determined using the FVLCD methodology.

Sensitivity
The Group has conducted a sensitivity analysis of the impairment test to changes in the key assumptions used to determine the recoverable amount of the Swoop CGU, the key sensitivities are set out below.

Note 7. Impairment of non-financial assets (continued)

Discount rate

- A decrease in the discount rate from 12.50% to 11.75% would result in an increase in headroom available to $11.8 million compared to the $2.7 million headroom available using a discount rate of 12.50%;
- An increase in the discount rate from 12.50% to 12.75% would cause the CGU's recoverable amount to equal to its carrying value.
- An increase in the discount rate from 12.50% to 13.25% would result in an impairment charge of ($5.1 million), compared to the $2.7 million headroom available using a discount rate of 12.50%.

Note 8. Income tax

	Consolidated 2024 $	Consolidated 2023 $
Income tax charge		
Current tax	56,807	314,493
Adjustment recognised for prior periods(1)	(28,269)	5,406,992
Origination and reversal of timing differences	(2,144,268)	(3,665,217)
Aggregate income tax charge/(benefit)	(2,115,730)	2,056,268
Numerical reconciliation of income tax charge and tax at the statutory rate		
Loss before income tax charge/(benefit)	(5,905,812)	(35,457,235)
Tax at the statutory tax rate of 30%	(1,771,744)	(10,637,171)
Adjustment recognised for prior periods(1)	(28,269)	5,406,992
Permanent differences	548,171	497,103
Tax losses not recognised / (prior year tax losses not recognised now utilised)	(863,888)	6,474,851
Tax expense of entities acquired during the year	-	314,493
Difference in overseas entities outside of Australian consolidated tax group	-	-
Income tax expense / (benefit)	(2,115,730)	2,056,268
Income tax expense / (benefit) composition		
Continuing operations	(2,743,825)	2,586,704
Discontinued operations	628,095	(530,436)
Income tax expense / (benefit)	(2,115,730)	2,056,268

Further information on discontinued operations is included in note 6.

(1): The adjustment recognised for prior periods in 2023 primarily relates to the application of temporary full expensing rules (to eligible assets) in the preparation of the group tax return for the year ended 30 June 2022.

Note 8. Income tax (continued)

	Consolidated 2024 $	Consolidated 2023 $
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Provisions & accruals	905,733	1,510,384
Lease liabilities associated with right-of-use assets	2,642,498	2,654,870
Blackhole expenditure	72,151	144,301
Intangible assets	748,187	-
Deferred tax asset	4,368,569	4,309,555

	Consolidated 2024 $	Consolidated 2023 $
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Depreciable assets	5,474,555	7,515,536
Right-of-use assets	2,391,437	2,440,203
Intangible assets	-	23,776
Deferred tax liability	7,865,992	9,979,515

Movements - deferred tax asset	Intangible assets $	Provisions and accruals $	Right-of-use lease liabilities $	Other	Total
At 1 July 2023	-	1,510,384	2,654,870	144,301	4,309,555
- Charged to profit or loss	748,187	(604,651)	(12,372)	(72,150)	59,014
At 30 June 2024	748,187	905,733	2,642,498	72,151	4,368,569

Movements - deferred tax liability	Right-of-use assets	Intangible assets $	Depreciable assets $	Total $
At 1 July 2023	2,440,203	23,776	7,515,536	9,979,515
- Charged to profit or loss	(48,766)	(23,776)	(2,040,981)	(2,113,523)
At 30 June 2024	2,391,437	-	5,474,555	7,865,992

	Consolidated 2024 $	Consolidated 2023 $
Provision for income tax		
Provision for income tax	-	317,886

Note 8. Income tax (continued)

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Swoop Holdings Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Note 9. Cash and cash equivalents

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Cash at bank	10,897,573	19,043,911

Cash and cash equivalents are reconciled from the statement of financial position to the statement of cash flows as follows:

	2024 $
Cash and cash equivalents - statement of financial position	10,897,573
Cash and cash equivalents - included in assets classified as held for sale (note 6)	948,678
Total cash and cash equivalents – statement of cash flows	11,846,251

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 10. Trade and other receivables

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Trade receivables and accrued revenue	7,238,141	5,876,082
Less: Allowance for expected credit losses	(738,915)	(277,027)
	6,499,226	5,599,055

Total trade and other receivables are reconciled to the statement of financial position as follows:

	2024 $
Trade and other receivables - statement of financial position	6,499,226
Trade and other receivables - included in assets classified as held for sale (note 6)	1,409,601
Total trade and other receivables	7,908,827

Allowance for expected credit losses
During the financial year, an allowance for expected credit losses of ($532,017) has been recognised in the profit or loss (2023: $58,985).

Note 10. Trade receivables (continued)

The ageing of the trade receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Trade debtors		Allowance for expected credit losses	
	2024	2023	2024	2023	2024	2023
Consolidated	%		$	$	$	$
Not overdue	1.03%	1.49%	1,873,415	2,052,219	19,360	30,566
< 30 days overdue	0.98%	1.51%	885,367	815,440	8,647	12,284
< 90 days overdue	10.96%	4.34%	2,642,324	514,029	289,660	22,304
> 90 days overdue	44.75%	36.79%	941,265	575,953	421,248	211,873
			6,342,371	3,957,641	738,915	277,027

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	2024	2023
	$	$
Opening balance	277,027	269,954
Utilisation of allowance for expected credit losses	(70,129)	(51,912)
Additional provisions recognised	532,017	58,985
Closing balance	738,915	277,027

Accounting policy for trade and other receivables

Trade receivables
The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped on the days past due and also according to the customer type (direct, residential, wholesale).

The expected loss rates are based on the payment profile for sales over the past 48 months before 30 June 2024 and 30 June 2023 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward looking macroeconomic factors affecting the customer's ability to settle the outstanding amount.

Trade receivables are written off (derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 120 days is considered an indicator of no reasonable expectation of recovery.

Credit risk exposure
The Group is not exposed to any significant credit risk exposure to any single counterparty or any of group of counterparties having similar characteristics. Based on historical information about customer default rates, management consider the quality of trade receivables that are not past due or impaired to be good.

Other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 11. Inventories

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Stock on hand – at lower of cost and net realisable value	2,023,958	2,297,497

Accounting policy for inventories
Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Note 12. Other assets

	Consolidated 2024 $	Consolidated 2023 $
Deferred costs	687,333	-
	687,333	-

Note 13. Other financial assets

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Security deposits and other financial assets	144,094	456,166
Non-current assets		
Security deposits and other financial assets	304,753	333,458

Note 14. Financial assets at fair value through other comprehensive income

	Consolidated	
	2024 $	2023 $
Non-current assets		
Shares in listed entities	1,004,868	1,247,981

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	1,247,981	1,339,964
Revaluations through other comprehensive income	(243,113)	(76,825)
Disposals	-	(15,158)
Closing fair value	1,004,868	1,247,981

Refer to note 28 for further information on fair value measurement.

Note 15. Right-of-use assets

The Group has leases over a range of assets including land and buildings and network assets.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

Land and buildings
The Group leases land and buildings for their corporate offices and other buildings, the leases are generally between 1-5 years and some of the leases include a renewal option to allow the Group to renew for up to twice the non- cancellable lease term.

Corporate office leases contain an annual pricing mechanism based on CPI movements at each anniversary of the lease inception.

Network assets
<u>Network access agreements</u>
The Group has in place access agreements for maintenance of network equipment. The leases can vary in length, with the access agreements usually being rolling 12-month agreements. In these instances, the Group has determined the length of the lease to be the identifiable useful life of the equipment placed there on, which has been set at 7 years.

<u>Dark Fibre agreements</u>
The Group has agreements to gain exclusive access to underground fibre cabling. The leases usually have an initial term of 36 months, after which they revert to a rolling month-to-month contract. In these instances, the Group has determined the length of the lease to be the average length of time that they utilise the dark fibre cabling, which has been set at 7 years.

(a) Right-of-use assets

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

Note 15. Right-of-use assets (continued)

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Premises and sites - right-of-use	9,461,713	10,106,698
Less: accumulated depreciation	(4,801,441)	(4,715,160)
	4,660,272	5,391,538
Network assets - right-of-use	5,704,517	4,350,961
Less: accumulated depreciation	(2,393,331)	(1,608,490)
	3,311,186	2,742,471
	7,971,458	8,134,009

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

Consolidated	Premises and sites $	Network assets $	Total $
Balance at 30 June 2022	1,040,583	8,256,601	9,297,184
Additions	1,587,197	318,381	1,905,578
Disposals	(207,361)	(109,225)	(316,586)
Transfers in/out	4,948,510	(4,948,510)	-
Depreciation expense	(1,977,391)	(774,776)	(2,752,167)
Balance at 30 June 2023	5,391,538	2,742,471	8,134,009
Additions	1,571,734	1,732,043	3,303,777
Disposals	(130,663)	(44,808)	(175,471)
Depreciation expense	(2,172,337)	(1,118,520)	(3,290,857)
Balance at 30 June 2024	4,660,272	3,311,186	7,971,458

(b) Lease liabilities

The carrying value of lease liabilities is presented below:

	Consolidated 2024 $	Consolidated 2023 $
Current		
Premises and sites	1,784,697	1,645,995
Network assets	889,145	640,275
Other leases	95,306	145,930
	2,769,148	2,432,200
Non-current		
Premises and sites	3,298,051	4,110,834
Network assets	2,680,155	2,271,309
Other leases	61,435	135,905
	6,039,641	6,518,048
	8,808,789	8,950,248

Note 15. Right-of-use assets (continued)

(c) Maturity profile of contractual undiscounted lease liability cashflows:

	Consolidated	
	2024	**2023**
	$	**$**
- not later than one year	2,964,890	2,586,944
- later than one year but not later than five years	6,829,778	7,421,589
	9,794,668	10,008,533

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 16. Prepayments

	Consolidated	
	2024	**2023**
	$	**$**
Current assets		
Prepayments	1,527,148	1,675,406

Note 17. Property, plant and equipment

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Networks - at cost	74,846,530	61,852,134
Less: accumulated depreciation	(39,242,406)	(31,839,546)
	35,604,124	30,012,588
Plant and equipment - at cost	4,693,617	4,331,281
Less: accumulated depreciation	(2,869,065)	(2,177,332)
	1,824,552	2,153,949
Motor vehicles - at cost	903,464	787,720
Less: accumulated depreciation	(635,575)	(556,145)
	267,889	231,575
Property - at cost	319,501	-
	38,016,066	32,398,112

Consolidated	Networks $	Plant and equipment $	Motor vehicles $	Property $	Total $
Balance at 30 June 2022	32,224,344	2,287,041	246,866	-	34,758,251
Additions	12,658,310	814,029	91,364	-	13,563,703
Reclassification from intangibles (note 18)	1,053,780	-	-	-	1,053,780
Disposals	-	-	(3,285)	-	(3,285)
Impairment expense	(7,246,439)	(213,561)	(3,082)	-	(7,463,082)
Depreciation expense	(8,677,407)	(733,560)	(100,288)	-	(9,511,255)
Balance at 30 June 2023	30,012,588	2,153,949	231,575	-	32,398,112
Additions	13,005,967	400,204	115,744	319,501	13,841,416
Reclassified as held for sale (note 6)	-	(6,834)	-	-	(6,834)
Disposals	(11,571)	(791)	-	-	(12,362)
Depreciation expense	(7,402,860)	(721,976)	(79,430)	-	(8,204,266)
Balance at 30 June 2024	35,604,124	1,824,552	267,889	319,501	38,016,066

Accounting policy for property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Networks	8% - 40%
Fibre Networks	6.5% - 10%
Plant and equipment	20% - 50%
Motor vehicles	20% - 25%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Note 17. Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Please see note 7 for further details on prior year impairment charges for the year ended 30 June 2023.

Note 18. Intangibles

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Goodwill - at cost	36,439,616	39,027,630
License agreements - at cost	536,095	536,095
Less: accumulated amortisation	(445,543)	(338,324)
	90,552	197,771
Patents and trademarks - at cost	389,824	389,824
Less: accumulated amortisation	(90,610)	(52,176)
	299,214	337,648
Customer relationships and contracts - at cost	7,311,952	7,311,952
Less: accumulated amortisation	(5,568,021)	(4,979,105)
	1,743,931	2,332,847
Computer software - at cost	6,063,300	3,442,412
Less: accumulated amortisation	(2,775,354)	(1,359,440)
	3,287,946	2,082,972
Brands - at cost	2,050,760	2,050,760
Contractual agreements - at cost	6,845,280	6,845,280
Less: accumulated amortisation	(3,520,999)	(1,682,357)
	3,324,281	5,162,923
Total intangibles	47,236,300	51,192,551

Note 18. Intangibles (continued)

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

Consolidated	Goodwill $	Customer relationships and contracts $	Contractual agreements $	Patents and trademarks $	Computer software $	Licence agreements $	Brands $	Total $
Balance at 30 June 2022	26,146,671	14,970,669	-	399,268	3,440,223	304,990	266,068	45,527,889
Additions	-	-	-	12,744	2,590,028	-	-	2,602,772
Additions through business combinations	17,235,881	3,938,050	6,845,280	-	-	-	2,050,760	30,069,971
Impairment expense	(4,354,922)	(13,644,000)	-	(32,553)	(1,404,161)	-	(147,282)	(19,582,918)
Reclassification to property, plant & equipment (note17)	-	-	-	-	(1,053,780)	-	-	(1,053,780)
Amortisation expense	-	(2,931,872)	(1,682,357)	(41,811)	(1,489,338)	(107,219)	(118,786)	(6,371,383)
Balance at 30 June 2023	39,027,630	2,332,847	5,162,923	337,648	2,082,972	197,771	2,050,760	51,192,551
Additions	-	-	-	-	2,660,620	-	-	2,660,620
Reclassification to held for sale (note 6)	(2,588,014)	-	-	-	(37,993)	-	-	(2,626,007)
Amortisation expense	-	(588,916)	(1,838,642)	(38,434)	(1,417,653)	(107,219)	-	(3,990,864)
Balance at 30 June 2024	36,439,616	1,743,931	3,324,281	299,214	3,287,946	90,552	2,050,760	47,236,300

Accounting policy for intangible assets
Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments. The Group is considered to be one operating segment.

Licence agreements
APNIC licenses acquired at acquisition have a finite life and are carried at cost less any accumulated amortisation and impairment losses. The estimated useful life has been determined to be five years.

Patents and trademarks
Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Note 18. Intangibles (continued)

Customer relationships
Customer intangibles acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 years.

Contractual agreements
Contractual agreements acquired in a business combination relate to key supplier agreements and are amortised over the term of the agreements in place at the time of acquisition, being 3.7 years.

Computer Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2.5-10 years.

Brands
Brand arises on the acquisition of a business and is independently valued at the date of acquisition. The brands as at 30 June 2024 have been assessed as having an indefinite life.

Please see note 7 for further details on prior year impairment charges for the year ended 30 June 2023.

Note 19. Trade payables

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Trade payables	15,148,161	13,493,164
Accrued expenses	1,810,350	1,701,637
Other payables	62,693	238,551
	17,021,204	15,433,352

Refer to note 27 for further information on financial instruments.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 20. Other payables

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
GST and Employee PAYG payable to ATO	580,288	709,956
Financial liabilities	122,007	400,838
Payroll related accruals	1,114,471	1,725,103
	1,816,766	2,835,897

Note 21. Contract liabilities

	Consolidated	
	2024	2023
	$	$
Current liabilities		
Contract liabilities	1,582,729	2,151,327

Contract liabilities are reconciled to the statement of financial position as follows:

	2024
	$
Contract liabilities – statement of financial position	1,582,729
Contract liabilities – included in assets held for sale (note 6)	192,524
Total contract liabilities	1,775,253

Reconciliation
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	Consolidated	
	2024	2023
	$	$
Opening balance	2,151,327	1,683,229
Payments received in advance	18,422,176	18,755,774
Additions through business combinations	-	197,479
Less: performance of contract asset	(18,798,250)	(18,485,155)
Closing balance	1,775,253	2,151,327

Unsatisfied performance obligations
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $1,775,253 as at 30 June 2024 (2023: $2,151,327) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2024	2023
	$	$
Within 12 months	1,775,253	2,151,327

Accounting policy for contract liabilities
Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Note 22. Employee benefits

	Consolidated	
	2024 $	2023 $
Current liabilities		
Long service leave	224,499	204,883
Annual Leave	1,081,059	1,147,088
	1,305,558	1,351,971
Non-current liabilities		
Long service leave	180,715	172,769
	1,486,273	1,524,740

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 23. Provisions

	Consolidated	
	2024 $	2023 $
Non-current liabilities		
Lease make good	-	168,096

Accounting policy for provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 24. Deferred consideration

	Consolidated 2024 $	2023 $
Current liabilities		
Deferred consideration – fair value of contingent consideration	2,637,563	2,399,377
Non-current liabilities		
Deferred consideration – fair value of contingent consideration	-	2,078,923

Deferred consideration as at 30 June 2024 is the fair value of contingent consideration in relation to the potential earn out payment to the vendors of Telco Pay Pty Ltd for the Second Performance Period. It is subject to assessment of specific contractual conditions being met at 30 June 2024 and any amounts determined as being payable are due to be paid in November 2024. During the year an amount of $2,450,000 was paid to the vendors of Telco Pay Pty Limited, being the earn out payment for the First Performance Period.

Deferred consideration
The provision represents the obligation to pay contingent consideration following the acquisition of a business or assets. It is measured at the present value of the estimated liability.

Note 25. Issued capital

	Consolidated 2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	208,208,937	207,092,671	127,266,230	126,550,345

Note 25. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2022	205,627,377		123,737,206
Cancellation of shares pursuant to on-market buy-back	14 September 2022	(5,620,864)		(2,436,913)
Voicehub - vendor consideration shares	16 September 2022	397,014	$2.099	833,332
Cancellation of shares pursuant to on-market buy-back	27 September 2022	(1,898,479)		(855,302)
Conversion of performance rights	3 October 2022	420,000		608,720
Cancellation of shares pursuant to on-market buy-back	11 October 2022	(231,500)		(91,219)
Cancellation of shares pursuant to on-market buy-back	17 October 2022	(107,938)		(44,348)
Moose Mobile - vendor consideration shares	1 November 2022	9,881,423	$0.506	5,000,000
Conversion of performance rights	1 November 2022	50,000		24,550
Luminet – vendor consideration shares	20 March 2023	2	$1.079	2
Conversion of performance rights	18 April 2023	50,000		90,000
Cancellation of shares pursuant to on-market buy-back	30 June 2023	(1,474,364)		(304,487)
Transaction costs for on-market buy-back	Various dates			(11,196)
Balance	1 July 2023	207,092,671		126,550,345
Conversion of performance rights	28 July 2023	50,000		90,000
Cancellation of shares pursuant to on-market buy-back	24 August 2023	(18,734)		(3,964)
Conversion of performance rights	26 September 2023	300,000		154,020
Conversion of performance rights	23 October 2023	785,000		475,840
Transaction costs for on-market buy-back	Various dates			(11)
Balance	30 June 2024	208,208,937		127,266,230

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Loan funded shares
At 30 June 2024 the Group had in place the following share based payment scheme as detailed below.

The Group has previously issued shares to a number of executives for a limited recourse loan consideration. For statutory reporting purposes, these shares have been treated as options as the loan agreements only provide for a limited set of circumstances in which the loan amounts will be repaid and are only recoverable against the shares themselves. No new shares under this loan arrangement have been issued since the year ended 30 June 2021 (15,795,040 shares).

In accordance with AASB 2, the value of the embedded option in the shares was assessed and added to the share based payment reserve for the year ended 30 June 2021 ($631,802).

There have been no amounts repaid on existing loan funded share arrangements since the year ended 30 June 2021 ($1,057,667).

Note 25. Issued capital (continued)

Share buy-back
The company commenced an on-market share buy-back program as announced on 15 August 2022. The buy-back was for up to 14,532,529 fully paid ordinary shares, representing 10% of the company's issued share capital at the time of the commencement of the buy-back. In the year ended 30 June 2023 the company acquired 9,333,145 shares for $3,732,269, being 64.2% of the fully paid ordinary shares able to be bought back.

On 25 August 2023, as part of its ongoing capital management strategy, Swoop announced it would extend the current on-market share buy-back program, which was due to expire on 29 August 2023, for up to an additional 10% of the Company's shares on issue (approximately 207,123,937 shares), for a further 12 month period from 25 August 2023 through to 23 August 2024.

In the year ended 30 June 2024 the company acquired a further 18,734 shares for $3,964.

On 23 August 2024 it was announced that the on-market share buy-back program was completed.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 26. Reserves

	Consolidated	
	2024	2023
	$	$
Foreign currency translation reserve	11,755	11,755
Share-based payments reserve	4,336,353	3,849,892
	4,348,108	3,861,647

Accounting policy for reserves

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 27. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange, ageing analysis for credit risk.

	Consolidated	
	2024	**2023**
	$	**$**
Financial assets at amortised cost:		
Cash and cash equivalents (note 9)	10,897,573	19,043,911
Trade receivables (note 10)	6,499,226	5,599,055
Other financial assets (note 13)	448,847	789,624
Financial assets at fair value:		
Financial assets at fair value (note 14)	1,004,868	1,247,981
Total financial assets	18,850,514	26,680,571
Financial liabilities at amortised cost:		
Trade payables (note 19)	17,021,204	15,433,352
Other payables (note 20)	1,816,766	2,835,897
Borrowings	23,260,845	18,545,623
Lease liabilities (note 15)	156,741	281,835
Financial liabilities at fair value:		
Deferred consideration – fair value of contingent consideration (note 24)	2,637,563	4,478,300
Total financial liabilities	44,893,119	41,575,007

The fair values of financial assets and liabilities above exclude those associated with assets held for sale, the details of assets classified as held for sale and liabilities associated with assets classified as held for sale are set out in note 6.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows (holdings are shown in AUD equivalent and include those for both continuing operations and assets held for sale / liabilities associated with assets held for sale):

	Assets		Liabilities	
Consolidated	**2024** **$**	**2023** **$**	**2024** **$**	**2023** **$**
AUD equivalent	783,237	676,298	611,144	95,595

As the Group has no material exposure to fluctuations in foreign currency, no sensitivity analysis has been performed as any variation in foreign exchange rates would not have a material impact on post-tax profit/(loss).

Denominated financial assets represent cash holdings in non AUD currencies, as at 30 June 2024 over 99% was held in USD.

Note 27. Financial instruments (continued)

Price risk
The consolidated entity exposure to equity securities price risk arises from an investment held by the consolidated entity and classified in the statement of financial position as fair value through other comprehensive income (FVOCI). Reviews of the performance of the investment are completed regularly to assess if shares are sold or held. A +/(-) 5 % change in the underlying securities price at 30 June 2024 would result in a $50,243/($50,243) movement in the carrying value on the balance sheet.

Interest rate risk
The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to interest rate risk. Monthly repayments of principal and interest are fixed for the Bank Bill Business Loan Facility (amortising), with any increase (or decrease) in interest rates increasing (or reducing) the principal balance owing at the end of the term of those borrowings. For the Bank Bill Business Loan Facility (bullet) interest is calculated and paid based on the balance outstanding and therefore monthly repayments are variable. A +/(-) 25 bps change in the underlying interest rate for the year ended 30 June 2024 would have resulted in a $48,331/($48,331) movement in interest expense for the financial year.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The consolidated entity does not have any material credit risk exposure to any single receivable or group of receivables.

Liquidity risk
The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The consolidated entity manages this risk by preparing forward looking cash flow analysis in relation to its operational, investing and financing activities and monitoring its cash assets and assets readily convertible to cash in the context of its forecast future cash flows.

Financing arrangements
Unused borrowing facilities at 30 June 2024:

	Total facility amount $	Amount drawn $	Unused financing facilities $
Westpac - Bank Bill Business Loan Facility $20M (amortising)	16,703,477	16,703,461	16
Westpac - Bank Bill Business Loan Facility $10M (bullet payment)	10,000,000	6,557,384	3,442,616
Westpac - Bank Overdraft	2,000,000	-	2,000,000
Westpac - Corporate Card Facility	300,000	91,704	208,296

Note 27. Financial instruments (continued)

In June 2022 the Group executed a facilities agreement (subsequently amended and restated in October 2022) with Westpac Banking Corporation which included the following facilities:

- A $20.0 million Bank Bill Business Loan Facility which was available to fund permitted acquisitions, and subject to amortisation requirements, is available for a 5 year term. These facilities, which are amortising, were drawn down to fund the acquisition of Telco Pay Pty Limited which completed in November 2022;
- A $10.0 million Bank Bill Business Loan Facility available to fund acquisitions and capex programmes and is available for a 5 year term;
- A $2.0 million overdraft facility to fund working capital requirements;
- A $300,000 corporate credit card facility; and
- A $200,000 bank guarantee facility.

Certain security agreements have also been entered into with Westpac to secure any debt incurred under these facilities.

The facility is subject to six monthly covenant testing, such covenants being customary for the nature of these facilities. There have been no breaches of covenants in the year ended 30 June 2024.

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Remaining contractual maturities for borrowings assume minimum monthly repayments of interest and principal over the remaining term of the loan. The interest component of the minimum monthly repayments comprises BBSY + a fixed credit facility margin. The undiscounted cash flows in the table for borrowings have been calculated using a 3 year swap rate plus the fixed credit facility margin.

Consolidated - 2024	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables		15,148,161	-	-	-	15,148,161
Other payables		1,816,766	-	-	-	1,816,766
Deferred consideration – contingent consideration		2,693,818	-	-	-	2,693,818
Interest bearing						
Borrowings	5.65%	3,533,785	3,504,649	19,590,802	-	26,629,236
Other lease liabilities	7.39%	105,586	25,315	48,520	-	179,421
Total non-derivatives		23,298,116	3,529,964	19,639,322	-	46,467,402

Note 27. Financial instruments (continued)

Consolidated - 2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables		13,493,164	-	-	-	13,493,164
Other payables		2,835,897	-	-	-	2,835,897
Deferred consideration – contingent consideration		2,450,000	2,260,000	-	-	4,710,000
Interest bearing						
Borrowings	5.58%	3,144,720	3,144,720	15,409,401	-	21,698,841
Other lease liabilities	7.87%	161,678	85,907	73,835	-	321,420
Total non-derivatives		22,085,459	5,490,627	15,483,236	-	43,059,322

Forecasts of cash and available funding indicate sufficient funding to meet maturities within the next 12 months, with year to date performance being in line with those forecasts.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 28. Fair value measurement

Fair value hierarchy
The following tables detail the Group'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, and
Level 3: Unobservable inputs for the asset or liability

Consolidated – 2024	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial asset at fair value through other comprehensive income	1,004,868	-	-	1,004,868
Total assets	1,004,868	-	-	1,004,868

Consolidated - 2024	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Deferred consideration – fair value of contingent consideration	-	-	2,637,563	2,637,563
Total liabilities	-	-	2,637,563	2,637,563

Note 28. Fair value measurement (continued)

There were no transfers between levels during the financial year.

Reconciliation of Level 3 balances

	Consolidated 2024 $
Deferred consideration – fair value of contingent consideration	
Opening balance	4,478,300
Consideration paid	(2,450,000)
Interest expense on deferred consideration	185,004
Revaluation of remaining deferred consideration	424,259
Closing balance	2,637,563

Valuation techniques for fair value measurements categorised within level 3
Deferred consideration has been valued using a discounted cash flow model based on the earn out expected to be achieved in each performance period. Refer note 24.

Accounting policy for fair value measurement
Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 29. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated 2024 $	Consolidated 2023 $
Short-term employee benefits	1,560,941	1,321,301
Post-employment benefits	116,262	102,958
Share based payments expense	474,502	433,378
	2,151,705	1,857,637

Note 30. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PKF(NS) Audit & Assurance Limited Partnership, the auditor of the company:

	Consolidated 2024 $	Consolidated 2023 $
Audit services - PKF		
Audit or review of the financial statements	301,050	286,500
Non-assurance – PKF		
Transaction support – taxation services	44,500	-
Taxation compliance services	37,500	46,500
	82,000	46,500
	383,050	333,000

Note 31. Contingent liabilities

The consolidated entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Note 32. Related party transactions

Parent entity
Swoop Holdings Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 34.

Key management personnel
Disclosures relating to key management personnel are set out in note 29 and in the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2024 $	Consolidated 2023 $
Payment for goods and services:		
Payment for SaaS usage fees to Opvia Pty Ltd (director-related entity of Matthew Hollis)	17,839	21,136

Payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

Amount payable for SaaS usage fees to Opvia Pty Ltd (director-related entity of Matthew Hollis)	495	-
Amount payable for professional services from CVC ECF Managers Pty Ltd (director-related entity of Jonathan Pearce)	-	14,850

Note 32. Related party transactions (continued)

Other transactions with related parties
During the year ended 30 June 2024 an agreement was entered into between Swoop Infrastructure Pty Ltd and Mako Minerals Pty Ltd (Mako Minerals) for the installation of a telecommunications network for a development to be undertaken by Mako Minerals. Mako Minerals is a director-related entity of Jonathan Pearce. No amounts have been received in the year ended 30 June 2024, and installation activities are expected to commence in future financial periods

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 33. Parent entity information

Parent entity information required to be disclosed in accordance with the Corporations Act 2001. The legal parent entity of the Group is Swoop Holdings Limited, and the results shown below are for the 12 months ended 30 June 2024 and 30 June 2023.

Statement of profit or loss and other comprehensive income

	Parent	
	2024 **$**	**2023** **$**
Loss after income tax	(1,746,366)	(27,244,664)
Total comprehensive income	(1,746,366)	(27,244,664)

The loss after income tax for the year ended 30 June 2023 includes $27,046,000 impairment charges, reflecting impairment charges made in subsidiary entities in that year. Refer note 7.

Statement of financial position

	Parent	
	2024 **$**	**2023** **$**
Total current assets	60,295,435	61,125,846
Total assets	88,455,943	88,050,936
Total current liabilities	4,409,435	4,629,404
Total liabilities	29,102,995	27,667,507
Net assets	59,352,948	60,383,429
Equity		
Issued capital	127,266,230	126,550,345
Foreign exchange translation reserve	11,755	11,755
Share-based payments reserve	802,002	802,002
Accumulated losses	(68,727,039)	(66,980,673)
Total equity	59,352,948	60,383,429

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity has entered into a deed of cross guarantee with Swoop Telecommunications Pty Limited (formerly Cirrus Communications Pty Limited) and certain of its controlled entities under which each company guarantees the debts of the others. Refer note 35.

Note 33. Parent entity information (continued)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity.

Note 34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Anycast Holdings Pty Ltd	Australia	100%	100%
Anycast Networks (NZ) Ltd	New Zealand	100%	100%
Bosley Holdings Pty Ltd	Australia	100%	100%
Cirrus Integrations Pty Limited	Australia	100%	100%
Countrytell Holdings Pty Ltd	Australia	100%	100%
Countrytell Management Pty Ltd	Australia	100%	100%
Fiwi Pty Ltd	Australia	100%	100%
Harbourtel Pty Ltd(1)	Australia	100%	100%
Kallistrate Pty Ltd	Australia	100%	100%
Luminet Fibre Pty Ltd	Australia	100%	100%
Luminet Pty Ltd	Australia	100%	100%
MyStemKits, Inc.	United States	100%	100%
Node 1 Pty Ltd	Australia	100%	100%
N1 Telecommunications Pty Ltd	Australia	100%	100%
N1 Wholesale Pty Ltd	Australia	100%	100%
Seventeen Services Pty Ltd	Australia	100%	100%
STEM Education Holdings Pty Ltd	Australia	100%	100%
Swoop Infrastructure Pty Ltd	Australia	100%	-
Swoop Telecommunications Pty Ltd(2)	Australia	100%	100%
Telco Pay Pty Ltd	Australia	100%	100%
Voicehub Group Pty Ltd(1)	Australia	100%	100%
Voicehub Pty Ltd(1)	Australia	100%	100%
Wan Solutions Pty Ltd	Australia	100%	100%

(1)Disposed of pursuant to a conditional sale agreement dated 7 June 2024. Completion of this disposal occurred on 19 July 2024.
(2)Formerly Cirrus Communications Pty Ltd

Note 35. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Swoop Holdings Limited (Holding Entity)
Swoop Telecommunications Pty Limited
Cirrus Integration Pty Limited
STEM Education Holdings Pty Ltd
Anycast Holdings Pty Ltd
Bosley Holdings Pty Ltd
Countrytell Holdings Pty Ltd
Countrytell Management Pty Ltd
Kallistrate Pty Ltd
Wan Solutions Pty Ltd
Fiwi Pty Ltd
N1 Telecommunications Pty Ltd
Node 1 Pty Ltd
N1 Wholesale Pty Ltd
Luminet Pty Ltd
Luminet Fibre Pty Ltd
Telco Pay Pty Ltd
Seventeen Services Pty Ltd
Swoop Infrastructure Pty Ltd
Voicehub Group Pty Ltd
Voicehub Pty Ltd
Harbourtel Pty Ltd

By entering into the deed, Swoop Telecommunications Pty Limited has been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument. As at 30 June 2024, as there are no other parties to the deed of cross guarantee that are controlled by Swoop Holdings limited, the above companies also represented the 'Extended Closed Group'.

Following the successful completion of the transaction whereby Swoop divested its wholesale focused call termination business to Pivotel, a notice of disposal was lodged with ASIC in respect of Voicehub Group Pty Ltd, Voicehub Pty Ltd and Harbourtel Pty Ltd. As at 19 July 2024, Voicehub Group Pty Ltd, Voicehub Pty Ltd and Harbourtel Pty Ltd ceased to be part of the 'Closed Group' for the purposes of the Corporations Instrument and parties to the deed of cross guarantee.

Note 36. Events after the reporting period

Following the announcement in June 2024 of Swoop's decision to divest its wholesale focused voice call termination business to Pivotel, on 19 July 2024 Swoop announced that this transaction had been completed.

On 22 July 2024, Swoop announced its intention to significantly expand its fibre infrastructure network to greater Melbourne, supported by a key customer contract. Under the terms of this contract Swoop will construct, own and operate a significant new fibre infrastructure network in Melbourne. Swoop has entered into agreements with a multi-billion dollar global technology company listed on the NASDAQ which provide a right to use part of the network for 20 years as well as ongoing operations and maintenance services (subject to extension at the option of the customer or earlier termination by the customer). The contract for the new network includes initial committed revenues of a minimum of $24.0 million and up to $36.0 million over the next 22 years. This infrastructure will deliver fibre to a number of key infrastructure areas and new developments in greater Melbourne and continues Swoop's focus on core telecommunication infrastructure and residential high-speed services, as well as servicing business customers. Swoop will commence construction of the new project immediately and is targeting completion by the end of FY26.

Note 36. Events after the reporting period (continued)

On 5 September 2024 Swoop announced that it had submitted a non-binding indicative proposal to acquire 100% of Vonex Limited (ASX: VN8) as a competing proposal to the scheme of arrangement with Maxo Telecommunications Pty Limited (MaxoTel) which Vonex had previously announced on 25 June 2024. Swoop's non-binding combined cash and scrip offer is to acquire 100% of the issued ordinary shares in Vonex Limited for $0.040 per Vonex share, which represented a premium to the then MaxoTel scheme at $0.0375 per Vonex share. Swoop's indicative proposal is for a scheme of arrangement offering a combination of cash and fully paid ordinary shares in Swoop, with Vonex shareholders able to elect to receive various combinations of cash and scrip (subject to certain caps). Given the material scrip component of Swoop's proposed offer, it would allow Vonex shareholders to share in exposure to and participate in the potential upside of a stronger and larger combined entity including significant synergies. Swoop believes the indicative proposal stands to create significant value for both Vonex and Swoop shareholders.

On 11 September 2024, Swoop confirmed that it had acquired 19.9% of the ordinary issued shares in Vonex. Swoop acquired its interest in Vonex at an average price of $0.040 per share on market at a total cost of approximately $2.87 million, which has been funded from existing cash resources.

On 12 September 2024, Vonex announced that under a revised Scheme of Implementation Deed, the scheme consideration payable proposed by MaxoTel had increased from $0.0375 per Vonex share to $0.0419 per Vonex share, remaining 100% payable in cash.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 37. Reconciliation of loss after income tax to net cash from operating activities

	Consolidated 2024 $	Consolidated 2023 $
Loss after income tax expense/benefit for the year	(3,790,082)	(37,513,503)
Adjustments for:		
Depreciation and amortisation	12,195,130	15,882,638
Impairment charges	-	27,046,000
Acquisition costs expensed	894,640	-
Interest expense on deferred consideration	185,004	-
Share based payments expense	1,206,321	1,219,170
Change in operating assets and liabilities:		
Increase in trade receivables	(2,309,772)	(1,990,367)
Decrease in prepayments	54,584	147,424
Decrease /(increase) in inventories	273,539	(363,042)
Increase in deferred tax assets	(107,780)	(50,442)
Decrease/(increase) in other financial assets	240,777	(471,485)
Decrease in other assets	-	195,553
Decrease /(increase) in right of use assets / lease liabilities	21,092	(25,033)
Increase in working capital on acquisition of subsidiaries	-	257,126
Increase in trade payables and accrued expenses	3,484,837	5,325,946
(Decrease)/increase in other payables	(700,330)	309,344
(Decrease)/increase in contract liabilities	(376,074)	468,098
Increase in current tax payable	59,959	317,886
(Decrease)/increase in deferred tax liabilities	(2,064,757)	3,257,112
Increase/(decrease) in employee benefits	31,905	(259,404)
(Decrease) in other liabilities	(168,096)	-
Net cash from operating activities	9,130,897	13,753,021

Note 38. Earnings per share

	Consolidated 2024 $	Consolidated 2023 $
Loss after income tax from continuing operations	(5,326,666)	(35,266,332)
Profit after income tax from discontinued operations	1,536,584	(2,247,171)
Loss after income tax attributable to the owners of Swoop Holdings Limited	(3,790,082)	(37,513,503)

	Cents	Cents
Earnings per share from continuing operations		
Basic earnings per share	(2.56)	(17.06)
Earnings per share from discontinued operations		
Basic earnings per share	0.74	(1.09)
Earnings per share attributable to the owners of Swoop Holdings Limited		
Basic earnings per share	(1.82)	(18.15)
Diluted earnings per share	(1.82)	(18.15)

Note 38. Earnings per share (continued)

	Consolidated 2024 No.	Consolidated 2023 No.
Weighted average number of ordinary shares used in calculating basic earnings per share	207,889,143	206,689,764
Weighted average number of ordinary shares used in calculating diluted earnings per share	207,889,143	206,689,764

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Swoop Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share does not take into account dilutive instruments when in a loss-making position.

Note 39. Share-based payments

Options

Set out below are summaries of movements in options on issue during the financial year.

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
20 May 2021	21 May 2024	$0.750	1,500,000	-	-	(1,500,000)	-
			1,500,000	-	-	(1,500,000)	-
Weighted average exercise price			$0.750				

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
16 Aug 2019	30 Jun 2023	$1.150	1,630,435	-	-	(1,630,435)	-
16 Aug 2019	31 Dec 2022	$0.575	1,000,000	-	-	(1,000,000)	-
29 Nov 2019	30 Jun 2023	$1.150	326,087	-	-	(326,087)	-
20 May 2021	21 May 2024	$0.750	1,500,000	-	-	-	1,500,000
			4,456,522	-	-	(2,956,522)	1,500,000
Weighted average exercise price			$0.886				$0.750

Note 39. Share-based payments (continued)

Performance rights

Set out below are summaries of performance rights on issue as at 30 June 2024 and 30 June 2023.

2024 Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited	Balance at the end of the year
11 Nov 2021	31 Dec 2024	420,000	-	(235,000)	(60,000)	125,000
29 Apr 2022	31 Dec 2024	3,050,000	-	(895,000)	(75,000)	2,080,000
7 Nov 2022	31 Dec 2024	125,000	-	-	-	125,000
12 Apr 2023	31 Dec 2026	2,293,476	-	-	(478,260)	1,815,216
14 Apr 2023	31 Dec 2026	978,264	-	-	(217,392)	760,872
1 Nov 2023	31 Dec 2026	-	2,824,392	-	-	2,824,392
1 Nov 2023	31 Dec 2026	-	1,956,098	-	-	1,956,098
1 Nov 2023	31 Dec 2026	-	1,243,890	-	(73,170)	1,170,720
		6,866,740	6,024,380	(1,130,000)	(903,822)	10,857,298

2023 Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited	Balance at the end of the year
11 Nov 2021	31 Dec 2024	960,000	-	(370,000)	(170,000)	420,000
29 Apr 2022	31 Dec 2024	3,350,000	-	(150,000)	(150,000)	3,050,000
7 Nov 2022	31 Dec 2024	-	125,000	-	-	125,000
12 Apr 2023	31 Dec 2026	-	2,293,476	-	-	2,293,476
14 Apr 2023	31 Dec 2026	-	978,264	-	-	978,264
		4,310,000	3,396,740	(520,000)	(320,000)	6,866,740

Loan Funded Shares

The Group has previously issued shares to a number of executives for a limited recourse loan consideration. For statutory reporting purposes, these shares have been treated as options as the loan agreements only provide for a limited set of circumstances in which the loan amounts will be repaid and are only recoverable against the shares themselves. No new shares under this loan arrangement have been issued for the years ended 30 June 2024 or 30 June 2023.

Based on the probability of when these loans may be repaid and the face value of the shares issued at the time, an associated share based payment expense of $631,802 was recorded in the year ended 30 June 2021.

Reconciliation of share based payments expense for the year

	Consolidated 2024 $	Consolidated 2023 $
Share based payment expense - performance rights	1,206,321	1,219,170
	1,206,321	1,219,170

Accounting policy for share-based payments

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

Note 39. Share-based payments (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

Consolidated entity disclosure statement

Name of entity	Type of entity	Trustee, partner or participant in JV	% of share capital held	Country of Incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Swoop Holdings Limited	BC	No	N/A	Australia	Australian	Not applicable
Fiwi Pty Ltd	BC	No	100	Australia	Australian	Not applicable
N1 Telecommunications Pty Ltd	BC	No	100	Australia	Australian	Not applicable
Node 1 Pty Ltd	BC	No	100	Australia	Australian	Not applicable
N1 Wholesale Pty Ltd	BC	No	100	Australia	Australian	Not applicable
My StemKits Inc	BC	No	100	USA	Foreign	USA
Stem Education Holdings Pty Ltd	BC	No	100	Australia	Australian	Not applicable
Swoop Telecommunications Pty Ltd	BC	No	100	Australia	Australian	Not applicable
Swoop Infrastructure Pty Ltd	BC	No	100	Australia	Australian	Not applicable
Cirrus Integration Pty Ltd	BC	No	100	Australia	Australian	Not applicable
Anycast Holdings Pty Ltd	BC	No	100	Australia	Australian	Not applicable
Bosley Holdings Pty Ltd	BC	No	100	Australia	Australian	Not applicable
WAN Solutions Pty Ltd	BC	No	100	Australia	Australian	Not applicable
Kallistrate Pty Ltd	BC	No	100	Australia	Australian	Not applicable
Countrytell Holdings Pty Ltd	BC	No	100	Australia	Australian	Not applicable
Countrytell Management Pty Ltd	BC	No	100	Australia	Australian	Not applicable
Seventeen Services Pty Ltd	BC	No	100	Australia	Australian	Not applicable
Telco Pay Pty Ltd	BC	No	100	Australia	Australian	Not applicable
Anycast Networks NZ Ltd	BC	No	100	New Zealand	Foreign	New Zealand
Luminet Pty Ltd	BC	No	100	Australia	Australian	Not applicable
Luminet Fibre Pty Ltd	BC	No	100	Australia	Australian	Not applicable
BlueCoCo Investment Pty Limited	BC	Trustee	100	Australia	Australian	Not applicable
Voicehub Group Pty Ltd	BC	No	100	Australia	Australian	Not applicable
Voicehub Pty Ltd	BC	No	100	Australia	Australian	Not applicable
Harbourtel Pty Ltd	BC	No	100	Australia	Australian	Not applicable

BC: Body corporate

Following the successful completion on 19 July 2024 of the transaction whereby Swoop divested its wholesale focused call termination business, Voicehub Group Pty Ltd, Voicehub Pty Ltd and Harbourtel Pty Ltd ceased to be a part of the consolidated group.

Swoop Holdings Limited
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 35 to the financial statements; and

- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

James Spenceley
Chairman

27 September 2024

PKF(NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839
755 Hunter Street, Newcastle West NSW 2302
Level 8, 1 O'Connell Street, Sydney NSW 2000

Newcastle T: +61 2 4962 2688 F: +61 2 4962 3245
Sydney T: +61 2 8346 6000 F: +61 2 8346 6099
info@pkf.com.au
www.pkf.com.au

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SWOOP HOLDINGS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Swoop Holdings Limited (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising material accounting policy information and other explanatory information, the consolidated entity disclosure statement, and the directors' declaration of the Group and the consolidated entity comprising the Company and the entities it controlled at the year end or from time to time during the financial year.

In our opinion, the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context

Key Audit Matters (cont'd)

1. AASB 136 – Impairment of Assets

Why significant

An annual impairment test for fixed assets, goodwill and other indefinite life intangible assets is required under Australian Accounting Standard (AASB) 136 Impairment of Assets, and when indicators of impairment are identified. If any such indicators exist, the Group shall estimate the recoverable amount of the asset.

The evaluation of the recoverable amount requires the Group to exercise significant judgement in determining the key assumptions, which include:

- Future cash flow forecasts;
- Terminal value growth factor;
- Discount rate; and
- Growth rate.

As part of the annual impairment testing required under AASB 136 Impairment of Assets, the following balances were assessed for impairment:

- Fixed assets of $38,016,066
- Goodwill of $36,439,616; and
- Other intangible assets of $10,796,684.

The Group's accounting policies in respect of Property, Plant & Equipment, Goodwill and other intangible assets are outlined in Note 17 and Note 18 respectively.

Although no further impairment charges were noted in FY24, the outcome of the impairment assessment could vary if different assumptions were applied, as disclosed in Note 7.

Accordingly, given the significance of the estimates and judgements involved in the evaluation of the recoverable amount of intangible and fixed assets, we have considered this to be a Key Audit Matter.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Reviewing the process that management undertakes to evaluate whether there are any indicators of impairment;
- Reviewing the impairment report prepared by external advisors;
- Reviewing and challenging the growth rate used in the forecast model, including comparing the growth rate in the industry;
- Reviewing and challenging the discount rate applied in the forecast model;
- Testing, on a sample basis, the mathematical accuracy of the cash flow models;
- Reviewing inputs in the cash flow models to relevant data including approved budgets and latest forecasts;
- Performing sensitivity analysis in relation to key assumptions including discount rate, growth rate and terminal value;
- Reviewing the Group's determination of Cash Generating Units (CGUs) as approved by the Board; and
- Assessing the appropriateness of the disclosures included in Note 7, Note 17 and Note 18.

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2. AASB 116 & AASB 138 – Property, Plant & Equipment / Intangible Assets

Why significant	How our audit addressed the key audit matter
Additions to Property, Plant & Equipment ($13,841,416) and Intangibles ($2,660,620) were recognised during the financial year ended 30 June 2024 as noted in Note 17 and 18 in the financial report. These additions to Property, Plant & Equipment and Intangibles include capitalised labour costs representing a significant portion of the total additions. The capitalisation of wages includes a number of judgements in regard to meeting the recognition criteria of AASB 116 and AASB 138. Accordingly, given the significance of the amount and judgements involved we have considered this to be a Key Audit Matter.	Our work included, but was not limited to, the following procedures: • Reviewing the Group's capitalised labour calculations and assumptions to ensure that they are accurate and appropriate; • Performing, on a sample basis, substantive procedures and test of detail on the constructed assets and rates applied; • Reviewing management's assessment and accounting paper in accordance with AASB 116 and AASB 138; • Challenging the estimates and judgements applied by management and performing sensitivity analysis; and • Assessing the appropriateness of the disclosures included in Note 1, Note 17 and Note 18.

Other Information

Other information is financial and non-financial information in the annual report of the Group which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the director's report. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue and auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other related disclosures made by the directors.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Swoop Holdings Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

PKF

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF

PKF

P. Pearman

PAUL PEARMAN
PARTNER

27 SEPTEMBER 2024
SYDNEY, NSW

Swoop Holdings Limited
Shareholder information
30 June 2024

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below and was applicable as at 4 September 2024 (unless otherwise stated).

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

		Ordinary shares	
	Number of holders	% of total shares issued	Number of shares
1 to 1,000	360	0.07%	137,080
1,001 to 5,000	464	0.66%	1,383,734
5,001 to 10,000	275	1.01%	2,113,266
10,001 to 100,000	477	7.53%	15,675,571
100,001 and over	144	90.73%	188,899,286
	1,720	100.00%	208,208,937
Holding less than a marketable parcel	527	0.20%	415,007

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	33,709,077	16.19%
LYGON WAY PTY LTD	14,980,418	7.19%
N & J ENTERPRISES WA PTY LTD <VAN NAMEN FAMILY A/C>	13,072,894	6.28%
SPENCELEY MANAGEMENT PTY LTD <SPENCELEY FAMILY A/C>	8,575,169	4.12%
OAKTONE NOMINEES PTY LTD <THE GRIST INVESTMENT A/C>	6,810,840	3.27%
TODEBE PTY LTD <TDB INVESTMENTS A/C>	5,727,793	2.75%
SCOTT MICHAEL EDWARDS & LINDA EDWARDS <S & L EDWARDS FAMILY A/C>	4,940,712	2.37%
TELCO4U PTY LTD <TELCO4U A/C>	4,940,711	2.37%
FJ CHOPS PTY LTD <THE RACHEL & JACOB FAM A/C>	4,234,750	2.03%
JK NOMINEES PTY LTD <THE JK A/C>	4,000,000	1.92%
MR JAMES DOUGLAS REID	3,827,367	1.84%
WILLIAM PAUL REID	3,827,367	1.84%
FRILFORD INVESTMENTS LTD	3,816,921	1.83%
TISIA NOMINEES PTY LTD <THE HENDERSON FAMILY A/C>	3,411,349	1.64%
OAKTONE NOMINEES PTY LTD <THE GRIST INVESTMENT A/C>	3,376,530	1.62%
CITICORP NOMINEES PTY LIMITED	3,323,769	1.60%
ERIC CHRISTOPHER HEYDE	3,174,488	1.52%
MR MATTHEW JOHN HOLLIS	2,950,636	1.42%
ONE FUND SERVICES LTD <CVC EMERGING COMPANIES A/C>	2,931,817	1.41%
SPENCELEY MANAGEMENT PTY LTD <SPENCELEY FAMILY A/C>	2,636,181	1.27%
OAKTONE NOMINEES PTY LTD <GRIST INVESTMENT FUND A/C>	2,196,817	1.06%
	136,465,606	65.54%

Swoop Holdings Limited
Shareholder information
30 June 2024

Unquoted equity securities

	Number of holders	Number on issue
Employee Performance Rights	28	12,283,510

Substantial holders
The following shareholders hold more than a 5% interest in the Group:

	Ordinary shares	
	Number held	% of total shares issued
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	33,709,077	16.19%
LYGON WAY PTY LTD	14,980,418	7.19%
N & J ENTERPRISES WA PTY LTD <VAN NAMEN FAMILY A/C>	13,072,894	6.28%
OAKTONE NOMINEES PTY LTD <THE GRIST INVESTMENT A/C>	12,384,187	5.94%
SPENCELEY MANAGEMENT PTY LTD <SPENCELEY FAMILY A/C>	11,211,350	5.38%

Unquoted equity securities

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Performance rights
Performance rights have no voting rights.

Other than ordinary shares and performance rights, there are no other classes of equity securities.

On Market Buy Back
The company commenced an on-market share buy-back program as announced on 15 August 2022. The buy-back was for up to 14,532,529 fully paid ordinary shares, representing 10% of the company's issued share capital at the time of the commencement of the buy-back. In the year ended 30 June 2023 the company acquired 9,333,145 shares for $3,732,269, being 64.2% of the fully paid ordinary shares able to be bought back.

On 25 August 2023, as part of its ongoing capital management strategy, Swoop announced it would extend the current on-market share buy-back program, which was due to expire on 29 August 2023, for up to an additional 10% of the Company's shares on issue (approximately 207,123,937 shares), for a further 12 month period from 25 August 2023 through to 23 August 2024.

In the year ended 30 June 2024 the company acquired a further 18,734 shares for $3,964.

On 23 August 2024 it was announced that the on-market share buy-back program was completed.

Unmarketable parcels of securities
The number of holders with less than a marketable parcel of fully paid ordinary shares is 527. The definition of an unmarketable parcel of shares is a holding with a current value of less than $500 as at 4 September 2024 (using a share price of $0.225).