

Appendix 4E

Preliminary Final Report

Name of entity

Swift Media Limited and its controlled entities ("the Group")

ACN

006 222 395

Reporting Period

Year ended 30 June 2019

Previous Corresponding Period

Year ended 30 June 2018

Results for announcement to the market

| | | | | | \$A'000 |
|----------------------------------------------------------|------|-----|----|---------------------|-----------------------------|
| Revenues from continuing operations | Up | 11% | to | | 24,713 |
| Loss from continuing operations after tax | Down | 11% | to | | (6,905) |
| Loss for the year attributable to members | Down | 11% | to | | (6,905) |
| Dividends (distributions) | | | | Amount per security | Franked amount per security |
| Final and interim dividend | | | | None | - ¢ |
| Record date for determining entitlements to the dividend | N/A | | | | |

Commentary on the results for the year

The consolidated net loss after tax for the Group is \$6,905,498 (2018: loss of \$7,728,812).

In FY19, the Group achieved operating revenue of \$24,713,183 (FY18: \$22,279,804), delivering year-on-year revenue growth of 11%. Swift's annualised contracted revenue increased 18% year on year to \$18.8 million. Both these increases were driven by the Company's \$4.5 million acquisition of Medical Media completed in February 2019. Swift's integration plan for Medical Media is ahead of schedule and proceeding favourably. The acquisition is on track to deliver at least \$3 million of cost savings per annum from FY20 in the form of business synergies and improvements and is expected to be profitable in FY20.

In 2019 the Group delivered underlying non IFRS Earnings Before Interest, Tax, Depreciation Amortisation (“EBITDA”) of \$2,361,462. A reconciliation of EBITDA is provided below:

| | A\$ | Description |
|--------------------------------------------|------------------|------------------------------------------------------------------------------------------------------------------|
| Net loss after tax | (6,905,498) | Refer to the Consolidated Statement of Profit or loss and Other Comprehensive Income |
| Income tax expense | (181,971) | Refer to Notes |
| Interest costs (net) | 63,107 | Refer to Notes |
| Depreciation expenses | 1,757,593 | Refer to Notes |
| Amortisation & Impairment expenses | 2,380,028 | Attributable to the amortisation of intangibles recognised as part of the acquisitions made |
| Fair valuation loss on financial liability | 1,540,850 | Non-cash year end adjustment to the fair value of financial liabilities in respect of various performance shares |
| Share based payments | 1,158,934 | Share based payments issued to the executive management team |
| Other expenses | 2,548,419 | Acquisition related integration and restructuring costs |
| Underlying EBITDA* | 2,361,462 | |

*EBITDA is non IFRS financial information

The Company’s cash balance at 30 June 2019 was \$422,771 (2018: \$3,201,819), following annual cash receipts of \$18,156,580 (2018: \$20,803,518) and bank borrowings of \$2,455,086. The Company has unused working capital facility available on its total \$4,500,000 Bankwest facility, and is in compliance with all of its loan covenants that govern the facility. Additionally, as a result of the 2 August 2019 vesting of Class B performance shares (to the former owners of Swift Networks Pty Ltd) 16,666,667 million shares were issued on 2 August 2019 to settle in full the \$3,666,666 Financial Liability, disclosed as current in the Balance Sheet. Giving consideration to the above, and in conjunction with the Group’s historical ability to generate profits and raise funds to satisfy its immediate cash requirements, the Board is comfortable that the Company is well funded to pursue its next phase of growth.

During the year, the Company invested \$3.2 million in new systems and capital expenditure to build scalability and longevity into the Swift technology platform, as well as enhance systems and workforce efficiency. Swift has continued to enhance its “My Family/My Community” app to allow users to communicate with each other within the facility they are staying in, and to family and family in the outside world. The “Swiftville” app has also been added to provide a one-stop communication forum allowing operators to connect, inform and engage with their guests. All these additional features provide an important point of differentiation from mainstream “on demand” content streaming providers. Swift has also improved its internal systems with the implementation of the NetSuite Enterprise Resource Planning (ERP) tool to improve workforce efficiency. Additionally, it has expanded the capability of its Customer Relations Management (CRM) system which the Company hopes will increase customer conversion, retention and satisfaction rates.

Finally, Swift has also invested a further \$2.5 million in integration and acquisition costs associated with the Medical Media transaction which the Company hopes will deliver cost savings and revenue synergies in FY20 and beyond.

Events Since the End of the Financial Year

On 2 August 2019, the Class B performance share milestone was reached, representing revenue generation from more than 53,000 rooms receiving a Swift service as defined in the share purchase agreement executed in November 2015 with the former owners of Swift Networks Pty Ltd. Accordingly 16.67 million shares have vested to Swift's founders.

There were no other events subsequent to reporting date to disclose at the date of signing of this report.

OTHER APPENDIX 4E INFORMATION

1. NTA backing

| | 30 June 2019 | 30 June 2018 |
|-----------------------------------------------|--------------|--------------|
| Net tangible asset backing per ordinary share | (\$0.069) | (\$0.048) |

2. Dividends

There were no dividends declared during the year and the directors do not recommend that any dividend be paid.

3. Dividend reinvestment plans

N/A.

4. Details of entities over which control has been gained or lost during the period

The following acquisitions was completed on 15 February 2019:

- Medical Channel Pty Ltd

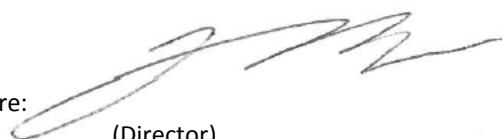
5. Details of associates and joint ventures

The carrying value of interests in associated entities is nil.

6. Audit

The Preliminary Final Report has been prepared in accordance with the Australian Accounting Standards issued by the Australian Accounting Standards Board and has been based on unaudited accounts.

Sign here:



(Director)

Print name:

Darren Smorgon

Date: 31 August 2019

**SWIFT MEDIA LIMITED
AND CONTROLLED ENTITIES
(formerly Swift Networks Group Limited)**

ABN 54 006 222 395

**PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED
30 JUNE 2019**

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
(FORMERLY SWIFT NETWORKS GROUP LIMITED)
ABN 54 006 222 395
PRELIMINARY FINAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

| Note | Consolidated | |
|------|--------------|------|
| | 2019 | 2018 |
| | \$ | \$ |

Continuing Operations

| | | | |
|-------------------------------------------------------|---|--------------------|--------------------|
| Revenue | 2 | 24,713,183 | 22,279,804 |
| Cost of Sales | | (12,519,690) | (13,017,786) |
| Gross Profit | | 12,193,493 | 9,262,018 |
| General & administration expenses | 3 | (9,832,031) | (6,567,204) |
| Other Income | 2 | 159,637 | 31,474 |
| Depreciation and amortisation and impairment expenses | | (3,296,131) | (2,581,170) |
| Depreciation expense of right of use assets | | (841,490) | - |
| Other expenses | 3 | (5,248,204) | (7,591,821) |
| Finance costs | | (222,744) | (112,856) |
| Loss before income tax expense | | (7,087,470) | (7,559,559) |
| Income tax (expense)/benefit | | 181,972 | (169,253) |
| Loss after income tax expense | | (6,905,498) | (7,728,812) |
| Other comprehensive loss for the year | | | |
| Items that may be reclassified to profit or loss | | - | - |
| Other comprehensive loss for the year | | - | - |
| Total comprehensive loss for the year | | (6,905,498) | (7,728,812) |

| | | Cents | Cents |
|---------------------------------------------------------------------------|---|-------|-------|
| Loss per share attributable to the members of Swift Media Limited: | | | |
| Basic loss per share | 9 | (5.2) | (6.9) |
| Diluted loss per share | 9 | (5.2) | (6.9) |

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
(FORMERLY SWIFT NETWORKS GROUP LIMITED)
ABN 54 006 222 395
PRELIMINARY FINAL REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

| | Note | Consolidated 2019 \$ | 2018 \$ |
|--------------------------------------|------|----------------------------|-------------------|
| Current Assets | | | |
| Cash and cash equivalents | | 422,771 | 3,201,819 |
| Trade and other receivables | | 5,275,916 | 3,447,658 |
| Inventory | | 531,708 | 1,062,177 |
| Other current assets | | 494,570 | 605,529 |
| Total Current Assets | | 6,724,965 | 8,317,183 |
| Non Current Assets | | | |
| Trade and other receivables | | 3,502,557 | 1,079,985 |
| Property, plant and equipment | 4 | 3,120,664 | 1,886,519 |
| Right of Use Assets | | 2,537,528 | - |
| Other non current assets | | 454,630 | - |
| Deferred tax assets | | 3,379,003 | 826,217 |
| Intangible assets | 5 | 19,161,986 | 13,167,992 |
| Total Non Current Assets | | 32,156,368 | 16,960,713 |
| Total Assets | | 38,881,333 | 25,277,896 |
| Current Liabilities | | | |
| Trade and other payables | | 8,767,543 | 5,923,342 |
| Contract liabilities | | 1,375,877 | 254,930 |
| Provisions | | - | 72,643 |
| Borrowings | 8 | 2,455,086 | - |
| Financial liabilities | 7 | 3,666,666 | 9,350,000 |
| Lease Liabilities | | 1,222,358 | - |
| Total Current Liabilities | | 17,487,530 | 15,600,915 |
| Non Current Liabilities | | | |
| Provisions | | - | 290,593 |
| Financial liabilities | 7 | 7,568,522 | 937,500 |
| Lease Liabilities | | 1,878,067 | - |
| Contract liabilities | | 48,959 | 270,400 |
| Deferred tax liabilities | | 1,456,457 | 318,225 |
| Total Non Current Liabilities | | 10,952,005 | 1,816,718 |
| Total Liabilities | | 28,439,535 | 17,417,633 |
| Net Assets | | 10,441,798 | 7,860,263 |
| Equity | | | |
| Issued capital | | 47,028,669 | 38,437,650 |
| Reserves | | 3,628,978 | 2,470,044 |
| Accumulated losses | | (40,215,849) | (33,047,431) |
| Total Equity | | 10,441,798 | 7,860,263 |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
(FORMERLY SWIFT NETWORKS GROUP LIMITED)
ABN 54 006 222 395
PRELIMINARY FINAL REPORT**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2019

| | Issued Capital | Reserves | Accumulated losses | Total |
|-------------------------------------------------------------------|-------------------|------------------|-----------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| For the year ended 30 June 2019 | | | | |
| At the beginning of the year | 38,437,650 | 2,470,044 | (33,047,431) | 7,860,263 |
| Change in accounting policy | | | (262,920) | (262,920) |
| Total comprehensive loss for the year | - | - | (6,905,498) | (6,905,498) |
| Transactions with shareholders in their capacity as shareholders: | | | | |
| - Issue of shares in settlement of liability | 100,000 | - | - | 100,000 |
| - Issued as consideration for acquisition | 4,500,000 | | | 4,500,000 |
| - Issued as equity on deferred consideration | 3,916,667 | | | 3,916,667 |
| - Options exercised | 112,500 | | - | 112,500 |
| - Share issue costs (net of tax) | (38,148) | - | - | (38,148) |
| Share based payments | | 1,158,934 | | 1,158,934 |
| At the end of the year | 47,028,669 | 3,628,978 | (40,215,849) | 10,441,798 |
| For the year ended 30 June 2018 | | | | |
| At the beginning of the year | 30,768,966 | 774,652 | (25,402,635) | 6,140,983 |
| Total comprehensive loss for the year | - | - | (7,728,812) | (7,728,812) |
| Transactions with shareholders in their capacity as shareholders: | | | | |
| - Placement of shares | 5,724,000 | - | - | 5,724,000 |
| - Options granted | 2,307,500 | - | - | 2,307,500 |
| - Share issue costs (net of tax) | (362,816) | - | - | (362,816) |
| Share based payments | - | 1,695,392 | - | 1,695,392 |
| Prior year tax effect adjustment | - | - | 84,016 | 84,016 |
| At the end of the year | 38,437,650 | 2,470,044 | (33,047,431) | 7,860,263 |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
(FORMERLY SWIFT NETWORKS GROUP LIMITED)
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PRELIMINARY FINAL REPORT

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

| | Consolidated | |
|---------------------------------------------------------------|--------------------|--------------------|
| | 2019 | 2018 |
| | \$ | \$ |
| Cash at bank on hand | 422,771 | 3,201,819 |
| | 422,771 | 3,201,819 |
| Cash Flows from Operating Activities | | |
| Cash receipts in the course of operations | 18,156,580 | 20,803,518 |
| Cash payments in the course of operations | (20,410,074) | (18,079,477) |
| Finance costs | (222,744) | (112,856) |
| Interest received | 159,637 | 31,474 |
| Net cash inflows/ (outflows) from operating activities | (2,316,601) | 2,642,659 |
| Cash Flows from Investing Activities | | |
| Purchase of property, plant and equipment | (1,151,782) | (1,265,779) |
| Payment for acquisition of business, net of cash acquired | - | (5,557,257) |
| Proceeds from acquisition of business, net of cash | 751,720 | - |
| Payment for development and new subscribers | (1,827,546) | (1,300,394) |
| Net cash outflows for investing activities | (2,227,608) | (8,123,430) |
| Cash Flows from Financing Activities | | |
| Proceeds from issue of shares | 112,500 | 6,807,500 |
| Payment of share issue costs | (38,148) | (362,816) |
| Repayments of lease liabilities | (764,277) | - |
| Proceeds from borrowings | 3,499,999 | 3,000,000 |
| Repayments of borrowings | (1,044,913) | (3,000,000) |
| Net cash inflows from financing activities | 1,765,161 | 6,444,684 |
| Net increase/(decrease) in cash and cash equivalents | (2,779,048) | 963,913 |
| Cash at the beginning of the year | 3,201,819 | 2,237,906 |
| Cash at the end of the year | 422,771 | 3,201,819 |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

**SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
(FORMERLY SWIFT NETWORKS GROUP LIMITED)
ABN 54 006 222 395
PRELIMINARY FINAL REPORT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 1. Basis for preparation and accounting policies

(a) Corporate Information

Swift Media Limited (the 'Company') is a Company domiciled in Australia and a for-profit entity for the purpose of preparing financial statements. The consolidated financial statements and notes represent those of the Swift Media Limited and controlled entities (the "consolidated Group" or "Group").

The separate financial statements of the parent entity, Swift Media Limited, have not been presented within this financial report as permitted by the Corporations Act 2001

(b) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

New and amended standards adopted by Swift Media Limited

The accounting policies applied and methods of computation for the year ended 30 June 2019 are consistent with those of the annual financial report for the year ended 30 June 2018 with the exceptions of the adoption of new accounting standards as below:

AASB 9 Financial Instruments

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

AASB 15 Revenue from Contracts with Customers

The Company has adopted AASB 15 Revenue from Contracts with Customers from 1 July 2018 which resulted in changes in accounting policies and adjustments to amounts recognised in the financial statements. In accordance with the transition provisions in AASB 15, the Company has adopted the cumulative method.

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PRELIMINARY FINAL REPORT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 1. Basis for preparation and accounting policies

Swift has one performance obligation for each of the revenue streams listed below and has applied the following revenue recognition methods:

- Software licences: Revenue is recognised at a point in time on transfer of the licence to the user
- Content revenue: Revenue is recognised over time as the customer is provided with the service
- Sale of equipment: Revenue is recognised at a point in time when the customers obtain control of the goods and are available for use

Incremental costs incurred in obtaining a contract

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained is to be recognised as an expense when incurred. Costs directly attributable to obtaining a contract, generating or enhancing resources and are expected to be on- charged to customer, will continue to be capitalised.

AASB 16 Leases

The Company has early adopted AASB 16 Leases from 1 July 2018. Modified retrospective approach was used, therefore the comparative information is not restated. The Company will apply the cumulative effect with an adjustment to opening retained earnings in the current period.

Costs associated with the short-term leases and leases of low value assets are recognised as an expense in the profit or loss.

(c) Going Concern

As at 30 June 2019, the Group had a working capital deficiency of \$10,762,564 with cash and cash equivalents of \$422,771 and a net loss of \$6,905,498 with cash outflow from operating activities for the year of \$2,316,601, inclusive of \$2,548,419 in integration and acquisition costs associated with the Medical Media transaction which the Company hopes will deliver cost savings and revenue synergies in FY20 and beyond..

The Group's net current liability position at year end is due to the current liability classification of bank borrowings of \$2,455,086 and financial liabilities of \$3,666,666 relating to issue of performance shares as partial deferred consideration for the acquisition of the respective business which is expected to be converted to equity pursuant to the respective acquisition agreement. The Company has \$2,044,913 unused working capital facility available on its total \$4,500,500 Bankwest facility, and is in compliance with all of its loan covenants that govern the facility.

Noting all of the above, and in conjunction with the Group's historical ability to generate profits and raise funds to satisfy its immediate cash requirements the Directors are satisfied the Group is a going concern and therefore have prepared the financial statements on the basis the Group will continue to meet its commitments and can therefore continue normal business activities and realise its assets and settle liabilities in the normal course of the business.

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
(FORMERLY SWIFT NETWORKS GROUP LIMITED)
ABN 54 006 222 395
PRELIMINARY FINAL REPORT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 2. Revenue

| | Consolidated | |
|-----------------------------------------------|--------------|------------|
| | 2019 | 2018 |
| | \$ | \$ |
| (a) Revenue from continuing operations | | |
| At a point in time | 6,778,404 | 6,208,793 |
| Over time | 17,934,779 | 16,071,011 |
| | 24,713,183 | 22,279,804 |
| (b) Other income | | |
| Interest | 159,637 | 31,474 |
| | 159,637 | 31,474 |

Note 3. Expenses

| | Consolidated | |
|--------------------------------------------------|--------------|-------------|
| | 2019 | 2018 |
| | \$ | \$ |
| (a) General & administration expenses | | |
| Employment costs | (7,277,738) | (4,162,101) |
| Occupancy costs | (217,485) | (606,620) |
| Professional fees | (392,194) | (334,603) |
| Doubtful debts | (22,339) | - |
| General and administration expenses | (1,922,275) | (1,463,880) |
| | (9,832,031) | (6,567,204) |
| (b) Other expenses | | |
| Share based payments | (1,158,934) | (1,715,492) |
| Fair value loss on financial liability | (1,540,850) | (5,683,333) |
| Business restructure expenses | (2,325,070) | - |
| Other expenses | (223,350) | (192,996) |
| | (5,248,204) | (7,591,821) |

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
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PRELIMINARY FINAL REPORT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 4. Property, Plant & Equipment

| | Motor Vehicles | Software | Office fit out & Equipment | Test Equipment | Rental Equipment | Total |
|-------------------------------------------|---------------------------|------------------|-------------------------------------------|---------------------------|-----------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Year ended 30 June 2019 | | | | | | |
| Opening net book amount | 34,216 | 5,640 | 767,137 | 22,619 | 1,056,757 | 1,886,519 |
| Additions | 88,039 | 888,164 | 72,097 | 27,281 | 76,199 | 1,151,781 |
| Acquired upon acquisition of subsidiaries | - | 679,641 | 171,649 | - | 147,174 | 998,464 |
| Disposals | (2,500) | - | - | - | - | (2,500) |
| Depreciation expense & impairment charges | (12,097) | (295,125) | (214,338) | (15,555) | (376,485) | (913,600) |
| Closing net book amount | 107,658 | 1,278,320 | 796,545 | 34,496 | 903,645 | 3,120,664 |
| At 30 June 2019 | | | | | | |
| Cost | 154,748 | 2,711,477 | 1,789,302 | 205,343 | 5,614,034 | 10,474,904 |
| Accumulated depreciation and impairment | (47,090) | (1,433,157) | (992,757) | (170,847) | (4,710,389) | (7,354,240) |
| Net book amount | 107,658 | 1,278,320 | 796,545 | 34,496 | 903,645 | 3,120,664 |
| Year ended 30 June 2018 | | | | | | |
| Opening net book amount | 45,621 | 11,444 | 495,801 | 31,657 | 502,224 | 1,086,747 |
| Additions | - | 3,059 | 276,480 | 7,496 | 978,744 | 1,265,779 |
| Acquired upon acquisition of subsidiaries | - | 2,699 | 122,220 | - | - | 124,919 |
| Disposals | - | - | - | - | - | - |
| Depreciation expense & impairment charges | (11,405) | (11,562) | (127,364) | (16,383) | (424,210) | (590,924) |
| Closing net book amount | 34,216 | 5,640 | 767,137 | 22,770 | 1,056,757 | 1,886,519 |
| At 30 June 2018 | | | | | | |
| Cost | 91,143 | 148,713 | 1,446,198 | 178,061 | 4,198,025 | 6,062,140 |
| Accumulated depreciation and impairment | (56,927) | (143,073) | (679,061) | (155,293) | (3,141,267) | (4,175,621) |
| Net book amount | 34,216 | 5,640 | 767,137 | 22,769 | 1,056,758 | 1,886,519 |

**SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
(FORMERLY SWIFT NETWORKS GROUP LIMITED)
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FOR THE YEAR ENDED 30 JUNE 2019**

Note 5. Intangible Assets

| | Goodwill | Development Costs | Subscriber Acquisition Costs | Brand Loyalty / Customer Contracts | Supplier Contracts | Practice Sites | Other | Total |
|------------------------------------------------|-----------------|--------------------------|-------------------------------------|-------------------------------------------|---------------------------|-----------------------|----------------|--------------------|
| Year ended 30 June 2019 | | | | | | | | |
| Opening net book amount | 10,199,741 | 1,570,691 | 517,996 | 706,965 | 20,602 | - | 151,997 | 13,167,992 |
| Additions | - | 1,827,546 | - | - | - | - | - | 1,827,546 |
| Change in accounting policy | - | - | (517,996) | - | - | - | - | (517,996) |
| Acquired upon acquisition of subsidiaries | 2,937,425 | - | - | - | - | 4,139,024 | - | 7,076,449 |
| Amortisation and impairment charge | (308,000) | (1,095,963) | - | (507,481) | (20,602) | (307,962) | (151,997) | (2,392,005) |
| Closing net book amount | 12,829,166 | 2,302,274 | - | 199,484 | - | 3,831,062 | - | 19,161,986 |
| Cost | 13,137,166 | 3,809,978 | 819,865 | 2,370,434 | 123,610 | 4,139,024 | 212,963 | 24,613,040 |
| Accumulated amortisation and impairments | (308,000) | (1,507,704) | (819,865) | (2,170,950) | (123,610) | (307,962) | (212,963) | (5,451,054) |
| Closing net book amount | 12,829,166 | 2,302,274 | - | 199,484 | - | 3,831,062 | - | 19,161,986 |
| Year ended 30 June 2018 | | | | | | | | |
| Opening net book amount | 5,539,187 | 548,470 | 228,107 | 216,304 | - | - | 170,036 | 6,702,105 |
| Additions | - | 741,834 | 520,507 | - | - | - | 38,083 | 1,300,394 |
| Acquired upon acquisition of VOD | 4,975,354 | 650,000 | - | 1,271,523 | 123,610 | - | - | 7,020,687 |
| Adjustment upon PY acquisition of subsidiaries | (315,000) | - | - | 450,000 | - | - | - | 135,000 |
| Amortisation and impairment charge | - | (369,614) | (230,618) | (1,230,863) | (103,008) | - | (56,092) | (1,990,194) |
| Closing net book amount | 10,199,741 | 1,570,690 | 517,996 | 706,965 | 20,602 | - | 151,997 | 13,167,992 |
| Cost | 10,199,741 | 1,982,432 | 819,865 | 2,370,434 | 123,610 | - | 212,963 | 15,709,046 |
| Accumulated amortisation and impairments | - | (411,741) | (301,869) | (1,663,470) | (103,008) | - | (60,966) | (2,541,054) |
| Closing net book amount | 10,199,741 | 1,570,691 | 517,996 | 706,965 | 20,602 | - | 151,997 | 13,167,992 |

**SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
(FORMERLY SWIFT NETWORKS GROUP LIMITED)
ABN 54 006 222 395
PRELIMINARY FINAL REPORT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 6. Business Combination

On 15 February 2019 the Group acquired 100% of the issued share capital of Medical Channel Pty Ltd. The Group has provisionally recognised the fair values of the assets and liabilities based on the best available information available at reporting date. Details of the purchase consideration and the net assets acquired are as follows:

| | |
|---------------------------------------------------------------------------------------|------------------|
| Purchase consideration: | \$ |
| Ordinary shares issued (14,950,166 shares at F.V of \$0.30/share on 15 February 2019) | 4,500,000 |
| Deferred consideration | 3,323,505 |
| Adjustment to consideration | (151,000) |
| Total Purchase Consideration | 7,672,505 |
| The assets and liabilities recognised as a result of the acquisition are as follows: | |
| Cash | 751,720 |
| Trade receivables | 361,992 |
| Other receivables | 36,675 |
| Plant & equipment | 2,858,727 |
| Intangibles – Practice Sites | 4,139,024 |
| Deferred tax asset | 2,370,814 |
| Trade payables | (478,078) |
| Other payables | (2,007,975) |
| Provisions | (158,041) |
| Other current liabilities | (899,316) |
| Deferred tax liabilities | (1,138,232) |
| Other non current liabilities | (1,102,230) |
| Net identifiable assets | 4,735,080 |
| Add: Goodwill | 2,937,425 |
| Net assets acquired | 7,672,505 |

(i) The goodwill is attributable to the forecast profitability of the acquired business. It will not be deductible for tax purposes.

(iii) Revenue and net profit before tax of Medical Channel Pty Ltd included in the consolidated statement of profit or loss and other comprehensive income from the acquisition date of 15 February 2019 to 30 June 2019 were \$2,568,651 and loss of (\$1,372,673).

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
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Note 7. Financial Liability – at Fair Value

| | Consolidated | |
|----------------------------------------------------|------------------|------------------|
| | 2019 | 2018 |
| | \$ | \$ |
| Current | | |
| Opening balance | 9,350,000 | - |
| Converted to Equity | (3,916,667) | - |
| Less: Fair value through the P&L | (1,100,000) | - |
| Transfer from non current liabilities | (666,667) | 9,350,000 |
| Closing balance | 3,666,666 | 9,350,000 |
| Non Current | | |
| Opening balance | 937,500 | 4,601,167 |
| Amount due under contract of sale - at acquisition | 3,323,505 | - |
| Add: Fair value through the P&L | 2,640,850 | 5,683,333 |
| Transfer to current | 666,667 | (9,350,000) |
| Closing balance | 7,568,522 | 937,500 |

The above liability relates to the potential issue of ordinary shares in Swift Media Limited to the vendors of Swift Networks Pty Ltd, Medical Channel Pty and Wizzie Pty Ltd, Living Networks and Web 2 TV pursuant to the respective acquisition agreement.

Note 8. Borrowings

| | Consolidated | |
|-------------------------|------------------|------|
| | 2019 | 2018 |
| | \$ | \$ |
| Current | | |
| Bank Overdraft Facility | 2,455,086 | - |
| Closing balance | 2,455,086 | - |

The above relates to an overdraft facility from Bankwest which has a total facility limit of \$4,500,000. Swift is in compliance with all of its loan covenants that govern its Bankwest facility at 30 June 2019.

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Note 9. EPS

| | Consolidated | |
|----------------------------------------------------------------------------------------|--------------|-------------|
| | 2019 | 2018 |
| | \$ | \$ |
| Net profit / (loss) from continuing operations for the year | (6,905,498) | (7,728,812) |
| | No. | No. |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 132,219,511 | 112,000,798 |
| Basic earnings / (loss) per share (cents) | (5.2) | (6.9) |
| Diluted earnings / (loss) per share (cents) | (5.2) | (6.9) |

Note 10. Events subsequent to reporting date

On 2 August 2019, the Class B performance share milestone was reached, representing revenue generation from more than 53,000 rooms receiving a Swift service as defined in the share purchase agreement executed in November 2015 with the former owners of Swift Networks Pty Ltd. Accordingly 16.67 million shares have vested to Swift's founders.

There were no other events subsequent to reporting date to disclose at the date of signing of this report.

Note 11. Company details

The registered office and principal place of business of the Company is:

Swift Media Limited
1 Watts Place
BENTLEY WA 6102
Australia