

# New Financing Agreed to Fund Strategic Growth Priorities

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- **New financing agreement with two institutional investors to provide up to \$3.6 million**
- **Convertible note structure with a twelve month term**
- **Funding strengthens Swift's capital position**
- **Enhances new management's ability to execute Strategic Roadmap: build scale and profitable growth in key verticals – Mining and Resources, Aged Care and Health and Wellness**

Leading communications, content and advertising solutions provider Swift Media Limited (ASX:SW1, "**Swift**" or "**the Company**") today announced the completion of a new financing agreement with L1 Capital Global Opportunities Master Fund ("L1") and Lind Global Macro Fund LP ("Lind").

Commencing on 20 September 2019, L1 and Lind will provide total funding of \$3.6 million to Swift. The amount is to be drawn down in 4 tranches, each of \$900k, at 75 day intervals, for the purchase of convertible notes. Subsequent tranches to the initial draw down on transaction completion are cancellable at any time by Swift at no additional cost. The convertible notes will be issued at a 10% discount to the \$4 million face value of the notes, with a 12-month maturity from each tranche's drawdown. The conversion price for each tranche is equal to the lower of 92% of an agreed VWAP formula prior to a conversion notice or 130% of the 5-day VWAP on the day prior to the issuance of the tranche. Full terms of the Tranche 1 Convertible Notes are attached.

Recently appointed CEO, Pippa Leary highlighted, "We are pleased to partner with well-respected funds like L1 and Lind to secure this new financing facility. The additional funds strengthen our financial position and provide additional capital to execute our strategic roadmap.

Our key priorities for FY20 are clear;

- Build additional scale in our most profitable verticals; Mining and Resources, Aged Care and Health and Wellness
- Upgrade our product development skills and capabilities to bring profitable and scalable new products to market
- Develop new, diversified revenue streams through targeted advertising and SaaS subscriptions
- Drive operating leverage, earnings growth and free cash flow as we grow our core business of content and connectivity solutions across our chosen verticals

This is a busy and productive period for Swift and we look forward to sharing our progress with you."

**50** | Technology **Fast 50**  
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## ABOUT SWIFT MEDIA LIMITED

Swift Media Limited (ASX: SW1) is a diversified telecommunications, content and advertising solutions provider. Swift empowers guests to watch, play, connect and interact and provides accommodation providers with meaningful insights and opportunities to drive new business. Swift delivers customised content, communications and targeted advertising across secure closed networks. Swift's services include free-to-air television, pay television, telecommunications and video on demand with content from some of Hollywood's largest studios. Running in more than 2,000 sites (approximately 65,000 dedicated TV screen plus mobile applications) across the mining, oil and gas, aged care and retirement village, healthcare and hospitality sectors, Swift's fully integrated platform is deployed in some of the world's harshest regions, where reliability, flexibility and scalability are critical success factors.

## FOR MORE INFORMATION, PLEASE CONTACT:

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## Terms of Convertible Notes

Face value	A\$1 per Convertible Note. The Convertible Notes are purchased by the Investors at 90% of their face value.
Interest	No interest is payable on the Convertible Notes, other than if an Event of Default occurs. If an Event of Default occurs, interest will accrue on the aggregate face value of the Convertible Notes then outstanding at the rate of 2% per annum, compounded monthly, until the Event of Default is remedied or all outstanding amounts are repaid.
Drawdown fee	The Company must pay a fee equal to 3% of the aggregate face value of the Convertible Notes on the drawdown by deducting that amount from the purchase price.
Security and collateral	The Convertible Notes are unsecured and rank equally with all other unsecured obligations of the Company. However, the Company was required to issue 2,000,000 Shares to the Noteholders ( <b>Collateral Shares</b> ), or 1,000,000 Shares to each Noteholder, in consideration for the Noteholders entering into the Agreement. The Noteholders are restricted from disposing of their Collateral Shares for 45 days after the issue of the first tranche of the Convertible Notes.

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They may freely deal with the Convertible Notes thereafter. In addition, a Noteholder may (but is not obliged to) use them in full or partial satisfaction of the Company's obligation to issue Shares on conversion of the Convertible Notes by the Noteholder.

On termination or expiry of the Agreement, if there are Collateral Shares remaining and no amounts outstanding under the Agreement, each Noteholder must pay the Company for their remaining Collateral Shares at the average of the 5 lowest daily VWAPs (excluding daily VWAPs on Excluded Days (defined below)) over the 20 actual trading days immediately prior to the date on which the Agreement terminates or expires or the date on which there are no amount outstanding, less brokerage costs.

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Each Noteholder may elect to convert Convertible Notes into Shares by issuing a conversion notice to the Company (**Conversion Notice**).

Each Noteholder may only give a Conversion Notice once in each calendar month.

The conversion price in respect of each Conversion Notice will be the lesser of:

1. 92% of the average of the 5 lowest daily VWAP during the 20 actual trading days prior to the date of conversion (as notified in the relevant Conversion Notice), rounded down to the nearest cent; and
2. 130% of the average of the daily VWAPs over the 5 actual trading days immediately prior to the purchase date of the relevant Convertible Notes, rounded down to the nearest cent (adjusted for any restructure in the Company's share capital in a manner consistent with the Listing Rules).

Conversion terms

The above calculations exclude daily VWAPs on trading days on which a Noteholder sells shares in the Company in a volume which exceeds 10% of the total volume of shares in the Company sold on that day (**Excluded Days**).

If the Company is unable to issue shares within 2 trading days of receiving a Conversion Notice, the Noteholders may, but are not required to, either require the Company to:

1. hold over the conversion price and issue the conversion shares once the Company is able to issue them; or
  2. pay an amount equal to the greater of (i) the conversion shares multiplied by the closing bid price the prior date and (ii) 110% of the total face value of the applicable Convertible Notes.
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The maximum number of Shares that may be issued in respect of the Tranche 1 Notes is 13,333,333 in aggregate (**Share Cap**).

Maximum number of Shares on conversion

The Company must, within 60 days of issue of the Tranche 1 Notes, convene and hold a general meeting of its shareholders to seek shareholder approval for the issue of replacement Convertible Securities to the Noteholders to replace the Tranche 1 Notes, on the same terms as the Tranche 1 Notes but not subject to the Share Cap.

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Early redemption

**Early redemption by the Company**

The Company may redeem some or all of the outstanding Convertible Notes at any time at a 5% premium to the face value of such Convertible Notes by giving notice to the Noteholders (**Early Redemption Notice**). At any time after receipt of the Early Redemption Notice but prior to redemption of the Convertible Securities (which must occur within 20 business days), a Noteholder may issue a Conversion Notice for up to 50% of the Convertible Notes the subject of the Early Redemption Notice.

The Company cannot serve an Early Redemption Notice if an Event of Default has occurred.

**Early redemption by the Noteholders**

If the Company raises funds by issuing shares or convertible securities during the 2019 calendar year, the Noteholders may require the Company to repay the lower of \$200,000, 10% of the net amount raised and the total face value of the applicable Convertible Notes. Those Convertible Notes will be redeemed at a 3% discount.

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Events of Default

There are a number of events which are Events of Default under the Agreement, including but not limited to:

- a failure by the Company to pay amounts owing by it under the Agreement;
- unremedied material breaches of the Agreement, including the failure to issue Shares to the Investor on conversion of the Convertible Securities or failure to apply for quotation of those Shares within certain timeframes;
- insolvency of the Company or its subsidiaries;
- any steps being taken by or against the Company or any of its subsidiaries in respect of the appointment of a controller, administrator or liquidator, winding up or composition with creditors;
- failure by the Company to comply with the ASX Listing Rules in any material respect;
- enforcement action being taken against the Company or its subsidiaries or in respect of any of their assets;
- certain failures by the Company or its subsidiaries to pay their debts when and as they fall due;
- a security interest being granted by the Company or any of its subsidiaries or otherwise coming into existence which is not permitted under the Agreement;
- failure to obtain a shareholder approval that is required for the issue of securities under the Agreement;
- a change in control of the Company;
- a suspension of trading of Shares for more than 10 consecutive trading days or 15 trading days in any 12 month period; and
- the Company or any of its subsidiaries ceases or to carry on business.

If an Event of Default occurs and either the Company does not remedy that default within 10 business days where remediable (or 15 business days for certain material breaches) or there has been at least two previous Events of Default, the Noteholders may demand repayment of the face

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value of all then outstanding Convertible Notes and any other amounts owing in connection with them and the Company is required to repay 105% of the then outstanding amount. The Noteholders may also terminate the Agreement.

The Noteholders must give the Company 30 days to make the repayment where the Event of Default is a failure to obtain shareholder approval.

In addition, the Company agrees to indemnify the Noteholders and their affiliates against any losses that arise or are incurred in connection with an Event of Default or potential Event of Default.

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**Assignment and transferability**

Each Noteholder may assign or transfer its rights under or in connection with the Agreement, without the consent of the Company, to an affiliate or to any person while an Event of Default is subsisting.

Each Noteholder may also nominate a third party to be issued Shares on conversion of the Convertible Notes.

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