

SWIFT MEDIA LIMITED

ABN: 54 006 222 395

APPENDIX 4D

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

RESULTS FOR ANNOUNCEMENT TO THE MARKET:

The Directors of Swift Media Limited are pleased to announce the results of the Company for the half-year ended 31 December 2019.

<i>Key information (extracted from interim financial report)</i>	Change (Down) / Up %	Half-Year Ended 31 December 2019 \$
Revenue from ordinary activities	(5.11)%	11,832,135
Net loss from ordinary activities after tax attributable to members	(30.31)%	(527,197)
Net loss after tax attributable to members	(30.31)%	(527,197)

DIVIDENDS

No dividends have been paid or declared during the current financial period.

NET TANGIBLE ASSETS PER SHARE

	31 December 2019	31 December 2018
Net tangible assets per share	(1.80) cents	(3.94) cents

On behalf of the Board
SWIFT MEDIA LIMITED



Mr Darren Smorgon
Chairman

27 February 2020

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES

ABN: 54 006 222 395

Interim report for the half year ended 31 December 2019

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
ABN: 54 006 222 395

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SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES

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Directors' Report

The Board of Directors of Swift Media Limited ("the Group" or "the Company") submits its report in respect of the half year ended 31 December 2019.

The Directors of the Company in office during the half year and at the date of this report are:

<u>Name</u>	<u>Position</u>
Mr Darren Smorgon	Non-Executive Chairman
Mr Robert Sofoulis	Non-Executive Director
Mr Ryan Sofoulis	Executive Director
Ms Katherine Ostin	Non-Executive Director (appointed on 1 October 2019)

The following Director of the Company resigned during the period:

Mr Paul Doropoulos Non-Executive Director (resigned on 1 October 2019)

The Company Secretary is Mr Stephen Hewitt-Dutton.

Principal activities

The principal activities of the Group during the period were the provision of content and communications to the Resources, Aged Care and Hospitality sectors, and targeted advertising services to the Health sector.

Review of Operations and Financial Results

Operational review

FY20 is a transition year where Swift is becoming a more focused company delivering a high proportion of recurring subscription revenue in Mining and Aged Care, complemented by additional advertising revenues from the Health and Wellness screens.

During the six months to 31 December 2019 Swift made progress on its key strategies to upgrade its skills and capabilities, streamline the business around these core verticals and strengthen the company's financial base to deliver long term sustainable growth.

New Appointments

Significant management and board appointments were made in the 2019, marking a new chapter in the company's development. In August Ms Pippa Leary commenced as CEO to lead and execute Swift's new strategy. Pippa is a consistent driver of growth with deep experience in digital media having held senior leadership roles at Nine and Fairfax Media. Since joining the company, Pippa has refocused Swift's strategy around the core verticals and led the go to market and new product plan in the Aged Care vertical.

Other key members of the executive team were appointed including a new Chief Customer and Strategy Officer, a new Chief Sales Officer and a new Chief Technology Officer.

Darren Smorgon was appointed as Non-Executive Chair of Swift at the end of June. Darren spent 16 years at Champ Private Equity. He led the privatization and subsequent relisting of oOh!media, where he remains a Non-Executive Director and Chair of the Remuneration Committee.

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Directors' report (continued)

Swift also appointed Ms Katherine Ostin to the Board as an independent Non-Executive Director. Katherine has extensive experience in the Aged Care sector, a key strategic growth vertical for Swift, having established and led KPMG's New South Wales Health, Ageing and Human Services Practice from 2006 to 2018.

Streamlined Strategy

As part of the transition strategy, Swift made progress in the half in streamlining the business out of non-core verticals. The company is now focused on three verticals, down from eleven. Swift has exited non-core verticals in e-sports, maritime, student accommodation and oil rigs. Swift continues to license content in hospitality although support is now outsourced. Swift's core focus is on Mining, Aged Care and Health and Wellness, where there are larger growth opportunities and scope for better returns.

This streamlining has freed up resources and capacity to focus on improvements to the product and sales process. Swift has realigned its sales team for enhanced performance and is building a pipeline for future growth in resources. In October Swift was awarded a material new contract by Rio Tinto to be delivered in FY20.

Swift is also building a new fit for purpose product suite for the Residential Aged care market. The new product concept has been developed in collaboration with over twenty client partners. Alpha testing with the first client is underway, with Beta release to follow shortly. Branded Swift Plus, the new tailored product is available for sale from March 2020. Initial customer feedback has been encouraging.

New Financing

In the period Swift successfully completed an equity capital raise for \$1,923,000 and secured an \$8,000,000 financing facility with Pure Asset Management. These funds have strengthened Swift's balance sheet, replaced the previous bank lender, and have provided some capital for growth. Swift will continue to investigate opportunities to further strengthen its balance sheet and access growth capital.

Financial Review

The Group recorded a net loss after tax of \$527,197 (2018: loss of \$756,510) and revenue of \$11,832,135 for the half year (2018: \$12,469,574).

The Group's statement of financial position as at 31 December 2019 featured a significant strengthening of its balance sheet with recorded shareholder's equity of \$16,982,856 a 63% increase on the position at 30 June 2019. During the period the Group undertook an equity raising for \$1,923,000 in October 2019 and successfully refinanced its existing \$4,500,000 Bankwest debt facility with a new \$8,000,000 facility with Pure Asset Management in November 2019. At reporting date Swift had cash reserves of \$2,528,083, an increase of \$2,105,312 during the six months to 31 December 2019. During the period Swift collected cash receipts of \$14,010,415 an increase of 34% from the prior corresponding period.

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Directors' report (continued)

2H Outlook

In 2H FY 2020 Swift is committed to making further progress in executing on its key priorities. Management will establish a sales and service model and build strategic sales plans to drive revenue growth. Swift intends to add capacity and capability in the Aged Care sales and delivery team to coincide with the market launch of Swift Plus and evolve new product in the Mining and Resources vertical.

Subsequent events

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

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.



Mr Darren Smorgon
Chairman



Ms Katherine Ostin
Director

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF SWIFT MEDIA LIMITED

As lead auditor for the review of Swift Media Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Swift Media Limited and the entities it controlled during the period.



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 27 February 2020

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Consolidated Statement of Profit or Loss and Other Comprehensive Income For the six months to 31 December 2019

	Note	Half year ended Dec-19 \$	Half year ended Dec-18 \$
Revenue			
Revenue	3	11,832,135	12,469,574
Cost of sales		(6,643,252)	(5,769,931)
Gross Profit		5,188,883	6,699,643
Expenses and other income			
Depreciation, amortisation & impairment expenses		(1,853,326)	(916,940)
Depreciation expense of right of use assets		(645,486)	(163,685)
General and administration expenses		(6,558,069)	(3,957,297)
Finance costs – net		(231,890)	(13,666)
Share Based Payment expenses	7	(47,932)	(1,865,390)
Other expenses		(1,220,380)	(722,016)
Fair Value Gain on Financial Liability	5	4,841,003	437,500
Total expenses and other income		(5,716,080)	(7,201,494)
Loss before income tax expense		(527,197)	(501,851)
Income tax (expense)/benefit		-	(254,661)
Loss after income tax expense		(527,197)	(756,510)
Other comprehensive income/(loss) for the period			
Items that may be reclassified to profit or loss		-	-
Other comprehensive income/(loss) for the period		-	-
Total comprehensive loss for the period		(527,197)	(756,510)
		Cents	Cents
Loss per share attributable to the members of Swift Media Limited:			
Basic earnings/(loss) per share		(0.302)	(0.624)
Diluted earnings/(loss) per share		(0.302)	(0.624)

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

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Consolidated Statement of Financial Position

as at 31 December 2019

	Note	Dec-19 \$	Jun-19 \$
Current Assets			
Cash and cash equivalents		2,528,083	422,771
Trade and other receivables		5,885,960	5,275,916
Inventory		510,961	531,708
Other current assets		457,557	494,569
Total Current Assets		9,382,561	6,724,964
Non-Current Assets			
Trade and other receivables		2,980,979	3,502,557
Property, plant and equipment		4,029,919	3,120,664
Right of use assets		2,192,130	2,537,528
Other non-current assets		575,906	454,630
Deferred tax assets		3,248,852	3,379,003
Intangible assets	4	18,464,104	19,161,986
Total Non-Current Assets		31,491,890	32,156,368
Total Assets		40,874,451	38,881,332
Current Liabilities			
Trade and other payables		7,319,431	8,110,543
Contract liability		2,470,624	1,375,876
Provisions		751,987	639,182
Borrowings	9	288,553	2,455,086
Financial liabilities	5	-	3,666,667
Lease liabilities		924,654	1,222,358
Total Current Liabilities		11,755,249	17,469,712
Non-Current Liabilities			
Provisions		22,406	17,816
Borrowings	9	6,775,651	-
Financial liabilities	5	2,394,186	7,568,522
Contract liability		60,675	48,960
Lease liabilities		1,557,122	1,878,067
Deferred tax liabilities		1,326,306	1,456,457
Total Non-Current Liabilities		12,136,346	10,969,822
Total Liabilities		23,891,595	28,439,534
Net Assets		16,982,856	10,441,798
Equity			
Issued capital	6	53,434,570	47,028,669
Reserves		4,291,332	3,628,978
Accumulated losses		(40,743,046)	(40,215,849)
Total Equity		16,982,856	10,441,798

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

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
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Consolidated Statement of Changes in Equity
for the half year ended 31 December 2019

Note	Issued Capital	Reserves	Accumulated losses	Total
	\$	\$	\$	\$
For the period ended 31 December 2019				
At the beginning of the period	47,028,669	3,628,978	(40,215,849)	10,441,798
Total comprehensive loss for the period	-	-	(527,197)	(527,197)
Transactions with shareholders in their capacity as shareholders:				
- Issued in lieu of borrowings	443,000	-	-	443,000
- Issued as equity on deferred consideration	4,000,000	-	-	4,000,000
- Share issue costs	(110,099)	-	-	(110,099)
- Options exercised	150,000	-	-	150,000
- Share Purchase Plan	1,923,000	-	-	1,923,000
- Share based payments	7	47,932	-	47,932
- Warrants to be issued	-	614,422	-	614,422
Balance at end of the period	6	53,434,570	(40,743,046)	16,982,856
For the period ended 31 December 2018				
At the beginning of the period	38,437,650	2,470,044	(33,047,431)	7,860,263
Change in accounting policy	-	-	(262,920)	(262,920)
Restated total equity at beginning for the period	38,437,650	2,470,044	(33,310,350)	7,597,344
Total comprehensive loss for the period	-	-	(756,510)	(756,510)
Transactions with shareholders in their capacity as shareholders:				
- Share issue costs	(3,768)	-	-	(3,768)
- Options exercised	37,500	-	-	37,500
- Share based payments	-	1,865,390	-	1,865,390
Balance at end of the period	38,471,382	4,335,434	(34,066,861)	8,739,953

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

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Consolidated Statement of Cash Flows
for the half year ended 31 December 2019

	Note	Half year ended Dec-19 \$	Half year ended Dec-18 \$
Cash Flows from Operating Activities			
Cash receipts in the course of operations		14,010,415	10,447,835
Cash payments in the course of operations		(16,428,114)	(8,907,381)
Finance costs		(346,524)	(59,401)
Interest received		114,635	45,734
Net cash inflows/(outflows) from operating activities		(2,649,588)	1,526,788
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(1,483,112)	(864,850)
Payment for product development		(414,609)	(1,054,346)
Payment of security deposits		(827,386)	-
Net cash used in investing activities		(2,725,107)	(1,919,196)
Cash Flows from Financing Activities			
Proceeds from issue of shares	6	2,073,000	37,500
Payment of share issue costs	6	(110,099)	(3,768)
Proceeds from borrowings		9,967,205	-
Repayment of borrowings		(2,649,185)	-
Payment of debt establishment costs		(909,321)	(11,316)
Payment of lease liabilities		(891,593)	(175,974)
Net cash flows (used in)/from financing activities		7,480,007	(153,558)
Net increase/(decrease) in cash and cash equivalents		2,105,312	(545,966)
Cash at the beginning of the period		422,771	3,201,819
Cash at the end of the period		2,528,083	2,655,853

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

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Notes to the Financial Statements

For the half year ended 31 December 2019

Note 1. Basis for preparation and accounting policies

(a) Corporate Information

The financial report of Swift Media Limited (“the Company”) and its subsidiaries (“the consolidated Group” or “Group”) for the half year ended 31 December 2019 was authorised for issue in accordance with a resolution of the directors on 27 February 2020.

Swift Media Limited is a company limited by shares incorporated and domiciled in Australia. The company’s shares are publicly traded on the Australian Securities Exchange (ASX).

(b) Basis of Preparation

The interim financial report for the half year ended 31 December 2019 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half year financial report does not include all notes of the type normally included within the audited financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half year financial report be read in conjunction with the annual report for the year ended 30 June 2019, and any public announcements made by Swift Media Limited during the half year ended 31 December 2019 in accordance with the continuous disclosure obligations of the ASX listing rules.

Accounting Policies

The accounting policies applied and methods of computation for the half year ended 31 December 2019 are consistent with those of the annual financial report for the year ended 30 June 2019, except as follows:

Convertible Notes

Convertible notes were issued by the Group during the period, which include embedded derivatives (option to convert the security to variable number of shares in the Group). This convertible note is initially recognised as financial liabilities at fair value on initial recognition, fair value of the convertible note equates to the proceeds received and subsequently, the note is measured at fair value. The movements are recognised on the statement of profit or loss as transaction costs except to the extent the movement is attributable to changes in the Group’s own credit status, in which case the movement is recognised in other comprehensive income.

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Note 1. Basis for preparation and accounting policies (continued)

(c) Going Concern

As at 31 December 2019, the Group had cash equivalents of \$2,528,083 and a net loss of \$527,197 (2018: net loss \$756,510) with cash outflows from operating activities for the year of \$2,649,588 (2018: inflows of \$1,526,788). The Group had a net current liability position of \$2,372,688.

In September 2019 Swift entered into a financing agreement with L1 Capital Global Opportunities Fund and Lind Global Macro Fund LP for up to \$3,600,000. The initial agreement with L1 and Lind has been revised, with cancellation of the remaining 3 tranches after the initial \$900,000 draw down. In October 2019, Swift successfully completed an equity raising for \$1,923,000 and in November 2019, Swift entered into another funding agreement with Pure Asset Management Ltd for \$8,000,000 over a four (4) year term.

The ability of the Group to continue as a going concern is dependent on securing additional funding through either equity, debt or receipts, or a combination of both, to continue to fund its operational and technology development activities. These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the Group's working capital requirements as at the date of this report for the following reasons:

- The Directors have assessed the likely cash flow for the 12 month period from date of signing this half year report and its impact on the Group and believe there will be sufficient funds to meet the Group's working capital requirements as at the date of this report, based on the belief that additional funds can be raised to finance the Group's activities
- The Group has historically demonstrated its ability to raise funds to satisfy its immediate cash requirements and will consider all funding options as required, for future capital requirements.
- The Directors of the Group have reason to believe that in addition to the cash flow currently available, and expected funding through equity or debt fundraising, with receipts are expected through commercialisation of the Group's products and services.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

The consolidated financial statements were approved by the Board of Directors on the 27 of February 2020.

Note 2. Significant Judgement

The significant accounting judgements, estimates and assumptions adopted in the half-year financial report are consistent with those applied in the preparation of the Group's annual report for the year ended 30 June 2019.

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Note 3. Revenue

Consolidated	
Dec-19	Dec-18
\$	\$

Revenue from continuing operations

Sales revenue	11,832,135	12,469,574
	11,832,135	12,469,574

Disaggregation of revenue:

Dec-19	Content & Technology Revenue	Advertising Revenue	Total
	\$	\$	\$
Revenue recognition			
At a point in time	1,680,115	-	1,680,115
Over time	7,310,380	2,841,640	10,152,020
	8,990,495	2,841,640	11,832,135

Dec-18	Content & Technology Revenue	Advertising Revenue	Total
	\$	\$	\$
Revenue recognition			
At a point in time	4,663,743	-	4,663,743
Over time	7,805,831	-	7,805,831
	12,469,574	-	12,469,574

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Note 4. Intangible assets

	Goodwill	Development Costs	Customer contracts/ Brand loyalty	Practice Sites	Total
	\$	\$	\$	\$	\$
Non-current assets					
Period ended 31 December 2019					
Opening net book amount	12,829,166	2,302,274	199,484	3,831,062	19,161,986
Additions	-	414,609	-	-	414,609
Acquired upon acquisition of subsidiaries ¹	166,977	-	-	-	166,977
Amortisation and impairment charge	-	(742,685)	(122,881)	(413,902)	(1,279,468)
Closing net book amount	<u>12,996,143</u>	<u>1,974,198</u>	<u>76,603</u>	<u>3,417,160</u>	<u>18,464,104</u>
Cost	12,996,143	4,224,587	2,370,434	4,139,024	23,730,188
Accumulated amortisation and impairments	-	(2,250,389)	(2,293,831)	(721,864)	(5,266,084)
Closing net book amount	<u>12,996,143</u>	<u>1,974,198</u>	<u>76,603</u>	<u>3,417,160</u>	<u>18,464,104</u>

¹ Adjustment made to the provisional accounting of Medical Channel Pty Ltd

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Note 4. Intangible assets (continued)

	Goodwill	Development costs	Subscriber Acquisition Costs	Customer contracts/ Brand loyalty	Supplier Contracts	Practice Sites	Other Intangibles	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Non-current assets								
Year ended 30 June 2019								
Opening net book amount	9,891,741	1,570,691	517,996	706,965	20,602	-	459,997	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	-	(1,095,963)	-	(507,481)	(20,602)	(307,962)	(459,997)	(2,392,005)
Closing net book amount	12,829,166	2,302,274	-	199,484	-	3,831,062	-	19,161,986
Cost	12,829,166	3,809,978	819,865	2,370,434	123,610	4,139,024	520,963	24,613,040
Accumulated amortisation and impairments	-	(1,507,704)	(819,865)	(2,170,950)	(123,610)	(307,962)	(520,963)	(5,451,054)
Closing net book amount	12,829,166	2,302,274	-	199,484	-	3,831,062	-	19,161,986

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
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Note 5. Financial Liability – at Fair Value

	Dec-19	Jun-19
	\$	\$
<i>Current</i>		
Opening balance	3,666,667	9,350,000
Converted to Equity	(4,000,000)	(3,916,667)
Add: Fair value through the P&L	333,333	(1,766,666)
Closing balance	<u>-</u>	<u>3,666,667</u>
<i>Non-current</i>		
Opening balance	7,568,522	937,500
Amount due under contract of sale - at acquisition	-	3,323,505
Add: Fair value through the P&L	(5,174,336)	3,307,517
Closing balance	<u>2,394,186</u>	<u>7,568,522</u>

The above liability relates to the potential issue of ordinary shares in the Group to the vendors Web 2 TV and Medical Channel Pty Ltd pursuant to the respective agreements. The liability in relation to the potential issue of ordinary shares in the Group to the vendors of Medical Channel is to be settled 100% in equity whilst those potentially owing to Web 2 TV are to be settled 50/50 in cash and shares to the vendor.

During the period, the Class B performance share milestone was reached, representing revenue generation from more than 53,000 rooms receiving a Swift service as per the share purchase agreement executed in November 2015. The remaining 16.67 million shares vested to Swift's founders on 2 August 2019.

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Note 5. Financial Liability – at Fair Value (continued)

Significant Judgement

- (a) Based on internal budgeting and information regarding contracts signed relating to rooms and revenue the Directors have assessed the likelihood of reaching these milestones to be as follows:

Entity	At initial recognition	At 30 June 2019	At 31 December 2019	Fair value at 31 December 2019
Swift Networks Pty Ltd / Wizzie Pty Ltd	Milestone 1 – 20% Milestone 2 – 15%	Milestone 1 – settled Milestone 2 – 100%	Milestone 1 – settled Milestone 2 – settled	N/A
Living Networks	Milestone 1 – 50% Milestone 2 – 50%	Milestone 1 – 0% Milestone 2 – 0%	Milestone 1 – expired Milestone 2 – expired	N/A
Web 2 TV	Milestone 1 – 50% Milestone 2 – 45% Milestone 3 – 40% Milestone 4 – 35% Milestone 5 – 30% Milestone 6 – 25% Milestone 7 – 20% Milestone 8 – 15% Milestone 9 – 10%	Milestone 1 – 50% Milestone 2 – 50% Milestone 3 – 50% Milestone 4 – 50% Milestone 5 – 50% Milestone 6 – 25% Milestone 7 – 25% Milestone 8 – 25% Milestone 9 – 25%	Milestone 1 – 55% Milestone 2 – 50% Milestone 3 – 50% Milestone 4 – 50% Milestone 5 – 50% Milestone 6 – 25% Milestone 7 – 25% Milestone 8 – 25% Milestone 9 – 25%	\$650,000
Medical Channel Pty Ltd	Milestone 1 – 30% Milestone 2 – 20% Milestone 3 – 15% Milestone 4 – 10% Milestone 5 – 10% Milestone 6 – 10%	Milestone 1 – 100% Milestone 2 – 50% Milestone 3 – 25% Milestone 4 – 20% Milestone 5 – 10% Milestone 6 – 5%	Milestone 1 – 50% Milestone 2 – 25% Milestone 3 – 20% Milestone 4 – 15% Milestone 5 – 10% Milestone 6 – 5%	\$1,744,186

- (b) The financial liability is a level 3 financial instrument. The following summarises quantitative information about the significant unobservable inputs:

Entity	Description	Unobservable inputs	Range of inputs	Relationship of inputs to fair value
Web 2 TV	Contingent consideration	Probability of achieving Milestones disclosed above	Milestone 1 – 55% Milestone 2 – 50% Milestone 3 – 50% Milestone 4 – 50% Milestone 5 – 50% Milestone 6 – 25% Milestone 7 – 25% Milestone 8 – 25% Milestone 9 – 25%	If the probability of achieving each milestone was 10% higher (or lower) the fair value would increase (decrease) by \$260,000
Medical Channel Pty Ltd	Contingent consideration	Probability of achieving Milestones disclosed above	Milestone 1 – 50% Milestone 2 – 25% Milestone 3 – 20% Milestone 4 – 15% Milestone 5 – 10% Milestone 6 – 5%	If the probability of achieving each milestone was 10% higher (or lower) the fair value would increase (decrease) by \$174,419

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Note 6. Issued capital

	Dec-19	Jun-19
	\$	\$
Issued capital	53,434,570	47,028,669

Movement in Ordinary Share Capital:	31 December 2019 No.	30 June 2019 No.	31 December 2019 \$	30 June 2019 \$
At the beginning of the period	154,039,046	121,062,903	47,028,669	38,437,650
Issue of shares as deferred consideration (refer to Note 5)	16,666,667	16,666,667	4,000,000	3,916,667
Issue of shares to employees:				
- 4 January 2019	-	72,213	-	-
- 19 March 2019	-	133,320	-	-
- 8 April 2019	-	71,551	-	-
- 5 July 2019	205,231	-	-	-
- 11 July 2019	507,307	-	-	-
- 9 September 2019	634,017	-	-	-
- 15 October 2019	237,893	-	-	-
Medical Channel acquisition	-	14,950,166	-	4,500,000
Issue of shares in lieu of borrowings	2,922,223	-	443,000	-
Issue of shares in lieu of services	-	332,226	-	100,000
Issue of shares as per Share Purchase Plan	13,262,043	-	1,923,000	-
Options exercised during the period	1,000,000	750,000	150,000	112,500
Share issue costs	-	-	(110,099)	(38,148)
	189,474,427	154,039,046	53,434,570	47,028,669

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES

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Note 6. Issued capital (continued)

Options

At 31 December 2019 there were 7,133,333 options (30 June 2019: 8,133,333) options available for exercise.

Exercise price	15 cents	35 cents	42 cents	Total
Expiry date	19-May-21	31-May-21	31-May-21	
Opening balance	6,133,333	1,000,000	1,000,000	8,133,333
Issued during the period	-	-	-	-
Expired during the period	-	-	-	-
Exercised during the period	(1,000,000)	-	-	(1,000,000)
Closing balance	5,133,333	1,000,000	1,000,000	7,133,333

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES

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Note 7. Share based payments

2020 Executive Incentive Plan

On 15 November 2019, approval from shareholder was granted for the following:

- 750,000 ordinary share rights issued to Darren Smorgon, subject to a vesting period of 2 years
- 600,000 ordinary share rights issued to Katherine Ostin, subject to a vesting period of 2 years
- 500,000 options issued to Pippa Leary, exercisable after 1 year with a strike price of 30 cents per share
- 250,000 options issued to Pippa Leary, exercisable after 2 years with a strike price of 45 cents per share
- 250,000 options issued to Pippa Leary, exercisable after 3 years with a strike price of 60 cents per share

Valuation

	Ordinary Share Rights A 15 November 2019	Ordinary Share Rights B 15 November 2019	Options 15 November 2019
Method	Share Price at grant date	Share Price at grant date	Black Scholes
Spot price	13.00 cents	13.00 cents	13.00 cents
Strike price	0 cents	0 cents	0.30-0.60 cents
Expiry Date	25 June 2021	29 September 2021	1 July 2020 to 1 July 2022
Volatility	N/A	N/A	80.00%
Risk free rate	N/A	N/A	0.79%
Fair value per unit (cents)	13.00	13.00	2.45-4.26

Recipient	Ordinary Share Rights 15 November 2019		Options 15 November 2019	
	Number	\$ Total expense in the period Dec-19	Number	\$ Total expense in the period Dec-19
D Smorgon	750,000	24,452	-	-
K Ostin	600,000	9,830	-	-
P Leary ¹	-	-	1,000,000	13,650
Total	1,350,000	34,282	1,000,000	13,650

¹Ms Pippa Leary was appointed as Chief Executive Officer on 1 July 2019 at which time she became a Key Management Personnel.

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES

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Note 8. Subsequent events

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

Note 9. Borrowings

	Dec-19	Jun-19
	\$	\$
Current		
Bank overdraft facility	-	2,455,086
Convertible Note ¹	722,875	-
Less Transaction Costs	(434,322)	-
Total Current borrowings	288,553	2,455,086
Non Current		
Long term borrowings ²	8,000,000	-
Less Transaction Costs	(1,224,349)	-
Total Non Current borrowings	6,775,651	-

¹The above relates to the L1 and Lind convertible note on a 12 month term, issued at a 10% discount. No interest is payable, other than if an event of default occurs. 1,000,000 shares were issued to the Noteholders in consideration for entering this agreement. \$83,000 has been converted to equity during the period.

²Pure Facility over a 4 year term with 10% interest rate, interest payable every 3 months. Transaction costs are costs that are directly attributable to the loan and include loan origination fees, legal fees and warrants. 26,666,666 detached warrants were issued to Pure on 29 January 2020 with exercise price of \$0.30 each. These have been included in transaction costs and have been valued using a Black-Scholes option pricing model. The balance of unamortised transaction cost of \$1,224,349 is offset against the borrowings of \$8,000,000. Total capitalised transaction costs relating to the facility agreement are \$1,252,260. The security of the facility is a first-ranking general security over all assets of Swift Media Limited and its subsidiaries.

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Note 10. Related party transactions

	Dec-19	Jun-19
	\$	\$
Transactions with other related parties		
<i>Entities managed by Key Management personnel</i>		
Share based payments to KMP and other non KMP - non cash	47,932	1,159,591
Total share-based payments	47,932	1,159,591

Details on share based payments are disclosed in Note 7.

Performance shares were issued to Robert Sofoulis on 2 August 2019, relating to the share sale agreement of Swift Networks Pty Ltd and Wizzie Pty Ltd (refer to Note 5).

In addition to the Key Management Personnel noted within the 30 June 2019 Annual Report, Pippa Leary was appointed as CEO on 1 July 2019 and is deemed to be a Key Management Personnel. She is engaged as a full time employee with a six month notice period.

No other transactions or loans existed during the year and as at reporting date between the Company and with key management personnel.

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES

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Note 11. Segment information

The CODM is the Board of Directors (Board) who monitors the operating results of the consolidated group and organises its business activities and product lines. The performance of the consolidated group is evaluated based on Earnings before Interest, Taxes, Depreciation and Amortisation ("EBITDA") which is measured in accordance with the Group's accounting policies. The Group has two reportable segments being the provision of digital entertainment services in Australia and the provision of advertising revenue in Australia. Analysis of the Group's revenue and results from continuing operation by the reportable segments is detailed below.

	Period Ended 31 December 2019		
	Swift Networks	Medical Channel	Total
	\$	\$	\$
Revenue from external sources	8,990,495	2,841,640	11,832,135
Reportable segment loss	(2,766,813)	(2,669,233)	(5,436,046)
Reportable segment assets	28,219,726	12,654,725	40,874,451
Reportable segment liabilities	(7,964,064)	(15,927,530)	(23,891,594)
Reconciliation of reportable segment loss:			
Reportable segment loss	(2,766,813)	(2,669,233)	(5,436,046)
Other revenue	114,634	1,144	115,778
Unallocated			
- Share based payments	(47,932)	-	(47,932)
- Fair value gain on financial liability	4,841,003	-	4,841,003
- Other	-	-	-
Profit/(Loss) before tax	2,140,892	(2,668,089)	(527,197)

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES

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Note 11. Segment information (continued)

	Period Ended December 2018		
	Swift Networks	Medical Channel	Total
	\$	\$	\$
Revenue from external sources	12,469,574	-	12,469,574
Reportable segment gain	880,307	-	880,307
Reconciliation of reportable segment gain/ (loss):			
Reportable segment gain	880,307	-	880,307
Other revenue	45,732	-	45,732
Unallocated			
- Share based payments	(1,865,390)	-	(1,865,390)
- Fair value gain on financial liability	437,500	-	437,500
- Other	-	-	-
Loss before tax	(501,851)	-	(501,851)

	Year Ended June 2019		
	Swift Networks	Medical Channel	Total
	\$	\$	\$
Reportable segment assets	26,075,189	12,806,143	38,881,332
Reportable segment liabilities	(13,856,371)	(14,583,163)	(28,439,534)

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES

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Directors' Declaration

In accordance with a resolution of the directors of Swift Media Limited, we state that in the opinion of the directors:

- (a) The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - i. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its financial performance for the half year ended on that date, and
 - ii. Complying with the Australian Accounting Standards (including the Australian Accounting Interpretations), Corporate Regulations 2001, and other mandatory professional reporting requirements.
- (b) There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Mr Darren Smorgon
Chairman
27 February 2020



Ms Katherine Ostin
Director
27 February 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Swift Media Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Swift Media Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, 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 half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001 including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1(c) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

BDO


Dean Just

Director

Perth, 27 February 2020