

June 2021 Quarterly Activities Report and Appendix 4C

Swift Media Ltd (“Swift”, “the Company”) is pleased to announce the Activities Report and Appendix 4C Cashflow Report for the quarter ended 30 June 2021.

Q4 Highlights

- Total FY21 revenue from continuing operations of \$17.6m up 15% from prior year.
- Revenue for the quarter \$4.9m being a 29% increase on the prior corresponding quarter.
- Cash at the end of the quarter \$3.9m up 58% on prior year.
- Net debt reduced 26% from FY20 to \$4.1m.

Operations

As announced to the market on 23 April 2021 Swift announced it has entered into three new agreements and two contract extensions to deploy the Company’s proprietary communication and entertainment solutions to Mining clients’ sites. These contracts generated up front installation fees and recurring revenues in Q4 FY21 and will generate revenue FY22. The Total Contract Value (TCV) of the agreements is \$2.5m of which 70% is recurring revenue for an initial 12-month period. Swift intends to disclose its business TCV during the course of FY22.

The Company also announced its FY22 Growth Roadmap to the market on 31 May 2021.

Our priorities

- Focus on top line growth in communications platform, content, network infrastructure and support.
- Next generation product release in FY22.
- Continue to grow long term premium content offering with a focus on increasing Total Contract Value (TCV).
- Targeted consolidation of corporate overheads including \$500,000 in office cost reductions aiming to be cash flow neutral for FY22.
- Strategic partnerships to accelerate growth in core markets.

Our markets

We are seeing increased demand for our communications platform, content, network infrastructure and support across the mining sector off the back of significant project spend as companies seek to attract and retain staff. With the availability of the COVID-19 vaccine and increased government Aged Care funding, access for our expanded sales team into Aged Care and Retirement living is expected to drive an increase in revenue throughout FY22.

Risks

The global semiconductor chip shortage could impede some scheduled product development and roll out in the later-half of FY22. Chip supply issues are currently expected to continue through at least the first half of 2021 with normal lead times expected toward the end of 2021. Slow pace of vaccination rollout to Australian population could see further lockdowns in Aged Care facilities.

Corporate

New Swift executive appointments during the June 2021 quarter included the Director/ CFO Brian Mangano and Commercial Director James Johnson. Change of Company Secretary was announced with Simon Whybrow being appointed on 15 July 2021.

Cashflow Commentary

Net cash from operating activities for the June 2021 quarter was \$83,000.

This significant increase in operating cash flow from the previous quarter was a result of the normalisation of payments to suppliers and receipts from customers, with no timing differences influencing the movement for the quarter. Cash used in operating activities during the previous quarter was \$1.6m.

Payments to directors for wages, and related parties in respect of an office property leased from a director totalled \$94,000 for the current quarter.

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ABOUT SWIFT MEDIA LIMITED

Swift Media is a specialist technology company delivering premium entertainment and communications to via 60,000 rooms nationally across Mining and Resources, Residential Aged Care and Hospitality environments. We connect and engage communities through entertainment and communications solutions.

This announcement was approved and authorised for release by the Continuous Disclosure Committee.

FOR MORE INFORMATION, PLEASE CONTACT:

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity		
Swift Media Limited		
ABN		Quarter ended ("current quarter")
54 006 222 395		30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	5,035	20,293
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(2,638)	(13,383)
	(c) advertising and marketing	(4)	(19)
	(d) leased assets	-	-
	(e) staff costs	(1,179)	(4,709)
	(f) administration and corporate costs	(909)	(2,254)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	30	139
1.5	Interest and other costs of finance paid	(33)	(760)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	(219)	382
1.8	Other (includes net settlement proceeds from contract exit)	-	271
1.9	Net cash from / (used in) operating activities	83	(40)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(4)	(312)
	(d) investments	-	-
	(e) intellectual property	(121)	(121)
	(f) other non-current assets (product enhancement)	(123)	(1,038)

Consolidated statement of cash flows		\$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	6
2.6	Net cash from / (used in) investing activities	(248)	(1,465)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4	5,027
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	13	(267)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Loan to key management personnel	-	(30)
3.9	Repayment of leases	(204)	(1,795)
3.10	Net cash from / (used in) financing activities	(187)	2,934

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,229	2,448
4.2	Net cash from / (used in) operating activities (item 1.9 above)	83	(40)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(248)	(1,465)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(187)	2,934
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,877	3,877

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,877	4,177
5.2	Call deposits	-	52
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,877	4,229

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6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	94
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Payments to directors for wages and lease/outgoings payments for office property leased from a director.

7.	Financing facilities Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	8,000	8,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	8,000	8,000

7.5	Unused financing facilities available at quarter end	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. Facility: \$8 million secured Lender: Pure Asset Management Maturing: December 2023 Interest rate: 9.5% per annum, payable quarterly	

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	83
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,877
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,877
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer:	
	8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer:	
	8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer:	
	Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

23 July 2021

Date:

Authorised by: Disclosure Committee

 (Name of body or officer authorising release – see note 4)

Notes:

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.