

## Swift Q1 Activity Report and Appendix 4C

Swift is pleased to announce the Activities Report and Appendix 4C Cash flow Report for the quarter ended 30 September 2021.

### Q1 Highlights

- Acquisition of a perpetual license to commercial casting technology
- Integration of cutting-edge casting technology into the Swift Platform, resulting in the creation of new product Swift Access
- Initial showcasing of Swift Access product to selected high value clients
- Agreement reached with Mineral Resources Limited to rollout Swift Access at their Mt Marion lithium mine
- Signing of \$1.1 million in new Aged Care agreements
- Relocation of Perth and Sydney offices realising an annualised overhead savings of circa \$500,000
- Appointment of Brian Mangano as CEO and Managing Director
- Transition of Pippa Leary to Non-Executive director
- Steadfast focus on longer term content and support contracts with existing clients in Mining and Aged Care with the view to drive margin growth and Total Contract Value (TCV)

### Cash Flow Summary

<b>Cash Movement September Quarter</b>	<b>\$ million</b>
<b>Opening Cash - 1 July 2021</b>	<b>3.9</b>
<b>Cash flow from operations</b>	<b>0.3</b>
Acquisition of Casting Technology	(0.4)
Interest payments	(0.2)
Relocation of Perth and Sydney Offices	(0.2)
Lease payout and make good costs on Offices	(0.1)
Reduction of Creditor position from 30 June 2021	(0.7)
Increase in Inventory of Set Top Boxes	(0.3)
<b>Closing Cash – 30 September 2021</b>	<b>2.3</b>

## Operations

During the current quarter, Swift has focussed on demonstrating its new Swift Access product to several selected existing clients with a view toward securing long term support and content agreements. This transition to the new Swift Access product across the existing client base of circa 30,000 rooms will continue to be a major focus throughout FY22. This is expected to result in significant growth in the Total Value of Contracted revenue or TCV that the business will generate future long-term revenue from. Swift will also begin targeting Swift Access to over 75,000 rooms in Mining and Resources that are currently utilising legacy technology and are not currently clients of Swift.

During the quarter Swift moved both its Sydney and Perth offices, this move resulted in payments of circa \$300,000 that was incurred during the quarter. The move from the Perth office was necessitated as a result of the sale of the building that Swift was leasing during the quarter. The annualised saving from the Sydney and Perth office relocations exceeds \$500,000 per annum.

Swift also paid \$120,000 in restructuring costs as a result of reducing head office head count, this amount along with other incidental payments are included in normalised cash flow from operations.

## Cash Flow Commentary

Net Cash used in operating activities for the September quarter was \$871,000, compared to cash from operating activities during Q4 FY21 of \$83,000. Cash used in operating activities in Q3 FY21 was \$1.6m.

Cash receipts from operations of \$4.9 million were in-line with the prior quarter receipts of \$5.0 million. Cash payments for operations increased as a result of office relocation costs and further reduction of Swift's creditor position. Inventory levels also increased during the period as a result of the purchasing of additional set top boxes to mitigate supply risks associated with electronic chip supply and supply chain issues.

Net cash used in investing activities was \$517,000 which included the acquisition of the Streamvision casting Technology, product development and the purchase of fixed assets. Swift did not sell any of its ASX listed investments during the quarter.

Net cash used in financing activities for the current quarter was \$147,000 which included leased asset payments in relation to office premises lease payout costs.

Whilst cash has decreased to \$2.3 million from the prior quarters balance of \$3.9 million, this balance remains in-line with forecast even though cash was utilised to grow inventory and technological investment during the quarter. Swift further reduced its creditor balances by \$750,000 during the quarter. The normalised cash flow from operations was positive at \$300,000 for the September quarter.

Swift operated in the one operating segment during the quarter.

## Q2 Outlook

Swift will continue to increase its sales activities in both Mining, Aged Care and Government sectors, with a priority on marketing Swift Access to our existing clients. Cash flow is expected to remain stable during Q2 as installation of Swift Access set top box inventory translates to sales then cash during the quarter. Swift continues to engage and build relationships with potential partnership opportunities both to facilitate sales and to bring about M&A opportunities.

The introduction of the Swift Access product now allows Swift to provide a platform that enables the casting of streaming services, including live sport to remote mine sites whilst managing bandwidth. Swift Access also continues to offer premium first release movies, TV and lifestyle content that can be cached on site. This not only saves bandwidth costs but frees up bandwidth for personal communication, ensuring the most important traffic is prioritised based on each site's needs.

## About Swift

Swift is a specialist technology company delivering network infrastructure, premium entertainment and communications to 60,000 rooms nationally across Mining and Resources, Residential Aged Care and other closed loop environments. We connect and engage communities through entertainment and communications solutions.

This announcement was approved and authorised for release by the Swift Board.

**For more information, please contact:**

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<b>Name of entity</b>		
Swift Media Limited		
<b>ABN</b>		<b>Quarter ended ("current quarter")</b>
54 006 222 395		30 September 2021

<b>Consolidated statement of cash flows</b>		<b>Current quarter</b>	<b>Year to date</b>
		<b>\$A'000</b>	<b>(3 months)</b>
			<b>\$A'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	4,867	4,867
1.2	Payments for		
	(a) research and development		-
	(b) product manufacturing and operating costs	(3,415)	(3,415)
	(c) advertising and marketing	(24)	(24)
	(d) leased assets		
	(e) staff costs	(1,673)	(1,673)
	(f) administration and corporate costs	(406)	(406)
1.3	Dividends received (see note 3)		
1.4	Interest received	19	19
1.5	Interest and other costs of finance paid	(199)	(199)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (office relocation)	(39)	(39)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(871)</b>	<b>(871)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities		-
	(b) businesses		-
	(c) property, plant and equipment	(130)	(130)
	(d) investments		-
	(e) intellectual property		-
	(f) other non-current assets (product enhancement)	(387)	(387)

<b>Consolidated statement of cash flows</b>		<b>\$A'000</b>	<b>Year to date</b>
			<b>(3 months)</b>
			<b>\$A'000</b>
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)		-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(517)</b>	<b>(517)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	convertible debt securities		
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		
3.9	Repayment of leases	(147)	(147)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(147)</b>	<b>(147)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash</b>		
4.1	Cash and cash equivalents at beginning of period	3,877	3,877
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(871)	(871)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(517)	(517)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(147)	(147)
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,343</b>	<b>2,343</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,343	3,877
5.2	Call deposits	-	
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,343</b>	<b>3,877</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	152
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Payments to directors for wages and lease termination payments for office property leased from a director.*

<b>7.</b>	<b>Financing facilities</b> 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.	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	8,000	8,000
7.2	Credit standby arrangements		
7.3	Other (please specify)		
<b>7.4</b>	<b>Total financing facilities</b>	<b>8,000</b>	<b>8,000</b>

<b>7.5</b>	<b>Unused financing facilities available at quarter end</b>
7.6	<p>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.</p> <p>Facility: \$8 million secured Lender: Pure Asset Management Maturing: December 2023 Interest rate: 9.5% per annum, payable quarterly</p>

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	<b>(871)</b>
8.2	Cash and cash equivalents at quarter end (item 4.6)	<b>2,343</b>
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	<b>2,343</b>

<b>8.5</b>	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>
	3
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise,</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
- 2 This statement gives a true and fair view of the matters disclosed.

18 October 2021

Date: .....

The Swift Board

Authorised by: .....

(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.