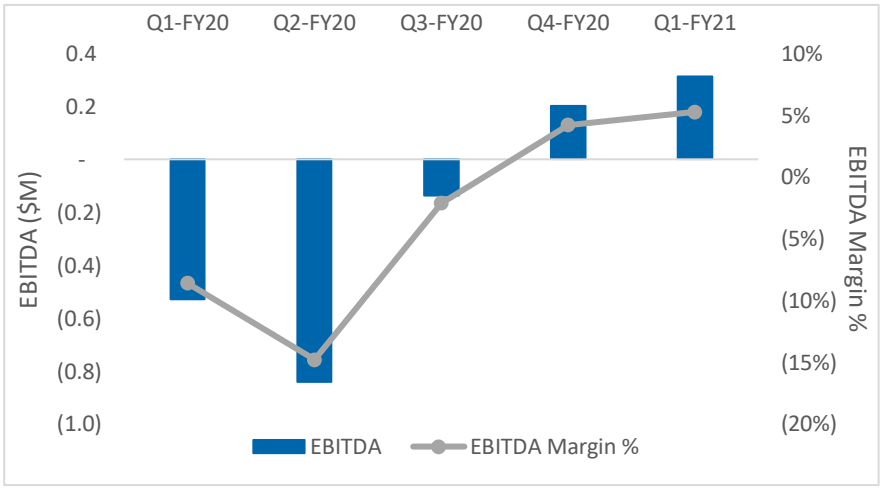
For personal use only

SWIFT ANNOUNCES STRONG Q1 FY21 RESULTS

4C CASH REPORT AND INVESTOR CALL

Swift Media Ltd ("Swift", "the Company") is pleased to announce today that the strategies to drive improvements in sales, efficiency and new technologies are beginning to deliver encouraging results:

- Revenue[1] $5.9m, up 23.4% on Q4 FY20. 70% of group revenue is contracted and recurring.
- 160% EBITDA[2] growth vs prior corresponding period
- EBITDA margin of 5% in Q1 FY21 reflects a continuing and positive trend (see chart below)
- Cash used in operations of $0.1m versus $1.5m in the prior quarter. $1.9m in net cash reserves.
- 200% growth in project revenue, won $1.2m of new contracts and delivered $1.8m in Q1 in Mining and Resources
- 100% retention of Mining and Resources customers
- Tender requests up 28% year on year – encouraging lead indicator of sales growth for 2021



Pippa Leary noted, "It is encouraging to see that the great efforts we are making to strengthen and streamline Swift are beginning to deliver positive results. Q1 FY21 EBTIDA represents a 160% growth year on year supported by efficiency gains. We remain focused on driving profitable sales, process improvements, enhancements in our delivery to customers, and the development of new product and infrastructure technologies. While there is much more to do, I am pleased to report we have made significant progress on each of these measures in the first quarter."

For personal use only

Q1 FY21 Highlights

- Revenue $5.9m, up 23.4% on Q4 FY20. 70% of group revenue is contracted and recurring.
  - Strong growth in Mining & Resources' revenue increasing 50% over Q4 FY20, and 30% over the prior corresponding period. 200% growth in project revenue in Mining and Resources this quarter, leads to recurring revenue. 100% retention of Mining and Resources customers, with 12 new contracts worth $1.2m in Q1.
  - Revenue in Aged Care down 13% over Q4 FY20, and -10% versus the prior corresponding period, impacted by continued access restrictions during COVID-19 as expected
- Positive EBITDA $0.3m, an increase of $0.8m or 160% versus the prior corresponding period reflecting the benefits of cost rationalisation achieved through FY20
- Strategies to streamline Swift beginning to drive margin expansion as EBITDA margin of 5% in Q1-FY21 reflects a continuing and positive trend
- Operating cash flow improvement: Cash used in operations of $0.1m versus $1.5m used in the prior quarter. Prudent management of cash resources, ending the quarter on $1.9m in net cash reserves.
- Strengthening sales pipeline. Tender requests up 28% year on year – encouraging lead indicator of sales growth for 2021.

Financial highlights (unaudited)

($M)	Q1-FY20	Q4-FY20	Q1-FY21	Vs Q1 FY20	Vs Q4 FY20
Revenue	6.1	4.8	5.9	*(3%)*	*23%*
EBITDA	(0.5)	0.2	0.3	*160%*	*50%*
EBITDA Margin %	(9%)	4%	5%	*+14 pp*	*+1 pp*

Q1 FY21 Business Review

Strong growth in Mining and Resources revenue driven by project work, expected to convert into recurring revenue over time. Flat growth in Aged Care due to COVID-19.

- **Sales**
  - **Mining and Resources:** 28% more tenders versus the prior corresponding period
  - Delivered $1.8m worth of jobs for Atlas Iron, Rio Tinto and Howard Springs
  - Installed Swift Plus for exploration, mobile, rail and road camps
  - **Aged Care:** Onboarded Swift Plus in 800 rooms across five Aged Care facilities including: Applewood, Rivervue, Adventist Care Rossmoyne Waters, IRT and Andrew Kerr.
  - **Health and Wellbeing:** New retention strategy has resulted a 100% improvement

For personal use only

- **Improvements in process and capabilities**
  - Improvement in Delivery and Support functions strengthening relationships and reputation, generating variation work worth $900k in Mining and Resources
  - Hired new Chief Financial Officer, Head of Product and project managers
  - Strengthening reporting capabilities with new Data Analyst

- **New technology developments**
  - My Family My Community app evolution to fit with Swift Plus, allowing simple communication with Aged Care residents
  - Advanced scheduling of notices in Swift Plus
  - Swift Plus for exploration, mobile, rail and road camps in Mining and Resources
  - Deep customer research into Mining and Resources sector to evolve product and services

- **Operational Cash Flow**
  - Cash receipts from customers $5.9m, +23% vs Q4 FY20
  - $4.2m cash payments for product, manufacturing and operating costs compares to $3.1m in Q4 FY20 as trade payable balances managed lower.
  - Q1 net cash from operating activities benefited from $0.25m of Jobkeeper funding, lower quarter on quarter staff and administration expenses, and fewer redundancy and restructuring costs.
  - Interest costs increased over the prior quarter as the company's main lending facility payment deferral was reinstated post COVID-19.
  - Lease payments increased over the prior quarter as COVID-19 payment deferrals were reinstated.

Strategic Priorities



For personal use only

BUSINESS UPDATE AND INVESTOR VIDEO CALL

Pippa Leary and Geoff Greenberg invite investors to join them on a video conference call and Q&A session on Wednesday 21st October 2020 at Noon AEDT where they will provide an update on the business.

To join the meeting on a computer or mobile phone please go to this link:

https://bluejeans.com/705131392?src=calendarLink

NB. If you have not used the Blue Jeans Network before, it will ask you to download the app onto your computer or device. Alternatively go to bluejeans.com and join the meeting from your browser by typing in this **meeting ID: 705 131 392**

Notes:

(1) All financial disclosures and references to financial information in this document are based on unaudited results.
(2) EBITDA (earnings before interest, income tax expense, depreciation and amortisation) is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') nor International Financial Reporting Standards ('IFRS') and represents the profit/(loss) under AAS/IFRS which has been adjusted to eliminate the effects of tax, depreciation and amortisation, fair value adjustments, impairment expenses, loss on disposal of assets and other one-off items including restructuring costs.
(3) A summary of the cash used in operations by the business' significant activities is provided in the following table:

($000, items may not add due to rounding)	Swift	Health and Wellbeing	Total
Receipts from customers	5,118	788	5,907
Operating expenditure payments	(5,420)	(557)	(5,977)
Net cash from / (used in) operating activities	(302)	231	(71)

END

ABOUT SWIFT MEDIA LIMITED

Swift Media is a specialist technology company delivering premium entertainment, communications, and advertising to an audience of 5M+ via 60,000 digital assets nationally across Mining and Resources, Residential Aged Care and Health & Wellbeing 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:

Pippa Leary
Chief Executive Officer
+61 2 9929 2763
investor@swiftmedia.com.au

Michael Brown
Investor Relations
+61 400 248 080
mbrown@pegasusadvisory.com.au

Appendix 4C

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

Name of entity		
Swift Media Ltd		
ABN		**Quarter ended ("current quarter")**
54 006 222 395		30 September 2020

Consolidated statement of cash flows		**Current quarter** $A'000	**Year to date (3 months)** $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	5,907	5,907
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(4,161)	(4,161)
	(c) advertising and marketing	(10)	(10)
	(d) leased assets	-	-
	(e) staff costs	(1,372)	(1,372)
	(f) administration and corporate costs	(479)	(479)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	47	47
1.5	Interest and other costs of finance paid	(257)	(257)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	254	254
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(71)**	**(71)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(13)	(13)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

For personal use only

For personal use only

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	23	23
	(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)	17	17
2.6	**Net cash from / (used in) investing activities**	**27**	**27**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Repayment of leases	(472)	(472)
3.10	**Net cash from / (used in) financing activities**	**(472)**	**(472)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,448	2,448
4.2	Net cash from / (used in) operating activities (item 1.9 above)	**(71)**	**(71)**
4.3	Net cash from / (used in) investing activities (item 2.6 above)	**27**	**27**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	**(472)**	**(472)**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,932**	**1,932**

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	1,880	2,397
5.2	Call deposits	52	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)**	**1,932**	**2,448**

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	243
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 facilties	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: 10% per annum, payable quarterly	

For personal use only

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	**(71)**
8.2	Cash and cash equivalents at quarter end (item 4.6)	**1,932**
8.3	Unused finance facilities available at quarter end (item 7.5)	**-**
8.4	Total available funding (item 8.2 + item 8.3)	**1,932**

8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	27
	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.	
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.

Date: 19 October 2020 ……

Authorised by: Disclosure Committee ……
(Name of body or officer authorising release – see note 4)

For personal use only

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.

For personal use only