SWIFT MEDIA LIMITED

ANNUAL REPORT

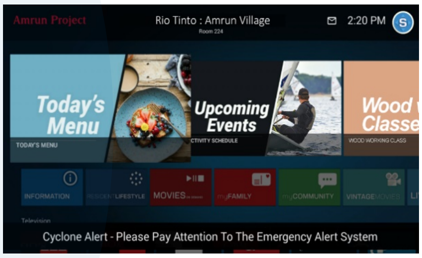
2020

CONTENTS

Swift is a specialist technology company that provides entertainment and communication solutions to connect and engage communities

MINING & RESOUCES

Delivering secure closed networks with customised communications and content.



- Design and construction of networking infrastructure in remote locations
- Site managed communications system delivered via TV and smart device applications
- Movies, TV on Demand, Sport (Foxtel partnership)
- Indigenous, mental health and wellbeing content
- Remote and onsite technical support

AGED CARE

Making life better by helping residents and their carers engage, communicate and belong.

- Time saving, facility managed communications, noticeboard and live streaming system delivered via TV
- Aged Care specific relaxation and exercise content to improve quality of life, reduce isolation and support those living with dementia
- In-room access to premium entertainment curated specifically for Aged Care
- Family mobile application to stay connected with loved ones

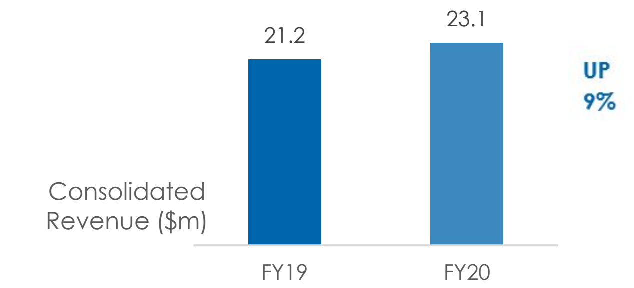
HEALTH & WELLBEING

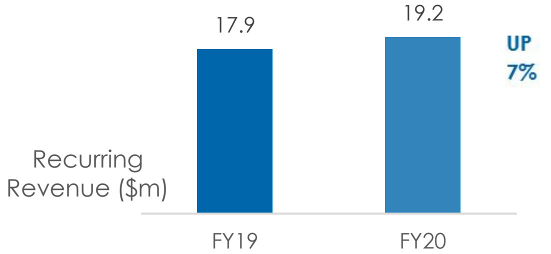
Australia's leading DOOH health & wellbeing network in contextually relevant, captive audience environments

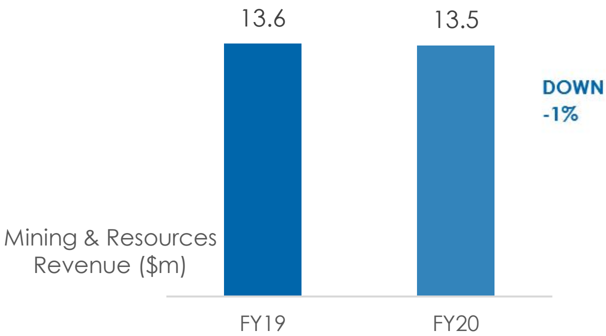
- Digital Out of Home advertising
- Communications tool to help meet Standards
- Health & Wellbeing content designed to inform, educate, and entertain patients at the point of care
- Following strategic review, the Health & Wellbeing network has been significantly restructured to reduced costs
- Partnership with XTD and Inside Practice to drive national advertising growth

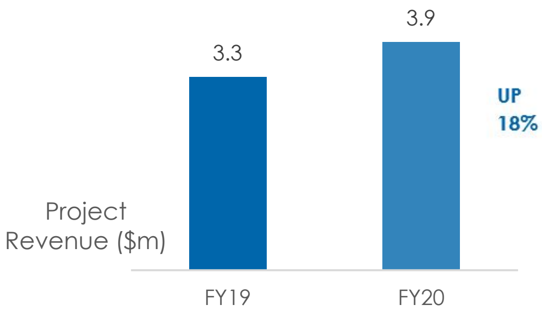
FY20 HIGHLIGHTS

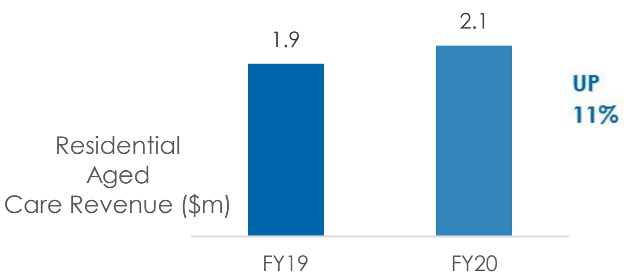
Strong overall revenue growth, led by growth in Aged Care and increased project revenues in Mining and Resources

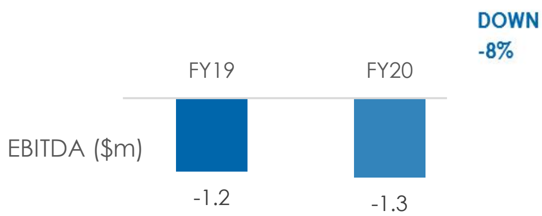


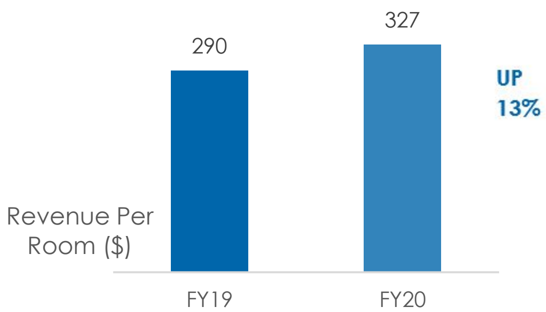


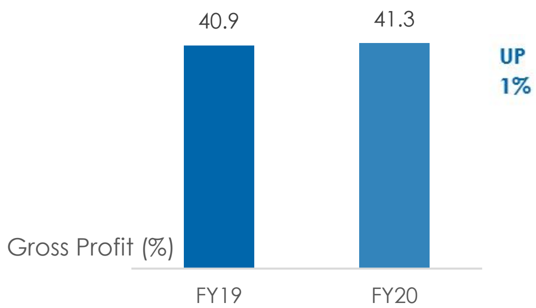




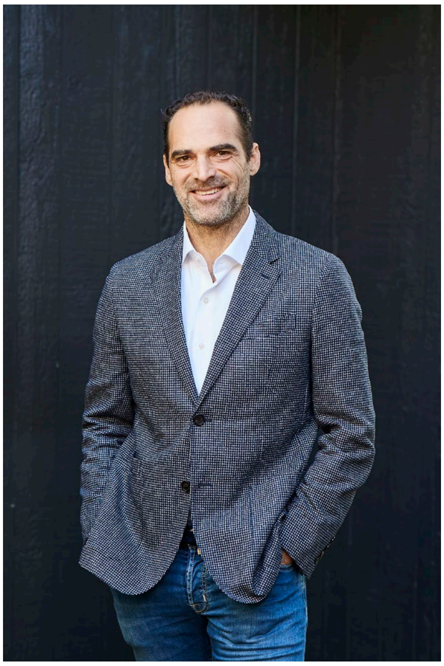








CHAIRMAN'S MESSAGE



Dear Fellow Shareholder,

I am pleased to present the 2020 Annual Report for Swift Media Limited (ASX: SW1), my second since becoming the Chairman in June 2019.

Despite numerous challenges and difficult market conditions, your Leadership Team has continued to make progress in delivering on the strategy to simplify the business and to build a stronger and more streamlined Swift. The business is far better run, has a clearer go to market strategy and is closer to fulfilling its potential than ever before.

Your board and management team have worked incredibly hard and temporarily taken substantial pay cuts to reduce business costs following the impact of COVID-19 and I would like to acknowledge their dedication and commitment up front.

FY20 revenues were $23.1 million representing a 9% increase over the prior comparable period after adjusting for one-off items. The business generated an underlying EBITDA[1] loss of $1.3 million after adjusting for one-off costs. These results were lower than we had forecasted due to the impact of COVID-19 and reflect a year in which many changes were made to streamline and simplify the business.

Highlights of the year worth calling out include:

- **Strategic focus** – reducing the number of verticals in which we operate from 11 to 3;
- **New customer focussed products** – launching Swift Plus specifically to target the Aged Care vertical. This is a proprietary, fit for purpose communications and entertainment system developed and built in house based on customer input, and launched on time and on budget;
- **Capability** – we strengthened our senior team with a new Sydney based CFO, Geoff Greenberg, a new Chief Customer and Strategy Officer, Kirsty Davison, and two new highly capable and committed independent non-executive directors, Katherine Ostin and Peter Gibbons;
- **Efficiency** – following the outbreak of COVID-19 we moved quickly to reduce our cost base and protect Swift against a protracted downturn. Compared to last year, and after taking into account the full year impact of the Medical Media acquisition, our operating cost base decreased 13%;

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[1] EBITDA (earnings before interest, income tax expense, depreciation and amortisation) is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit/(loss) under AAS 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. In the prior year, underlying EBITDA has also been adjusted to exclude the impact of non-recurring license revenues. A reconciliation between EBITDA and statutory net loss after tax is provided the Operating and Financial Review section.

- **New contract wins** - despite COVID-19 access restrictions, we won $3.2m in new contracts with a range of mining companies including Rio Tinto, Mineral Resources and Atlas Iron, and aged care facilities including Applewood, Rivervue and Adventist Care Rossmoyne Waters;

- **Funding** – we agreed an $8m debt facility with Pure Asset Management and completed two equity capital raises totalling $5.2m to fund the company's strategy. Importantly, we extinguished the convertible loans with Lind and L1 that had caused frustration for shareholders and materially impacted the share price.

Throughout the pandemic, Swift's top priority has been to protect the health and wellbeing of our employees while continuing to support our clients. Your team has proven resilient to the challenges and demands of the last six months. We have continued to transition Swift to be able to capitalise on improved market conditions as access returns.

We are clearly living and operating in extraordinary times. COVID-19 has presented some specific business challenges including restricted access to a significant number of customers in aged care due to the critical importance of biosecurity, as well as the ability to attract investment in advertising from SME's within our health and wellness media network.

As we head into FY 2021, Swift is intensely focused on growing sales revenues while carefully managing costs. Aside from our confidence in having a great aged care product with good early interest from customers, the challenges being faced by the aged care sector means we will focus our efforts on the mining and resources vertical. Swift's deep domain expertise and highly competitive products in the mining and resources sector position our company well. Planned increases in mining site capital expenditure over the next several years should provide attractive growth opportunities for your company.

I would like to thank our leadership team and staff for their dedication and contribution in these unsettled times. I would like to thank our Chief Executive Officer, Pippa Leary for her leadership and my fellow directors for their support and wise counsel.

Finally, I would like to thank our customers for placing their trust in us to deliver and maintain our market leading communication and entertainment solutions and to all our shareholders for sharing the common vision to deliver on Swift's strong potential.

I pragmatically expect the months ahead to remain challenging but look forward to updating you on several exciting initiatives in the months ahead.

Darren Smorgon

Non-Executive Chairman

CEO'S REPORT

Dear Fellow Shareholder,

It will not surprise you to read that COVID-19 disrupted our year. While our number one priority is to continue to protect our people, temporary disruptions to site access at mining villages and aged care facilities in the fourth quarter did impact our results.

But that's not the complete story. When I came to Swift a year ago, I knew we had to effectively rebuild the business. Swift had lost focus and costs were too high. Product development had slowed, and sales had become ineffective.

We have been working through the year, and prior to COVID-19, to make changes to re-align the focus of the business from several years of growth by acquisitions and new partnerships, to reducing the number of markets in which we compete – but of course competing much more effectively in our chosen verticals. This has meant increasing investments in product and people in some areas and reducing investment and cost in other areas.

The results for FY20 reflect the transition we are making to become a fitter, faster and more profitable company.

For FY20 Swift reported consolidated revenue growth of +9% over the prior comparable period. Our project revenues increased 18% and recurring contract revenue was up 7%, remaining stable at 83% of total revenues.

Underlying EBITDA[1] for FY20, which excludes the impact of non-recurring, non-cash items of $9.4 million and one-off restructuring and acquisition related expenses of $1.9 million, was a loss of $1.3 million or $0.1 million lower than the prior year. Further excluding the impact of the Medical Media acquisition, which was completed in February 2019, underlying EBITDA increased 20% to a loss of $0.8 million.

Consolidated operating expenses for the year increased in part due to the full year impact of absorbing costs associated with the Medical Media acquisition, which was loss making at the time of acquisition. Excluding the impact of Medical Media, our operating expenses declined by 13% over the prior corresponding period and are tracking at an even lower run rate following some post COVID-19 cost outs.

But rather than dwell on the challenges that came with the old Swift, I'd like to focus on what we have achieved, and our plans for growth for the new Swift.

Let me share with you the foundations for our future success and why I am optimistic Swift can fulfill its great potential. I joined your company because I could see the opportunity for Swift to become a much larger and more profitable business that can deliver strong and sustainable returns for shareholders. I am committed to delivering on that promise.

[1] Refer to Page 3 (Chairman's message for definition).

Our greatest strength is our people. Through COVID-19 our people have been exceptional. They have quickly moved to remote working, have adapted to a more streamlined organisational structure and have gone above and beyond to care for clients during this difficult period. Let me say upfront, I am proud of their contribution and dedicated efforts in these anxious times.

We continue to strengthen our team. As Darren mentioned Geoff Greenberg, Kirsty Davison, Katherine Ostin and Peter Gibbons joined us this year. They have tremendous experience, capabilities and connections. We can leverage these assets to drive growth. As I like to say, the value of our team far exceeds our market capitalisation.

We have the leading domain expertise in our markets. We know what our clients' communication and engagement needs are, and what their customers want to watch. We curate the content specifically for them. We also know how to deliver it cost effectively.

Technology is in our DNA. We design and build our own technology solutions in house. We launched Swift Plus first in the Aged care market. Swift Plus is our new in house designed and built communication and entertainment system. It solves both the social isolation problems for residents and their families that COVID-19 is highlighting, as well as helping the facilities meet their OHS compliance requirements across multiple sites. Even with the lockdown we are making sales and have installed our proprietary new system in 800 rooms across five aged care facilities. We also evolved the "My Family My Community" app to better enable providers to keep families updated and remain in contact with loved ones in aged care facilities. For those of you that have a loved one in such a facility, you'll understand how important this is.

Our business model is another strength. As a specialist technology company, we provide closed loop entertainment and communications solutions to connect and engage with communities. Think of us like the entertainment system on an airline – but with far more customer specific expertise, curated content and the ability to allow the airline to communicate and engage with you directly. Closed loop is an important point too. It enables access to early release content and provides some protection from commoditisation. We source content for our specific audiences from all over the world – including live sport and blockbuster movies.

Our revenue model is resilient. We engage with clients on 3-5 year contracts where the facility pays the fee to view. These contracts generate recurring revenue with very high levels of customer retention. We are not driven by cyclical advertising revenues in our two key businesses – once the system is installed it's a recurring subscription model. These high levels of recurring revenues give us the ability to plan and invest for growth.

Swift is a far more focused and streamlined company with a better balance sheet. We have reduced the number of verticals we operate in from 11 down to three:

- **Mining and Resources**, where we have our largest business accounting for around 58% of group revenues, is in full production. We are a leader in iron ore, and we are beginning to serve other mine sites in gold, lithium and copper. There will be plenty of opportunity for growth for us. We have tailored our Aged Care product, Swift Plus, to Mining and Resource clients. It enables us to engage the mine site at the exploration stage in the mine life cycle and we are having success in being at the camp from the beginning. These are long duration relationships. Importantly, the sector is in growth mode. We want to make sure we are well placed to fully capitalise on the upcoming $50bn mining camp capex boom.

- **Aged Care** is our second largest business where we serve over 12,000 rooms. The sector is changing. We fully support the Royal Commission in setting new, higher standards of care. We are part of that new world solution. Our entertainment and communications systems have real benefits for aged care operators and residents. The average age of residents is 85 years old with basic free to air TV in 85% of rooms. About 50% of residents are living with dementia, depression or suffering isolation and carers have limited time to service their needs. Lockdown has further shone a light on the need for a solution to social isolation. Our product does that.

We have specially curated content for residents, easy to use communication platform for facilities and a mobile application for families. We have completed a deep dive on the customer demographic and changing requirements in this vertical and while there are restrictions on access to facilities as they prioritise biosecurity, COVID-19 also creates an excellent long-term growth tailwind. We are well placed to grow as access resumes.

- Our last vertical is **Health and Wellbeing** (formerly Medical Media). When we acquired the business, it was burning cash. It had an unsustainable cost structure. We have now fixed that. In June, we announced our partnership with XTD Ltd (ASX: XTD). In a nutshell we have outsourced national sales while we focus on our strength in local sales. In exchange we get a share of revenue with a good guaranteed minimum for the next three years. We continue to explore ways to leverage further value in this part of the business.

As COVID-19 first hit we also moved quickly to streamline our cost base. We took out an initial $8m of annualised costs. Job keeper was announced after the cuts and it does provide more flexibility. We have since selectively and carefully reinvested a portion of these savings given our outlook has improved since March/April. But we are disciplined and we are maintaining a lower cost base.

We also had to address our balance sheet. We had a legacy equity loan facility that damaged our share price. We got rid of that. We needed to make sure we can endure what could be a protracted downturn and have the funds available to capitalise on the new significant commercial opportunities ahead. We successfully raised over $5m of new equity funds and completed an $8m loan agreement.

So while Q4 was clearly an extraordinary period with COVID-19, I am pleased to report we did make progress towards building a fitter, faster and more profitable Swift. As I said at the start, this is a transition year. Even with the distractions we will continue to focus on building a stronger business with a better growth outlook - that's why I am excited about the future.

In conclusion, I would like to thank the Directors for their support and wise counsel as well as our Leadership Team and Staff for the impressive amount of effort and dedication they have provided over the past year.

I thank all of our existing and new shareholders who share our common vision and enthusiasm. The next twelve months promises to be exciting and I look forward to updating you as we progress.

Pippa Leary

Chief Executive Officer

MINING & RESOUCES: IN FOCUS

MARKET SIZE

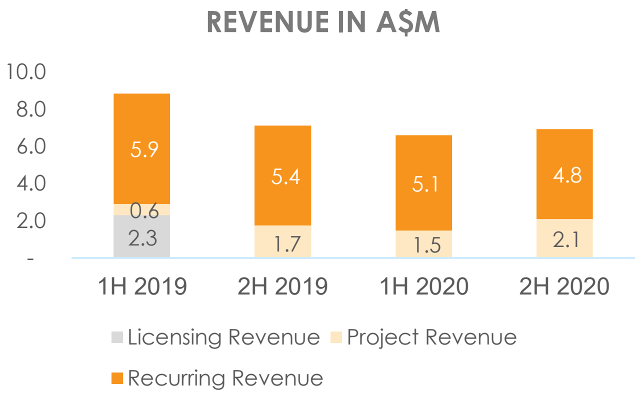
140,000
ROOMS IN VILLAGES*

250+
VILLAGES

SWIFT PRESENCE

29,858
EXISITING ROOMS

64
VILLAGES



DYNAMICS

- Delivering on $3.2m contract wins in 2H FY20 including Rio Tinto Western Turner, Atlas Iron Ltd Corunna Downs, Mineral Resources Ltd – majority of revenue in FY21
- Growth in project revenue through re-focus on Mining and Resources
- Well placed to capitalise on $50bn Capex boom
- Strong positions in high demand commodities: Iron Ore and Gold
- Scope for increased market share growth
- Swift – solution to social isolation and enables mine camps to meet OHS compliance
- Swift Plus for Mining: mobile, rail, exploration camps – opportunities earlier in mine lifecycle

OPPORTUNITY

Leverage and grow market leadership position to increase room share and build recurring revenue

EXECUTION

1. Innovate product offering to better meet customer needs and changing behaviour
2. Target new revenue opportunities in Tier 2-3 mines to grow market share
3. Partner with facility managers, builders and miners to win construction jobs with recurring revenue
4. Productise Design/Construct and Support Services to create an end to-end competitive advantage and operational efficiencies

*Source: Management estimate in collaboration with AMMA, Australian Resources and Energy

SWIFT

RESIDENTIAL AGED CARE: IN FOCUS

MARKET SIZE

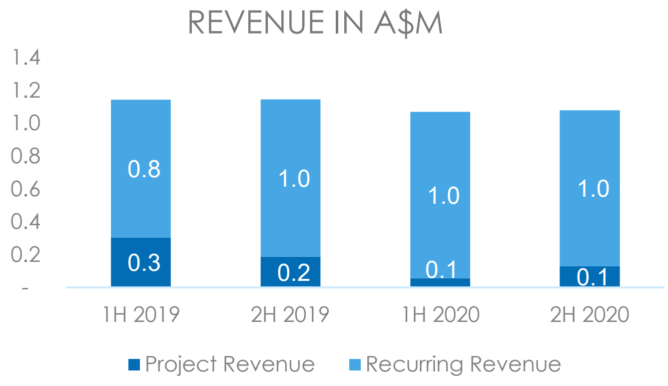
223,000
RESIDENTIAL AGED CARE PLACES*

2,700
RESIDENTIAL AGED CARE FACILITIES

SWIFT PRESENCE

12,777
ROOMS

121
FACILITIES



DYNAMICS

- Ensure we are well placed to drive new sales growth when access restrictions to facilities begin to lift – biosecurity priority during COVID-19
- Successfully launched with positive market response fit for purpose product – some encouraging sales and installs in 800 rooms across 5 facilities despite COVID-19, including Adventist Care (WA), Applewood and Rivervue (VIC)
- COVID-19 highlights the need for communication and social isolation solutions
- Positive structural trend of ageing population and Royal Commission raising standards
- Multiple adjacent growth opportunities over time

OPPORTUNITY

Leverage structural growth trends to drive sales growth and recurring revenues

EXECUTION

1. Continue to evolve product suite to become vital for providers
2. Expand usage among existing customers
3. Target and convert new prospects to grow market share

*Source: 2018-2019 *Report on the Operation of Aged Care Act 1997*, Department of Health

HEALTH AND WELLBEING: IN FOCUS

MARKET SIZE

7,500 GP PRACTICES

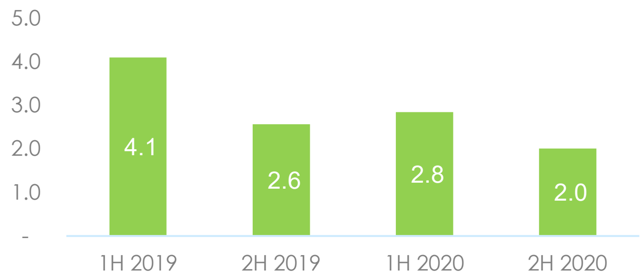
498,000 ADDRESSABLE SMES*

SWIFT PRESENCE

2,000 SCREENS

1,400 SITES

REVENUE IN A$M



DYNAMICS

- Full year contribution of loss making Medical Media business (remediation complete)
- New profitable local sales model supported by CRM and retention focus
- Well placed as small businesses rebuild their presence post COVID
- Costs reduced including outsourcing National Advertising sales
- National franchise opportunity for hyperlocal geo-targeting in contextually relevant sectors, e.g. pharmacies
- Health sector has positive structural tailwinds
- Competitive differentiator: broader content and local advertising

OPPORTUNITY

Improve profitably through retention focus, targeted local sales strategy and partnering for national sales

EXECUTION

1. Hyperlocal territory sales prioritising Tier 1-2 sites to increase conversion of new customers profitably
2. Focused retention program to increase customer lifetime value
3. Optimise screen network to reduce costs and improve quality
4. Drive national advertising revenue through partnerships – XTD and others

Vs. Swift Network footprint. Source: Aust. Small Business and Family Enterprise Ombudsman - Small Business Counts 2019

SWIFT

Our Vision

Making life better by helping people engage, communicate, and belong

Our Mission

Connecting and engaging communities through entertainment and communications solutions

Our Values

One Team

Our team works together proactively and collaboratively across boundaries. We challenge and support each other and have fun while doing it

Customer first

Our customers are at the heart of everything we do. We listen and deliver exceptional experience with empathy, always

Integrity

We are open, honest and ethical in everything we say and do

Own it

We are empowered, accountable and never give up

Be the change

We have an endless appetite for learning. We drive innovation and move fast for commercial success

DIRECTORS' REPORT

The Board of Directors of Swift Media Limited ("the Group" or "the Company") submits its report in respect of the year ended 30 June 2020.

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

<u>Name Position</u>
Mr Darren Smorgon Independent Non-Executive Chairman
Mr Robert Sofoulis Non-Executive Director
Mr Ryan Sofoulis Executive Director
Ms Katherine Ostin Independent Non-Executive Director (appointed 1 October 2019)
Mr Peter Gibbons Independent Non-Executive Director (appointed 22 June 2020)

The following Directors of the Company resigned during the year:
Mr Paul Doropoulos Non-Executive Director (resigned 1 October 2019)

The Company Secretary is Mr Stephen Hewitt-Dutton.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were the provision of content, communications and advertising on television screens for out of home environments.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Operational Review

AGED CARE	MINING & RESOURCES	HEALTH & WELLBEING	HOSPITALITY & OTHER
Developed new Swift Plus product from idea to launch in 5 months Installed Swift Plus in 800 rooms across 5 providers during COVID including Adventist Care, Applewood and Rivervue Established an Account management function My Family My Community app evolution - video, photo and text messaging to families without requiring onsite installation Developed Aged Care brand	Renewed $3.4m in contracted revenue Won 5 jobs in Q4 worth $3.2m including Rio Tinto Western Turner, Atlas Iron Ltd Corunna Downs, Mineral Resources Ltd Installed COVID quarantine camp Adapted Swift Plus for mobile, road and rail camps Refocused delivery team	Hibernation through COVID and establishment of new profitable local sales model Implemented CRM to enable increased local sales retention Moved content production inhouse and outsourced ad production XTD partnership for national advertising sales Inside Practice partnership for sales of Connect Network Assessing strategic options following inbound interest	Hibernation through COVID Negotiated reduced content rates during COVID $300k in cost savings by exiting underutilised content suppliers Offered clients relief on their accounts for three months to retain them

Response to COVID-19
Swift acted proactively to implement measures to ensure the Company was well capitalised, right-sized and focussed on growth opportunities.

In late March 2020, Swift implemented cost savings measures to respond to the COVID-19 environment, extracting permanent cost savings from non-essential operating and administrative costs and a workforce rationalisation. This included a 40% reduction in remuneration for the board, management and staff. Subsequent to these measures being implemented, Swift successfully accessed the Federal Government's Job Keeper assistance program to further shore up retention of core intellectual property and enable a quick scale-up in the face of returning demand.

Most pleasingly in the face of widespread disruptions caused by COVID-19 to the broader macro environment, in April 2020 Swift announced the award of 5 new contracts wins totalling $3.2 million highlighting the value of Swift's offering.

FINANCIAL REVIEW

On a statutory basis, the Group achieved operating revenue of $23,080,174 (FY19: $24,713,183) and a consolidated net loss after tax of $21,647,091 (2019: loss of $6,905,498). The FY 2020 financial performance reflects the material adverse impact of COVID-19 on the business for the last four months of FY 2020 and includes associated impairment write-downs of $13,613,483 for FY 2020.

After normalising for one-off licensing revenues earned in the prior fiscal year, the group achieved revenue growth of 9% for the FY20 year and an underlying EBITDA loss of $1.3m, a decrease of $0.1m or 8% over the prior comparable period. Revenue was driven by strong project revenue increases, mainly in the Mining and Resources vertical. EBITDA was stable from FY20 vs FY19 as the business took actions to protect profit in the second half of the year from the impact of COVID-19.

Gross profit margin was up 0.4 percentage points driven by an increasing mix of aged care recurring revenues and the full year impact of the Medical Media acquisition.

Operating expenses for the year increased in part due to the full year impact of absorbing costs associated with the Medical Media acquisition, which was loss making at the time of acquisition. One-off, non-cash items contributed $9.4 million to statutory operating expenses relating to the impairment of historic acquired goodwill, the provision for doubtful debtors and net of fair value gains on deferred acquisition performance payments. While the business did invest in core resources to support its future direction, it simultaneously rationalised costs associated with non-core market verticals. These undertakings resulted in one-off cash costs of $1.9 million relating to business restructuring and acquisition charges.

The following table provides a year on year comparative analysis of the key profit and loss items normalised for one-off, non-recurring and non-cash items.

($ millions)	FY19	FY20	Change
Revenue[1]	**21.2**	**23.1**	9%
Project	3.3	3.9	18%
Recurring	17.9	19.2	7%
COGS	(12.5)	(13.5)	(8%)
Gross profit	8.7	9.5	9%
Gross profit %	*40.9%*	*41.3%*	*0.4% points*
Employee expenses	(7.3)	(8.7)	(19%)
Other expenses	(2.5)	(2.1)	16%
Operating expenses	(9.8)	(10.8)	(10%)
EBITDA[2]	(1.2)	(1.3)	(8%)

Notes:

1. Adjusted for non-recurring licensing revenue in the prior year

Reconciliation of FY19 Consolidated Revenue to FY19 Statutory Revenue

Total revenue by vertical	21.2
Non-recurring licensing	3.5
Statutory revenue	24.7

2. EBITDA (earnings before interest, income tax expense, depreciation and amortisation) is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit/(loss) under AAS 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. In the prior year, underlying EBITDA has also been adjusted to exclude the impact of non-recurring license revenues.

Swift acquired the Medical Media business in February 2019. At the time Medical Media was loss making and as a result it is informative to present in the following tables the disaggregated view of the FY20 summary results (and comparative to FY19), down to EBITDA, separating Medical Media from the rest of the business. Note the Medical Media acquisition was completed on 15 February 2019 and its contribution to the FY19 results are only for that part of the year consolidated into the results of Swift Media.

Excluding the results of the Medical Media acquisition, the underlying Swift business increased EBITDA by 20%. During FY20, and in part due to the impact of COVID-19 on local media revenues, approximately $4 million in annualised costs were rationalised out of the former Medical Media business, setting it up for a more profitable outlook. The benefits of these cost cuts were partially realised during the second half of FY20 and expect to be realised during the entirety of FY21.

($ millions)	FY19	FY20	Change
SWIFT Media excluding Medical Media			
Revenue	18.6	18.1	(3%)
Gross Profit	6.7	5.9	
GP %	36%	33%	
Opex	(7.7)	(6.7)	13%
EBITDA	(1.0)	(0.8)	20%
Medical Media Results			
Revenue	2.6	5.0	92%
Gross Profit	2.0	3.6	
GP %	77%	72%	
Opex	(2.2)	(4.1)	(86%)
EBITDA	(0.2)	(0.5)	(150%)

The following table provides a reconciliation of the net loss after tax to EBITDA.

($ millions)	FY19	FY20	Change
EBITDA	(1.2)	(1.3)	(8%)
Depreciation & amortisation	(3.7)	(6.2)	
Non-cash items	(3.3)	(9.4)	
Restructuring & acquisition related expenses	(2.3)	(1.9)	
One-off license revenue[1]	3.5	-	
Other items	0.0	0.0	
Net interest expenses	(0.1)	(0.9)	
Income tax (expense)/benefit	0.2	(1.9)	
Net loss after tax	(6.9)	(21.6)	(213%)

Notes:

1. Reconciliation of FY19 underlying EBITDA as reported in the FY19 annual report to the FY20 annual report. Prior year one-off licensing contracts adjusted to improve year on year performance comparability

FY19 underlying EBITDA per FY19 audited financial statements	2.4
Prior year non-recurring license revenue	(3.5)
FY19 underlying EBITDA per FY20 AFS	(1.2)

Non-cash items include impairment of goodwill and right of use asset balances ($13.6 million), fair value gains on deferred acquisition amounts ($7.0 million), share based payments ($0.1 million), and an increase in provisions for recoverability of debtor balances ($2.6 million). The business incurred cash restructuring expenses in FY20 related to streamlining the business for a more focused set of strategic verticals and tactical measures taken in response to COVID trading impact.

Balance sheet and liquidity

The Company's cash balance increased from $0.4m at the end of FY2019 to $2.4m at the end of FY20 reflecting a series of capital restructuring actions designed to strengthen the balance sheet and streamline funding arrangements. These actions included:

- November 2019 – completed equity capital raise for $1.9 million (before costs);
- December 2019 – secured a four-year, $8m debt facility with PURE Asset Management Ltd to replace a $4.5m debt facility;
- April 2020 - as a response to Covid-19 further strengthened its balance sheet, obtaining approximately $3.3million (before costs) of equity funding via a private placement and fully subscribed non-renounceable rights issue. The successful raise facilitated the full buy-back of outstanding loan notes issued by L1 Capital and Lind Partners simplifying the Company's capital structure.

As a result of these actions the Company's current asset position increased from $6.7m to $8.1m and current liabilities decreased from $17.5m to $11.5m.

Long term borrowings ended FY20 at $6.9m. Swift has negotiated covenant waivers with its senior secured debt provider through to the end of the 2020 calendar year.

Swift will continue to investigate opportunities to further strengthen its balance sheet and access growth capital.

Events Since the End of the Financial Year

0n 2 July 2020, Mr Geoff Greenberg was appointed Chief Financial Officer of the Company.

On 15 August 2020, 14,950,166 Ordinary Shares were released from Escrow. There were no other events subsequent to reporting date to disclose at the date of signing this report.

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home) and securing the supply of material that are essential to our production process.

We refer you to Note 2 for a summary of the impact of COVID-19 on the results of the business. We will continue to follow various government policies and advice, and in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or recommended during the year (2019: nil).

INFORMATION ON THE DIRECTORS

Darren Smorgon – Independent Non-Executive Chairman
Darren has been a Non-Executive Director of Swift since February 2019 after having previously served on the board of Medical Media for three years prior to its acquisition by Swift. He is Managing Director of Sandbar Investments, a Sydney based family office, and prior to that, spent 16 years at CHAMP Private Equity where he led several deals including the privatisation and subsequent re-listing of oOh!Media Limited (ASX: OML). He is also a current Non-Executive Director and Chair of the Remuneration Subcommittee of oOh!Media Limited, the Chairman of co-working facility provider Hub Australia Pty Ltd and a Non-Executive Director of Total Drain Cleaning Pty Ltd.

Directorships held in other listed companies in the past 3 years: oOh!Media Limited (ASX: OML)
Special responsibilities include member of the Remuneration committee.

Ryan Sofoulis – Executive Director
Ryan has spent the last 15 years working within the various companies owned by the Sofoulis family. Ryan worked in the accounts department with the ASTIB Group until it was sold in 2011, at which time he became the Company Secretary of Swift Networks. In 2012, Ryan became the Company Secretary of the newly created EITS Global Group and oversaw the establishment of an international structure spanning over the USA, UK, Ireland and Australia.

Directorships held in other listed companies in the past 3 years: None

Robert Sofoulis – Non-Executive Director
Robert is the founder of Swift Networks and Wizzie TV. Robert has an engineering background in instrumentation and worked in the mining and oil and gas industries for 20 years before becoming an entrepreneur in 1995. Initially concentrating in the two-way radio rental business, Robert soon expanded the business to include sales and engineering services and created ASTIB Group, consisting of various radio and communications subsidiaries. Most of the ASTIB Group was divested in January 2011 for approximately $50 million to CSE Global, a multinational organisation of the Singapore Exchange.

Directorships held in other listed companies in the past 3 years: None
Special responsibilities include member of the Remuneration committee.

Katherine Ostin – Independent Non-Executive Director (appointed 1 October 2019)
Kathy has deep experience in the Aged Care and Healthcare sectors having established and led KPMG's NSW Health, Ageing and Human Services practice since 2006 until her departure in December 2018. Kathy was also an audit partner since 2005 where her responsibilities covered Aged Care, Media and Technology companies. She as broad international experience having worked in Asia, the USA and UK throughout her 24 years at KPMG. She is also a current Non-Executive Director and Chair of the Audit and Risk Subcommittees of Capral Limited, Dusk Group Ltd and eftpos Payments Australia Ltd.

Directorships held in other listed companies in the past 3 years: Capral Limited (ASX: CAA)
Special responsibilities include member of the Remuneration committee

Peter Gibbons – Independent Non-Executive Director (appointed 22 June 2020)
Peter has a proven background in building growth businesses, deep experience and extensive networks in the Aged Care and Mining & Resources sectors in Western Australia. Based in Perth, Peter is the co-founder and Managing Director of Open Negotiations, one of Australia's leading online property auction sites for real estate agents. Prior to that Peter created App Lord Technologies. He worked at Grant Samuel and Macquarie Bank. Peter is the Chairman of Bethanie Group, Western Australia's largest not-for-profit Aged Care provider and is Chairman of the Vukelic Family Office. He was previously a Director of Silver Chain, Western Australia's largest provider of in-home residential aged care, and also served as a Commissioner of the Western Australian Football Commission.
Directorships held in other listed companies in the past 3 years: none

SWIFT

Paul Doropoulos – Non-Executive Director (resigned 1 October 2019)
Paul has approximately 25 years combined experience in an Executive Consultant capacity to ASX listed companies in the oil and gas and mining services sectors. Paul holds a Bachelor of Business Degree with Finance.

Directorships held in other listed companies in the past 3 years: none

Stephen Hewitt-Dutton – Company Secretary
Mr Hewitt-Dutton has over 25 years of experience in corporate finance, accounting and company secretarial matters. He is an Associate Director of Trident Capital and holds a Bachelor of Business from Curtin University. Before joining Trident Capital, Mr Hewitt-Dutton was an Associate Director of Carmichael Corporate where he assisted clients by providing equity market, IPO and M&A advice and assistance. He has also held Financial Controller and Company Secretary positions for both public and private companies for in excess of 20 years.

DIRECTORS' INTERESTS

The interests of each Director in the shares and options of the Group as notified by the Directors to the ASX in accordance with s205G(1) of the Corporations Act 2001 as at date of this report were as follows:

Director	Ordinary shares	Options	Rights to deferred Shares
Mr Ryan Sofoulis	2,555,288	-	-
Mr Robert Sofoulis	94,923,625	-	-
Mr D Smorgon	6,009,657	-	750,000
Ms K Ostin	373,138	-	600,000
Mr P Gibbons	-	-	600,000
Mr P Doropoulos*	2,568,670	715,000	156,174

*represents holdings up to the date of resignation (1 October 2019)

DIRECTORS' MEETINGS

The number of meetings (including meetings of Board committees) of the Company's Board of Directors held during the year ended 30 June 2020 and the number of meetings attended by each Director was:

	Board		Remuneration Committee	
Director	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Mr P Gibbons	2	2	-	-
Ms K Ostin	32	32	-	-
Mr P Doropoulos	4	4	-	-
Mr Ryan Sofoulis	36	34	-	-
Mr Robert Sofoulis	36	35	-	-
Mr D Smorgon	36	35	-	-

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Additional comments on expected results of operations of the Group are included in this report under the review of operations and significant changes in the state of affairs.

REMUNERATION REPORT - AUDITED

Introduction

This Remuneration Report ("The Report") has been prepared in accordance with section 300A of the Corporations Act and associated regulations. The Remuneration Report has been audited by the Group's Auditor.

The Report provides details of the remuneration arrangements for the following Key Management Personnel of the Group and the Company for the 2020 financial year:

Directors and Key Management Personnel

Name	***Position***
Directors	
Mr D Smorgon	Independent Non-Executive Chairman
Mr P Doropoulos	Non-Executive Director (resigned 1 October 2019)
Mr Robert Sofoulis	Non-Executive Director
Mr Ryan Sofoulis	Executive Director
Ms K Ostin	Independent Non-Executive Director (appointed 1 October 2019)
Mr P Gibbons	Independent Non-Executive Director (appointed 22 June 2020)
Key Management	
Ms P Leary	Chief Executive Officer (appointed 26 June 2019)
Mr G Nicholls	Chief Financial Officer (resigned 2 July 2020)
Mr G Greenberg	Chief Financial Officer (appointed 2 July 2020)

Key Management Personnel are those Directors and executives with authority and responsibility for planning, controlling and directing the affairs of Swift Media Limited.

Remuneration Policy

Compensation levels for key management personnel and secretaries of the Company and key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced Directors and executives. The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of the key management personnel
- the key management personnel's ability to control the relevant segment's performance

There is direct relationship between key management personnel remuneration and performance. The Board did not engage an independent remuneration consultant during the year.

Fixed compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis), as well as employer contributions to superannuation funds. Compensation levels are reviewed annually by the Board through a process that considers individual, segment and overall performance of the Group.

Remuneration governance

The Board has Remuneration and Nomination Committee consisting of independent non-executive Chairman Mr Darren Smorgon and non-executive Directors Mr Robert Sofoulis and Ms Katherine Ostin.

Statutory performance indicators

Below table shows measures of the group's financial performance over the last 4 years as required by the Corporations Act 2001.

	2020	2019	2018	2017
Loss after income tax	(21,647,091)	(6,905,498)	(7,728,812)	(1,364,198)
Basic earnings/loss (cents per share)	(9.5)	(5.2)	(6.9)	(1.6)
Increase/ (decrease) share price (%)	(82)	(35)	24	34
Dividend payments	-	-	-	-

SWIFT

REMUNERATION REPORT – AUDITED (continued)

Key Management Personnel Remuneration

The key management personnel of the Company are the Directors, Chief Executive Officer and the Chief Financial Officer. There are no other executives, other than Directors, who have the authority and responsibility for planning, directing and controlling the activities of the Company.

The emoluments for each director and key management personnel of the Company for the year ended 30 June 2020 are as follows:

	Year	Salary & Fees (Cash)	Annual Leave[1]	Share Based Payments[2]	Non-Cash[3]	Super	Other[4]	Total	Perf. Related
		$	$	$	$	$	$	$	%
Director									
C Clump[5]	2020	-	-	-	-	-	-	**-**	**0%**
	2019	37,143	-	-	3,328	-	-	**40,471**	**0%**
X Kris[6]	2020	36,333	-	-	-	285	167,000	**203,618**	**0%**
	2019	436,000	-	366,392	5,324	3,420	200,000	**1,011,136**	**36%**
P Doropoulos[7]	2020	17,783	-	-	2,166	-	-	**19,949**	**0%**
	2019	48,000	-	-	5,324	4,560	-	**57,884**	**0%**
Ryan Sofoulis	2020	154,500	2,516	-	8,556	14,677	-	**180,249**	**0%**
	2019	145,904	3,191	-	5,324	13,861	-	**168,280**	**0%**
Robert Sofoulis	2020	48,000	-	-	8,556	4,560	-	**61,116**	**0%**
	2019	48,000	-	-	5,324	4,560	-	**57,884**	**0%**
D Smorgon[8]	2020	57,000	-	48,759	8,556	5,415	-	**119,730**	**0%**
	2019	16,000	-	657	1,996	1,520	-	**20,173**	**3%**
K Ostin[9]	2020	28,202	-	29,277	6,390	2,679	-	**66,548**	**0%**
P Gibbons[10]	2020	-	-	309	151	-	-	**460**	**0%**
Key Management									
P Leary[11]	2020	312,823	9,909	27,225	-	21,003	-	**370,960**	**0%**
G Nicholls	2020	191,690	8,536	-	-	18,210	-	**218,436**	**0%**
	2019	192,346	950	130,430	-	18,273	-	**341,999**	**38%**
Totals	**2020**	**845,331**	**20,961**	**105,570**	**34,375**	**66,829**	**167,000**	**1,240,066**	**0%**
	2019	**923,393**	**4,141**	**497,479**	**26,620**	**46,194**	**200,000**	**1,697,827**	**29%**

[1] Movement in annual leave provision (no long service leave provisions during the year)
[2] Refer to the below table and Note 20 for further details.
[3] Non-Cash benefits include the provision of Directors and Officers liability insurance.
[4] Other benefits include amounts paid out to Mr X Kris in FY 2019 and FY 2020 in accordance with the termination clauses of his service agreement and consulting fees.
[5] FY 2019 figures represent the period 1 July 2018 to the date of resignation (15 February 2019)
[6] FY 2019 figures represent the period 1 July 2018 to the date of resignation (28 June 2019)
[7] FY 2020 figures represent the period 1 July 2019 to the date of resignation (1 October 2019)
[8] FY 2019 figures represent the period from the date of appointment (15 February 2019)
[9] FY 2020 figures represent the period from the date of appointment (1 October 2019)
[10] FY 2020 figures represent the period from the date of appointment (22 June 2020)
[11] FY 2020 figures represent the period from the commencing as key management as of 16 July 2019.

REMUNERATION REPORT – AUDITED (continued)

Details of Share Based Payments

	Remuneration Type	Grant Date	Number Granted	Total P&L expense in the period ($)	As at 30 June 2020	
					Number vested and exercisable	Number unvested
Mr D Smorgon	Ordinary Share Rights (A)	26 June 2019	750,000	48,759	-	750,000
Ms K Ostin	Ordinary Share Rights (B)	1 October 2019	600,000	29,277	-	600,000
Mr P Gibbons	Ordinary Share Rights (C)	22 June 2020	600,000	309	-	600,000
Ms P Leary	Incentive options (A)	26 June 2019	1,000,000	27,225	-	1,000,000

On 26 June 2019, Darren Smorgon was granted 750,000 ordinary share rights which were subsequently approved by shareholders at the Annual General Meeting of the Company held on 15 November 2019. The rights will be subject to a vesting period of 2 years. These rights will be forfeited in full and lapse should he not complete his engagement as Chairman for the 2 years. A share-based payment expense in relation to this arrangement of $49,416 was recorded of which $48,759 was recorded in FY 2020 (FY2019: $657).

On 26 June 2019, Pippa Leary was granted 1,000,000 incentive options which were subsequently approved by shareholders at the Annual General Meeting of the Company held on 15 November 2019. The rights will be subject to a vesting period of 3 years. These rights will be forfeited in full and lapse should she not complete her engagement as Chief Executive Officer for the 3 years. A share-based payment in relation to this arrangement of $27,225 was recorded in FY 2020.

On 1 October 2019, Katherine Ostin was granted 600,000 ordinary share rights which were subsequently approved by shareholders at the Annual General Meeting of the Company held on 15 November 2019. The rights will be subject to a vesting period of 2 years. These rights will be forfeited in full and lapse should she not complete her engagement as Non-Executive Director for the 2 years. A share-based payment expense in relation to this arrangement of $29,277 was recorded in FY 2020.

On 22 June 2020, Peter Gibbons was granted 600,000 ordinary share rights which are subject to shareholder approval. The rights will be subject to a vesting period of 2 years. These rights will be forfeited in full and lapse should he not complete his engagement as Non-Executive Director for the 2 years. A share-based payment expense in relation to this arrangement of $309 was recorded.

Valuation

The fair value of these share-based instruments was calculated as follows:

	Ordinary Share Rights (A)	Ordinary Share Rights (B)	Ordinary Share Rights (C)	Incentive Options (A)
Method	Share price at grant date	Share price at grant date	Share price at grant date	Black Scholes
Spot price	13 cents	13 cents	4.7 cents	13 cents
Strike price	0 cents	0 cents	0 cents	30-60 cents
Expiry date	25 June 2021	29 September 2021	21 June 2022	1 July 2020- 2022
Volatility	N/a	N/a	N/a	80%
Risk free rate	N/a	N/a	N/a	0.79%
Fair value per unit (cents)	13.0	13.0	4.7	2.45-4.26

REMUNERATION REPORT – AUDITED (continued)

All other pre-existing incentive plans previously in place and that have been expensed in full in previous years have been cancelled or lapsed due to the vesting criteria not being achieved.

Current service agreements
The current service agreements in place between the Company and its Directors and Key Management Personnel set out below:

(i) The Company has entered into Contract of Employment agreements for Director Fees as follows:

Current directors

Mr D Smorgon	$60,000 per annum plus statutory superannuation
Ms K Ostin	$40,000 per annum plus statutory superannuation (date of commencement 1 October 2020)
Mr P Gibbon	$40,000 per annum plus statutory superannuation (date of commencement 22 June 2020)
Mr Ryan Sofoulis	$36,000 per annum plus statutory superannuation
Mr Robert Sofoulis	$48,000 per annum plus statutory superannuation

Former directors

Mr C Clump	$60,000 per annum plus superannuation (date of cessation 15 February 2019)
Mr X Kris	$36,000 per annum plus superannuation (date of cessation 26 June 2019)
Mr P Doropoulos	$48,000 per annum plus superannuation (date of cessation 1 October 2019)

(ii) In April 2020, as part of cost saving measures announced in responses to Covid-19 the Company amended its existing employment agreement with Mr Ryan Sofoulis (originally signed on 19 May 2016), whereby the base remuneration, exclusive of superannuation entitlements, for services provided by Mr Sofoulis as the Head of Finance of the Company is $111,000 per annum. The term of the employment agreement commenced on 19 May 2016 until such time as the agreement is terminated in accordance with the terms of the agreement. The Company or Mr Sofoulis may terminate the employment agreement at any time by giving to the other not less than 9 months' written notice.

(iii) In April 2020, as part of cost saving measures announced in responses to Covid-19 the Company amended its existing employment agreement with Mr Nicholls (signed 16 January 2017), whereby the base remuneration, exclusive of superannuation entitlements, for services provided by Mr Nicholls as the Chief Financial Officer of the Company is $159,000 per annum. The Company or Mr Nicholls may terminate the employment agreement at any time by giving to the other not less than 3 months' written notice. On 1 July 2020 Mr Nicholls gave the Company formal notice of his resignation from the position of Chief Financial Officer.

(iv) In June 2019, the Company entered into an agreement with Ms Pippa Leary for the role of Chief Executive Officer whereby the base remuneration, exclusive of superannuation entitlements for services provided by Ms Leary as the Chief Executive Officer of the Company is $365,000 per annum and 1,000,000 performance rights in three tranches (Tranche 1: 5000,000 at $0.30/share, Tranche 2: 250,000 at $0.45/share, Tranche 3: 250,000 at $0.60/share) exercisable at yearly intervals over a 3-year period. The issue of the rights to Ms Leary was approved by shareholders at the Annual General Meeting of the Company held on 15 November 2019. The Company or Ms Leary may terminate the employment agreement at any time by giving to the other not less than 6 months' written notice. In April 2020 as part of cost saving measures announced in responses to Covid-19 the Company amended the above existing employment agreement with Ms Leary, whereby the base remuneration, exclusive of superannuation entitlements is $258,000 per annum.

(v) In June 2019, the Company entered into an agreement with Mr Darren Smorgon for the role of Non-Executive Chairman which included a Chairman's fee of $60,000 per annum and share rights over 750,000 Swift shares. The rights will vest 2 years after the appointment and convert at no cost following the end of the vesting period. The issue of the rights to Mr Smorgon was approved by shareholders at the Annual General Meeting of the Company held on 15 November 2019.

REMUNERATION REPORT – AUDITED (continued)

(vi) In September 2019, the Company entered into an agreement with Ms Katherine Ostin for the role of Non-Executive Director which included a Director's fee of $40,000 per annum and share rights over 600,000 Swift shares.

The rights will vest 2 years after the appointment and convert at no cost following the end of the vesting period. The issue of the rights to Ms Ostin was approved by shareholders at the Annual General Meeting of the Company held on 15 November 2019.

Current service agreements

(vii) In June 2020, the Company entered into an agreement with Mr Peter Gibbons for the role of Non-Executive Director which included a Director's fee of $40,000 per annum and share rights over 600,000 Swift shares. The rights will vest 2 years after the appointment and convert at no cost following the end of the vesting period. The issue of the rights to Mr Gibbons is subject to shareholder approval.

Shareholdings of Key Management Personnel

The movement during the reporting period in the number of ordinary shares of Swift Media Limited held directly, indirectly or beneficially, by each specified Director and Key Management Personnel, including their related entities, is as follows:

	Ordinary Shares Held at 30 June 2019 No.	Received during the year upon satisfaction of performance milestones	Other changes during the year	Ordinary Shares Held at 30 June 2020 No.
Directors				
Mr P Doropoulos*	2,568,670	-	-	**2,568,670**
Mr Ryan Sofoulis	54,000	-	2,501,288	**2,555,288**
Mr Robert Sofoulis	47,206,667	16,666,667	31,050,291	**94,923,625**
Mr D Smorgon**	-	-	6,009,657	**6,009,657**
Ms K Ostin	-	-	373,138	**373,138**
Mr P Gibbons	-	-	-	**-**
Key Management				
Ms P Leary	-	-	3,843,723	**3,843,723**
Mr G Nicholls	-	205,231	2,539,659	**2,744,890**

*represents the shareholding up to the date of resignation (1 October 2019)
**excludes ordinary shares and performance shares held indirectly via Sandbar Investments Pty Ltd in connection with the acquisition of Medical Channel Pty Ltd by Swift Media Limited. Sandbar Investments Pty Ltd is an entity controlled by a close family member.

REMUNERATION REPORT – AUDITED (continued)

Rights to deferred shares of Directors and Key Management Personnel

The movement during the reporting period in the number of deferred shares of Swift Media Limited held directly, indirectly or beneficially, by each specified Director and Key Management Personnel, including their related entities, is as follows:

	Held at 30 June 2019 No.	Ordinary share rights granted during the year	Performance Rights cancelled during the year	Held at 30 June 2020 No.
Directors				
Mr P Doropoulos*	**156,174**	-	-	**156,174**
Mr Ryan Sofoulis	**-**	-	-	**-**
Mr Robert Sofoulis	**-**	-	-	**-**
Mr D Smorgon**	**750,000**	-	-	**750,000**
Ms K Ostin	**-**	600,000	-	**600,000**
Mr P Gibbons***	**-**	600,000	-	**600,000**
Key Management				
Ms P Leary	**-**	-	-	**-**
Mr G Nicholls	**677,079**	-	677,079	**-**

*represents the shareholding up to the date of resignation (1 October 2019)
**excludes ordinary shares and performance shares held indirectly via Sandbar Investments Pty Ltd in connection with the acquisition of Medical Channel Pty Ltd by Swift Media Limited. Sandbar Investments Pty Ltd is an entity controlled by a close family member.
***subject to shareholder approval

Option holdings of Directors and Key Management Personnel

The movement during the reporting period in the number of issued options of Swift Media Limited held directly, indirectly or beneficially, by each specified Director and Key Management Personnel, including their related entities, is as follows:

	Held at 30 June 2019 No.	Exercised during the year	Granted as compensation	Held at 30 June 2020 No.	Options vested & exercisable at year end
Directors					
Mr P Doropoulos*	715,000	-	-	**715,000**	**715,000**
Mr Ryan Sofoulis	-	-	-	**-**	**-**
Mr Robert Sofoulis	-	-	-	**-**	**-**
Mr D Smorgon	-	-	-	**-**	**-**
Ms K Ostin	-	-	-	**-**	**-**
M P Gibbons	-	-	-	**-**	**-**
Key Management					
Ms P Leary	-	-	1,000,000	**1,000,000**	**-**
Mr G Nicholls	-	-	-	**-**	**-**

*represents the shareholding up to the date of resignation (1 October 2019)

REMUNERATION REPORT – AUDITED (continued)

The Company was advanced the following funds by the Directors and their related parties:

	2020 $	2019 $
Funds owed to Robert Sofoulis	325,000	-
Payments made	(325,000)	-
Closing balance	**-**	**-**

An unsecured loan was drawn in October 2019 and repayable by no later than 31 December 2019, subject to an arm's length interest rate of 12% and payable within 7 days of the date of invoice. The loan was repaid in full in December 2019.

Other transactions with Directors and Key Management Personnel
Transactions with Directors and Key Management Personnel related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	2020 $	2019 $
Payments made to Wenro Holdings Pty Ltd, a company of which Robert Sofoulis is a Director and Ryan Sofoulis is associated with, for provision of office premises, pursuant to operating lease.	500,515	434,261
Underwriting fees paid to Sofoulis Holdings Pty Ltd, a company of which Robert Sofoulis is a director and Ryan Sofoulis is associated with, in connection with the April 2020 non-renounceable rights issue.	20,467	-
Interest paid to Sofoulis Holdings Pty Ltd, a company of which Robert Sofoulis is a director and Ryan Sofoulis is associated with, in connection with a loan advanced to the Company.	6,238	-
Payments made to oOH!Media Limited, a company of which Darren Smorgon is a Director, for the provision of news and light entertainment content for the health and wellbeing media screen business, pursuant to an arm's length contract	154,050	-
<u>Amounts outstanding at reporting date</u>		
Aggregate amount payable to Key Management Personnel and their related entities at reporting date:	167,820	36,851

Medical Media Investments Pty Ltd is entitled to shares in deferred consideration for the acquisition of Medical Channel Pty Ltd, and performance shares upon achievement of milestones. Darren Smorgon is considered a related party via Sandbar Investments Pty Ltd, an entity controlled by a close family member that holds an investment in Medical Media Investments Pty Ltd. (Refer to Note 14 and Note 29).

On March 31, 2020 Swift Media entered into a variation deed with Medical Media Investments Pty Ltd to vary the terms of the performance shares issued in respect of the Medical Channel acquisition such that the 68,106,313 outstanding performance shares (Refer Note14) would convert into 18,875,034 ordinary shares. The agreement is subject to the Company receiving appropriate statutory and regulatory approvals, which have yet to be received.

	2020 $	2019 $
Transactions with other related parties		
Share based payments to Directors and KMP (non-cash settled)	105,570	497,479
Total share-based payments	**105,570**	**497,479**

REMUNERATION REPORT – AUDITED (continued)

No other transactions or loans existed during the year and as at reporting date between the Company and with Directors and or Key Management Personnel.

Voting and comments made at the Company's 2019 Annual General Meeting
The approval of the remuneration report was passed as indicated in the results of the Annual General Meeting dated 15 November 2019, with 98% voting in favour. The Company did not receive specific feedback at the AGM or throughout the year on its remuneration practices.

End of the Audited Remuneration Report

SHARES UNDER ISSUE

Unissued ordinary shares of Swift Media Limited under option at the date of this report are:

Grant date	Expiry date	Exercise Price	Number
19 May 2016	19 May 2021	$0.15	5,133,333
31 May 2017	31 May 2021	$0.35	1,000,000
31 May 2017	31 May 2021	$0.42	1,000,000
30 April 2020	30 April 2025	$0.05	2,000,000
15 November 2019	31 December 2021	$0.30	500,000
15 November 2019	31 December 2021	$0.45	250,000
15 November 2019	31 December 2021	$0.60	250,000
Total			**10,133,333**

INDEMNIFICATION AND INSURANCE OF DIRECTORS

During the financial year, Swift Media Limited paid a premium of $34,376 to insure the Directors and Officers of the Company and its wholly owned subsidiaries.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of any entity in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of the duty by the officers or the improper use by the officers of their position or of information to gain an advantage for themselves or someone else to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

NON-AUDIT SERVICES

BDO Audit (WA) Pty Ltd is the Group's auditor. During the year, BDO Tax services were performed for other services in addition to their statutory duties. In the future the Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company is important.
Details of the amount paid to the auditors are disclosed in Note 24 to the financial statements.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditors' Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 27.

ENVIORNMENTAL REGULATIONS

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report greenhouse gas emissions and energy use. For the measurement period 1 July 2019 to 30 June 2020 the directors have assessed that there are no current reporting requirements, but the Group may be required to do so in the future.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.
The Company was not a party to any such proceedings during the year.

Dated at Perth this 29th day of September 2020

This report is made in accordance with a resolution of the Directors.

Mr Darren Smorgon
Chairman

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

As lead auditor of Swift Media Limited for the year ended 30 June 2020, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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, 29 September 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated	
		2020	2019
		$	$
Continuing Operations			
Revenue from contracts with customers	3(a)	23,080,174	24,713,183
Cost of Sales		(13,549,342)	(12,519,690)
Gross Profit		**9,530,832**	**12,193,493**
General & administration expenses	4(a)	(13,974,523)	(9,832,031)
Other Income	3(b)	7,956,966	159,637
Impairment expenses		(13,613,483)	(629,064)
Depreciation and amortisation expenses	9,10	(3,311,149)	(2,676,541)
Amortisation expense of right of use assets	15	(1,601,289)	(832,016)
Other expenses	4(b)	(3,716,333)	(5,248,204)
Finance costs		(995,565)	(222,744)
Loss before income tax expense		**(19,724,545)**	**(7,087,470)**
Income tax (expense)/benefit	5	(1,922,546)	181,972
Loss after income tax expense/benefit		**(21,647,091)**	**(6,905,498)**
Other comprehensive loss for the year			
Items that may be reclassified to profit or loss		-	-
Other comprehensive loss for the year		**-**	**-**
Total comprehensive loss for the year		**(21,647,091)**	**(6,905,498)**

		Cents	Cents
Loss per share attributable to the members of Swift Media Limited:			
Basic loss per share	28	(9.5)	(5.2)
Diluted loss per share	28	(9.5)	(5.2)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

SWIFT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	Consolidated 2020 $	2019 $
Current Assets			
Cash and cash equivalents	6	2,448,079	422,771
Trade and other receivables	7	3,748,687	5,275,916
Inventory	8	993,430	531,708
Other current assets		952,925	494,569
Total Current Assets		**8,143,121**	**6,724,964**
Non-Current Assets			
Trade and other receivables	7	1,348,280	3,502,557
Property, plant and equipment	9	3,566,690	3,120,664
Right of Use assets	15	1,789,901	2,537,528
Contract assets	16	514,648	454,630
Deferred tax assets	5	1,527,596	3,379,003
Intangible assets	10	4,754,027	19,161,986
Total Non-Current Assets		**13,501,142**	**32,156,368**
Total Assets		**21,644,263**	**38,881,332**
Current Liabilities			
Trade and other payables	11	8,589,514	8,110,543
Contract liabilities	16	1,177,233	1,375,876
Provisions	12	478,452	639,182
Borrowings	13	-	2,455,086
Financial liabilities	14	-	3,666,667
Lease Liabilities	15	1,297,741	1,222,358
Total Current Liabilities		**11,542,940**	**17,469,712**
Non-Current Liabilities			
Provisions	12	45,553	17,816
Borrowings	13	6,923,434	-
Financial liabilities	14	250,000	7,568,522
Lease Liabilities	15	1,837,650	1,878,067
Contract Liabilities	16	197,156	48,960
Deferred tax liabilities	5	1,527,596	1,456,457
Total Non-Current Liabilities		**10,781,389**	**10,969,822**
Total Liabilities		**22,324,329**	**28,439,534**
Net Assets		**(680,066)**	**10,441,798**
Equity			
Issued capital	17	56,814,749	47,028,669
Reserves	18	4,368,125	3,628,978
Accumulated losses	19	(61,862,940)	(40,215,849)
Total Equity		**(680,066)**	**10,441,798**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Note	Issued Capital $	Reserves $	Accumulated losses $	Total $
For the year ended 30 June 2020					
At the beginning of the year		**47,028,669**	**3,628,978**	**(40,215,849)**	**10,441,798**
Total comprehensive loss for the year		-	-	(21,647,091)	**(21,647,091)**
Transactions with shareholders in their capacity as shareholders:					
Issued in settlement of liability		823,000	-	-	**823,000**
Capital raised from placements & non-renounceable entitlements offer		5,274,043	-	-	**5,274,043**
Issued as equity on deferred consideration	14	4,000,000	-	-	**4,000,000**
Options exercised		150,000	-	-	**150,000**
Share issue costs net of tax		(460,963)	-	-	**(460,963)**
Share based payments & Warrants issued	20	-	739,147	-	**739,147**
At the end of the year		**56,814,749**	**4,368,125**	**(61,862,940)**	**(680,066)**
For the year ended 30 June 2019					
At the beginning of the year		**38,437,650**	**2,470,044**	**(33,310,351)**	**7,597,343**
Total comprehensive loss for the year		-	-	(6,905,498)	**(6,905,498)**
Transactions with shareholders in their capacity as shareholders:					
Issued in settlement of liability		100,000	-	-	**100,000**
Issued as consideration for acquisition	29	4,500,000	-	-	**4,500,000**
Issued as equity on deferred consideration	14	3,916,667	-	-	**3,916,667**
Options exercised		112,500	-	-	**112,500**
Share issue costs net of tax		(38,148)	-	-	**(38,148)**
Share based payments	20	-	1,158,934	-	**1,158,934**
At the end of the year		**47,028,669**	**3,628,978**	**(40,215,849)**	**10,441,798**

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

SWIFT

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated 2020 $	2019 $
Cash Flows from Operating Activities			
Cash receipts in the course of operations		24,449,017	18,111,127
Cash payments in the course of operations		(28,524,899)	(20,364,621)
Government grants received		168,000	
Finance costs		(727,967)	(222,744)
Interest received		137,542	159,637
Net cash (outflows) from operating activities	21	**(4,498,307)**	**(2,316,601)**
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	9	(1,727,878)	(1,151,782)
Cash placed on deposit to secure Bank Guarantees		(249,293)	-
Net cash paid/acquired on acquisition	29	-	751,720
Payment for development and new subscribers		(702,921)	(1,827,546)
Net cash outflows for investing activities		**(2,680,092)**	**(2,227,608)**
Cash Flows from Financing Activities			
Proceeds from issue of shares	17	5,362,243	112,500
Proceeds from convertible note		900,000	-
Payment of share issue costs		(276,950)	(38,148)
Proceeds from borrowings		8,000,000	3,499,999
Repayments of borrowings		(2,455,086)	(1,044,913)
Payment of Debt establishment costs		(739,323)	-
Repayments of lease liabilities		(1,587,177)	(764,277)
Net cash inflows from financing activities		**9,203,707**	**1,765,161**
Net increase/(decrease) in cash and cash equivalents		2,025,308	(2,779,048)
Cash at the beginning of the year		422,771	3,201,819
Cash at the end of the year	6	**2,448,079**	**422,771**

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

Note 1. Reporting entity

Swift Media Limited (the 'Company') is a Company domiciled in Australia and a for-profit entity for the purpose of preparing financial statements. The consolidated financial statements and notes represent those of the Swift Media Limited and controlled entities (the "consolidated Group" or "Group").

The separate financial statements of the parent entity, Swift Media Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

Note 2. Statement of Significant accounting policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

The annual report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss after tax for the year ended 30 June 2020 of $21,647,091 (2019: loss of $6,905,498) and net cash outflows from operating activities of $4,350,578 (2019: cash outflow of $2,316,601).

At reporting date, the Company obtained covenant waiver from senior lender and therefore is in compliance with all of its loan covenants that govern the facility.

The COVID-19 pandemic has developed rapidly during 2020. The resulting impact of the virus on the operations and the measures taken by various governments to contain the virus have negatively impacted the group results during the reporting period. The current known impacts of COVID-19 on the group are:

- A decline in revenue of 47% for the last quarter of FY2020, compared to the same period of 2019
- Increasing loss provisions for Receivables by $2,642,663 in anticipation of higher credit losses due to customer collection issues
- Impact on the Group's forward-looking forecasts has resulted in a $13,613,483 impairment write downs

Furthermore, the Company expects to see slower than forecast revenue growth due to anticipated delays in the roll out of the Company's "Swift Plus" bespoke Aged Care product, the result of the adoption of stricter biosecurity measures by Aged Care facility operators limiting Swift's ability to undertake installations of its system hardware.

Note 2. Statement of Significant accounting policies (continued)

As a result of these matters, there is a material uncertainty that may cast significant doubt upon the Group's ability as a going concern and whether the group will realise its assets and settle it liabilities in the ordinary course of business at the amounts recorded in the financial statements.

In a response to these matters, the Company has taken the following actions:

- Raised $3.3million (before costs) via a placement and non-renounceable entitlement offer in April 2020 to strengthen the Balance Sheet
- Obtained covenant waivers from our senior lenders for the remainder of the 2020 calendar year such that the next covenant test point will be 30 June 2021
- Sought permission from our senior lenders to capitalise interest payments due in Q4 FY 2020
- Introduced cost rationalisation measures to significantly reduce its operating costs including workforce wide salary cuts and discretionary speeding freezes and
- Successfully applied for the federal government Job Keeper assistance grant and rent relief under state government legislation

However, if government-imposed restrictions on citizen's movement were to remain in place throughout the remainder of the 2020 calendar year and beyond, continuing to adversely impact customer collections and Swift's ability to obtain new revenues, it may be necessary to raise additional capital or additional debt from financiers or lenders.

Although it is not certain that these efforts will be successful, management has determined that the actions taken are sufficient to mitigate the uncertainty and has therefore prepared the financial reports on a going concern basis.

The Directors have assessed the likely cash flow for the 12 month period from date of signing this annual 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 activity.

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, additional funds from receipts are expected through commercialisation of the Group's products and services.

Noting all of the above, and in conjunction with the Group's historical ability to raise funds to satisfy its immediate cash requirements the Directors are satisfied the Group is a going concern and therefore have prepared the financial statements on the basis the Group will continue to meet its commitments and can therefore continue normal business activities and realise its assets and settle liabilities in the normal course of the business.

The accounting policies applied and methods of computation for the year ended 30 June 2020 are consistent with those of the annual financial report for the year ended 30 June 2019.

Note 2. Statement of Significant accounting policies (continued)

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Swift Media Limited at the end of the reporting period. A controlled entity is any entity over which Swift Media Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 27 to the financial statements.

In preparing the consolidated financial statements, all inter-Group balances and transactions between entities in the consolidated Group have been eliminated in full on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the Equity section of the Consolidated Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at amortised cost in the Company's financial statements.

Transactions eliminated on consolidation

Intra-Group balances, and any unrealised gains and losses or income and expenses arising from intra-Group transactions are eliminated in preparing the consolidated financial statements.

(b) Income Tax

The income tax expense / (benefit) for the year comprises current income tax expense (income) and deferred tax expense / (benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities / (assets) are therefore measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense / (benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Note 2. Statement of Significant accounting policies (continued)

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Financial Instruments

Accounting Policy

The Group has adopted AASB 9 *Financial Instruments* with a date of initial application of 1 July 2018.

AASB 9 Financial Instruments replaces AASB 139's *Financial Instruments: Recognition and Measurement* requirements. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

As a result of the adoption of AASB 9, the impairment of financial assets using the expected credit loss model applies now to the Group's trade receivable. For contract assets arising from AASB 15 and trade receivables, the Group applies a simplified model of recognising lifetime expected credit loss as these items do not have a significant financing component.

Note 2. Statement of Significant accounting policies (continued)

Recognition and derecognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows and are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI

All income and expense relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Group's trade and most other receivables fall into this category of financial instruments.

Impairment of financial assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

For long term trade receivables, the expected credit loss is based on either the 12-month or lifetime expected credit loss. The 12-month expected credit loss is the portion of lifetime expected credit losses that results from default events on a financial instrument that are possible within 12 months after the reporting date. When there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss. In all cases, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Note 2. Statement of Significant accounting policies (continued)

The Company considers a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

On the above basis, a loss allowance of $2,642,663 was recognised in the year for trade receivables and contract assets. The Company has determined that for the long-term debtors, the results of applying the expected credit risk model was such that a loss allowance of $1,224,691 was recognised.

(d) Financing Element

The Group from time to time enter into contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. This affects the estimate of transaction price as it will be adjusted for the effects of time value of money as the timing of payment provides the customer with a significant benefit of financing the transfer of goods to the customer. The difference between the transaction price and the cash selling price of the goods is recognised as finance income over time.

(e) Impairment of Assets

At each the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Consolidated Statement of Profit or Loss and Other Comprehensive Income unless the asset is carried at a relevant amount in accordance with another standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(f) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the majority of the Group.

(g) Share based payments

The Group measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using various valuation models (including Black Scholes and Monte Carlo) after taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity settled share-based payments would have no impact on the carrying amounts of the assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 2. Statement of Significant accounting policies (continued)

The fair value of options at grant date is determined using a Black-Scholes or Binomial option pricing model that takes into account the exercise price, term of option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of the options, the balance of the share-based payments reserve relating to those options is transferred to share capital and the proceeds received are credited to share capital.

Employees and Directors
The Group measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted with the recognition of the expense accounted for over the vesting period. The fair value is determined by an internal valuation using Black-Scholes option pricing model taking into account he terms and conditions upon which the instruments were granted.

Key inputs to the Black-Scholes options pricing model include the expected price volatility and risk-free interest rate. The expected price volatility is based on the historical volatility adjusted for any expected changes to future volatility due to publicly available information. The risk interest is the risk-free rate of securities with comparable terms to maturity.

(h) Employee Benefits

Wages, salaries and annual leave

Liabilities for wages and salaries and annual leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

Superannuation

Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

(i) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Cash held on reserve to meet collateral requirements, lease bonds and for regulatory purposes are not included in cash and cash equivalents but classified as cash deposits not available for use by the Group.

Note 2. Statement of Significant accounting policies (continued)

(k) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30-60 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. For long term trade receivables, the expected credit loss is based on either the 12 month or lifetime expected credit loss. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit loss.

(l) Inventories

Inventories are measured at the lower of coast and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

(m) Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

• Motor Vehicles	25%
• Software	25% - 66.66%
• Office Equipment, Fit Out & Furniture	10% - 100%
• Test Equipment & Tools	10% - 66.66%
• Rental Equipment – Digital Entertainment System	20% - 100%

(n) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises of the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary

Note 2. Statement of Significant accounting policies (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

(o) Intangibles

Intangible assets with finite lives are amortised over the useful life and assessed for impairment at least twice a year or whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method are reviewed at least each financial year end. Changes in the expected useful life or flow of economic benefits intrinsic in the asset are an accounting estimate. The amortisation charge on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income.

Customer contracts

Customer contracts acquired as part of a business combination are recognised separately from goodwill. The customer contracts are carried at their fair value at the date of acquisition less accumulated amortisation and any impairment losses. Where customer contracts useful lives are assessed as finite, the customer contracts are amortised over their estimated useful lives of 1 to 2 years.

Practice Sites

Practice Sites acquired as part of a business combination are recognised separately from goodwill. Calculation is based on costs to supply and install devices at each of the sites at the date of acquisition. This is amortised over the estimated useful lives of 5 years.

Research and development costs

Research costs are expensed as incurred. Costs incurred on development projects are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be reliably measured. Expenditure capitalised comprises all directly attributable costs including costs of materials, services and direct labour. Other development expenditure that do not meet these criteria are recognised as an expense as incurred. Amortisation is calculated using the straight-line method to allocate the cost of intangible over its estimated useful life (1-5 years) commencing when the intangible is available for use. The carrying value of an intangible asset arising from development expenditure is tested for impairment when an indication of impairment arises during the period.

Note 2. Statement of Significant accounting policies (continued)

(p) Contract Assets

Subscriber acquisition costs directly attributable to obtaining customer contracts, generating or enhancing resources and are expected to be on-charged to the customer, are recognised as an asset when it is probable that the future economic benefits arising as a result of the costs incurred will flow to the Group. Other subscriber acquisition costs that do not meet these criteria are recognised as an expense as incurred. Amortisation is calculated using the straight-line method to allocate the cost of intangible over its estimated useful life (contract life) commencing when the intangible is available for use. The carrying value of an intangible asset arising from subscriber acquisition costs is tested for impairment when an indication of impairment arises during the period.

(q) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(r) Financing Costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(t) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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.

Note 2. Statement of Significant accounting policies (continued)

(u) Contract Liabilities

Contract Liabilities represent the fair value consideration received from its customer in advance of the Group meeting its performance obligations to deliver goods or services.

(v) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share- based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available. other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(w) Current and non-current classification

Both assets and liabilities are classified as current if the Group expects to realise them within 12 months.

(x) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 2. Statement of Significant accounting policies (continued)

(y) Earnings Per Share

Basic earnings per share is calculated as a net profit attributable to members, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(z) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(aa) Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

(ab) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group satisfies all attached conditions.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is credited against the asset and is released to the Statement of Profit or Loss and Other Comprehensive Income over the expected useful life of the relevant asset by equal annual instalments.

Where a grant is received in relation to the tax benefit of research and development costs, the grant shall be credited to income tax expense in the Statement of Profit or Loss and Other Comprehensive Income in the year of receipt.

(ac) Critical Accounting Estimates and Judgments

Revenue from contracts with customer

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Note 2. Statement of Significant accounting policies (continued)

(ac) Critical Accounting Estimates and Judgments (continued)

Identifying performance obligations

The Group provides software licences and equipment which are either sold separately or bundled together with the provision of ongoing content. The Group determined that the licence and equipment are distinct performance obligations to the provision of content as other content can be used on Swift's software and equipment and there is no significant service of integration or interdependency. The fact that the Group regularly sells both the licence and/or equipment and the content on a standalone basis indicates that the customer can benefit from both products on their own.

Allocating the transaction price

Where contracts include multiple deliverables that are separate performance obligations, judgement is required in determining the allocation of the transaction price to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.

Consideration of significant financing component in a contract

Certain contracts allow for deferred payment terms. The Group concluded that there is a significant financing component for these contracts in accordance with AASB 15. In determining the financing component to be applied to the amount of consideration, the Group has made judgements with respect to the interest rate used in this calculation and concluded that the interest rate implicit in the contract is appropriate because this is commensurate with the rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception.

Assessing the reversal constraint

Certain contracts with deferred payments terms have a risk of payment forfeiture if the contract is terminated. The Directors have determined that it is highly improbable that these contracts would be terminated, or that the parties to these contracts would become insolvent, and accordingly have rebutted this possibility in recognising revenue.

Contingent consideration

The Directors have assessed the likelihood of reaching various performance share milestones at reporting date (refer to Note 14) and information regarding contracts related to rooms, revenue and profitability.

Goodwill – impairment assessment

Goodwill impairment testing was undertaken, and indicators of impairment have been identified. An impairment expense of $12,630,944 has been recognised in the Profit and Loss Statement. Refer to Note 10 for details of the assumptions used in these calculations.

Sensitivity to possible changes in key assumptions

Management have made judgements and estimates in respect of impairment testing of goodwill which management deem to be best estimates. Should the judgements and estimates not occur, the resulting goodwill may vary in carrying amount. The key assumptions are as follows (refer note 10 for further detail):

- Growth rate
- Discount rate
- Terminal value long term growth rate
- Capital expenditure
- Gross margin

Note 2. Statement of Significant accounting policies (continued)

(ac) Critical Accounting Estimates and Judgments (continued)

Impairment expenses totalling $12,630,944 has been recognised in respect of goodwill at the end of the reporting period. Refer to Note 10 for sensitivity analysis of above inputs.

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuation using a Monte Carlo performance rights model, taking into account the terms and conditions upon which the instruments were granted. Refer to Note 20 on Share based expenses for the year.

Allowance for expected credit loss

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 7, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Business combinations

As discussed in Note 29, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Note 2. Statement of Significant accounting policies (continued)

(ac) Critical Accounting Estimates and Judgments (continued)

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 23 for further information.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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Note 2. Statement of Significant accounting policies (continued)

(ad) New, revised or amending Accounting Standards and Interpretations not yet adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

Note 3. Revenue

		Consolidated 2020 $	Consolidated 2019 $
(a) Revenue from continuing operations			
Sales revenue		23,080,174	24,713,183
		23,080,174	**24,713,183**
(b) Other income			
Interest		137,543	159,637
Fair value gain on financial liabilities	14	7,318,522	-
Government grants		498,000	-
Profit on disposal of assets		2,901	-
		7,956,966	**159,637**

Swift has one performance obligation for each of the revenue streams listed below and has applied the following revenue recognition methods:

- Software licences: Revenue is recognised at a point in time on transfer of the licence to the user
- Content revenue: Revenue is recognised over time as the customer is provided with the service
- Sale of equipment: Revenue is recognised at a point in time when the customers obtain control of the goods and are available for use
- Advertising revenue: Revenue is recognised over time as the customer is provided with the service

Disaggregation of revenue:

2020	**Content & Technology Revenue** $	**Advertising Revenue** $	**Total** $
Revnue recognition			
At a point in time[1]	3,924,804	-	**3,924,804**
Over time[2]	14,177,032	4,978,338	**19,155,370**
	18,101,836	**4,978,338**	**23,080,174**
2019			
Revenue recognition			
At a point in time[1]	6,778,404	-	**6,778,404**
Over time[2]	15,366,128	2,568,651	**17,934,779**
	22,144,532	**2,568,651**	**24,713,183**

[1] Relating to the sale of equipment and software licenses.
[2] Relating to content and advertising revenue.

Geographical information

All revenue is derived in Australia.

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Note 3. Revenue (continued)

	Consolidated 2020 $	Consolidated 2019 $
Revenue recognised in relation to contract liabilities		
Revenue recognised that was included in the contract liability balance at 1 July:		
Content & Technology revenue	361,811	394,830
Advertising revenue	-	-
	361,181	**394,830**
Unsatisfied long-term Content & Technology and Advertising revenue		
Aggregate amount of the transaction price allocated to long term content and advertising revenue that are partially or fully unsatisfied on 30 June:		
Content & Technology revenue	20,793,435	21,630,775
Advertising revenue	3,978,716	4,646,802
	24,772,151	**26,277,577**

As of 30 June 2020, the Group expects that 57% of the transaction price allocated to the unsatisfied contracts for Content & technology and 67% allocated to Advertising will be recognised as revenue in the 2021 financial year.

The remaining 43% for Content & Technology and 33% for Advertising will be recognised between 2022 and 2024.

The Group applies the practical expedient in paragraph 121 of AASB 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Note 4. Expenses

	Note	Consolidated 2020 $	Consolidated 2019 $
(a) General & administration expenses			
Employment costs		(9,181,048)	(7,277,738)
Occupancy costs		(267,639)	(217,485)
Professional fees		(382,702)	(392,194)
Bad Debts	23	(2,642,663)	(22,339)
General and administration expenses		(1,500,471)	(1,922,275)
		(13,974,523)	**(9,832,031)**
(b) Other expenses			
Share based payments	20	(124,725)	(1,159,591)
Business restructure expenses		(1,875,538)	(1,162,465)
Acquisition related expenses		(64,478)	(1,162,605)
Fair value loss on financial liabilities	14	(333,333)	(1,540,850)
Other expenses		(1,318,259)	(222,692)
		(3,716,333)	**(5,248,203)**

Note 5. Taxation

	Consolidated	
	2020	2019
	$	$
(a) Income tax benefit		
Major components of income tax expense are:		
Current tax	-	-
Deferred tax	(1,922,546)	181,972
Under/Over	-	-
Income tax (expense)/ benefit reported in the income statement	**(1,922,546)**	**181,972**
(b) Numerical reconciliation		
The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:	(19,724,545)	(7,087,470)
Prima facie tax payable on loss from ordinary activities before income tax at 27.5% (2019: 27.5%)	(5,424,250)	(1,949,054)
Non-deductible share-based payments	(124,726)	(318,707)
Other permanents	(1,615,777)	-
Changes to income tax expense due to:		
Deferred movement	-	146,709
Deferred Taxes not recognised	3,683,746	(1,595,084)
Derecognition of deferred tax balances	1,922,546	-
Income tax (expense)/ benefit attributable to entity	**(1,922,546)**	**181,972**

Note 5. Taxation (continued)

	Consolidated 2020 $	Consolidated 2019 $
(c) Deferred tax asset balances		
Lease liabilities	753,052	849,388
Carried forward tax losses	774,544	2,529,615
Deferred tax assets	**1,527,596**	**3,379,003**
Movements		
Opening balance	3,379,003	826,217
Charged/(credited) to the profit or loss	(1,851,407)	181,972
Additions through Business Combinations (refer to Note 29)	-	2,370,814
Closing balance	**1,527,596**	**3,379,003**

	Consolidated 2020 $	Consolidated 2019 $
(d) Deferred tax liabilities balances		
Amounts recognised in the profit or loss:		
Property, plant and equipment	-	(113,772)
WIP and Inventory	(33,802)	(35,956)
Intangibles	(1,002,571)	(608,909)
Right to Use Asset	(492,223)	(697,820)
Deferred tax liabilities	**(1,527,596)**	**(1,456,457)**
Movements		
Opening balance	(1,456,457)	(318,225)
Charged/(credited) to the profit or loss	(71,139)	-
Additions through Business Combinations (refer to Note 29)	-	(1,138,232)
Closing balance	**(1,527,596)**	**(1,456,457)**

Note 6. Cash and cash equivalents

	Consolidated 2020 $	Consolidated 2019 $
Cash at bank and on hand	2,448,079	422,771
	2,448,079	**422,771**

Refer to Note 23 on risk exposure analysis for cash and cash equivalents.

Note 7. Trade and other receivables

	Consolidated 2020 $	Consolidated 2019 $
Current		
Trade receivables[1]	5,125,902	5,419,520
Other receivables[2]	296,648	112,288
Loss allowance	(1,673,863)	(255,891)
	3,748,687	**5,275,917**
Non-Current		
Trade receivables[3]	2,572,971	3,502,557
Loss allowance	(1,224,691)	-
	1,348,280	**3,502,557**

Trade and other receivables are non-interest bearing and are generally on 30-60 day terms. An Expected Credit Loss is made when there is objective evidence that a trade receivable is impaired. A loss allowance totalling $2,898,554 has been provided for Trade Receivables on 30 June 2020 of which $2,642,663 have been recorded as an expense in the Profit & Loss Statement.

Due to short term nature of the current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

At 30 June 2020, current trade receivables of $471,762 (2019: $ 974,776) were past due, but not impaired. These relate to a number of independent customers for whom there is no recent history of default. Swift is confident that these receivables are collectable and are active in the management and reduction of these overdue amounts.

Refer to Note 23 Financial Risk Management for risk exposure analysis for Trade and other receivables.

[1] Trade receivables includes $483,124 (30 June 2019: $196,111) of current contract assets which relate to work performed at 30 June 2020 but not yet invoiced. All services are for a period of one year or less and are generally billed based on time incurred. As permitted by AASB 15, the transaction price allocated to these unsatisfied contracts is not disclosed

[2] Other receivables includes an amount of $249,293 relating to bank guarantees for key customer contracts, lease premises and equipment previously held under a senior debt facility with Bankwest are now secured with cash on deposit.

[3] Customers on a deferred payment plan, ranging from 2 to 5 years. Revenue has been discounted using the applicable interest rates, $137,542 interest income was recognised at 30 June 2020 (refer to Note 3b).

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Note 8. Inventory

	Consolidated 2020 $	Consolidated 2019 $
Inventory:		
Finished goods	652,024	400,103
Provision for Obsolescence	(97,803)	-
Work in progress	439,209	131,605
	993,430	**531,708**

Note 9. Property, plant and equipment

	Motor Vehicles $	Software $	Office Fit-out & Equipment $	Test Equipment $	Rental Equipment $	Total $
Year ended 30 June 2020						
Opening net book amount	107,658	1,278,320	796,546	34,495	903,645	**3,120,664**
Additions	5,998	1,520,628	43,978	7,851	149,423	**1,727,878**
Disposals	-	-	-	-	-	**-**
Depreciation expense	(23,449)	(626,991)	(194,506)	(11,532)	(425,374)	**(1,281,852)**
Closing net book amount	**90,207**	**2,171,957**	**646,018**	**30,814**	**627,694**	**3,566,690**
At 30 June 2020						
Cost	160,746	4,232,105	1,833,282	213,192	5,763,457	**12,202,782**
Accumulated depreciation and impairment	(70,539)	(2,060,148)	(1,187,264)	(182,378)	(5,135,763)	**(8,636,092)**
Net book amount	**90,207**	**2,171,957**	**646,018**	**30,814**	**627,694**	**3,566,690**

Note 9. Property, plant and equipment (continued)

	Motor Vehicles $	Software $	Office Fit-out & Equipment $	Test Equipment $	Rental Equipment $	Total $
Year ended 30 June 2019						
Opening net book amount	34,216	5,640	767,137	22,769	1,056,757	**1,886,519**
Additions	88,039	888,164	72,097	27,281	76,199	**1,151,780**
Acquired upon acquisition of subsidiaries	-	679,642	171,650	-	141,174	**998,466**
Disposals	(2,500)	-	-	-	-	**(2,500)**
Depreciation expense & impairment charges	(12,097)	(295,126)	(214,338)	(15,555)	(376,485)	**(913,601)**
Closing net book amount	**107,658**	**1,278,320**	**796,546**	**34,495**	**903,645**	**3,120,664**
At 30 June 2019						
Cost	154,748	2,711,477	1,789,302	205,343	5,614,034	**10,747,904**
Accumulated depreciation and impairment	(42,090)	(1,433,157)	(992,756)	(170,847)	(4,710,389)	**(7,354,240)**
Net book amount	**107,658**	**1,278,320**	**796,546**	**34,495**	**903,645**	**3,120,664**

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Note 10. Intangible Assets

	Goodwill $	Development Costs $	Subscriber Acquisition Costs $	Brand Loyalty / Customer Contracts $	Supplier Contracts $	Practice Sites $	Other $	Total $
Year ended 30 June 2020								
Opening net book amount	12,829,166	2,302,274	-	199,484	-	3,831,062	-	**19,161,986**
Additions	-	702,921	-	-	-	-	-	**702,921**
Adjustment upon PY acquisition of subsidiaries	(198,222)	-	-	-	-	-	-	**(198,222)**
Amortisation charge	-	(1,030,741)	-	(180,334)	-	(827,805)	-	**(2,038,880)**
Impairment charge	(12,630,944)	(242,834)	-	-	-	-	-	**(12,873,778)**
Closing net book amount	**-**	**1,731,620**	**-**	**19,150**	**-**	**3,003,257**	**-**	**4,754,027**
Cost	12,630,944	4,133,211	-	2,370,434	-	4,139,024	-	**23,273,613**
Accumulated amortisation and impairments	(12,630,944)	(2,401,591)	-	(2,351,284)	-	(1,135,767)	-	**(18,519,586)**
Closing net book amount	**-**	**1,731,620**	**-**	**19,150**	**-**	**3,003,257**	**-**	**4,754,027**
Year ended 30 June 2019								
Opening net book amount	9,891,741	1,570,690	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	-	(1,507,703)	(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**

Note 10. Intangible Assets (continued)

On 15 February 2019 the Group acquired 100% of the issued share capital of Medical Channel Pty Ltd including Goodwill of $2,739,203 and identifiable Practice Sites of $4,139,024 were recognised on acquisition. Goodwill is recognised initially as the excess over the aggregate of the consideration transferred, the fair value of any non-controlling interests, and the acquisition date fair value of the acquirer's previously held equity interests, less than fair value of the identifiable assets acquired and liabilities consumed.

Development costs consists of amounts spent developing product enhancements to the Group's "On Demand" digital entertainment system to allow smart television and hotel property management system integration capabilities, as well as Bring Your Own Device ("BYOD") capabilities allowing user to access the Swift Entertainment app via Android and IOS smart phones and tablets. More recently Swift has invested to develop its "Swift Plus" product, a bespoke offering for its Aged Care customers. These new technology advancements will allow Swift to derive additional revenue streams from a growing number of different market verticals. Development costs are amortised over five years.

Customer Contracts consists of existing fixed term customer contracts inherited as part of acquisition. Customer Contracts are amortised over three years from date of acquisition.

Other intangible assets include costs incurred in order to establish content agreements with suppliers, which the company will offer to customers as part of its entertainment content offering. These costs are amortised over the average term of the supplier content agreements.

Assessment of carrying value

The aggregate carrying amount of intangibles allocated to the Group's separably identifiable cash-generating units (CGU):

	2020 $	2019 $
Swift Networks – Intangibles	1,750,770	2,501,758
Medical Channel – Intangibles	3,003,257	3,831,062
Swift Networks – Goodwill	-	9,891,741
Medical Channel – Goodwill	-	2,937,425
	4,754,027	**19,161,986**

For the purpose of impairment testing, intangibles are allocated to two (2019: two) consolidated cash-generating units (CGU). Due to a review and refinement of the business strategy following the integration of the acquired Medical Channel business, the focus is now on managing profitability across two business units profit rather than a single consolidated unit, effective 15 February 2019. The CGUs and aggregate carrying amounts are structured to fall in line with the Group operations and cash flows. The Medical Channel operations are substantially separate from the Group from 15 February 2019. Refer to note 29, Business Combinations, for further details.

During 2020, revenue streams across Swift Networks and Medical Channel were disrupted due to the restructuring of the Medical Channel business and the impact of COVID-19. The effect of these factors was to delay the award of construction projects, reduce activity in the Aged Care sector, and drive a softer advertising market resulting in a decline in revenue and operating cash flow. The subsequent impairment testing exercise determined the amount of intangibles and goodwill exceeded their recoverable amount (implied business value) and an impairment was recognised. It was concluded that fair value in use less cost of disposal did not exceed value in use.

During the year ending 30 June 2020, impairment of $9,891,741 and $2,739,203 were recognised for Swift Networks and Medical Channel respectively (2019: nil).

Note 10. Intangible Assets (continued)

The recoverable amount of the CGUs is determined based on value-in-use calculations. Value-in-use calculations use cash flow projections based on financial budgets covering a projected five-year period and then estimating a terminal value. The cash flow for FY2021 is based on the FY2021 budget adopted by the Board. The cash flows are discounted using a pre-tax discount rate of 13.35%.

Note: in FY 2020 adjustment of $198,222 was made to the provisional accounting for the acquisition Medical Channel Pty Ltd which had the effect of reducing the amount of goodwill recognised on acquisition by $198,222.

Significant estimate: key assumptions used for value-in-use calculations

The following table sets out the key assumptions for CGU value-in-use calculations:

2020	Swift Networks	Medical Channel
Pre-tax discount rate	13.35%	13.35%
Growth rate for Years 2 to 5	3.5%	4.0%
Average gross margin	35%	69%
Terminal value long term growth rate	0%	0%
Capital spend[1]	1%	0.5%

[1] FY21 to FY25 spend for Swift Networks has been estimated as 1% of revenue and 0.5% for Medical Channel.

2019	Swift Networks	Medical Channel
Pre-tax discount rate	13.04%	13.04%
Growth rate for Years 2 to 5	2.5%	2.5%
Average gross margin	37%	79%
Terminal value long term growth rate	0%	0%
Capital spend[1]	1%	0.5%

[1]FY 20 spend is in line with FY 20 Budget (8% of revenue) whilst FY21 to FY24 has been estimated as 1% of revenue.

Management has determined the values assigned to each of the above key estimates as follows:

Assumption	Approach used to determine values
Pre-tax discount rate	Based on average value of observed betas for comparable listed companies.
Growth rate	Growth rates have been determined with reference to external sources including industry specific forecasts, adjusted for management's best estimate of growth achievable in the current economic and competitive environment.
Capital spend	at Expected costs to maintain assets in current condition.
Average Gross Margin	Based on FY20 budgeted revenue and cost of sales.
COVID-19	Uncertainties around COVID-19 has been considered in detail through our impairment assessment

Sensitivity to change in assumptions

The Directors and management have considered and assessed reasonably possible changes to key assumptions that result in a change to the recoverable amount for each CGU. With regard to the assessment, management recognises that the actual time value of money may vary from the estimated and the discount rate used.

Estimated reasonable possible changes in the key assumptions would have the following approximate impact on impairment of the CGU as at 30 June 2020:

Note 10. Intangible Assets (continued)

	Reasonable possible change	Swift Networks		Medical Channel	
		Impact on recoverable amount	Impact on Impairment	Impact	Impact on Impairment
Pre-tax discount rate	+10%/-10%	-$0.82m/+$1.01m	-$0.40m/Nil	-$0.57m/+$0.57m	-$0.29m/Nil
Revenue growth rate	+10%/-10%	$1.72m/-$1.72m	Nil/-$1.31m	+$0.21m/-$0.21m	Nil/-$0.13m
Capital outlay	+10%/-10%	-$0.2m/+$0.2m	Nil	-$0.01m/$0.01m	Nil
Average Gross Margin	+10%/-10%	$6.3m/-$6.3m	Nil/-$5.8m	$1.82m/-$1.82m	Nil/-$1.65m
Board Approved Revenue*	+10%/-10%	$16.86. m/-$16.86m	Nil/-$16.4m	$2.62m/-$2.62m	Nil/-$2.45m

Each of the sensitivities above assumes that the specific assumption moves in isolation, whilst all other assumptions are he5.8ld constant.

Estimated reasonable possible changes in the key assumptions would have the following approximate impact on impairment of the CGU as at 30 June 2019:

	Reasonable possible change	Swift Networks		Medical Channel	
		Impact on recoverable amount	Impact on Impairment	Impact on recoverable amount	Impact on Impairment
Pre-tax discount rate	+10%/-10%	-$1.6m/$1.96m	-$0.25/Nil	-$0.80m/$0.98m	-$0.06m/Nil
Revenue growth rate	+10%/-10%	$0.15m/-$0.15m	Nil	$0.06m/-$0.06m	Nil
Capital outlay	+10%/-10%	-$0.44m/$0.44m	Nil	-$0.08m/$0.08m	Nil
Average Gross Margin	+10%/-10%	$8.94m/-$8.94m	Nil/-$7.59m	$6.52m/-$6.52m	Nil/-$5.79m
Board Approved Revenue*	+10%/-10%	$24.28m/-$24.28m	Nil/-$22.98m	$8.20m/-$8.20m	Nil/-$7.46m

Each of the sensitivities above assumes that the specific assumption moves in isolation, whilst all other assumptions are held constant.

Note 11. Trade Payables

	Consolidated	
	2020	2019
Current	$	$
Trade Payables	5,105,968	3,926,880
Other payables and accruals	3,483,546	4,183,663
	8,589,514	**8,110,543**

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature

Note 12. Provisions

	Consolidated	
	2020	2019
Current	$	$
Employee and FBT provisions	478,452	639,182
	478,452	**639,182**
Non-Current		
Employee provisions[1]	45,553	17,816
	45,553	**17,816**

[1]Entitlement to Long Service leave is more than 12 months

Note 13. Borrowings

	Consolidated	
	2020	2019
Current	$	$
Bank overdraft facility	-	2,455,086
Convertible note[1]	-	-
Total current borrowings	**-**	**2,455,086**
Non-Current		
Pure Asset Management Loan[2]	8,000,000	-
Less: transaction costs	(1,076,566)	-
Total non-current borrowings	**6,923,434**	**-**

[1] During FY 2020 the Company entered into a convertible note with LI Capital and Lind Partners 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. On 1 May 2020, the balance of the convertible note was repaid at 25% premium to the balance owing at that date. During the period from first draw down to full repayment, $463,000 of the convertible note was converted to equity.

[2] Pure 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 $1,076,566 is offset against the borrowings of $8,000,000. Total capitalised transaction costs relating to the facility agreement are $1,262,260. The security of the facility is a first-ranking general security over all assets of Swift Media Limited and its subsidiaries.

The Group is in compliance with its loan covenants and expects to continue to meet all covenants at the next review on 30 June 2021. The Company has obtained covenant waivers from our senior lenders for the remainder of the 2020 calendar year such that the next covenant test point will be 30 June 2021.

Note 14. Financial Liability At Fair Value through Profit & Loss

	Consolidated	
	2020	2019
	$	$
Current		
Opening balance	3,666,667	9,350,000
Converted to Equity[1, 2]	(4,000,000)	(3,916,667)
Fair value through the P&L	333,333	(1,766,666)
Closing balance	-	**3,666,667**
Non-Current		
Opening balance	7,568,522	937,500
Amount due under contract of sale at acquisition (refer to Note 29)	-	3,323,505
Fair value through the P&L (net)	(7,318,522)	3,307,517
Closing balance	**250,000**	**7,568,522**

[1]On 12 March 2019, the Class A performance share milestone was reached, representing revenue generation from more than 44,000 rooms receiving a Swift service as defined in the share purchase agreement executed in November 2015 with the former owners of Swift Networks Pty Ltd. Accordingly,16,666,667 shares were issued at $0.235.

[2]On 2 August 2019, the Class B performance share milestone was reached, representing revenue generation from more than 53,000 rooms receiving a Swift service as defined in the share purchase agreement executed in November 2015 with the former owners of Swift Networks Pty Ltd. Accordingly, 16,666,667 shares were issued at $0.24.

The above liability relates to the potential issue of ordinary shares in Swift Networks Group Limited to the vendors of Web 2 TV and Medical Channel Pty Ltd pursuant to the respective acquisition agreement.

(a) Acquisition of Swift Networks Pty Ltd and Wizzie Pty Ltd on 19 May 2016

Under the agreement, a total of 33,333,334 shares could be issued upon the satisfaction of the following milestones:

Milestone 1 – 16,666,667 Performance Shares

The earlier to occur of:

i. the Company reaching 44,000 rooms with a revenue generating service from Swift Networks; and

ii. the Company reaching consolidated revenue of $24,000,000 in any rolling 12-month period commencing after completion.

Milestone 2 – 16,666,667 Performance Shares

The earlier to occur of:

i. the Company reaching 53,000 rooms with a revenue generating service from Swift Networks; and

ii. the Company reaching consolidated revenue of $29,000,000 in any rolling 12-month period commencing after completion.

Note: only new business won as a direct result of providing a Swift product or service can be counted towards these performance milestones.

Note 14. Financial Liability – at Fair Value through Profit & Loss (continued)

(b) Acquisition of Living Networks on 10 November 2016

Under the agreement with vendors of Living Networks up to $500,000 in cash and shares in the Group in equal proportions in the first three years after completion upon satisfaction of the following milestones:

i. a payment of $300,000 upon $800,000 gross revenue; and
ii. a payment of $200,000 upon $1,100,000 gross revenue

(c) Acquisition of Web 2 TV on 16 November 2016

Under the agreement with vendors of Web 2 TV up to $1,500,000 in cash and shares in the Group in equal proportions in the first five years (until 13 November 2021) after completion upon satisfaction of the following milestones:

i. payment of $500,000 upon $2,000,000 gross revenue
ii. Eight (8) payments of $125,000 each upon every additional $500,000 of gross revenue up to a total of $6,000,000

(d) Acquisition of Medical Channel on 15 February 2019

Under the agreement with vendors of Medical Channel, shares could be issued in the first five years (until 14 February 2024) after completion upon satisfaction of the following milestones:

i. Issue of 18,272,425 performance shares upon $10,000,000 gross revenue
ii. Issue of 16,611,296 performance shares upon $11,000,000 gross revenue
iii. Issue of 8,305,648 performance shares upon $11,500,000 gross revenue
iv. Issue of 8,305,648 performance shares upon $12,000,000 gross revenue
v. Issue of 8,305,648 performance shares upon $12,500,000 gross revenue
vi. Issue of 8,305,648 performance shares upon $13,000,000 gross revenue

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 30 June 2020	Fair value at 30 June 2020[1]
Swift Networks Pty Ltd / Wizzie Pty Ltd[1]	Milestone 1 – 20% Milestone 2 – 15%	Milestone 1 –settled Milestone 2 – 100%	Milestone 1 – settled Milestone 2 – settled	-
Living Networks	Milestone 1 – 50% Milestone 2 – 50%	Milestone 1 – 0% Milestone 2 – 0%	Milestone 1 – expired Milestone 2 – expired	-
Web 2 TV[2]	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 – 50% Milestone 2 – 0% Milestone 3 – 0% Milestone 4 – 0% Milestone 5 – 0% Milestone 6 – 0% Milestone 7 – 0% Milestone 8 – 0% Milestone 9 – 0%	$250,000
Medical Channel Pty Ltd[2]	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 – 0% Milestone 2 – 0% Milestone 3 – 0% Milestone 4 – 0% Milestone 5 – 0% Milestone 6 – 0%	-
Total				**$250,000**

[1] Measured under cash consideration, share price at reporting date and managements' probability

[2] Measured under partial cash considerations, share price at 30 June 2020 and managements' probability

Note 14. Financial Liability – at Fair Value through Profit & Loss (continued)

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
Swift Networks Pty Ltd & Wizzie Pty Ltd	Contingent consideration	Probability of achieving Milestones disclosed above	Milestone 2 – vested	N/a
Living Networks	Contingent consideration	Probability of achieving Milestones disclosed above	Milestone 1 – expired Milestone 2 –expired	N/a
Web 2 TV	Contingent consideration	Probability of achieving Milestones disclosed above	Milestone 1 – 50% Milestone 2 – 0% Milestone 3 – 0% Milestone 4 – 0% Milestone 5 – 0% Milestone 6 – 0% Milestone 7 – 0% Milestone 8 – 0% Milestone 9 – 0%	If the probability of achieving each milestone was 10% higher (or lower) the fair value would increase (decrease) by $50,000
Medical Channel Pty Ltd	Contingent consideration	Probability of achieving Milestones disclosed above	Milestone 1 – 0% Milestone 2 – 0% Milestone 3 – 0% Milestone 4 – 0% Milestone 5 – 0% Milestone 6 – 0%	If the probability of achieving each milestone was 10% higher (or lower) the fair value would increase (decrease) by $245,183

Note 15. Leases

	Right Of Use Assets Properties $	Equipment $	Total $
Year ended 30 June 2020			
Opening net book amount	1,205,164	1,332,364	**2,537,528**
Additions	1,418,176	225,003	**1,643,179**
Impairment expense	(789,517)	-	**(789,517)**
Amortisation expense	(807,247)	(794,042)	**(1,601,289)**
Closing net book amount	**1,026,576**	**763,325**	**1,789,901**
Year ended 30 June 2019			
Opening net book amount	1,451,603	-	**1,451,603**
Additions	110,921	-	**110,921**
Acquired upon acquisition of subsidiaries	133,450	1,673,570	**1,807,020**
Amortisation expense	(490,810)	(341,206)	**(832,016)**
Closing net book amount	**1,205,164**	**1,332,364**	**2,537,528**

	Consolidated Jun-20 $	Jun-19 $
Lease liabilities		
Properties Current	765,540	422,812
Equipment Current	532,201	799,547
Total current lease liabilities	**1,297,741**	**1,222,359**
Properties Non-current	1,411,489	1,154,421
Equipment Non-current	426,161	723,645
Total non-current lease liabilities	**1,837,650**	**1,878,066**
Total Lease liabilities	**3,135,391**	**3,100,425**

	Properties $	Equipment $	Total $
The present value of finance lease liabilities is as follows:			
Within one year	765,540	532,201	**1,297,741**
Later than one year but not later than five years	1,411,489	426,161	**1,837,650**
Later than five years	-	-	**-**
Total	**2,177,029**	**958,362**	**3,135,391**

During FY20, the Company impaired a right of use commercial property lease asset due to excessive and underutilized space within the premises, compared to the ongoing requirements of the Company. The impairment value was determined by estimating the underutilized physical space as a percentage of the total leased space and applying the ratio to future lease commitments.

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Note 16. Contracts Assets and Liabilities

	Consolidated	
	Jun-20	Jun-19
	$	$
Non-Current Contract assets		
Contract assets relating to Advertising Revenue	367,396	200,233
Contract assets relating to Content & Technology Revenue	147,252	254,397
Total	**514,648**	**454,630**
Assets recognised from costs to fulfil a contract	**1,378,443**	**927,415**
Amortisation recognised as a cost of providing services during the year	**(863,795)**	**(472,785)**
Total	**514,648**	**454,630**

In Adopting AASB 15, the Group recognised an asset in relation to costs incurred in obtaining Advertising and Content & Technology contracts. The asset is amortised on a straight line basis over the term of the specific contract it relates to, in line with recognition of the associated revenue.

Current Contract liabilities		
Advertising Revenue Current	95,505	555,974
Content & Technology Revenue Current	1,081,728	819,902
Total	**1,177,233**	**1,375,876**
Non-Current Contract liabilities		
Advertising Revenue Non-current	-	-
Content & Technology Revenue Non-current	197,156	48,960
Total	**197,156**	**48,960**

Note 17. Issued capital

	Consolidated 2020 $	Consolidated 2019 $
Issued capital	**56,814,749**	**47,028,669**

Movement in Ordinary Share Capital:	**30 June 2020 No.**	**30 June 2019 No.**	**30 June 2020 $**	**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 14)	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	-	-	-
18 February 2020	208,038		-	
27 May 2020	167,411	-	-	-
Medical Channel acquisition (a)	-	14,950,166	-	4,500,000
Issue of shares on conversion of convertible notes	30,172,223	-	823,000	-
Issued shares in lieu services	-	332,226	-	100,000
Issue of shares as per Placement and Share Purchase Plan	13,262,243	-	1,923,000	-
Issue of shares as per Placement and Non-Renounceable Entitlement Offer	223,402,842	-	3,351,043	-
Options exercised during the year	1,000,000	750,000	150,000	112,500
Share issue costs (b)	-	-	(460,963)	(38,148)
	440,502,918	**154,039,046**	**56,814,749**	**47,028,669**

(a) Medical Channel acquisition

Under the terms of the Medical Channel acquisition, the Group issued 14,950,166 shares as part of the consideration paid to the vendors for the acquisition of Medical Channel Pty Ltd on 15 February 2019.

(b) Share Issue Costs

Included in share issue costs are underwriting fees totalling $61,800 paid by the issue of 4,120,000 shares at the $0.015 issue price to the underwriters of the Non-Renounceable Entitlement Offer and Placement undertaken in April 2020.

Note 17. Issued capital (continued)

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, shall have one vote and upon a poll each share shall have one vote.

Options

On 30 June 2020, there were 10,133,333 options (30 June 2019: 8,133,333) available for exercise.

Exercise price	**15 cents**	**35 cents**	**42 cents**	**5 cents**	**30-60 cents**	**Total**
Expiry date	**19 May 2021**	**31 May 2021**	**31 May 2021**	**31 May 2021**	**31 December 2021**	
Opening balance	6,133,333	1,000,000	1,000,000	-	-	**8,133,333**
Issued during the year	-	-	-	2,000,000	1,000,000	**3,000,000**
Expired during the year	-	-	-	-	-	**-**
Exercised during the year	(1,000,000)	-	-	-	-	**(1,000,000)**
Closing balance	**5,133,333**	**1,000,000**	**1,000,000**	**2,000,000**	**1,000,000**	**10,133,333**

At 30 June 2019, there were 8,133,333 options (30 June 2018 – 8,883,333) 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	6,883,333	1,000,000	1,000,000	**8,883,333**
Exercised during the year	(750,000)	-	-	**(750,000)**
Closing balance	**6,133,333**	**1,000,000**	**1,000,000**	**8,133,333**

Warrants

26,666,666 detached warrants were issued to Pure Asset Management on 29 January 2020 with exercise price of $0.30 each and have been valued at $614,422 using a Black-Scholes option pricing model. These costs have been included in capitalised transaction costs offset against the associated borrowings of $8,000,000 (refer to Note 13).

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell to reduce debt.

The Group will look to raise capital when an opportunity to make investments is seen as value adding relative to the current parent entity's share price at the time of the investment.

The Group is not subject to externally imposed capital requirements.

The Capital risk management policy remains unchanged from the 2019 Annual Financial Statement.

Note 18. Reserves

	Consolidated 2020 $	Consolidated 2019 $
Options & Warrant reserves		
Opening balance	3,628,978	2,470,044
Warrants issued (note 20)	614,422	-
Options issued (note 20)	124,725	1,158,934
Closing balance	**4,368,125**	**3,628,978**

The reserve is used to recognise the fair value of options & warrants granted.

Note 19. Accumulated losses

	Consolidated 2020 $	Consolidated 2019 $
Accumulated losses at the beginning of the financial year	(40,215,849)	(33,047,431)
Loss after income tax expense for the year	(21,647,091)	(6,905,498)
Adoption of new accounting standards	-	(262,920)
Accumulated losses at the end of the financial year	**(61,862,940)**	**(40,215,849)**

Note 20. Share based payments

(i)Details of Share Based Payments issued to Key Management Personnel and other employees

	Remuneration Type	Grant Date	Number Granted	Total P&L expense in the period	As at 30 June 2020	
					Number vested and exercisable	Number unvested
Mr D Smorgon	Share Rights (A)	15 November 2019	750,000	$48,759	-	750,000
Ms K Ostin	Share Rights (B)	15 November 2019	600,000	$29,277	-	600,000
Mr P Gibbons	Share Rights (C)	22 June 2020	600,000	$309	-	600,000
Ms P Leary	Incentive options (A)	15 November 2019	1,000,000	$27,225	-	1,000,000
Other non-KMP staff	Incentive options (B)	6 January 2020	277,778	$2,181	-	277,778

On 26 June 2019, Darren Smorgon was granted 750,000 share rights (conversion to 1 ordinary share for 1 right) which were subsequently approved by shareholders at the Annual General Meeting of the Company held on 15 November 2019. The rights will be subject to a vesting period of 2 years. These rights will be forfeited in full and lapse should he not complete his engagement as Chairman for the 2 years. A share-based payment expense in relation to this arrangement of which $48,759 was recorded in FY 2020 (FY2019: $657).

On 26 June 2019, Pippa Leary was granted 1,000,000 incentive options which were subsequently approved by shareholders at the Annual General Meeting of the Company held on 15 November 2019. The rights will be subject to a vesting period of 3 years. These rights will be forfeited in full and lapse should she not complete her engagement as Chief Executive Officer for the 3 years. A share-based payment in relation to this arrangement of $27,225 was recorded in FY 2020.

On 1 October 2019, Katherine Ostin was granted 600,000 share rights (conversion to 1 ordinary share for 1 right) which were subsequently approved by shareholders at the Annual General Meeting of the Company held on 15 November 2019. The rights will be subject to a vesting period of 2 years. These rights will be forfeited in full and lapse should she not complete her engagement as Non-Executive Director for the 2 years. A share-based payment expense in relation to this arrangement of $29,277 was recorded in FY 2020.

On 22 June 2020, Peter Gibbons was granted 600,000 share rights (conversion to 1 ordinary share for 1 right) which are subject to shareholder approval. The rights will be subject to a vesting period of 2 years. These rights will be forfeited in full and lapse should he not complete his engagement as Non-Executive Director for the 2 years. A share-based payment expense in relation to this arrangement of $309 was recorded in FY2020.

Valuation

The fair value of these share-based instruments was calculated as follows:

	Ordinary Share Rights (A)	Ordinary Share Rights (B)	Ordinary Share Rights (C)	Incentive Options (A)	Incentive Options (B)
Method	Share price at grant date	Share price at grant date	Share price at grant date	Black Scholes	Black Scholes
Spot price	13 cents	13 cents	4.7 cents	13 cents	10.5 cents
Strike price	0 cents	0 cents	0 cents	30-60 cents	30-45 cents
Expiry date	25 June 2021	29 September 2021	21 June 2022	1 July 2020- 2022	5 January 2021- 5 January 2022
Volatility	N/a	N/a	N/a	80%	80%
Risk free rate	N/a	N/a	N/a	0.79%	0.75%
Fair value per unit (cents)	13.0	13.0	4.7	2.45-4.26	0.61-1.05

Note 20. Share based payments (continued)

(ii) Other Options Issued

During FY2020, 2,000,000 options valued at $16,974 were issued to brokers in connection with future and past services provided to Swift Networks Group Limited (refer to Note 17). These options could not be valued due to the fact that they represented consideration for past and future services provided by the broker to the Company.

The fair value of these options granted was calculated as 0.85 cents by using the Black Scholes option valuation methodology and applying the following inputs:

Underlying share price	$0.019
Exercise price	$0.05
Valuation date	1 May 2020
Expiry date	30 April 2025
Exercise period	5 years
Volatility	80%
Risk free rate	0.40%
No. of options	2,000,000

Summary of options granted as a share-based payment:

	2020 $	2019 $
Issue of options to KMP	105,570	497,379
Issue of options (Other)	19,155	662,112
Closing balance	**124,725**	**1,159,591**

Note: included in share issue costs are underwriting fees totalling $61,800 paid by the issue of 4,120,000 shares at the $0.15 issue price to the underwriters of the Non-Renounceable Entitlement Offer and Placement undertaken in April 2020.

Warrants

26,666,666 detached warrants were issued to Pure Asset Management on 29 January 2020 with exercise price of $0.30 each and have been valued at $614,422 using a Black-Scholes option pricing model. These costs have been included in capitalised transaction costs offset against the associated borrowings of $8,000,000 (refer to Note 13).

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Note 21. Cash flow information

	Consolidated	
	2020	2019
	$	$
(a) Reconciliation of net profit/(loss) after tax to net cash flows from operations:		
(Loss) after tax	(21,647,091)	(6,905,498)
(a) Non-cash flows in profit:		
Impairment expenses	13,613,483	629,064
Depreciation & amortisation expenses	4,912,438	3,437,684
Amortisation expense for debt establishment cost and cost to fulfill contract	1,339,550	282,547
Bad debt expenses	2,642,663	255,891
Share based payments (settled in equity)	124,725	1,159,591
Fair value loss on financial liability	(6,985,188)	1,540,850
Income tax expense/(benefit)	1,922,546	(181,972)
	(4,076,874)	**218,157**
(b) Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Change in trade and other receivables	1,038,843	(4,514,166)
Change in inventories	(461,722)	650,468
Change in other current assets	(458,356)	(284,040)
Change in trade and other payables	(356,758)	2,446,398
Change in contract liabilities	(50,447)	(899,506)
Change in provisions	(132,993)	66,088
Cash flow provided from operations	**(4,498,307)**	**(2,316,602)**

(b) Non-cash financing and investing activities		
Issue of 14,950,166 shares upon acquisition of Medical Channel Pty Ltd	-	4,500,000
Capital raising underwriting fees settled in shares	61,800	-
Issue of 16,666,667 shares upon completion of Class A & B Performance Share milestones	4,000,000	3,916,667
	4,061,800	**8,416,667**

Non-cash investing and financing activities disclosed in other notes are:

- Acquisition of right-of-use assets – Note 15
- Issue of Shares on conversion of convertible notes – Note 17

Note 21. Cash flow information (continued)

(c) Changes in Liabilities from financing activities

	Consolidated			
	Short Term Borrowings $	Long Term Borrowings $	Lease Liabilities $	Total $
Balance as at 1 July 2018	**-**	**-**	**-**	**-**
Net cash from (used in) financing activities	2,455,086	-	(764,277)	1,890,809
Leases – recognised on adoption of AASB 16	-	-	2,057,682	2,057,682
Acquired on acquisition of subsidiaries	-	-	1,087,020	1,807,020
Balance as at 30 June 2019	**2,455,086**	**-**	**3,100,425**	**5,555,511**
Net cash from (used in) financing activities	(1,555,086)	8,000,000	(1,590,114)	4,854,800
Conversion of notes to Shares (refer Note 17)	(823,000)	-	-	(823,000)
Acquisition of leases	-	-	1,625,080	1,625,080
Debt establishment costs capitalised	(77,000)	(1,076,566)	-	(1,153,566)
Balance as at 30 June 2020	**-**	**6,923,434**	**3,125,391**	**10,058,825**

Note 22. Segment information

Activities in the operating segments are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of service line manager and area of income and expenditure. Discrete financial information about each of these areas is reported to the executive management team on a monthly basis. Up to 15 February 2019, Board of Directors (Board) monitored the operating results of the Group distinct business segments, being Swift Pty Ltd, VOD Pty Ltd, Living Networks and Web2TV as one consolidated Group for the purposes of making decisions about resource allocation and performance assessment. Due to acquisition of Medical Channel on 15 February 2019, the focus is now on business unit profit, being the provision of digital entertainment services in Australia and the provision of advertising revenue in Australia. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the company and its ongoing activities.

Note 22. Segment information (continued)

	Year Ended 2020		
	Swift Networks	Medical Channel	Total
	$	$	$
Revenue from external sources	18,101,836	4,978,338	**23,080,174**
Reportable segment loss	(18,742,073)	(9,765,481)	**(28,507,554)**
Reportable segment assets	15,543,107	6,121,156	**21,644,263**
Reportable segment liabilities	(6,326,172)	(15,998,157)	**(22,324,329)**
Reconciliation of reportable segment loss			
Reportable segment loss	(18,742,073)	(9,765,481)	**(28,507,554)**
Other revenue	7,318,522	-	**7,318,522**
Unallocated:			
Share based payments	(124,725)	-	**(124,725)**
Fair value loss on financial liability	(333,334)	-	**(333,334)**
Loss before tax	(11,881,610)	(9,765,481)	**(21,647,091)**
Reconciliation of reportable segment assets			
Reportable segment assets	15,543,107	6,121,156	**21,644,263**
Unallocated:			
Cash	-	-	**-**
Receivables	-	-	**-**
Other assets	-	-	**-**
Total assets	15,543,107	6,121,156	**21,644,263**
Reconciliation of reportable segment liabilities			
Reportable segment liabilities	(6,326,172)	(15,998,157)	**(22,324,329)**
Unallocated:			
Trade and other payables	-	-	**-**
Total liabilities	(6,326,172)	(15,998,157)	**(22,324,329)**

Note 22. Segment information (continued)

	Swift Networks $	Year Ended 2019 Medical Channel $	Total $
Revenue from external sources	22,144,532	2,568,651	24,713,183
Reportable segment loss	(2,768,041)	(1,778,625)	(4,546,666)
Reportable segment assets	26,075,189	12,806,144	38,881,333
Reportable segment liabilities	(13,856,371)	(14,583,164)	(28,439,535)
Reconciliation of reportable segment loss			
Reportable segment loss	(2,768,041)	(1,778,625)	(4,546,666)
Other revenue	158,032	1,605	159,637
Unallocated:			
Share based payments	(1,159,591)	-	(1,159,591)
Fair value loss on financial liability	(1,540,850)	-	(1,540,850)
Other	-	-	-
Loss before tax	**(5,310,450)**	**(1,777,020)**	**(7,087,470)**
Reconciliation of reportable segment assets			
Reportable segment assets	26,075,189	12,806,144	38,881,333
Unallocated:			
Cash	-	-	-
Receivables	-	-	-
Other assets	-	-	-
Total assets	**26,075,189**	**12,806,144**	**38,881,333**
Reconciliation of reportable segment liabilities			
Reportable segment liabilities	(13,856,371)	(14,583,164)	(28,439,535)
Unallocated:			
Trade and other payables	-	-	-
Total liabilities	**(13,856,371)**	**(14,583,164)**	**(28,439,535)**

Note 23. Financial risk management

Introduction and overview

The Group activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Group is exposed are market risk, credit risk and liquidity risk.

Risk management framework

Market risk

Market risk is analysed as market price risk, interest rate risk and currency risk.

Market price risk

Market price risk is the risk that changes in market prices (other than changes due to currency or interest rate risk) will affect the Group's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures.

As at balance date the exposure to market price risk related to financial instruments was considered to be immaterial.

Interest rate risk

Interest rate risk consists of cash flow interest rate risk (the risk that future cash flows of a financial instrument will vary due to changes in market interest rates) and fair value interest rate risk (the risk that the value of a financial instrument will vary due to changes in market interest rates).

Management of interest rate risk

Interest rate risk is the risk of financial loss and / or increased costs due to adverse movements in the values of the financial assets and liabilities as a result of changes in interest rates. Management mitigates this risk by entering into fixed interest rate contracts.

Exposure to interest rate risk

As at the reporting date the interest rate risk was considered to be immaterial.

Currency risk

Currency risk is the risk that the value of assets and liabilities denominated in a foreign currency will fluctuate due to adverse movements in exchange rates.

As at 30 June 2020, the Group has no exposure to currency risk relating to an operating lease and contractual commitments denominated in $US. A 10% movement in exchange rate would not have a material impact for the Group.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Management of credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

Note 23. Financial risk management (continued)

	Consolidated 2020 $	Consolidated 2019 $
Carrying amount		
Cash and cash equivalents	2,448,079	422,771
Trade and other receivables	5,096,967	8,778,473
	7,545,046	**9,201,244**

The Group makes use of a simplified approach, under AASB 9, in accounting for short term trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group has used a general approach, under AASB 9, in accounting for long term trade receivables. Loss allowance for lifetime expected credit losses is recorded, if there is a significant increase in credit risk since initial recognition of the financial asset. At 30 June 2020, a loss allowance of $1,224,691 was made for long term receivables.

Loss Allowance	Consolidated 2020 $	Consolidated 2019 $
Opening loss allowance at 1 July (calculated under AASB 9)	255,891	92,314
Increase in loss allowance recognised in profit or loss during the year	2,642,663	163,577
Closing loss allowance as at 30 June	**2,898,554**	**255,891**

30 June 2020	**Content Short term receivables**	**Content Long term receivables**	**Advertising Local Sales receivables**	**Advertising National Sales receivables**	**Total**
Expected Loss Rate	28%	48%	81%	0%	38%
Trade Receivables	4,680,476	2,572,971	431,868	13,558	**7,698,873**
Loss Allowance	**(1,325,309)**	**(1,224,691)**	**(348,544)**	**-**	**(2,898,554)**

Credit risk related to balances with banks and other financial institutions is managed in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least A-.

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Note 23. Financial risk management (continued)

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Exposure to liquidity risk

As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The financial liabilities the Group had at reporting date were trade payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments.

The following table sets out the carrying amounts, by maturity, of the financial instruments including exposure to interest rate risk:

	Carrying amount $	Weighted average interest rate %	Maturity				Total Contractual cash flows $
			6 months or less $	6-12 months $	1-2 years $	More than 2 years $	
Consolidated - 2020							
Financial liabilities							
Trade payables	5,105,968	-	5,105,968	-	-	-	5,105,968
Other payables	2,017,583	-	1,482,385	535,198	-	-	2,017,583
Loan	6,923,434	10%	-	-	-	8,466,667	8,466,667
Lease liabilities	3,135,391	7.37%	657,915	639,826	1,122,702	714,948	3,135,391
Financial liability	250,000	-	-	-	250,000	-	250,000
Closing net book amount	**17,432,376**	**-**	**7,246,268**	**1,175,024**	**1,372,702**	**9,181,615**	**18,975,609**
Consolidated - 2019							
Financial liabilities							
Trade payables	3,926,880	-	3,926,880	-	-	-	**3,926,880**
Other payables	3,363,323	-	3,363,323	-	-	-	**3,363,323**
Loan	2,455,086	5.6%	-	2,455,086	-	-	**2,455,086**
Lease Liabilities	3,100,425	7.18%	621,182	601,180	1,297,741	580,322	**3,100,425**
Financial liability	11,235,189	-	3,666,667	-	7,568,522	-	**11,235,189**
Closing net book amount	**24,080,903**	**-**	**11,578,052**	**3,056,266**	**8,866,263**	**580,322**	**24,080,903**

The Group maintains cash flow forecasts for the next 12 months on a rolling basis. This takes into consideration all projected debt payments.

Note 23. Financial risk management (continued)

Fair value of financial assets and liabilities

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Group approximates their carrying amounts.

The fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles. Non-interest bearing related party receivables and loans are repayable on demand, thus face value equates to fair value.

The fair value of deferred consideration is based upon market prices at reporting period.

Equity investments traded on organised markets have been valued by reference to market prices prevailing at balance date. For non-traded equity investments, the fair value is an assessment by the Directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment.

The carrying amounts of financial assets and liabilities equates to their fair values at balance date.

Note 24. Auditors' Remuneration

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated	
	2020	**2019**
	$	**$**
Auditors of the Company		
BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	148,062	110,237
Non audit services provided:		
Taxation advice and preparation of income tax returns	44,573	35,614
Corporate Finance advice	-	137,500
Total remuneration for audit and non-audit services	**192,635**	**283,351**

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Note 25. Parent entity

	Parent entity	
	2020	2019
	$	$
(a) Statement of Profit or Loss and other comprehensive income		
The individual financial statements for the parent entity show the following aggregate amounts:		
Net gain/(loss) attributable to equity holders of the Company	**(21,504,919)**	**(4,062,851)**
(b) Statement of financial position		
ASSETS		
Total current assets	1,816,172	11,560
Total non-current assets	-	19,929,782
Total assets	**1,816,172**	**19,941,342**
LIABILITIES		
Total current liabilities	(122,213)	(5,670,862)
Total non-current liabilities	(4,342,221)	(5,814,326)
Total liabilities	**(4,464,434)**	**(11,485,188)**
Net assets	**(2,648,262)**	**8,456,154**
SHAREHOLDERS' EQUITY		
Share capital	56,332,451	46,546,370
Reserves	1,464,074	849,652
Accumulated losses	(60,444,787)	(38,939,868)
Total shareholders' equity	**(2,648,262)**	**8,456,154**

The Parent has Contingent Liabilities as at 30 June 2020 (refer to Note 30) and has entered into a senior secured debt facility (refer to Note 13), (2019: Nil).

The Parent has no Contingent assets and no other contractual obligations on behalf of the Group as at 30 June 2020 (2019: Nil).

Note 26. Related party transactions

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's Key Management Personnel (KMP) for the year ended 30 June 2020.

	Consolidated	
	2020	**2019**
	$	**$**
Short term employee benefits	900,666	927,534
Share based payments (non-cash)	105,570	497,479
Post-employment benefits	233,829	272,814
	1,240,065	**1,697,827**

Disclosures relating to key management personnel are set out in the remuneration report of the Directors' report.

Transactions with related parties

Transactions with key management personnel related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Loans with Directors and Key Management Personnel

The Company was advanced the following funds by the Directors and their related parties:

	2020	**2019**
	$	**$**
Funds owed to Robert Sofoulis:	325,000	-
Payments made	(325,000)	-
Closing balance	-	-

An unsecured loan was drawn in October 2019 and repayable by no later than 31 December 2019, subject to an arm's length interest rate of 12% and payable within 7 days of the date of invoice. The loan was repaid in full in December 2019.

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Note 26. Related party transactions (continued)

Other transactions with Directors and Key Management Personnel

Transactions with Directors and Key Management Personnel related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	2020 $	2019 $
Payments made to Wenro Holdings Pty Ltd, a company of which Robert Sofoulis is a Director and Ryan Sofoulis is associated with, for provision of office premises, pursuant to operating lease.	500,515	434,261
Underwriting fees paid to Sofoulis Holdings Pty Ltd, a company of which Robert Sofoulis is a director and Ryan Sofoulis is associated with, in connection with the April 2020 non-renounceable rights issue.	20,467	-
Interest paid to Sofoulis Holdings Pty Ltd, a company of which Robert Sofoulis is a director and Ryan Sofoulis is associated with, in connection with a loan advanced to the Company.	6,238	-
Payments made to oOH!Media Limited, a company of which Darren Smorgan is a Director, for the provision of news and light entertainment content for the health and wellbeing media screen business, pursuant to an arms length contract.	154,050	-
<u>Amounts outstanding at reporting date</u> Aggregate amount payable to Key Management Personnel and their related entities at reporting date:	167,820	36,851

Other related party agreements with Directors and Key Management Personnel

On March 31 2020, Swift Media entered into a variation deed with Medical Media Investments, a company associated with Darren Smorgon, to vary the existing terms of the performance shares issued in respect of the Medical Channel acquisition such that the 68,106,313 outstanding performance shares would be converted into 18,875,034 ordinary shares. The agreement is subject to the Company receiving appropriate statutory and regulatory approvals, which have yet to be received.

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

Note 27. Group entity

Ultimate parent entity

The ultimate parent entity in the wholly owned Group is Swift Media Limited.

Name of entity	Country of residence / establishment	Ownership interest 30 June 2020 %	Ownership interest 30 June 2019 %
Parent entity			
Swift Media Limited	Australia	100%	100%
Controlled entities			
Swift Networks Pty Ltd	Australia	100%	100%
Medical Channel Pty Ltd	Australia	100%	100%
VOD Pty Ltd	Australia	100%	100%
Movie Source Pty Ltd	Australia	100%	100%
Wizzie Pty Ltd	Australia	100%	100%
Stanfield Funds Management Limited	Hong Kong	100%	100%

Of the controlled entities, only Swift Networks Pty Ltd, Medical Channel Pty Ltd and VOD Pty Ltd were operating during the financial year.

Note 28. EPS

	Consolidated 2020 $	Consolidated 2019 $
Net profit / (loss) from continuing operations for the year	**(21,647,091)**	**(6,905,498)**
	No.	**No.**
Weighted average number of ordinary shares for the purpose of basic earnings per share	227,021,974	132,219,511
Basic earnings / (loss) per share (cents)	(9.5)	(5.2)
Diluted earnings / (loss) per share (cents)	(9.5)	(5.2)

There are no instruments considered to be dilutive.

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Note 29. Business Combination

Summary of acquisition - Medical Channel Pty Ltd

On 15 February 2019, the Group acquired 100% of the issued share capital of Medical Channel Pty Ltd. The Group had recognised the fair values of the assets and liabilities based on the best available information available at reporting date. Details of the purchase consideration and the net assets acquired are as follows:

Purchase consideration:	**$**
Ordinary shares issued (14,950,166 shares at F.V of $0.30/share on 15 February 2019)	4,500,000
Deferred consideration (refer to Note 14)	3,323,505
Adjustment to consideration	(151,000)
Total Purchase Consideration	**7,672,505**
[1]**The assets and liabilities recognised as a result of the acquisition are as follows:**	
Cash	751,720
Trade and other receivables[1]	195,015
Other receivables	36,675
Plant & Equipment	2,858,727
Intangibles – Practice Sites	4,139,024
Deferred tax asset	2,370,814
Trade payables	(478,078)
Other payables[1]	(1,642,776)
Provisions	(158,041)
Other current liabilities	(899,316)
Deferred tax liability	(1,138,232)
Other non-current liabilities	(1,102,230)
Net identifiable assets	**4,933,302**
Add: Goodwill	2,739,203
Net Assets	**7,672,505**

(i) The goodwill is attributable to the forecast profitability of the acquired business. It will not be deductible for tax purposes.
(ii) As at reporting date the directors believe a provision for impairment of goodwill for $2,739,203 is required. (Note 10)

Significant accounting estimates and judgements

The fair value of acquired assets was determined using the following key assumptions:
Practice Sites: costs incurred in supply and installation of equipment across all operating sites

[1]In the FY2020 accounts an adjustment has been made to the fair identifiable assets and liabilities of Medical Channel Pty Ltd acquired in February 2019 to decrease trade receivables by $166,977 and reduce other payables by $365,199 with a comparative net decrease in Goodwill of $198,222.

Note 30. Contingencies

	Consolidated	
	2020	**2019**
	$	**$**
Liabilities under guarantees[1]	-	1,238,167
Total Contingent liabilities	**-**	**1,238,167**

[1] Bank guarantees for key customer contracts, lease premises and equipment previously held under a senior debt facility with Bankwest are now secured with cash on deposit and an amount of $249,293 is recorded as "Restricted Cash" in Other Receivables (Note 7).

Note 31. Commitments

NetSuite ERP licence Fees

The Group entered into a five year payment plan for NetSuite ERP Licence fees. Minimum commitments under the arrangement are as follows:

	Consolidated	
	2020	**2019**
	$	**$**
Not later than 1 year	151,238	-
Later than 1 year but not later than 2 years	140,105	-
Later than 2 years and not later than 5 years	256,859	-
Total Commitments	**548,202**	**-**

Note 32. Events subsequent to reporting date

On 2 July 2020, Mr Geoff Greenberg was appointed Chief Financial Officer of the Company.

On 15 August 2020, 14,950,166 Ordinary Shares were released from Escrow.

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home) and securing the supply of material that are essential to our production process.

At this stage the impact on our business and results has not been significant. We will continue to follow various government policies and advice, and in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

There are no other matters or circumstances that have arisen since 30 June 2020 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.

Note 33. Company details

The registered office and principal place of business of the Company is:
Swift Media Limited
1 Watts Place
BENTLEY WA 6102 Australia

SWIFT

DIRECTORS' DECLARATION

The Directors of the Company declare that the financial statements and notes, as set out on pages 28 to 83 are in accordance with the *Corporations Act 2001* and:

a. comply with Accounting Standards, which as stated in accounting policy Note 2 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the consolidated Group;

c. the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;

d. the financial statements and notes for the financial year comply with the Accounting Standards; and

e. the financial statements and notes for the financial year give a true and fair view;

in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable as disclosed in Note 2 to the financial statements.

This declaration is made in accordance with a resolution of the Board of Directors.

Chairman
Darren Smorgon

Dated this 29th day of September 2020

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Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Swift Media Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Swift Media Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 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 opinion is not modified in respect of this matter.

BDO

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Recoverability of intangible assets

Key audit matter	How the matter was addressed in our audit

Note 10 in the financial report discloses the individual intangible assets and the assumptions used by the Group in testing these assets for impairment.
 	
Management's assessment of the recoverability of the intangible assets is supported by a value in use cash flow forecast, which requires estimates and judgements about future performance.
 	
These include judgements and estimates over the expectation of future revenues, anticipated budgeted costs, growth rates expected and the discount rate applied.
 	
Given the extent of judgement involved in light of the impact of the COVID-19 pandemic and the financial significance of the impairment recognised, we considered this to be a key audit matter.
	Our procedures included, but were not limited to the following:
	
	• Evaluating the Group's categorisation of Cash Generating Units ("CGUs") and the allocation of goodwill to the carrying value of CGUs based on our understanding of the Group's business;
	
	• Challenging key inputs used in the value in use calculations including the following:
	
	    • Assessing the discount rate used by involving internal valuation experts and comparing them to market data and industry research;
	
	    • Comparing growth rates with historical data and economic and industry growth forecasts;
	
	    • Assessing the Group's forecast cash flows is consistent with our knowledge of the business, board approved budget, incorporating any potential impact of the COVID-19 pandemic and corroborating our work with external information where possible;
	
	    • Performing sensitivity analysis on the revenue, growth rates, gross profit margins, discount rates and impact of COVID-19; and
	
	• Assessing the adequacy of the related disclosures in the financial report.

BDO

Recoverability of trade receivables

Key audit matter	How the matter was addressed in our audit
Refer to Note 2(c) and Note 2(ac) of the financial report for a description of the accounting policy and significant estimates and judgements applied to these assets. In accordance with AASB 9 Financial Instruments, at the end of each reporting period, management are required to assess whether there is any objective evidence that these assets are impaired. Under the impairment requirements of the standard, losses are recognised on an expected credit loss ('ECL') basis and is required to incorporate forward-looking information, reflecting the Group's view of potential future economic scenarios. Due to the subjectivity involved in determining whether there is any objective evidence of impairment on these assets, we have determined that the recoverability of trade and receivables is a key audit matter.	Our procedures included, but were not limited to the following: • Reviewing the terms and conditions of the contractual arrangements of the receivables; • Challenging management's assumptions regarding the level of provisioning against the ageing of receivables; • Holding discussions with management as to the credit risk of the counterparty, and whether this information is consistent with management's impairment assessment position; • Considering whether any other data exists which would constitute indicators of impairment including the impact of COVID-19; and • Assessing the adequacy of the related disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 25 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Swift Media Limited, for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 29 September 2020

SHAREHOLDER INFORMATION

A. Substantial Shareholders

The following have a relevant interest (>5%) in the capital of Swift Media Limited as at 21st September 2020:

Substantial ordinary shareholders	No. of ordinary shares held	Percentage held of Issued Ordinary Capital
Mr Robert Sofoulis and related entities	94,923,655	21.60%
Pure Asset Management Pty Ltd ATF The Income and Growth Fund	41,895,074	9.51%
Medical Media Investments Pty Ltd	27,616,833	6.20%
Cyan Investment Management	23,283,817	5.29%

B. Distribution of Equity Securities

(i) Analysis of numbers of equity security holders by size of holding as at 21st September 2020.

Category (Size of Holdings)			Number of Holders - Ordinary Shares			
			Issued Shares	Unlisted Options	Unlisted Warrants	Unlisted Ordinary Share Right Conversion
1	-	1,000	64	-	-	-
1,001	-	5,000	267	-	-	-
5,001	-	10,000	138	-	-	-
10,001	-	100,000	483	12	-	-
100,001	-	and over	294	12	8	2
Total			**1,246**	**24**	**8**	**2**

C. Equity Security Holders

Twenty largest quoted equity security holders (21st September 2020)

		Ordinary Shares Number Held	Percentage of Issued Shares
1	SOFOULIS HOLDINGS PTY LTD	92,142,246	20.92%
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	48,233,815	10.95%
3	MEDICAL MEDIA INVESTMENTS PTY LTD	27,616,833	6.27%
4	SANDHURST TRUSTEES LTD	26,588,286	6.04%
5	SUETONE PTY LTD	9,040,176	2.06%
6	MR JOHN COLIN LOOSEMORE & MRS SUSAN MARJORY LOOSEMORE	8,400,000	1.91%
7	HSBC CUSTODY NONINEES (AUSTRALIA) LIMITED	7,826,609	1.78%
8	BOTSIS SUPER PTY LTD	7,180,178	1.63%
9	CINTELL PTY LTD	6,759,060	1.53%
10	TRI-NATION HOLDINGS PTY LTD	5,565,785	1.26%
11	WINGATE DIRECT INVESTMENTS PTY LTD	4,975,175	1.13%
12	SANDBAR INVESTMENTS PTY LTD	4,975,175	1.13%
13	FARR PTY LTD	4,975,175	1.13%
14	HAMMERFEST INVESTMENTS PTY LTD	4,145,962	0.94%
15	MR TONY LE FERVE	4,026,256	0.91%
16	PATNER PTY LTD	4,000,000	0.91%
17	TRI-NATION HOLDINGS PTY LTD	3,400,839	0.77%
18	NVNG INVESTMENTS PTY LTD	3,170,786	0.72%
19	SHARIC SUPERANNUATION PTY LTD	3,040,000	0.69%
20	MR DAVID WHITEHOUSE & MR ANTHONY KEITH STEPHEN SHADFORTH	3,000,000	0.68%
	Total	**279,062,356**	**63.36%**
	Balance of Register	161,440,360	36.64%
	Grand Total	**440,502,716**	**100.00%**

D. Voting Rights

The voting rights, upon a poll, are one vote for each share held.

E. Unquoted securities

Securities	Number of Securities	Number of Holders	Holders with more than 20%
Options exercisable at $0.15 on or before 19 May 2021	5,133,333	24	4
Options exercisable at $0.35 on or before 31 May 2021	1,000,000	1	1
Options exercisable at $0.42 on or before 31 May 2021	1,000,000	1	1
Options exercisable at $0.30 on or before 31 December 2022	500,000	1	1
Options exercisable at $0.45 on or before 31 December 2022	250,000	1	1
Options exercisable at $0.60 on or before 31 December 2022	250,000	1	1
Options exercisable at $0.05 on or before 30 April 2025	2,000,000	1	1
Ordinary share rights (conversion to 1 ordinary share for 1 right) exercisable after 20 June 2021	750,000	1	1
Ordinary share rights (conversion to 1 ordinary share for 1 right) exercisable after 1 October 2021.	600,000	1	1
2018 Short Term Incentive conversion to 1 ordinary share for 1 right exercisable on or before 1 October 2021.	525,427	5	1
Warrants exercisable at $0.30 on or before 4 December 2023.	26,666,666	8	1
Performance Shares Class C	18,272,425	1	-
Performance Shares Class D	16,611,296	1	-
Performance Shares Class E	8,305,648	1	-
Performance Shares Class F	8,305,648	1	-
Performance Shares Class G	8,305,648	1	-
Performance Shares Class H	8,305,648	1	-

Details of Performance Shares

Each Performance Shares converts to one (1) fully paid ordinary share upon satisfaction of the relevant milestone on or before 15 February 2023. The milestones in relation to the Performance Shares are:

Under the agreement with vendors of Medical Channel, shares could be issued in the first five years after completion upon satisfaction of the following milestones:

i. Milestone 1 - Issue of 18,272,425 performance shares upon $10,000,000 gross revenue
ii. Milestone 2 - Issue of 16,611,296 performance shares upon $11,000,000 gross revenue
iii. Milestone 3 - Issue of 8,305,648 performance shares upon $11,500,000 gross revenue
iv. Milestone 4 - Issue of 8,305,648 performance shares upon $12,000,000 gross revenue
v. Milestone 5 - Issue of 8,305,648 performance shares upon $12,500,000 gross revenue
vi. Milestone 6 - Issue of 8,305,648 performance shares upon $12,500,000 gross revenue

F. On-market buyback

There is no current on-market buy-back

G. Stock Exchange listing

Quotation has been granted for the Company's Ordinary Shares.

H. Securities subject to escrow

There are no securities currently subject to escrow

CORPORATE GOVERNANCE STATEMENT

Recommendation 1.2

The Company undertakes appropriate checks before appointing a person or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.

The checks which are undertaken, and the information provided to shareholders, are set out in the Company's Remuneration and Nomination Committee Charter.

Recommendation 1.3

The Company has a written agreement with each of the Directors and senior executives setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the application of best practice in corporate governance and also supports the effectiveness of the Board by:

- ensuring a good flow of information between the Board, its committees, and Directors;
- monitoring policies and procedures of the Board;
- advising the Board through the Chairman of corporate governance policies; and
- conducting and reporting matters of the Board, including the despatch of Board agendas, briefing papers and minutes.

Recommendation 1.5

The Company has a Diversity Policy, the purpose of which is:

- to outline the Company's commitment to creating a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management; and
- to provide a process for the Board to determine measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals.

As at 30 June 2020, there are three (3) women in senior executive positions in the Company, and 22 women employees across the Company, representing 37% of the whole organisation. There is one (1) women on the Board at this time. The Board maintains full transparency of board processes, reviews and appointments and encourages gender diversity.

Given the Company's size the Board does not consider it appropriate to set quantitative objectives regarding gender diversity at this time. As the operations grow, the Board will give consideration to the setting of such objectives and their achievement through the appointment of appropriate candidates to the Board and senior executive positions as they become available

Recommendation 1.6
The Chair will be responsible for evaluating the performance of the Board, Board committees and individual directors in accordance with the process disclosed in the Company's Board performance evaluation policy.

This policy is to ensure:

- individual Directors and the Board as a whole work efficiently and effectively in achieving their functions;
- the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and
- committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the board charter.

This policy will be reviewed annually.

During the current reporting period, the Company has not conducted an evaluation of the Board, its committees and individual directors, however a review is currently underway.

Recommendation 1.7

The Chief Executive Officer will be responsible for evaluating the performance of the Company's senior executives in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

The Chair will be responsible for evaluating the performance of the Company's Chief Executive Officer in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

During the current reporting period, the Company has not conducted an evaluation of its Chief Executive Officer. An evaluation will be conducted during the current financial year.

Principle 2: Structure the board to add value

Recommendation 2.1

The Board has Remuneration and Nomination Committee consisting of independent Chairman Darren Smorgon and non-executive Directors Katherine Ostin and Robert Sofoulis.

The duties of the committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed on the Company's website.

The attendance of the members of the Remuneration and Nomination Committee is shown in the Directors' Report.

Recommendation 2.2

The mix of skills and diversity which the Board is looking to achieve in its composition is:

- a broad range of business experience; and
- technical expertise and skills required to discharge duties.

Recommendation 2.3

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations.

Currently the Board is structured as follows:

- Darren Smorgon (Independent Chairman, appointed 15 February 2019);
- Katherine Ostin (Independent Non-Executive Director, appointed 1 October 2019);
- Peter Gibbons (Independent Non-Executive Director, appointed 22 June 2020)
- Ryan Sofoulis (Executive Director, appointed 19 May 2016); and
- Robert Sofoulis (Non-Executive Director, appointed 19 May 2016).

Recommendation 2.4

Currently, the Board considers that membership weighted towards relevant expertise is appropriate at this stage of the Company's operations. Accordingly, the majority of the board are majority of independent directors.

Recommendation 2.5

Mr Darren Smorgon is an independent Chairman.

Recommendation 2.6

It is a policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

Principle 3: Act ethically and responsibly

Recommendation 3.1

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (Code), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board and is disclosed on the Company's website.

The Code applies to all Directors, employees, contractors and officers of the Company.

The Code will be formally reviewed by the Board each year.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1

Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of an audit committee are undertaken by the Board.

The full Board in its capacity as the audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The duties of the full Board in its capacity as the audit committee are set out in the Company's Audit Committee Charter which is available on the Company's website.

When the Board meets as an audit committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed on the Company's website.

Recommendation 4.2

Before the Board approves the Company financial statements for each financial period it will receive from the Chief Executive Officer and the Chief Financial Officer or equivalent a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and does not arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the Company will write to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair will allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair will also allow a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1

The Company is committed to:

- ensuring that shareholders and the market are provided with full and timely information about its activities;
- complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and
- providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company has adopted a Disclosure Policy, which is disclosed on the Company's website. The Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff.

The Chief Executive Officer manages the policy. The policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments. This policy will be reviewed by the Board annually.

Principle 6: Respect the rights of security holders

Recommendation 6.1

The Company provides information about itself and its governance to investors via its website at http://www.swiftmedia.com.au. The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Company website:

- relevant announcements made to the market via ASX;
- media releases;
- investment updates;
- Company presentations and media briefings;
- copies of press releases and announcements for the preceding three years; and
- copies of annual and half yearly reports including financial statements for the preceding three years.

Recommendation 6.2

The Company has a Shareholder Communication and Investor Relations Policy which aims to ensure that Shareholders are informed of all major developments of the Company. The policy is disclosed on the Company's website.

Information is communicated to Shareholders via:

- reports to Shareholders;
- ASX announcements;
- annual general meetings; and
- the Company website.

This Shareholder Communication and Investor Relations policy will be formally reviewed by the Board each year. While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.

Recommendation 6.3

The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals.

However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.

Recommendation 6.4

Shareholders are given the option to receive communications from, and send communication to, the Company and its share registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the website) for shareholders to make their enquiries.

Principle 7: Recognise and manage risk

Recommendation 7.1

Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.

When the Board meets as a risk committee is carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities in relation to the risk management system of the Audit Committee and is disclosed on the Company's website.

The Board has adopted a Risk Management Policy, which is disclosed on the Company's website. Under the policy, responsibility and control of risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

The risk management system covers:

- operational risk;
- financial reporting;
- compliance / regulations; and
- system / IT process risk.

A risk management model is also being developed and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

Recommendation 7.2

The Board will review the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

Arrangements put in place by the Board to monitor risk management include, but are not limited to:

- monthly reporting to the Board in respect of operations and the financial position of the Company; and
- quarterly rolling forecasts prepared;

Recommendation 7.3

The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

Recommendation 7.4

Given the nature of the Company's business, it will be subject to general risks and certain specific risks.

The Company will identify those economic, environmental and/or social sustainability risks to which it has a material exposure and disclose how it intends to manage those risks in each of its corporate governance statements.

SWIFT

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

The Board has a Remuneration and Nomination Committee consisting of independent Chairman Darren Smorgon and non-executive Directors Robert Sofoulis and Katherine Ostin.

The duties of the committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website.

The attendance of the members of the Remuneration and Nomination Committee is shown in the Directors' Report.

Recommendation 8.2

Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

Recommendation 8.3

The Company's Security Trading Policy includes a statement on the Company's policy on prohibiting participants in the Company's Employee Incentive Plan entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Employee Incentive Plan.

Security Trading Policy

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

- closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;
- trading in the Company's securities which is not subject to the Company's trading policy; and
- the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Company's website (www.swiftmedia.com.au).

CORPORATE DIRECTORY

Directors

Darren Smorgon
Chairman

Peter Gibbons
Non-Executive Director

Robert Sofoulis
Non-Executive Director

Ryan Sofoulis
Executive Director

Ms Katherine Ostin
Non-Executive Director

Company Secretary
Stephen Hewitt-Dutton

Chief Executive Officer
Philippa Leary

Chief Financial Officer
Geoff Greenberg

Corporate Details
Swift Media Limited
ACN: 006 222 395
ABN: 54 006 222 395
www.swiftmedia.com.au

Registered Office
1 Watts Place
BENTLEY WA 6102

Telephone: +61 8 6103 7595
Facsimile: +61 8 6103 7594

Auditor
BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Bankers
Bank West Ltd
Bank West Place
300 Murray Street
WA 6000

Share Registry
Link Group
Level 12
QV1 Building
PERTH WA 6000
T: +61 8 9211 6650
F: +61 8 9211 6670
W : linkmarketservices.com.au

Stock Exchange Listings
The ordinary shares of Swift Media Limited are listed on the Australian Stock Exchange
(Code: SW1)