SWIFT MEDIA LIMITED
AND CONTROLLED ENTITIES
(FORMERLY SWIFT NETWORKS GROUP LIMITED)

ABN 54 006 222 395

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2019

Contents

CHAIRMAN'S REPORT

Dear Shareholders,

It gives me pleasure to present the 2019 Annual Report for Swift Media Limited (ASX: SW1, formerly Swift Networks Group Limited), the first in my new role as Swift's Non-Executive Chairman. 2019 has been a year of transition for our Company. We acquired Medical Media in February, appointed a new Chair and CEO in June, and since then we have made further management changes. Importantly, we have also taken steps to simplify the business, make our products even more fit for purpose, and improve our customer satisfaction. The new leadership team is taking Swift into its next chapter of growth as a diversified digital media and technology business with a focus on three large key verticals- Resources, Aged Care and Health and Wellness.

I joined Swift as a Director in February 2019 before transitioning to the role of Chairman in June 2019, having been on the board of Medical Media for around two years prior to its acquisition by Swift. I previously spent 16 years working at CHAMP Private Equity where I was involved with investments including the privatisation and subsequent relisting of outdoor advertising business oOh!Media Ltd (ASX: OML) which deepened my understanding of the out-of-home digital media industry. I am excited to be in this new role with Swift and see my responsibility of that and of your directors as working closely with and supporting management to grow the business in a disciplined and focused manner.

I would like to welcome our new Chief Executive Officer Pippa Leary to her role, which she commenced in July 2019. Pippa comes to Swift with extensive experience in driving growth, product development, commercial innovation and shareholder value through senior roles at Nine Entertainment Company, Fairfax Media and APEX Advertising. She takes the reins from Swift's former Managing Director and CEO Xavier Kris, who decided to pursue outside business interests. I would like to thank Xavier for his efforts and contribution.

Pippa inherits a motivated and capable team, together with substantial growth opportunities in the Resources, Aged Care and also now the Health and Wellness sector following the Medical Media acquisition.

The acquisition of Medical Media was aimed at broadening Swift's market penetration into the health and wellness sector by adding its network of more than 2,200 digital screens, delivering content to more than 5 million viewers every month. Medical Media is performing well and is on track to deliver the previously advised $3 million in cost savings as well to deliver profits on a full year basis from FY20.

Post financial year end, to boost our Financial Position, in September 2019, Swift secured a financing agreement with L1 Capital Global Opportunities Fund and Lind Global Macro Fund LP. The funding provides Swift with up to $3.6 million to fund strategic growth investments including a new CRM system which will benefit the entire business as well as rolling out new screens to the health and wellness segment. We believe this is a prudent way to provide capital necessary to ensure we can execute on near-term opportunities to further build our Company.

With a year of development and change behind us, the acquisition of Medical Media completed, and new skills and experience brought to our Board and Management, Swift is now well positioned to benefit from the substantial size and attractive fundamentals of its three target verticals. We are committed to building the best product offering to suit the varied needs of these three key markets.

CHAIRMAN'S REPORT (CONTINUED)

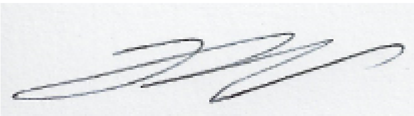
Our strategic roadmap and key priorities for FY20 include the following:

- Upgrade our product offering in residential Aged Care to accelerate growth
- Leverage our market leading position in Resources and Mining to increase share
- Scale Health and Wellness by improving and expanding the screen network and increase national advertising

We look forward to updating you in future releases on the progress of these priorities.

I would like to thank my fellow Directors for their support ongoing contributions. I'd also like to thank our staff and management for their efforts throughout a year which has seen much change. I also thank our Shareholders for their continued support and belief in our Company.

We expect the year ahead to be a busy and productive one for Swift, and I look forward to sharing our successes with you.



Darren Smorgon

Non-Executive Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Dear Shareholders,

I'm excited about the opportunity to guide the Swift Media business through its next evolution. Having worked in digital media for nearly 25 years I have long focused on building products that are both profitable and scalable. At Microsoft, ninemsn, Fairfax Digital, APEX Advertising and most recently Nine I have had a history of identifying products that are unique and differentiated and taking them to market in a way that maximises profit and shareholder value.

Having lived through successive waves of innovation, followed by commoditization and ultimately disruption I was attracted by Swift 's high recurring revenues operating in deep verticals with fairly high barriers to entry. Listening to the challenges faced by Swift I realised many of them played to my strengths – understanding end customers, market segmentation, digital product development and design, enterprise and media sales and digital marketing. From my initial observations it was clear that Swift had strong capabilities, scalable technology and a market leading position in Resources and Mining that I felt, with proper focus, could be extended to other verticals.

Since starting in July, I diagnosed that while Swift had strong capabilities in technology, it had insufficient capabilities in product. By "product" I mean the ability to assess the requirements of end users, systematically turn these into business rules and efficiently productize them – be those end user residents in aged care, facility owners, GPs or workers in remote mining camps. I saw there was a tremendous opportunity for Swift to fill these skills and capability gaps, as well as improving its sales and service capabilities to ensure that Swift is set up to win in its key target verticals.

Beyond identifying gaps around customer research and product development, I have gained the support of the Board and staff to focus on only the three most profitable verticals, started to bring in high calibre people beginning with hire of Swift's first Chief Customer and Strategy Officer, and committed to an open and transparent ongoing dialogue with investors.

Looking forward FY20 will be a transitional year as we enhance product, make growth investments, upgrade skillsets and position the business for long term sustainable growth. Now with a solid plan in place that has been communicated both to staff and the Board I am looking forward to the challenge of taking the Swift Media business to its next phase of growth.

Pippa Leary

Chief Executive Officer

DIRECTORS' REPORT

The Board of Directors of Swift Media Limited ("the Group" or "the Company") submits herewith the financial report of the Company for the financial year ended 30 June 2019. In order to comply with the provisions of the Corporations Act, the Directors' report as follows:

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

Name	Position
Mr Darren Smorgon	Non-Executive Chairman (appointed on 26 June 2019, appointed Non-Executive Director on 12 February 2019)
Mr Robert Sofoulis	Non-Executive Director
Mr Paul Doropoulos	Non-Executive Director
Mr Ryan Sofoulis	Executive Director

The following Directors of the Company resigned during the year:

Mr Carl Clump	Non-Executive Chairman (resigned on 15 February 2019)
Mr Xavier Kris	Executive Interim Chairman and CEO (resigned 26 June 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, with a key focus in the Resources, Aged Care and Health and Wellness segments.

Review of Operations and Financial Results

Operational review

The FY19 year was a busy year headlined by a push by Swift to broaden the footprint of its flagship digital entertainment systems in the Resources and Aged Care sectors. The acquisition of Medical Channel Pty Ltd (trading as Medical Media) has provided Swift with entry into the growing Health & Wellness market providing digital out of home advertising, targeting both local and national customers. More recently, the key senior leadership appointments announced in June 2019, as well as further appointments already made in FY20, will provide Swift with the direction and focus to execute the Company's vision of a profitable and scalable business-to-business provider of telecommunications, content and advertising services in the Mining, Aged Care and Health & Wellness sectors.

Acquisition of Medical Media

In December 2018, Swift announced its proposed acquisition of Australian digital out of home media business Medical Media. Medical Media delivers more than 5 million viewers per month across approximately 2,200 digital screens. The transaction completed in February 2019 for an upfront consideration of $4.5 million, 100% in scrip, with an additional $20.5 million payable in Performance Shares subject to achieving various advertising revenue targets. The issue price of all Swift shares was $0.301 per share, a 20% premium to the 30-trading day VWAP up to and including 19 December 2018. The upfront and performance milestone consideration was priced at a discount to recent merger activity in the digital out of home advertising sector.

The acquisition provides Swift with entry into a new, high growth industry vertical. Integration of the two companies is on track to unlock cost synergies of approximately $3 million per annum from FY20 onwards and the business is expected to be profitable on a run rate basis in FY20.

In conjunction with the acquisition, the Company changed its name from Swift Networks Group Limited to Swift Media Limited on 15 February 2019.

DIRECTORS' REPORT

Leadership changes

After Swift's acquisition of Medical Media, Mr Carl Clump resigned as Non-Executive Chairman and Mr Darren Smorgon was appointed as a Non-Executive Director. Subsequently in June 2019, Mr Xavier Kris resigned as Chief Executive Officer and Interim Executive Chairman. Mr Smorgon then transitioned to the role of Non-Executive Chairman and Swift appointed Ms Pippa Leary as Chief Executive Officer. Both Mr Smorgon and Ms Leary bring extensive media and advertising expertise to Swift which the Company expects will lead the business through its next phase of growth.

Financial Review

The consolidated net loss after tax for the Group is $6,905,498 (2018: loss of $7,728,812).

In FY19, the Group achieved operating revenue of $24,713,183 (FY18: $22,279,804), delivering year-on-year revenue growth of 11%. Swift's annualised contracted revenue increased 18% year on year to $18.8 million. Both these increases include the partial contribution of the Company's $4.5 million (excluding deferred consideration) acquisition of Medical Media completed in February 2019. Swift's integration plan for Medical Mediais ahead of schedule and proceeding favourably. The acquisition is on track to deliver at least $3 million of cost savings per annum from FY20 in the form of business synergies and improvements and is expected to be profitable in FY20.

The Company's cash balance at 30 June 2019 was $422,771 (2018: $3,201,819), following annual cash receipts of $18,111,127 (2018: $20,803,518) and bank borrowings of $2,455,086. At that time, the Company had unused working capital facility available on its total $4,500,000 Bankwest facility, and is in compliance with all of its loan covenants that govern the facility.

Post year end, the vesting of Class B performance shares (to the former owners of Swift Networks Pty Ltd) 16,666,667 million shares were issued on 2 August 2019 to settle in full the $3,666,667 Financial Liability, disclosed as current in the Statement of Financial Position.

During the year, the Company invested $3.2 million in new systems and capital expenditure to build scalability and longevity into the Swift technology platform, as well as enhance systems and workforce efficiency. This is a substantial investment into the future of the business and will assist Swift's ability to constantly improve product quality and customer service. Swift has continued to enhance its “My Family/My Community” app to allow users to communicate with each other within the facility they are staying in, and to family and friends in the outside world. The “Swiftville” app has also been added to provide a one-stop communication forum allowing operators to connect, inform and engage with their guests. All these additional features provide an important point of differentiation from mainstream “on demand” content streaming providers.

Swift has also invested in improving its internal systems with the implementation of the NetSuite Enterprise Resource Planning (ERP) tool to improve workforce efficiency. Additionally, it has expanded the capability of its Customer Relations Management (CRM) system which the Company hopes will increase customer conversion, retention and satisfaction rates. We note that the benefits of these investments are likely to be extracted in future years.

On 20 September 2019 Swift entered into a financing agreement with L1 Capital Global Opportunities Fund and Lind Global Macro Fund LP for up to $3.6 million, payable in four tranches of $900,000 every 75 days from 20 September 2019. The funding will provide the necessary capital to fund strategic initiatives including product development to improve and further tailor our products to suit our three key target markets, improved customer service and the optimisation and rollout of new screens in the health and wellness segment.

DIRECTORS' REPORT

Under the terms of the financing agreement, L1 Capital Global Opportunities Fund and Lind Global Macro Fund LP will provide $3.6 million split across 4 tranches every 75 days to Swift for the purchase of convertible notes. The convertible notes will be issued at a 10% discount to the $4 million face value of the notes, with a 12-month maturity from each tranche's drawdown. The conversion price for each tranche is equal to the lower of 92% of an agreed VWAP formula prior to a conversion notice or 130% of the 5-day VWAP on the day prior to the issuance of the tranche. The terms of the financing agreement also require Swift to issue 2,000,000 ordinary shares for no consideration as "collateral shares", which can be used for the conversion of the notes or may be bought back by the Company for nominal consideration upon maturity.

Noting all of the above, and in conjunction with the Group's historical ability to raise funds to satisfy its immediate cash requirements, the Board is comfortable that the Company is adequately funded to pursue its next phase of growth.

In 2019, the Group earned underlying Earnings Before Interest, Tax, Depreciation Amortisation ("EBITDA") of $2,361,462. A reconciliation of EBITDA to NPAT is provided below:

	A$	Description
Net loss after tax	(6,905,498)	Refer to the Consolidated Statement of Profit or loss and Other Comprehensive Income
Income tax benefit	(181,972)	Refer to Note 5
Interest costs (net)	63,107	Incurred in the ordinary course of business
Depreciation & amortisation expenses	3,305,605	Refer to Notes 9 and 10
Amortisation of Right of use assets	832,016	Refer to Note 15
Fair valuation loss on financial liability	1,540,851	Non-cash year end adjustment to the fair value of financial liabilities in respect of various performance shares (refer to Note 14)
Share based payments	1,159,591	Share based payments issued to the executive management team (refer to Note 20)
Other expenses	2,547,762	Acquisition related integration and restructuring costs and Other expenses (refer to Note 4)
Underlying EBITDA*	**2,361,462**	

*EBITDA is non IFRS financial information

Outlook

We enter FY20 with momentum and confidence as we execute our clear strategic roadmap. The current year will be one of transition as we simplify and focus the business on its largest segments and continue to build the business for the long term. Our priorities are;

- Upgrade our product offering in residential Aged Care to accelerate growth
- Leverage our market leading position in Resources and Mining to increase share
- Scale Health and Wellness by improving and expanding the screen network and increase national advertising

The Directors look forward to updating you on our progress as the year unfolds.

DIRECTORS' REPORT

Subsequent events

On 31 July 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 16.67 million shares were issued to Swift's founders on 2 August 2019.

On 20 September 2019 Swift entered into a financing agreement with L1 Capital Global Opportunities Fund and Lind Global Macro Fund LP for up to $3.6 million. The funding will provide the necessary capital to fund strategic initiatives to be rolled out under the new Swift leadership team. Under the terms of the financing agreement, L1 Capital Global Opportunities Fund and Lind Global Macro Fund LP will provide $3.6 million split across 4 tranches every 75 days to Swift for the purchase of convertible notes. The convertible notes will be issued at a 10% discount to the $4 million face value of the notes, with a 12-month maturity from each tranche's drawdown. The conversion price for each tranche is equal to the lower of 92% of an agreed VWAP formula prior to a conversion notice or 130% of the 5-day VWAP on the day prior to the issuance of the tranche. The terms of the financing agreement also require Swift to issue 2,000,000 ordinary shares for no consideration as "collateral shares", which can be used for the conversion of the notes or may be bought back by the Company for nominal consideration upon maturity.

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

Dividends Paid or Recommended

No dividends were paid or recommended during the year (2018: nil).

INFORMATION ON THE DIRECTORS

Darren Smorgon – Non-Executive Chairman (appointed 26 June 2019)

Mr Smorgon has been a Non-Executive Director of Swift's board since February 2019 after having previously served on the board of Medical Media for more than two years prior to its acquisition by Swift. He was appointed to Non-Executive Chairman in June. He is Managing Director of Sandbar Investments, a Sydney based family office. Prior to that, he spent 16 years at CHAMP Private Equity where he led several deals in the mining services, education and media sectors including the privatisation and subsequent re-listing of oOh!Media Limited (ASX: OML). He is also a current Non-Executive Director and Chairman of the Remuneration Subcommittee of oOh!Media, 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 14 years working within the various companies owned by the Sofoulis family. Ryan worked at 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 US, UK, Ireland and Australia.

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

DIRECTORS' REPORT

INFORMATION ON THE DIRECTORS (CONTINUED)

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 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 listed on the Singapore Exchange.

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

Special responsibilities include member of the Remuneration committee.

Paul Doropoulos – Non-Executive Director

Paul Doropoulos has approximately 23 years' combined experience in an Executive Consultant capacity to ASX listed companies in the oil and gas and mining services sectors. He was instrumental in overseeing the successful ASX listing of junior gold explorer Metaliko Resources Ltd in 2010 and Kinetiko Energy Limited in 2011. In addition, he also held simultaneously the position of Chief Financial Officer in both companies. Paul is a founding participant to the establishment of the philanthropic Jackman Furness Foundation for the Performing Arts in Western Australia Paul holds a Bachelor of Business Degree with Finance.

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

Special responsibilities include member of the Remuneration committee.

Carl Clump – Non-Executive Chairman (resigned 15 February 2019)

Carl Clump has been the CEO of a public listed company on the London Stock Exchange, an AIM listed company, a private equity backed company and two start-ups, as well as being Group Managing Director for a VC backed entity. He holds a number of Non-Executive and advisory roles. Until July 2014, he was the Chairman of the cards and payment division of a European Private Bank.

He is a special advisor to Jacanda Capital, a boutique advisory company headquartered in Sydney. Carl has an MBA from the Cranfield School of Management, a post-graduate diploma in Management Studies and a University of London Degree in Physics.

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

Special responsibilities include member of the Remuneration committee.

Xavier Kris – Executive Director and Chief Executive Officer (resigned 26 June 2019)

Xavier Kris is an international C-level executive with experience as a Chief Executive building global businesses and delivering results. Xavier has led multiple international businesses within transactional processing companies, the Harpur Group and International Card Services followed by Motorcharge Australia. Xavier is a founding partner of Boardroom Capital, a boutique corporate advisory firm based in Perth, Western Australia. Xavier holds an English Law and French Degree and a Master of Business Administration.

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

DIRECTORS' REPORT

INFORMATION ON THE DIRECTORS (CONTINUED)

Stephen Hewitt-Dutton – Company Secretary

Mr Hewitt-Dutton has over 24 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, and is an affiliate of the Institute of Chartered Accountants and a Senior Associate of FinSIA.
Before joining Trident Capital, Mr Hewitt-Dutton was an Associate Director of Carmichael Corporate. He has also held Financial Controller and Company Secretary positions for both public and private companies for in excess of 18 years.

DIRECTORS' REPORT

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	Performance Rights
Mr C Clump	1,803,689	260,000	-	-
Mr X Kris*	4,805,300	820,000	2,696,460	-
Mr P Doropoulos*	2,568,670	715,000	156,174	-
Mr Ryan Sofoulis	54,000	-	-	-
Mr Robert Sofoulis**	63,873,334	-	-	-
Mr Darren Smorgon***	-	-	-	750,000

*includes all performance rights and options issued under Swift's Executive Incentive Plan (refer to Note 20)
**includes performance shares relating to the share sale agreement of Swift Networks Pty Ltd and Wizzie Pty Ltd (refer to Note 14)
***options granted on appointment as Non-Executive Chairman on 26 June 2019, subject to shareholder approval and excludes ordinary shares and performance shares held indirectly via Sandbar Investments Pty Ltd, an entity controlled by a close family member that holds an investment in Medical Media Investments Pty Ltd.

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 2019 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 C Clump	8	8	5	5
Mr X Kris	14	14	-	-
Mr P Doropoulos	14	13	6	6
Mr Ryan Sofoulis	14	14	-	-
Mr Robert Sofoulis	14	14	6	6
Mr D Smorgon	6	6	1	1

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.

DIRECTORS' REPORT

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 2019 financial year:

Executive Chairman, Non-Executive Directors and Key Personnel

Name	*Position*
Mr D Smorgon	Non-Executive Chairman (appointed 26 June 2019)
Mr P Doropoulos	Non-Executive Director
Mr Robert Sofoulis	Non-Executive Director
Mr Ryan Sofoulis	Executive Director
Mr G Nicholls	Chief Financial Officer
Mr C Clump	Non-Executive Chairman (resigned 15 February 2019)
Mr X Kris	Executive Director & Chief Executive Officer (resigned 26 June 2019)

Note: Ms Pippa Leary was appointed Chief Executive Officer on 26 June 2019, commencing after 1 July 2019, she will be a key management personnel.

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 engaged an independent remuneration consultant (Godfrey Remuneration Group) to advise on a compensation packages that will include a mix of fixed and variable compensation, and short- and long-term performance-based incentives.

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 Chairman Mr Darren Smorgon and non-executive Directors Mr Robert Sofoulis and Mr Paul Doropoulos.

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

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.

	2019	2018	2017	2016
Loss after income tax	(6,905,498)	(7,728,812)	(1,364,198)	(5,249,924)
Basic earnings/loss (cents per share)	(5.2)	(6.9)	(1.6)	(22.3)
Increase/ (decrease) share price (%)	(35)	24	34	-
Dividend payments	-	-	-	-

Key Management Personnel Remuneration

The key management personnel of the Company are the Directors 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 2019 are as follows:

		Short Term Employee Benefits				Post-Employment			
		Salary & Fees (Cash)	Annual Leave[1]	Share Based Payments[2] (Cash settled)	Share Based Payments[2]	Non-Cash[3]	Super-annuation	Other[9]	Total	% Perfor-mance Related
		$	$	$	$	$	$	$	$	
C Clump[4]	2019	37,143	-	-	-	3,328	-	-	**40,471**	-
	2018	49,000	-	-	-	4,103	-	-	**53,103**	-
X Kris[5]	2019	436,000	-	-	366,392	5,324	3,420	200,000	**1,011,136**	**36%**
	2018	436,000	-	-	829,138	4,103	3,420	-	**1,272,661**	**65%**
P Doropoulos[6]	2019	48,000	-	-	-	5,324	4,560	-	**57,884**	-
	2018	37,000	-	20,100	192,073	4,103	3,515	-	**256,791**	**82%**
Ryan Sofoulis	2019	145,904	3,191	-	-	5,324	13,861	-	**168,280**	-
	2018	136,000	(2,654)	-	-	4,103	12,920	-	**150,369**	-
Robert Sofoulis	2019	48,000	-	-	-	5,324	4,560	-	**57,884**	-
	2018	137,500	-	-	-	4,103	36,000	-	**177,603**	-
G Nicholls[7]	2019	192,346	950	-	130,430	-	18,273	-	**341,999**	**38%**
	2018	180,625	5,462	-	73,473	-	17,159	-	**276,719**	**27%**
D Smorgon[8]	2019	16,000	-	-	657	1,996	1,520	-	**20,173**	**3%**
Total	**2019**	**923,393**	**4,141**	**-**	**497,479**	**26,620**	**46,194**	**200,000**	**1,697,827**	**29%**
	2018	**976,125**	**2,808**	**20,100**	**1,094,684**	**20,515**	**73,014**	-	**2,187,246**	**50%**

[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] FY 2019 figures represent the period 1 July 2018 to the date of resignation (15 February 2019)
[5] FY 2019 figures include Share Based Payments of $111,644 relating to FY 2018 and $254,748 for FY 2019
[6] FY 2018 figures include Share Based Payments offered whilst in the role of Chief Financial Officer forming part of the FY 2017 salary package
[7] FY 2019 figures include Share Based Payments of $53,136 relating to FY 2018 and $77,294 for FY 2019
[8] FY 2019 figures represent the period from the date of appointment (15 February 2019)
[9] Other includes termination benefit payable to Xavier Kris upon termination of contract, this was paid in July 2019

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

Details of Share Based Payments

	Remuneration Type	Grant Date	Number Granted	Grant Value ($)	As at 30 June 2019	
					Number vested and exercisable	Number unvested
Mr G Nicholls	Performance Shares (2018 STIP)	14 December 2017	205,232	73,473	205,232	-
	Performance Shares (2018 LTIP)	10 August 2018	132,839	53,136	-	132,839
	Performance Shares (2019 STIP)	30 November 2018	226,006	-	-	-
	Performance Shares (2019 LTIP)	30 November 2018	339,008	77,294	-	339,008
Mr X Kris	Class A Performance Rights (2017 LTIP)	5 September 2017	452,841	168,046	452,841	-
	Class B Performance Rights (2017 LTIP)	5 September 2017	452,841	184,483	-	-
	Share Appreciation Rights (2017 LTIP)	5 September 2017	452,841	204,405	-	-
	Deferred Options (2017 STIP)	5 September 2017	181,176	90,588	181,176	-
	Performance Shares (2018 STIP)	14 December 2017	507,307	181,616	507,307	-
	Performance Shares (2018 LTIP)	14 November 2018	437,818	111,644	-	437,818
	Performance Shares (2019 STIP)	30 November 2018	558,659	-	-	-
	Performance Shares (2019 LTIP)	30 November 2018	1,117,318	254,748	-	1,117,318
Mr P Doropoulos	Class A Performance Rights (2017 LTIP)	5 September 2017	156,174	57,955	156,174	-
	Class B Performance Rights (2017 LTIP)	5 September 2017	156,174	63,624	-	-
	Share Appreciation Rights (2017 LTIP)	5 September 2017	156,174	70,494	-	-
	Cash Settled (2017 STIP)	N/A	-	20,100	-	-
Mr D Smorgon	Ordinary Share Rights	26 June 2019	750,000	120,000	-	750,000

The amounts paid per ordinary share on the exercise of options at the date of exercise were as follows:

Exercise Date	Amount paid per share
27 October 2017	$0.50

No amounts are unpaid on any shares issued on the exercise of options.

2017 EXECUTIVE INCENTIVE PLAN

The issue of Deferred Options, Performance Rights and Share Appreciation Rights under an Executive Incentive Plan (EIP) to Swift directors Mr Kris and Mr Doropoulos and other selected senior executives was approved by shareholders at the Group's Annual General Meeting (AGM) held on 27 October 2017.

As part of the 2017 EIP, at the discretion of the Board, Mr Doropoulos was granted a short-term incentive cash settlement option of $20,100, which were applied converting SW1 options to ordinary shares.

Deferred Options

Entitled holders are to receive one share for each option exercised. No consideration is payable on the exercise of the options. Under the EIP, Deferred Options form part of the bonus pool which may be paid in cash, deferred options or a combination of both, as determined at the discretion of the Board. **Vesting conditions have now been satisfied and <u>fully vested</u> on 1 July 2019.**

REMUNERATION REPORT – AUDITED (CONTINUED)

Performance rights

Performance rights are rights to receive shares in the event that certain Vesting Conditions are met, and the Performance Rights are exercised.

The company's performance period is 3 years from 1 July 2016 to 30 June 2019. The vesting date is 1 July 2019 subject to the satisfaction of the following vesting conditions:

Class A Performance Rights	Class B Performance Rights
If the Company achieves compound annual growth in Baseline EBITDA of 268%, then 50% of the PR's will vest. Management have attributed a 100% probability of rights vesting. If the Company achieves compound annual growth in Baseline EBITDA above 268% but less than 532%, then between 50% and 100% of the PR's will vest. Management have attributed a 100% probability of rights vesting. If the Company achieves compound annual growth in Baseline EBITDA above 532%, then 100% of the PR's will vest. Management have attributed a 100% probability of rights vesting. **Vesting conditions for Class A Performance Rights were satisfied and have now fully vested on 1 July 2019.**	If the Company's relative Total Shareholder Return (TSR) ranking is between P50th of the Small Industrials Index (XSI), 0% of the PR's will vest If the Company's relative Total Shareholder Return (TSR) ranking is P50th of the XSI, 50% of the PR's will vest If the Company's relative Total Shareholder Return (TSR) ranking is between P50th and P75th of the XSI, between 50% and 100% of the PR's will vest If the Company's relative Total Shareholder Return (TSR) ranking is above P75th of the XSI, 100% of the PR's will vest **Vesting conditions for Class B Performance Rights were not satisfied and have now been cancelled.**

Share Appreciation Rights (SAR)

Are rights to receive the value equal to the increase in the value of the Share above the applicable grant price in the event that certain vesting conditions are met and the Share Appreciation Rights are exercised. The company's performance period is 3 years from 1 July 2016 to 30 June 2019. The vesting date is 1 July 2019 subject to the satisfaction of the following vesting conditions:

Share Appreciation Rights
If cumulative growth in the grant price is less than 106%, no SARs will vest If cumulative growth in the grant price is 106%, 50% of the SARs will vest If cumulative growth in the grant price is above 106% but less than 170%, then between 50% and 100% of SARs will vest on a pro rata basis If cumulative growth in the grant price is 170% or above, 100% of the SARs will vest **Vesting conditions for Share Appreciation Rights were not satisfied and have now been cancelled.**

Note: vesting conditions for the Class B Performance Shares and Share Appreciation Rights were measured against market related benchmarks have not been satisfied and both rights have been cancelled, however no adjustment to the Profit & Loss Statement has been made in accordance with AASB2 Share Based Payments.

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

Valuation

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

	Deferred Options	Class A Performance Rights	Class B Performance Rights	Share Appreciation Rights
Method	Black Scholes	Monte Carlo	Hybrid ESO	Hybrid ESO
Spot price	50 cents	50 cents	50 cents	50 cents
Strike price	0 cents	0 cents	0 cents	0 cents
Time to maturity	5 years	3 years	5 years	5 years
Volatility	75.00%	75.00%	75.00%	75.00%
Risk free rate	2.28%	1.87%	1.87%	1.87%
Probability of vesting	N/a	75.00%*	N/a	N/a
Fair value per unit (cents)	50.0000	37.1093	40.7390	45.1383

*This is the weighted average of probability

The Company engaged an independent expert to provide the valuations, which are summarised below:

Recipient	Deferred options		Class A Performance Rights		Class B Performance Rights		Share Appreciation Rights		Total
	Number	$ Total fair value	Number	$ Total fair value	Number	$ Total fair value	Number	$ Total fair value	$ Total fair value
Mr X Kris	181,176	90,588	452,841	168,046	452,841	184,483	452,841	204,405	647,522
Mr P Doropoulos	-	-	156,174	57,955	156,174	63,624	156,174	70,494	192,073
Total	**181,176**	**90,588**	**609,015**	**226,001**	**609,015**	**248,107**	**609,015**	**274,899**	**839,595**

There was no impact on the 2017 Executive Incentive Plan at year ended 30 June 2019.

REMUNERATION REPORT – AUDITED (CONTINUED)

2018 EXECUTIVE INCENTIVE PLAN

In December 2017, the Company approved the 2018 Executive Incentive Plan and issued a Participation Offer for its Short-Term Incentive Plan (STIP). As per the rules of the STIP, awards may be paid in cash or Rights, or a combination of both, as determined at the discretion of the Board. For each participant the Company will select Key Performance Indicators (KPI's) by applying the following steps:

- Identifying broad assessment areas that a relevant to the participants
- Identifying Key Results Areas (KRA) (for example, EBITDA, strategic objectives, individual contribution)
- Selecting KPIs for each KRA

Performance goals are then set at three levels below:

- Threshold is achievement of Budgeted non IFRS EBITDA
- Target is 20% outperformance of non IFRS Budgeted EBITDA
- Stretch is 150% outperformance of Budgeted non IFRS EBITDA

Valuation
At 30 June 2018 the value of individual awards based on the Company's STIP have been calculated by an independent expert assessment as at reporting date and are summarised below:

Recipient	Threshold Award ($)	Target Award ($)	Stretch Award ($)	No of Rights	Total Awarded ($)	Total Opportunity ($)	Awarded (%)
Mr X Kris	Exceeded	Exceeded	Exceeded	507,307	181,616	200,000	91
Mr G Nicholls	Exceeded	Exceeded	Exceeded	205,232	73,473	80,910	91
Total				**712,539**	**255,089**	**280,910**	

The actual value of these awards has been determined by reference to the volume weighted price at which the Company's shares were traded on the ASX over the 10 trading days up to and including 30 June 2018.

There is no impact on 2018 STIP at year ended 30 June 2019.

Vesting conditions for the Company's FY 2018 STIP were satisfied and the associated entitlements fully vested on 1 July 2019.

In August 2018, the Company issued Participation Offer for its Long-Term Incentive Plan (LTIP). The issue of Performance Rights under the FY18 LTIP to Mr X Kris was approved by shareholders at the Group's Annual General Meeting (AGM) held on 14 November 2018. As per the rules of the LTIP, awards may be paid in cash or Rights, or a combination of both, as determined at the discretion of the Board.

Valuation

At 31 December 2018 the value of individual awards based on the Company's LTIP have been calculated by an independent expert assessment as at 14 November 2018 for Mr X Kris and 10 August 2018 for all remaining participants, and are summarised below:

Recipient	Threshold Award ($)	Target Award ($)	No of Rights	Total Awarded ($)
Mr X Kris	Exceeded	Exceeded	437,818	111,644
Mr G Nicholls	Exceeded	Exceeded	132,839	53,136
Total			**570,657**	**164,780**

The share based payment of $164,780 for the 2018 LTIP was expensed at year ended 30 June 2019.

REMUNERATION REPORT – AUDITED (CONTINUED)

2019 Executive Incentive Plan

The Company approved the 2019 Executive Incentive Plan and issued Participation Offer for its Short-Term Incentive Plan (STIP) and Long-Term Incentive Plans (LTIPs) on 5 October 2018. As per the rules of the STIP, awards may be paid in cash or Rights, or a combination of both, as determined at the discretion of the Board. For each participant the Company will select Key Performance Indicators (KPI's) by applying the following steps:
- Identifying broad assessment areas that a relevant to the participants
- Identifying Key Results Areas (KRA) (for example, EBITDA, strategic objectives, individual contribution)
- Selecting KPIs for each KRA

Performance goals are then set at three levels below:
- Threshold is achievement of Budgeted non IFRS EBITDA
- Target is 20% outperformance of non IFRS Budgeted EBITDA
- Stretch is 150% outperformance of Budgeted non IFRS EBITDA

Note: as the performance criteria was not met for the 2019 STIP, no expense is recorded in Profit & Loss Statement for these entitlements.

Valuation

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

	STI Rights 5 October 2018	LTI Performance Rights 5 October 2018
Method	Share Price at grant date	Monte Carlo
Spot price	32.50 cents	32.50 cents
Strike price	0 cents	0 cents
Time to maturity	0.74 years	2.74-3.74 years
Volatility	71.00%	71.00%
Risk free rate	1.87%	2.03%-2.14%
Fair value per unit (cents)	32.5000	22.8000

The Company engaged an independent expert to provide the valuations, which are summarised below:

Recipient	FY 19 STI Performance Rights 5 October 2018		FY 19 LTI Performance Rights 5 October 2018	
	Number	$ Total fair value	Number	$ Total fair value
Mr X Kris	558,659	181,564	1,117,318	254,749
Mr G Nicholls	226,006	73,452	339,008	77,294
Total	**784,665**	**255,016**	**1,456,326**	**332,043**

There was no share based payment recorded for the 2019 STIP. Share based payment of $332,043 for the 2019 LTIP was expensed at year ended 30 June 2019.

On 26 June 2019, Darren Smorgon was granted 750,000 ordinary share rights which will be issued following 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 Chairman for the 2 years. At 30 June 2019, a share based payment of $657 was recorded.

REMUNERATION REPORT – AUDITED (CONTINUED)

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 letter agreements for Director Fees as follows:

Mr C Clump	$60,000 per annum plus statutory superannuation
Mr X Kris	$36,000 per annum plus statutory superannuation
Mr P Doropoulos	$48,000 per annum plus statutory superannuation
Mr Ryan Sofoulis	$36,000 per annum plus statutory superannuation
Mr Robert Sofoulis	$48,000 per annum plus statutory superannuation
Mr D Smorgon*	$48,000 per annum plus statutory superannuation*

Mr Clump's letter agreement was terminated upon the date of his resignation as Non-Executive Chairman (15 February 2019).

*Mr Smorgon's letter agreement was entered into upon the date of his appointment as Non-Executive Director (15 February 2019). On 26 June 2019, Mr D Smorgon commenced his role as Non-Executive Chairman, refer to note (v) below.

(ii) 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 $120,000 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) 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 $200,000 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.

(iv) In March 2019 the Company and Mr Kris, amended his existing service agreements for the provision of corporate consultancy services as Chief Executive Officer. The services agreement has a termination date of 31 December 2019. Under the terms, Mr Kris' would be engaged as CEO and Interim Executive Chairman until 30 June 2019. Mr Kris would be paid a Services Completion Fee of 6 times the monthly services fee on 1 July 2019. From 1 July 2019 Mr Kris would provide Interim Executive Chairman services until the appointment of a new Chairman and continue to provide general commercial consulting services to the Board and the CEO through until the termination date. Mr Kris will provide services for no less than 65 hours per month which will be charged at a rate of $300 per hour exclusive of GST. Mr Kris will be paid a Services Completion Fee of 1.5 times the monthly services fee on the first business day following 31 December 2019.

(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 is subject to shareholder approval.

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

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 2018 No.	Received during the year upon satisfaction of performance milestones	Other changes during the year	Ordinary Shares Held at 30 June 2019 No.
Directors				
Mr C Clump	1,803,689	-	-	**1,803,689**
Mr X Kris	4,805,300	-	-	**4,805,300**
Mr P Doropoulos	2,568,670	-	-	**2,568,670**
Mr Ryan Sofoulis	54,000	-	-	**54,000**
Mr Robert Sofoulis	30,185,000	16,666,667	355,000	**47,206,667**
Mr D Smorgon*	-	-	-	**-**
Mr G Nicholls	-	-	-	**-**

*excludes ordinary shares and performance shares held indirectly via Sandbar Investments Pty Ltd, an entity controlled by a close family member that holds an investment in in Medical Media Investments Pty Ltd.

Rights to deferred shares of 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 2018 No.	Performance Rights granted during the year	Performance Rights cancelled during the year	Held at 30 June 2019 No.
Directors				
Mr C Clump	-	-	-	**-**
Mr X Kris	1,412,989	2,113,795	(1,011,500)	**2,515,284**
Mr P Doropoulos	312,348	-	(156,174)	**156,174**
Mr Ryan Sofoulis	-	-	-	**-**
Mr Robert Sofoulis	-	-	-	**-**
Mr D Smorgon*	-	750,000	-	**750,000**
Mr G Nicholls	205,232	697,853	(226,006)	**677,079**

*excludes ordinary shares and performance shares held indirectly via Sandbar Investments Pty Ltd, an entity controlled by a close family member that holds an investment in in Medical Media Investments Pty Ltd.

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

	Held at 30 June 2018 No.	Share Appreciation Rights granted/(cancelled) during the year	Held at 30 June 2019 No.
Directors			
Mr C Clump	-	-	-
Mr X Kris	452,841	(452,841)	-
Mr P Doropoulos	156,174	(156,174)	-
Mr Ryan Sofoulis	-	-	-
Mr Robert Sofoulis	-	-	-
Mr D Smorgon	-	-	-
Mr G Nicholls	-	-	-

	Held at 30 June 2018 No.	Deferred Options granted/(cancelled) during the year	Held at 30 June 2019 No.
Directors			
Mr C Clump	-	-	-
Mr X Kris	181,176	-	**181,176**
Mr P Doropoulos	-	-	-
Mr Ryan Sofoulis	-	-	-
Mr Robert Sofoulis	-	-	-
Mr D Smorgon	-	-	-
Mr G Nicholls	-	-	-

Option holdings of 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 2018 No.	Exercised during the year	Granted as compensation	Held at 30 June 2019 No.	Options vested & exercisable at year end
Directors					
Mr C Clump	**260,000**	-	-	**260,000**	**260,000**
Mr X Kris	**820,000**	-	-	**820,000**	**820,000**
Mr P Doropoulos	**715,000**	-	-	**715,000**	**715,000**
Mr Ryan Sofoulis	-	-	-	-	-
Mr Robert Sofoulis	-	-	-	-	-
Mr D Smorgon	-	-	-	-	-
Mr G Nicholls	-	-	-	-	-

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

Loans with key management personnel

During the year, the Company advanced the following funds to the Directors and their related parties:

	2019 $	2018 $
Funds owed by Xavier Kris	275,000	275,000
Payments made[1]	(275,000)	
Closing balance	-	275,000

[1]An unsecured loan was drawn on 30 April 2018 and repayable by no later than 30 April 2019. It is subject to an arm's length interest rate, payable within 5 business days of the last day of the month. The loan was repaid in full on 16 August 2018.

Other transactions with key management personnel

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.

		2019 $	2018 $
(i)	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.	434,261	433,538
(ii)	Amounts received from Wenro Holdings Pty Ltd, a company of which Robert Sofoulis is a director and Ryan Sofoulis is associated with, as an incentive for the renewal of an operating lease	-	439,523
(iii)	Amounts received from Wenro Holdings Pty Ltd, a company of which Robert Sofoulis is a director and Ryan Sofoulis is associated with, for Project Management Services provided by the Company in relation to renovation of office premises	-	71,500
	<u>Amounts outstanding at reporting date</u> Aggregate amount payable to Key Management Personnel and their related entities at reporting date.		
	Payables	36,851	57,543
	Receivables	-	275,000

Robert Sofoulis is entitled to performance shares relating to the share sale agreement of Swift Networks Pty Ltd and Wizzie Pty Ltd (refer to Note 14)

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 in Medical Media Investments Pty Ltd. (refer to Notes 14 and 30).

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

	2019 $	2018 $
Transactions with other related parties		
Entities managed by Key Management personnel		
Share based payments to KMP - non-cash	497,479	1,094,684
Share based payments to KMP - cash settled	-	20,100
Total share-based payments	497,479	1,114,784

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

Voting and comments made at the Company's 2018 Annual General Meeting

The approval of the remuneration report was passed as indicated in the results of the Annual General Meeting dated 15 November 2018, with 99% voting in favour. The Company did not receive specific feedback at the AGM or throughout the year on its remuneration practices.

This is the end of the Audited Remuneration Report.

DIRECTORS' 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	6,133,333
31 May 2017	31 May 2021	$0.35	1,000,000
31 May 2017	31 May 2021	$0.42	1,000,000
			8,133,333

750,000 options exercised during the financial year (refer to Note 17).

INDEMNIFICATION AND INSURANCE OF DIRECTORS

During the financial year, Swift Media Limited paid a premium of $26,620 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 and BDO Corporate Finance 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 26.

DIRECTORS' REPORT

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 2018 to 30 June 2019 the directors have assessed that there are no current reporting requirements, but the Group may be required to do so in the future.

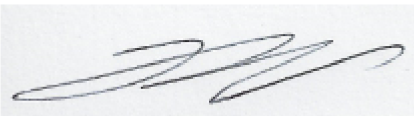
PROCEEDINGS ON BEHALF OF THE COMPANY

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 30th day of September 2019.

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 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the 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, 30 September 2019

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
(FORMERLY SWIFT NETWORKS GROUP LIMITED)
ABN 54 006 222 395

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Continuing Operations			
Revenue from contracts with customers	3	24,713,183	22,279,804
Cost of sales		(12,519,690)	(13,017,786)
Gross Profit		**12,193,493**	**9,262,018**
General & administration expenses	4	(9,832,031)	(6,567,204)
Other income	3	159,637	31,474
Depreciation and amortisation expenses		(3,305,605)	(2,581,170)
Amortisation expense of right of use assets		(832,016)	-
Other expenses	4	(5,248,204)	(7,591,821)
Finance costs		(222,744)	(112,856)
Loss before income tax expense		**(7,087,470)**	**(7,559,559)**
Income tax (expense)/benefit	5	181,972	(169,253)
Loss after income tax (expense)/benefit		**(6,905,498)**	**(7,728,812)**
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		**(6,905,498)**	**(7,728,812)**

	Note	Cents	Cents
Loss per share attributable to the members of Swift Media Limited:			
Basic loss per share	29	(5.2)	(6.9)
Diluted loss per share	29	(5.2)	(6.9)

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

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
(FORMERLY SWIFT NETWORKS GROUP LIMITED)
ABN 54 006 222 395

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Current Assets			
Cash and cash equivalents	6	422,771	3,201,819
Trade and other receivables	7	5,275,916	3,447,658
Inventory	8	531,708	1,062,177
Other current assets		494,569	605,529
Total Current Assets		**6,724,964**	**8,317,183**
Non Current Assets			
Trade and other receivables	7	3,502,557	1,079,985
Property, plant and equipment	9	3,120,664	1,886,519
Right of use assets	15	2,537,528	-
Other non current assets	16	454,630	-
Deferred tax assets	5	3,379,003	826,217
Intangible assets	10	19,161,986	13,167,992
Total Non Current Assets		**32,156,368**	**16,960,713**
Total Assets		**38,881,332**	**25,277,896**
Current Liabilities			
Trade and other payables	11	8,110,543	5,469,329
Contract liabilities	16	1,375,876	254,930
Provisions	12	639,182	505,650
Borrowings	13	2,455,086	-
Financial liabilities	14	3,666,667	9,350,000
Lease liabilities	15	1,222,358	-
Total Current Liabilities		**17,469,712**	**15,579,909**
Non Current Liabilities			
Provisions	12	17,816	311,599
Financial liabilities	14	7,568,522	937,500
Lease liabilities	15	1,878,067	-
Contract liabilities	16	48,960	270,400
Deferred tax liabilities	5	1,456,457	318,225
Total Non Current Liabilities		**10,969,822**	**1,837,724**
Total Liabilities		**28,439,534**	**17,417,633**
Net Assets		**10,441,798**	**7,860,263**
Equity			
Issued capital	17	47,028,669	38,437,650
Reserves	18	3,628,978	2,470,044
Accumulated losses	19	(40,215,849)	(33,047,431)
Total Equity		**10,441,798**	**7,860,263**

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

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
(FORMERLY SWIFT NETWORKS GROUP LIMITED)
ABN 54 006 222 395

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2019

	Note	Issued Capital $	Reserves $	Accumulated losses $	Total $
For the year ended 30 June 2019					
At the beginning of the year		38,437,650	2,470,044	(33,047,431)	**7,860,263**
Change in accounting policy	32	-	-	(262,920)	**(262,920)**
Restated total equity at 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**
- Issue of ordinary shares in consideration for business combination	30	4,500,000	-	-	**4,500,000**
- Issued as equity on deferred consideration	14	3,916,667	-	-	**3,916,667**
- Options granted		112,500	-	-	**112,500**
- Share issue costs net of tax		(38,148)	-	-	**(38,148)**
Share based payments		-	1,158,934	-	**1,158,934**
At the end of the year		**47,028,669**	**3,628,978**	**(40,215,849)**	**10,441,798**
For the year ended 30 June 2018					
At the beginning of the year		30,768,966	774,652	(25,402,635)	**6,140,983**
Total comprehensive loss for the year		-	-	(7,728,812)	**(7,728,812)**
Transactions with shareholders in their capacity as shareholders:					
- Placement of shares		5,724,000	-	-	**5,724,000**
- Options granted		2,307,500	-	-	**2,307,500**
- Share issue costs (net of tax)		(362,816)	-	-	**(362,816)**
Share based payments		-	1,695,392	-	**1,695,392**
Prior year tax effect adjustment		-	-	84,016	**84,016**
At the end of the year		**38,437,650**	**2,470,044**	**(33,047,431)**	**7,860,263**

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated	
		2019	**2018**
		$	**$**
Cash Flows from Operating Activities			
Cash receipts in the course of operations		18,111,127	20,803,518
Cash payments in the course of operations		(20,364,621)	(18,079,477)
Finance costs		(222,744)	(112,856)
Interest received		159,637	31,474
Net cash inflows/ (outflows) from operating activities	21	**(2,316,601)**	**2,642,659**
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(1,151,782)	(1,265,779)
Net cash (paid)/acquired on acquisition	30	751,720	(5,557,257)
Payment for development expenditure		(1,827,546)	(1,300,394)
Net cash outflows for investing activities		**(2,227,608)**	**(8,123,430)**
Cash Flows from Financing Activities			
Proceeds from issue of shares		112,500	6,807,500
Payment of share issue costs		(38,148)	(362,816)
Proceeds from borrowings		3,499,999	3,000,000
Repayments of borrowings		(1,044,913)	(3,000,000)
Repayments of lease liabilities		(764,277)	-
Net cash inflows from financing activities		**1,765,161**	**6,444,684**
Net increase/(decrease) in cash and cash equivalents		(2,779,048)	963,913
Cash at the beginning of the year		3,201,819	2,237,906
Cash at the end of the year	6	**422,771**	**3,201,819**

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

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.

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 for the year ended 30 June 2019 of $6,905,498 (2018: loss of $7,728,812) and net cash outflows from operating activities of $2,316,601 (2018: cash inflow of $2,642,659).

The Group's net current liability position at year end is due to the current liability classification of bank borrowings of $2,455,086 and financial liabilities of $3,666,667 relating to issue of performance shares as partial deferred consideration for the acquisition of the respective business which is expected to be converted to equity pursuant to the respective acquisition agreement. The Company has $2,044,914 unused working capital facility available on its total $4,500,000 Bankwest facility, and is in compliance with all of its loan covenants that govern the facility.

On 20 September 2019 Swift entered into a financing agreement with L1 Capital Global Opportunities Fund and Lind Global Macro Fund LP for up to $3,600,000. The funding will provide the necessary capital to fund strategic initiatives under the new Swift leadership team.

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

2. Statement of Significant accounting policies

Basis of Preparation (continued)

- 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 reports, 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, with receipts are expected through commercialisation of the Group's products and services.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements or raise additional capital through equity or debts raisings and that the annual financial report does not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Group not continue as a going concern and meet its debt as and when they become due and payable.

New and amended standards adopted by Swift Media Limited
The accounting policies applied and methods of computation for the year ended 30 June 2019 are consistent with those of the annual financial report for the year ended 30 June 2018 with the exceptions of the adoption of new accounting standards as below:

AASB 9 Financial Instruments
The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost.
The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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 ECL is based on either the 12-month or lifetime ECL. The 12-month ECL is the portion of lifetime ECLs 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 ECL. 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.

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.

2. Statement of Significant accounting policies (continued)

Basis of Preparation (continued)

On the above basis, a loss allowance of $92,314 on initial recognition (refer to Note 32) and a further $163,577 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 immaterial so no loss allowance was recognised.

The Company considered the tax impact of changes arising on adoption of AASB 9, as these were not material, no adjustments were made.

AASB 15 Revenue from Contracts with Customers
The Company has adopted AASB 15 Revenue from Contracts with Customers from 1 July 2018 which resulted in changes in accounting policies and adjustments to amounts recognised in the financial statements. In accordance with the transition provisions in AASB 15, the Company has adopted the cumulative method.

Swift has revenue streams listed below and has applied the following revenue recognition methods:

- <u>Software licences</u>
  The Group sells royalty-free license key to deploy Swift's technology across agreed rooms. License is as is, and there are no future requirements of the Group to update the license or other any services. Customer is not under any obligation to acquire additional items from Swift. Customer can utilise the license at the point it has been granted to them.
  Revenue is recognised at a point in time when control of the license is passed to the customer (ie when license is granted to the customer).

- <u>Content revenue</u>
  The Group provides recurring content and support services to its customers.
  Revenue is recognised for provision of recurring content services on a consistent basis as services are provided to the customers.

- <u>Sale of equipment</u>
  The Group recognises revenue and invoices customer for payment for the provision of one-off project related goods & services (Swift system hardware/software, network infrastructure, professional services) on milestones below:
  1. Signing of PO
  2. Ordering stock
  3. Factory acceptance testing
  4. Site acceptance testing

  Revenue is recognised at a point in time when the customers obtain control of the goods and are available for use.

- <u>Advertising revenue</u>
  Revenue is recognised over time as the customer is provided with streaming and advertising services in the established network of medical practices.

2. Statement of Significant accounting policies (continued)

Basis of Preparation (continued)

Incremental costs incurred in obtaining a contract
Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained is to be recognised as an expense when incurred. Costs directly attributable to obtaining a contract, generating or enhancing resources and are expected to be on- charged to customer, will continue to be capitalised

The impact of the adoption of AASB 15 is disclosed in note 3 and note 32.

AASB 16 Leases
The Company has early adopted AASB 16 Leases from 1 July 2018. Modified retrospective approach was used, therefore the comparative information is not restated. The Company will apply the cumulative effect with an adjustment to opening retained earnings in the current period.

The Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measure at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred.
The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses if any and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if not readily available, determined the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in the profit or loss if the carrying amount of the right of use asset has been reduced to nil.

Costs associated with the short-term leases and leases of low value assets are recognised as an expense in the profit or loss.

The impact of the adoption of AASB 16 is disclosed in note 32.

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 28 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.

2. Statement of Significant accounting policies (continued)

(b) Income Tax (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. When adopting AASB 9, the Group elected not to restate prior period. Rather, differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2018.

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.

2. Statement of Significant accounting policies (continued)

(c) Financial Instruments (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 ECL is based on either the 12-month or lifetime ECL. The 12-month ECL is the portion of lifetime ECLs 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 ECL. 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.

2. Statement of Significant accounting policies (continued)

(c) Financial Instruments (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 $92,314 on initial recognition (refer to Note 32) and a further $163,577 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 immaterial so no loss allowance 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

Share-based compensation benefits are provided to employees via the executive short-term and long-term incentive plans and to non-executive directors as part of compensation. Information relating to these plans is set out in note 20.

2. Statement of Significant accounting policies (continued)

(g) Share based payments (continued)

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.

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.

2. Statement of Significant accounting policies (continued)

(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.

(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 ECL is based on either the 12 month or lifetime ECL. 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 ECL.

(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 – DES	20% - 100%

2. Statement of Significant accounting policies (continued)

(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

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 life of 5 years.

2. Statement of Significant accounting policies (continued)

(o) Intangibles (continued)

- **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.

(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.

Note: historically all expenses relating to activities undertaken to acquire new subscribers have been expensed as incurred, however no adjustment has been made to prior year comparatives as at the time of the acquisition organisational structure in place prior to the date of acquisition whereby fixed resources were allocated to the business as a whole, therefore the costs incurred to win new subscribers could not be easily separately identified nor measured reliably and accordingly no adjustment has been made in the prior year comparatives to recognise an Intangible for deferred subscriber acquisition costs

(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) Borrowing Costs

Borrowing costs are recognised in the profit or loss 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.

2. Statement of Significant accounting policies (continued)

(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.

(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.

2. Statement of Significant accounting policies (continued)

(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.

(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.

2. Statement of Significant accounting policies (continued)

(ac) Critical Accounting Estimates and Judgments

i. 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:

Identifying performance obligations

The Group provides software licences and/or 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 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.

ii. 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.

iii. *Goodwill – impairment assessment*

Goodwill impairment testing was undertaken, and no indicators of impairment have been identified. Refer to Note 10 for details of the assumptions used in these calculations.

2. Statement of Significant accounting policies (continued)

(ac) Critical Accounting Estimates and Judgments (continued)

iv. 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 spend
- Gross margin

No impairment has been recognised in respect of goodwill at the end of the reporting period. Refer to Note 10 for sensitivity analysis of above inputs

v. 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.

vi. Allowance for expected credit loss

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vii. Deferred tax assets

Deferred tax assets and liabilities have been brought to account in 2019 after considering the level of tax losses carried forward and available to the Company against future taxable profits and the probability within the future that taxable profits will be available against which the benefits of the deductible temporary difference can be claimed. The Company believes that it is probable that sufficient future taxable profits will be available against which unused tax losses can be utilised. Refer to Note 5 on breakdown of tax assets and liabilities.

viii. Business combinations

As discussed in Note 30, 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.

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.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the Company from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and

Interpretations did not have any significant impact on the financial performance or position of the Company.

Refer to Note 32 for changes in accounting policy.

Note 3. Revenue

	Consolidated	
	2019	**2018**
	$	**$**
(a) Revenue from continuing operations		
Sales revenue	24,713,183	22,279,804
	24,713,183	22,279,804
(b) Other income		
Interest	159,637	31,474
	159,637	31,474

Swift has revenue streams listed below and has applied the following revenue recognition methods:

- Software licences
  The Group sells royalty-free license key to deploy Swift's technology across agreed rooms. License is as is, and there are no future requirements of the Group to update the license or other any services. Customer is not under any obligation to acquire additional items from Swift. Customer can utilise the license at the point it has been granted to them.
  Revenue is recognised at a point in time when control of the license is passed to the customer (ie when license is granted to the customer).
- Content revenue
  The Group provides recurring content and support services to its customers.
  Revenue is recognised for provision of recurring content services on a consistent basis as services are provided to the customers.
- Sale of equipment
  The Group recognises revenue and invoices customer for payment for the provision of one-off project related goods & services (Swift system hardware/software, network infrastructure, professional services) on milestones below:
  1. Signing of PO
  2. Ordering stock
  3. Factory acceptance testing
  4. Site acceptance testing

  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 streaming and advertising services in the established network of medical practices.

Note 3. Revenue (continued)

Disaggregation of revenue:

2019	Content & Technology Revenue	Advertising Revenue	Total
	$	$	$
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.

	Consolidated 2018 $
(a) Revenue from continuing operations	
Sales revenue	22,279,804
	22,279,804
(b) Other income	
Interest	31,474
	31,474

Revenue recognised in relation to contract liabilities	**30 June 2019 $**
Revenue recognised that was included in the contract liability balance at transition date 1/7/2018	
Content & Technology revenue	398,430
Advertising revenue	-
Revenue recognised from performance obligations satisfied in previous periods	
Content & Technology revenue	-
Advertising revenue	-

Unsatisfied long-term Content & Technology and Advertising revenue	**30 June 2019 $**
Aggregate amount of the transaction price allocated to long term content and advertising revenue that are partially or fully unsatisfied as at 30 June	
Content & Technology revenue	21,630,775
Advertising revenue	4,646,802

Note 3. Revenue (continued)

As of 30 June 2019, the Group expects that 57% of the transaction price allocated to the unsatisfied contracts for Content & Technology and 82% allocated to Advertising , will be recognised as revenue in the 2020 financial year. The remaining 43% for Content & Technology and 18% for Advertising will be recognised between 2021 and 2023. As permitted under the transitional provisions in AASB 15, the transaction price allocated to unsatisfied performance obligations (partially or fully) as of 30 June 2018 is not disclosed. The Group applies the practical expedient in paragraph 121 of ASB 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Impact of adopting AASB 15 on current period financial statements

(i) Consolidated statement of financial position (extracted)

	30 June 2019	Adjustments	Balances without adoption of AASB 15
	$	$	$
Non Current Assets			
Contract assets	454,630	9,354	463,984
Inventory	531,708	(8,097)	523,611
Total assets	**38,881,332**	**1,257**	**38,882,589**
Current liabilities			
Contract liabilities	1,375,876	(64,964)	1,310,912
Non current liabilities			
Contract liabilities	48,960	-	48,960
Total liabilities	**28,439,534**	**(64,964)**	**28,374,570**
Net assets	**10,441,798**	**66,221**	**10,508,019**
Equity			
Accumulated losses	(40,215,849)	66,221	(40,166,354)
Total equity	**10,441,798**	**66,221**	**10,508,019**

(ii) Consolidated statement of profit or loss and other comprehensive income (extracted)

	30 June 2019	Adjustments	Totals without adoption of AASB 15
	$	$	$
Continuing Operations			
Revenue from contracts with customers	24,713,183	64,964	24,778,147
Cost of Sales	(12,513,960)	(8,097)	(12,522,057)
Gross Profit	**38,881,333**	**56,867**	**38,938,200**
General & Administrative Expenses			
Other Expenses	(5,248,204)	9,354	(5,238,850)
(Loss)/Profit before income tax expense	**(7,087,470)**	**66,221**	**(7,021,249)**

Note 4. Expenses

	Consolidated 2019 $	Consolidated 2018 $
(a) General & administration expenses		
Employment costs	(7,277,738)	(4,162,101)
Occupancy costs	(217,485)	(606,620)
Professional fees	(392,194)	(334,603)
Bad Debts	(22,339)	-
General and administration expenses	(1,922,275)	(1,463,880)
	(9,832,031)	(6,567,204)
(b) Other expenses		
Share based payments (refer Note 20)	(1,159,591)	(1,715,492)
Fair value loss on financial liability (refer Note 14)	(1,540,851)	(5,683,333)
Business restructure expenses	(1,162,465)	-
Acquisition related expenses	(1,162,605)	-
Other expenses	(222,692)	(192,996)
	(5,248,204)	(7,591,821)

Note 5. Taxation

	Consolidated 2019 $	Consolidated 2018 $
(a) Income tax benefit		
Major components of income tax expense are:		
Current tax	-	-
Deferred tax	181,972	(163,075)
Under/Over	-	(6,178)
Income tax (expense)/ benefit reported in the income statement	**181,972**	**(169,253)**
(b) Numerical reconciliation		
The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:	(7,087,470)	(7,559,559)
Prima facie tax payable on loss from ordinary activities before income tax at 27.5% (2018: 27.5%)	1,949,054	2,078,879
- Non deductible share based payment	(318,707)	(471,760))
- Fair value loss on financial liability		(1,562,917)
- Change in corporate tax rate from prior year	-	(136,866)
- Research and Development benefit recorded against asset	-	(112,409)
- Deferred movement	146,709	41,998
- Deferred taxes not recognised	(1,595,084)	-
- Under/over	-	(6,178)
Income tax (expense)/ benefit attributable to entity	**181,972**	**(169,253)**

Note 5. Taxation (continued)

	Consolidated	
	2019	2018
	$	$
(c) Deferred tax asset balances		
Amounts recognised in profit or loss:		
Lease liability	849,388	-
Share issue costs	-	156,843
Provisions, accruals and section 40-880 deductions	-	221,466
Carried forward tax losses	2,529,615	447,908
Deferred tax assets	**3,379,003**	**826,217**
Movements:		
Opening balance	826,217	1,406,658
Charged/(credited) to profit or loss	181,972	(664,457)
Charged to equity (Note 19)	-	84,016
Additions through business combinations (Note 30)	2,370,814	-
Closing balance	**3,379,003**	**826,217**
(d) Deferred tax liabilities balances		
Amounts recognised in profit or loss:		
Property, plant & equipment	(113,772)	-
WIP and Inventory	(35,956)	-
Intangibles	(608,909)	(318,225)
Right to use assets	(697,820)	-
Deferred tax liabilities	**(1,456,457)**	**(318,225)**
Movements:		
Opening balance	(318,225)	(64,891)
Charged/(credited) to profit or loss	-	(253,334)
Additions through business combinations (Note 30)	(1,138,232)	-
Closing balance	**(1,456,457)**	**(318,225)**

Note 6. Cash and cash equivalent

	Consolidated	
	2019	2018
	$	$
Cash at bank on hand	422,771	3,201,819
	422,771	**3,201,819**

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

Note 7. Trade and Other Receivables

	Consolidated	
	2019	2018
	$	$
Current		
Trade receivables (net of impairment)	4,870,122	3,401,497
Other receivables	405,794	46,161
	5,275,916	**3,447,658**
Non Current		
Trade receivables[1]	3,502,557	1,079,985
	3,502,557	**1,079,985**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30-60 days and are therefore classified as current. Movements in the provision for impairment of receivables are disclosed in Note 23(c), including the risk exposure analysis for Trade and Other receivables.

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 2019, current trade receivables of $974,776 (2018:$372,173) 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 32 for provision made to opening balance under AASB 9.

[1]Customers on a deferred payment plan, ranging from 2 to 5 years. Revenue has been discounted using the applicable interest rates, $167,267 interest income was recognised at 30 June 2019.

Note 8. Inventory

	Consolidated	
	2019	**2018**
	$	**$**
Inventory		
- Finished goods	400,103	345,701
- Work in progress	131,605	716,476
	531,708	**1,062,177**

Note 9. Property, Plant & Equipment

	Motor Vehicles	Software	Office it 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	-	147,174	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	10,474,904
Accumulated depreciation and impairment	(47,090)	(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**
Year ended 30 June 2018						
Opening net book amount	45,621	11,444	495,801	31,656	502,224	**1,086,746**
Additions	-	3,059	276,480	7,496	978,743	**1,265,779**
Acquired upon acquisition of subsidiaries	-	2,699	122,220	-	-	**124,919**
Disposals	-	-	-	-	-	**-**
Depreciation expense & impairment charges	(11,405)	(11,562)	(127,364)	(16,383)	(424,210)	**(590,924)**
Closing net book amount	**34,216**	**5,640**	**767,137**	**22,769**	**1,056,757**	**1,886,519**
At 30 June 2018						
Cost	91,143	148,713	1,446,198	178,061	4,198,025	**6,062,139**
Accumulated depreciation and impairment	(56,927)	(143,073)	(679,061)	(155,293)	(3,141,268)	**(4,175,620)**
Net book amount	**34,216**	**5,640**	**767,137**	**22,769**	**1,056,757**	**1,886,519**

Note 10. Intangible Assets

	Goodwill	Development Costs	Subscriber Acquisition Costs	Brand Loyalty / Customer Contracts	Supplier Contracts	Practice Sites	Other	Total
Year ended 30 June 2019								
Opening net book amount	9,891,741	1,570,691	517,996	706,965	20,602	-	459,997	**13,167,992**
Additions	-	1,827,546	-	-	-	-	-	**1,827,546**
Change in accounting policy (refer to Note 32)	-	-	(517,996)	-	-	-	-	**(517,996)**
Acquired upon acquisition of subsidiaries (refer to Note 30)	2,937,425		-	-	-	4,139,024	-	**7,076,449**
Amortisation and impairment charge	-	(1,095,963)	-	(507,481)	(20,602)	(307,962)	(459,997)	**(2,392,005)**
Closing net book amount	12,829,166	2,302,274	-	199,484	-	3,831,062	-	**19,161,986**
Cost	12,829,166	3,809,978	819,865	2,370,434	123,610	4,139,024	520,963	**24,613,040**
Accumulated amortisation and impairments	-	(1,507,704)	(819,865)	(2,170,950)	(123,610)	(307,962)	(520,963)	**(5,451,054)**
Closing net book amount	12,829,166	2,302,274	-	199,484	-	3,831,062	-	**19,161,986**
Year ended 30 June 2018								
Opening net book amount	5,539,187	548,470	228,107	216,304	-	-	478,036	**6,702,105**
Additions	-	741,834	520,507	-	-	-	38,083	**1,300,394**
Acquired upon acquisition of VOD	4,975,554	650,000	-	1,271,523	123,610	-	-	**7,155,687**
Adjustment upon PY acquisition of subsidiaries	(315,000)	-	-	450,000		-		**135,000**
Amortisation and impairment charge	-	(369,613)	(230,618)	(1,230,863)	(103,008)	-	(56,092)	**(1,990,194)**
Closing net book amount	9,891,741	1,570,691	517,996	706,965	20,602	-	459,997	**13,167,992**
Cost	9,891,741	1,982,432	819,865	2,370,434	123,610	-	520,963	**15,709,046**
Accumulated amortisation and impairments	-	(411,741)	(301,869)	(1,663,470)	(103,008)	-	(60,966)	**(2,541,054)**
Closing net book amount	9,891,741	1,570,691	517,996	706,965	20,602	-	459,997	**13,167,992**

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 $2,937,425 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. 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):

	2019 $	2018 $
Swift Networks - Intangibles	2,501,758	3,276,251
Medical Channel - Intangibles	3,831,062	-
Swift Networks - Goodwill	9,891,741	9,891,741
Medical Channel - Goodwill	2,937,425	-
	19,161,986	**13,167,992**

For the purpose of impairment testing, intangibles are allocated to two (2018: one) cash-generating units (CGUs). Due to the change in business view after the integration of the business acquired, the focus is now on the two business units profit rather than consolidated profit, effective 15 February 2019, the one existing segment is now two separate reporting segments. The CGUs and aggregate carrying amounts are structured to fall in line with the Group operations and cash flows. The Medical Channel operations is separate to the Group from 15 February 2019, please refer to note 30 Business Combinations for further details.

During the year ending 30 June 2019, there is no impairment of the CGUs (2018: nil). The recoverable amount of the CGUs are 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 2020 is based on the 2020 budget adopted by the Board. The cash flows are discounted using a pre-tax discount rate of 13.04%.

Note 10. Intangible Assets (continued)

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

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

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

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

2018	**Swift Networks**
Pre-tax discount rate	13.04%
Growth rate for Years 2 to 5	2.5%
Terminal value long term growth rate	0%
Capital spend[1]	1%
Average Gross Margin	40%

[1]FY 19 spend is in line with FY 19 Budget (5% of revenue) whilst FY20 to FY23 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.

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.

Note 10. Intangible Assets (continued)

Estimated reasonably possible changes in the key assumptions would have the following approximate impact on impairment of the identified 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
Growth rate (Years 2-5)	+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

*The movement of 10% of the Board Approved Budget revenue (FY20) with all other inputs held constant would result in the CGU being fully impaired.

Estimated reasonably possible changes in the key assumptions would have the following approximate impact on impairment of the CGU as at 30 June 2018:

	Reasonable possible change	Swift Networks	
		Impact on recoverable amount	Impact on Impairment
Pre-tax discount rate	+10%/-10%	-$2.91m/$3.56m	Nil
Growth rate (Years 2-5)	+10%/-10%	$0.19m/-$0.19m	Nil
Terminal growth rate	+10%/-10%	$0.19m/-$0.19m	Nil
Capital outlay	+10%/-10%	-$0.20m/$0.20m	Nil
Average Gross Margin	+10%/-10%	$8.97m/-$8.97m	Nil

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

Note 11. Trade and Other Payables

	Consolidated	
	2019	2018
Current	$	$
Trade Payables	3,926,880	3,751,485
Other payables and accruals	4,183,663	1,717,844
	8,110,543	**5,469,329**

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	
	2019	2018
Current	$	$
Lease Incentives for 1 Watts Place Bentley (Transfer from non current Provisions)	-	72,643
Employee and FBT provisions	639,182	433,007
	639,182	**505,650**
Non Current		
Employee provisions[1]	17,816	21,006
Lease Incentives	-	290,593
	17,816	**311,599**

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

Note 13. Borrowings

	Consolidated	
	2019	2018
Current	$	$
Bank overdraft facility	2,455,086	-
	2,455,086	**-**

The above relates to an overdraft facility from Bankwest which has a total facility limit of $4,500,000.

The Group is in compliance with its bank covenants and expects to continue to meet all covenants at the next covenant review on 31 December 2019.

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

	Consolidated 2019 $	Consolidated 2018 $
Current		
Opening balance	9,350,000	-
Converted to equity[1]	(3,916,667)	-
Less: Fair value through the P&L	(1,766,666)	-
Transfer from non current liabilities	-	9,350,000
Closing balance	**3,666,667**	**9,350,000**
Non Current		
Opening balance	937,500	4,604,167
Amount due under contract of sale - at acquisition (refer to Note 30)	3,323,505	-
Add: Fair value through the P&L	3,307,517	5,683,333
Transfer to current liabilities	-	(9,350,000)
Closing balance	**7,568,522**	**937,500**

[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 have been issued at $0.24.

The above liability relates to the potential issue of ordinary shares in Swift Media Limited to the vendors of Swift Networks Pty Ltd and Wizzie Pty Ltd, 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.

<u>Note:</u> 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 (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 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 Pty Ltd on 15 February 2019

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. 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

Note 14. Financial Liability – at Fair Value (continued)

Significant Judgement

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

Entity	At initial recognition	At 30 June 2018	At 30 June 2019	Fair value at 30 June 2019[1]
Swift Networks Pty Ltd / Wizzie Pty Ltd[1]	Milestone 1 – 20% Milestone 2 – 15%	Milestone 1 – 90% Milestone 2 – 75%	Milestone 1 – settled Milestone 2 – 100%	$3,666,666
Living Networks[2]	Milestone 1 – 50% Milestone 2 – 50%	Milestone 1 – 50% Milestone 2 – 50%	Milestone 1 – 0% Milestone 2 – 0%	-
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 – 75% Milestone 2 – 60% Milestone 3 – 50% Milestone 4 – 40% 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%	$625,000
Medical Channel Pty Ltd[1]	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%	$6,943,522
Total				**$11,235,188**

[1] Measured as share price at 30 June 2019 and managements' probability

[2] Measured under partial cash consideration, share price at 30 June 2019, and managements' probability

Note 14. Financial Liability – at Fair Value (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 – 100%	If the probability of achieving each milestone was 10% lower, the fair value would increase (decrease) by $366,667
Living Networks	Contingent consideration	Probability of achieving Milestones disclosed above	Milestone 1 – 0% Milestone 2 – 0%	If the probability of achieving each milestone was 10% higher, the fair value would increase by $25,000
Web 2 TV	Contingent consideration	Probability of achieving Milestones disclosed above	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%	If the probability of achieving each milestone was 10% higher (or lower), the fair value would increase (or decrease) by $31,250
Medical Channel Pty Ltd	Contingent consideration	Probability of achieving Milestones disclosed above	Milestone 1 – 100% Milestone 2 – 50% Milestone 3 – 25% Milestone 4 – 20% Milestone 5 – 10% Milestone 6 – 5%	If the probability of achieving each milestone was 10% higher (or lower), the fair value would increase (or decrease) by $694,352

Note 15. Leases

	Year ended 30 June 2019		
	Properties	Equipment	Total
	$	$	$
Right Of Use Assets			
Opening net book amount	-	-	-
Change in Accounting Policy (refer to Note 32)	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-19	Jun-18
	$	$
Lease liabilities[1]		
Properties Current	422,811	-
Equipment Current	799,547	-
Total Current	**1,222,358**	-
Properties Non current	1,154,422	-
Equipment Non current	723,645	-
Total Non current	**1,878,067**	-
Total	**3,100,425**	-

[1]For adjustments recognised on adoption AASB 16 on 1 July 2018, please refer to Note 32. Following adoption of AASB 16, net impact in FY 2019 is decrease in Cost of Sales and Overhead Expenses of $951,957, increase in depreciation expense of $832,016 and increase in interest expenses of $165,908 resulting in net decrease in P&L impact of $45,967.

	Properties	Equipment	Total
	$	$	$
The present value of finance lease liabilities is as follows:			
Within one year	422,811	799,547	1,222,358
Later than one year but not later than five years	1,154,422	723,645	1,878,067
Later than five years	-	-	-
Total	**1,577,233**	**1,523,192**	**3,100,425**

The Group will not apply AAS16 requirements for any short term leases of 12 months or less and for leases with low value items.

Note 16. Contracts Assets and Liabilities

	Consolidated	
	Jun-19	1 July 2018[1]
	$	$
Other Non Current assets[1]		
Contract assets relating to Advertising Revenue	200,233	-
Contract assets relating to Content & Technology Revenue	254,397	371,300
	454,630	**371,300**
Current Contract liabilities[2]		
Advertising Revenue Current	555,974	-
Content & Technology Revenue Current	819,902	254,930
	1,375,876	**254,930**
Non Current Contract liabilities[1]		
Advertising Revenue Non current	-	-
Content & Technology Revenue Non current	48,960	270,400
	48,960	**270,400**

[1]The Group has adopted cumulative effect method, under this method only balances at transition is presented.
[2]For adjustments recognised on adoption AASB 15 on 1 July 2018, refer to Note 32.

<u>Significant changes in contract assets and liabilities</u>

Contract assets have increased due to the acquisition of Medical Channel Pty Ltd on 15 Feb 2019, refer to Advertising revenue in the above table

Contract liabilities have increase due to the advance consideration received from customers for project and recurring based services, for which revenue is deferred until revenue can be recognised on the completion of those services. In addition, the acquisition of Medical Channel has contributed to the increase, refer to Advertising Revenue under Contract Liabilities, in the above table

	Consolidated	
	Jun-19	Jun-18
	$	$
Assets recognised from costs to fulfil a contract		
Asset recognised from costs incurred to fulfil a contract	927,415	-
Amortisation recognised as cost of providing services during the year	(472,785)	-
	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 bases over the term of the specific contract it relates to, in line with recognition of the associated revenue.

Note 17. Issued capital

	Consolidated 2019 $	Consolidated 2018 $
Issued capital	**47,028,669**	**38,437,650**

Movement in Ordinary Share Capital:	**30 June 2019 No.**	**30 June 2018 No.**	**30 June 2019 $**	**30 June 2018 $**
At the beginning of the year	121,062,903	90,212,903	38,437,650	30,768,966
Placements:				
- 12 July 2017		8,818,000		2,204,500
- 18 August 2017	-	9,182,000		2,295,500
Issue of shares as deferred consideration (Refer Note 14)	16,666,667	-	3,916,667	-
Issue of shares to employees (a):				
- 4 January 2019	72,213	-	-	-
- 19 March 2019	133,320	-	-	-
- 8 April 2019	71,551	-	-	-
Issue of shares in lieu of services (b)	332,226	-	100,000	-
Movie Source/VOD acquisition (31 August 2017) (c)	-	3,600,000	-	1,224,000
Medical Channel acquisition (15 February 2019) (d)	14,950,166	**-**	4,500,000	-
Options exercised during the year	750,000	9,250,000	112,500	2,307,500
Share issue costs	-	-	(38,148)	(362,816)
	154,039,046	**121,062,903**	**47,028,669**	**38,437,650**

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.

(a) Issue of shares to employees

Shares issued on conversion of 2018 STI Rights for nil consideration.

(b) Issue of shares in lieu of services

The Group issued shares in lieu of payments for corporate services in relation to the acquisition of Medical Channel Pty Ltd. The shares were issued at the share price of $0.301.

Note 17. Issued capital (continued)

(c) Movie Source/VOD acquisition

Under the terms of the Swift Networks acquisition, the Group issued 3,600,000 shares as part of the consideration paid at fair value of $0.34 per share to the vendors for the acquisition of Movie Source Pty Ltd and VOD Pty Ltd on 31 August 2017.

(d) Medical Channel acquisition

Under the terms of the Medical Channel Pty Ltd acquisition, the Group issued 14,950,166 shares at fair value of $0.30 per share as part of the consideration paid to the vendors for the acquisition of Medical Channel Pty Ltd on 15 February 2019.

Options

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**

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 2018 Annual Financial Statement.

Note 18. Reserves

	Consolidated	
	2019	2018
	$	$
Options reserves		
Opening balance	2,470,044	774,652
Options issued	1,158,934	1,695,392
Closing balance	**3,628,978**	**2,470,044**

Options reserve

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

Note 19. Accumulated losses

	Consolidated	
	2019	2018
	$	$
Accumulated losses at the beginning of the financial year	(33,047,431)	(25,402,635)
Loss after income tax expense for the year	(6,905,498)	(7,728,812)
Adoption of new accounting standards (refer to Note 32)	(262,920)	-
Tax effect adjustment relating to prior year	-	84,016
Accumulated losses at the end of the financial year	**(40,215,849)**	**(33,047,431)**

Note 20. Share based payments

2018 EXECUTIVE INCENTIVE PLAN

In December 2017 The Company approved the 2018 Executive Incentive Plan and issued Participation Offer for its Short-Term Incentive Plan (STIP). As per the rules of the STIP, awards may be paid in cash or Rights, or a combination of both, as determined at the discretion of the Board. For each participant the Company will select Key Performance Indicators (KPI's) by applying the following steps:

- Identifying broad assessment areas that a relevant to the participants
- Identifying Key Results Areas (KRA) (for example, EBITDA, strategic objectives, individual contribution)
- Selecting KPIs for each KRA

Performance goals are then set at three levels below:

- Threshold is achievement of Budgeted non IFRS EBITDA
- Target is 20% outperformance of non IFRS Budgeted EBITDA
- Stretch is 150% outperformance of Budgeted non IFRS EBITDA

Valuation

At 30 June 2018 the value of individual awards based on the Company's STIP have been calculated by an independent expert assessment as at reporting date and are summarised below:

Recipient	Threshold Award ($)	Target Award ($)	Stretch Award ($)	Stretch Award ($)	No of Rights	Total Awarded ($)
Mr X Kris	Exceeded	Exceeded	Exceeded	170,000	507,307	181,616
Mr G Nicholls	Exceeded	Exceeded	Exceeded	68,774	205,232	73,473
Other	Exceeded	Exceeded	Exceeded	375,841	979,407	401,521
Total				**614,615**	**1,691,946**	**656,610**

The actual value of these awards has been determined by reference to the volume weighted price at which the Company's shares were traded on the ASX over the 10 trading days up to and including 30 June 2018.

Vesting conditions for the Company's FY 2018 STIP were <u>satisfied</u> and the associated entitlements <u>fully vested</u> on 1 July 2019.

In August 2018, the Company issued Participation Offer for its Long-Term Incentive Plan (LTIP). The issue of Performance Rights under the FY18 LTIP to Mr X Kris was approved by shareholders at the Group's Annual General Meeting (AGM) held on 14 November 2018. As per the rules of the LTIP, awards may be paid in cash or Rights, or a combination of both, as determined at the discretion of the Board.

Valuation

At 31 December 2018 the value of individual awards based on the Company's LTIP have been calculated by an independent expert assessment as at 14 November 2018 for Mr X Kris and 10 August 2018 for all remaining participants, and are summarised below:

Recipient	Threshold Award ($)	Target Award ($)	No of Rights	Total Awarded ($)
Mr X Kris	Exceeded	Exceeded	437,818	111,644
Mr G Nicholls	Exceeded	Exceeded	132,839	53,136
Other	Exceeded	Exceeded	542,373	216,948
Total			**1,113,030**	**381,728**

Note 20. Share based payments (continued)

2019 Executive Incentive Plan

The Company approved the 2019 Executive Incentive Plan and issued Participation Offer for its Short-Term Incentive Plan (STIP) and Long-Term Incentive Plans (LTIPs) on 5 October 2018. As per the rules of the STIP, awards may be paid in cash or Rights, or a combination of both, as determined at the discretion of the Board. For each participant the Company will select Key Performance Indicators (KPI's) by applying the following steps:

- Identifying broad assessment areas that a relevant to the participants
- Identifying Key Results Areas (KRA) (for example, EBITDA, strategic objectives, individual contribution)
- Selecting KPIs for each KRA

Performance goals are then set at three levels below:

- Threshold is achievement of Budgeted non IFRS EBITDA
- Target is 20% outperformance of non IFRS Budgeted EBITDA
- Stretch is 150% outperformance of Budgeted non IFRS EBITDA

Note: as the performance criteria was not met for the 2019 STIP, no expense is recorded in Profit & Loss Statement for these entitlements.

Valuation

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

	STI Rights 5 October 2018	LTI Performance Rights 5 October 2018
Method	Share Price at grant date	Monte Carlo
Spot price	32.50 cents	32.50 cents
Strike price	0 cents	0 cents
Time to maturity	0.74 years	2.74-3.74 years
Volatility	71.00%	71.00%
Risk free rate	1.87%	2.03%-2.14%
Fair value per unit (cents)	32.5000	22.8000

The Company engaged an independent expert to provide the valuations, which are summarised below:

Recipient	FY 19 STI Performance Rights 5 October 2018		FY 19 LTI Performance Rights 5 October 2018	
	Number	$ Total fair value	Number	$ Total fair value
X Kris	558,659	181,564	1,117,318	254,749
G Nicholls	226,006	73,452	339,008	77,294
Other	1,389,244	451,439	2,062,300	470,204
Total	**2,173,709**	**706,455**	**3,518,626**	**802,247**

On 26 June 2019, Darren Smorgon was granted 750,000 ordinary share rights which will be issued following 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 Chairman for the 2 years. At 30 June 2019, a share based payment of $657 was recorded.

Note 20. Share based payments (continued)

	2019 $	2018 $
Issue of share		
Cash settled -KMP	-	20,100
Issue of options -KMP	497,479	1,094,684
Issue of options -Equity	662,112	600,708
Total	**1,159,591**	**1,715,492**

Note 21. Cash flow information

	Consolidated 2019 $	Consolidated 2018 $
(a) Reconciliation of net loss after tax to net cash flows from operations:		
Loss after tax	(6,905,498)	(7,728,812)
(a) Non-cash flows in profit:		
Depreciation expenses and assets written off	4,349,295	2,581,170
Loss allowance	255,891	-
Share based payments (settled in equity)	1,159,591	1,695,392
Fair value loss on financial liability	1,540,850	5,683,333
Income tax expense/(benefit)	(181,972)	169,253
	218,157	2,400,336
(b) Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Change in trade and other receivables	(4,514,166)	(566,387)
Change in inventories	650,468	(476,872)
Change in other current assets	(284,040)	(293,033)
Change in trade and other payables	2,446,398	2,008,946
Change in contract liabilities	(899,506)	(533,736)
Change in provisions	66,088	103,405
Cash flow provided from operations	**(2,316,602)**	**2,642,659**

	2019 $	2018 $
(b) Non-cash financing and investing activities		
Issue of 3,600,000 shares at $0.34 upon acquisition of VOD Pty Ltd		1,224,000
Issue of 14,950,166 shares at $0.30 upon acquisition of Medical Channel Pty Ltd	4,500,000	-
Issue of 16,666,667 shares at $0.24 upon completion of performance share milestone 1	3,916,667	-
	8,416,667	**1,224,000**

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 Pty Ltd 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.

		Year Ended 2019	
	Swift Networks	**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 22. Segment information (continued)

	Year Ended 2018		
	Swift Networks	Medical Channel	Total
	$	$	$
Revenue from external sources	22,279,804	-	22,279,804
Reportable segment loss	(212,308)	-	(212,308)
Reportable segment assets	25,277,896	-	25,277,896
Reportable segment liabilities	(17,417,634)	-	(17,417,634)
Reconciliation of reportable segment loss			
Reportable segment loss	(212,308)	-	(212,308)
Other revenue	31,474	-	31,474
Unallocated			
- Share based payments	(1,695,392)	-	(1,695,392)
- Fair value loss on financial liability	(5,683,333)	-	(5,683,333)
- Other	-	-	-
Loss before tax	(7,559,559)	-	(7,559,559)
Reconciliation of reportable segment assets			
Reportable segment assets	25,277,896	-	25,277,896
Unallocated	-	-	-
Total assets	25,277,896	-	25,277,896
Reconciliation of reportable segment liabilities			
Reportable segment liabilities	(17,417,634)	-	(17,417,634)
Unallocated			
- Trade and other payables	-	-	-
Total liabilities	(17,417,634)	-	(17,417,634)

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

(a) **Market risk**

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

(i) ***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.

(ii) ***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.

Exposure to interest rate risk

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

(iii) ***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 2019, 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.

(c) **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 2019 $	Consolidated 2018 $
Carrying amount		
Cash and cash equivalents	422,771	3,201,819
Trade and other receivables	8,778,473	4,527,643
	9,201,244	7,729,462

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 2019, there was no credit risk on long term receivables.

Loss Allowance	Consolidated 2019 $
Closing loss allowance as at 30 June 2018 (calculated under AASB 139)	**-**
Amounts restated through opening retained earnings (Refer to Note 32)	92,314
Opening loss allowance at 1 July 2018 – calculated under AASB 9	92,314
Increase in loss allowance recognised in profit or loss during the year	163,577
Closing loss allowance as at 30 June 2019	**255,891**

30 June 2019	**Content – Short term receivables**	**Content – Long term receivables**	**Advertising – Local Sales Debtors**	**Advertising – National Sales Debtors**	**Total**
Expected Loss Rate	1.57%	0%	21.65%	0%	
Trade Receivables	3,100,718	4,481,467	755,422	290,963	8,628,570
Loss Allowance	**(92,314)**	**-**	**(163,577)**	**-**	**(255,891)**

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-.

Note 23. Financial risk management (continued)

(d) 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	Weighted average	Maturity				
	amount	interest rate	6 months or less	6-12 months	1-2 years	More than 2 years	Total Contractual cash flows
	$	%	$	$	$	$	$
Consolidated - 2019							
Financial liabilities							
Trade payables	3,926,880	-	3,926,880	-	-	-	3,926,880
Other payables	4,183,663	-	4,183,663	-	-	-	4,183,663
Financial liability	11,235,189	-	3,666,667	-	7,568,522	-	11,235,189
Closing net book amount	**19,345,732**	**-**	**11,777,210**	**-**	**7,568,522**	**-**	**19,345,732**
Consolidated - 2018							
Financial liabilities							
Trade payables	3,751,485	-	3,751,485	-	-	-	3,751,485
Other payables	1,717,843	-	1,717,843	-	-	-	1,717,843
Financial liability	10,287,500	-	9,350,000	-	937,500	-	10,287,500
Closing net book amount	**15,756,828**	**-**	**14,819,328**	**-**	**937,500**	**-**	**15,756,828**

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.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

- Level 1: The fair value of financial instruments trade in active markets (such as policy traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is in the current bid price. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are no traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

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 materiality 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	
	2019	**2018**
	$	**$**
Auditors of the Company		
BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	110,237	106,068
Non-audit services provided (Corporate Tax)	35,614	5,000
Non-audit services provided (Corporate Finance)	137,500	-
Total remuneration for audit and non-audit services	**283,351**	**111,068**

Note 25. Parent entity

	Parent entity	
	2019	**2018**
	$	**$**
(a) Statement of Profit or Loss and other comprehensive income		
The individual financial statements for the parent entity show the following aggregate amounts:		
Net loss attributable to equity holders of the Company	**(4,062,851)**	**(8,702,446)**
(b) Statement of financial position		
ASSETS		
Total current assets	11,560	17,266
Total non-current assets	19,929,782	14,548,220
Total assets	**19,941,342**	**14,565,486**
LIABILITIES		
Total current liabilities	(5,670,862)	-
Total non-current liabilities	(5,814,326)	(10,287,500)
Total liabilities	**(11,485,188)**	**(10,287,500)**
Net assets	**8,456,154**	**4,277,986**
EQUITY		
Share capital	46,546,370	38,305,351
Other reserves	849,652	849,652
Accumulated losses	(38,939,868)	(34,877,017)
Total equity	**8,456,154**	**4,277,986**

The Parent has Contingent Liabilities as at 30 June 2019 (refer to Note 31) and has entered into an overdraft bank facility (refer to Note 13).

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

Note 26. Commitments

	Consolidated	
	2019	2018
	$	$
Operating lease commitments		
Office premises The Group leases office premises under an operating lease expiring in five years. Minimum commitments under the lease are as follows:		
Not later than 1 year	-	525,863
Later than 1 year and not later than 2 years	-	533,745
Later than 2 years and not later than 5 years	-	1,650,123
	-	**2,709,731**

Lease of office premises is now recorded under Leases (refer to Note 15) at 30 June 2019.

	Consolidated	
ERP implementation commitments		
ERP implementation costs and license fees The Group entered in a three year payment plan for ERP costs. Minimum commitments under the lease are as follows:		
Not later than 1 year	-	121,200
Later than 1 year and not later than 2 years	-	121,200
Later than 2 years and not later than 5 years	-	121,200
	-	**363,600**

Note 27. 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 2019.

	Consolidated	
	2019	2018
	$	$
Short term employee benefits	927,534	978,933
Share based payments – cash	-	20,100
Share based payments – non cash	497,479	1,094,684
Post-employment benefits	272,814	93,529
	1,697,827	**2,187,246**

Note 27. Related party transactions (continued)

Key management personnel

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.

	Consolidated 2019 $	Consolidated 2018 $
Payments made to Wenro Holdings Pty Ltd, a company of which Robert Sofoulis is a Director and Ryan Sofoulis is associated with, for the provision of office premises, pursuant to operating lease	434,261	433,538
Payments received from Wenro Holdings Pty Ltd, a company of which Robert Sofoulis is a director and Ryan Sofoulis is associated with, as an incentive for the renewal of an operating lease	-	439,523
Payments received from Wenro Holdings Pty Ltd, a company of which Robert Sofoulis is a director and Ryan Sofoulis is associated with, for Project Management Services provided by the Company in relation to renovation of office premises	-	71,500

Robert Sofoulis is entitled to performance shares relating to the share sale agreement of Swift Networks Pty Ltd and Wizzie Pty Ltd (refer to Note 14).

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 in Medical Media Investments Pty Ltd. (refer to Notes 14 and 30).

	2019	2018
Loans to related parties		
Opening balance	275,000	-
Funds loaned to Xavier Kris[1]	-	275,000
Funds repaid	(275,000)	-
Closing balance	-	275,000

[1] The unsecured loan was subject to an arm's length interest rate and repayable by no later than 30 April 2019. The loan was repaid in full on 16 August 2018.

Note 27. Related party transactions (continued)

	Consolidated	
	2019	2018
	$	$
Amounts outstanding at reporting date		
(i) Payables	38,851	57,543
(ii) Receivables	-	275,000
Transactions with other related parties		
Entities managed by Key Management personnel		
Share based payments to KMP and other non KMP - non cash	1,159,591	1,695,392
Share based payments to KMP and other non KMP - cash settled	-	20,100
Total share-based payments	1,159,951	1,715,492

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

Note 28. 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 2019 %	Ownership interest 30 June 2018 %
Parent entity			
Swift Media Limited	Australia	100%	100%
Controlled entities			
Swift Networks Pty Ltd	Australia	100%	100%
Medical Channel Pty Ltd	Australia	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, VOD Pty Ltd and Medical Channel Pty Ltd were operating during the financial year.

Note 29. EPS

	Consolidated	
	2019	**2018**
	$	**$**
Net loss from continuing operations for the year	(6,905,498)	(7,728,812)
	No.	**No.**
Weighted average number of ordinary shares for the purpose of basic earnings per share	132,219,511	112,000,798
Basic loss per share (cents)	(5.2)	(6.9)
Diluted loss per share (cents)	(5.2)	(6.9)

There are no instruments considered to be dilutive.

Note 30. Business Combination

Year ended 30 June 2019

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 has provisionally 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 $0.301/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**
The assets and liabilities recognised as a result of the acquisition are as follows:	
Cash	751,720
Trade receivables	361,992
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	(2,007,975)
Provisions	(158,041)
Other current liabilities	(899,316)
Deferred tax liabilities	(1,138,232)
Other non current liabilities	(1,102,230)
Net identifiable assets	**4,735,080**
Add: Goodwill	2,937,425
Net assets acquired	**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) The directors believe the receivables are fully recoverable and is net of ECL, no provision for impairment is required.

(iii) Revenue and net profit before tax of Medical Channel included in the consolidated statement of profit or loss and other comprehensive income from the acquisition date of 15 February 2019 to 30 June 2019 were $2,568,651 and ($1,777,020), this includes acquisition related costs of $416,605. If acquisition occurred on 1 July 2018, revenue and net profit before tax would be $6,849,736 and ($4,044,378).

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
- Deferred consideration: The Directors have assessed the likelihood of reaching the various performance share milestones at acquisition date (refer Note 14) based on the share price as at that date and management's probability of reaching the milestones.
- Deferred tax: Deferred tax assets and liabilities have been brought to account at acquisition after considering the level of tax losses carried forward and available to the Company against future taxable profits and the probability within the future that taxable profits will be available against which the benefits of the deductible temporary difference can be claimed

Note 30. Business Combination (continued)

Year ended 30 June 2018

Summary of acquisition - Movie Source Pty Ltd and VOD Pty Ltd

On 31 August 2017 the Group acquired 100% of the issued share capital of Movie Source Pty Ltd and VOD Pty Ltd. The Group has 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:	**$**
Cash paid	5,100,000
Ordinary shares issued (3,600,000 shares at F.V of $0.34/share on 31 August 2017)	1,224,000
Adjustment payment to Vendor (paid in cash)	457,257
Total Purchase Consideration	**6,781,257**
The assets and liabilities recognised as a result of the acquisition are as follows:	
Cash	255
Inventory	38,673
Trade and other receivables	1,748,028
Other assets	1,485
Plant & equipment	122,220
Intangibles - Customer Contracts(iii)	1,271,523
Intangibles – Supplier Contracts	123,610
Intangibles – Product Development)	650,000
Intangibles – Other	2,699
Trade & other payables	(441,552)
Provisions	(259,831)
Unearned Income	(836,667)
Deferred tax liabilities	(614,540)
Net identifiable assets	**1,805,903**
Add: Goodwill	4,975,354
Net assets acquired	**6,781,257**

(i) The goodwill is attributable to the forecast profitability of the acquired business. It will not be deductible for tax purposes.
(ii) The directors believe the receivables are fully recoverable and no provision for impairment is required.
(iii) Revenue and net profit before tax of Movie Source Pty and VOD Pty Ltd included in the consolidated statement of profit or loss and other comprehensive income from the acquisition date of 1 September 2017 to 30 June 2018 were $2,310,725 and ($625,192).

Significant accounting estimates and judgements

The fair value of acquired assets was determined using the following key assumptions:

- Customer contracts: assumed level of future revenue and assumed EBITDA margin

At 30 June 2017, the Group applied the fair value at identifiable assets and liabilities of Web2TV and Living Networks. At 31 Dec 2017, an adjustment has been made to recognise an intangible asset for customer contracts of $250,000 and $200,000 for Web2TV and Living Networks respectively, with a comparative net decrease in Goodwill of $175,000 and $140,000.

Note 31. Contingencies

	2019 $	2018 $
Liabilities under guarantees[1]	1,551,878	313,711
Total Contingent liabilities	**1,551,878**	**313,711**

[1] Bank guarantees for key customer contracts, lease premises and equipment

Note 32. Changes in accounting policies

This note explains the impact of the adoption of AASB 9 *Financial Instruments*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases* on the Group's financial statements and discloses the new accounting policies that have been applied from 1 July 2018, where they are different to those applied in prior periods.

Impact on the Financial Statement

The Company assessed the impact of adoption of new accounting policies. The cumulative method has been adopted therefore comparatives are not restated.

Note 32. Changes in accounting policies (continued)

The following tables show the adjustments recognised for each individual line item for Statement of Financial Position due to the changes in accounting policies:

Statement of Financial Position (extract):	30 June 2018 ($)	AASB 9 [(a)] ($)	AASB 15 [(b)] ($)	AASB 16 [(c)] ($)	1 July 2018 Restated $
Current Assets					
Trade and other receivables	3,447,658	(92,314)	-	-	3,355,344
Total Current Assets	**8,317,183**	**(92,314)**	-	-	**8,224,869**
Non Current Assets					
Right of use assets	-	-	-	1,451,603	1,451,603
Other non current assets	-	-	371,300	-	371,300
Intangible assets	13,167,992	-	(517,996)	-	12,649,996
Total Non Current Assets	**16,960,713**	-	**(146,696)**	**1,451,603**	**18,265,620**
Total Assets	**25,277,896**	**(92,314)**	**(146,696)**	**1,451,603**	**26,435,568**
Current Liabilities					
Provisions	72,643	-	-	(72,643)	-
Unearned Revenue	254,930	-	(254,930)	-	-
Contract liabilities	-	-	254,930	-	254,930
Lease liabilities	-	-	-	321,103	321,103
Total Current Liabilities	**15,919,140**		**-**	**248,460**	**16,167,600**
Non Current Liabilities					
Provisions	290,593	-	-	(290,593)	-
Unearned Revenue	270,400	-	(270,400)	-	-
Contract liabilities	-	-	270,400	-	270,400
Lease liabilities	-	-	-	1,517,645	1,517,645
Total Non Current Liabilities	**1,498,493**	-	**-**	**1,227,052**	**2,725,545**
Net Assets	**7,860,263**	**(92,314)**	**(146,696)**	**(23,909)**	**7,597,344**
Equity					
Accumulated Losses	(33,047,431)	(92,314)	(146,696)	(23,909)	(33,310,350)
Total Equity	**7,860,263**	**(92,314)**	**(146,696)**	**(23,909)**	**7,597,344**

Note 32. Changes in accounting policies (continued)

(a) Under AASB 9, a revision was made to the impairment methodology on the Group's trade receivables, impact shown on trade receivables and retained earnings.

(b) Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained were previously capitalised under Intangible assets and amortised over the term of the contract. Under AASB 15, these costs are reallocated to retained earnings.

Costs directly attributable to obtaining a contract were previously capitalised under Intangible assets and amortised over the term of the contract. Under AASB 15, these costs are reclassified as Other Non Current assets.

(c) Under AASB 16, adjustment was made to recognise all leases in the Statement of Financial Position. Modified retrospective approach was adopted and adjustment made to the opening retained earnings in the current period. The weighted average lessee's incremental borrowing rate applied to the lease liabilities from 1 July 2018 was 5.59%.

Note 33. Events subsequent to reporting date

On 31 July 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 16.67 million shares were issued to Swift's founders on 2 August 2019.

On 20 September 2019 Swift entered into a financing agreement with L1 Capital Global Opportunities Fund and Lind Global Macro Fund LP for up to $3.6 million. The funding will provide the necessary capital to fund strategic initiatives to be rolled out under the new Swift leadership team. Under the terms of the financing agreement, L1 Capital will provide $3.6 million split across 4 tranches every 75 days to Swift for the purchase of convertible notes. The convertible notes will be issued at a 10% discount to the $4 million face value of the notes, with a 12-month maturity from each tranche's drawdown. The conversion price for each tranche is equal to the lower of 92% of an agreed VWAP formula prior to a conversion notice or 130% of the 5-day VWAP on the day prior to the issuance of the tranche. The terms of the financing agreement also require Swift to issue 2,000,000 ordinary shares for no consideration as "collateral shares", which can be used for the conversion of the notes or may be bought back by the Company for nominal consideration upon maturity.

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

Note 34. 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 MEDIA LIMITED
AND CONTROLLED ENTITIES
ABN 54 006 222 395

Directors' declaration

The Directors of the Company declare that the financial statements and notes, as set out on pages 27 to 88 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 2019 and of the performance for the year ended on that date of the consolidated Group;

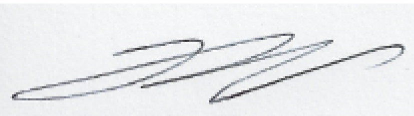
c. the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;

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 30th day of September 2019

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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 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the 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 2019 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 (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.

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.

Acquisition accounting of Medical Channel Pty Ltd

Key audit matter	How the matter was addressed in our audit
During the financial year ended 30 June 2019, the Group acquired the business of Medical Channel Pty Ltd, which has been accounted for on a provisional basis as disclosed in Note 30 of the financial report. Accounting for acquisitions is complex and involves a number of significant judgements and estimates as disclosed in Note 2(ac)(viii). The key areas of significant judgement and estimation in relation to the transaction was the: • Determination of fair value of the deferred consideration, and accordingly the total purchase consideration, for the transaction; and • Identification and measurement of the fair value of assets and liabilities acquired.	Our procedures included, but were not limited to the following: • Reviewing the acquisition agreement to understand the terms and conditions of the acquisition and confirming our understanding of the transaction with management; • Assessing the estimation of the deferred consideration by challenging the key assumptions including the probability of achievement of future revenue targets; • Challenging the methodology and assumptions utilised to identify and determine the fair value of the assets and liabilities acquired; and • Assessing the adequacy of the Group's disclosure of the acquisition in Note 2(ac)(viii) and Note 30 of the financial report.

Recoverability of intangible assets

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>Note 10 to the financial report discloses the individual intangible assets and the assumptions used by the Group in testing these assets for impairment.

This was determined to be a key audit matter as 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 gross profit margin, growth rates expected and the discount rate applied.</td><td>Our procedures included, but were not limited to the following:
Assessing the appropriateness of the Group's categorisation of Cash Generating Units (CGUs) and the allocation of assets to the carrying value of CGUs based on our understanding of the Group's business and the Group's internal reporting;
Evaluating management's ability to accurately forecast cash flows by assessing the precision of the prior year forecasts against actual outcomes;
Challenging key inputs used in the discounted cash flows calculations including the following:
In conjunction with our valuation specialist, comparing the discount rate utilised by management to an independently calculated discount rate;
Comparing growth rates with historical data and economic and industry growth forecasts;
Comparing the Group's forecast cash flows to the board approved budget;
Performing sensitivity analysis on the revenue, growth rates, gross profit margins and discount rates; and
Assessing the adequacy of related disclosures in Note 10 of the financial report.</td></tr>
</table>

Revenue recognition

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 2 of the financial report, the Group has applied AASB 15 "Revenue from contracts with customers (AASB 15)" from 1 July 2018 using the cumulative approach. The application and implementation of AASB 15 is subject to significant judgements in respect of the identification of separate obligations and the recognition of revenue at either a point in time or over time. Revenue recognition is a key audit matter due to the quantum of revenue generated from contracts and the nature of the key estimates and judgements.	Our procedures included, but were not limited to the following: • Discussing with management and assessing the financial impact of the new revenue standard and changes to the Group's revenue recognition policies on transition 1 July 2018; • Obtaining and reviewing a sample of contracts, considering the terms and conditions, performance obligations of these arrangements, its stand-alone pricing and assessing the accounting treatment under AASB 15; • Challenging management's assessment of the performance obligations promised within a contract; • Performing cut-off procedures to assess whether revenue was captured in the appropriate financial year; • Performing detailed analytical procedures to identify any revenue trends outside our expectations; and • Assessing the adequacy of the disclosure in Note 2 and Note 3 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 2019, 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 (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_files/ar2.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 12 to 23 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Swift Media Limited, for the year ended 30 June 2019, 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, 30 September 2019

Shareholder information

A. Substantial Shareholders

The following have a relevant interest (>5%) in the capital of Swift Media Limited as at 23 September 2019

Substantial ordinary shareholders	No. of ordinary shares held	Percentage held of Issued Ordinary Capital
MR ROBERT NICHOLAS SOFOULIS & RELATED ENTITIES	63,873,334	36.49%
MEDICAL MEDIA INVESTMENTS PTY LTD	14,950,166	8.54%

B. Distribution of Equity Securities

(i) Analysis of numbers of equity security holders by size of holding as at 20 September 2019

			Ordinary Shares	
Category (Size of Holdings)			Number of Holders	Unlisted Options
1	-	1,000	63	-
1,001	-	5,000	379	-
5,001	-	10,000	176	-
10,001	-	100,000	421	12
100,001	-	and over	156	14
			1,195	26

Shareholder information (continued)

C. Equity Security Holders

Twenty largest quoted equity security holders (23 September 2019)

		Ordinary shares	
		Number held	Percentage of issued shares
1	SOFOULIS HOLDINGS PTY LTD	63,873,334	36.49
2	MEDICAL MEDIA INVESTMENTS PTY LTD	14,950,166	8.54
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,067,199	2.89
4	TRI-NATION HOLDINGS PTY LTD	5,520,252	3.15
5	MR JOHN COLIN LOSEMORE	4,200,000	2.40
6	SUETONE PTY LTD	3,990,000	2.28
7	ARADHIPPOU GROVE PTY LTD	3,162,386	1.81
8	BNP PARIBAS NOMS PTY LTD	3,092,776	1.77
9	BOTSIS HOLDINGS PTY LTD	2,459,383	1.40
10	PAUL DOROPOULOS	2,128,889	1.22
11	MR JAMES FLORIAN PEARSON	2,096,787	1.20
12	ROBERT GOUDIE FINANCIAL ADVISERS PTY LTD	2,000,000	1.14
13	SHARIC SUPERANNUATION PTY LTD	1,850,000	1.06
14	BNP PARIBUS NOMINEES PTY LTD	1,561,298	0.89
15	MR RICHARD JAMES GOUDIE	1,500,000	0.86
16	MR DAVID WHITEHOUSE & MR ANTHONY KEITH STEPHEN SHADFORTH	1,300,000	0.74
17	MR RUSSELL NEIL CREAGH	1,120,350	0.64
18	CITICORP NOMINEES PTY LTD	1,116,341	0.64
19	L1 CAPITAL GLOBAL OPPORTUNITIES MASTER FUND, LTD	1,000,000	0.57
20	ALAN SCOTT NOMINEES PTY LTD	1,000,000	0.57
	Total	**122,989,161**	**70.26**
	Balance of register	**52,063,107**	**29.74**
	Grand total	**175,052,268**	**100.00**

Shareholder information (continued)

D. Voting Rights

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

E. Unquoted securities

Securities	Number of Options	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	-
Options exercisable at $0.42 on or before 31 May 2021	1,000,000	1	-
STI Rights to Deferred Shares	3,865,655	14	1
LTI Rights to Deferred Shares	7,062,384	13	2
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 2024. 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 $13,000,000 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.

Shareholder information (continued)

H. Securities subject to escrow

The following securities are currently subject to escrow:

Securities	Escrow Period	Release Date	Number
Fully Paid Shares	18 months from quotation	15 June 2020	14,950,166

I. Statement in relation to Listing Rule 4.10.19

The Directors of Swift Media Limited confirm in accordance with ASX Listing Rule 4.10.19 that during the period from reinstatement to official quotation to 30 June 2019, the Company has used its cash, and assets that are readily convertible to cash, in a way consistent with its business objectives.

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:

(a) ensuring a good flow of information between the Board, its committees, and Directors;

(b) monitoring policies and procedures of the Board;

(c) advising the Board through the Chairman of corporate governance policies; and

(d) 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:

(e) 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

(f) 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 2019 there is one woman in senior executive positions in the Company, and 29 women employees across the Company, representing 27% of the whole organisation. There are no 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:

(g) individual Directors and the Board as a whole work efficiently and effectively in achieving their functions;

(h) the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and

(i) 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.

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. Following the recent appointment of a new 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 Paul Doropoulos 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:

(j) a broad range of business experience; and

(k) 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.

CORPORATE GOVERNANCE STATEMENT

Currently the Board is structured as follows:

(l) Darren Smorgon (Independent Chairman, appointed 15 February 2019);

(m) Paul Doropoulos (Non-Executive Director, appointed 6 October 2014);

(n) Ryan Sofoulis (Executive Director, appointed 19 May 2016); and

(o) 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 Board does not have a 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:

(p) ensuring that shareholders and the market are provided with full and timely information about its activities;

(q) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and

(r) 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 Chair and the Chief Executive Officer manage 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.

CORPORATE GOVERNANCE STATEMENT

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:

(s) relevant announcements made to the market via ASX;

(t) media releases;

(u) investment updates;

(v) Company presentations and media briefings;

(w) copies of press releases and announcements for the preceding three years; and

(x) 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:

(y) reports to Shareholders;

(z) ASX announcements;

(aa) annual general meetings; and

(bb) 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:

(cc) operational risk;
(dd) financial reporting;
(ee) compliance / regulations; and
(ff) 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:

(gg) monthly reporting to the Board in respect of operations and the financial position of the Company; and
(hh) 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.

CORPORATE GOVERNANCE STATEMENT

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 Paul Doropoulos.

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:

(ii) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;

(jj) trading in the Company's securities which is not subject to the Company's trading policy; and

(kk) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Company's website.

Corporate Directory

Directors

Darren Smorgon
Chairman

Paul Doropoulos
Non-Executive Director

Robert Sofoulis
Non-Executive Director

Ryan Sofoulis
Executive Director

Company Secretary

Stephen Hewitt-Dutton

Chief Executive Officer
Pippa Leary

Chief Financial Officer

George Nicholls

Corporate Details

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Auditor

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

Bankers

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Bank West Place
300 Murray Street
WA 6000

Share Registry

Link Group
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Stock Exchange Listings

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