SWIFT MEDIA LIMITED

(formerly known as Swift Networks Group Limited)

ABN: 54 006 222 395

APPENDIX 4D

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

RESULTS FOR ANNOUNCEMENT TO THE MARKET:

The Directors of Swift Media Limited are pleased to announce the results of the Company for the half-year ended 31 December 2018.

Key information (extracted from interim financial report)	Change (Down) / Up %	Half-Year Ended 31 December 2018 $
Revenue from ordinary activities	20%	12,469,574
Net (loss)/profit from ordinary activities after tax attributable to members	90.54%	(756,510)
Net (loss)/profit after tax attributable to members	90.54%	(756,510)

DIVIDENDS

No dividends have been paid or declared during the current financial period.

NET TANGIBLE ASSETS PER SHARE

	31 December 2018	31 December 2017
Net tangible assets per share	(3.94) cents	(7.43) cents

On behalf of the Board
SWIFT MEDIA LIMITED

Mr Paul Doropoulos
Director

28 February 2019

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
(formerly Swift Networks Group Limited)
ABN: 54 006 222 395

Interim report for the half year ended 31 December 2018

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
(formerly Swift Networks Group Limited)
ABN: 54 006 222 395

Contents

Directors' Report

The Board of Directors of Swift Media Limited ("the Group" or "the Company") submits its report in respect of the half year ended 31 December 2018.

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

Name	Position
Mr Carl Clump	Non-Executive Chairman (resigned on 15 February 2019)
Mr Xavier Kris	Executive Director (appointed Interim Chairman on 15 February 2019)
Mr Paul Doropoulos	Non-Executive Director
Mr Robert Sofoulis	Non-Executive Director
Mr Ryan Sofoulis	Executive Director
Mr Darren Smorgon	Non-Executive Director (appointed on 12 February 2019)

The Company Secretary is Mr Stephen Hewitt-Dutton.

Principal activities

The principal activities of the Group during the period were the provision of content, communications and targeted advertising services to the Resources, Aged Care, Retirement Living, Hospitality, Student Accommodation, Health and Government sectors.

Review of Operations and Financial Results

Operational review

During the six months to 31 December 2018, Swift continued to build its diversified media business. It has done this by continuing to focus on delivering world class content, further enhancing its technology platform and securing additional audiences through contract wins across multiple verticals. Furthermore, it has put itself in a position to leverage its strong foundation by expanding its business through the acquisition of Medical Media. The acquisition was announced in December 2018 and was completed on 15 February 2019.

<u>Premium Content</u>

- eSports: In September 2018, Swift announced it had secured exclusive content with New York-based eSports media company, Real Big Hits, including live broadcast rights for Fortnite and EA Sports FIFA tournaments. Through this agreement, Swift obtained exclusive rights to provide some of the world's most sought-after eSports content to customers in Australia, New Zealand and the international maritime sector. Swift also has the rights to resell the content to other broadcasters, including mobile operators, around the world.
- Hoyts: Following the agreement with Real Big Hits, Swift signed an exclusive deal with leading entertainment operator Hoyts to provide eSports content to Hoyts' cinemas throughout Australia. Hoyts owns and operates more than 50 cinemas with over 430 screens across Australia and New Zealand and has established a dedicated eSports division as part of a ~$300 million capital investment.

Directors' report (continued)

<u>Contract Wins</u>

- Swift signed material technology licensing and deployment agreements with existing partners, DXC Technology and Streamvision, guaranteeing a minimum revenue equivalent to 14,000 new room connections.
- Swift extended its dominance of the resources sector, winning multi-year contracts with new and existing clients including Ausco, NT Link, Anglo Gold, Iluka and Tronox, bringing 1,300 new rooms.
- Swift won a material design and construction contract with leading national construction and property development group Pindan, which will see Swift support the construction of a 780-room camp in the Pilbara region of WA during 2019.
- Swift signed multiple new aged care contracts during the period including at three new sites for leading provider Infinite Care. The Swift Aged Care solution will also roll out across 200 screens at Perth-based luxury aged care provider Berrington Care Group's facilities and to 77 rooms at Allity Aged Care's Gosling Creek Community in Orange, NSW, with significant scope for expansion across Allity's Australian network of more than 40 facilities.
- Through its partnership with global satellite communications provider AST Australia, Swift's content and communication system was deployed to support 3,000 Australian defence personnel located in six international locations.
- Swift expanded into Vietnam, signing a three-year reseller deal with Vietnamese systems integrator, Sieu Nhat Thanh Co. Ltd, seeing Swift's services immediately deployed in 500 rooms across three resorts.
- Swift also executed a three-year reseller agreement with healthcare software and patient engagement solutions provider Oneview Healthcare, with Oneview to [exclusively] sell Swift's entertainment solution in the Asia Pacific region, targeting 4,000 new screens in the healthcare sector over the next 36 months.

<u>Product Development</u>
Swift launched a new cloud-based entertainment system, Lumiair, targeting the hospitality industry. Lumiair aims to provide instant access to new-release premium content with no hardware requirements, representing an affordable and practical entertainment solution for accommodation providers.

<u>Advertising Platform Launch</u>
Swift launched its digital media advertising strategy, delivering on its corporate strategy to position itself at the epicentre of the digital media advertising space, introduced new technology to its platform to allow the delivery of targeted advertising and new revenue streams.

<u>Acquisition of Medical Media</u>
In December, Swift announced its proposed acquisition of Australian digital out-of-home (DOOH) media business Medical Media. Medical Media delivers content to more than 5 million viewers per month across 2,300 digital screens.

Swift completed its purchase of all outstanding shares in Medical Media for an upfront consideration of $4.5 million, 100% in scrip, with an additional $20.5 million payable in Performance Shares subject to achieving advertising revenue targets.

The issue price of all Swift shares was $0.3010 per share, a 20% premium to the 30-trading day VWAP up to and including 19th December 2018. The upfront and performance milestone consideration has been priced at a discount to recent merger activity in digital-out-of-home advertising and is highly accretive based on Swift's current share price.

Directors' report (continued)

To fund the working capital requirements of the combined businesses and the cost of the transaction, Swift is in the process of extending its existing facility to a $6 million banking facility with Bankwest, including $1.5 million in contingent instruments.

Swift successfully completed the transaction on 15 February 2019, with Shareholders approving the acquisition at a General Meeting on 12 February 2019 having satisfied all other conditions precedent.

Financial Review

The Group recorded earnings before interest, taxation, depreciation of amortisation (EBITDA*) for the half year of $2,742,348 (2017: $1,024,587), representing year-on-year EBITDA growth of 168%.
*EBITDA is non-IFRS financial information.

It achieved revenue of $12,469,574 for the half year (2017: $10,383,398), delivering year-on-year revenue growth of 20%.

Swift's sustained revenue and profit growth has translated into positive net operating cash flow of $1,526,788 for the half year, up 22% compared to the prior corresponding period (2017: $1,253,042).

The Group's statement of financial position as at 31 December 2018 featured a significant strengthening of its financial flexibility, with $2,655,853 in cash at bank, and $3 million in undrawn debt facilities, an increase of 103% year on year in terms of its "net" cash position (Cash at bank minus Borrowings).

Directors' report (continued)

The Group had underlying Earnings Before Interest, Tax, Depreciation Amortisation ("EBITDA") of $2,742,348. A reconciliation of EBITDA to NPAT is provided below:

	Dec-18 A$	Dec-17 A$	Description
Net Loss after tax	**(756,510)**	**(7,999,752)**	Refer to the Consolidated Statement of Profit or loss and Other Comprehensive Income
Income tax expense/ (benefit)	254,661	(18,860)	Refer to the Consolidated Statement of Profit or loss and Other Comprehensive Income
Interest costs (net)	13,666	37,974	Refer to the Consolidated Statement of Profit or loss and Other Comprehensive Income
Depreciation expense	450,759	499,398	Incurred In the ordinary course of business
Amortisation expense	787,406	1,090,547	Attributable to the amortisation of intangibles recognised as part of acquisitions made
Fair valuation loss/ (gain) on financial liability	(437,500)	6,020,833	Non-cash year end adjustment to the fair value of financial liabilities in respect of various performance shares (refer to Note 5)
Share based payments	1,865,390	1,223,940	Share-based payments issued to the executive management team (refer to Note 7)
Other expenses	564,477	170,507	Acquisition related integration and restructuring costs
Underlying EBITDA*	**2,742,348**	**1,024,587**	

*Non-IFRS financial information

Outlook

Swift delivered strong revenue and earnings growth in H1 FY19, as it continued to build with new and existing clients across its target markets. With a strong net operating cash flow for the period, Swift improved its internal systems, implementing the Net Suite Enterprise Resource Planning (ERP) system, expanded its world-class content catalogue with highly sought-after live eSports content, delivered product development with the launch of its Over-The-Top (OTT) Lumiair system and deployed its targeted advertising capability.

The Class A performance share milestone has been 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. 16.67 million shares (of the 38.38 million performance shares issued) will vest to Swift's founders at the date of this report.

Directors' report (continued)

During the period, Swift also actively pursued its inorganic growth agenda. This strategy resulted in its acquisition in December 2018 of out-of-home digital advertising specialist Medical Media, with the transaction completed subsequent to the end of the reporting period on 15 February 2019.

The Group anticipates that its results for the six months to 30 June 2019 will continue to show improvement. Swift is working to integrate the Medical Media business into its operations, and this is expected to be complete by 30 June 2019. Medical Media's advertising base combined with Swift's content and technology should fast track advertising revenues across the merged group.

Swift's strengthened balance sheet in combination with its expanded working capital facility will provide the Company with flexibility to continue to deliver on its stated strategy of scalable and profitable growth.

It views the Resources sector as continued attractive growth opportunity, with significant recent contract wins and a strong pipeline of new mining exploration, construction and development projects currently underway in Australia. Swift will further strengthen its position as market leader in this sector.

The fast-growing aged care sector also represents a significant ongoing opportunity for Swift. Prospects are realising that the democratisation of aged care is a key industry factor. Operators are investing in services that provide residents with choices and a real voice and the ability to be treated as guests, not patients. Swift is well positioned in this market where there is no significant incumbent.

Expansion opportunities available through organic growth and in conjunction with Swift's key partners including Telstra, DXC Technology and AST will also be pursued, while Swift continues to establish and build partnerships with other key organisations to create new national and international deployment opportunities for its services.

Subsequent events

On 15 February 2019, the Company acquired Medial Media. Medical Media operates more than 2,300 digital screens across Australia with a significant market share in the highly contested medical practice market. The company will purchase all outstanding shares in Medical Media for an upfront consideration of $4.5 million, 100% in scrip, with an additional $20.5 million payable in Performance shares subject to achieving advertising revenue targets. Several board changes also occurred in conjunction with completion of the transaction with Darren Smorgon appointed as a Non-Executive Director to the Board on 12 February 2019.

Concurrently, Swift announced it had signed a binding term sheet with Bankwest to extend its current facility limit from $3million to $6million, which includes a working capital facility sub-limit of $4.5million and Contingent liabilities of $1.5million, reviewable annually. Other key terms and conditions are on materially the same terms as those previously entered into by Swift in July 2017. The Company expects the extended facility will be available for draw down shortly after the date of this report.

Directors' report (continued)

The financial effects of the above transaction have not been brought to account at 31 December 2018. With the short lead time to the date of signing this report, we have not been able to form a view on the assets and liabilities acquired in particular due to the impact of recent changes to AASB 9, 15, 16 and the significant judgments estimate required to value the performance shares and the tax effect there on. The impact of the aforementioned points is likely to have a material impact on the net assets ascribed to Medical Media in acquisition accounting take up. The operating results and assets and liabilities of the company will be brought to account from 15 February 2019.

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

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

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 9.

Mr Paul Doropoulos
Director

Mr Xavier Kris
Director

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

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

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

As lead auditor for the review of Swift Media Limited for the half-year ended 31 December 2018, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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, 28 February 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 six months to 31 December 2018

	Note	Half year ended Dec-18 $	Half year ended Dec-17 $
Revenue			
Revenue		12,469,574	10,383,398
Fair Value Gain on Financial Liability		437,500	-
Other income		45,734	15,277
Total revenue and income		**12,952,808**	**10,398,675**
Expenses			
Cost of sales		(5,769,931)	(6,324,681)
Depreciation & amortisation expenses		(1,074,479)	(1,589,945)
Depreciation expense of right of use assets		(163,685)	-
Employment costs		(2,786,656)	(2,012,211)
General and administration expenses		(1,170,639)	(1,021,920)
Expenses relating to leases of low value items		(3,387)	-
Finance costs		(18,953)	(53,250)
Interest on lease liabilities		(40,447)	-
Share Based Payment expenses		(1,865,390)	(1,223,940)
Fair Value Loss on Financial Liability		-	(6,020,833)
Other expenses		(561,090)	(170,507)
Total Expenses		**(13,454,659)**	**(18,417,287)**
Loss before income tax expense		**(501,851)**	**(8,018,612)**
Income tax (expense)/benefit		(254,661)	18,860
Loss after income tax expense		**(756,510)**	**(7,999,752)**
Other comprehensive income/(loss) for the period			
Items that may be reclassified to profit or loss		-	-
Other comprehensive income/(loss) for the period		**-**	**-**
Total comprehensive loss for the period		**(756,510)**	**(7,999,752)**
		Cents	**Cents**
Loss per share attributable to the members of Swift Media Limited:			
Basic earnings/(loss) per share		(0.006)	(0.07)
Diluted earnings/(loss) per share		(0.006)	(0.07)

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 31 December 2018

	Note	Dec-18 $	Jun-18 $
Current Assets			
Cash and cash equivalents		2,655,853	3,201,819
Trade and other receivables	4	3,336,201	3,447,658
Inventory		615,639	1,062,177
Other current assets		433,334	605,529
Total Current Assets		**7,041,027**	**8,317,183**
Non-Current Assets			
Trade and other receivables	4	3,950,125	1,079,985
Property, plant and equipment		2,464,295	1,886,519
Right of use assets	14	1,417,593	-
Other non-current assets	13	293,727	-
Deferred tax assets		813,749	826,217
Intangible assets	3	13,018,989	13,167,992
Total Non-Current Assets		**21,958,478**	**16,960,713**
Total Assets		**28,999,505**	**25,277,896**
Current Liabilities			
Trade and other payables		6,539,243	5,923,342
Contract Liability		991,875	254,930
Provisions		291,917	72,643
Borrowings		17,787	-
Financial liabilities	5	8,937,500	9,350,000
Lease liabilities	14	378,674	-
Total Current Liabilities		**17,156,996**	**15,919,140**
Non-Current Liabilities			
Provisions		185,067	290,593
Borrowings		43,338	-
Financial liabilities	5	912,500	937,500
Contract Liability		229,564	270,400
Lease liabilities	14	1,413,864	-
Deferred tax liabilities		318,225	318,225
Total Non-Current Liabilities		**3,102,558**	**1,498,493**
Total Liabilities		**20,259,553**	**17,417,633**
Net Assets		**8,739,953**	**7,860,263**
Equity			
Issued capital	6	38,471,382	38,437,650
Reserves		4,335,434	2,470,044
Accumulated losses		(34,066,861)	(33,047,431)
Total Equity		**8,739,953**	**7,860,263**

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

Consolidated Statement of Changes in Equity
for the half year ended 31 December 2018

	Note	Issued Capital	Reserves	Accumulated losses	Total
		$	$	$	$
For the period ended 31 December 2018					
At the beginning of the period		38,437,650	2,470,044	(33,047,431)	**7,860,263**
Change in accounting policy	13	-	-	(262,920)	**(262,920)**
Restated total equity at beginning for the period		38,437,650	2,470,044	(33,310,350)	**7,597,344**
Total comprehensive loss for the period		-	-	(756,510)	**(756,510)**
Transactions with shareholders in their capacity as shareholders:					
- Share issue costs		(3,768)	-	-	**(3,768)**
- Options exercised		37,500	-	-	**37,500**
- Share based payments	7	-	1,865,390	-	**1,865,390**
Balance at end of the period	6	**38,471,382**	**4,335,434**	**(34,066,861)**	**8,739,953**
For the period ended 31 December 2017					
At the beginning of the period		30,768,966	774,652	(25,402,635)	6,140,983
Total comprehensive loss for the period		-	-	(7,999,752)	(7,999,752)
Transactions with shareholders in their capacity as shareholders:					
Placement of shares		4,500,000	-	-	4,500,000
Share issue costs		(338,922)	-	-	(338,922)
- Options exercised		280,000	-	-	280,000
- VOD Acquisition		1,224,000	-	-	1,224,000
- Share based payments		-	1,223,940	-	1,223,940
- **At the end of the period**	6	**36,434,044**	**1,998,592**	**(33,402,387)**	**5,030,249**

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

Consolidated Statement of Cash Flows

for the half year ended 31 December 2018

	Note	Half year ended Dec-18 $	Half year ended Dec-17 $
Cash Flows from Operating Activities			
Cash receipts in the course of operations		10,447,835	9,829,993
Cash payments in the course of operations		(8,907,381)	(8,560,456)
Finance costs		(59,401)	(29,813)
Interest received		45,734	13,318
Net cash from operating activities		**1,526,788**	**1,253,042**
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(864,850)	(800,793)
Payment for acquisition of business, net of cash		-	(5,100,000)
Payment for development and subscribers		(1,054,346)	(619,542)
Net cash (used in) investing activities		**(1,919,196)**	**(6,520,335)**
Cash Flows from Financing Activities			
Proceeds from issue of shares	6	37,500	4,780,000
Payment of share issue costs		(3,768)	(338,922)
Proceeds from borrowings		-	3,000,000
Repayment of borrowings		-	(187,500)
Payment of debt establishment costs		(11,316)	(105,927)
Payments of lease liabilities		(175,974)	-
Net cash flows (used in)/from financing activities		**(153,558)**	**7,147,651**
Net (decrease) in cash and cash equivalents		(545,966)	1,880,358
Cash at the beginning of the period		3,201,819	2,237,906
Cash at the end of the period		**2,655,853**	**4,118,264**

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

Note 1. Basis for preparation and accounting policies

(a) Corporate Information

The financial report of Swift Media Limited and its subsidiaries (the Group of Company) for the half year ended 31 December 2018 was authorised for issue in accordance with a resolution of the directors on 28 February 2019.

Swift Media Limited is a company limited by shares incorporated and domiciled in Australia. The company's shares are publicly traded on the Australian Securities Exchange (ASX).

(b) Basis of Preparation

The interim financial report for the half year ended 31 December 2018 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half year financial report does not include all notes of the type normally included within the audited financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half year financial report be read in conjunction with the annual report for the year ended 30 June 2018, and any public announcements made by Swift Media Limited during the half year ended 31 December 2018 in accordance with the continuous disclosure obligations of the ASX listing rules.

New and amended standards adopted by Swift Media Limited
The accounting policies applied and methods of computation for the half year ended 31 December 2018 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.

Note 1. Basis for preparation and accounting policies (continued)

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.

On the above basis, a loss allowance of $92,314 was recognised 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 one performance obligation for each of the revenue streams listed below and has applied the following revenue recognition methods:

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

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.

Note 1. Basis for preparation and accounting policies (continued)

Disaggregation of revenue:

	Dec-18 $
Revenue recognition	
At a point in time	4,663,743
Over time	7,805,831
	12,469,574

The impact of the adoption of AASB 15 is disclosed in note 13.

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 13.

Note 1. Basis for preparation and accounting policies (continued)

(c) Going Concern

As at 31 December 2018, the Group had cash equivalents of $2,655,853 and a net loss of $756,510 (2017: net loss $7,997,752) with cash inflows from operating activities for the year of $1,526,788 (2017: $1,253,042). The Group had a net current liability position of $10,115,968.

The Group's net current liability position at year end is due to financial liabilities of $8.94million relating to issue of performance shares as partial deferred consideration for the acquisition of the respective business which is expected to be converted to and settled in equity pursuant to the respective acquisition agreement.

Therefore, the Directors are satisfied the Group is a going concern and therefore have prepared the financial statements on the basis the Group will continue to meet its commitments and can therefore continue normal business activities and realise its assets and settle liabilities in the normal course of the business.

The consolidated financial statements were approved by the Board of Directors on the 28 of February 2019.

Note 2. Significant Judgement

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

Allocating the transaction price

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

Consideration of significant financing component in a contract

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

Assessing the reversal constraint

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

Contingent consideration

The Directors have assessed the likelihood of reaching various performance share milestones at reporting date (refer to Note 5) and information regarding contracts related to rooms, revenue and profitability.

Goodwill – impairment assessment

No Goodwill impairment testing was undertaken as no indicators of impairment have been identified.

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.

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
(formerly Swift Networks Group Limited)
ABN: 54 006 222 395

Note 3. Intangible assets

	Goodwill	Development Costs	Subscriber Acquisition Costs	Customer contracts Brand loyalty	Supplier Contracts	Other Intangibles	Total
Non-current assets	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Period ended 31 December 2018							
Opening net book amount	10,199,741	1,570,692	517,996	706,964	20,602	151,997	**13,167,992**
Additions	-	1,021,369	-	-	-	18,812	**1,040,181**
Change in Accounting Policy (refer to Note 13)	-	-	(517,996)	-	-	-	**(517,996)**
Amortisation and impairment charge	-	(355,525)	-	(253,740)	(20,602)	(41,321)	**(671,188)**
Closing net book amount	10,199,741	2,236,536	-	453,224	-	129,488	**13,018,989**
Cost	10,199,741	3,003,801	301,869	2,370,434	123,610	231,775	**16,231,230**
Accumulated amortisation and impairments	-	(767,265)	(301,869)	(1,917,210)	(123,610)	(102,287)	**(3,212,241)**
Closing net book amount	10,199,741	2,236,536	-	453,224	-	129,488	**13,018,989**

Note 3. Intangible assets (continued)

Non-current assets	Goodwill $	Development costs $	Subscriber Acquisition Costs $	Customer contracts Brand loyalty $	Supplier Contracts $	Other Intangibles $	Total $
Year ended 30 June 2018							
Opening net book amount	5,539,387	548,470	228,107	216,304	-	170,036	**6,702,304**
Additions	-	741,834	520,507	-	-	38,083	**1,300,424**
Acquired upon acquisition of subsidiaries	4,975,354	650,000	-	1,271,523	123,610	-	**7,020,687**
	(315,000)	-	-	450,000	-	-	**135,000**
Amortisation and impairment charge	-	(369,612)	(230,618)	(1,230,863)	(103,008)	(56,122)	**(1,990,223)**
Closing net book amount	10,199,741	1,570,692	517,996	706,964	20,602	151,997	**13,167,992**
Cost	10,199,741	1,982,432	819,865	2,370,434	123,610	212,963	**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	10,199,741	1,570,692	517,996	706,964	20,602	151,997	**13,167,992**

Note 4. Trade Receivables

	Dec-18	Jun-18
	$	$
Current		
Trade receivables	3,100,565	3,401,497
Other receivables	235,636	46,161
Total	**3,336,201**	**3,447,658**
Non Current		
Trade receivables	3,950,125	1,079,985
Total	**3,950,125**	**1,079,98**

Trade and other receivables are non-interest bearing and are generally on 30-60 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired. None of the above receivables are past due or impaired. Refer to Note 13 for provision made at opening balance under AASB 9.

Note 5. Financial Liability – at Fair Value

	Dec-18	Jun-18
	$	$
Current		
Opening balance	9,350,000	-
Transferred from non-current liabilities		9,350,000
Less: Fair value through the P&L	(412,500)	-
Closing balance	**8,937,500**	**9,350,000**
Non-current		
Opening balance	937,500	4,604,167
Add: Fair value through the P&L	(25,000)	5,683,333
Transferred to current liabilities	-	(9,350,000)
Closing balance	**912,500**	**937,500**

The above liability relates to the potential issue of ordinary shares in the Group to the vendors of Swift Networks Pty Ltd and Wizzie Pty Ltd, Living Networks and Web 2 TV pursuant to the respective agreements. The liability in relation to the potential issue of ordinary shares in Group to the vendors of Swift Networks and Wizzie Pty Ltd is to be settled 100% in equity whilst those potentially owing to Living Networks and Web 2 TV are to be settled 50/50 in cash and shares to the vendors.

The Class A performance share milestone has been reached, representing revenue generation from more than 44,000 rooms receiving a Swift service as per the share purchase agreement executed in November 2015. 16.67 million shares (of the 38.38 million performance shares issued) will vest to Swift's founders at date of this report.

Note 5. 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 31 December 2018	Fair value at 31 December 2018
Swift Networks Pty Ltd / Wizzie Pty Ltd	Milestone 1 – 20% Milestone 2 – 15%	Milestone 1 – 90% Milestone 2 – 75%	Milestone 1 – 100% Milestone 2 – 95%	$8,937,500
Living Networks	Milestone 1 – 50% Milestone 2 – 50%	Milestone 1 – 50% Milestone 2 – 50%	Milestone 1 – 50% Milestone 2 – 25%	$225,000
Web 2 TV	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 – 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%	$687,500

(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 1 – 100% Milestone 2 – 95%	If the probability of achieving Milestone 2 was 5% higher (or lower) the fair value would increase (decrease) by $229,167
Living Networks	Contingent consideration	Probability of achieving Milestones disclosed above	Milestone 1 – 50% Milestone 2 – 25%	If the probability of achieving each milestone was 10% higher (or lower) the fair value would increase (decrease) by $50,000
Web 2 TV	Contingent consideration	Probability of achieving Milestones disclosed above	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%	If the probability of achieving each milestone was 10% higher (or lower) the fair value would increase (decrease) by $150,000

Note 6. Issued capital

	Dec-18 $	Jun-18 $
Issued capital	**38,471,382**	**38,437,650**

Movement in Ordinary Share Capital:	**31 December 2018 No.**	**30 June 2018 No.**	**31 December 2018 $**	**30 June 2018 $**
At the beginning of the period	121,062,903	90,212,903	38,437,650	30,768,966
Placements:				
- 18 August 2017	-	8,818,000	-	2,204,500
- 12 July 2017	-	9,182,000	-	2,295,500
VOD acquisition (1 September 2017) (a)	-	3,600,000	-	1,224,000
Options exercised during the period	250,000	9,250,000	37,500	2,307,500
Share issue costs	-	-	(3,768)	(362,816)
	121,312,903	**121,062,903**	**38,471,382**	**38,437,650**

(a) 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 to the vendors for the acquisition of Movie Source Pty Ltd and VOD Pty Ltd on 31 August 2017.

Note 6. Issued capital (continued)

Options

At 31 December 2018 there were 8,633,333 options (30 June 2018: 8,883,333) options available for exercise.

Exercise price	25 cents	15 cents	35 cents	42 cents	**Total**
Expiry date	30-Apr-18	19-May-21	31-May-21	31-May-21	
Opening balance	-	6,883,333	1,000,000	1,000,000	**8,883,333**
Issued during the period	-	-	-	-	**-**
Expired during the period	-	-	-	-	-
Exercised during the period	-	(250,000)	-	-	**(250,000)**
Closing balance	**-**	**6,633,333**	**1,000,000**	**1,000,000**	**8,633,333**

Note 7. Share based payments

2018 Executive Incentive Plan

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	111,643
Mr G Nicholls	Exceeded	Exceeded	132,839	53,136
Other	Exceeded	Exceeded	542,373	216,949
Total			**1,113,030**	**381,728**

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 as at 14 November 2018 for Mr X Kris and 10 August 2018 for remaining participants.

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 being Threshold, Target and Stretch.

Note 7. Share based payments (continued)

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 Rights 5 October 2018		FY 19 LTI Performance Rights 5 October 2018	
	Number	$ Total fair value	Number	$ Total fair value
Xavier Kris	558,659	181,564	1,117,318	254,749
George Nicholls	226,006	73,452	339,008	77,294
Lee Hunter *	357,742	116,201	715,084	163,039
Other	1,031,502	335,238	1,347,216	307,165
Total	**2,173,709**	**706,455**	**3,518,626**	**802,247**

*Mr Hunter was appointed as Chief Operating Officer on 28 August 2018 at which time he became a Key Management Personnel.

Note 8. Subsequent events

On 15 February 2019, the Company acquired Medial Media Pty Ltd. Medical Media operates more than 2,300 digital screens across Australia with a significant market share in the highly contested medical practice market. The company will purchase all outstanding shares in Medical Media for an upfront consideration of $4.5 million, 100% in scrip, with an additional $20.5 million payable in Performance shares subject to achieving advertising revenue targets. Several board changes also occurred in conjunction with completion of the transaction with Darren Smorgon appointed as a Non-Executive Director to the Board on 12 February 2019.

Concurrently, Swift announced it had signed a binding term sheet with Bankwest to extend its current facility limit from $3million to $6million, which includes a working capital facility sub-limit of $4.5million and Contingent liabilities of $1.5million, reviewable annually. Other key terms and conditions are on materially the same terms as those previously entered into by Swift in July 2017. The Company expects the extended facility will be available for draw down shortly after the date of this report.

The financial effects of the above transaction have not been brought to account at 31 December 2018. With the short lead time to the date of signing this report, we have not been able to form a view on the assets and liabilities acquired in particular due to the impact of recent changes to AASB 9, 15, 16 and the significant judgments estimate required to value the performance shares and the tax effect there on. The impact of the aforementioned points is likely to have a material impact on the net assets ascribed to Medical Media in acquisition accounting take up. The operating results and assets and liabilities of the company will be brought to account from 15 February 2019.

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

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

Note 9. Contingent Liabilities

	Dec-18 $	Jun-18 $
Liabilities under guarantees[1]	412,242	313,711
Total Contingent liabilities	412,242	313,711

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

Note 10. Commitments

	Dec-18 $	Jun-18 $
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	121,200
Later than 1 year and not later than 2 years	121,200	121,200
Later than 2 years and not later than 5 years	50,500	121,200
	292,900	363,600

There are no other operating lease commitments.

Note 11. Related party transactions

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	
	Dec-18	**Jun-18**
	$	**$**
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	215,257	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
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 and was repaid on 16 August 2018.

Note 11. Related party transactions (continued)

	Consolidated	
	Dec-18	Jun-18
	$	$
Amounts outstanding at reporting date		
(i) Payables	71,493	57,543
(ii) Receivables	-	275,000
Transactions with other related parties		
Entities managed by Key Management personnel		
Share based payments prior year adjustments to non KMP - non cash	(25,040)	-
Share based payments to KMP and other non KMP - non cash	1,890,430	1,695,292
Share based payments to KMP and other non KMP - cash settled	-	20,100
Total share-based payments	1,865,390	1,715,492

Details on share based payments are disclosed in note 7.

In addition to the Key Management Personnel noted within the 30 June 2018 Annual Report, Lee Hunter was appointed as COO on 28 August 2018 and is deemed to be a Key Management Personnel. He is engaged as a full time employee with a four month notice period.

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

Note 12. Segment information

The CODM is the Board of Directors (Board) who monitors the operating results of the consolidated group and organises its business activities and product lines. The performance of the consolidated group is evaluated based on Earnings before Interest, Taxes, Depreciation and Amortisation ("EBITDA") which is measured in accordance with the Group's accounting policies. The Group only has one reportable segment being the provision of digital entertainment services in Australia. Analysis of the Group's revenue and results from continuing operation by the reportable segment is detailed below.

Segment Information	**Consolidated**	
	Dec-18	**Dec-17**
	$	**$**
Revenue from external sources	12,469,574	10,383,398
Reportable segment loss	(880,306)	(789,114)
Reconciliation of reportable segment loss		
Reportable segment loss	880,307	(789,114)
Other revenue	45,734	15,277
Unallocated		
- Share based payments	(1,865,390)	(1,223,940)
- Fair value gain/ (loss) on financial liability	437,500	(6,020,833)
- Other	-	-
Gain/ (Loss) before tax	501,851	(8,018,610)

	Consolidated	
	Dec-18	**Jun-18**
	$	**$**
Reconciliation of reportable segment assets		
Reportable segment assets	28,999,506	25,277,896
- Cash	-	-
- Receivables	-	-
- Other assets	-	-
Total assets	28,999,506	25,277,896
Reconciliation of reportable segment liabilities		
Reportable segment liabilities	(20,259,553)	(17,417,633)
Unallocated		
- Trade and other payables	-	-
Total liabilities	(20,259,553)	(17,417,633)

Note 13. 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 Statements
The Company assessed the impact of adoption of new accounting policies. The cumulative method has been adopted therefore comparatives are not restated.

The following tables show the adjustments recognised for each individual line item for Statement of Financial Position.

Balance sheet (extract):	30 June 2018 ($)	AASB 9 ($)	AASB 15 ($)	AASB 16 ($)	1 July 2018 Restated $
Current Assets					
Trade and other receivables	3,447,658	(92,314)	-	-	3,335,344
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**	**26,490,489**
Current Liabilities					
Provisions	72,643	-	-	(72,643)	-
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)	-
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 13. Changes in accounting policies (continued)

(a) Under AASB9, 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 balance sheet. Modified retrospective approach was adopted and adjustment made to the opening retained earnings in the current period.

Note 14. Leases

Amounts recognised in the balance sheet:

	Consolidated	
	Dec-18	Jun-18
	$	$
Right of use assets[1]		
Properties	1,417,593	-
Total	**1,417,593**	-
Lease liabilities[1]		
Current	378,674	-
Non current	1,413,864	-
Total	**1,792,538**	-

[1]For adjustments recognised on adoption AASB 16 on 1 July 2018, please refer to Note 13.

SWIFT MEDIA LIMITED AND CONTROLLED ENTITIES
(formerly Swift Networks Group Limited)
ABN: 54 006 222 395

Directors’ Declaration

In accordance with a resolution of the directors of Swift Media Limited, we state that in the opinion of the directors:

(a) The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

   i. Giving a true and fair view of the consolidated entity’s financial position as at 31 December 2018 and its financial performance for the half year ended on that date, and
   ii. Complying with the Australian Accounting Standards (including the Australian Accounting Interpretations), Corporate Regulations 2001, and other mandatory professional reporting requirements.

(b) There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Mr Paul Doropoulos
Director
28 February 2019

Mr Xavier Kris
Director
28 February 2019

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

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

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Swift Media Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Swift Media Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, 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 half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001 including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 28 February 2019