



SWIFT

ASX: SW1

INVESTOR UPDATE,
PLACEMENT AND PROPOSED
ENTITLEMENT OFFER

1 April, 2020

Pippa Leary, CEO

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SWIFT MEDIA

RESTRUCTURED AND REFINANCED FOR 2020

Swift is a specialist media company serving the Mining and Resources, Aged Care and Health and Wellbeing sectors.

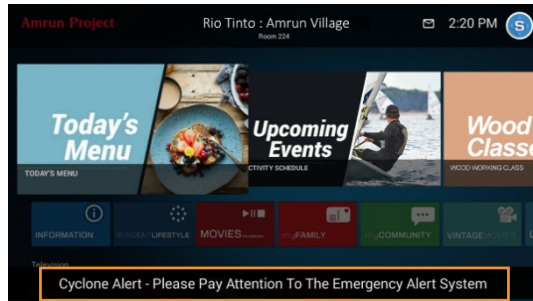
- **CEO Messages**
- **Significant Restructure**
- **Working Capital Requirement - Solved**
- **COVID-19 Impact**
- **Placement and Entitlement Offer**

SWIFT MEDIA

Swift is a specialist media company that provides entertainment and communication solutions to connect and engage communities in:

MINING & RESOURCES

Delivering secure closed networks with customised communications and content.



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

AGED CARE

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



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

HEALTH & WELLBEING

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



- Digital Out of Home advertising
- Standards' compliant communication tool
- Health & Wellbeing content designed to inform, educate and entertain patients at the point of care
- Following strategic review, the Health & Wellbeing network has been significantly restructured to reduced costs

CEO MESSAGES

Swift has taken decisive action in anticipation of COVID-19 impact

- Business restructured for breakeven on 36% less revenue: \$12m of contracted recurring revenue in Aged Care and Mining and Resources.
- Conservative assumptions: no growth, recurring revenue contracts only, and significant churn in Health and Wellbeing and Hospitality recurring revenue.
- Core IP retained; continued focus on primary Residential Aged Care growth agenda.

Capital secured for new contract funding, COVID-19 restructuring charges and redundancies

- Working capital secured for new projects, restructuring and redundancies.
- Minimum additional \$2.0m secured through a successfully committed placement ("Placement") and partially underwritten/committed non-renounceable, non-accelerated entitlement offer ("Entitlement Offer").
- Debt covenants waived for 2020.

Swift performing to budget in Q3, COVID-19 to temporarily delay Aged Care ramp-up

- Aged Care, Mining and Resources expected to perform in line with internal budget for 3QFY20.
- New quarantine camp contract signed late March: \$220,000 upfront with recurring per-room revenue.
- Additional 31 proposals out for new Aged Care platform Swift Plus (>\$5m revenue opportunity over three years) – COVID-19 introduces conversion uncertainty.

SWIFT RIGHT SIZED FOR THE FUTURE

Cost base substantially reduced

- Group annualised operating expenses reduced by \$8m pa to \$4.1m pa.
- One-off redundancy expenses of \$550k.
- Opex does not factor Government COVID-19 subsidy assistance.
- Cost base aligned to assumed 36% revenue reduction.

Core capabilities retained

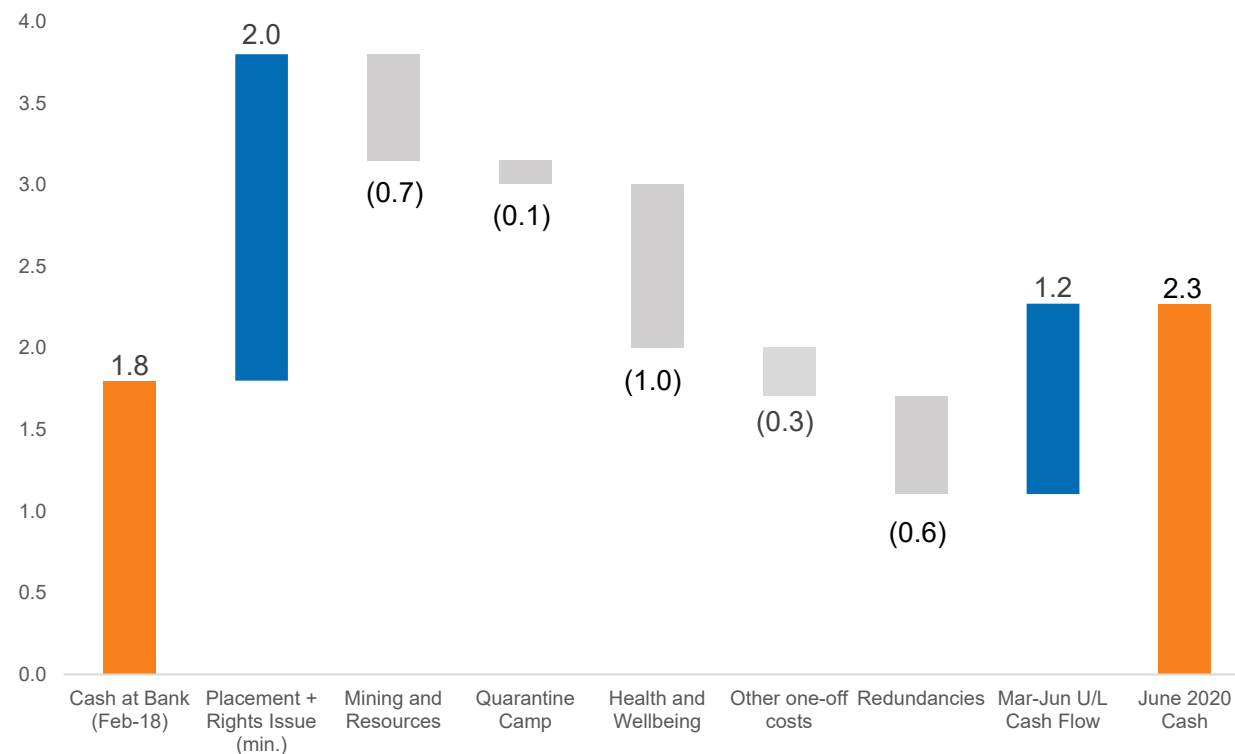
- Key sales, development and support staff retained for growth agenda.
- Core IP remains intact and supported.
- Development of new Swift Plus Aged Care platform complete, for sale in market.

Contracts

- Swift has signed \$5.9m in new contracts and existing contract renewals since 1 January 2020.
- This includes a new quarantine camp installation, and the first sale of the new Swift Plus Aged Care platform.

SWIFT FINANCING FOR THE FUTURE

Targeting ~\$2.3m pro forma cash end-June 2020



Numbers represent business targets at 31 March 2020 and are presented on a pro forma basis using current assumptions, including those in this presentation. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance to differ materially from current expectations. Refer to commentary in relation to Forward Looking Statements in the "Important Notices" section.

New contracts, restructuring and redundancies

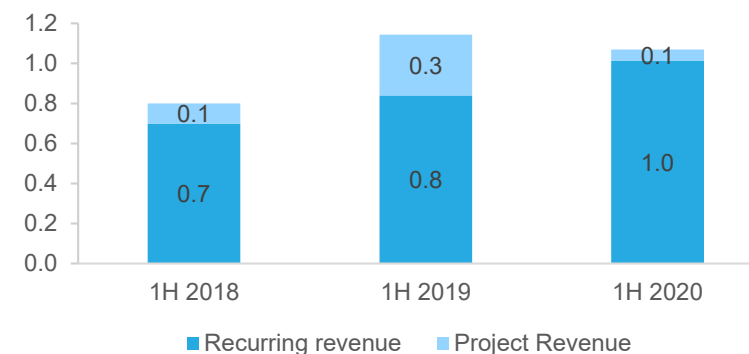
- \$650k in upfront costs for delivery into new Mining and Resources projects including design and construction projects for Rio Tinto and Atlas Iron; Swift has c.65,000 rooms at 31 March 2020.
- \$150k in upfront costs for delivery into new quarantine camp projects – Stage 1 is up to 1,200 rooms with potential for 3,700 rooms.
- Health and Wellbeing restructured to reduced costs to align with recurring revenue contracts only – assumes level of churn in recurring revenue contracts for COVID-19.
- \$550k in gross redundancy expenses (PAYG, Super) – opportunities expected to reduce with new Stand Down laws and Government assistance packages.

COVID-19 DETAILED COMMENTS: Residential Aged Care

Impact on Aged Care revenues

- Swift anticipates the continued requirement of its content and services in established Aged Care facilities (11,845 rooms) despite COVID-19.
- Prior to COVID-19, social isolation was already a material issue in Aged Care facilities.
- In-room confinement and cancellation of visitations from COVID-19 lockdowns compound the issue; communication and entertainment services are essential.
- Swift completed beta trials of its new Swift Plus Aged Care facility system in March, securing its first sales contract.
- Swift has 31 proposals out for its new Swift Plus product (including 16 potential new customers), for >\$5m revenue opportunity over three years. Conversations with operator Head Offices continue during facility lockdown.
- Opportunity to provide media and communication systems to combat social isolation in Aged Care facilities and target enterprise wide sales through head office.

1H REVENUE IN A\$M



MARKET SIZE

223,000

RESIDENTIAL AGED
CARE PLACES*

2,700

RESIDENTIAL AGED
CARE FACILITIES*

SWIFT PRESENCE

11,845

ROOMS

117

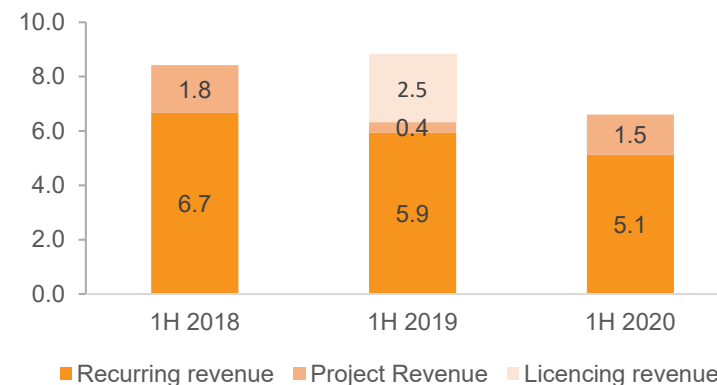
FACILITIES

COVID-19 DETAILED COMMENTS: Mining and Resources

Impact on Mining and Resources revenues

- Swift anticipates the continued requirement of its content and services in established Mining and Resources rooms (c.31,000*) despite COVID-19. All clients currently continue to operate.
- While 2020 resets to a lower starting base cycling one-off contract revenue in 2019 and a large operator moving from construction to operation, a solid revenue core remains.
- Strong 1H2020 project revenue provides foundation to improve recurring revenue in 2H2020
- Swift continues to deploy into five new Mining and Resources camp projects
- Opportunity to provide media and communication systems to combat social isolation in quarantined camps.

1H REVENUE IN A\$M



MARKET SIZE

115,000 **250+**
ROOMS IN REMOTE CAMPS* SITES IN REMOTE CAMPS

SWIFT PRESENCE

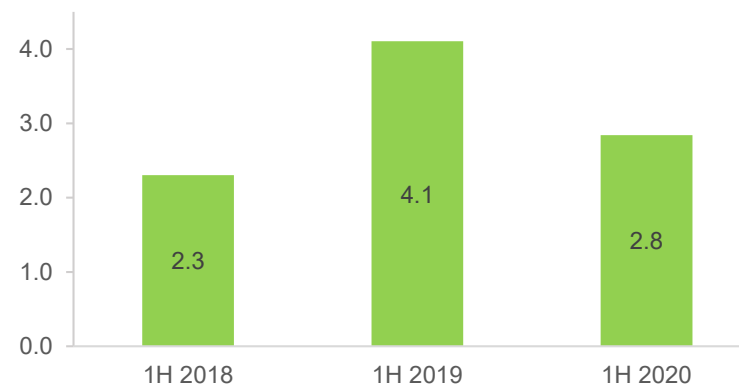
31,000 **63**
EXISTING ROOMS FACILITIES

COVID-19 DETAILED COMMENTS: Health and Wellbeing

Impact on Health and Wellbeing revenues

- The Health and Wellbeing segment derives revenues predominantly from 2,245 local advertisers advertising on 2,000 screens in general practices around Australia.
- While foot-traffic to GP premises is likely to be high in the current environment, the predominantly small business nature of advertisers and the impact of the COVID-19 shutdown will impact revenues.
- Swift has assumed that less than 50% of its contracted, recurring revenue in Health and Wellbeing will be realised in 2020.
- Swift has therefore significantly restructured the Health and Wellbeing division to reflect this significantly lower revenue, accounting for c.80% of Group redundancy expenses.
- Opportunity to target national advertisers with increased audience dwell times.

1H REVENUE IN A\$M



MARKET SIZE

10,000
SCREENS*

SWIFT PRESENCE

2,000
SCREENS

1,400
SITES

COVID-19 OPPORTUNITIES AND CHALLENGES

AGED CARE

- Prolonged resident isolation a challenge – Swift Plus provides entertainment, communication and exercise & relaxation content
- Facilities in lock down - My Family App being developed to allow families to stay connected to residents
- In-room resident communication –delivered via Swift connected television, saving carers and facility managers time
- Government injection of \$440m into Aged Care* could lead to improved ability for facilities to fund rollout of Swift products
- Technology can help providers meet Quality Care Standard 2 around resident social and emotional needs during COVID-19**
- Lock down of facilities will hamper installation, requiring adherence to new strict anti-contamination protocols for our installers
- Multiple enterprise-wide sales discussions at head office level continuing

MINING AND RESOURCES

- Mines may reduce staff numbers which could reduce rooms utilised, however, at this point mining clients are not paring back services
- Opportunity for rapid deployment of services for quarantine camps – new camp contract secured
- Lock down of facilities and interstate travel may restrict tech support moving between sites, however, Swift remote tech support already on multiple sites
- Remote mining camps are introducing restrictions for FI-FO, movement and contact which may reduce COVID-19 impact

HEALTH AND WELLNESS

- Increased audience and waiting times in GP surgeries
- Practices communicating key messages to visitors via Swift televisions
- Social distancing will limit local sales
- Both Local and National advertising revenue is at risk – significant operating cost reduction measures implemented

EXECUTION PRIORITIES PROGRESS

Clear timeline of deliverables

Q1

- ✓ Exited non-core businesses, e.g student accommodation, maritime and e-sports
- ✓ Identified skills gaps in customer research and product development
- ✓ Delivered high level business strategy
- ✓ Hired Chief Customer and Strategy Officer

Q2

- ✓ Deepened customer expertise in residential Aged Care
- ✓ Implemented CRM
- ✓ Broadened skillset on Board
- ✓ Hired Chief Sales Officer

Q3

- ✓ “Swift Plus”, tailored product for Aged Care built and ready earlier than planned
- ✓ Established sales and service model and built strategic sales plan
- ✓ Streamlined cost base c.\$8m of annualised cost savings implemented. Core IP intact, ability to scale for future growth

Q4

- c.\$2m of new equity capital committed
- Implement COVID-19 Action Plan
- Refocus of business priorities to rapid deployment of initiatives in Aged Care and Mining and Resources
- Continue to build core capabilities and sales pipeline to be prepared for market rebound

Summary

Swift has restructured the business for breakeven on c. \$12m of contracted recurring revenue and conservative assumptions

- Group annualised operating expenses reduced by \$8m pa to \$4.1m pa through restructuring and redundancies.
- Core IP remains intact and supported.

Capital secured

- Minimum additional \$2.0m secured through a successfully committed placement and partially underwritten/committed Entitlement Offer.
- Debt covenants waived for 2020 in light of temporary COVID-19 dislocation.

Swift performing to budget in Q3 – Swift Plus launched with good pipeline of proposals

- Expected to meet internal budget for 3QFY20.
- New quarantine camp contract signed late March: \$220,000 upfront with recurring per-room revenue.
- Additional 31 proposals out for new Aged Care platform Swift Plus (>\$5m revenue opportunity over three years).

COVID 19 presents both challenges and opportunities for Swift.

- Our media and communication products, such as the recently launched Swift Plus system, help to solve the problems of social isolation for Aged Care, residents and occupants in both mining, resources and more recently in quarantine camps.
- We are now more appropriately resourced and financed to take advantage of new enterprise wide growth opportunities.



CAPITAL RAISING

PLACEMENT AND PARTIALLY UNDERWRITTEN/COMMITTED ENTITLEMENT OFFER

PLACEMENT & ENTITLEMENT OFFER

To raise a minimum of \$2.0m and up to \$3.3m

PLACEMENT	<ul style="list-style-type: none">• Placement of new Swift shares to Institutional investor• Placement at A\$0.015 per share to raise A\$0.4m to settle early April• Conducted under the existing ASX L.R 7.1 capacity
ENTITLEMENT OFFER	<ul style="list-style-type: none">• Proposed 1:1 pro rata, non-renounceable, non-accelerated Entitlement Offer at A\$0.015 per share. To be launched with further details shortly• Placement shares will not participate in the Entitlement Offer
SUPPORT	<ul style="list-style-type: none">• Underwriting/commitments for the Entitlement Offer have been received from major shareholder Robert Sofoulis, board, management and other professional investors in a total amount of \$1.6m• Testing of all covenants will be waived for the remainder of the 2020 calendar year.
TOTAL RAISE	<ul style="list-style-type: none">• Combined Placement and Entitlement Offer will raise a minimum of \$2.0m (\$0.4m +\$1.6m) and a maximum (depending on take up under the Entitlement Offer by eligible shareholders) of \$3.3m, before costs of the capital raise
PRICING / TERMS	<ul style="list-style-type: none">• The Placement and proposed Entitlement Offer are priced at A\$0.015 per share, a 25% discount to close on Thursday, 26 March 2020 (the last trading day before trading halt), 5% discount to 5 day VWAP and 42% discount to 15 day VWAP• Shares issued under the Placement and proposed Entitlement Offer to rank pari passu with existing ordinary shares
PURPOSE	<ul style="list-style-type: none">• Net proceeds of the completed Placement and proposed Entitlement Offer will be used to provide working capital for the business.

CAPITAL RAISE TIMING AND SHARE CONVERSION

INDICATIVE TIMING OF CAPITAL RAISE

- Placement will complete in early April
- Further information in relation to the Entitlement Offer will be released shortly, including an indicative timetable and offer documents (expected to be in early April)

MEDICAL MEDIA SHARE CONVERSION

- Swift has reached agreement with the holders of Performance Shares, for the conversion of those 68,106,313 Performance Shares outstanding into 18,875,034 ordinary shares in the Company (equating to approximately 5% of the issued shares of the Company post the completion of the Placement and Entitlement Offer assuming the minimum capital raise of \$2m).
- Conversion simplifies the capital structure of the Company and promotes alignment of shareholder interests
- Conversion will be subject to shareholder approval at an EGM to be held in due course and obtaining necessary approvals from ASIC / ASX (in each case as required).
- The Board recommends that shareholders vote in favour of the Conversion and each member of the Board that is a shareholder (including via investment entities) intends to vote (where permitted to do so) in favour of the conversion.



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