

## **COVID-19 Business Update and Entitlement Offer**

Dear Swift shareholder,

As a fellow shareholder in Swift Media Ltd, I wanted to let you know how we're positioning the company for the challenges and opportunities created by the COVID-19 outbreak, and to encourage you to participate in the Entitlement Offer which we announced to ASX on 2 April 2020.

This is a very important time for Swift. Notwithstanding all of the disruptions in the wider macro environment, we have been making good progress in executing our strategy to strengthen Swift and position ourselves for long term sustainable growth. We have been proactive and have implemented measures to ensure we are well capitalised, right sized and focused on the emerging opportunities. Although COVID-19 is causing some temporary disruptions to our business, such as accessing sites, on the positive side, our telecommunications and digital entertainment services directly address the growing problems of social isolation in mining villages, quarantine camps and aged care facilities. Our staff are working well remotely and we remain focused on driving sales growth and enhancing our product offering.

### **New Contract Wins**

We recently announced five new contract wins worth over \$3.2m (ASX releases 8 and 14 April 2020). These important appointments demonstrate the value of our offering and the increase in customer demand. In the Mining and Resources vertical we have been engaged to provide fit for purpose communication and entertainment systems at workforce accommodation villages. These appointments show our focused strategy to leverage our market leading share and deep expertise in this vertical to deliver successful results and drive growth.

### **Streamlining Swift**

In late March we implemented cost savings to ensure we are appropriately resourced for the current COVID-19 environment (ASX release 27 March 2020). We moved quickly. We took out around \$8m of annualised savings from redundancies and cost savings. This included a 40% reduction to remuneration for the board, management and staff. It included non-essential operating and admin costs and it also included rent on our premises. The cash cost to achieve these savings was just over \$0.5M. We believe these measures will ensure that Swift will be able to generate positive cash flow and profitability through these most difficult trading conditions even should current conditions/restrictions remain in place for the foreseeable future. I would also reassure you all, that even though these savings were material we have identified and retained our core intellectual property so that we are able to scale up as demand recovers.

### **Recapitalising Swift**

We have now commenced a process to recapitalise Swift to strengthen our balance sheet and provide working capital for growth. We are seeking to raise around \$3.3m in total in new equity funds and have firm commitments to effectively fully cover this amount. These commitments have been provided by our

founder Bob Sofoulis and his family, Darren Smorgon our Chair, Pure Asset Management, our financier as well as strong institutional support.

To facilitate the raise we have already completed a Placement to raise approximately \$410,000 before costs. On April 2nd we launched an Entitlement Offer for shareholders to raise up to \$2.9m before costs. Both offers are at 1.5 cents per share. Currently we have underwriting commitments and entitlement offer participation in excess of the total raise amount so we expect the raise will be successful. The Entitlement Offer Booklet and Application Form should have arrived at your home. I encourage all shareholders to consider the Offer. Should you have any questions regarding the Entitlement Offer (including obtaining a copy of your entitlement form) and how to participate please do not hesitate to contact the Swift Offer Information Line 1800 500 095.

On behalf of the Board, we appreciate your ongoing support as a shareholder in Swift. Thank you again and I look forward to updating you as we continue to progress.

Your sincerely,

Pippa Leary

CEO, Swift Media

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**END**

## **ABOUT SWIFT MEDIA LIMITED**

Swift Media Limited (ASX: SW1) is a diversified telecommunications, content and advertising solutions provider. Swift empowers guests to watch, play, connect and interact and provides accommodation providers with meaningful insights and opportunities to drive new business. Swift delivers customised content, communications and targeted advertising across secure closed networks. Swift's services include free-to-air television, pay television, telecommunications and video on demand with content from some of Hollywood's largest studios. Running in more than 2,000 sites (approximately 65,000 dedicated TV screen plus mobile applications) across the mining, oil and gas, aged care and retirement village, healthcare and hospitality sectors, Swift's fully integrated platform is deployed in some of the world's harshest regions, where reliability, flexibility and scalability are critical success factors.

### **FOR MORE INFORMATION, PLEASE CONTACT:**

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