SWIFT MEDIA
ANNUAL REPORT
2021

swiftmedia.com.au

swift

CORPORATE DIRECTORY.

Directors

Darren Smorgon
Chairman

Peter Gibbons
Non-Executive Director

Robert Sofoulis
Non-Executive Director

Katherine Ostin
Non-Executive Director

Philippa Leary
Managing Director

Brian Mangano
Director and Chief Financial Officer

Company Secretary
Simon Whybrow

Corporate Details

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

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WEST PERTH WA 6005

Telephone: +61 8 6103 7595
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Auditor

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

Bankers
Bank West Ltd
300 Murray Street
PERTH WA 6000

Share Registry

Link Group
Level 12
QV1 Building
PERTH WA 6000
T: +61 8 9211 6650
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Stock Exchange Listings
The ordinary shares of Swift Media Limited are listed on the Australian Stock Exchange. (Code: SW1)

This Annual Report is a Summary of Swift Media Limited's operations, activities and financial position as at 30 June 2021.

HIGHLIGHTS OF 2021.

- **150% Increase** in EBITDA to $1.5 million
- **14.6%** Enterprise EBITDA on Revenue Before Corporate Costs
- Revenue **$17.6 million**
- Core Revenue in Mining and Aged Care **Up 15%**
- **$3.9 million** in Cash Plus $235,000 of Term Deposits
- Sales of Loss-Making Medical Media Business
- **$2.5 million** of Holding in ASX Listed Investment as at June 30 2021
- **$1.2 million** Reduction in Business Overhead Base in Lead Up to FY22
- Net Debt $4.1 million, a **26% Reduction** Compared to FY20
- **$13.4 Million** in Recurring Revenue
- **58,961 Rooms** with Swift Systems
- Acquired Exclusive Rights to Streamvision **streamCAST Technology**
- **85% Improvement** to Cash Flows from Operating Activities
- Strong Balance Sheet with **$5.0 million** of Capital Raising in FY21

CHAIRMAN'S REPORT.

Dear Fellow Shareholders,

Thank you for taking the time to look through the Swift annual report for the financial year ended 30 June 2021.

Despite the hardships faced by all of us over the past year, the team at Swift have continued to work diligently and as a result, achieved a great deal. When I wrote my Chairman's report last year, I expected the months ahead to be challenging – and they certainly were! However, thanks to the hard work of our team, management, and the Swift Board, we are well down the road to success in FY22 and beyond. We have a strong brand and reputation, an agile team, great technological platform, and a next generation product that will enter the market in FY22.

The past year, Swift's Management was assigned the task of raising capital, divesting the Medical Media business, and reducing overheads. The team at Swift not only achieved this complex task, but also managed to continue to grow revenue in Swift's core verticals of Mining and Aged Care. They also succeeded in making significant advances toward providing content and support services to the Federal Government.

Growing revenue in Aged Care has been particularly challenging in FY21 given the restrictions imposed because of COVID-19 and the regulatory challenges that the Aged Care industry are working through. This has limited Swift's ability to complete system installations for several new Aged Care clients. We see the uptake in Aged Care to be measured and steady, rather than fast and volatile. The considered approach taken by many Aged Care customers when deciding whether to implement our platform will, in time, translate into strong relationships with facilities whose residents will enjoy the benefits of partnering with Swift for many years to come. It is this approach that generates long term recurring revenue as opposed to short term project work.

"We have a strong brand and reputation, an agile team, great technological platform, and a next generation product…"

Swift has an enviable position of deriving most of our revenue from recurring contracts for our premium entertainment and support services. Growing this revenue line in all applicable markets is now the primary focus of the business. The unique ability of our product to provide premium content and communications within a platform that actively manages bandwidth usage is our point of difference. These features make our solution attractive not only to our clients in Mining, Aged Care and Government, but any environment where effectively managed content and communications are required.

The positive team culture at Swift has not only survived the trials of FY21 but has emerged with newfound resilience being fostered by Managing Director Pippa Leary. Adversity has created strength within the Swift team and solidified everyone's commitment to the betterment of the Swift product and client experience. During the year we welcomed Pippa to the Swift Board along with our new CFO, Brian Mangano. Both these executives provide complementary experience and depth to the Swift Executive team, with Brian being located on the West Coast and Pippa on the East coast.

I now feel that we are positioned to benefit from tailwinds in the Mining, Aged Care and Government sectors in the coming year and beyond. I am confident that these external factors along with the release of our next generation product and defined focus, will drive Swift's revenue growth over the next five years.

I would like to take this opportunity to thank my fellow directors, Pippa, the Executive team at Swift and our talented group of employees for their tireless efforts during the year. I also want to thank our shareholders for their support and patience.

I expect the year ahead to provide good opportunities for Swift to grow its recurring revenue base whilst managing cash flow, with the benefit of growing demand for our unique solutions.

Darren Smorgon

Chairman

MANAGING DIRECTOR'S REPORT.

Dear Fellow Shareholders,

I am pleased to report that in line with plans outlined at the beginning of FY21 we have continued to stabilise and strengthen the Swift business and team. Streamlining the business, building new capabilities in sales and product development as well as strengthening the balance sheet means that we have a positive outlook for strong growth. Now that we have fixed historical issues with the business, we are actively focusing on securing longer term contracts with high quality recurring revenue. FY21 saw a significant uptick in sales activity as we raised our profile in Mining, Aged Care and the investment communities. We are now at the exciting point of bringing the new casting product, Swift Access, to market with an initial focus on signing longer term contracts with our current clients. We have energised and rebuilt our marketing, advertising, and sales suite to promote this next generation product. Swift Access will be the key factor in allowing us to grow sales across all verticals and give us an opportunity to re-engage our existing client base.

At the same time, we have succeeded in delivering reduction and control of overheads, resulting in a far leaner business. The combination of a new product which facilitates the signing of longer-term contracts along with ongoing cost control puts us in good standing to steadily build the Swift share price over time.

"We are now at the exciting point of bringing the new casting product, Swift Access, to market with an initial focus on signing longer term contracts with our current clients"

From a strategic point of view the divestment of the non-core Medical Media business has been important in allowing us to focus on an organic mergers and acquisitions (M&A) strategy in our core verticals, a strategy that will benefit existing Swift shareholders. Hiring Brian Mangano as our new CFO, with his history running a similar business to Swift, as well as his strong record of accomplishment in M&A means that we are primed to make the right acquisitions at the right time.

To reflect our focus on high quality recurring revenues, we have moved our sales strategy away from short-term quarterly revenue reporting and will instead report in terms of Total Contract Value (TCV). We have simplified our product offerings, boosted our investment in ground-breaking technology and engaged a more efficient tendering and delivery process to further amplify the impact of TCV.

In addition, we are re-engaging all existing and potential customers with the new Swift Access solution. Swift Access is a gamechanger for Swift and our clients, it allows us to combine our market-leading on-demand communications and entertainment platform with smart casting technology containing unique privacy controls. This combination of entertainment, communication, bandwidth management, security and casting offers our customers a truly best in class solution for connecting and engaging their community.

From the perspective of sales our key recruit this year is James Johnson, joining us as the new Commercial Director for Mining and Resources. James's 22-year tenure in this sector has meant the immediate lift of Swift's profile and the realisation of our stated intention to move sales discussions from procurement to genuine business development. Since joining us in the final quarter of this year James has facilitated the addition of several new high-value conversations to the business. As a result, we have entered the Government vertical where there are exciting opportunities to pursue additional adjacent streams of high-quality recurring revenue.

We have also restructured our sales team in Mining and Resources to focus on key clients. Our improved sales strategy means that we will now prioritise work with recurring revenue, or a strong strategic rationale instead of short-term, low margin project work. In fact, both the Mining and Resources and Aged Care teams are focused on pursuing longer term contracts to create value beyond short-term projects. Our singular focus on Total Contract Value means that we can grow both the sales and service teams across the business and provide a dedicated management experience for existing clients. Our strengthened balance sheet also means that we can explore the funding of installation costs in return for longer term (five year plus) contracts.

"Our improved sales strategy means that we will now prioritise work with recurring revenue, or a strong strategic rationale instead of short-term, low margin project work"

It was unforeseeable that COVID -19 would still be so active in Australia and the resulting lockdowns would continue for this period. While COVID-19 has not adversely affected our Mining business it would be remiss not to note the ongoing challenges it has presented for Aged Care. For this reason we have expanded into the adjacent vertical of Retirement Living a year earlier than expected. We are now pursuing several strategic partnerships in this space, allowing Swift to partner with other established players who have products and services complementary to our own. Pleasingly we continue to bring new clients to Swift in the residential Aged Care sector, but we are cognisant that delivery and implementation times will continue to be challenged as long as lockdowns are in force.

In these challenging times I would like to call out the exceptional performance of the Swift team. Persistent lockdowns in our various geographies have continued to create challenges for our them, however our team has kept their heads down and continued to focus on providing outstanding results for our customers. We have received unsolicited feedback from several our larger clients praising the Swift team for its excellent service and delivery. The Swift culture has continued to grow with some excellent new hires and additions to the team. Pleasingly every new person who joins the Swift business comments on the warm welcome, friendly, and productive nature of our work environment. We have endeavoured to build a performance-driven culture that strives to deliver on its stated values: customer first, one team, integrity, be the change and own it! Our positive outlook today is the result of a huge team effort.

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

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

Pippa Leary
Chief Executive Officer

ABOUT US.

We connect and engage communities through entertainment and communications solutions.

Swift is uniquely positioned as Australia's largest digital media platform to provide simple and effective entertainment, communications and network solutions across the Mining, Aged Care and Government sectors.

It's not simply the commitment to research, the in-house development, operations and support teams, but the breadth of products and services that have the potential to provide unparalleled value to our clients. Mature relationships with suppliers and decades of industry knowledge fuel our commitment to see our client facilities become premium accommodation experiences.

THE SOLUTION.

Swift's network, communications and entertainment solutions provide real value to those who can't be with their families, whether because of work, the need for assisted living or more recently, quarantine.

From the inception of the first entertainment system tailored to Mining and Resources in 2010, to subsequent product upgrades in 2013, 2018 and 2021, Swift's commitment to its clients has focused on one simple purpose: *to provide exceptional entertainment and reliable connection for those living in isolated environments*.

The Swift solutions you see today are not only built with the wellbeing of the end-user in mind, they are built using over a decade worth of data, technology and hands-on experience.

DESIGN & CONSTRUCT.

More than just network solutions, Swift provides clients with end-to-end design, construction and support of reliable, robust and scalable internet, TV, communications and entertainment services. We’re by their side from project scoping to ongoing support, ensuring they have a seamless implementation experience.

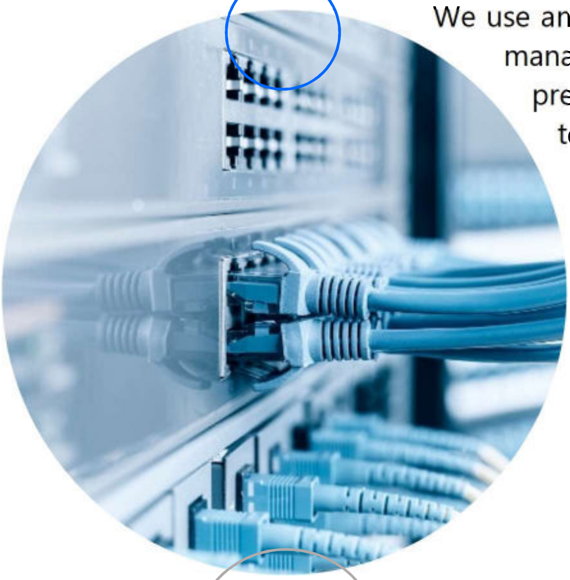
Our in-house engineers and project managers thrive when working in remote and challenging environments. When they evaluate each site, the team will anticipate a client’s future needs and design scalable solutions that last. It's this bespoke service that makes us the top industry partner across many high value industries where reliable communication solutions are vital.

The networks we create allow our clients and their residents or workers to access reliable internet, free-to-air and pay TV services. It connects residents and workers to their family and friends, providing them with valuable content as well as giving each site a dependable foundation for communication.

CLEVER INTERNET MANAGEMENT.

The provision of internet services is just the beginning. Swift’s variety of internet management solutions help optimise usage and delivery of our services.

Intelligent data, bandwidth and traffic management prioritise the traffic that is most important to our clients and further cements resident’s and worker’s confidence in our clients’ ability to provide them with a reliable connection to their family, friends and the world.



We use an onsite server to cache content locally to assist with bandwidth management in order to keep internet costs down. We believe a premium service shouldn’t come with a premium price tag. The team at Swift also continuously report on user and traffic management to better understand and optimise our client’s service over time.

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PRODUCT SUITE.

The new-generation Swift product suite is built around a singular Swift platform, this ensures the longevity of our product and reduces the need for clients to make large additional investments to update technology and equipment.

Our end goal is to support a single communication, entertainment and content delivery platform across any device, whether that's a set top box, smart TV, mobile or personal computer. We are committed to refreshing and improving our platform – consistently helping our clients to meet resident and worker demand for new services and content.

swift access

The latest to join the Swift product lineup, Swift Access is our next generation entertainment and communications solution. It features market-leading casting technology and represents Swift's commitment to continuously aligning our products with changing client expectations.

Swift Access gives workers and residents access to the latest in new-release Hollywood content, before it's released to DVD and streaming apps. Our tailored content line up also features Mental Health and Indigenous content for Mining as well as tailored wellness content for Aged Care to further support and enrich residents experience in their community. This helps us assist our clients in reaching essential compliance standards across their industry. The Swift Access solution can also give clients access to free to air and Foxtel pay TV.

All Swift on demand content is cached locally on site, reducing the cost associated with internet bandwidth issues. Subsequently, clients have greater bandwidth to dedicate to streaming services, improving resident and worker experiences, and helping meet satisfaction KPI's.

Swift Access' robust casting capabilities offer more than just the ability to cast content to a screen. Through clever device management, Swift Access helps onsite personnel to easily set up devices, monitor them and manage streaming traffic in high density accommodation facilities. Simple and secure in-room pairing also ensures resident's personal information is kept safe.

Not only providing content, Swift Access also connects sites by supplying an easy-to-use communication system that has the ability to send site wide or team and personnel-specific messages, and upload the information that residents need and want. It has never been easier to distribute essential communications such as emergency messages, menus, events and special notices.

Swift Access integrates seamlessly with our three apps that provide additional value to clients across each vertical. In Mining and Resources, workers can extend their experience to their mobile device with the Swift Entertainment app. While on site, this app gives them access to the same premium on demand entertainment options that they have on their in-room TV.

The soon-to-be-released Swift Connect app also broadens the reach of Swift Access in Mining and Resources by allowing workers to receive essential communications via their mobile devices. This amplifies the delivery of notices and allows a constant line of communication from site management to personnel. From weather and flight schedules to menus and maintenance requests, this app gives users the ability to access all essential information through Swift Connect.

In Aged Care communities, Swift Access effortlessly connects residents to their families through the My Family, My Community app. This app allows resident’s friends and family to send messages and photos straight to the resident’s TV. This helps them feel connected to their families, reduces feelings of isolation, and achieves this in a way that doesn’t require residents to learn how to use new technology.

TECHNOLOGY FORWARD.

Swift takes every challenge in our stride. The recent difficulties associated with the worldwide pandemic have only strengthened our commitment to providing exceptional services that do the important job of connecting and engaging communities.

We are focused on continuously developing our product suite and innovating in ways that provide value to our clients and ensure Swift remains at the forefront of entertainment and communications solutions. The Swift values of client first, one team, integrity, be the change and own it drive every decision we make and fosters a culture of innovation and excellence throughout our team.

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DIRECTORS' REPORT

The Board of Directors of Swift Media Limited ("the Group" or "the Company") submits its report in respect of the year ended 30 June 2021.

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

Name	Position
Mr Darren Smorgon	Independent Non-Executive Chairman
Mr Robert Sofoulis	Non-Executive Director
Mr Ryan Sofoulis	Executive Director (resigned 6 April 2021) Alternate Director (appointed 7 April 2021)
Ms Katherine Ostin	Independent Non-Executive Director
Mr Peter Gibbons	Independent Non-Executive Director
Ms Pippa Leary	Chief Executive Officer, Executive, Non-independent Director (appointed 7 April 2021)
Mr Brian Mangano	Director and Chief Financial Officer (appointed 27 April 2021)

The following Director of the Company changed during the year:
Mr Ryan Sofoulis resigned from his role as Executive Director on 7 April 2021 but remained as Alternate Director to Robert Sofoulis.

The Company Secretary is Mr Simon Whybrow.

PRINCIPAL ACTIVITIES

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

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Operational review

Swift Plus Rollout
In FY21 Swift has continued to develop its Swift Plus product enhancing functionality to connect families and communities in the Aged Care sector. Swift has deployed Swift Plus at 5,600 rooms and continues to receive great customer feedback on the product. COVID-19 has continued to have an impact in the roll out of this product to many of our new customers. Lockdowns have challenged the delivery of the system due to accessibility constraints at customers premises. To mitigate this, Swift has looked at engaging local approved contractors throughout Australia to assist in the deployment of sites that have been impacted by lockdown.

Swift Access

Q4 saw internal development commence on our new product Swift Access. Coupled with our acquisition of the streamvision casting technology, this product will give us the opportunity to re-engage with our extensive customer base in all verticals and allow us to promote this next generation product out in market to continue to grow sales for the group.

Divestment of non-core Medical Media business

In April 2021, Swift successfully completed the divestment of its Medical Media business. This has allowed Swift to find efficiencies in its overhead spend whilst ensuring cashflow activities occur in our core verticals. The sale has allowed the executive team to focus on our core markets to drive organic growth and to explore mergers and acquisitions discussions in synergistic markets.

DIRECTORS' REPORT

Operational review (continued)

Leadership Changes

In April 2021 Swift introduced Brian Mangano as Swift's CFO. Brian brings a wealth of experience from similar businesses and has a proven track record of successful M&A activity. Along with the appointment of James Johnson as Commercial Director of Mining and Resources, Swift has gained the expertise it requires in our core markets to execute on our growth strategy. Since their hires in Q4, Swift has commenced discussions in the Government sector which it will be pursuing in FY22.

Ongoing response to COVID

FY21 has seen the continued disruption of COVID-19 in Australia. The Mining and Resources sector has remained largely unaffected by COVID-19. In Aged Care, we continue to see disruption in the sector due to government imposed lockdowns and restriction of access to site by providers looking to keep their residents safe. We have expanded into the adjacent Retirement Living sector a year earlier than expected and despite access issues we continue to see new sales in both these sectors.

Financial Review

In FY21 the group achieved operating revenue of $17.6m from continuing operations (FY20: $18.1m). FY21 saw the ramp down of Living Networks and Web2TV based systems which had reached end of life. The introduction of Swift Plus to these customers has been impacted by COVID-19 and the restrictions and lockdowns put in place in FY21. In the core verticals of Mining and Aged care, FY21 saw an increase in revenue of 15% YoY.

2021 saw the group focus on cost control and maintenance of working capital while it refocussed on its core verticals. At 30 June 2021 the company's cash balance was $3.9m (2020: $2.4m) an increase of 37%. The cash balance reflects the fundraising and cost control activities undertaken by the business in FY2021, specifically:

- In November 2020 Swift successfully completed an equity raise for $5.1m (before costs).
- Swift reduced its employment costs during the period by 12% to $4.9m (FY2020: $5.6m) as it streamlined and refocused its workforce on its core verticals.
- Swift focused on improving gross margin through internal efficiency and engagement with suppliers which saw its gross margin move to 39.8% (FY20: 32.8%)
- Swift disposed of its Medical Channel business in March 2021 and has retained a holding in Motio (ASX:MXO) for $2.5m at 30 June 2021.

Swift has significantly strengthened its balance sheet in FY21 and will continue to investigate opportunities to further strengthen its balance sheet in FY22.

Underpinned by the efforts mentioned above, in 2021, the group recorded a significant increase in its underlying Earnings Before Interest, Tax, Depreciation Amortisation ("EBITDA") of $1.5m (FY20: ($3.0m)).

A reconciliation of EBITDA to NPAT has been outlined in the Consolidated Statement of Profit and Loss with reference to Notes 2 and 4.

DIRECTORS' REPORT

Financial Review (continued)

OUTLOOK

Notwithstanding the current market challenges caused by Covid-19 the Company will continue with its stated strategy to:

1. Streamline the business into core verticals and explore opportunities in synergistic verticals.
2. Introduce innovative new products
3. Improving delivery capabilities
4. Upgrade its sales and marketing capabilities
5. Drive revenue growth with recurring revenues and
6. Maintain a reduced cost base

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

SUBSEQUENT EVENTS

See Note 30 for events subsequent to reporting date.

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or recommended during the year (2020: nil).

INFORMATION ON THE DIRECTORS

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

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

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

Special responsibilities include member of the Remuneration committee.

DIRECTORS' REPORT

INFORMATION ON THE DIRECTORS (CONTINUED)

Kathy Ostin – Non-Executive Director
Kathy has deep experience in the Aged Care and Healthcare sectors having established and led KPMG's NSW Health, Ageing and Human Services practice since 2006 until her departure in December 2018. Kathy was also an audit partner since 2005 where her responsibilities covered Aged Care, Media and Technology companies. She as broad international experience having worked in Asia, the USA and UK during her 24 years at KPMG. She is also a current Non-Executive Director and Chair of the Audit and Risk Subcommittee of Capral Limited. Limited, Non-Executive Director and Chair of the Audit and Risk Subcommittee of dusk Group Limited, Non-Executive Director of 3P Learning Limited, Non-Executive Director and Chair of the Board Audit Committee of Alex Corporation and Alex Bank Pty Limited, and Non-Executive Director, Chair of Finance and Financial Audit Committee, Chair of Risk and Internal Audit Committee and Member of the Rebate and Pricing Committee of eftpos Payments Australia Limited..

Directorships held in other listed companies in the past 3 years: Capral Limited (ASX: CAA), dusk Group Limited (ASX: DSK), 3P Learning (ASX: 3PL).

Special responsibilities include member of the Remuneration committee

Peter Gibbons – Non-Executive Director
Peter has a proven background in building growth businesses, deep experience and extensive networks in the Aged Care, Property and Mining & Resources sectors in Western Australia. Based in Perth, Peter is the co-founder and Managing Director of Openn Negotiations, one of Australia's leading online property auction platforms (ASX:OPN). Prior to Openn Peter has had an extensive investment banking career with Macquarie Bank, Bankers Trust and Deutsche Bank. Peter is the Chairman of Bethanie Group, Western Australia's largest not-for-profit Aged Care provider and was previously a Director of Silver Chain, Western Australia's largest provider of in-home residential aged care, Landcorp, and also served as a Commissioner of the Western Australian Football Commission.

Directorships held in other listed companies in the past 3 years: Openn Negotiation (ASX:OPN)

Pippa Leary – Executive, Non-independent Director (appointed 7 April 2021)
Pippa joined Swift in July 2019 following her tenure heading up Nine's digital sales team where she was responsible for the media company's key online properties including nine.com.au, 9Honey and their broadcast video on demand platform 9Now. Pippa was previously CEO of Fairfax-Nine programmatic exchange APEX, and prior to that held senior executive roles at Fairfax Media, including Managing Director of the publisher's Digital Media division. Pippa is also an experienced board director, and currently sits on the board of the RLPA Past Board roles have included Equip Super, the IAB (Interactive Advertising Bureau) and Solstice Media. She is a Graduate of the Australian Institute of Superannuation Trustees (AIST).

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

DIRECTORS' REPORT

INFORMATION ON THE DIRECTORS (CONTINUED)

Brian Mangano – Director (appointed 27 April 2021)
Brian is a Chartered Accountant with more than 25 years' executive experience in Australian Listed companies in the Engineering, Technology and Investment sectors. Brian was appointed Chief Financial Officer and a Director at Swift Media in April 2021. After qualifying with Ernst & Young, Brian travelled to the UK where he worked with Richard Branson's Virgin group as Financial Controller for Virgin Communications. Brian's last major role was as CFO of ASX listed Veris Group the largest surveying group in Australia with over 800 staff and revenues over $100 million. Brian is also a former Managing Director of listed companies AirBoss and Australian Growth. His experience spans a broad range of areas including strategic and business planning, mergers and acquisitions, capital raising, debt finance, information technology, risk management and company secretarial, Brian is a Fellow of the Governance Institute of Australia a Member of the AICD. Brian now brings his wide ranging experience to Swift Media.

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

Ryan Sofoulis – Executive Director (resigned 6 April 2021) Alternate Director (appointed 7 April 2021)
Ryan has spent the last 15 years working within the various companies owned by the Sofoulis family. Ryan worked in the accounts department with the ASTIB Group until it was sold in 2011, at which time he became the Company Secretary of Swift Networks. In 2012, Ryan became the Company Secretary of the newly created EITS Global Group and oversaw the establishment of an international structure spanning over the USA, UK, Ireland and Australia. In 2016 Ryan joined the board of Swift until retirement in 2021. Ryan has been the Head of Finance at Swift Media since 2016 and continues this role with the group.

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

Simon Whybrow – Company Secretary
Mr Whybrow is a Certified Practising Accountant and Chartered Secretary and has over twenty-five (25) years corporate and commercial experience within both ASX-listed and unlisted companies. Mr Whybrow was Chief Financial Officer, Chief Operating Officer and Company Secretary for ASX-listed security company Threat Protect Australia Ltd (ASX: TPS) from 2016 to 2020. Prior to that he was involved in several listed and unlisted, public and private, mining companies including chief financial officer and company secretary for RMA Energy Limited 2007 to 2010.

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	Employee Incentive Scheme Rights
Mr Ryan Sofoulis	4,006,431	-	-	355,135
Mr Robert Sofoulis	96,374,768	-	-	-
Mr D Smorgon	7,460,800	-	750,000	-
Ms K Ostin	974,996	-	600,000	-
Mr P Gibbons	601,858	-	600,000	-
Ms P Leary	4,129,438	1,000,000	-	1,583,311
Mr B Mangano	2,180,573	-	-	-

DIRECTORS' REPORT

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 2021 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 D Smorgon	12	12	-	-
Mr P Gibbons	12	11	-	-
Ms K Ostin	12	12	-	-
Mr Ryan Sofoulis	9	9	-	-
Mr Robert Sofoulis	12	11	-	-
Ms P Leary	3	3	-	-
Mr B Mangano	2	2	-	-

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 2021 financial year:

Directors and Key Management Personnel

Name	***Position***
Directors	
Mr D Smorgon	Non-Executive Chairman
Mr Robert Sofoulis	Non-Executive Director
Mr Ryan Sofoulis	Executive Director (resigned 6 April 2021) Alternate Director to Mr Robert Sofoulis (effective 7 April 2021)
Ms K Ostin	Non-Executive Director
Mr P Gibbons	Non-Executive Director
Ms P Leary	CEO, Executive Non-Independent Director (appointed as Director from 7 April 2021)
Mr B Mangano	Director and Chief Financial Officer (appointed 27 April 2021)
Key Management	
Mr G Greenberg	Chief Financial Officer (appointed 2 July 2020, resigned 7 May 2021)
Mr G Nicholls	Chief Financial Officer (resigned 2 July 2020)

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

Remuneration Policy

Compensation levels for key management personnel and secretaries of the Company and key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced Directors and executives.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

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

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

Fixed compensation

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

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

Remuneration governance

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

Key Management Personnel Remuneration

The key management personnel of the Company are the executive directors. 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 2021 are as follows:

	Year	Salary & Fees (Cash)	Bonus	Annual Leave[1]	Share Based Payments[2]	Super	Long Service Leave	Other	Total	Perf. Related %
Director										
D Smorgon	2021	60,000	-	-	48,082	5,700	-	-	**113,782**	**0%**
	2020	57,000	-	-	48,759	5,415	-	-	**111,174**	**0%**
Robert Sofoulis	2021	48,000	-	-	-	4,560	-	-	**52,560**	**0%**
	2020	48,000	-	-	-	4,560	-	-	**52,560**	**0%**
Ryan Sofoulis[3]	2021	153,375	-	9,293	17,402	14,571	12,857	-	**207,498**	**0%**
	2020	154,500	-	2,516	-	14,677	-	-	**171,693**	**0%**
K Ostin	2021	40,000	-	-	39,000	3,800	-	-	**82,800**	**0%**
	2020	28,202	-	-	29,277	2,679	-	-	**60,158**	**0%**
P Gibbons[4]	2021	40,000	-	-	14,700	3,800	-	-	**58,500**	**0%**
	2020	-	-	-	309	-	-	-	**309**	**0%**
P Leary[5]	2021	333,795	-	(3,059)	58,272	21,694	-	-	**410,702**	**14%**
	2020	312,823	-	9,909	27,225	21,003	-	-	**370,960**	**0%**
B Mangano[6]	2021	39,333	-	3,026	-	3,737	-	-	**46,096**	**0%**
X Kris	2020	36,333	-	-	-	285	-	167,000	**203,618**	**0%**
P Doropoulos	2020	17,783	-	-	-	-	-	-	**17,783**	**0%**
Key Management										
G Greenberg[7]	2021	203,205	-	-	52,375	17,576	-	-	**273,156**	**19%**
G Nicholls[8]	2021	55,082	57,083	-	-	8,521	-	-	**120,686**	**47%**
	2020	191,690	-	8,536	-	18,210	-	-	**218,436**	**0%**
Totals	**2021**	**972,790**	**57,083**	**9,260**	**229,831**	**83,959**	**12,857**	-	**1,365,780**	**12%**
Totals	**2020**	**845,331**	-	**20,961**	**105,570**	**66,829**	-	**167,000**	**1,205,691**	**0%**

REMUNERATION REPORT – AUDITED (CONTINUED)

[1] Movement in annual leave provision.
[2] Refer to the below table and note 20 for further details.
[3] Ryan Sofoulis resigned as Executive Director on 6 April 2021 but remains as Alternate Director to Robert Sofoulis and is the Head of Finance. Amounts shown above include all of Mr Ryan Sofoulis' remuneration during the reporting period, whether as a director or in his role as Head of Finance. Amounts received in his position as a director amounted to $30k.
[4] P Gibbons was appointed on 22 June 2020 and therefore only received remuneration in FY2021.
[5] P Leary's remuneration represents amounts received in her position as CEO, Executive and Non-independent Director.
[6] B Mangano's remuneration represents the amount received from his commencement date 27 April 2021.
[7] FY 2021 figures represent the amounts received from 2 July 2020 to 7 May 2021.
[8] FY 2021 figures represent the amounts received up to cessation date of 31 August 2020. Bonus includes amounts paid out to Mr Nicholls as retention bonus of $43,800 in respect of the 2020 Gross STI and $13,283 as COVID-19 retention bonus earned up until the cessation date and in accordance with the deed of settlement and release.

Details of Share Based Payments

	Remuneration Type	Grant Date	Number Granted	Total P&L expense in the year	As at 30 June 2021	
					Number vested and exercisable	Number unvested
Mr D Smorgon	Ordinary Share Rights (A)	26 June 2019	750,000	48,082	750,000	-
Ms K Ostin	Ordinary Share Rights (B)	1 October 2019	600,000	39,000	-	600,000
Mr P Gibbons	Ordinary Share Rights (C)	22 June 2020	600,000	14,700	-	600,000
Ms P Leary	Incentive Options	26 June 2019	1,000,000	6,023	500,000	500,000
	Performance Rights[1]	24 July 2020	1,583,311	52,249	1,583,311	-
Mr Ryan Sofoulis	Performance Rights[2]	19 November 2020	355,135	17,402	355,135	-
Mr G Greenberg	Ordinary Shares	7 October 2020	1,454,861	52,375	1,454,861	-

[1,2] Refer to valuation in next page.

Mr Darren Smorgon held 750,000 ordinary share rights as at 30 June 2021. The rights are subject to a vesting period of two years. The criterion of maintaining the position of Chairman for two years from grant date has been met. A share-based payment of $48k in relation to this arrangement was recorded in FY2021 (FY2020: $49k)

Ms Kathy Ostin held 600,000 ordinary share rights as at 30 June 2021. The rights are subject to a vesting period of two years. These rights will be forfeited in full and lapse should she not complete her engagement as Non-executive Director for the two years. A share-based payment expense of $39k in relation to this arrangement was recorded in FY2021 (FY2020: $29k)

On 26 June 2019, Ms Pippa Leary was granted 1,000,000 incentive options which were subsequently approved by the shareholders at the Annual General Meeting of the Company held on 15 November 2019. The rights will be subject to a vesting period of three years. These rights will be forfeited in full and lapse should she not complete her engagement as Chief Executive Officer for the three years. As part of cost saving measures announced in responses to Covid-19 the Company amended the above existing employment agreement with Ms Leary, whereby the base remuneration, exclusive of superannuation entitlements was $258,000 per annum until 1 Oct 2020 after which it reverted back to base salary as above.

REMUNERATION REPORT – AUDITED (CONTINUED)

In FY2021, she was granted 1,583,311 performance rights under Employee Incentive Scheme ("EIS") with the vesting dates on 31 December 2020 (50%) and 30 June 2021 (remaining 50%). The condition of maintaining continuous employment throughout the vesting dates has been met. The aggregate share-based payment amount of $58k was recorded in FY2021 (FY2020: $27k).

On 22 June 2020, Mr Peter Gibbons was granted 600,000 ordinary share rights. The rights are subject to a vesting period of two years. These rights will be forfeited in full and lapse should he not complete his engagement as Non-executive Director for the two years. A share-based payment expense of $15k in relation to this arrangement was recorded in FY2021 (FY2020:$0.3k).

On 19 November 2020, Mr Ryan Sofoulis was granted 355,135 performance rights under EIS with vesting dates on 31 December 2020 (50%) and 30 June 2021 (remaining 50%). The condition of maintaining continuous employment throughout the vesting periods has been met. A share-based payment expense of $17k was recorded in FY2021 (FY2020: nil).

Mr G Greenberg was issued 1,454,861 shares on 7 October 2020 as part of his employment contract. A share-based payment expense of $52k in relation to this arrangement was recorded in FY2021. The first three months of employment was paid at 60 per cent of salary with the balance paid in Swift shares, based on the Swift share price at 30 June 2020. A sign on bonus of $25k worth of Swift shares to be issued to him on day one with an escrow of 12 months on his ability to sell them, issue price of the shares was agreed at the share price at 30 June 2020.

Apart from the grant of EIS rights, Swift has not granted any options nor rights to other directors in FY2021.

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

	Ordinary Share Rights (A)	**Ordinary Share Rights (B)**	**Ordinary Share Rights (C)**	**Incentive Options**	**Performance Rights[1,2] (EIS)**
Method	Share price at grant date	Share price at grant date	Share price at grant date	Black Scholes	Share price at grant date
Spot price	13 cents	13 cents	4.7 cents	13 cents	3.3 cents, 4.9 cents
Strike price	nil	nil	nil	30-60 cents	Nil
Expiry date	25 June 2021	29 September 2021	21 June 2022	1 July 2020-2022	30 June 2024
Volatility	n/a	n/a	n/a	80%	n/a
Risk free rate	n/a	n/a	n/a	0.79%	n/a
Fair value per unit (cents)	13.0	13.0	4.7	2.45-4.26	3.3, 4.9

[1,2] EIS was issued in two tranches and valued at 3.3 cents and 4.9 cents respectively.

All other incentive plans previously in place have been cancelled or lapsed due to the vesting criteria not being achieved.

REMUNERATION REPORT – AUDITED (CONTINUED)

Statutory performance indicators
The table below shows measures of the Group's financial performance over the last four years as required by the Corporations Act 2001.

	2021	2020	2019	2018
Loss after income tax[1]	(4,766)	(21,647)	(6,905)	(7,729)
Basic loss (cents per share)[1]	(0.8)	(6.3)	(2.0)	(6.9)
Increase/(decrease) share price (%)	(50)	(82)	(35)	24

[1.] Loss and basic loss relate to continuing operations.

Current service agreements

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

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

Current directors

Mr D Smorgon	$60,000 per annum plus statutory superannuation
Ms K Ostin	$40,000 per annum plus statutory superannuation (date of commencement 1 October 2020)
Mr P Gibbons	$40,000 per annum plus statutory superannuation (date of commencement 22 June 2020)
Mr Ryan Sofoulis	$36,000 per annum plus statutory superannuation (resigned as Director 6 April 2021)
Mr Robert Sofoulis	$48,000 per annum plus statutory superannuation

(ii) There is no change to Mr Darren Smorgon's agreement for the role of Non-Executive Chairman which included 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.

(iii) There is no change to Ms Kathy Ostin's agreement for the role of Non-executive Director which included a Director's fee of $40,000 per annum and share rights over 600,000 Swift shares. The rights will vest two years after the appointment and convert at no cost following the end of the vesting period.

(iv) There is no change to Mr Peter Gibbons' agreement for the role of Non-executive Director which included a Director's fee of $40,000 per annum and share rights over 600,000 Swift shares. The rights will vest two years after the appointment and convert at no cost following the end of the vesting period.

(v) The Company has a service agreement with Ms Pippa Leary for the role of CEO, Executive and Non-independent Director, which consists of a base salary of $365k per annum, exclusive of superannuation and 1,000,000 incentive options in three tranches (Tranche 1: 500,000 at $0.30/share, Tranche 2: 250,000 at $0.45/share and Tranche 3: 250,000 at $0.60/share). Ms Leary was granted 1,583,311 performance rights in July 2020. As part of cost saving measures announced in responses to Covid-19 the Company amended the above existing employment agreement with Ms Leary, whereby the base remuneration, exclusive of superannuation entitlements is $258,000 per annum until 1 Oct 2020 after which it reverted back to base salary as above. The Company or Ms Leary may terminate the employment agreement at any time by giving to the other not less than 6 months' written notice.

REMUNERATION REPORT – AUDITED (CONTINUED)

(vi) The Company has a service agreement with Mr Ryan Sofoulis for the role of Head of Finance whereby the base remuneration is $120k, exclusive of superannuation. As part of cost saving measures announced in responses to Covid-19 the Company amended the above existing employment agreement with Mr Sofoulis, whereby the base remuneration, exclusive of superannuation entitlements was $111,000 per annum until 1 Oct 2020 after which it reverted back to base salary as above. Mr Ryan Sofoulis was granted 355,135 performance rights in November 2020. 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.

(vii) In April 2021 the Company entered into an agreement with Mr Brian Mangano for the role of Director and Chief Financial Officer whereby the base remuneration is $295k, exclusive of superannuation entitlements. The Company or Mr Mangano may terminate the employment agreement at any time by giving to the other not less than 3 months' written notice.

Former key management personnel

(viii) In July 2020 the company entered into an agreement with Mr G Greenberg for the role of Chief Financial Officer. As part of the cost saving measures announced in response to Covid-19, the base remuneration is $250k, exclusive of superannuation entitlements. The first three months of employment being paid at 60% of salary with the balance paid in Swift shares based on the Swift share price at 30th June 2020. The company or Mr Greenberg may terminate the employment agreement at any time by giving to the other not less than 3 months' written notice. Mr Greenberg formally gave his termination notice to the company and resigned from the position of Chief Financial Officer on 7 May 2021.

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 2020 No.	Other changes during the year No.	Ordinary Shares Held at 30 June 2021 No.
Directors			
Mr D Smorgon	6,009,657	1,451,143	**7,460,800**
Mr Robert Sofoulis	94,923,625	1,451,143	**96,374,768**
Mr Ryan Sofoulis[1]	2,555,288	1,451,143	**4,006,431**
Ms K Ostin	373,138	601,858	**974,996**
Mr P Gibbons	-	601,858	**601,858**
Ms P Leary	3,843,723	285,715	**4,129,438**
Mr B Mangano	-	2,180,573	**2,180,573**
Key Management			
Mr G Nicholls[2]	2,744,890	-	**-**

1. represents the shareholding up to the date of resignation as Executive Director (7 April 2021)
2. represents the shareholding up to the date of cessation (31 August 2020)

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

Rights to deferred shares of Directors and Key Management Personnel

The table below summarises 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 during the reporting year.

	Held at 30 June 2020 No.	Performance Rights granted during the year	Performance Rights cancelled during the year	Held at 30 June 2021 No.	Vested & exercisable at year end
Directors					
Mr D Smorgon	750,000	-	-	**750,000**	**750,000**
Ms K Ostin	600,000	-	-	**600,000**	**-**
Mr P Gibbons	600,000	-	-	**600,000**	**-**

Option holdings of Directors and Key Management Personnel

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

	Held at 30 June 2020 No.	Exercised during the year	Granted as compensation	Held at 30 June 2021 No.	Options vested & exercisable at year end
Directors					
Ms P Leary	1,000,000	**-**	**-**	**1,000,000**	**500,000**

Performance right holdings of Directors and Key Management Personnel

The movement during the reporting period in the number of issued performance rights 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 2020 No.	Exercised during the year	Granted as compensation	Held at 30 June 2021 No.	Performance rights vested & exercisable at year end
Directors					
Ms P Leary	-	**-**	1,583,311	**1,583,311**	**1,583,311**
Mr Ryan Sofoulis	-	**-**	355,135	**355,135**	**355,135**

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

Loans with Directors and Key Management Personnel

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

	2021 $	2020 $
Funds owed by G Greenberg	30,400	-
Payments made	-	-
Closing balance	30,400	-

A non-interest-bearing and unsecured loan was drawn in October 2020 and expected to be repaid by no later than 30 June 2022.

	2021 $	2020 $
Funds owed to Robert Sofoulis	-	325,000
Payments made	-	(325,000)
Closing balance	-	-

The loan amount in FY2020 represented an unsecured loan drawn in October 2019 at an arm's length interest rate of 12% and repaid in full in December 2019.

The Company has no other loans advanced by the Directors and their related parties as of 30 June 2021.

Other transactions with Directors and Key Management Personnel

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

	2021 $	2020 $
(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 lease.	630,881	500,515
(ii) Underwriting fees paid to Sofoulis Holdings Pty Ltd, a company of which Robert Sofoulis is a director and Ryan Sofoulis is associated with, in connection with the April 2020 non-renounceable rights issue.	-	20,467
(iii) Interest paid to Sofoulis Holdings Pty Ltd, a company of which Robert Sofoulis is a director and Ryan Sofoulis is associated with, in connection with a loan advanced to the Company	-	6,238
(iv) Payments made to Ooh!Media Limited, a company of which Darren Smorgon is a Director, for the provision of news and light entertainment content for the health and wellbeing media screen business, pursuant to an arm's length contract.	-	154,050
Amounts outstanding at reporting date Aggregate amount payable to Key Management Personnel and their related entities at reporting date. - Payables	161,536	167,820

The outstanding amounts were related to the provision and early termination charges of the office premises.

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

	2021 $	2020 $
Transactions with other related parties		
Share based payments to Directors and KMP (non-cash settled)	229,831	105,570
Total share-based payments	229,831	105,570

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

Voting and comments made at the Company's 2020 annual General Meeting

The approval of the remuneration report was passed as indicated in the results of the Annual General Meeting dated 19 November 2020, with 98.6 per cent voting in favour.

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
30 April 2020	30 April 2025	$0.05	2,000,000
15 November 2019	31 December 2021	$0.30	500,000
15 November 2019	31 December 2021	$0.45	250,000
15 November 2019	31 December 2021	$0.60	250,000
Total			**3,000,000**

INDEMNIFICATION AND INSURANCE OF DIRECTORS

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

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

NON-AUDIT SERVICES

BDO Audit (WA) Pty Ltd is the Group's auditor. During the year, BDO Corporate Tax provided 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 23 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 18.

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 2020 to 30 June 2021 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.

DIRECTORS' REPORT

ROUNDING OFF

The Company is of an entity to which Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/91, dated 24 March 2016 applies. Amounts in the Directors' Report and the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated.

Dated at Perth this 31st day of August 2021

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 2021, 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, 31 August 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $000	2020 $000
Continuing Operations			
Revenue	2	17,607	18,102
Operating expenses	4 (a)	(16,119)	(21,070)
		1,488	**(2,968)**
Depreciation and amortisation	9,10	(2,065)	(2,022)
Amortisation of right-of- use assets	15	(344)	(655)
Impairment expenses		(1,294)	(10,875)
Share based payment	20	(440)	(125)
Business restructuring costs	4 (b)	(500)	(844)
Acquisition costs		-	(64)
Fair value gain on financial liabilities		250	6,985
Fair value loss on financial assets		(325)	-
Amortisation other		(105)	(119)
Results from operating activities		**(3,335)**	**(10,687)**
Finance income		139	137
Finance costs		(1,037)	(1,708)
Net finance costs		**(898)**	**(1,571)**
Loss before income tax		**(4,233)**	**(12,258)**
Income tax benefit/(expenses)	5	-	(1,923)
Loss from continuing operations		**(4,233)**	**(14,181)**
Loss from discontinued operations, net of tax	3	**(533)**	**(7,467)**
Loss for the year		**(4,766)**	**(21,647)**
Total comprehensive loss for the year		**(4,766)**	**(21,647)**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021 (CONTINUED)

Loss per share attributable to the members of Swift Media Limited:		Cents	Cents
Basic loss per share			
Loss from continuing operations	27	(0.8)	(6.3)
Loss from discontinued operations	3	(0.1)	(3.3)
Diluted loss per share			
Loss from continuing operations	27	(0.8)	(6.3)
Loss from discontinued operations	3	(0.1)	(3.3)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021	2020
		$000	$000
Current Assets			
Cash and cash equivalents	6	3,877	2,448
Trade and other receivables	7	3,088	3,749
Inventory	8	829	993
Other current assets		647	953
Total Current Assets		**8,441**	**8,143**
Non-Current Assets			
Trade and other receivables	7	659	1,348
Property, plant and equipment	9	1,094	3,567
Right-of-use assets	15	35	1,790
Contract assets	16	61	515
Intangible assets	10	1,710	4,754
Financial assets at fair value through profit or loss	11	2,475	-
Total Non-Current Assets		**6,034**	**11,974**
Total Assets		**14,475**	**20,117**
Current Liabilities			
Trade and other payables	12	6,176	8,590
Contract liabilities	16	693	1,177
Provisions	13	581	478
Lease Liabilities	15	47	1,298
Total Current Liabilities		**7,497**	**11,543**
Non-Current Liabilities			
Provisions	13	28	46
Borrowings	14	6,567	6,923
Financial liabilities at fair value through profit or loss		-	250
Lease Liabilities	15	-	1,838
Contract Liabilities	16	47	197
Total Non-Current Liabilities		**6,642**	9,254
Total Liabilities		**14,139**	**20,797**
Net Assets/ (Liabilities)		**336**	**(680)**
Equity			
Issued capital	17	61,627	56,815
Reserves	18	5,338	4,368
Accumulated losses	19	(66,629)	(61,863)
Total Equity		**336**	**(680)**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2021

	Note	Issued Capital	Reserves	Accumulated losses	Total
		$000	**$000**	**$000**	**$000**
For the year ended 30 June 2021					
At the beginning of the year		**56,815**	**4,368**	**(61,863)**	**(680)**
Total comprehensive loss for the year		-	-	(4,766)	**(4,766)**
Transactions with shareholders in their capacity as shareholders:					
Capital raised from placements		5,079	-	-	**5,079**
Share issue costs net of tax		(267)	-	-	**(267)**
Share based payments & Warrants issued	20	-	970	-	**970**
At the end of the year		**61,627**	**5,338**	**(66,629)**	**336**
For the year ended 30 June 2020					
At the beginning of the year		**47,029**	**3,629**	**(40,216)**	**10,442**
Total comprehensive loss for the year		-	-	(21,647)	**(21,647)**
Transactions with shareholders in their capacity as shareholders:					
Issued in settlement of liability		823	-	-	**823**
Capital raised from placements & non-renounceable entitlements offer		5,274	-	-	**5,274**
Issued as equity on deferred consideration		4,000	-	-	**4,000**
Options exercised		150	-	-	**150**
Share issue costs net of tax		(461)	-	-	**(461)**
Share based payments & Warrants issued	20	-	739	-	**739**
At the end of the year		**56,815**	**4,368**	**(61,863)**	**(680)**

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 2021

	Note	2021	2020
		$000	$000
Cash Flows from Operating Activities			
Cash receipts in the course of operations		22,193	24,449
Cash payments in the course of operations		(22,594)	(28,525)
Government grants received		382	168
Finance costs		(814)	(728)
Interest received		139	138
Net cash inflows/ (outflows) from operating activities	21	**(694)**	**(4,498)**
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	9	(181)	(1,728)
Cash placed on deposit to secure Bank Guarantees		-	(249)
Payment for development and new subscribers	10	(1,165)	(703)
Proceeds from sale of listed shares		494	-
Net cash outflows for investing activities		**(852)**	**(2,680)**
Cash Flows from Financing Activities			
Proceeds from issue of shares		5,027	5,362
Proceeds from convertible note		-	900
Payment of share issue costs		(267)	(277)
Proceeds from borrowings		-	8,000
Repayments of borrowings		-	(2,455)
Payment of debt establishment costs		-	(740)
Repayments of lease liabilities		(1,755)	(1,587)
Loan to KMP		(30)	-
Net cash inflows from financing activities		**2,975**	**9,203**
Net increase/(decrease) in cash and cash equivalents		1,429	2,025
Cash at the beginning of the year		2,448	423
Cash at the end of the year	6	**3,877**	**2,448**

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

Reporting entity

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

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

Note 1 . Operating segments

In conjunction with AASB8 Operating Segments, the Company has identified its operating segment based on internal reports that are reviewed and used by the Chief Operating Decision Maker (CODM) in assessing performance and in determining the allocation of resources. The CODM has been identified as the Chief Executive Officer.

The CODM monitors the operating results of the consolidated group and organises its business activities and product lines in the digital entertainment and services sector. The performance of the consolidated group is evaluated based on Earnings before Interest, Taxes, Depreciate and Amortisation ("EBITDA") which are measured in accordance with the Company's accounting policy.

The Group has two operating entities, being Swift Networks Pty Ltd and VOD Pty Ltd. Both entities operate in the digital entertainment and service sector for which the Group earn revenue and allocate resources. Hence, the two entities constitute to one reporting segment.

The CODM has re-assessed the business activities, performance and allocation of resources in response to the sale of Medical Channel. As a result of the reassessment, the Company's performance review and resources allocation can only be considered at the consolidated group level. As such, the reportable segment for the current year is represented by the primary statements forming this financial report, being one segment.

In the prior financial year, due to the acquisition of Medical Channel, the Company had identified two segments, being Swift Networks and Medical Channel.

Note 1 . Operating segments (continued)

	Swift Networks 2020 $000	Medical Channel 2020 $000	Swift Group 2020 $000
Revenue	18,102	4,978	23,080
Operating expenses	(21,070)	(5,963)	(27,033)
EBITDA	**(2,968)**	**(985)**	**(3,953)**
Depreciation and amortisation expenses	(2,022)	(1,290)	(3,312)
Amortisation of right-of-use assets	(655)	(946)	(1,601)
Impairment expenses	(10,875)	(2,738)	(13,613)
Share-based payments	(125)	-	(125)
Business restructuring costs	(844)	(1,031)	(1,876)
Acquisition costs	(64)	-	(64)
Fair value gain on financial liability	6,985	-	6,985
Amortisation other	(119)	(273)	(392)
EBIT	**(10,687)**	**(7,263)**	**(17,950)**
Net finance costs	(1,571)	(204)	(1,775)
Loss before income tax	**(12,258)**	**(7,467)**	**(19,725)**
Reconciliation of reportable segment assets			
Reportable segment assets	15,543	6,121	21,644
Total assets	**15,543**	**6,121**	**21,644**
Reportable segment liabilities	(6,326)	(15,998)	(22,324)
Total liabilities	**(6,326)**	**(15,998)**	**(22,324)**

Note 2. Revenue

	2021	2020
	$000	$000
Revenue from continuing operations	17,607	18,102
Total revenue	**17,607**	**18,102**

Disaggregation of revenue:

	Content & Technology Revenue	Advertising Revenue	Total
	$000	$000	$000
Revenue recognition at a point in time[1]	4,243	-	4,243
Revenue recognition over time[2]	13,364	-	13,364
	17,607	-	17,607
2020			
Revenue recognition at a point in time[1]	3,925	-	3,925
Revenue recognition over time[2]	14,177	-	14,177
	18,102	-	18,102

1. Relating to the sale of equipment and software licenses.

2. Relating to content, services and advertising revenue.

Geographical information:

All revenue is derived in Australia.

Note 2. Revenue (continued)

Revenue recognised in relation to contract liabilities	**2021** **$000**	**2020** **$000**
Revenue recognised that was included in the contract liability balance at 1 July for Content and Technology revenue	411	361
	411	**361**

Unsatisfied long-term Content & Technology revenue		
Aggregate amount of the transaction price allocated to long term content and technology revenue that are partially or fully satisfied on 30 June	15,184	18,958
	15,184	**18,958**

As at 30 June 2021, the Group expects that 69% of the transaction price allocated to the unsatisfied contracts for Content and Technology will be recognised as revenue in the 2022 financial year. The remaining 31% will be recognised between 2023 and 2024.

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

Note 3. Discontinued operations

During the financial year, the Group ceased ownership of 100% interest in Medical Channel Pty Ltd. The subsidiary was sold on 1 April 2021 and is reported in the current financial year as discontinued operation.

The comparative year, 30 June 2020 has been restated as a discontinued operation for comparability.
The material terms for the sale of the 100% interest are set out below:

Fully paid ordinary shares in Motio (Consideration Shares). The Consideration Shares have been issued in two tranches as follows:

a. 20m fully paid ordinary shares were issued at Completion
b. 10m fully paid ordinary shares were issued upon shareholder approval at 28 June 2021.

The financial performance and cash flow information are for the period from 1 July 2020 to 1 April 2021 (2021 column) and comparative for the year ended 30 June 2020.

	2021 $000	2020 $000
Discontinued operation		
Revenue	2,315	4,978
Operating expenses	(1,634)	(9,733)
	681	(4,755)
Depreciation and amortisation	(1,401)	(2,508)
Finance costs	(45)	(204)
	(1,446)	**(2,712)**
Loss from discontinued operations for the period before tax	(765)	(7,467)
Income tax (expense)/benefit	-	-
Loss after income tax (expense)/benefit	(765)	(7,467)
Gain from disposal before tax	232	-
Income tax (expense)/benefit	-	-
Loss after income tax (expenses)/benefit from discontinuing operations for the period	**(533)**	**(7,467)**

Note 3. Discontinued operations (continued)

	2021 $000	2020 $000
Basic loss cents per share (cents)	(0.1)	(3.3)
Diluted loss cents per share (cents)	(0.1)	(3.3)

Net cash flows from (used in) operating activities	496	(2,832)
Net cash flows from (used in) investing activities	(51)	(475)
Net cash flows from (used in) financing activities	-	3,324
Net increase in cash and cash equivalents from discontinued operations	445	17

Carrying amounts of assets and liabilities disposed	**2021 $000**
Cash and cash equivalents	702
Trade and other receivables	983
Other current assets	31
Property, plant and equipment	317
Intangible assets	2,621
Total assets	**4,654**
Trade and other liabilities	1,483
Provisions	8
Total liabilities	1,491
Net assets	**3,163**
Details of the disposal	
Consideration shares	3,300
Adjustment to consideration	95
Total consideration received	**3,395**
Carrying amount of net assets disposed	**(3,163)**
Gain on disposal before income tax	**232**

Note 4 (a) Operating expenses

	2021	2020
	$000	$000
Cost of sales	(10,591)	(12,160)
Employment costs	(4,920)	(5,571)
Occupancy costs	(209)	(188)
Professional fees	(749)	(427)
Bad debts	(20)	(2,166)
General & administration expenses	(857)	(939)
Government grants	146	381
Other income1	1,081	-
	16,119	**21,070**

[1.] Other income is related to the settlement of licensing agreement with DXC Technology Australia Pty Ltd, netting off the settlement $1.5m received and $0.4m related expenses

Note 4 (b) Business restructuring costs

Business restructuring costs included gain of $758k on early termination of leases.

Note 5. Taxation

	2021	2020
	$000	$000
(a) Income tax benefit		
Major components of income tax expense are:		
Current tax	-	-
Deferred tax	-	(1,923)
Under/Over		-
Income tax expense/ (benefit) reported in the income statement	**-**	**(1,923)**
(b) Numerical reconciliation		
The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:	(4,766)	(19,724)
Prima facie tax payable on loss from ordinary activities before income tax at 26% (2020: 27.5%)	(1,239)	(5,424)
- Non deductible share based payments	114	(125)
- Other permanents	426	(1,616)
Changes to income tax expense due to:		
- Deferred movement	-	-
- Deferred taxes not recognised	699	3,684
- Derecognition of deferred tax balances	-	1,923
Income tax expense attributable to entity	**-**	**(1,923)**

Note 5. Taxation (continued)

	2021 $000	2020 $000
(c) Deferred tax asset balances		
Provisions, accruals and section 40-880 deductions	-	753
Carried forward tax losses	-	774
	-	**1,527**
Movement		
Opening balance	**1,527**	3,379
Charged/(credited) to the profit or loss	**(1,527)**	(1,852)
	-	**1,527**
(d) Deferred tax liabilities balances		
Property, plant and equipment	-	-
WIP and inventory	-	(33)
Intangibles	-	(1,002)
Right to use asset	-	(492)
	-	**(1,527)**
Movements		
Opening balance	1527	(1,456)
Charged/(credited) to the profit or loss	(1,527)	(71)
	-	**(1,527)**

Note 6. Cash and cash equivalents

	2021 $000	2020 $000
Cash at bank on hand	3,877	2,448
	3,877	**2,448**

Refer to Note 22 on risk exposure analysis for cash and cash equivalents.

Note 7. Trade and other receivables

	2021 $000	2020 $000
Current		
Trade receivables[1]	2,514	5,126
Other receivables[2]	690	297
Loss allowance	(116)	(1,674)
	3,088	**3,749**
Non-Current		
Trade receivables[3]	659	2,573
Loss allowance	-	(1,225)
	659	**1,348**

[1.] Trade receivables are non-interest bearing and are generally on 30-60-day terms. Provision for loss of $116 was made according to the assessment of expected credit loss. The company had $20k bad debt in relation to Medical Channel prior to the sale of this subsidiary (FY2020:2,899k). 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 2021, a total of $307k was past due of which $3k has been received. The remaining overdue balance is $304k (FY2020: $472k). 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.

[2.] The restricted cash of $235k secured for issuance of bank guarantees is included in other receivables.

[3.] Customers on a deferred payment plan, ranging from 2 to 5 years. Revenue has been discounted using the applicable interest rates, $136k interest income was recognised at 30 June 2021 (FY2020: $137k).

Refer to Note 22 Financial Risk Management for risk exposure analysis for Trade and other receivables.

Note 8. Inventory

	2021 $000	2020 $000
Inventory:		
Finished goods	639	652
Provision for obsolescence	(73)	(98)
Work in progress	263	439
	829	**993**

Note. 9 Property, plant and equipment

	Motor Vehicles	Software	Office Fit-out & Equipment	Test Equipment	Rental Equipment	Total
	$000	$000	$000	$000	$000	$000
Year ended 30 June 2021						
Opening net book amount	90	2,172	646	31	628	**3,567**
Additions	-	92	5	4	80	**181**
Depreciation expenses	(23)	(463)	(121)	(16)	(297)	**(920)**
Impairment charges	-	(1,293)	-	-	-	**(1,293)**
Disposals	-	(148)	(85)	-	(208)	**(441)**
Closing net book amount	**67**	**360**	**445**	**19**	**203**	**1,094**
At 30 June 2021						
Cost	161	911	1,479	218	4,394	**7,163**
Accumulated depreciation and impairment	(94)	(551)	(1,034)	(199)	(4,191)	**(6,069)**
Net book amount	**67**	**360**	**445**	**19**	**203**	**1,094**
Year ended 30 June 2020						
Opening net book amount	107	1,278	797	34	904	**3,120**
Additions	6	1,521	44	8	149	**1,728**
Depreciation expense	(23)	(627)	(195)	(11)	(425)	**(1,281)**
Closing net book amount	**90**	**2,172**	**646**	**31**	**628**	**3,567**
At 30 June 2020						
Cost	161	4,232	1,833	213	5,764	**12,203**
Accumulated depreciation and impairment	(71)	(2,060)	(1,187)	(182)	(5,136)	**(8,636)**
Net book amount	**90**	**2,172**	**646**	**31**	**628**	**3,567**

Note 10. Intangible Assets

	Goodwill	Development Costs	Brand Loyalty / Customer Contracts	Practice Sites	Total
	$000	$000	$000	$000	$000
Year ended 30 June 2021					
Opening net book amount	-	1,732	19	3,003	**4,754**
Additions	-	1,165	-	-	**1,165**
Amortisation charge[1]	-	(1,145)	-	-	**(1,145)**
Disposals	-	(42)	(19)	(3,003)	**(3,064)**
Closing net book amount	-	1,710	-	-	**1,710**
Cost	-	5,115	2,370	-	**7,485**
Accumulated amortisation and impairments	-	(3,405)	(2,370)	-	**(5,775)**
Closing net book amount	-	1,710	-	-	**1,710**

1. solely relating to continuing operations

	Goodwill	Development Costs	Brand Loyalty / Customer Contracts	Practice Sites	Total
Year ended 30 June 2020					
Opening net book amount	12,829	2,303	199	3,831	**19,162**
Additions	-	703	-	-	**703**
Adjustment upon PY acquisition of subsidiaries	(198)	-	-	-	**(198)**
Amortisation charge	-	(1,031)	(180)	(828)	**(2,039)**
Impairment charge	(12,631)	(243)	-	-	**(12,874)**
Closing net book amount	-	1,732	19	3,003	**4,754**
Cost	12,631	4,133	2,370	4,139	**23,274**
Accumulated amortisation and impairments	(12,631)	(2,401)	(2,351)	(1,136)	**(18,520)**
Closing net book amount	-	1,732	19	3,003	**4,754**

Note 10. Intangible Assets (continued)

The company has incurred additional costs at the development of new applications to meet its growth strategy and the market demand. Swift expects to recover the development costs through the sale and the use of these new applications.

The company has completed the development of a few applications and anticipates launching some of the new applications to the market in FY2022.

The capitalised project development costs are amortised on a straight-line basis.

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

	2021	2020
	$000	$000
Swift Networks – Intangibles	1,710	1,751
Medical Channel – Intangibles	-	3,003
	1,710	**4,754**

In response to the sale of Medical Channel, the carrying value in relation to Medical Channel has been fully derecognised.

The Company has assessed the relevant impairment indicators and does not expect impairment to the Company's intangibles in this reporting year. The Company has concluded that the carrying value of the intangibles are recoverable.

Note 11. Financial assets at fair value through profit or loss

	2021	2020
Non-current	**$000**	**$000**
Listed ordinary shares	2,475	-
	2,475	**-**

The non-current asset represents the valuation of 25m shares in Motio Limited (ASX:MXO) at $0.099 cents per share as of 30 June 2021.

Reconciliation of the fair values at the beginning and the end of the current and previous financial year are set out below:	2021	2020
	$000	$000
Initial recognition of financial assets at fair value[1] (Refer Note 3)	3,300	-
Disposals	(500)	-
Net fair value loss on financial assets at fair value through profit or loss	(325)	-
Closing fair value	**2,475**	**-**

[1.] The initial recognition valued the 30m MXO shares at $0.11 as at 1 April 2021.

Refer to Note 22 for further information on fair value assessment.

Note 12. Trade and Other Payables

Current	2021 $000	2020 $000
Trade Payables[1]	2,799	5,106
Other payables and accruals	3,377	3,484
	6,176	**8,590**

1. Current trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts are considered to be the same as their fair values, due to their short-term nature.

Note 13. Provisions

Current	2021 $000	2020 $000
Employee and FBT provisions	581	478
	581	**478**
Non-Current		
Employee provisions[1]	28	46
	28	**46**

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

Note 14. Borrowings

	2021 $000	2020 $000
Non-Current		
Pure Asset Management Loan[1]	8,000	8,000
Less: transaction costs	(1,433)	(1,077)
Total non-current borrowings	**6,567**	**6,923**

1. The Company entered a Facility Amendment with Pure Asset Management Pty Ltd in January 2021. Pursuant to the amendment, the interest rate has decreased from 10 per cent to 9.5 per cent, payable every three months. The bank covenants have been waived until March 2022. Cash covenants of minimum cash balance of $1m in any given month and $1.75m persisting for three consecutive months.

   The Company issued an additional 24m warrants at an exercise price of $0.08 each in March 2021. The 24m warrants were valued at $582k by using Black Scholes method.

2. Pure facility over a 4-year term with 10 per cent interest rate, interest payable every three months. Transaction costs are costs that are directly attributable to the loan and include loan originating fees, legal fees and warrants. 26.7m detached warrants were issued to pure on 29 January 2020 with exercise price of $0.30 each. These have been included in transaction costs and have been valued using a Black-Scholes option pricing model. The additional 24m warrants have been valued by using Black-Scholes option pricing model and incurred a transaction cost of $582k. The balance of unamortised transaction cost of $1,433k is offset against the borrowings of $8,000,000. Total capitalised transaction costs relating to the facility agreement are $1.4m. The security of the facility is a first-ranking general security over all assets of the Group and its subsidiaries.

Note 14. Borrowings (Continued)

3. The Group is in compliance with its loan covenants and expects to continue to meet all covenants at the next review in March 2022.

Note 15. Leases

	Right-of-Use Assets		
	Property $000	Equipment $000	Total $000
Year ended 30 June 2021			
Opening net book amount	1,027	763	**1,790**
Disposal[1]	(113)	(763)	**(876)**
Early termination[2]	(535)	-	**(535)**
Amortisation expense	(344)	-	**(344)**
Closing net book amount	**35**	**-**	**35**
Year ended 30 June 2020			
Opening net book amount	1,205	1,332	**2,537**
Additions	1,418	225	**1,643**
Impairment expense	(789)	-	**(789)**
Amortisation expense	(807)	(794)	**(1,601)**
Closing net book amount	**1,027**	**763**	**1,790**

	Consolidated Lease Liabilities	
	2021 $000	2020 $000
Lease liabilities		
Properties Current	47	766
Equipment Current	-	532
Total current lease liabilities	**47**	**1,298**
Properties Non-current	-	1,411
Equipment Non-current	-	427
Total non-current lease liabilities	**-**	**1,838**
Total lease liabilities	**47**	**3,136**

	Properties $000	Equipment $000	Total $000
The present value of finance lease liabilities is as follows:			
Within one year[2]	47	-	**47**
Total	**47**	**-**	**47**

1. The sale of Medical Channel has resulted in the disposal of right-of-use assets and lease liabilities.
2. The right-of-use assets and lease liabilities at reporting date represents the current lease of office premises which ends in August 2021. The lease for the new office premises was not signed until after the reporting date.

Note 16. Contracts Assets and Liabilities

	2021	2020
	$000	**$000**
Non-Current Contract assets		
Contract assets relating to Advertising Revenue	-	367
Contract assets relating to Content & technology Revenue	61	148
Total	61	**515**

Assets recognised from costs to fulfil a contract	515	1,378
Amortisation recognised as a cost of providing services during the year	(454)	(863)
Total	61	**515**

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

Current Contract liabilities		
Advertising revenue current	**-**	95
Content & technology revenue current	693	1,082
Total	693	**1,177**

Non-Current Contract liabilities		
Content & technology revenue non-current	47	197
Total	**47**	**197**

Note 17. Issued capital

	2021 $000	2020 $000
Issued capital	**61,627**	**56,815**

Movement in Ordinary Share Capital:	30 June 2021 No.	30 June 2020 No.	30 June 2021 $000	30 June 2020 $000
At the beginning of the period	440,502,918	154,039,046	56,815	47,029
Issue of shares as deferred consideration	-	16,666,667	-	4,000
Exercise of EIS share rights	573,267	1,959,897	-	-
Issue of shares in lieu of borrowings	-	30,172,223	-	823
Issue of shares as per Placement and Share Purchase Plan	137,554,286	13,262,243	5,079	1,923
Issue of shares as per Placement and Non-Renounceable Entitlement Offer	-	223,402,842	-	3,351
Options exercised during the year	-	1,000,000	-	150
Share issue costs(a)	-	-	(267)	(461)
	578,630,471	**440,502,918**	**61,627**	**56,815**

(a) Share Issue Costs

Included in share issue costs are underwriting and legal fees in relation to the capital raising of $267k.

Ordinary shares

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

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

Options

On 30 June 2021, there were 3,000,000 options (30 June 2020: 10,133,333) available for exercise.

Exercise price **Expiry date**	**15 cents** **19 May 2021**	**35 cents** **31 May 2021**	**42 cents** **31 May 2021**	**5 cents** **30 April 2024**	**30-60 cents** **31 December 2021**	**Total**
Opening balance	5,133,333	1,000,000	1,000,000	2,000,000	1,000,000	**10,133,333**
Issued during the year	-	-	-	-	-	**-**
Expired during the year	(5,133,333)	(1,000,000)	(1,000,000)	-	-	**(7,133,333)**
Exercised during the year	-	-	-	-	-	-
Closing balance	**-**	**-**	**-**	**2,000,000**	**1,000,000**	**3,000,000**

Note 17. Issued capital (continued)

Warrants

26,666,666 detached warrants were issued to Pure Asset Management on 29 January 2020 with exercise price of $0.30 each and have been valued at $614k using a Black-Scholes option pricing model. These costs have been included in capitalised transaction costs offset against the associated borrowings of $8m (refer to Note13).

In addition, 24,000,000 detached warrants were issued to Pure Asset Management on 3 March 2021 with exercise price of $0.08 each and have been valued at $582k using a Black-Scholes option pricing model. These costs have been included in capitalised transaction costs offset against the associated borrowings of $8m (refer to Note13).

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 2021 Annual Financial Statement.

Note 18. Reserves

	2021	2020
	$000	$000
Options & Warrant reserves		
Opening balance	4,369	3,629
Warrants issued	582	614
Options and Performance rights reserve	387	125
Closing balance	**5,338**	**4,368**

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

Note 19. Accumulated losses

	2021	2020
	$000	$000
Accumulated losses at the beginning of the financial year	(61,863)	(40,216)
Loss after income tax expense for the year	(4,766)	(21,647)
Accumulated losses at the end of the financial year	**(66,629)**	**(61,863)**

Note 20. Share based payments

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

	Remuneration Type	Grant Date	Number Granted	Total P&L expense in the year ($)	As at 30 June 2021 Number vested and exercisable	As at 30 June 2021 Number unvested
Mr D Smorgon	Ordinary Share Rights (A)	26 June 2019	750,000	48,082	750,000	-
Ms K Ostin	Ordinary Share Rights (B)	1 October 2019	600,000	39,000	-	600,000
Mr P Gibbons	Ordinary Share Rights (C)	22 June 2020	600,000	14,571	-	600,000
Ms P Leary	Incentive Options	26 June 2019	1,000,000	6,023	500,000	500,000
	Performance Rights[1]	24 July 2020	1,583,311	52,249	1,583,311	-
Mr Ryan Sofoulis	Performance Rights[2]	19 November 2020	355,135	17,402	355,135	-
Mr G Greenberg	Ordinary shares	7 October 2020	1,454,861	52,375	1,454,861	-

[1,2] Refer to valuation in next page.

Mr Darren Smorgon held 750,000 ordinary share rights as at 30 June 2021. The rights are subject to a vesting period of two years. The criterion of maintaining the position of Chairman for two years from grant date has been met. A share-based payment of $48k in relation to this arrangement was recorded in FY2021 (FY2020: $49k)

Ms Kathy Ostin held 600,000 ordinary share rights as at 30 June 2021. The rights are subject to a vesting period of two years. These rights will be forfeited in full and lapse should she not complete her engagement as Non-executive Director for the two years. A share-based payment expense of $39k in relation to this arrangement was recorded in FY2021 (FY2020: $29k)

On 26 June 2019, Ms Pippa Leary was granted 1,000,000 incentive options which were subsequently approved by the shareholders at the Annual General Meeting of the Company held on 15 November 2019. The rights will be subject to a vesting period of three years. These rights will be forfeited in full and lapse should she not complete her engagement as Chief Executive Officer for the three years. In FY2021, she was granted 1,583,311 performance rights under Employee Incentive Scheme ("EIS") with the vesting dates on 31 December 2020 (50%) and 30 June 2021 (remaining 50%). The condition of maintaining continuous employment throughout the vesting dates has been met. The aggregate share-based payment amount of $58k was recorded in FY2021 (FY2020: $27k).

On 22 June 2020, Mr Peter Gibbons was granted 600,000 ordinary share rights. The rights are subject to a vesting period of two years. These rights will be forfeited in full and lapse should he not complete his engagement as Non-executive Director for the two years. A share-based payment expense of $15k in relation to this arrangement of $15k was recorded in FY2021 (FY2020: $0.3k).

On 19 November 2020, Mr Ryan Sofoulis was granted 355,135 performance rights with vesting dates on 31 December 2020 (50%) and 30 June 2021 (remaining 50%). The condition of maintaining continuous employment throughout the vesting periods has been met. A share-based payment expense of $17k was recorded in FY2021 (FY2020: nil).

Note 20. Share based payments (continued)

Mr G Greenberg was issued 1,454,861 shares on 7 October 2020 as part of his employment contract. A share-based payment expense of $52k in relation to this arrangement was recorded in FY2021. The first three months of employment was paid at 60 per cent of salary with the balance paid in Swift shares, based on the Swift share price at 30 June 2020. A sign on bonus of $25k worth of Swift shares to be issued to him on day one with an escrow of 12 months on his ability to sell them., issue price of the shares will be the share price at 30 June 2020.

(i) Valuation

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

	Ordinary Share Rights (A)	**Ordinary Share Rights (B)**	**Ordinary Share Rights (C)**	**Incentive Options**	**Performance Rights (EIS)[1,2]**
Method	Share price at grant date	Share price at grant date	Share price at grant date	Black Scholes	Share price at grant date
Spot price	13 cents	13 cents	4.7 cents	13 cents	3.3 cents, 4.9 cents
Strike price	nil	nil	nil	30-60 cents	nil
Expiry date	25 June 2021	29 September 2021	21 June 2022	1 July 2020-2022	30 June 2024
Volatility	n/a	n/a	n/a	80%	n/a
Risk free rate	n/a	n/a	n/a	0.79%	n/a
Fair value per unit (cents)	13.0	13.0	4.7	2.45-4.26	3.3, 4.9

[1,2] EIS was issued in two tranches and valued at 3.3 cents and 4.9 cents, respectively.

(ii) Other Rights Issued

During FY2021, 6,525,606 performance rights under Employee Incentive Scheme valued at $210k were issued to eligible employees.

The fair value of these performance rights granted was calculated as 0.033 cents by applying the following inputs:

Method	Share price at grant date
Exercise price	nil
Valuation date	24 July 2020
Expiry date	30 June 2024
Fair value of performance rights	$0.033
No. of performance rights	6,525,606

(iii) Warrants – refer to note 14

Summary of options and rights granted as a share-based payment:

	2021	**2020**
	$000	**$000**
Issue of options and rights to KMP	230	105
Issue of options and rights (Other)	210	19
Closing balance	**440**	**125**

Note 21. Cash flow information

	Consolidated 2021 $000	2020 $000
(a) Reconciliation of net profit/(loss) after tax to net cash flows from operations:		
(Loss) after tax	(4,766)	(21,647)
(a) Non-cash flows in profit:		
Depreciation and amortisation expenses	3,572	4,912
Amortisation expense for debt establishment cost and cost to fulfil contract	611	1,340
Gain on disposal of discontinued operations	(232)	-
Impairment expenses	1,294	13,613
Bad debt expenses	20	2,643
Share based payments (settled in equity)	440	125
Fair value gain/ (loss) on financial liability	(250)	(6,986)
Loss on fair value on financial assets	325	-
Gain on derecognition of right-of-use assets	(596)	-
Income tax expense/(benefit)	-	1,923
	418	**(4,077)**
(b) Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Change in trade and other receivables	1,379	1,039
Change in inventories	165	(462)
Change in other current assets	306	(458)
Change in trade and other payables	(2,413)	(357)
Change in contract liabilities	(634)	(50)
Change in provisions	85	(133)
Cash flow provided from operations	**(694)**	**(4,498)**
(b) Non-cash financing and investing activities		
Capital raising underwriting fees settled in shares	-	62
Issue of 16.7m shares upon completion of Class A&B Performance Share milestones	-	4,000
	-	**4,062**

Note 21. Cash flow information (continued)

Changes in liabilities from financing activities:	Short term borrowings $000	Long term Borrowings $000	Lease liabilities $000	Total $000
Balance as at 1 July 2019	2,455	-	3,100	5,555
Net cash from (used in) financing activities	(1,555)	8,000	(1,590)	4,855
Conversion of notes to Shares	(823)	-	-	(823)
Acquisition of leases	-	-	1,625	1,625
Debt establishment costs capitalised	(77)	(1,077)	-	(1,154)
Balance as at 30 June 2020	**-**	**6,923**	**3,135**	**10,058**
Net cash (used in) financing activities	-	-	(1,755)	(1,755)
Derecognition of lease liabilities			(1,333)	(1,333)
Debt establishment costs capitalised	-	(452)	-	(452)
Gain on fair value on financial liabilities	-	96	-	96
Balance as at 30 June 2021	**-**	**6,567**	**47**	**6,614**

Note 22. Financial risk management

Introduction and overview

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

Risk management framework

Market risk

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

Market price risk

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

The Motio share price fluctuations would affect the holding value of the listed shares. As at balance date the exposure to market price risk related to financial instruments was considered to be immaterial.

Interest rate risk

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

Management of interest rate risk

Interest rate risk is the risk of financial loss and / or increased costs due to adverse movements in the values of the financial assets and liabilities as a result of changes in interest rates.

Exposure to interest rate risk

As at the reporting date the interest rate risk was considered to be immaterial because the group borrowings were fixed rate instruments.

Note 22. Financial risk management (continued)

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 2021, the Group has no exposure to currency risk relating to an operating lease and contractual commitments denominated in $US. A 10% movement in exchange rate would not have a material impact for the Group.

Credit Risk

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

Management of credit risk

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

Exposure to credit risk

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

	2021	2020
	$000	$000
Carrying amount		
Cash and cash equivalents	3,877	2,448
Trade and other receivables	3,747	5,097
	7,624	**7,545**

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 2021, the Group has assessed that the long term debts are recoverable in full amount.

Loss Allowance

	2021	2020
	$000	$000
Opening loss allowance at 1 July (calculated under AASB 9)	2,899	256
(Decrease)/Increase in loss allowance recognised in profit or loss during the year	(2,783)	2,643
Closing loss allowance as at 30 June	**116**	**2,899**

For the loss provision, the management has segmented receivables into "Retention monies" and "Capex and monthly enterprise sales". The management has noticed that Pindan Contracting Pty Ltd (Pindan) has gone into administration. The balance of $113k owed is unlikely to be recovered. Hence, the Company has made a provision for the entire $113k.

Note 22. Financial risk management (continued)

The management also assessed the history of other debtors and concluded that there is little to nil likelihood of default and as such has provided $3k in addition to provision for Pindan $113k at 30 June 2021.

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-.

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:

Note 22. Financial risk management (continued)

Exposure to liquidity risk

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

	Carrying amount	Weighted average interest rate	Maturity				
			6 months or less	6-12 months	1-2 years	More than 2 years	Total Contractual cash flows
	$000	%	$000	$000	$000	$000	$000
Consolidated - 2021							
Financial liabilities							
Trade payables	2,799	-	2,702	50	47	-	2,799
Other payables	3,377	-	3,377	-	-	-	3,377
Loan	6,567	9.5	-	-	-	8,067	8,067
Lease liability	47	-	47	-	-	-	47
Financial liability	-	-	-	-	-	-	-
Closing net book amount	**12,790**	**-**	**6,126**	**50**	**47**	**8,067**	**14,290**
Consolidated - 2020							
Financial liabilities							
Trade payables	5,106	-	5,106	-	-	-	5,106
Other payables	2,017	-	1,482	535	-	-	2,017
Loan	6,923	10	-	-	-	8,467	8,467
Lease liability	3,136	7.37	658	640	1,123	715	3,136
Financial liability	250	-	-	-	250	-	250
Closing net book amount	**17,432**	**-**	**7,246**	**1,175**	**1,373**	**9,182**	**18,976**

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

Note 22. 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.

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

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

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset and liability

	Level 1 $000	Level 2 $000	Level 3 $000
Assets			
Financial assets at fair value through profit or loss	2,475	-	-
Total assets	**2,475**	-	-

Note 23. 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:

	2021 $000	2020 $000
Auditors of the Company		
BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	109	148
Non-audit services provided: Taxation advice and preparation of income tax returns	85	45
Total remuneration for audit and non-audit services	**194**	**193**

Note 24. Parent entity

	Parent entity	
	2021 $000	2020 $000
(a) Statement of Profit or Loss and other comprehensive income		
The individual financial statements for the parent entity show the following aggregate amounts:		
Net gain/(loss) attributable to equity holders of the Company	(4,144)	(21,505)
(b) Statement of financial position		
ASSETS		
Total current assets	2,074	1,816
Total non-current assets	3,494	-
Total assets	**5,568**	**1,816**
LIABILITIES		
Total current liabilities	(157)	(122)
Total non-current liabilities	(7,585)	(4,342)
Total liabilities	**(7,742)**	**(4,464)**
Net assets	**(2,174)**	**(2,648)**
SHAREHOLDERS' EQUITY		
Share capital	61,626	56,332
Reserves	2,154	1,464
Accumulated losses	(65,955)	(60,444)
Total equity	**(2,174)**	**(2,648)**

Note 24. Parent entity (continued)

The Parent has no Contingent Liabilities as at 30 June 2021 (FY2020: nil). The Parent has a secured debt facility amounting to $6,567k (30 June 2020: $6,923k) (Refer to details in Note 14).

The Parent has no Contingent assets and no other contractual obligations on behalf of the Group as at 30 June 2021 (FY2020: nil).

Note 25. 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 2021.

	Consolidated	
	2021	**2020**
	$	**$**
Short term employee benefits	1,039,133	866,292
Share based payments (non-cash)	229,831	105,570
Post-employment benefits	96,816	233,829
	1,365,780	**1,205,691**

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

Loans with Directors and Key Management Personnel

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

	2021	**2020**
	$	$
Funds owed by Geoffrey Greenberg	30,400	-
Payments made	-	-
Closing balance	30,400	-

A non-interest-bearing and unsecured loan was drawn in October 2020 and expected to be repaid by no later than 30 June 2022.

	2021	**2020**
	$	**$**
Funds owed to Robert Sofoulis	-	325,000
Payments made	-	(325,000)
Closing balance	-	-

The loan amount in FY2020 represented an unsecured loan drawn in October 2019 at an arm’s length interest rate of 12% and repaid in full in December 2019.

The Company has no funds advanced by the Directors and their related parties as at 30 June 2021.

Note 25. Related party transactions (continued)

Other transactions with Directors and Key Management Personnel

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

	2021 $!	2020 $
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.	630,881	500,515
Underwriting fees paid to Sofoulis Holdings Pty Ltd, a company of which Robert Sofoulis is a director and Ryan Sofoulis is associated with, in connection with the April 2020 non-renounceable rights issue.	-	20,467
Interest paid to Sofoulis Holdings Pty Ltd, a company of which Robert Sofoulis is a director and Ryan Sofoulis is associated with, in connection with a loan advanced to the Company.	-	6,238
Payments made to oOh!media Limited, a company of which Darren Smorgan is a Director, for the provision of news and light entertainment content for the health and wellbeing media screen business, pursuant to an arms length contract.	-	154,050
Amounts outstanding at reporting date	161,536	167,820

The outstanding amounts were related to the provision and early termination charges of the office premises.

Note 26. 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 2021 %	 30 June 2020 %
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 and VOD Pty Ltd were operating during the financial year.

Note 27. EPS

	2021	2020
	$000	$000
Net profit / (loss) from continuing operations for the year	**(4,233)**	**(14,181)**
	No.	**No.**
Weighted average number of ordinary shares for the purpose of basic earnings per share	520,018,041	227,021,974
Basic earnings / (loss) per share (cents)	(0.8)	(6.3)
Diluted earnings / (loss) per share (cents)	(0.8)	(6.3)

There are no instruments considered to be dilutive.

Note 28. Commitments

NetSuite ERP licence fees

The Company only has a commitment in respect of a five-year payment plan for NetSuite ERP licence fees. Minimum commitments under the arrangement are as follows:

	Consolidated	
	2021	2020
	$000	$000
Not later than 1 year	142	151
Later than 1 year but not later than 2 years	140	140
Later than 2 years and not later than 5 years	163	257
	445	**548**

Note 29. 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 after tax for the year ended 30 June 2021 of a loss of $4.7m (2020: loss of $21.6m) and net cash outflows from operating activities of $0.7m (2020: cash outflow of $4.5m).

Despite the continuous Covid-19 negative impact on the business, the Group has successfully raised $4.8m capital (net of cost) and secured major contracts of $6.5m in FY2021.

Meanwhile, the Group has taken initiative and effective actions to reduce its operation costs and divest loss-making business segment to improve the financial performance. As a result of those measures, the Group's gross margin has increased and achieved a considerably improved cash position of $3.9m (2020: $2.5m).

Furthermore, the Company has streamlined the revenue from mining and resource and aged care sectors. Accordingly, the Group has invested in product development to meet the increasing market demand and deliver the growth target in the mid-term (3 – 5 years).

Whilst the Directors are confident in the outlook of the Group, the ability of the Group to continue as a going concern is dependent upon executing the strategy that has been put in place. As a result of these matters, there is a material uncertainty that may cast significant doubt upon the Group's ability as a going concern and whether the group will realise its assets and settle it liabilities in the ordinary course of business at the amounts recorded in the financial statements.

The Directors have assessed the likely cash flow for the 12 months period from the date of signing this annual report and its impact on the Group and believe there will be sufficient funds to meet the Groups working capital requirements as at the date of this report, based on the belief that additional funds can be raised to finance the Group's activity.

The Group has historically demonstrated its ability to raise funds to satisfy its immediate cash requirements and will consider all funding options as required, for future capital requirements. The Directors of the Group have reason to believe that in addition to the cash flow currently available, additional funds from 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 and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

Note 29. Statement of Significant accounting policies (continued)

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

The accounting policies applied and methods of computation for the year ended 30 June 2021 are consistent with those of the annual financial report for the year ended 30 June 2020.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by the Company at the end of the reporting period. A controlled entity is any entity over which the Company 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.

Note 29. Statement of Significant accounting policies (continued)

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.

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.

Note 29. Statement of Significant accounting policies (continued)

Recognition and derecognition

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

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

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 experiences, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

For long term trade receivables, the expected credit loss is based on either the 12 month or lifetime expected credit loss. The 12-month expected credit loss is the portion of lifetime expected credit losses that results from default events on a financial instrument that are possible within 12 months after the reporting date. When there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss. In all cases, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due.

The Company considers 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. However, the Company also considers its ability to mitigate the risks in assessing the level of default amount.

Note 29. Statement of Significant accounting policies (continued)

(d) Financing elements

The Group from time to time enter into contracts where the period between the transfer of the promised goods to the customer exceeds one year. Should the transactions price include the effect of time value of money as the timing of payment provides the customer with a significant financing benefit, the financing element will be recognised as finance income over time.

(e) Impairment of Assets

At the end of each reporting period, the Group assesses the internal and external indicators that an asset may be impaired. If such an indicator 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 statement. 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 which the asset belongs.

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

(f) Functional and presentation currency

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

(g) Share based payments

The Group measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using Black Scholes valuation model 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 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 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.

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 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 considering the terms and conditions upon which the instruments were granted.

Note 29. Statement of Significant accounting policies (continued)

The 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 of securities with comparable terms to maturity.

(h) Employee Benefits

Wages, salaries and leave entitlements

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

Superannuation

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

(i) Provisions

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

(j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits. 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 expected credit loss is based on either the 12 month or lifetime expected credit loss. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit loss.

(l) Inventories

Inventories are measured at the lower of cost 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.

Note 29. Statement of Significant accounting policies (continued)

Depreciation

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

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

(n) Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

(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 amortization and any impairment losses. Where customer contracts useful lives are assessed as finite, the customer contracts are amortised over their estimated useful lives of 1 to 2 years.

Practice Sites:

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

Research and development costs

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

Note 29. Statement of Significant accounting policies (continued)

(p) Contract Assets

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

(q) Trade and Other Payables

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

(r) Financing Costs

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

(s) Goods and Services Tax (GST)

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

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

(t) Borrowings

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

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

(u) Contract Liabilities

Contract Liabilities represent the fair value of 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.

Note 29. Statement of Significant accounting policies (continued)

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 considers a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

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

(w) Current and non-current classification

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

(x) Contributed Equity

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

(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.

Note 29. Statement of Significant accounting policies (continued)

(aa) Leases

The Company has adopted AASB16 from 1 July 2019. Under AASB16, a contract is a lease or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The application of AASB16 has the following impact on the financial statements

- Recognise right-of-use assets and lease liabilities in the consolidated statement of financial position initially measured at the present value of the future lease payments
- Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss
- Separates the total amount of cash paid into a principal and interest in the consolidated statement of cash flows

The right-of-use asset is measured as the sum of initial lease liability, lease payment made at or before the commencement date and initial direct costs incurred by the lessee. The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The lease transaction details are disclosed in note 16.

(ab) Revenue

The Company recognises revenue when it transfers control of a product or service to a customer and the cost incurred or to be incurred in respect of the transaction can be measured reliably.

The Company's revenue consists of sale of equipment and providing digital content and services.

- Revenue from sale of goods is recognised at a point in time when the goods have been provided and the amount can be reliably estimated and is considered recoverable.
- Revenue from digital content is recognised over time as the customer is provided with the service.
- Revenue from licencing is recognised at a point in time on the transfer of the licence to the user.

(ac) 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.

The Company has received cash flow boost and Job Keeper grants which have been reported under other income on the consolidated statement of profit or loss.

(ad) Critical Accounting Estimates and Judgments

Revenue from contracts with customer

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

<u>Identifying performance obligations</u>

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.

Note 29. Statement of Significant accounting policies (continued)

Revenue in relation to sale of equipment is recognised at a point in time, whilst revenue in relation to providing services and content is recognised over time.

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.

Fair value measurement hierarchy

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

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 financial year.

Indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether the indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 10 for further information.

Note 29. Statement of Significant accounting policies (continued)

Estimation of useful lives of assets

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

Discontinued operation

The Group settled a sale of its subsidiary, Medical Channel Pty Ltd (“Medical Channel”) with Motio Ltd (ASX “MXO”) for a consideration of 30m MXO shares on 1 April 2021. As a result of the sale, Medical Channel has been deconsolidated from the Group and accounted as discontinued operations. The Group has assessed the valuation of Medical Channel’s tangible and intangible assets. The assessment has written off the related assets and hence resulted in a gain of $232k. Refer to note 3 for further information.

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

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (the 'AASB') that are relevant to their operations and are mandatorily effective for the current reporting period.

The adoption of these amendments has not resulted in any changes to the Company’s accounting policies and has no significant effect on the disclosures or the amounts reported for the current or prior periods.

At the date of authorisation of the financial statements, the Standards and Interpretations that have recently been issued or amended but not yet mandatory, have not been early adopted by the Group.

Note 30. Events subsequent to reporting date

The COVID-19 pandemic has developed rapidly through 2020 and 2021, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. The Company has taken several measures to monitor and mitigate the effects of COVID-19, including safety and health measures for its employees (such as social distancing and working from home).

The Company will continue to follow the government policies and advice and will focus on continuing our operations in the best and safest way possible without jeopardising the health of customers and employees.

There are no other matters or circumstances that have arisen since 30 June 2021 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.

DIRECTORS' DECLARATION

The Directors of the Company declare that the financial statements and notes, as set out on pages 19 to 65 are in accordance with the *Corporations Act 2001* and:

a. comply with Accounting Standards, which as stated in accounting policy Note 29 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 2021 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 29 to the financial statements.

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

Chairman
Darren Smorgon

Dated this 31st day of August 2021

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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 2021, 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 2021 and of its financial performance for the year ended on that date; and

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

Basis for opinion

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

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

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

Material uncertainty related to going concern

We draw attention to Note 29 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.

Accounting for the disposal of subsidiary

Key audit matter	*How the matter was addressed in our audit*
During the year ended 30 June 2021, the Group disposed of its interest in its controlled entity, Medical Channel Pty Ltd. We considered accounting for the disposal of Medical Channel Pty Ltd to be a key audit matter due to: • The significance of the total balances disposed; and • The level of procedures undertaken to evaluate management's application of the requirements of AASB 5 *Non-Current Assets Held-for-Sale and Discontinued Operations* ("AASB 5").	Our procedures included, but were not limited to the following: • Reviewing key executed transaction documents to understand the key terms and conditions of the transaction; • Evaluating the reasonableness of the discontinued operation criteria satisfaction determined by management; • Evaluating management's assessment of the consideration received for the disposal, the carrying amount of the net assets sold, and the loss on disposal; • Reviewing the revenue, expenses and loss of discontinued operation up to date of disposal and determined whether items are classified in accordance with AASB 5 *Non-Current Assets Held-for-Sale and Discontinued Operations;* and • Assessing the adequacy of the related disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 15 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Swift Media Limited, for the year ended 30 June 2021, 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, 31 August 2021

SHAREHOLDER INFORMATION

A. Substantial Shareholders

The following have a relevant interest (>5%) in the capital of Swift Media Limited as at 27th August 2021

Substantial ordinary shareholders	No. of ordinary shares held	Percentage held of Issued Ordinary Capital
Mr Robert Sofoulis and related entities	96,374,768	16.65%
Pure Asset Management Pty Ltd ATF The Income and Growth Fund	41,895,074	7.24%
Cyan Investment Management	38,848,798	6.71%
Regal Funds Management Pty Ltd	33,083,191	5.71%
Medical Media Investments Pty Ltd	27,616,833	4.77%

B. Distribution of Equity Securities

(i) Analysis of numbers of equity security holders by size of holding as at 27th August 2021

Category (Size of Holdings)			Ordinary Shares - Number of Holders	Ordinary Shares - Unlisted Options	Unlisted Warrants	Unlisted Ordinary Share Right Conversion	Unlisted Performance Rights
1	-	1,000	74	-	-	-	-
1,001	-	5,000	221	-	-	-	-
5,001	-	10,000	109	-	-	-	-
10,001	-	100,000	437	-	-	-	3
100,001	-	and over	362	4	16	3	1
Total			**1203**	**4**	**16**	**3**	**4**

SHAREHOLDER INFORMATION (CONTINUED)

C. Equity Security Holders

Twenty largest quoted equity security holders (27th August 2021)

Top 20 shareholder table

		Ordinary Shares	
		Number Held	**Percentage of issued shares**
1	SOFOULIS HOLDINGS PTY LTD	92,142,246	15.92
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	48,561,741	8.39
3	SANDHURST TRUSTEES LTD	38,848,798	6.71
4	CS THIRD NOMINEES PTY LIMITED	33,083,191	5.71
5	MEDICAL MEDIA INVESTMENTS PTY LTD	27,616,833	4.77
6	LAXIA CAPITAL PTY LTD	10,605,743	1.83
7	MR JOHN COLIN LOOSEMORE & MRS SUSAN MARJORY LOOSEMORE	8,400,000	1.45
8	SUETONE PTY LTD	8,300,959	1.43
9	BOTSIS SUPER PTY LTD	7,180,178	1.24
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,060,408	1.22
11	CINTELL PTY LTD	6,759,060	1.17
12	MR RUSSELL NEIL CREAGH	6,707,366	1.16
13	MR STEPHEN JAMES PRICE	6,000,000	1.04
14	SHADSUPER PTY LTD	5,675,000	0.98
15	TRI-NATION HOLDINGS PTY LTD	5,565,785	0.96
16	MR TONY LE FEVRE	5,500,000	0.95
17	FARR PTY LTD	4,975,175	0.86
17	SANDBAR INVESTEMNTS PTY LTD	4,975,175	0.86
18	MR JOSHUA LEIGH SWEETMAN & MRS CAROLINE SWEETMAN	4,685,741	0.81
19	SWEET AS DEVELOPMENTS PTY LTD	4,198,479	0.73
20	NETWEALTH INVESTMENTS LIMITED	4,167,657	0.72
	Total	**341,009,535**	**58.91**
	Balance of register	237,887,284	41.09
	Grand total	**578,896,819**	**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 $0.30 on or before 31 December 2022	500,000	1	1
Options exercisable at $0.45 on or before 31 December 2022	250,000	1	1
Options exercisable at $0.60 on or before 31 December 2022	250,000	1	1
Options exercisable at $0.05 on or before 30 April 2025	2,000,000	1	1
Ordinary share rights (conversion to 1 ordinary share for 1 right) exercisable after 20 June 2021	750,000	1	1
Ordinary share rights (conversion to 1 ordinary share for 1 right) exercisable after 1 October 2021.	600,000	1	1
Ordinary share rights (conversion to 1 ordinary share for 1 right) exercisable after 22 June 2022.	600,000	1	1
2018 Short Term Incentive conversion to 1 ordinary share for 1 right exercisable on or before 1 October 2021.	458,747	4	1
Warrants exercisable at $0.30 on or before 4 December 2023.	26,666,666	8	1
Warrants exercisable at $0.08 on or before 22 January 2024	24,000,000	8	1

F. On-market buyback

There is no current on-market buy-back

G. Stock Exchange listing

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

H. Securities subject to escrow

There are no securities currently subject to escrow

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 2021, 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

The Company's Security Trading Policy is available on the Company's website at https://www.swiftmedia.com.au/corporate-governance/