

## ASX ANNOUNCEMENT

30 April 2024

ASX:SW1



# Swift Q3 Activity Report and Appendix 4C

Swift is pleased to announce the Activities Report and Appendix 4C Cash flow Report for the quarter ended 31 March 2024.

## Q3 Highlights

- **Cash position above \$2.0m, with cash from operations, excluding interest, remaining positive for the quarter.**
- **Swift announced \$2.0m subscription extension and network infrastructure upgrades to Pilbara Minerals, Shell, AngloGold Ashanti, Iluka Resources, Northern Rise and Genesis Minerals.**
- **Swift Access installations completed at Aged Care providers Toosey Aged Care, Resthaven and Retiree's WA, activating on-going subscription revenue.**
- **Swift expanded upon its relationship with Mineral Resources during the period, installing a further 300 rooms taking the total Swift Access screens for mineral Resources to 4,300.**
- **Swift increased Aged Care industry participation, highlighted by involvement at the Aged Care Technology Summit in Sydney and the ACCPA Queensland Conference on the Gold Coast.**

## Cash Flow Summary

	Q1	Q2	Q3	YTD
	\$ million	\$ million	\$ million	\$ million
<b>Opening Cash</b>	<b>2.1</b>	<b>1.7</b>	<b>2.5</b>	<b>2.1</b>
<b>Cash from operations</b>				
Cash from ongoing operations	0.3	1.1	0.1	<b>1.5</b>
Interest Payments	(0.2)	(0.2)	(0.2)	<b>(0.6)</b>
<b>Cash from investing</b>				
Product Enhancement - R&D	(0.3)	(0.4)	(0.3)	<b>(1.0)</b>
Property, Plant and Equipment Purchase	(0.1)	0.0	0.0	<b>(0.1)</b>
Proceeds from sale of MXO shares	0.0	0.3	0.0	<b>0.3</b>
<b>Cash from financing</b>				
Finance - lease payments	(0.1)	0.0	(0.1)	<b>(0.2)</b>
<b>Closing Cash</b>	<b>1.7</b>	<b>2.5</b>	<b>2.0</b>	<b>2.0</b>



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### Operations

Swift completed several installations during the period for new customers in the Aged Care sector. Swift successfully deployed its Swift Access system to Retiree's WA new Joseph Bank facility, to Toosey Aged Care's facility in Tasmania and Resthaven's Craigmore facility in South Australia. These three facilities showcase Swift's growing brand awareness in the sector and its ability to activate new subscription revenue across Australia.

Swift has continued to invest in Aged Care industry participation and engagement. Swift attended the Aged Care Technology Summit in March with our partners, Checked In Care, which exposed Swift to key decision makers within leading industry providers along with providing additional functionality to the Swift Engagement offering by integrating ecosystems for Aged Care providers. Swift is also in attendance this week at the ACCPA Queensland Conference. Swift continues to engage with key industry figures around how Swift can assist providers following the release of the Aged Care Taskforce report which has led to an increase in enquiries for the Swift Access product to satisfy these new requirements with Swift's technology.

Swift's ACE subscription package for Aged Care is being received well by the market and is driving prospective customer engagement due to its price point. The ACE subscription package gives residents access to unique features and tools for inclusivity and communication and specialised content curated for residential aged care at pricing that is accessible across entire Aged Care providers sites while offering a premium entertainment upgrade option that forms part of an additional service charge to Aged Care residents.

In Mining, Swift has continued deploying our market leading Swift Access product to new Mineral Resources sites and expansion to current sites, with a further 300 rooms being deployed during the period, taking the number of Swift Access rooms at Mineral Resources to 4,300.

On the back strong gold prices, Swift has received increased enquiries from companies in the gold sector. The customers in this market are typically Brownfields sites, which are sites with existing infrastructure that may simply need the installation of Swift Access rather than an entire network hardware and software configuration. Instead of a Greenfields site that is constructed from ground up, Brownfields sites decrease the time from award of contract to installation of product. This is important for Swift as it will enable the commencement of subscriptions for Swift Access to commence sooner.



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### Cash Flow Commentary

Net Cash used for operating activities for the March quarter was \$0.1m. Cash receipts were slightly lower during the period of \$4.09m, largely due to the timing of project-related invoices and receipts over the easter period. During the period \$4.23m was spent on operating costs including \$2.45m to deliver revenues during the period, staff costs of \$1.33m, administration and corporate costs of \$0.25m, advertising and marketing of \$0.01m and net interest expenses of \$0.2m.

Net cash used in investing activities was \$281,000, with \$1,000 for capital purchases and \$282,000 for internal product development. \$2,000 was received during the period for the sale of MXO shares.

Net cash used in financing activities for the current quarter consisted of \$47,000 for office/facility leases.

Related party payments for the quarter were \$132,000, comprising wages for Executive and Non-Executive directors.

Swift operated in the one operating segment during the quarter.

### Q4 Outlook

Swift will continue to deliver upon its contracted revenue in both the Mining and Resources and Aged Care sectors. Sales and marketing efforts will continue to target existing and new customers to secure contracts that build upon Swift's subscription revenue base through the sale of Swift Access, with an emphasis on Brownfields sites that will enable faster contract to subscription revenues. Swift will continue to build upon its partnerships across both sectors including investment in product development and integration of Swift's product roadmap to secure the future of Swift's product in both sectors. Swift is seeing demand grow in the Aged Care market as providers and regulators look toward technology as a solution to driving efficiency in the delivery of Aged Care services. Swift is well placed to benefit from these forces along with the continued market growth in Aged Care with projected room numbers to increase to 300,000 by 2030 in Australia.

Swift holds ~8 million shares in Motio Limited (ASX:MXO). Swift will continue to explore its options with these shares during FY24.



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### About Swift

Swift is a specialist technology company delivering a premium entertainment and engagement platform powered by proprietary technology and network infrastructure. Swift provides an end-to-end solution, including consulting, design, and installation services. Swift's solution has been developed specifically for communities with significant benefits to be achieved by all stakeholders via offering tailored solutions, including Mining and Resources, Residential Aged Care, Retirement Living, Government, and other sectors.

Swift entertains, engages, and enables the development of communities.

This announcement was approved and authorised for release by the Swift Board.

For more information, please contact:

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Swift Investor Hub <http://investor.swiftnetworks.com.au/>



<b>Name of entity</b>		
Swift Networks Group Limited		
<b>ABN</b>		<b>Quarter ended ("current quarter")</b>
54 006 222 395		31-Mar-24

<b>Consolidated statement of cash flows</b>		<b>Current quarter</b>	<b>Year to date</b>
		<b>\$A'000</b>	<b>(9 months) \$A'000</b>
<b>1</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	4,091	13,657
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(2,445)	(8,460)
	(c) advertising and marketing	(13)	(49)
	(d) leased assets	-	-
	(e) staff costs	(1,330)	(4,174)
	(f) administration and corporate costs	(249)	(986)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	12
1.5	Interest and other costs of finance paid	(198)	(596)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	1,423
1.8	Other (includes restructuring costs)	-	-
<b>1.9</b>	<b>Net cash (used in) /from operating activities</b>	<b>(139)</b>	<b>827</b>

<b>2</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(1)	(103)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets (product enhancement)	(282)	(981)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (proceeds from sale of held-for-sale MXO shares)	2	349
<b>2.6</b>	<b>Net cash used in investing activities</b>	<b>(281)</b>	<b>(735)</b>

Consolidated statement of cash flows			Year to date (9 months) \$A'000
		\$A'000	
<b>3</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Loan to key management personnel	-	-
3.9	Repayment of leases	(47)	(140)
<b>3.1</b>	<b>Net cash used in financing activities</b>	<b>(47)</b>	<b>(140)</b>

<b>4</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,492	2,073
4.2	Net cash (used in) / from operating activities (item 1.9 above)	(139)	827
4.3	Net cash used in investing activities (item 2.6 above)	(281)	(735)
4.4	Net cash used in financing activities (item 3.10 above)	(47)	(140)
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,025</b>	<b>2,025</b>

<b>5</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,025	2,492
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,025</b>	<b>2,492</b>

<b>6</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	132
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Payments to directors for wages and entitlements totaled \$132k</i>		

Consolidated statement of cash flows		\$A'000	Year to date (9 months) \$A'000
<b>7</b>	<b>Financing facilities</b> Note: the term "facility" includes all forms of financing Add notes as necessary for an understanding of the sources of	<b>Total facility amount \$A'000</b>	<b>Amount drawn at \$A'000</b>
7.1	Loan facilities	7,424	7,424
7.2	Credit standby arrangements		
7.3	Other (please specify)		
<b>7.4</b>	<b>Total financing facilities</b>	<b>7,424</b>	<b>7,424</b>
<b>7.5</b>	<b>Unused financing facilities available at quarter end</b>		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. Loan principal has been reduced by \$261k by settling Warrants from Pure Asset Management. Facility: \$7.4 million secured Lender: Pure Asset Management Maturing: September 2025 Interest rate: 9.5% per annum, payable quarterly		

<b>8</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(139)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,025
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,025

8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	15
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
	8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
	8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
	Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.	

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply
- 2 This statement gives a true and fair view of the matters disclosed.

30-Apr-24

Date: .....

Board of Directors

Authorised by: .....

(Name of body or officer authorising release – see note 4)

### Notes:

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.