

SWIFT NETWORKS GROUP LIMITED
AND CONTROLLED ENTITIES

ABN 54 006 222 395

INTERIM REPORT
FOR THE HALF YEAR ENDED

31 DECEMBER 2023

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SWIFT NETWORKS GROUP LIMITED AND CONTROLLED ENTITIES
ABN 54 006 222 395

APPENDIX 4D
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Results for Announcement to the market:

Name of Entity: Swift Networks Group Limited
ABN: 54 006 222 395
Reporting period: For the half-year ended 31 December 2023
Previous period: For the half-year ended 31 December 2022

Key information (extracted from interim financial report)	Change (Down) / Up %	Half-Year Ended 31 December 2023 \$
Revenue from ordinary activities	(1)%	9,451,413
Net loss from ordinary activities after tax attributable to members	(39)%	(571,184)
Net loss after tax attributable to members	(39)%	(571,184)

Comments

The loss for the group after providing for income tax amounted to \$571,184 (31 December 2022: \$943,992).

DIVIDENDS

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

NET TANGIBLE ASSETS PER SHARE

	31 December 2023	31 December 2022
Net tangible assets per share	(1.4) cents	(1.0) cents

Audit Review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

On behalf of the Board

SWIFT NETWORKS GROUP LIMITED



Mr Charles Fear
Chairman
28 February 2024

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SWIFT NETWORKS GROUP LIMITED AND CONTROLLED ENTITIES
ABN 54 006 222 395

DIRECTORS' REPORT

The Board of Directors of Swift Networks Group Limited (“the Group” or “the Company”) submits its report in respect of the period ended 31 December 2023.

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

Name Position

Mr Charles Fear	Non-Executive Chairman
Mr Bradley Denison	Non-Executive Director
Ms Pippa Leary	Non-Executive Director
Mr Brian Mangano	Managing Director and Chief Executive Officer

The Company Secretary is Ms Suzie Foreman.

PRINCIPAL ACTIVITIES

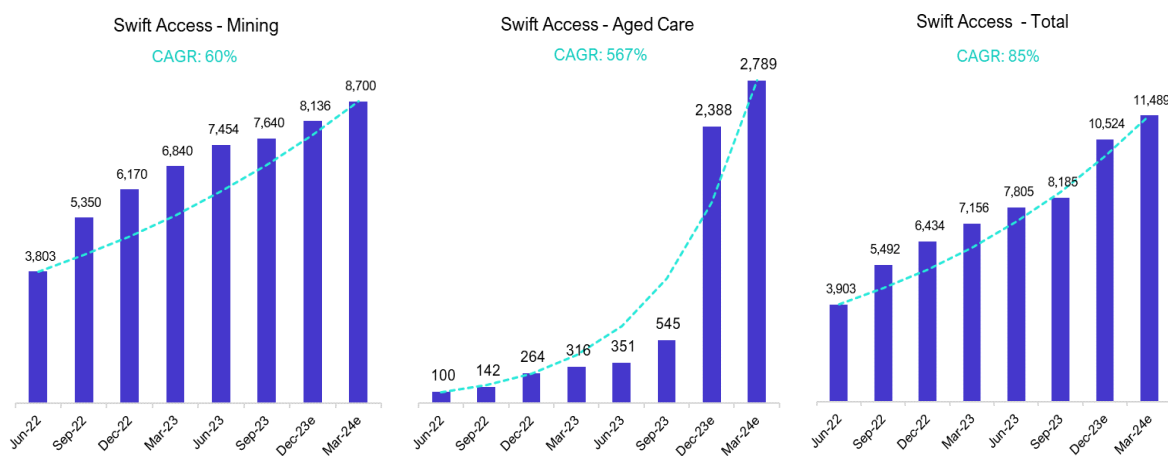
The principal activities of the Group during the period were the provision of content, communications, and entertainment on television screens for out of home environments.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Operational Review

Swift Access

The sale and installation of Swift’s proprietary Swift Access product continued in H1, with 11,500 rooms contracted since product launch in 2022.



Mining

Swift Access’ subscriber base includes Tier 1 mining operators such as Roy Hill, Mineral Resources, Inpex, Oz Minerals (now BHP) and Iluka. Mining sales have grown steadily to 8,700 rooms or circa 7% of the market, with plenty of growth potential with existing and new clients. During the period Swift completed installations at various Mineral Resources sites where Swift is now accessible across 4,000 rooms.

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DIRECTORS' REPORT

Aged Care

Aged Care as a sector continues to show incredible potential for growth. Since launching Swift Access, Swift has secured 2,800 rooms in the sector. Swift has continued to invest in its product suite by engaging with stakeholders in the industry to build a platform that isn't just an entertainment product, but a platform focused on engagement of residents, families, facility staff and management.

During the period Swift developed its new ACE subscription package, which is gaining significant traction in the Aged Care sector. 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 to the market while offering a premium entertainment upgrade option. Swift has taken on board industry feedback and insights to develop ACE to help solve many issues present for Aged Care providers today.

Swift continues to enhance its product portfolio, with the next generation of Swift Access being developed for release in 2024. The next generation of Swift Access will deliver an unprecedented level of personalised experience for residents in Aged Care, further simplifying their access to information and helping to build a community and reduce isolation.

The next generation will also be available to Swift's other key sectors, including Mining, Oil and Gas.

Industry Participation

Swift attended the Aged & Community Care Providers Association (ACCPA) National Conference during the period, building upon Swift's market presence in the industry. On the back of the conference, Swift entered into agreements with multiple providers and continues to engage in conversations for in its premium product Swift Access.

Swift will attend the Aged Care Technology Summit NSW in March this year. Building upon its partnership, Swift and Checked in Care will be amongst a handful of operators at the event with a stand showcasing our product portfolio to some of the key industry decision-makers from some of Australia's largest care providers.

Financial Review

Swift is pleased to announce operating revenue of \$9.5m from continuing operations (31 December 2022: \$9.6m). Project revenue is largely in line with H1 2022 with \$2.5m recognised during the period (31 December 2022: \$2.7m) whilst recurring revenue has slightly increased to \$7.0m (31 December 2022: \$6.9m). Swift continues to target project revenues that will lead to an increase in recurring revenue or improvement of gross margin from existing customers. The uplift on recurring revenue can only be achieved with the completion of installation of project revenue which Swift has delivered during the period and will continue to deliver.

Operating expenses have decreased slightly to \$9.6m (31 December 2022: \$9.7m) as Swift has maintained its cost levels despite increased price pressure for products and employee costs during the period. Swift claimed the R&D tax refund for FY23, and this has reflected in an increase of other income to \$1.1m (31 December 2022: \$0.6m)

The closing cash position of the Company increased during the period to \$2.5m (30 June 2023: \$2.1m). During the period, Swift continued its stated objective of paying down its debt position with a \$261k repayment made via Swift's lender PURE Asset Management exercising 15.8m warrants at 1.65cps, with the associated injection of capital has been entirely applied to reduce Swift's debt position. Interest payments continue to have an impact on the cash position with \$0.4m in payments made within the period. Swift partially divested its position in listed entity Motio (ASX:MXO) with \$347k being received during the period. Swift still holds circa 8.6m MXO shares at the end of the period.

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DIRECTORS' REPORT

OUTLOOK

The Company will continue with its stated strategy to:

1. Streamline the business into core verticals and explore opportunities in synergistic verticals.
2. Target existing and new customers with upgrades to Swift Access and the next generation Swift access product and the ACE subscription package.
3. Develop new partnership opportunities in key verticals and build upon recent partnerships with Checked In Care and Hubify.
4. Increase brand awareness and marketing presence.
5. Introduce innovative new products to secure market share in key verticals and to enter new verticals.
6. Improving delivery capabilities.
7. Drive revenue growth with recurring revenues.
8. Maintain a reduced cost base.

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There are no other matters or circumstances that have arisen since 31 December 2023 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or recommended during the half year (2022: nil).

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 5.

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 28th day of February 2024

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



Mr Charles Fear
Chairman

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

Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF SWIFT NETWORKS GROUP LIMITED

As lead auditor for the review of Swift Networks Group Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Swift Networks Group Limited and the entities it controlled during the period.

Jarrad Prue
Director

BDO Audit (WA) Pty Ltd

Perth

28 February 2024

SWIFT NETWORKS GROUP LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	31 Dec 2023 \$000	31 Dec 2022 \$000
Continuing Operations			
Revenue	2	9,451	9,581
Operating expenses	3	(9,627)	(9,709)
Other income	3	1,082	563
Other expenses	3	-	(19)
		906	416
Depreciation and amortisation		(656)	(475)
Amortisation of right-of- use assets		(92)	(81)
Share based payment	14	(143)	(19)
Disposal gains and restructuring costs		54	(145)
Fair value loss on financial assets	7	(7)	(20)
Amortisation other		-	(10)
Results from operating activities		62	(334)
Finance income		7	19
Finance costs		(640)	(629)
Net finance costs		(633)	(610)
Loss before income tax		(571)	(944)
Income tax benefit/(expenses)		-	-
Loss from continuing operations		(571)	(944)
Loss for the period		(571)	(944)
Total comprehensive loss for the period		(571)	(944)
Loss per share attributable to the members of Swift Networks Group Limited:		Cents	Cents
Basic loss per share		(0.09)	(0.16)
Diluted loss per share		(0.09)	(0.16)

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SWIFT NETWORKS GROUP LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	31 Dec 2023 \$000	30 June 2023 \$000
Current Assets			
Cash and cash equivalents		2,492	2,073
Trade and other receivables	4	2,457	3,206
Inventory	5	714	1,475
Other current assets		677	646
Total Current Assets		6,340	7,400
Non-Current Assets			
Property, plant and equipment		426	480
Right-of-use assets		552	644
Intangible assets	6	2,569	2,370
Financial assets at fair value through profit or loss	7	268	622
Total Non-Current Assets		3,815	4,116
Total Assets		10,155	11,516
Current Liabilities			
Trade and other payables	8	5,747	6,185
Contract liabilities	9	1,409	2,157
Provisions		628	585
Lease Liabilities		203	192
Total Current Liabilities		7,987	9,119
Non-Current Liabilities			
Other payables	8	1,126	1,036
Provisions		44	40
Borrowings	10	6,398	6,418
Lease Liabilities		473	577
Contract Liabilities	9	5	37
Total Non-Current Liabilities		8,046	8,108
Total Liabilities		16,033	17,227
Net Liabilities		(5,878)	(5,711)
Equity			
Issued capital	11	61,888	61,627
Reserves	12	7,065	6,922
Accumulated losses		(74,831)	(74,260)
Total Deficiency in Equity		(5,878)	(5,711)

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2023

	Note	Issued Capital \$000	Reserves \$000	Accumulated losses \$000	Total \$000
For the period ended 31 December 2022					
Balance at 1 July 2022		61,627	5,769	(70,282)	(2,886)
Total comprehensive loss for the half year		-	-	(944)	(944)
Transactions with shareholders in their capacity as shareholders:					
Share based payments	14	-	561	-	561
Balance at 31 December 2022		61,627	6,330	(71,226)	(3,269)
For the period ended 31 December 2023					
Balance at 1 July 2023		61,627	6,922	(74,260)	(5,711)
Total comprehensive loss for the half year		-	-	(571)	(571)
Transactions with shareholders in their capacity as shareholders:					
Warrants exercised	10	261	-	-	261
Share based payments	14		143	-	143
Balance at 31 December 2023		61,888	7,065	(74,831)	(5,878)

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

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	31 Dec 2023 \$000	31 Dec 2022 \$000
Cash Flows from Operating Activities			
Cash receipts in the course of operations		9,566	9,166
Cash payments in the course of operations		(9,632)	(9,538)
Finance costs		(398)	(521)
Interest received		7	19
R&D tax refunds		1,423	-
Net cash inflows/(outflows) from operating activities		966	(874)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(102)	(41)
Payment for product development	6	(699)	(573)
Proceeds from sale of listed shares		347	-
Net cash outflows for investing activities		(454)	(614)
Cash Flows from Financing Activities			
Repayments of borrowings		-	(516)
Payment of borrowing transaction costs		-	(76)
Repayments of lease liabilities		(93)	(75)
Net cash outflows from financing activities		(93)	(667)
Net increase/(decrease) in cash and cash equivalents		419	(2,155)
Cash at the beginning of the period		2,073	3,750
Cash at the end of the period		2,492	1,595

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Note 1. Operating segments

In conjunction with AASB8 Operating Segments, the Company has identified its operating segments 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, Depreciation and Amortisation ("EBITDA") which are measured in accordance with the Company's accounting policies.

Consistent with the assessment in the annual accounts ended 30 June 2023, the Group has identified only one reporting segment in the digital entertainment and service sector for which the Group earns revenue and allocates resources. As such, the reportable segment for the current period is represented by primary statements forming this financial report being one segment.

Note 2. Revenue

	31 Dec 2023	31 Dec 2022
	\$000	\$000
Revenue from continuing operations	9,451	9,581
Total revenue	9,451	9,581

Disaggregation of revenue	31 Dec 2023	31 Dec 2022
	\$000	\$000
Revenue recognition at a point in time ¹	2,463	2,728
Revenue recognition over time ²	6,988	6,853
	9,451	9,581

¹ Relating to the sale of equipment.

² Relating to content, support and services.

Geographical information:

All revenue is derived in Australia.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 3. Operating expenses	31 Dec 2023	31 Dec 2022
	\$000	\$000
Cost of sales	(6,049)	(5,753)
Employment costs	(2,844)	(2,983)
Occupancy costs	(76)	(74)
Professional fees	(207)	(423)
General & administration expenses	(451)	(476)
	(9,627)	(9,709)
Other income ¹	1,082	563
Other expenses	-	(19)
	(8,545)	(9,165)

1. Other income of \$1,082k includes the R&D refunds received and recognised in the period.

Note 4. Trade and other receivables	31 Dec 2023	30 June 2023
	\$000	\$000
Current		
Trade receivables ¹	2,271	2,902
Other receivables ²	189	307
Loss allowance	(3)	(3)
	2,457	3,206

- Trade receivables are non-interest bearing and are generally on 30-60-day terms. Provision for loss of \$3k was made according to the assessment of expected credit loss. Due to short term nature of the current receivables, their carrying amount is considered to be the same as their fair value.
- Other receivables include restricted cash of \$225k secured for issuance of bank guarantees.

Note 5. Inventory	31 Dec 2023	30 June 2023
	\$000	\$000
Inventory:		
Finished goods	506	691
Provision for obsolescence	(55)	(55)
Work in progress	263	839
	714	1,475

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 6. Intangible assets

Development Costs	31 Dec 2023
	\$000
Reporting period ended 31 December 2023	
Opening net book amount	2,370
Additions	699
Amortisation charge	(500)
Closing net book amount	<u>2,569</u>
Cost	7,917
Accumulated amortisation and impairments	(5,348)
Closing net book amount	<u>2,569</u>
Year ended 30 June 2023	
Opening net book amount	1,979
Additions	1,190
Amortisation charge	(799)
Closing net book amount	<u>2,370</u>
Cost	7,346
Accumulated amortisation and impairments	(4,976)
Closing net book amount	<u>2,370</u>

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

The Company has continuously invested in content offering system and has launched some of the product to the market in this reporting period.

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):

	31 Dec 2023	30 Jun 2023
	\$000	\$000
Swift Networks - Intangibles	<u>2,569</u>	<u>2,370</u>

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

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Note 7. Financial assets at fair value through profit or loss

	31 Dec 2023	30 June 2023
	\$000	\$000
Opening fair value	622	940
Disposals	(347)	(28)
Net fair value loss on financial assets at fair value through profit or loss	(7)	(290)
Closing fair value ¹	268	622

1. The closing fair value of \$268k relates to the remaining 8.6m MXO shares valued at \$0.031 per share as of 31 December 2023.

Note 8. Trade and other payables

	31 Dec 2023	30 Jun 2023
	\$000	\$000
Current		
Trade payables ¹	2,778	3,154
Other payables ²	2,969	3,031
	5,747	6,185
Non-Current		
Other payables ²	1,126	1,036
	1,126	1,036

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.
2. The ACCC matter has been resolved and settled in the period. Other non-current payables include \$0.7m discounted provisions in relation to this matter, based on expected payment dates and \$0.4m deferred income arising from R&D claims to be released in future periods.

Note 9. Contract liabilities

	31 Dec 2023	30 Jun 2023
	\$000	\$000
Current		
Content & technology revenue current	1,409	2,157
	1,409	2,157
Non-Current		
Content & technology revenue non-current	5	37
	5	37

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 10. Borrowings

	31 Dec 2023	30 Jun 2023
	\$000	\$000
Non-Current		
Pure Asset Management Loan ^{1,4}	7,685	8,201
Less: reduction of loan principal ²	(261)	-
Less: repayment of loan principal	-	(516)
Less: transaction costs ³	(1,026)	(1,267)
Total non-current borrowings	6,398	6,418

- Pure loan with maturity ending in September 2025 and 9.5 per cent interest rate, interest payable every three months.
- Pure exercised its Warrants in respect of 15,833,334 Warrant Shares at an exercise price of \$0.0165 in December and converted to shares reducing the loan facility by \$261k.
- Transaction costs are costs that are directly attributable to the loan and include loan originating fees, legal fees and the aggregated valuation of 110.7 m warrants. Of the 110.7m warrants, 15.8m has been converted to ordinary shares and a further 10.8m warrants expiring in FY24. Total capitalised transaction costs relating to the facility agreement are \$2.5m. The balance of unamortised transaction cost of approximately \$1.0 m is to offset against the reduced borrowings of \$7.5m. The security of the facility is a first-ranking general security over all assets of the Group and its subsidiaries.
- The Group has complied with the loan covenants during the reporting period and expects to continue to meet all covenants at the next review in March 2024.

Note 11. Issued capital

	31 Dec 2023	30 Jun 2023
	\$000	\$000
Issued capital	61,888	61,627

Movement in Ordinary Share Capital:	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 June 2023
	No.	No.	\$000	\$000
At the beginning of the period	593,995,258	581,497,900	61,627	61,627
Exercise of EIS rights	-	12,497,358	-	-
Issue of EIS share rights ¹	35,314,099	-	-	-
Exercise of EIS ²	231,734	-	-	-
Exercise of ordinary share rights ³	1,200,000	-	-	-
Warrants exercised during the half year	15,833,334	-	261	-
	646,574,425	593,995,258	61,888	61,627

- Issued in the period in relation to employee incentive scheme rights for KMP and employees. Refer to note 14 for details.
- Relates to conversion of EIS rights granted in FY22. Refer to note 14 for detail.
- Relates to conversion of ordinary share rights in the period. Refer to note 14 for details.

Share Issue Costs

There is no share issue cost in the reporting period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 11. Issued capital (continued)

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

There were no options issued nor expired during this reporting period. At 31 December 2023, there were 4m Options (30 Jun 2023: 4m) balance available for exercise.

Half Year ended 31 December 2023	5 cents 30 April 2024	5 cents 7 February 2025	Total
Opening balance	2,000,000	2,000,000	4,000,000
Closing balance	2,000,000	2,000,000	4,000,000

Note 12. Reserves

	31 Dec 2023 \$000	30 Jun 2023 \$000
<i>Options & Warrant reserves</i>		
Opening balance	6,922	5,769
Warrants issued	-	542
Options and Performance Rights reserve	143	611
Closing balance	7,065	6,922

The reserves are used to recognise the fair value of options & performance rights granted.

Note 13. Related party transactions

Key management personnel

There were no changes of the service agreements between the Company and Key Management Personnel in this reporting period.

Disclosures relating to share based payments granted to key management personnel are set out in note 14.

Other transactions with Directors and Key Management Personnel

There were no other transactions with related parties during the reporting period since the last annual report.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 14. Share based payments

Total expenses arising from share-based payment transactions recognised in the statement of profit or loss during the reporting period were as follows:

	31 Dec 2023 \$000	31 Dec 2022 \$000
Ordinary share rights on issue ¹⁻²	4	5
Options on issue ³	3	3
Share issued to KMP ³⁻⁴	81	24
Performance rights on issue to employees	58	17
Forfeiture of performance rights to employees	(3)	(30)
Share issued to employees	143	19

1. Charles Fear was granted 600,000 ordinary share rights on 19 November 2021 in accordance with his non-executive Letter of Appointment and an additional 150,000 ordinary share rights in relation to his appointment to Chairman on 17 November 2022. Of the total 750,000 ordinary share rights, 600,000 shares rights were converted to ordinary shares in this reporting period. The aggregated share-based-payment in relation to these arrangements was \$2,626 in this reporting period.
2. Bradley Denison was granted 600,000 ordinary share rights on 19 November 2021 in accordance with his non-executive Letter of Appointment which was approved at the AGM on 17 November 2022. The entire 600,000 share rights were converted to ordinary shares in this reporting period. A share-based payment of \$1,984 has been recorded in this reporting period.
3. Brian Mangano was granted 9,240,974 performance rights under FY2022 Employee Incentive Scheme ("EIS"), consisting of 4,620,487 STI share awards and 4,620,487 LTI Performance Rights which were all approved at the AGM on 17 November 2022. The 4,620,487 STI shares were issued in this reporting period. The 4,620,487 LTI performance rights are subject to continuous employment and vest on 30 June 2023 (50%) and 30 June 2024 (remaining 50%). A share-based payment expense of \$7,660 in relation to these arrangements has been recorded in this reporting period.

Brian Mangano was granted 2m share options in FY22. A share-based payment expense of \$2,705 in relation to this arrangement has been recorded in this reporting period.

Brian Mangano was granted 16,891,892 awards under the FY2023 EIS, consisting of 8,445,946 STI share awards and 8,445,946 LTI performance rights which were all approved at the AGM on 16 November 2023. The 8,445,946 STI share awards were converted to ordinary shares upon the AGM approval. The LTI performance rights are subject to continuous employment and vest on 30 June 2024 (50%) and 30 June 2025 (remaining 50%). A share-based payment expense of \$64,234 in relation to these arrangements has been recorded in this reporting period.

4. Ryan Sofoulis was granted 2,405,186 performance rights under FY2022 EIS, consisting of 1,202,593 STI share awards and 1,202,593 LTI performance rights which were all approved at the AGM on 17 November 2022. The 1,202,593 STI shares were issued in this reporting period. The 1,202,593 LTI performance rights have vesting dates on 30 June 2023 (50%) and 30 June 2024 (50%). The condition attached to the LTI performance rights is continuous employment throughout the vesting periods. A share-based payment expense of \$1,994 in relation to this arrangement has been recorded in this reporting period.

Ryan Sofoulis was granted 5,090,708 awards under the FY2023 EIS, consisting of 2,545,354 STI share awards and 2,545,354 LTI performance rights. The 2,545,354 STI share awards were converted to ordinary shares in this reporting period. The LTI performance rights are subject to continuous employment and vest on 30 June 2024 (50%) and 30 June 2025 (remaining 50%). A share-based payment expense of \$6,942 in relation to these arrangements has been recorded in this reporting period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Note 14. Share based payments (continued)

On 16 November 2023, approval from the shareholder was granted for the following:

- 8,445,946 STI Share Awards to be issued to Brian Mangano
- 8,445,946 LTI Performance Rights to be issued to Brian Mangano. There is a condition of maintaining continuous employment throughout the vesting period.

Valuation

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

	Performance Rights (KMP)	Share Awards
Method	Share price at grant date	Share price at grant date
Spot price (cents)	1.6	1.5
Strike price	nil	nil
Expiry date	30 June 2025	1 July 2025
Volatility	n/a	n/a
Risk free rate	n/a	n/a
Fair value per unit (cents)	1.6	1.5

Options

There is no movement in Options in this reporting period.

Ordinary Share Rights

The Ordinary Share Rights movements are summarised as follows.

Grant date	Expiry date	Balance at the start of the half year	Exercised	Balance at the end of half year
18/11/2021	18/11/2023	600,000	(600,000)	-
18/11/2022	21/03/2024	750,000	(600,000)	150,000
Total		1,350,000	(1,200,000)	150,000

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Note 14. Share based payments (continued)

Employee Incentive Scheme Rights (EIS)

	Expiry date	Exercise price \$	Balance at the start of the half year	Granted/ issued	Converted/ lapsed	Balance at the end of half year
2018 EIS ¹	02/10/2023	nil	458,747	-	(458,747)	-
Share Rights	30/06/2024	nil	2,556,232	-	-	2,556,232
Share Awards	01/07/2025	nil	-	500,000	-	500,000
2022 EIS	30/06/2025	nil	3,998,735	-	(231,734)	3,767,001
2022 EIS ² (KMP)	30/06/2025	nil	5,823,080	-	-	5,823,080
2023 EIS ³	30/06/2026	nil	-	29,491,019	-	29,491,019
Total			12,836,794	29,991,019	(690,481)	42,137,332

1. The 458,747 EIS lapsed in the period.
2. The 5,823,080 EIS were granted and approved at the 2022 AGM but issued in the current reporting period. Refer to note 11 Issued Capital.
3. The 2023 EIS were all issued in the current reporting period, including 8,445,946 approved at the AGM on 16 November 2023 and 21,045,073 approved at 30 June 2023. Refer to note 11 Issued Capital.

Warrants

The table below summarises the details of warrants

	Expiry date	Exercise price \$	Balance at the start of the half year	Exercised	Expiring	Balance at the end of half year
Warrants ¹	04/12/2023	0.0165	26,666,666	(15,833,834)	(10,832,832)	-
Warrants	22/01/2024	0.08	24,000,000	-	-	24,000,000
Warrants	30/09/2025	0.03	60,000,000	-	-	60,000,000
Total			110,666,666	(15,833,834)	(10,832,832)	84,000,000

¹ 15.8m Warrants exercised at \$0.0165 and converted to ordinary shares. The remaining 10.8m Warrants expired unexercised.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Note 15. Statement of Significant accounting policies

Corporate Information

The financial report of the Group for the half year ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 28 February 2024.

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

Basis of Preparation

The general-purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Act 2001, as appropriate for for-profit oriented entities.

The half year financial report does not include all notes of the type normally included within the audited annual financial statements. Therefore, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the ASX listing rules.

The accounting policies applied and methods of computation for the reporting period ended 31 December 2023 are consistent with those of the annual financial reports for the year ended 30 June 2023.

Comparatives

Where required by accounting standards comparative figures have been adjusted to conform with classification and presentation for the current financial half-year.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standard Board ("AASB") that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going Concern

For the reporting period ended 31 December 2023, the Group recorded a loss of \$571k, net operating cash inflows of \$966k which is inclusive of R&D tax refund of \$1,423k and had a negative working capital of \$1,647k.

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 and trading profitably resulting in positive cash flows and maintaining the support of its financiers including complying with covenants specified in facility agreements.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability as a going concern and whether the Group will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

The management of the Group believe there are sufficient funds to meet the entity's working capital requirements as at the date of this report. 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Note 15. Statement of Significant accounting policies (continued)

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Directors are satisfied that the Group has sufficient working capital to meet its current obligations
- The Directors expect to comply with all conditions relating to the finance facility and maintain the support of its financiers
- The Directors expect the Group to trade profitably and generate positive cash flows.

Should the entity 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 entity not continue as a going concern.

Note 16. Significant Judgements, estimates and assumptions

The significant accounting judgements, estimates and assumptions adopted in the half-year financial report are consistent with those applied in the preparation of the Group's annual report for the year ended 30 June 2023.

Note 17. Commitments and contingencies

Commitments

There have been no changes to commitments since 30 June 2023.

Note 18. Events subsequent to reporting date

Pure 24m Warrants expired unexercised on 22 January 2024.

There are no other matters or circumstances that have arisen since 31 December 2023 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.

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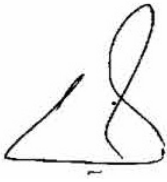
DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- aside from the factors noted in note 15 the directors believe that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) fo the Corporate Act 2001

On behalf of the Directors



Chairman
Charles Fear

Dated this 28th day of February 2024

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CORPORATE DIRECTORY

Directors

Charles Fear
Chairman

Philippa Leary
Non-Executive Director

Bradley Denison
Non-Executive Director

Brian Mangano
Chief Executive Officer/
Managing Director

Company Secretary
Suzie Foreman

Corporate Details

Swift Networks Group Limited
ACN: 006 222 395
ABN: 54 006 222 395
www.swiftnetworks.com.au

Registered Office

1060 Hay Street
WEST PERTH WA 6005

Telephone: +61 8 6103 7595
Facsimile: +61 8 6103 7594

Auditor

BDO Audit Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000

Bankers

Bank West Ltd
300 Murray Street
PERTH WA 6000

Share Registry

Automic
Level 5
191 St Georges Terrace
PERTH WA 6000
T: 1300 288 661 (Inside Australia)
T: +61 2 9698 5414 (Outside Australia)
W : investor.automic.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Swift Networks Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Swift Networks Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 15 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 conclusion is not modified in respect of this matter.



Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

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

BDO Audit (WA) Pty Ltd

BDO


Jarrad Prue

Director

Perth, 28 February 2024

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