

Investor Presentation July 2017



ASX: SW1



Swift Networks Group Limited

(ASX: SW1)

Swift Networks Group Limited is a diversified telecommunications and content solutions provider, entertaining guests and connecting them to the world.

Our services include free-to-air television, pay television, telecommunications, internet, data, wireless networks and video on demand with content from some of Hollywood's largest studios.

We empower guests to watch, play, connect and interact, and offer accommodation providers meaningful data insights with opportunities to drive new business.

Swift Networks Ltd (ASX: SW1)

Board of Directors

Carl Clump Non-Executive Chairman **Xavier Kris Chief Executive Officer** Paul Doropoulos Non-Executive Director **Ryan Sofoulis Executive Director** Robert Sofoulis Non-Executive Director

Trading Information	
ASX ticker	SW1
Share price (6 June 2017)	\$0.28
Shares quoted on the ASX	51.8m
Market Cap (free-float)	\$14.5m
Escrowed Shares	38.4m
Performance Shares	38.1m
Options	18.4m
Market Cap (fully diluted)	\$41.1m

Share Price Performance v. Indices (3 months)



	Top 10 Shareholders	Holding	% IC
1	SOFOULIS HOLDINGS PTY LTD <the a="" c="" family="" sofoulis=""></the>	30,000,000	33.25%
2	JP MORGAN NOMINEES AUSTRALIA LIMITED	3,047,123	3.38%
3	TRI NATIONS HOLDINGS PTY LTD <kris family="" trust=""></kris>	2,408,889	2.67%
4	SUETONE PTY LTD <the a="" c="" family="" k="" shadforth=""></the>	2,237,830	2.48%
5	JAMES FLORIAN PEARSON <pearson a="" c="" family=""></pearson>	2,222,223	2.46%
6	PAUL DOROPOULOS	2,128,889	2.46%
7	JOHN COLIN & SUSAN MARJORY LOOSEMORE <loosemore a="" c="" fund="" super=""></loosemore>	1,400,000	1.55%
8	BURRWOOD INVESTMENTS PTY LTD <burrwood a="" c="" investments=""></burrwood>	930,189	1.03%
9	MR GEORGE STEPHEN PEMBERTON	856,262	0.95%
10	TRI-NATION HOLDINGS PTY LTD <kris a="" c="" family=""></kris>	825,572	0.92%
	Totals	46,056,977	51.05%
	Total Issued Capital	90,212,903	100.00%

Note: 37m shares in Top 10 escrowed for 24 months Report Generated 6 June 2017



Key Facts



SITES INSTALLED

SWIFT SERVICES INSTALLED ACROSS 152 SITES*



LOYAL **CUSTOMERS**

97% CLIENT **RETENTION RATE**



BLUE-CHIP CLIENTS

IN RESOURCES, LIFESTYLE VILLAGES, AGED CARE & **HOSPITALITY SECTORS**



STRONG GROWTH

485% GROWTH IN SITE NUMBERS FROM JUNE 2016



2008

PROVEN SOLUTION WITH OVER EIGHT YEARS OF EXPERIENCE



STRATEGIC **PARTNERSHIPS**

WHOLESALE DISCOUNTS WITH CONTENT AND **COMMUNICATION PROVIDERS**



RECURRING **REVENUE**

93% RECURRING REVENUE FROM CONTINUING **OPERATIONS FY2015/16**



INCREASING REVENUE

REVENUE OF \$7.85 MILLION 1HFY17, **GROWING AT 20% PA**



* Numbers as at 15 June 2017

What We Do

Swift Networks operates across the Asia Pacific region and our guest experience solutions drive guest engagement and additional revenue for our blue-chip accommodation provider clients.





Watch

- Television
 - FTA TV
 - Pay TV
- Movies on Demand
- TV on Demand
- **Custom content**
- **Custom videos**
- Sector specific content



Play

- Games
- Social Media apps
- Brain training
- Radio



Connect

- Internet
- Wi-Fi
- Telephone
- Mobile
- Skype
- Data



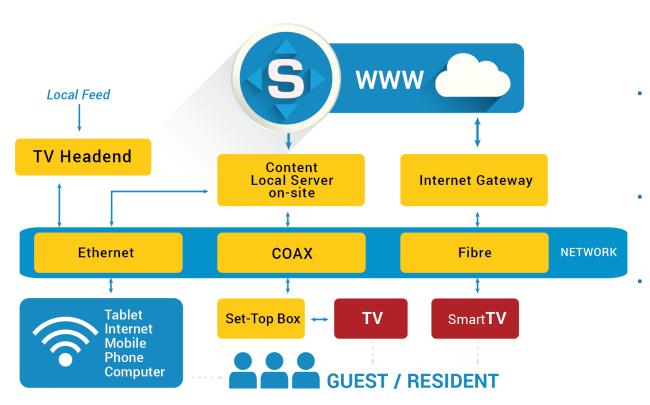
Interact

- Alerts and Bulletins
- **Notifications**
- Infographics and Analytics
- Messaging
- My Family
- My Community
- **Digital Compendium**
- Advertising



Our System

A fully integrated content, telecommunications & information delivery network



- The Swift system is infrastructure and content agnostic allowing customized deployment across a wide range of sites and verticals.
- The system provides vertical specific functionality such as "My Family" and "My Community" for the aged-care sector.
- The system also provides for client specific content such as training and health and safety videos and integration to PAGA systems and local CCTV.



Why Choose Swift

Wide Range of Services

The Swift offering provides the widest range of digital entertainment services and communications to meet our clients' growing needs.

Lowest 'like for like' Price

Wholesale rates currently available to Swift provide a significant competitive cost advantage for our clients.

Future Proof

The solution integrates many market leading technologies on a single Android platform. This can easily be upgraded and aligned to the technologies as they advance.

Market Reputation

Market leader in the Mining & Resource sector with continued growth due to price, functionality, service and reliability.

> R&D Complete

\$4.1m spend on research and development to produce a world class integrated system, which is now available to the hospitality, lifestyle and aged care sectors.

> 24/7 Customer Service Support

We understand that delivering seamless user experience is paramount. Therefore we provide full support through the life of the contracts with a 24/7 customer service support line and system monitoring.

Our Partners and Clients

Swift Networks has worked with Australia's leading brands, entrusted to deliver telecommunications and digital entertainment needs.









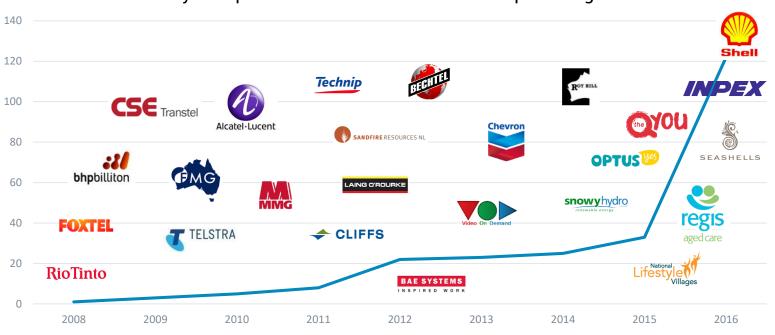






Swift Growth

Swift Site Installations: Key Marquee Customers and Partners Keep Coming



In addition to Resources and Hospitality Sector...

100 New Aged Care **Client Sites Currently** under Negotiation *

150+ site installations with over 100 new sites under negotiation*



2017 Operational Highlights

- Material new contract wins in the Resources sector with Rio Tinto. Compass Group, INPEX and Shell offshore enhancing our leadership position.
- Successfully completed strategic acquisitions to access Aged Care and Lifestyle sectors, particularly on East coast; businesses now fully integrated into SW1 business.
- Significant inroads into Aged Care & Lifestyle sector with recent new contract wins with Rosewood and Blue Cross. In addition, approx. 8,330 new rooms / 100 new sites currently under negotiation*
- Extension into the 250,000-room Australian hospitality sector through multi-year contracts with multiple hotel group clients.
- Strengthened content library through agreements with Optus (English Premier League), The QYOU (millennial-focused video on demand) and SPI International among many others.





Strong Financial Performance

1H FY 2017 Results

FY 2016	1H FY2017	2HFY17 Outlook
 FY revenue \$14.4 million +18% growth (PCP) 93% recurring revenue 	 HY revenue \$7.85 million +20% growth (PCP) EBITDA \$0.511 million NPAT \$0.195 million No outstanding borrowings \$2.5m cash at bank at 31 March 2017 Cash flow positive in Q3 2017 	 Continued business improvement as Swift strengthens its position as the telco and content solution provider of choice to the Resources sector, both onshore and offshore Revenue growth continues through organic expansion in the Aged Care, Lifestyle Village, Hospitality & Offshore Energy / Maritime sectors Establishment of a footprint in international markets as Swift executes reseller and partnership strategies in the Asia Pacific region

Status at 31 May 2017

Key Performance Indicators	30-Jun-16	31-May-17*	Growth
Annualised Contracted Revenue	\$8,335,285	\$10,315,388	24%
Forward booked months	410	824	101%



A proven, trusted partner to the Resources sector

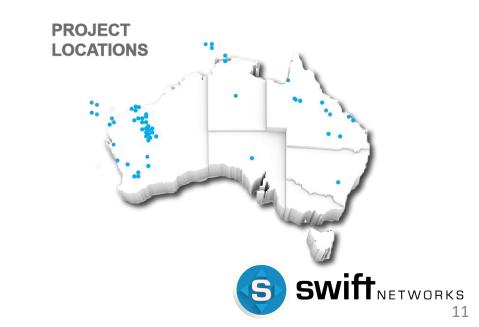


Swift Networks has developed a market-leading position providing digital entertainment, communication and information systems to the Australian resources industry.

This sector represents around 110,000 rooms, of which we currently hold a leading market share and continue to win new clients.

Our clients include key blue-chip companies like BHP, Rio Tinto, Chevron, Shell and INPEX.

These clients demand and appreciate that Swift Networks can provide the latest hardware and content that will function reliably in harsh and remote environments at a reasonable price.



Bringing Lifestyle and Aged Care residents freedom to enjoy life



Lifestyle community and aged care providers represent over 327,000 rooms in Australia. Government forecasts point to 900,000 rooms by 2020 as the population ages.

Residents can stay connected from the comfort of their own room.

From simple TV viewing, internet access, listening to the radio or viewing what's on around the village and much more.

With Swift, village management can easily distribute bulletins, alerts, menus and other information to all residents, and can add third-party applications and subscriptions as required.

Over 8,330 new rooms / 100 new sites currently under negotiation in Aged Care and Lifestyle

























Continuing traction in the Hospitality sector

The Australian hotel accommodation sector represents around 250,000 rooms. Swift is pursuing a significant opportunity to become the provider of choice for:

In-room TV

Wi-Fi

- Video on demand
- New in-room services

- Offers guests a huge range of features at the touch of a button.
- Simple to use and easy to navigate.
- A unique platform to communicate with guests.

Winner: Australian Hotels Association WA 2016 - Best New Hospitality Product.

Swift's organic expansion continues with new hotel and resort clients across Australia.





International Expansion

Swift is currently targeting expansion into international markets and is executing reseller and partnership strategies globally, with a focus on the Offshore Energy & Maritime sector:

- Swift faces no technological barriers to entering attractive new markets.
- Exclusive contents deals (with no minimum guarantees) in place with international distribution rights from major content providers globally.
- The Swift Digital Entertainment System is fully compliant with international regulatory standards.
- Early stages of scaling up with the opportunity to follow international customers and partners into new geographies and verticals such as Offshore Energy and Maritime.





Swift Content

- Swift has focused on building a library of quality content with international distribution rights from major content providers globally.
- All Swift's content is acquired <u>without minimum guarantees</u> (back to back arrangements).
- This extensive and growing library can be curated to meet the needs of Swift clients across all market verticals and geographies.
- Clients will be targeted to upsell additional curated content packages increasing recurring revenue and contract length.

Example of current content provider partners and some under negotiation.































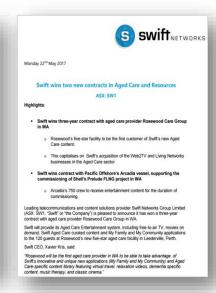




Recent News













Strong, ongoing news flow expected to continue



Research Reports

Hartleys / CPS Capital

Hartleys (May 2017) & CPS Capital Group (January 2017) recently initiated research coverage of Swift Networks.

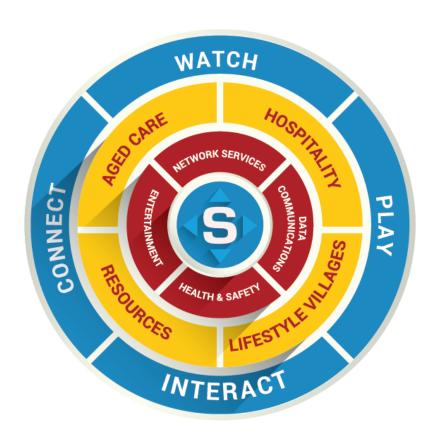
Full report available at: http://www.swiftnetworks.com.au/investorpresentations/





SW1 Highlights

- Technology infrastructure in place
- Marquee customers on board
- Generating strong recurring revenue
- Experienced management team
- Strong organic growth with ongoing news flow expected
- Continued market penetration and high customer retention
- Early success in new, open and high growth verticals
- International growth strategy being executed







VOD ACQUISITION

Acquisition Target





Video On Demand (VOD) is an Australian based company that provides IPTV and on-demand services across Australia, New Zealand and the South Pacific Islands.

A focus on strategic partnerships with system integrators, content providers and electronic device manufacturers has allowed them to become a leading provider of on-demand services to hotels, motels, mining camps, student accommodations, hospitals and aged-care facilities.

An in-house research and development team allows VOD to deliver solutions that are specific to their client needs.

In addition, VOD also has the following capabilities:

- Network design and implementation;
- Application development for multi-platform devices;
- Fully customisable User Interfaces; and
- Integration with third-party vendors



SERVICES	VOD	Swift Networks
Movies on Demand	✓	✓
IPTV System	✓	✓
Digital Signage	✓	✓
Internet Gateway System	✓	✓
Digital Concierge	✓	Improved product
Digital Schedule System	✓	offering

VERTICALS	VOD	Swift Networks
Hospitality	✓	✓
Resources	✓	✓
Lifestyle/Retirement Villages	✓	✓
Aged Care	✓	✓
Student Accommodation	✓	Emerging market
Hospitals	✓	growth (3,000+ rooms)



Acquisition Target

Extensive Due Diligence Undertaken

Acquired Cost per Subscriber of \$231 versus industry average¹ of \$500 to \$550



119 SITES WITH OVER 26,000 SUBSCRIBERS

ACROSS 5 VERTICALS



VALUE-ADD SERVICE OFFERING

DIGITAL CONCIERGE AND DIGITAL SCHEDULING



HOSPITALITY EXPERTISE

15 YEARS INDUSTRY EXPERIENCE



EXISTING CONTRACTS

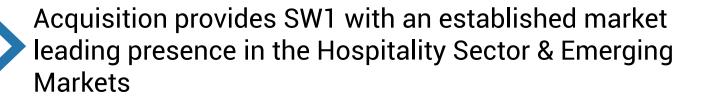
IN EMERGING MARKETS; STUDENT ACCOMMODATION AND HOSPITALS

Number of subscribers	FY 17 Annualised 26,631	%
PPV Movies	2,243	8%
Software Connections	4,764	19%
Hotels	8,247	31%
Aged Care	304	1%
Student Accommodation	1,883	7%
Mining	7,785	29%
Hospitals	1,405	5%

Recurring Revenue (excluding Project Revenue)	FY 17 Annualised* \$2,102,826	%
PPV Movies	\$174,832	8%
Software Connections	\$128,638	6%
Hotels	\$1,003,583	48%
Aged Care	\$45,388	2%
Student Accommodation	\$157,852	7%
Mining	\$474,343	23%
Hospitals	\$118,189	6%



Strategic Rationale





Hospitality & Student Accommodation product (plug and play) provides SW1 with an immediately deployable functionality in these sectors



67% increase in site numbers with improved diversification in geographical footprint within Australia



Significant reduction in content costs as SW1 moves further up the content supply chain



Exclusive contracts in emerging Student Accommodation and Hospital markets



East Coast presence (7 FTE and office) provides synergies for expansion plans in other target verticals such as Aged Care & Lifestyle



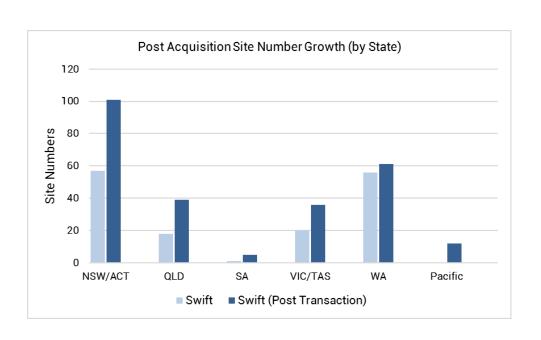
Developed integrations: Smart TV platforms and Property Management Systems (PMS)





Strategic Rationale

Improved diversification and geographical footprint to provide platform for SW1 expansion plans



	Number of Sites		
Geography	Swift	VOD1	Combined
NCW/ACT	57	44	101
NSW/ACT	37%	43%	40%
OL D	18	21	39
QLD	11%	20%	15%
CA	1	4	5
SA	< 1%	3%	2%
VIO/TAC	20	16	36
VIC/TAS	13%	15%	14%
WA	56	5	61
WA	36%	4%	24%
Pacific	0	12	12
Pacific	0%	11%	5%
Total Sites	152	102	254



¹ Site figures adjusted to avoid double-counting of Swift sites already receiving VOD content. Numbers correct as at the 15th June 2017

VOD Financial Performance

History of sound financial performance Strong pipeline of new business for FY 2018

VOD Financials (\$ AUD)	FY 2015 (A)	FY 2016 (A)	FY 2017 (F)
Revenue	2,552,087	3,751,537	3,745,567
COGS	(1,009,536)	(1,686,661)	(1,591,974)
Gross Margin	1,542,551	2,064,876	2,153,593
Overheads	(1,235,921)	(1,426,792)	(1,516,743)
EBITDA	306,630	638,084	636,850
Addbacks	N/A	N/A	479,508
EBITDA (Pro forma)	306,630	638,084	1,116,358

Unaudited figures based on VOD on stand-alone basis.

Excludes any SW1 integration synergies from operational and commercial perspective.



Acquisition Deal Structure

Upfront consideration: \$5.1m cash | \$900k ordinary shares Funded through a combination of debt & equity

Pro-forma Capital Structure

Deal Structure @ \$6m valuation			
On completion	\$5,100,000 cash (85%) \$900,000 ordinary shares (15%)		
Total Consideration	\$6,000,000		
Number of ordinary shares issued at the capital raising price (\$0.25)			
Funding Mix for Acquisition Cash: Debt \$3,000,000 Equity \$4,500,000* Ordinary Shares: \$900,000			
Escrow details	25% - Nine (9) months 75% - Twelve (12) months		

Existing Ordinary Shares on Issue	90,212,90
Class A Performance Shares	16,666,66
Class B Performance Shares	16,666,66
Performance Shares (other)	4,444,44
Swift Capital Structure pre-acquisition	127,990,68
Cash on Completion (\$4,500,000 @ \$0.25)	18,000,00
Ordinary Shares on Completion (\$900,000 @ \$0.25)	3,600,00
Swift Capital Structure post-acquisition	149,590,68
Existing options	18,373,333
Swift Capital Structure Fully Diluted	167,964,01

On Completion

^{*}Additional funds from equity raising will applied to the funding costs and working capital

Debt funding – Key terms

- Credit approved term sheet entered into with Bankwest
- \$3m Non-Revolving Commercial Advance Facility
- Three (3) year term from financial close
- Quarterly Principal and Interest repayments; Bullet repayment on maturity
- Secured by a first ranking General Security Interest (GSI) over all group assets

Indicative Dates

First week of July 2017: Execute Share Purchase Agreement, ASX announcement

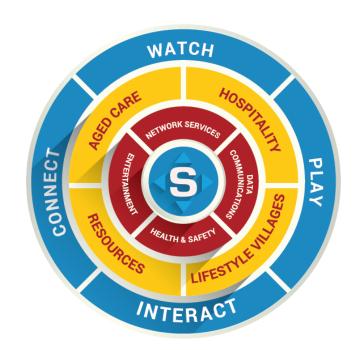
11 August 2017: EGM to approve transaction

31 August 2017: **Acquisition completion**

31 October 2017: Businesses fully integrated from a technical and operational standpoint

Summary

- SW1 has delivered strong shareholder returns since listing at 15 cents in June 2016
- Successfully delivered organic and inorganic growth strategy to deploy its product & services into high growth verticals such as Aged Care & Lifestyle and Hospitality verticals, whilst still retaining a market leading position in its traditional Resources & Offshore Energy vertical.
- Significant inroads now being made in Aged Care & Lifestyle from successful acquisitions in November 2016, with recent new contract wins and over 8,330 new rooms / 100 new sites currently under negotiation as at 15th June 2017.
- Acquisition of VOD will deliver on SW1's stated aim to be a market leader in the Hospitality sector & provide platform for further expansion across new emerging market verticals.





For more information, please contact:

Xavier Kris

Chief Executive Officer

t: +61 8 6103 7595

e: investor@swiftnetworks.com.au

Tim Dohrmann

Investor & Media Relations

t: +61 468 420 846

e: tim@nwrcommunications.com.au





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