



Investor Update

October 2017

swift
NETWORKS

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.

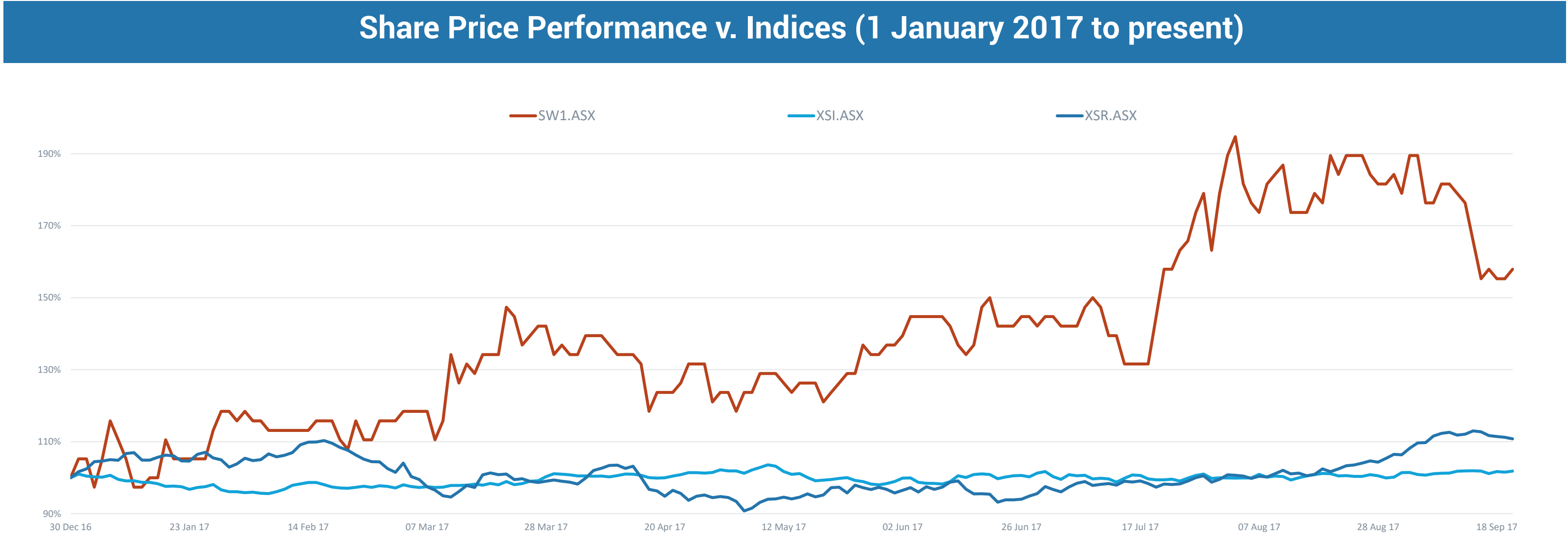
Swift Networks Group Ltd

(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 (as at 30 September 2017)	\$0.33
Shares quoted on the ASX (free float)	69.8m
Market Cap (free-float)	\$23.0m
Escrowed Shares	42.0m
Performance Shares	37.8m
Options	18.4m
Market Cap (fully diluted)	\$55.4m

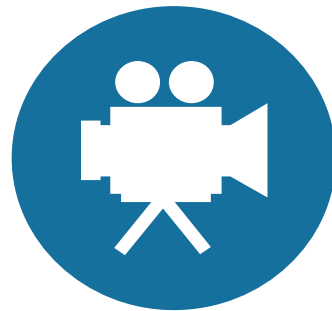
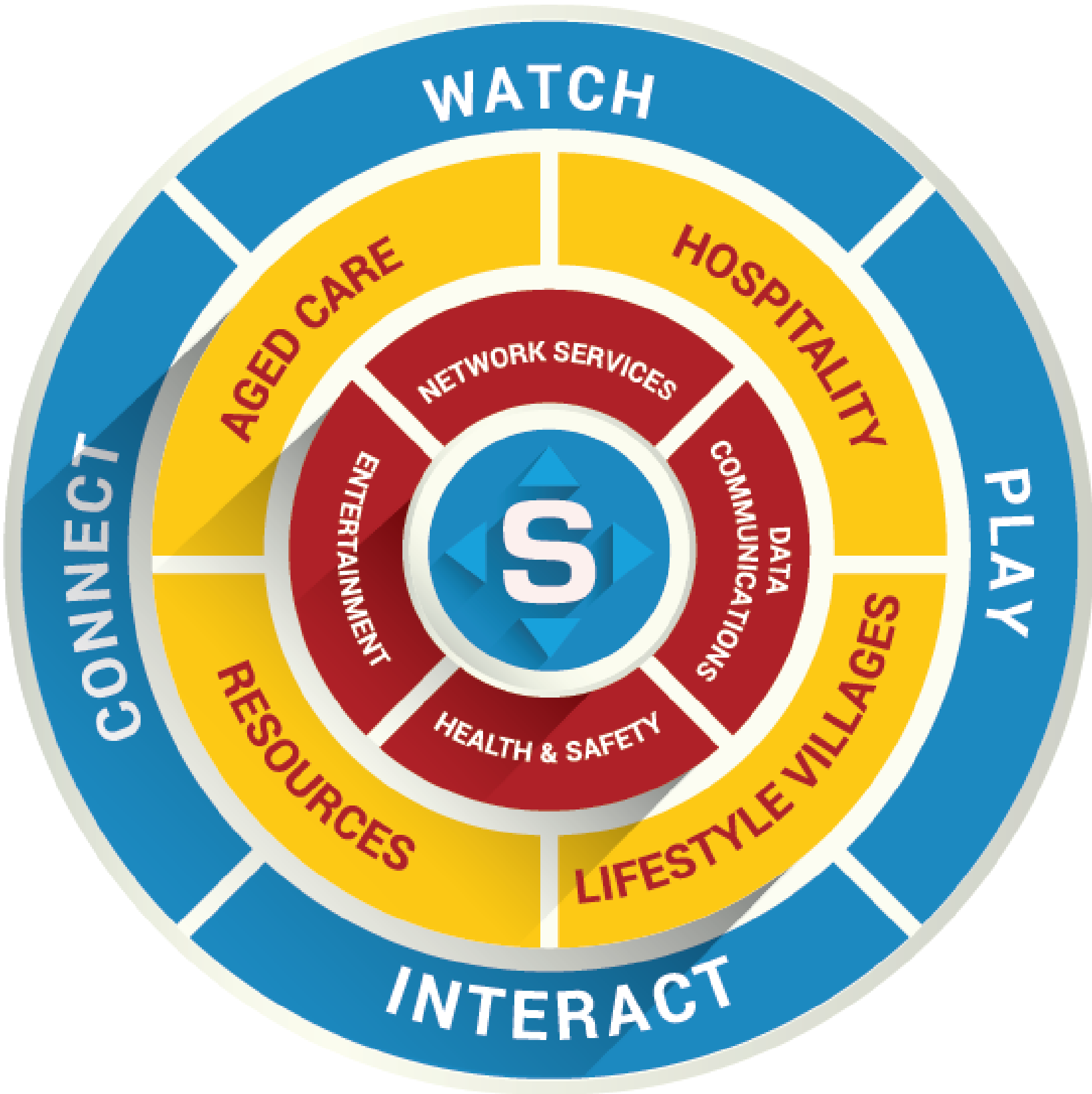


Top 10 Shareholders		Holding	% IC
Position	Holder Name	Holding	% IC
1	SOFOULIS HOLDINGS PTY LTD <THE SOFOULIS FAMILY A/C>	30,000,000	26.83%
2	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LTD <VFA A/C>	9,748,839	8.72%
3	J P MORGAN NOMINEES AUSTRALIA LIMITED	4,986,016	4.46%
4	ARADHIPPOU GROVE PTY LTD <THE KAFATARIS FAMILY A/C>	3,162,386	2.83%
5	BNP PARIBAS NOMS PTY LTD <DRP>	3,039,291	2.72%
6	SUETONE PTY LTD <THE AK SHADFORTH FAMILY A/C>	2,490,000	2.23%
7	TRI-NATION HOLDINGS PTY LTD <KRIS FAMILY A/C>	2,408,889	2.15%
8	JAMES FLORIAN PEARSON <PEARSON FAMILY A/C>	2,222,223	1.99%
9	PAUL DOROPOULOS	2,128,889	1.90%
10	MR JOHN COLIN LOOSEMORE & MRS SUSAN MARJORY LOOSEMORE <LOOSEMORE S/F A/C>	1,400,000	1.25%
Total		61,586,533	55.08%

Note: 37m shares escrowed to June 2018; 3.6m escrowed to August 2018
Report Generated 30 September 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

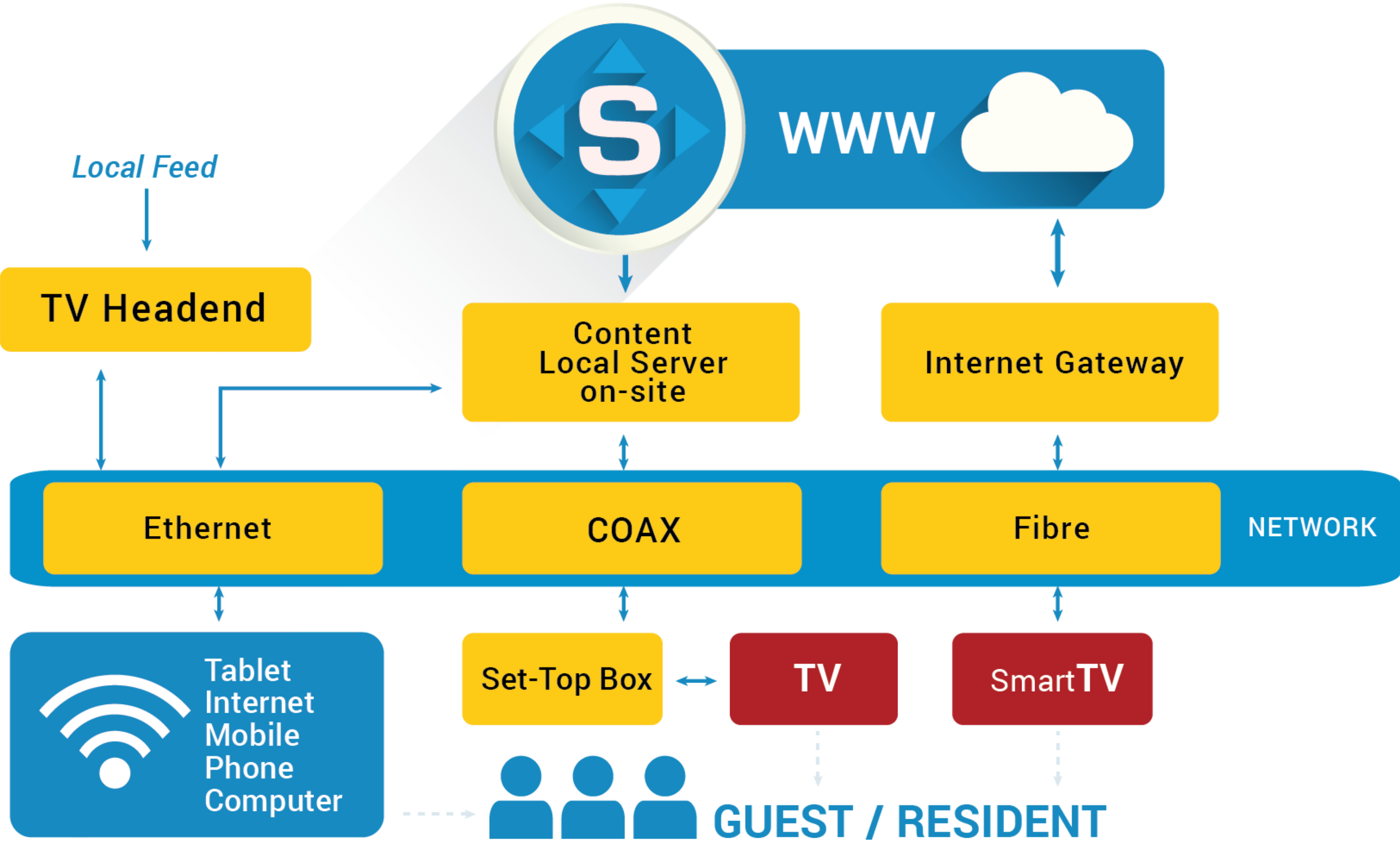
- Alerts and bulletins
- Notifications
- Infographics and analytics
- Messaging
- My Family
- My Community
- Digital Compendium
- Advertising



Our System

A fully integrated content, telecommunications & information delivery network

swift SYSTEM MIDDLEWARE SERVER



The Swift system is infrastructure and content agnostic allowing deployment across a wide range of sites and verticals.

The system also provides for client specific content such as training and health and safety videos and integration to PAGA systems and local CCTV



Our Business Model

Revenue

Recurring revenue model for provision of:

- System / support
- Content
- Telco.

Upfront / deferred payment options to assist sales cycle



Gross Margin

- COGS aligned with revenue for cash flow
- Access to wholesale discounts due to size
- No minimum guarantees
- Minimum target of 30% GM



Earnings

- Low deployment costs means overheads are essentially fixed
- Profitability intrinsically linked to growth in gross margin



A fully integrated content, telecommunications & information delivery network provided through established partners, delivering recurring business with marquee customers

- Best of breed **technology** capable of delivering a large suite of products and services to “closed loop” communities
- Premium **content** library capable of global deployment with no minimum guarantee arrangements with suppliers
- Shortened sales cycles due to flexible and bundled pricing strategy
- Strong new partnerships with **System Integrators** leading SW1 into attractive domestic and international markets
- **Marquee customers** across all target markets
- Long term contracts providing **recurring cash flows** and **contracted revenue**
- Sustainable **profitability** due to scalability of business
- Large **analytics** database and unique viewers provides potential to extend business model into **digital advertising**

Key Facts

EST
2008

Accelerating annual revenue growth
Tight cost control and margin expansion
Achieved significant improvement in profitability in FY17
\$2.5m increase in EBITDA



INCREASING PROFITABILITY
225% increase in gross margin year on year



CONTRACTED REVENUE
28% increase in annualised contracted revenue since June 2016



GROWING CUSTOMER BASE
268 contracted sites to provide Swift services*



SITE GROWTH
775% increase in contracted sites since SW1 listing



STRONG RECURRING REVENUE
80% of FY2017 revenue is recurring



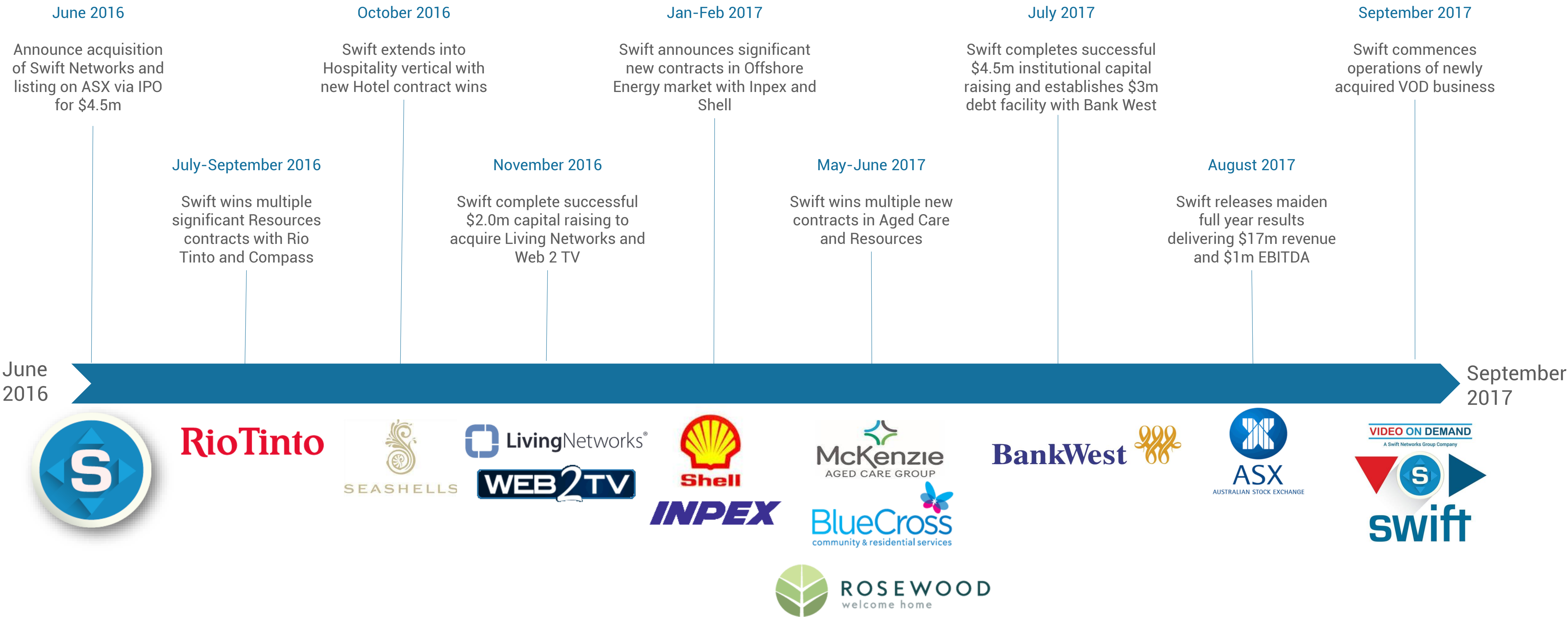
STRATEGIC PARTNERSHIPS
Wholesale discounts with content and communication providers; strong systems integrator relationships



BLUE-CHIP CLIENTS
In resources, lifestyle villages, aged care & hospitality sectors

Key Highlights

Strong, steady news flow since listing as management delivers on implementing the key objectives identified in its business strategy



Key Financial Results FY 2017

Significant profitability turnaround in first full year since listing providing a strong financial position to support future growth

Highlights	FY 2017 (A\$m)	FY 2016 (A\$m)	Change
<u>Financial performance*</u>			
Revenue	17.00	14.44	18% ▲
Gross Margin	5.39	1.66	225% ▲
Gross Margin (%)	32%	19%	68% ▲
EBITDA**	1.00	(1.48)	\$2.48m ▲
<u>Financial position</u>			
Net working capital	1.55	0.72	116% ▲
Total Assets	14.48	11.89	\$2.59m ▲
Shareholders equity	6.14	5.34	15% ▲
<u>Other KPI's</u>			
Annualised Contracted Revenue	10.71	8.33	28% ▲
Share price (A\$/share)	0.275	0.205	34% ▲
Market capitalisation	24.81	16.57	49% ▲



Accelerating annual revenue growth
 18% increase in Total Revenue year on year
 28% increase in Annualised Contracted Revenue (ACR) since June 2016



Significant improvement in profitability
 225% increase in Gross Margin year on year
 \$2.5m increase in EBITDA

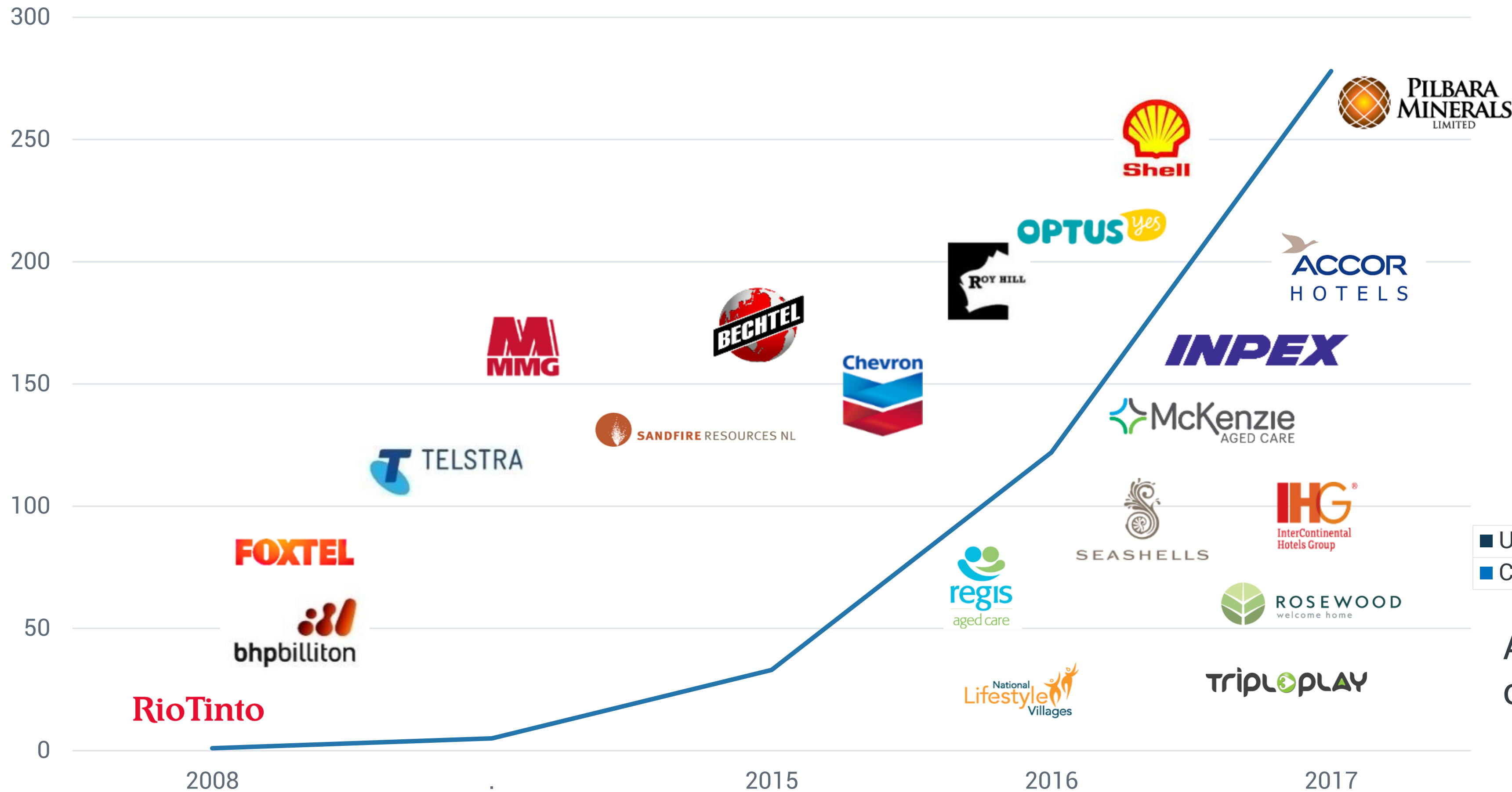


Strong financial position
 Cash flow **positive** operations for Q3 & Q4 2017
No outstanding borrowings at 30 June 2017
 \$3m debt facility now available with Bank West
 \$4.5m institutional placement successfully completed in July 2017 to fund acquisition of Video On Demand

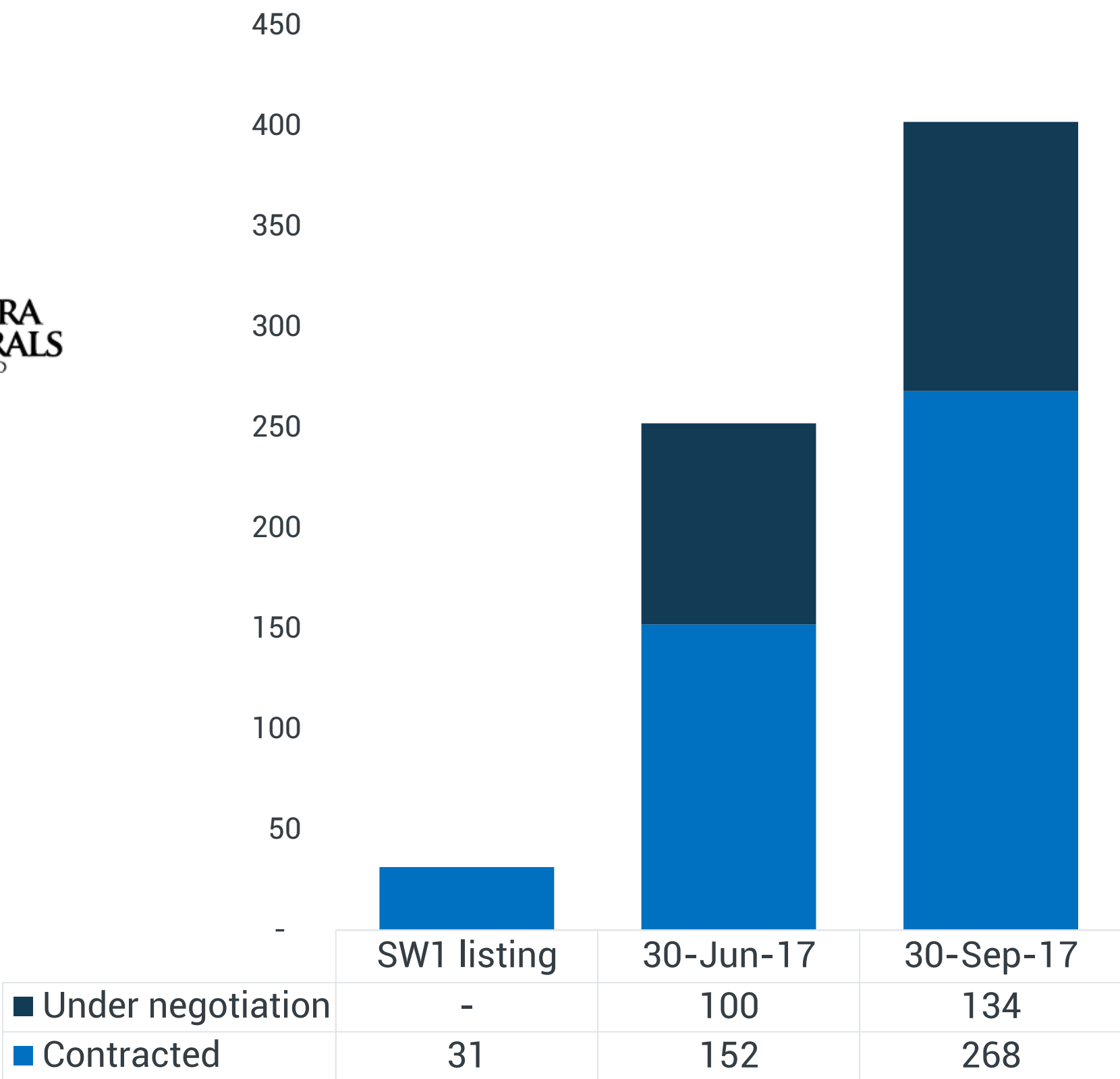
Growth / Prospects

Significant growth in new customer sites since listing through organic and inorganic growth with a strong outlook for future growth through current sales pipeline

Swift Site Installations:
Key Marquee Customers and Partners Keep Coming



Site Growth



Approaching 270 site installations with over 130 sites under negotiation*



*Sites under negotiation calculated based on internal management projections of new sales under negotiation rated at a greater than 70% probability of success

VOD Acquisition

Integration underway to deliver on strategic rationale of VOD acquisition completed 1st September 2017

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)

Integration Update

Single "go to market" strategy, product and pricing now in place

Meetings held with all key customers and system integrators with new opportunities identified

Meetings held with all key content providers to identify new opportunities and maintain tight control over cost of goods

New customer wins in Student Accommodation and Hospitality since acquisition completion in August with significant opportunities identified for future growth

Key VOD employees all now contracted Swift employees

Integration into a single system nearing completion



Appendices



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Premium International Content

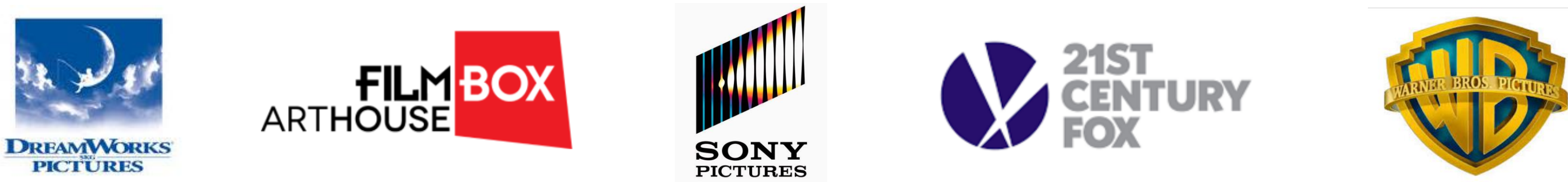
Swift has focused on building a library of quality content with international distribution rights from major content providers globally



Premium TV



Movies



Market Specific Content



Key Content Partners





Content has been selected from a range of genres including lifestyle, education and health and wellbeing with the aim of entertaining, informing and enriching the lives of residents and guests.



Aged Care

Enhancing the lives of your residents

- ☒ Pay TV
- ☒ Movies
- ☒ My Family
- ☒ My Community
- ☒ Aged Care Content Library
- ☒ Telecommunications
- ☒ Resident Messaging



Aged Care Content Library

A multitude of curated content specifically tailored towards residents in an aged care environment including: virtual travel, trivia, relaxation videos, chair based exercises, dementia specific content, music therapy and vintage cinema

My Family & My Community

He resident's family members and friends can share images and messages from anywhere in the world, direct to the screen of their loved ones. From family holidays to birthday parties, the my family app is designed to make sure they never miss those important moments.

Digital Facility Notice Board

A fully customisable and facility branded dashboard of curated content – seen as soon as any TV within the facility is turned on. Allows management to advertise internal and external events, promotions and news.

International Radio Stations

Embrace and cater for the needs of your multi-cultural residents by implementing a variety of radio stations from across the globe.



Hospitality

Entertaining guests and connecting them to the world



- ✓ Movies
- ✓ BYOD
- ✓ Internet
- ✓ Telecommunications
- ✓ Swift TV

Additional Revenue

Enjoy additional revenue by using the swift solution to promote your own services or local businesses and tour operators in the area directly to your guest's TV.

Integration With Your PMS

The swift solution connects seamlessly with your property management system to deliver streamlined and exceptional quality of service to all guests.

Digital Compendium

Provide your guests with easy access to all your hotel information. Save on printing costs and ensure your compendium is always up to date.

Technical Support

Select from a variety of support options including 24/7 support to meet the needs of your business and limit unnecessary interruption to your guests

Exclusive Hotel Channels

Promote your complete hotel operations with dedicated channels curated by you.

Guest Messaging

Keep your guests informed by sending messages direct to their TV. With the ability to broadcast messages one-to-one or one-to-many, our messaging options will cater to your requirements.



Lifestyle & Retirement

Entertain. Connect. Communicate.

- ✓ Movies
- ✓ Swift TV
- ✓ BYOD
- ✓ Internet
- ✓ Telecommunications
- ✓ Pay TV

Digital Notice Board

Provide your residents with easy access to all your village information.

My Community

Swift brings your residents together by promoting activities taking place at your facility and near by areas. Residents can have personal messages from staff delivered individually to their TV screens and get notifications about events, like a morning tea taking place that day or photos from a recent birthday celebration.

My Family

The resident's family members and friends can share images and messages from anywhere in the world, direct to the screen of their loved ones. From family holidays to birthday parties, the My Family App is designed to make sure they never miss those important moments.

Wholesale Foxtel Discounts

As a significant wholesale Foxtel reseller in Australia, we can deliver great discounts to your residents.

Digital Concierge

From menus to maintenance, allow your residents to make bookings via the Swift TV system.

Technical Support

Select from a variety of support options including 24/7 support to meet the needs of your business and limit unnecessary interruption to your residents.





Resources

Helping create a home away from home

- ✓ Swift TV
- ✓ Pay TV
- ✓ Movies
- ✓ BYOD
- ✓ Infrastructure Agnostic
- ✓ Internet
- ✓ WI-FI
- ✓ Remote Monitoring & Management
- ✓ 24/7 Support

Site Specific Channels

Providing the ability to relay information regarding site specific information, compendium, social club updates and corporate content. safety notices, OHS, induction videos.

Safety And Weather Alerts

Safety and weather alerts, including weather warnings can be broadcasted simultaneously across thousands of rooms. Weather and warning updates are provided directly from the Bureau of Meteorology (BOM). For offshore environments, integration with PAGA system is available.

Dry Mess Menus & Transport

Customisation of content channels to provide residents with menu details and up to date flight or bus schedule details.

Health And Wellbeing

Specialised curated content for your workers regarding Health and Wellbeing with partnerships between Beyond Blue and Lifeline.



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