

***INVESTOR UPDATE***

January 2018



**swift**

***You just got more.***



# 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.

***Simply  
better.***

***Connection for entertainment, content and communication.***

[www.swiftnetworks.com.au](http://www.swiftnetworks.com.au)

# ***Delivering secure closed networks, with customised communications and premium content. Anywhere.***

Whether it's via satellite to isolated locations or via broadband to luxury accommodation in the city, Swift can deliver the solution.

From planning, installation and support through to bespoke communication requirements and premium content. Swift give you control of fixed and portable devices within your private network.

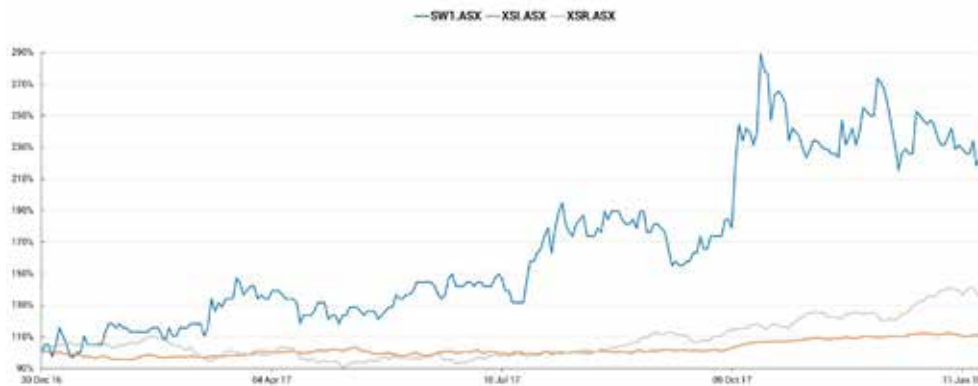




**Carl Clump** Non-Executive Chairman  
**Xavier Kris** Chief Executive Officer  
**Paul Doropoulos** Non-Executive Director  
**Ryan Sofoulis** Executive Director  
**Robert Sofoulis** Non-Executive Director

## swift Networks Group Limited (ASX: SW1)

### Share Price Performance v. Indices (1 January 2017 to present)



#### Trading Information

ASX ticker	SW1
Share price (as at 19 January 2018)	\$0.44
Shares quoted on the ASX (free float)	71.3m
Market Cap (free-float)	\$31.4m
Escrowed Shares	41.6m
Performance Shares	33.3m
Options	17.3m
Market Cap (fully diluted)	\$71.9m

#### Top 10 Shareholders

#### Holding

#### % IC

Position	Holder Name		
1	SOFULIS HOLDINGS PTY LTD <THE SOFOULIS FAMILY A/C>	30,000,000	26.64%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,927,213	7.02%
3	J P MORGAN NOMINEES AUSTRALIA LIMITED	3,990,959	3.53%
4	SUETONE PTY LTD <THE AK SHADFORTH FAMILY A/C>	3,195,000	2.83%
5	ARADHIPPOU GROVE PTY LTD <THE KAFATARIS FAMILY A/C>	3,162,386	2.80%
6	BNP PARIBAS NOMS PTY LTD <DRP>	2,977,231	2.64%
7	TRI-NATION HOLDINGS PTY LTD <KRIS FAMILY A/C>	2,408,889	2.14%
8	JAMES FLORIAN PEARSON <PEARSON FAMILY A/C>	2,222,223	1.97%
9	PAUL DOROPOULOS	2,128,889	1.89%
10	BURRWOOD INVESTMENTS PTY LTD <BURRWOOD INVESTMENTS A/C>	1,411,110	1.25%
<b>Total</b>		<b>59,423,900</b>	<b>52.62%</b>

Note: 38m shares escrowed to June 2018; 3.6m escrowed to August 2018  
 Report Generated 22 January 2018

Swift Networks operates on a global basis and our guest experience solutions drive guest engagement and additional revenue for our blue-chip clients.

## Watch

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

## Play

Games  
Social Media apps  
Brain training  
Radio

## Connect

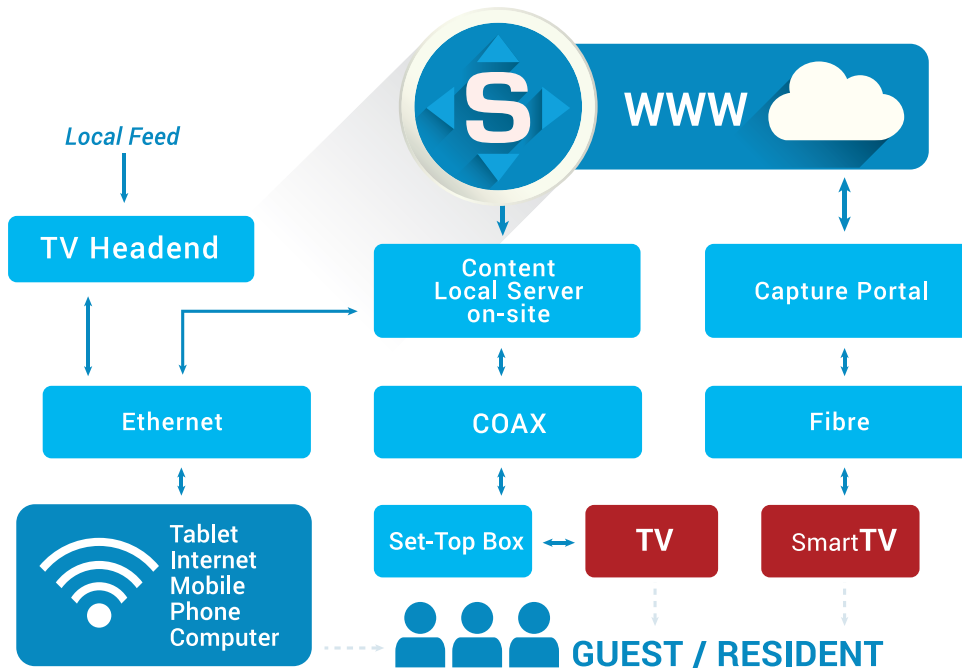
Internet  
Wi-Fi  
Telephone  
Mobile  
Skype  
Data

## Interact

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



# swift system middleware server



## *The system.*

A fully integrated content, telecommunications & information delivery network.

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.

# Premium Alliances for International Content

Swift delivers premium content with international distribution rights from major content providers globally.



LIONSGATE



VILLAGE ROADSHOW



**TV/MOVIES/MARKET SPECIFIC CONTENT:**  
Content curated from a range of genres including lifestyle, education and health and wellbeing. Entertaining, informing and enriching the lives of residents and guests.

***Delivering the highest quality content anywhere, anytime.***

# Markets Overview

## • IPTV

"The global IPTV market was valued at USD \$34.67 billion in 2015 and is expected to reach USD \$93.59 billion in 2021, growing at a CAGR of around 18.01% between 2016 and 2021." <sup>1</sup>

## • DEMAND FOR CONTENT

"Spending on subscription and video on demand services...rose 31% reaching USD \$9.5 billion in 2017" <sup>2</sup>

## • ADVERTISING AND DIGITAL SIGNAGE

"The global digital signage market size was estimated at USD \$16,044.1 million in 2016 and is anticipated to reach USD \$31,714.1 million by 2025" <sup>3</sup>

## • RESOURCES

Swift market dominance continues



## • AGED CARE

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.



## • MARITIME

As of January 2017, there were 52,183 ships in the world's merchant fleets.<sup>4</sup>



1. <https://www.grandviewresearch.com/industry-analysis/digital-signage-market>  
2. [http://degonline.org/wp-content/uploads/2018/01/EXTERNAL\\_2017\\_Q4\\_DEG-Home-Entertainment-Yearend\\_Report-v2.pdf](http://degonline.org/wp-content/uploads/2018/01/EXTERNAL_2017_Q4_DEG-Home-Entertainment-Yearend_Report-v2.pdf)  
3. <http://www.marketresearchstore.com/news/global-iptv-market-245>  
4. <https://www.statista.com/statistics/264024/number-of-merchant-ships-worldwide-by-type/>

**Strong growth continues in hospitality, student accomodation and government & enterprise**





# *The Business Model*

## **Revenue** .....

Recurring revenue model for provision of:

- System / support
- Content
- Telecommunications

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

Acceleration of financial growth in first half of 2018,  
delivering on strategic objectives.  
*Achieved 100% increase in EBITDA year on year.*



## INCREASING PROFITABILITY

100% increase in EBITDA year on year  
26% increase in gross profit margin



## CONTRACTED REVENUE

71% increase in annualised  
contracted revenue since  
June 2016



## GROWING CUSTOMER BASE

300+ sites providing Swift  
services\*



## SITE GROWTH

902% 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  
& hospitality sectors

\* Numbers as at 31 December 2017

# Key Highlights

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

## June 2016

Announce acquisition of Swift Networks and listing on ASX via IPO for \$4.5m

## October 2016

Swift extends into Hospitality vertical with new Hotel contract wins

## Jan-Feb 2017

Swift announces significant new contracts in Offshore Energy market with Inpex and Shell

## July 2017

Swift completes successful \$4.5m institutional capital raising and establishes \$3m debt facility with Bank West

## September 2017

Swift commences operations of newly acquired VOD business

## December 2017

Swift Signs Exclusive Reseller Agreement with AST

## July-September 2016

Swift wins multiple significant Resources contracts with Rio Tinto and Compass

## November 2016

Swift complete successful \$2.0m capital raising to acquire Living Networks and Web 2 TV

## May-June 2017

Swift wins multiple new contracts in Aged Care and Resources

## August 2017

Swift releases maiden full year results delivering \$17m revenue and \$1m EBITDA

## October 2017

Swift Signs Agreement with DXC Technology



RioTinto



BankWest



# Key Financial Results 100% Earnings Growth.

1H 2018 (preliminary unaudited)

Highlights	1H 2018 (A\$m)	1H 2017 (A\$m)	Change
Revenue	10.38	7.84	32% ▲
Gross Margin (%)	39%	31%	26% ▲
EBITDA*	1.02	0.51	100% ▲
EBITDA margin (%)	9.9%	6.5%	52% ▲
Cash at bank	4.12	2.61	58% ▲
Operating cash flows	1.25	(0.61)	\$1.86m ▲
Cash receipts	9.83	7.40	33% ▲
Annualised Contracted Revenue	14.74	8.64**	71% ▲
Share price (A\$/share)	0.465	0.190	145% ▲
Market capitalisation (as at 31 December)	52.51	17.09	207% ▲



## Accelerating annual revenue growth & cash receipts

32% increase in Total Revenue year on year  
 33% increase in Cash receipts year on year  
 71% increase in Annualised Contracted Revenue (ACR) since June 2016



## Significant improvement in profitability

26% increase in Gross Profit margin year on year  
 52% increase in EBITDA margin year on year  
 100% increase in EBITDA year on year



## Strong financial position

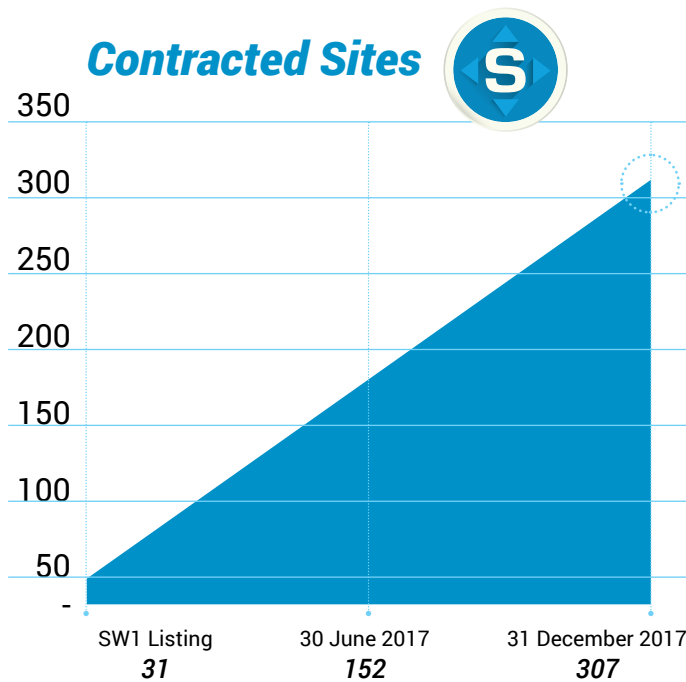
Fourth consecutive quarter of **positive** operating cash flows;  
 \$1.86m turnaround in cash flows from operations year on year  
 58% year on year increase in Cash  
 145% year on year increase in Share price  
 207% year on year increase in Market Capitalisation

\*EBITDA excludes depreciation and amortisation of \$998,287, finance costs (net) of \$37,974, share based payments of \$1,157,734, fair valuation loss on financial liabilities (performance shares) of \$6,020,833, unrealised FX losses of \$2,109 and income tax benefit of \$1,901,906.

\*\* represents 30 June 2016 figure

# 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.



## Key Marquee Customers and Partners Keep Coming...



# Operational Update

VOD acquisition integration 95% complete.

## Highlights

Material new contract wins deployed on time and on budget

Global content deals without any minimum guarantees

Reseller and partnership deals with industry leaders

Single “go to market” strategy, product and pricing across all sectors

Fully integrated system with BYOD Application launched to market

## Benefits

Proven large scale roll out capability and subsequent recurring revenue recognition

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

Fast track SW1’s growth in domestic and international markets

SW1 business is scalable and primed for continued international growth through direct and channel partner sales

On demand premium content available anywhere, on any device

# **SW1 Highlights**

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



# *APPENDICES*



**swift**

*You just got more.*



- Swift TV
- Pay TV
- Movies
- BYOD
- Infrastructure Agnostic
- Internet
- Wi-Fi
- Remote Monitoring & Management
- 24/7 Support



# Resources/Maritime

## 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.



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



## Aged Care

### 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.



ROSEWOOD  
RESIDENCE GROUP



McKenzie  
AGED CARE GROUP



regis  
aged care



BlueCross  
community & independent living



SapphireCare



UnitingCare



Royal  
Freemasons



Baptcare  
Bringing care to life

- PMS Integration
- Smart TV Integration
- Movies
- BYOD
- Internet
- Telecommunications
- Swift TV



# **Hospitality**

## **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.

## **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.



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