



SWIFT NETWORKS

ASX:SW1 INVESTOR PRESENTATION JANUARY 2019



SWIFT NETWORKS

50 | Technology **Fast 50**
2018 AUSTRALIA
Deloitte.

Finalist

#1 Media Company
#6 Technology Company

INTRODUCTION

- Swift Networks Group is a diversified media business.
- Swift delivers customised content, communications and targeted advertising across secure closed networks.
- Swift's premium content from the world's leading studios and our tailored information systems provide an engagement platform between our clients and their guests.
- From planning, installation and support through to bespoke communication requirements and premium content, Swift gives customers control over fixed and portable devices within a private network.
- All interaction with the system provides Swift with data on user behaviour. This information is used to generate analytics for the delivery of targeted communications.
- The Swift platform is deployed on 4 continents in the Resources, Maritime, Aged Care, Retirement Living, Hospitality, Student Accommodation, Health and Government industries.

1

World-class content delivered to...

2

Unique, owned, addressable audiences, receiving...

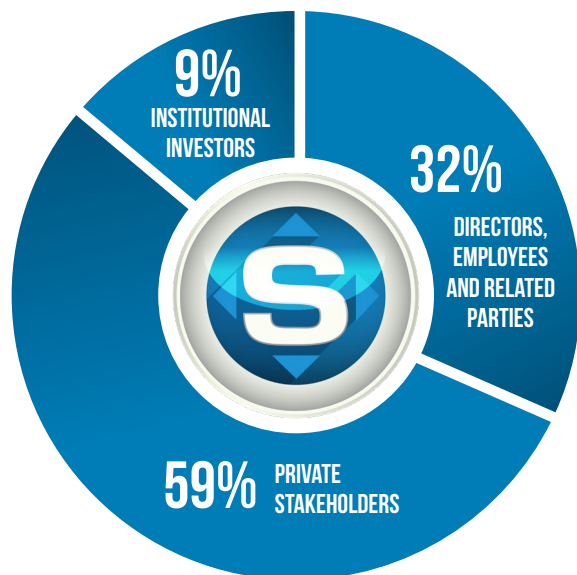
3

Premium targeted advertising driven by data science.

SWIFT

Networks Group Limited (ASX: SW1)

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 Shareholders

CAPITAL STRUCTURE, PRE AND POST ACQUISITION OF MEDICAL MEDIA

	PRE-TRANSACTION	MEDICAL MEDIA VENDORS	POST-TRANSACTION
ORDINARY SHARES	121,312,903	14,950,166	136,263,069
PERFORMANCE SHARES	38,382,428	68,106,313	106,488,741
OPTIONS	8,892,156	-	8,892,156
TOTAL	168,587,487	83,056,479	251,643,966

The Class A performance share milestone has been reached, representing revenue generation from more than 44,000 rooms receiving a Swift service.

16.67 million shares (of the 38.38 million performance shares above) to vest to Swift’s founders, following completion of the half year financial audit.

Swift’s founders (the Sofoulis family and related parties) will place the vested shares into voluntary escrow for a six month period.

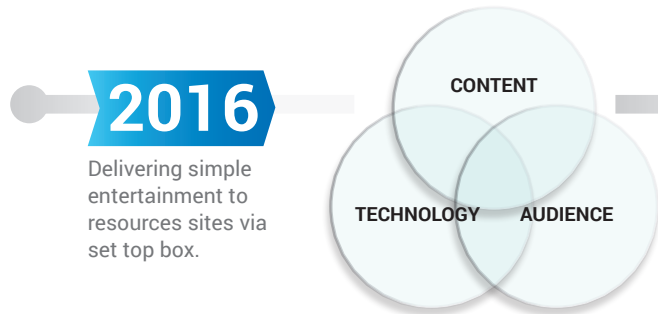
The Class B performance share milestone (53,000 rooms receiving a Swift service and representing a further 16.67 million shares) is likely to be met within the next 12 months.

Details in relation to the performance shares for the Medical Media vendors can be found later in this document or at www.swiftnetworks.com.au

EXPANDING AUDIENCE + PREMIUM ADVERTISING =
HIGHER MULTIPLE OF REVENUE GROWTH

EVOLUTION OF SWIFT

With continued advances in technology, content and audiences since listing, Swift is now in a position to leverage this foundation for targeted, premium return advertising.

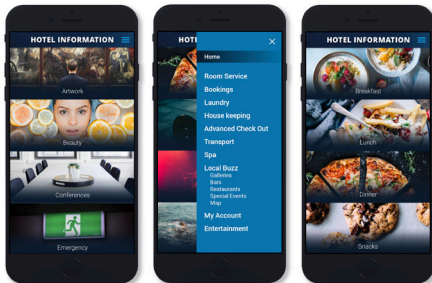


OVER 75,000 DEDICATED TV SCREENS
PLUS MOBILE APPLICATIONS.

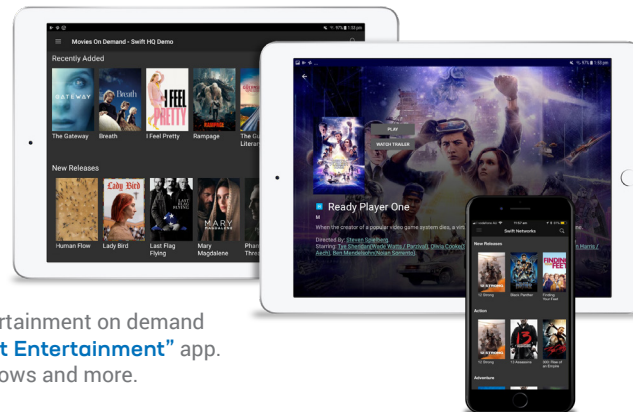
ENGAGING TECHNOLOGY

PREMIUM ENTERTAINMENT ON DEMAND. ANY DEVICE. ANY TIME.

An immersive and engaging platform for our users. Our premium curated content is delivered via TV and mobile applications to connect people to what they want, how and when they want it.



Check in to the “Swiftville” app for instant access to menus, location facilities, travel information, special offers, safety alerts and more. Make the most of your stay.



Premium entertainment on demand with the “Swift Entertainment” app. Movies, TV shows and more.

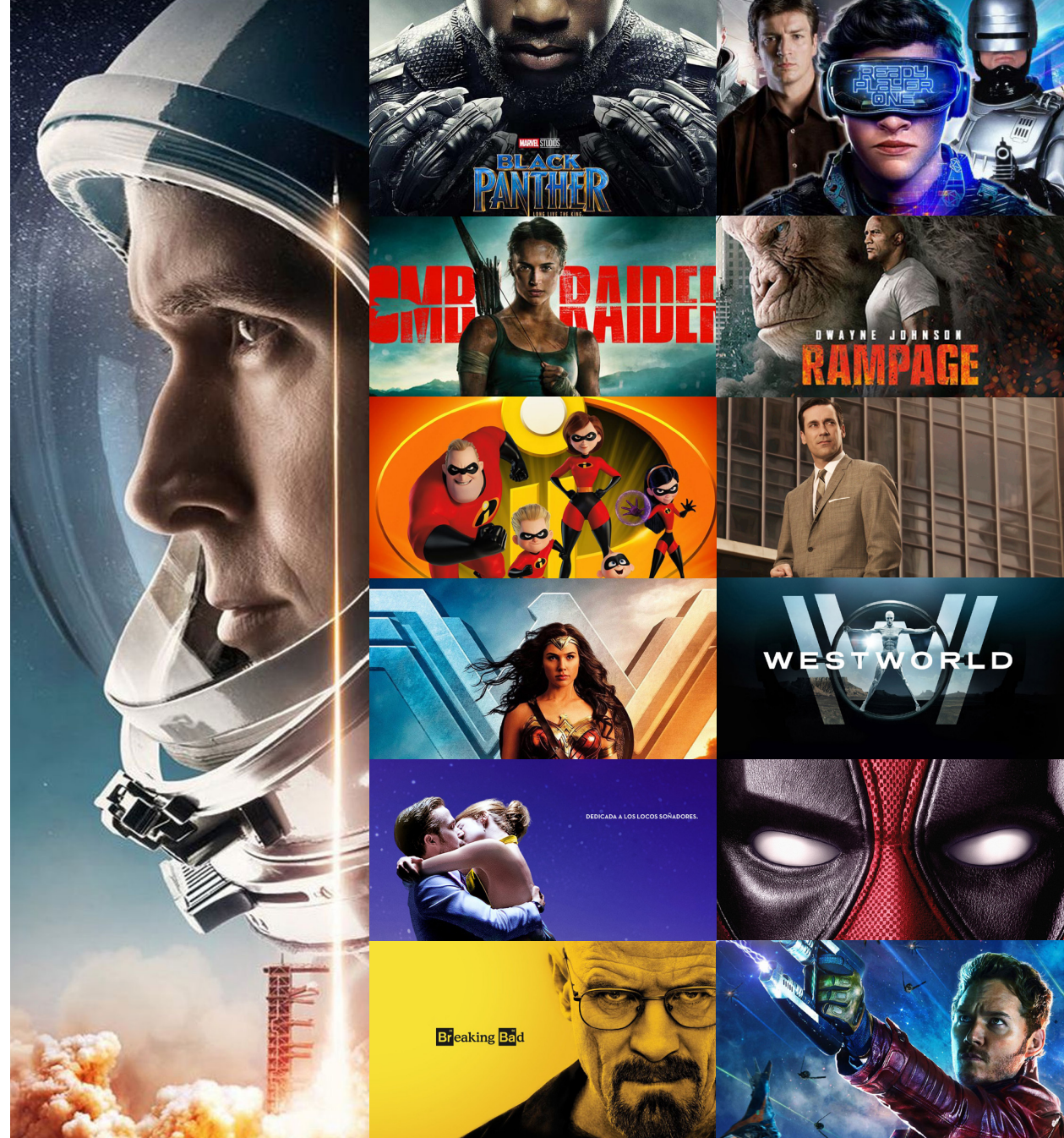


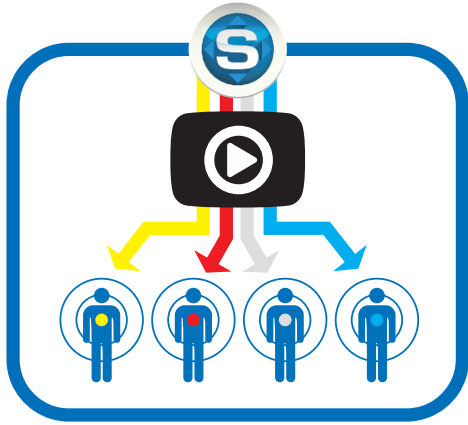
“LumiAir”
A light version of Swift’s entertainment platform which has no hardware requirements for the venue.

GLOBAL CONTENT PARTNERSHIPS

Swift delivers premium content with international distribution rights from major content providers on a global, local and hyper-local basis.

We deliver a range of genres including blockbuster movies, prime TV series, lifestyle, music, Esports, education, health and wellbeing.





TARGETED ADVERTISING

CURRENTLY OVER 5,000,000 UNIQUE USERS ACCESS THE SWIFT PLATFORM PER ANNUM, WITH AN AVERAGE DWELL TIME OF 220 MINUTES PER DAY.

Swift Networks can provide advertisers with a much larger data set and a broad spectrum of targeting capabilities in order to enable brands to connect with captive audiences and providing that 'utopian goal of true audience-based marketing'.

EVERY CLICK TELLS A STORY

Research from stockbroking group Hartleys, (released in November 2018), projected that Swift's deployed rooms will continue to grow from the 63,000 rooms in June 2018 to 86,000 in 2019¹. Swift has projected that the user interactions generated will follow suit, with an estimated 190 million generated via the platform within the next 12-month period.

"SWIFT WILL GENERATE 190 MILLION USER INTERACTIONS IN THE NEXT 12 MONTHS."

OUR RESULTS

H1 FY19 PRELIMINARY
UNAUDITED

SWIFT
NETWORKS

OUR RESULTS:

CONTINUED HIGH GROWTH PERFORMANCE

	<i>Dec 2017</i>	<i>Dec 2018</i>	<i>Change</i>
Total Revenue	10.38m	12.56m	21% ↑
EBITDA	1.03m	2.76m	167% ↑
Gross Margin	39%	54%	37% ↑
EBITDA margin	10%	22%	121% ↑
Net Operating cash flow	1.25m	1.56m	25% ↑
Net Cash (cash at bank less bank debt)	1.30m	2.65m	103% ↑

*EBITDA earnings exclude interest, depreciation, amortisation, finance costs, share based payments, fair valuation loss on financial liabilities (performance shares), unrealised FX losses and income tax benefit (loss)

167% EBITDA Growth Year on Year

54% Gross Margin

Sustained revenue and profit growth has translated into positive cash flows from operations, facilitating investment in:

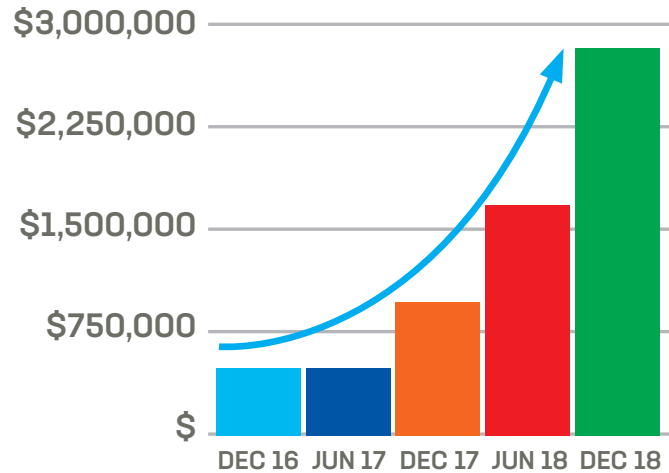
- New business systems (NetSuite ERP)
- Deployment of advertising capability
- Expansion of world class content catalogue (Esports)
- Launch of new products (LumiAir)
- M&A activity (Medical Media acquisition)

... whilst maintaining flexibility for further investment via our \$3m bank facility (currently undrawn - zero borrowings).

Class A performance share milestone achieved

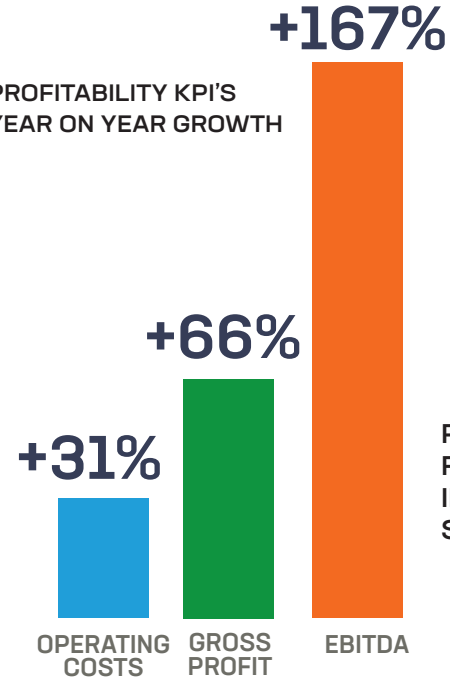
EXCEPTIONAL EARNINGS GROWTH

EBITDA TREND ANALYSIS
HALF YEARLY SINCE LISTING



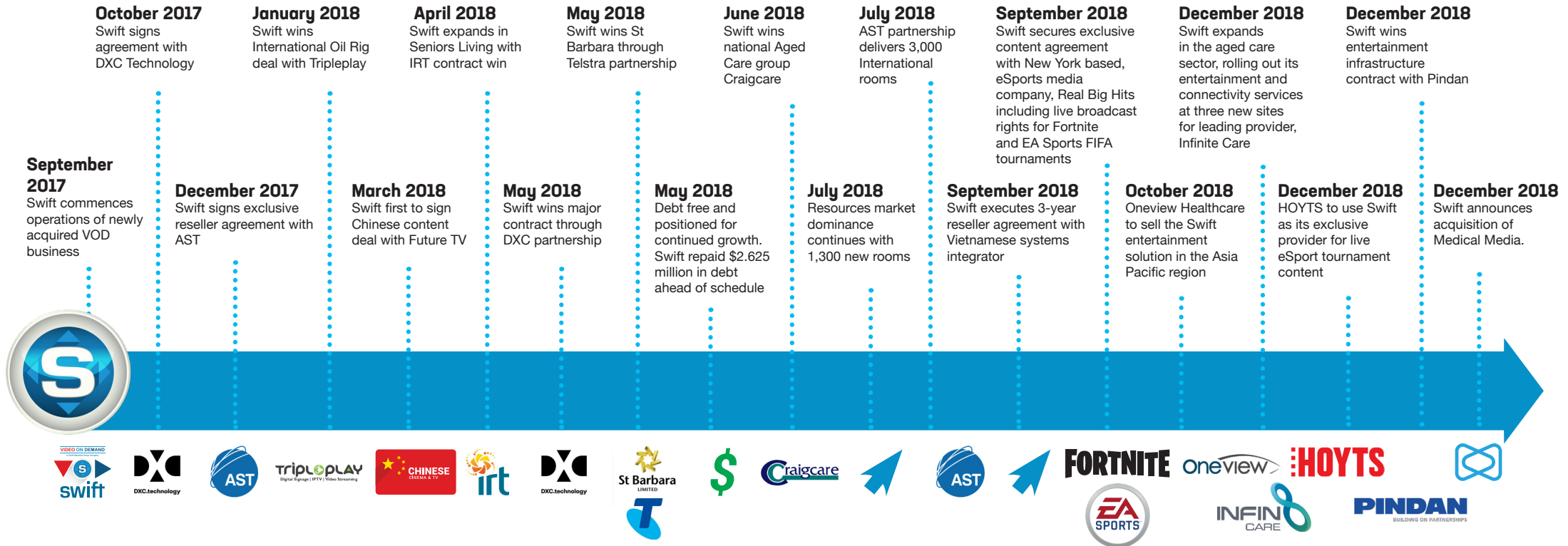
PROVEN SCALABILITY

PROFITABILITY KPI'S
YEAR ON YEAR GROWTH



PROFITABILITY GROWTH
FAST OUTPACING OVERHEAD
INVESTMENT, HIGHLIGHTING
SWIFT'S SCALABILITY.

A TRACK RECORD OF BUILDING TARGET AUDIENCES THROUGH ORGANIC GROWTH AND ACQUISITION.



KEY OPERATIONAL HIGHLIGHTS

987% INCREASE IN SITES SINCE LISTING IN 2016.

RESELLER PARTNERSHIPS NOW ACCOUNT FOR OVER 75% OF NEW SALES REVENUE

CONTENT:

- Swift secures the rights to global E-Sports content.
- A partnership and revenue share deal is also signed with HOYTS Group for national in cinema distribution of live tournaments.

"E-sports – competitive video gaming – is set to leave traditional performance sport in its wake. The industry has an estimated global audience of nearly half a billion with a 30 per cent growth rate year on year."

www.abc.net.au/radionational/programs/futuretense/e-sports/10377508



PRODUCT:

- Launch of new entertainment platform for the hospitality industry providing instant access to new release premium content with no hardware requirements.



ADVERTISING:

- Swift introduces new technology to its platform that allows the delivery of targeted advertising and new revenue streams.



CONTRACT WINS:

- Swift continues to win high value contracts and partnerships, including:

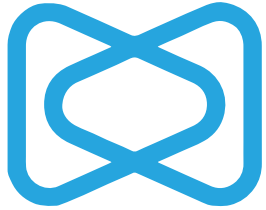
- Material technology licensing and deployment agreements with DXC and Streamvision guaranteeing revenue equivalent to 14,000 rooms
- PINDAN Construction contract delivering services to 1500+ rooms
- Multiple new aged care contracts including Infin8 Care and Berrington
- Expansion into Vietnam with 5 new hotel sites and strong pipeline
- AST partnership delivering 3,000 International rooms



PROPOSED ACQUISITION:

MEDICAL MEDIA

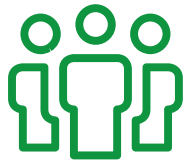
FURTHER DETAILS ON THE ACQUISITION CAN BE FOUND AT [SWIFTNETWORKS.COM.AU](https://www.swiftnetworks.com.au)



EST 2013

MEDICAL MEDIA AT A GLANCE

LOCAL AND NATIONAL ADVERTISERS DELIVERED TO MEDICAL PRACTICES.



CONTENT REACHING
**OVER 5
MILLION
VIEWERS
EVERY MONTH**

**\$7.4M OF
ADVERTISING
REVENUES**

in FY18 up from \$5.2m in FY17



PORTFOLIO OF

**OVER
2,800 SMEs
ADVERTISERS**



GROWING NUMBER OF

**NATIONAL
ADVERTISERS**

As well as expanding in hyper local and regional advertising, Medical Media has begun to expand it's portfolio of national advertisers.

AN EXTENSIVE NETWORK OF EXISTING ADVERTISER RELATIONSHIPS WITH PREMIUM BRANDS

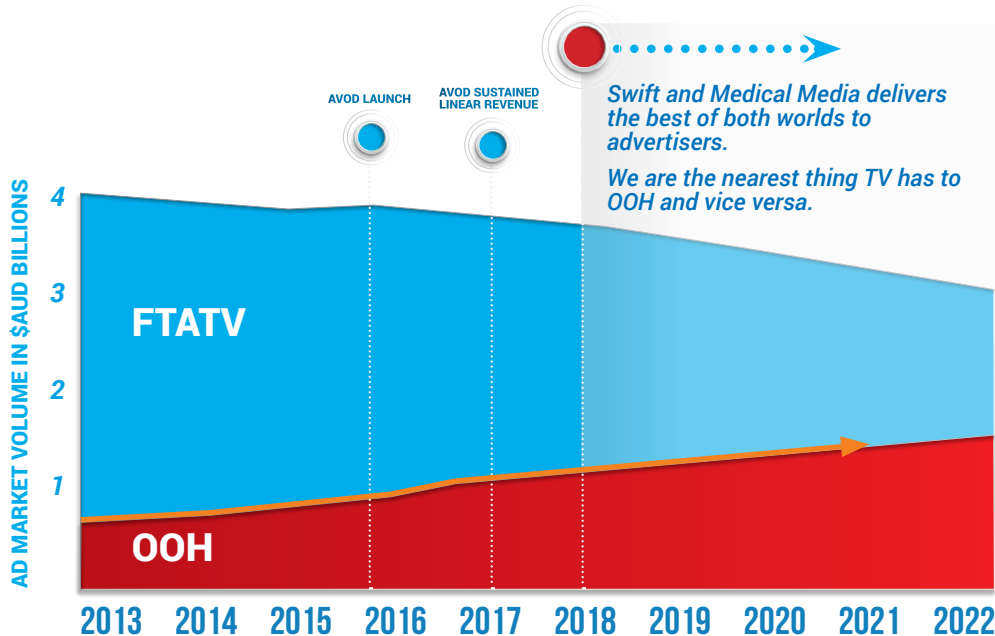


DIGITAL OUT OF HOME

DOOH OR DIE

Swift Media is ideally positioned to capitalise on the growing OOH advertising market. In recent months, businesses in the same market have been valued at multiples of up to 13.5x EBIDTA.

THE RISE OF DOOH AND THE DECLINE OF FREE TO AIR ADVERTISING.



“OOH PROVIDES THE HIGHEST RATE OF ONLINE ACTIVATION PER DOLLAR OF ANY OFFLINE MEDIA”

<https://omac-website.s3.amazonaws.com/wp-content/uploads/2017/05/Nielsen-OOH-Online-Activation-Study-2017.pdf>

RECENT DOOH M&A ACTIVITY IN THE MARKET HAS GENERATED PREMIUM VALUE:

“OOH!MEDIA WINS BATTLE FOR ADSHEL WITH \$570 MILLION BID”

AFR 22/06/18

<https://www.afr.com/business/media-and-marketing/advertising/oohmedia-wins-battle-for-adshel-with-570-million-bid-20180622-h11rd6>

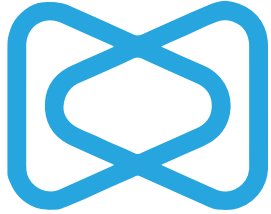
“JCDECAUX TO ACQUIRE APN OUTDOOR FOR \$1.12 BILLION”

SMH 26/06/18

<https://www.smh.com.au/business/companies/jcdecaux-to-acquire-apn-outdoor-for-1-12-billion-20180626-p4znq0.html>

DRIVERS FOR GROWTH IN DOOH ADVERTISING:

- DOOH ads can't be skipped or fast-forwarded unlike other digital advertising mediums.
- Targeted advertising in high dwell time, brand safe environments.
- Migration away from traditional free to air TV.
- New technology more easily facilitating hyper local and national advertising.
- DOOH allows for a content-first approach that engages viewers and primes them for an ad message.
- Consolidation in the space presents opportunities to reach larger audiences more easily.



MEDICAL MEDIA BUSINESS MODEL

1

ESTABLISH SCREENS

- Medical Media places screens at its cost within medical practices
- Low rent/lease of space required
- Low capital cost per screen
- Screens are managed centrally
- New screens rolled out in partnership with Telstra

BENEFITS TO MEDICAL PRACTICE

- Free of charge service
- Entertaining & professional
- Data capture
- Wifi enablement (on newer devices)

2

SELL CONTEXTUAL ADVERTISING

- Advertisers are offered different plans based on ads per screen per week / per annum
- Typically 2 year commitment
- Typical contract revenue per annum per site circa \$2.3k
- Leads generated from Medical Media's own contact centre and inbound lead generation

BENEFITS TO ADVERTISER

- Highly valuable consumer on their health journey
- Strong local market/community focus
- National reach opportunity across the network
- Ability to access circa 5m consumers per month

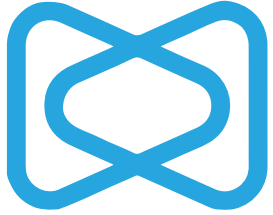
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ENGAGE CONSUMER

- Steady content loop to enhance viewer engagement
- Combination of advertising and snackable content
- Patient voice survey
- Content enhancement program underway with Swift in order to further consumer engagement

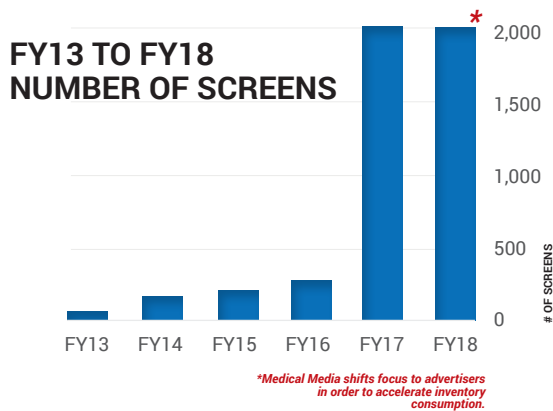
BENEFITS TO CONSUMER

- Content skews toward informative and entertaining
- Contextually relevant content (healthcare)
- Free Wi-Fi opportunity (on newer devices)

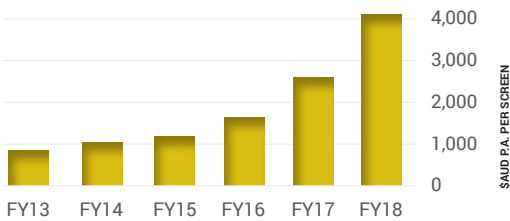


MEDICAL MEDIA'S STRONG FOUNDATIONS

FY13 TO FY18
NUMBER OF SCREENS



FY13 TO FY18
\$AUD PER SCREEN



BARRIERS TO ENTRY

- Market penetration in the highly contested GP vertical:
 - » Medical Media has 25% target market of GP practices with 2 GP's and above; and
 - » Estimated 75% target GP market already captured.
- Time and capital required to acquire in GP and adjacent verticals:
 - » Estimated 3 years to build meaningful footprint organically.
- Broadcast and advertising expertise required to distribute content effectively and balance needs across national customers, SMEs & sites.



STICKY CUSTOMERS

- Medium to long term agreements with GPs with automatic rollover.
- Typically 24 month commitment from an advertiser, with automatic rollover.
- Number of people in medical practice waiting rooms is unlikely to decrease.



TRANSACTION OVERVIEW

Swift is acquiring Medical Media for \$25m, with an initial \$4.5m in scrip and an additional \$20.5m in Performance Shares to be issued subject to certain advertising revenue targets.

STRUCTURE

- Swift will purchase all the outstanding shares in Medical Channel Pty Ltd (trading as Medical Media) via a share purchase agreement (SPA).
- Shares will be purchased on a cash-free, debt-free basis.
- Post transaction, full dilution shares on issue 251.5 million (currently 121.3 million)

CONSIDERATION

- Upfront: \$4.5m payable upfront in Swift ordinary shares at the Issue Price.
- Performance Shares: \$20.5m payable in Performance Shares at the Issue Price in six tranches (Class C, D, E, F, G and H).
- Implied multiple is not more than 6 times earnings for every milestone

ISSUE PRICE

- \$0.3010 which is a 20% premium to 30 day VWAP as at 19 December 2018.

FUNDING

- Swift will fund 100% of the acquisition of Medical Media via the issuance of shares in Swift.
- Swift will enter into a new banking facility from a tier-one lender for \$6 million (including \$1.5m in contingent instruments) which it will utilise in conjunction with existing cash reserves to fund integration costs and future working capital requirements of the combined business.

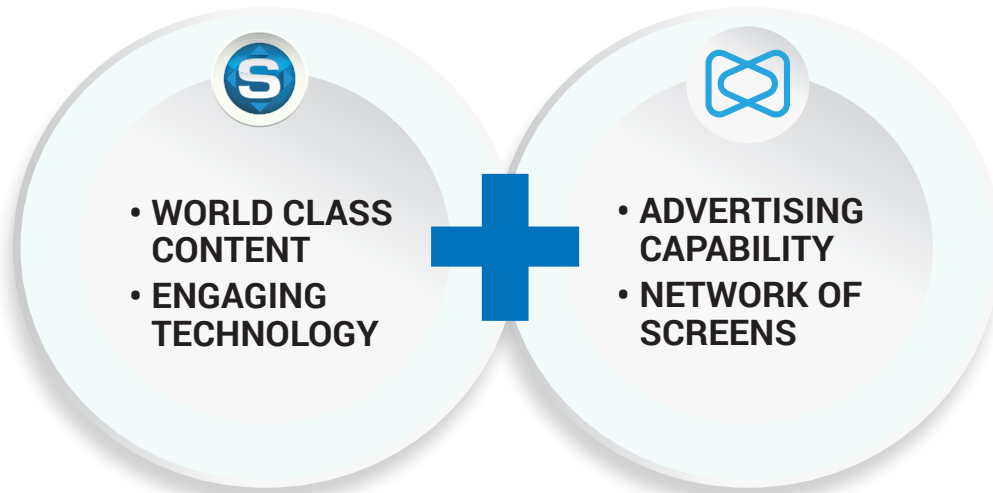
DIRECTORS (Swift Board)

- Appointment of Darren Smorgon as a Director at Completion of the Transaction.
- Nomination of one (1) additional Director, upon the conversion of the Class D Performance Shares.

TIMETABLE

- | | |
|---|------------------|
| • General meeting | 12 February 2019 |
| • Satisfaction conditions precedent to completion | 15 February 2019 |
| • Full integration of combined Swift Media business | 30 June 2019 |

MERGER SYNERGIES



SWIFT NETWORKS BRINGS BENEFITS TO THE MEDICAL MEDIA NETWORK

- Extensive premium content library
- Subscription revenue model
- Technology platform and capabilities
- Audience data capture, 'every click tells a story' & development of AI
- Foundations for expansion into other verticals
- Closed loop network expertise

MEDICAL MEDIA BRINGS BENEFITS TO THE SWIFT NETWORK

- Expertise in DOOH advertising, the fastest growing ad sector
- Significant market share in the highly contested GP market
- Advertising capability and expertise to enable Swift's monetisation of its existing network
- SME business data and video marketing analytics
- National and agency ad market access
- Ownership of substantial screen network
- Broadcast expertise

INTEGRATION

ACCRETIVE TRANSACTION THAT ACCELERATES GROWTH
ACROSS ALL AREAS OF THE INTEGRATED BUSINESS



COST REDUCTION

- Use Swift's premium content in Medical Media's screens.
- Leverage combined scale to reduce supply costs.
- Integrate operations to generate further economies of scale.

OPERATING MODEL IMPROVEMENTS

- Reduce cost of acquisition of advertisers.
- Increase Customer Lifetime Value (increase revenue, reduce churn).
- Increase average revenue per screen.

NETWORK LEVERAGE

- Cross sell advertisers into Swift's existing networks.
- Lead the SME advertising market with the best of TV and OOH.
- Add value to ~1,400 GP practices.



KEY PERFORMANCE INDICATORS

3 MONTHS

- Estimated reduction in the cost base of \$3m (p.a. run rate).

6 MONTHS

- Increase in 2 year customer retention by 25%.
- Increase in revenue per screen by 28%.

INTRODUCING



SWIFTMEDIA

- 1** WORLD-CLASS CONTENT DELIVERED TO...
- 2** UNIQUE, OWNED, ADDRESSABLE AUDIENCES, RECEIVING...
- 3** PREMIUM TARGETED ADVERTISING DRIVEN BY DATA SCIENCE



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For more information, please contact:

Xavier Kris

Chief Executive Officer

t: +61 8 6103 7595

e: investor@swiftnetworks.com.au

George Nicholls

Chief Financial Officer

t: +61 8 6103 7595

e: investor@swiftnetworks.com.au

www.swiftnetworks.com.au

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