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 Sofoulis Non-Executive Director
Ryan Sofoulis Executive Director
Robert Sofoulis Non-Executive Director

Trading Information

<table>
<thead>
<tr>
<th>ASX ticker</th>
<th>SW1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share price (6 June 2017)</td>
<td>$0.28</td>
</tr>
<tr>
<td>Shares quoted on the ASX</td>
<td>51.8m</td>
</tr>
<tr>
<td>Market Cap (free-float)</td>
<td>$14.5m</td>
</tr>
<tr>
<td>Escrowed Shares</td>
<td>38.4m</td>
</tr>
<tr>
<td>Performance Shares</td>
<td>38.1m</td>
</tr>
<tr>
<td>Options</td>
<td>18.4m</td>
</tr>
<tr>
<td>Market Cap (fully diluted)</td>
<td>$41.1m</td>
</tr>
</tbody>
</table>

Top 10 Shareholders

<table>
<thead>
<tr>
<th>#</th>
<th>Shareholder Name</th>
<th>Holding</th>
<th>% IC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SOFOULIS HOLDINGS PTY LTD &lt;THE SOFOULIS FAMILY A/C&gt;</td>
<td>30,000,000</td>
<td>33.25%</td>
</tr>
<tr>
<td>2</td>
<td>JP MORGAN NOMINEES AUSTRALIA LIMITED</td>
<td>3,047,123</td>
<td>3.38%</td>
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<tr>
<td>3</td>
<td>TRI NATIONS HOLDINGS PTY LTD &lt;KRIS FAMILY TRUST&gt;</td>
<td>2,408,889</td>
<td>2.67%</td>
</tr>
<tr>
<td>4</td>
<td>SUETONE PTY LTD &lt;THE A K SHADFORTH FAMILY A/C&gt;</td>
<td>2,237,830</td>
<td>2.48%</td>
</tr>
<tr>
<td>5</td>
<td>JAMES FLORIAN PEARSON &lt;PEARSON FAMILY A/C&gt;</td>
<td>2,222,223</td>
<td>2.46%</td>
</tr>
<tr>
<td>6</td>
<td>PAUL DOROPoulos</td>
<td>2,128,889</td>
<td>2.46%</td>
</tr>
<tr>
<td>7</td>
<td>JOHN COLIN &amp; SUSAN MARJORY LOOSEMORE &lt;LOOSEMORE SUPER FUND A/C&gt;</td>
<td>1,400,000</td>
<td>1.55%</td>
</tr>
<tr>
<td>8</td>
<td>BURRWOOD INVESTMENTS PTY LTD &lt;BURRWOOD INVESTMENTS A/C&gt;</td>
<td>930,189</td>
<td>1.03%</td>
</tr>
<tr>
<td>9</td>
<td>MR GEORGE STEPHEN PEMBERTON</td>
<td>856,262</td>
<td>0.95%</td>
</tr>
<tr>
<td>10</td>
<td>TRI - NATION HOLDINGS PTY LTD &lt;KRIS FAMILY A/C&gt;</td>
<td>825,572</td>
<td>0.92%</td>
</tr>
<tr>
<td>Totals</td>
<td>46,056,977</td>
<td>51.05%</td>
<td></td>
</tr>
<tr>
<td>Total Issued Capital</td>
<td>90,212,903</td>
<td>100.00%</td>
<td></td>
</tr>
</tbody>
</table>

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
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
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 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*

* Numbers as at the 15th June 2017
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.

* Numbers as at the 15th June 2017
**Strong Financial Performance**

### 1H FY 2017 Results

- **FY 2016**
  - FY revenue $14.4 million
  - +18% growth (PCP)
  - 93% recurring revenue

- **1H FY 2017**
  - 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

- **2HFY17 Outlook**
  - 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

### Key Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th>30-Jun-16</th>
<th>31-May-17*</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annualised Contracted Revenue</td>
<td>$8,335,285</td>
<td>$10,315,388</td>
<td>24%</td>
</tr>
<tr>
<td>Forward booked months</td>
<td>410</td>
<td>824</td>
<td>101%</td>
</tr>
</tbody>
</table>

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

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

• All Swift’s content is acquired without minimum guarantees (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.
Strong, ongoing news flow expected to continue
Hartleys (May 2017) & CPS Capital Group (January 2017) recently initiated research coverage of Swift Networks.

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
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

**Key Clients & Content Partners**

**SERVICES**

<table>
<thead>
<tr>
<th>Services</th>
<th>VOD</th>
<th>Swift Networks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Movies on Demand</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>IPTV System</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Digital Signage</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Internet Gateway System</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Digital Concierge</td>
<td>✓</td>
<td>Improved product offering</td>
</tr>
<tr>
<td>Digital Schedule System</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

**VERTICALS**

<table>
<thead>
<tr>
<th>Verticals</th>
<th>VOD</th>
<th>Swift Networks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitality</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Resources</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Lifestyle/Retirement Villages</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Aged Care</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Student Accommodation</td>
<td>✓</td>
<td>Emerging market growth (3,000+ rooms)</td>
</tr>
<tr>
<td>Hospitals</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>
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

Acquired Cost per Subscriber of $231 versus industry average\(^1\) of $500 to $550

---

### Extensive Due Diligence Undertaken

Number of subscribers | FY 17 Annualised | %
--- | --- | ---
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\(^*\) | %
--- | --- | ---
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%

\(^*\)Unaudited

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Internode: total transaction value of $105 million divided by the number of users https://www.iinet.net.au/about/mediacentre/releases/20111222-iinet-to-acquire-internode
Acquisition provides SW1 with an established market leading presence in the Hospitality Sector & Emerging Markets

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

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**

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

Unaudited figures based on VOD on stand-alone basis.

Excludes any SW1 integration synergies from operational and commercial perspective.
Upfront consideration: $5.1m cash | $900k ordinary shares
Funded through a combination of debt & equity

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

<table>
<thead>
<tr>
<th>Pro-forma Capital Structure</th>
<th>On Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Ordinary Shares on Issue</td>
<td>90,212,903</td>
</tr>
<tr>
<td>Class A Performance Shares</td>
<td>16,666,667</td>
</tr>
<tr>
<td>Class B Performance Shares</td>
<td>16,666,667</td>
</tr>
<tr>
<td>Performance Shares (other)</td>
<td>4,444,444</td>
</tr>
<tr>
<td><strong>Swift Capital Structure pre-acquisition</strong></td>
<td>127,990,681</td>
</tr>
<tr>
<td>Cash on Completion ($4,500,000 @ $0.25)</td>
<td>18,000,000</td>
</tr>
<tr>
<td>Ordinary Shares on Completion ($900,000 @ $0.25)</td>
<td>3,600,000</td>
</tr>
<tr>
<td><strong>Swift Capital Structure post-acquisition</strong></td>
<td>149,590,681</td>
</tr>
<tr>
<td>Existing options</td>
<td>18,373,333</td>
</tr>
<tr>
<td><strong>Swift Capital Structure Fully Diluted</strong></td>
<td>167,964,014</td>
</tr>
</tbody>
</table>

*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
• 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 15\textsuperscript{th} 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.