

Thursday, 1 September 2016

## Swift delivers successful maiden result

### Highlights:

- **Robust business development across multiple sectors drives record reviewed revenue of \$14.42 million**
- **Substantial investment in supporting onboarding of new clients set to underpin material growth in the year ahead**
- **Swift remains well positioned to accelerate its expansion into new and existing markets in Australia and abroad**

**Perth, Australia** — Leading digital entertainment and communications service provider Swift Networks Group Limited (ASX: SW1, "Swift" or "the Company") is pleased to present its preliminary full-year results for the year ending 30 June 2016 (FY16).

Following completion of the acquisition of Swift Networks Pty Ltd and Wizzie TV Pty Ltd ("Swift Networks") in May 2016, the Company has closed the 2016 reporting period — a transitional year for the Company — with several valuable business development initiatives in progress.

Swift's Appendix 4E includes approximately 46 weeks' worth of costs relating to the Company's previous business, Stanfield Funds Management Limited, and approximately 6 weeks of results from the businesses acquired on 19 May 2016, Swift Networks Pty Ltd and Wizzie TV Pty Ltd.

During FY16, the Swift Networks built on its strong position in the resources sector and laid solid foundations for expansion into new markets in line with its strategic plan. The Company is pleased to report:

- Revenue from continuing operations (reviewed) increased to record levels, rising 17.8% to \$14.42 million, \$1.85 million of which is attributable between 20 May 2016 (date of acquisition) and 30 June 2016, and 93% of which is recurring in nature
- Continued growth in accommodation rooms using Swift's services, rising more than 37% year-on-year to 29,604 rooms, notably ahead of budget
- Deepened relationships with existing clients, retaining and extending contracts with blue-chip clients including BHP Billiton, Rio Tinto, Chevron and Telstra
- Net loss from continuing operations after tax of \$5.25 million, improved by an ongoing focus on cost savings accompanying the reverse takeover by the Company, and taking account of \$3.47 million in non-recurring and non-cash costs associated with preparing Swift Networks for life as an ASX-listed entity
- Strategic review completed between the completion of the acquisition and June 30, leaving the business well-placed moving into FY17

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“This is a pleasing result which represents a reward for the sustained efforts of the Swift Networks team. Our staff has worked hard to grow the Company’s business while bringing Swift into the ASX-listed environment,” said Swift Chief Executive Officer Xavier Kris.

“Our full-year result reflects continued growth in revenue-generating rooms in the resources sector and promising early traction in large, attractive new markets, notably the lifestyle village and hospitality sectors. We are excited by the prospect of profitably exceeding the expectations of our guests and clients into 2017 and beyond as we continue to develop and roll out our entertainment and communications solutions to the resources, hotel, aged care and lifestyle sectors.”

### **Operational highlights**

The year to 30 June 2016 brought many business development highlights for Swift Networks. They have:

- Achieved revenue generation in 29,604 rooms, representing annual room growth of more than 37% and continued validation of Swift Network’s value proposition
- Secured the only Foxtel third party Master Services Agreement at wholesale rates to resell Foxtel’s services in the aged care, lifestyle village and hospital sectors across Australia
- Signed an agreement with Freedom Internet to resell Swift Networks’s services to Freedom’s hotel and resort clients across Australia and New Zealand, targeting 2,000 new rooms per quarter and currently enjoying a successful launch on the Gold Coast
- Accelerated its push into the hospitality sector, signing new hotel clients through Auzcorp Pty Ltd which bring potential to expand into health care properties in Australia, Malaysia and Singapore
- Secured a five-year contract to provide its services to the entire town of Cabramurra in New South Wales
- Successfully completed works with Alcatel-Lucent and Bechtel through the accommodation village at Chevron’s LNG Wheatstone project in Western Australia
- Made promising progress toward addressing the international market opportunity, with negotiations ongoing to provide its suite of services to a hospital consortium in the Philippines
- Won the ‘Best New Hospitality Product 2016’ award given by the members of the Australian Hotels Association (WA) for its suite of digital services

### **Corporate highlights**

In May, Swift successfully raised \$4 million (before costs) in an oversubscribed public offer. This capital raising provided the funding for the Company to scale up its sales efforts and accelerate product and business development. The Company and its directors appreciate the support shareholders have shown in bringing Swift Networks into a listed environment.

Reporting in the Company’s Appendix 4E report is less streamlined than usual, as it was only late in the final quarter of FY16 that Stanfield Funds Management Limited (later renamed Swift Networks Group Ltd) completed the acquisition of the Swift Networks business.

As such, the Company’s Appendix 4E report reflects revenue earned only during the period between 20 May 2016 (completion of the acquisition of the Swift Networks

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business) and 30 June 2016. As such, the reported net loss predominantly reflects non-recurring or non-cash costs incurred during this transition.

The cash balance of the Company as at 30 June 2016 was \$3.2 million. This is the cash balance after circa \$500,000 in payments to the vendor for the acquisition of Swift Networks and circa \$500,000 in costs associated with issuing the Prospectus, acquisition and reinstatement on the ASX.

The Board of Directors would like to thank all investors for their continued support of Swift, and would like to take this opportunity to recognise the efforts of the Company's hard-working staff and management.

Swift looks forward to continuing to reward investors' faith in the year ahead.

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#### **About Swift Networks Group Limited**

**Swift Networks Group Limited (ASX: SW1)** is a digital entertainment system business providing fully integrated solutions for the Resources, Hospitality, Lifestyle Village and Aged Care sectors.

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

With a blue-chip client base of household names, Swift Networks provides its services to tens of thousands of rooms with distribution capability throughout the Asia Pacific region.

#### **Key Company Facts**

- FY16 unaudited revenue of \$14.42 million
- More than 29,000 room installations with 93% of revenue recurring in nature
- Subscriber (room) growth of more than 37% from June 2015 to June 2016
- Contract retention rate of 97% with customers and partners including Telstra, BHP Billiton, National Lifestyle Villages, Foxtel, Optus, Bechtel and Alcatel-Lucent
- Excellent contract win ratio with a 91% tender success rate
- Winner of the Australian Hotels Association (AHA)'s "Best New Hospitality Product" Award, 2016

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