

Friday, 28 April 2017

## Swift Quarterly Cash Flow Statement Commentary ASX: SW1

### Highlights:

- **Continued robust business development with blue-chip clients in the resources sector drives March quarter cash receipts to more than \$4 million, up by 22.5% compared to the period one year earlier.**
- **Promising early growth in the large and attractive aged care and lifestyle village sectors, signing new client Elderbloom Community Care.**
- **Further traction selling Swift’s enhanced content and service offering in all verticals supports healthy subscriber growth, with sales pipeline robust and Swift’s contracted customer base approaching 150 site installations.**
- **Cash balance of \$2.483 million at 31 March 2017, having generated positive free cash flow during the quarter.**

**Perth, Australia** — Leading telecommunications and content solutions provider Swift Networks Group Limited (ASX: SW1, “Swift” or “the Company”) is pleased to present its Appendix 4C — Quarterly Cash Flow Report for the three months ending 31 March 2017 and an update on business progress.

The Company continued to grow its business during the quarter as it entrenched its strong position in the resources accommodation sector while expanding into new markets in line with its strategic plan.

### Operational highlights

During the quarter, Swift continued to gain traction with new and existing clients, signing several multi-year agreements to deploy its award-winning entertainment and connectivity solution in new, remote environments.

In the resources sector, Swift bolstered its offshore presence with material new contracts to support Shell, NOKIA, INPEX and Sea Trucks.

Swift’s agreements with Shell and NOKIA will see the Company deliver a broad suite of design, construction, entertainment, telecommunications, maintenance and support

**Swift Networks Group Limited ABN 54 006 222 395**

1 Watts Place, Bentley WA 6069

W: [www.swiftnetworks.com.au](http://www.swiftnetworks.com.au) E: [investor@swiftnetworks.com.au](mailto:investor@swiftnetworks.com.au)

P: +61 (8) 6103 7595 F: +61 (8) 6103 7594

services to the Prelude LNG project offshore Western Australia, the world's largest offshore floating facility, for an initial period of five years.

For INPEX, Swift will supply and manage digital entertainment, connectivity and related support and maintenance for the Ichthys LNG project offshore Western Australia for at least the next three years.

For Sea Trucks — which owns and operates a fleet of more than 180 vessels and barges through which it provides offshore accommodation, construction facilities and maritime support to the oil and gas industry — Swift will provide content and telecommunications services initially to a 355-man barge, with significant scope for international expansion.

The Company was proud to renew its long-standing support of Sandfire Resources NL (ASX: SFR) with a new three-year contract to provide entertainment and connectivity to Sandfire's Doolgunna copper/gold project in central Western Australia.

Swift is pleased to announce that it has signed a preferred supplier agreement with Lockheed Martin Australia to provide support and maintenance services.

Swift's integration of its recently-acquired Web2TV and Living Networks businesses is proceeding to plan, as the Company focuses on cross-selling its existing entertainment and connectivity services to Web2TV and Living Networks' strong base of loyal customers.

The relationships with aged care and retirement village operators that these acquisitions have brought to Swift have opened multiple new opportunities to boost recurring revenue.

Residential accommodation and aged care provider Elderbloom Community Care, which operates four facilities with three different styles of living, has recently engaged Swift to deliver managed IT services for an initial term of three years.

The Company expects to accelerate its rate of new business development in these large, fast-growing sectors in the coming months.

During the quarter, Swift's earlier investments in bolstering its content library drove significant inbound interest across industry sectors, helping to maintain recurring revenue at high levels and supporting a healthily growing subscriber base approaching 150 contracted site installations around Australia.

The Company now sees a robust sales pipeline across the maritime, resources, hospitality, aged care and lifestyle village sectors, which it expects to convert into revenue growth in 2017.

Swift's business development efforts drove March quarter cash receipts to rise by 22.5% over the quarter one year earlier to \$4.02 million. The Company's continued focus on cost minimisation saw a positive free cash flow generated for the quarter.

## **Corporate highlights**

During the quarter, Perth-based stockbroking and investment banking firm CPS Capital initiated research coverage of the Company.

Investors can read the CPS investment research report on Swift's website at [this link](#).

The Company welcomed several new sophisticated investors to its shareholder register after management's successful east coast roadshow in March.

The Company's cash balance at 31 March 2017 was \$2.483 million.

**Swift Networks Group Limited ABN 54 006 222 395**

1 Watts Place, Bentley WA 6069

W: [www.swiftnetworks.com.au](http://www.swiftnetworks.com.au) E: [investor@swiftnetworks.com.au](mailto:investor@swiftnetworks.com.au)

P: +61 (8) 6103 7595 F: +61 (8) 6103 7594

Swift continues to enhance its world-class suite of digital entertainment and communication services in line with its customers' tastes and preferences.

Swift looks forward to continuing to improve its business as the Company brings more digital services to a broader range of guests in the maritime, resources, government, hospitality, retirement lifestyle and aged care accommodation sectors.

The Company's Appendix 4C follows this release.

**For more information, please contact:**

**Xavier Kris**

Chief Executive Officer

+61 8 6103 7595 / [investor@swiftnetworks.com.au](mailto:investor@swiftnetworks.com.au)

**Tim Dohrmann**

Investor and Media Relations

+61 468 420 846 / [tim@nwrcommunications.com.au](mailto:tim@nwrcommunications.com.au)

**About Swift Networks Group Limited**

**Swift Networks Group Limited (ASX: SW1)** is a diversified telecommunications and content solutions provider, entertaining guests and connecting them to the world.

Swift's connectivity and content delivery platform empowers guests to watch, play, connect and interact. Swift brings accommodation providers opportunities to generate additional revenue and offers meaningful data insights to retain existing and drive new business.

Swift sources premium multi-lingual content from around the world and curates, packages and distributes it to clients' guests through its cloud-based platform. 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.

Running in more than 120 sites across the mining, oil, gas, aged care, retirement village and hospitality sectors, Swift's fully integrated platform is deployed in some of the world's harshest regions, where reliability, flexibility and scalability are critical success factors.

**Swift Networks Group Limited ABN 54 006 222 395**

1 Watts Place, Bentley WA 6069

W: [www.swiftnetworks.com.au](http://www.swiftnetworks.com.au) E: [investor@swiftnetworks.com.au](mailto:investor@swiftnetworks.com.au)

P: +61 (8) 6103 7595 F: +61 (8) 6103 7594

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Swift Networks Group Limited

**ABN**

54 006 222 395

**Quarter ended ("current quarter")**

31 March 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	4,017	11,423
1.2 Payments for		
(a) research and development	(191)	(191)
(b) product manufacturing and operating costs	(2,435)	(8,037)
(c) advertising and marketing	(53)	(179)
(d) leased assets	-	-
(e) staff costs	(615)	(1,703)
(f) administration and corporate costs	(750)	(2,513)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	11
1.5 Interest and other costs of finance paid	(1)	(5)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	88	88
1.8 Other – Net GST (paid)/refunded	(34)	38
<b>1.9 Net cash from / (used in) operating activities</b>	<b>29</b>	<b>(1,068)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(136)	(145)
(b) businesses (see item 10)	-	(399)
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	(9)	(9)
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (provide details if material)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(145)</b>	<b>(553)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	2,000
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(15)	(195)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	(909)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(15)</b>	<b>896</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,614	3,208
4.2 Net cash from / (used in) operating activities (item 1.9 above)	29	(1,068)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(145)	(553)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(15)	896

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>2,483</b>	<b>2,483</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,293	2,424
5.2	Call deposits	190	190
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,483</b>	<b>2,614</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
340
-

Director's fees and salaries, superannuation guarantee charges and consultancy fees paid in normal course of trading and rent paid for business premises in accordance with the lease agreement.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
-

N/A

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	200
9.2 Product manufacturing and operating costs	2,899
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	634
9.6 Administration and corporate costs	500
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>4,233</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Chief Financial Officer)

Date: 28 April 2017

Print name: Paul Doropoulos

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.