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## April 2016 Roadshow | Swift Networks Acquisition

Stanfield Funds Management Ltd

ASX : SFN



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## Swift Networks is a Digital Entertainment business providing fully integrated solutions for the Hospitality, Lifestyle Village, Aged Care and Resource Sectors

- ◊ Commenced operations in 2008.
- ◊ **97%** contract retention rate.
- ◊ Over 29,000 room installations and **91%** of revenue is **recurring** on a **Content as a Service** business model.
- ◊ Subscriber (room) growth of **35%** December 2014 to December 2015.
- ◊ Annualised **recurring revenue growth of 40%** (to December 2015).
- ◊ More than **A\$5 million invested** in the business by the founders. High barriers to entry (see Appendix 1).
- ◊ **Founders** to remain major shareholders (2 year escrow).
- ◊ **Strong customer** and partner base, including BHP Billiton, National Lifestyle Villages, Foxtel, Telstra, Bechtel and Alcatel-Lucent.



Swift seeking to raise **\$2.7 million to \$4.0 million** in order to fast track expansion into new verticals throughout Australia and internationally:

- ◊ 2014 / 2015 Revenue of **\$12.24 million**.
- ◊ **EV** on listing of **\$7.8 million**.
- ◊ Proposed transaction priced at less than **0.35 X** 2015/16 **revenue** versus 12 X, 41 X and 222 X EV/Revenue for peers\*.

		
<b>Digital Entertainment System Deployment</b>	Swift designs, supplies, configures, installs and commissions the entire hardware and software infrastructure needed for a full venue entertainment system.	One off project payment & monthly recurring charge
<b>Content Provision</b>	Swift TV provide access to TV channels, scheduled movies, Video on Demand, gaming and telephony	Monthly recurring charge
<b>Maintenance and Support</b>	Swift operates a 24*7*52 support help desk and remote monitoring service.	Monthly recurring charge

\* See ASX Players Comparison Slide

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Swift Networks is a **Digital Entertainment** business providing fully integrated solutions for the Hospitality, Lifestyle Village and Aged Care and Resource\* sectors.

## Entertainment



- Television
  - Pay TV
  - Wizzie TV
- Movies on Demand
- Radio
- Games
- Social Media App

## Communications



- Internet
- Wi-Fi
- Telephone
- Skype
- Data

## Information



- Alerts
- Bulletins
- Notifications
- Custom Content
- Videos

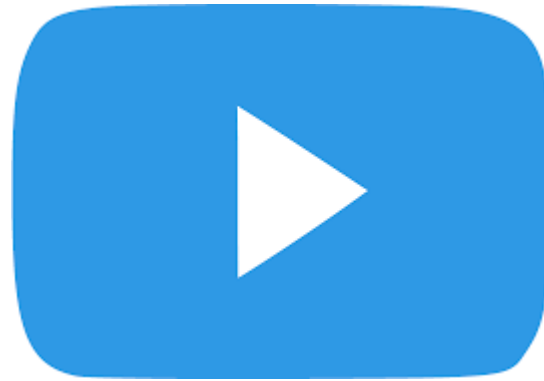
## Administration



- 24 / 7 enterprise helpdesk
- Remote diagnostic tools
- Infographics and analytics
- Maintenance
- Service Agreements

\* Swift has the largest market share in its original target market

**60 Second Video of the Swift Networks Business & Technology:**



<http://www.swiftnetworks.com.au/Publications>

## Carl Clump\* Non-Executive Chairman

- ◊ Founder and CEO Retail Decisions, Card Clear, Harpur Group, TEPAR
- ◊ Multiple Advisory Boards internationally
- ◊ Remaining as Chairman on completion

## Xavier Kris\* Corporate Director

- ◊ CEO Tri-Nation Holdings, PLUS 8 Group
- ◊ Global M&A (e-commerce) USA, Asia, Europe, Africa and Australia
- ◊ Assuming role of CEO on completion

## Paul Doropoulos Executive Director

- ◊ Executive Consultant and CFO of ASX listed companies
- ◊ ASX Listing, Capital Raising and Due Diligence
- ◊ Assuming role of CFO on completion

\* Carl Clump and Xavier Kris successfully established and sold the Harpur Group for \$220 million followed by Retail Decisions for \$640 million

## Bob Sofoulis\*\* CEO & Founder

- ◊ Experience in the mining, oil and gas industries for 20 years before becoming an entrepreneur in 1995
- ◊ Background in Instrumentation Engineering and Executive Experience in Radio and Communication
- ◊ Joins Board on completion as non-executive
- ◊ **Ryan Sofoulis** joins as Head of Finance and as an executive director on Completion

## Malcolm D' Silva Sales Director

- ◊ 28 years of management experience, specializing in rapid growth and restructure
- ◊ Responsible for growth strategy and sales team
- ◊ Extensive commercial experience in the hotel industry

## Jason Powell Operations Director

- ◊ Comes from a military background with qualifications in electronic communications and management
- ◊ 18 years of Operations & Engineering experience managing small & medium technology teams, delivering on a wide range of complex communication based projects

\*\* Bob Sofoulis founded and successfully exited the ASTIB Group for approx. \$50 million

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Content via the Cloud



Swift Pure Play Solution



Swift Hybrid Solution to Venues with Concurrent Bandwidth Limitations



Content via Cloud & Site Servers





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**Cheratta Lodge  
Cheratta Lodge  
164 rooms**



**National Lifestyle Villages  
Velocity Motel  
51 rooms**



**BHP Billiton  
Port Haven Accommodation Village  
1202 rooms**



**Western Areas  
Forrestania Camp  
465 rooms**



**BHP Billiton  
Mooka Village  
623 rooms**



**BHP Billiton  
Warrawandu Village  
1840 rooms**



**Cater Care  
Buffel Park Village  
1,380 rooms**



**BC Iron  
Nullagine Project  
306 rooms**



**Sandfire Resources  
Doolgunna Project  
606 rooms**



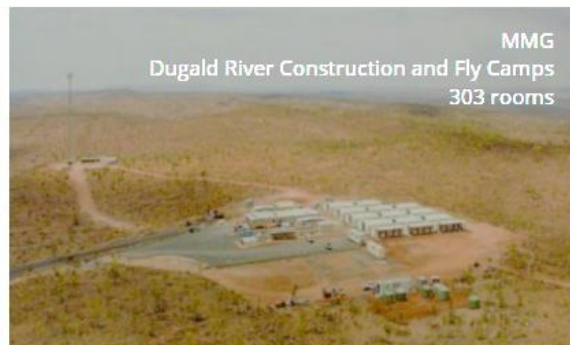
**Roy Hill  
Roy Hill Iron Ore Project  
3962 rooms**



**Alcatel-Lucent  
Wheatstone Project  
4,625 rooms**



**Rio Tinto Iron Ore  
Jundunmunnah Village  
698 rooms**



**MMG  
Dugald River Construction and Fly Camps  
303 rooms**



**Laing O'Rourke  
Ruby Jo Village  
662 rooms**

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increasing revenue and margin per room

**SUPPORT PACKAGE**

Support & Maintenance

- Any system
- Low price
- Local teams
- High reliability
- Quick rectification

**MARGIN 30%**

**PAY TV PACKAGE**

Support & Maintenance

Paid TV & Movie Content

- Lowest price Pay TV
- Option of Foxtel or Wizzie TV
- Full studio content
- CaaS
- Compliant to all sectors

**MARGIN 32%**

**DATA & PAY TV PACKAGE**

Support & Maintenance

Paid TV & Movie Content

Data

- Wholesale data packages
- Existing networks
- Smart network designs
- Network management

**MARGIN 34%**

**FULL PACKAGE**

Support & Maintenance

Paid TV & Movie Content

Data

DES 3

- Fully integrated IPTV
- Lowest price option
- Highest range of services
- Integrate 3<sup>rd</sup> party software

**MARGIN 40%**

Note: Margin shown is approximate



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### Resources Market Size

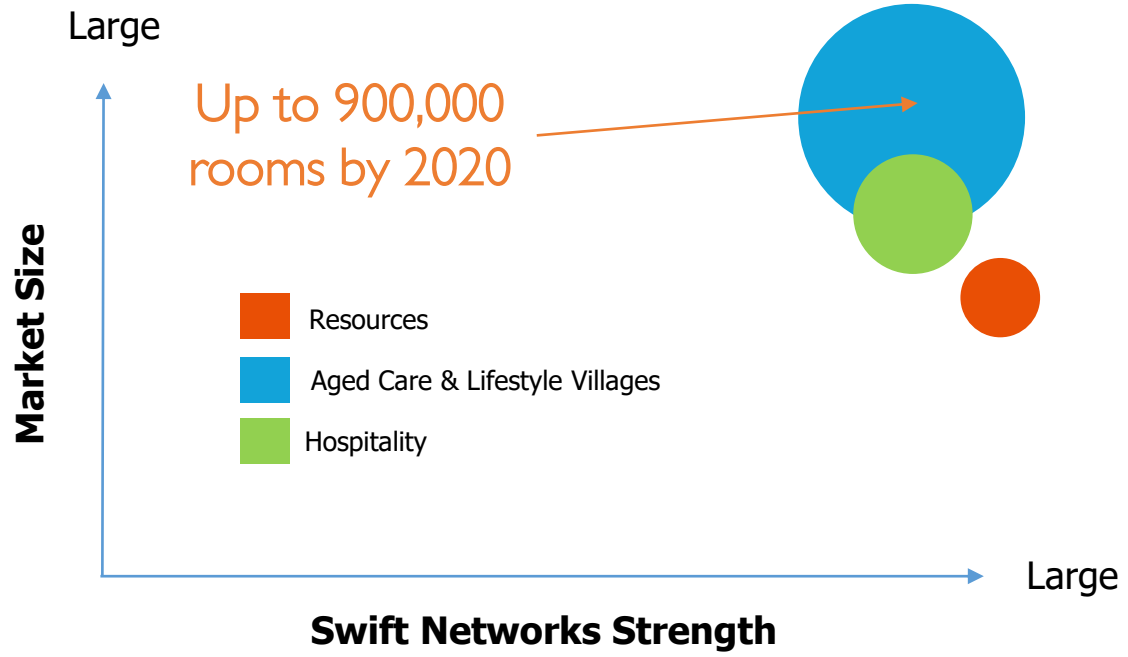
- 110,000 rooms
- Swift Current Market Share: 26%

### Hospitality Market Size

- 248,000 rooms<sup>1</sup>
- Growth projection: large technology refresh opportunities and emerging new sites growth

### Lifestyle & Aged Care Market Size

- 327,000 Lifestyle Village and Aged Care rooms<sup>2</sup>
- Growth projection: up to 900,000 rooms by 2020<sup>2</sup>



**93%** Contract Rollover / Renewal Rate

**97%** Contract Retention Rate

**91%** Tender Success Rate

1. <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/8635.02014-15?OpenDocument>

2. <http://www.aihw.gov.au/aged-care/residential-and-community-2012-13/services-and-places/>  
<http://www.retirementliving.org.au/wp-content/uploads/2015/03/National-overview-of-the-retirement-village-sector-Grant-Thornton.pdf>  
<http://myerfoundation.org.au/wp-content/uploads/2014/09/2020-A-Vision-for-Aged-Care-in-Australia.pdf>  
 In conjunction with United Nations statistics and industry reports

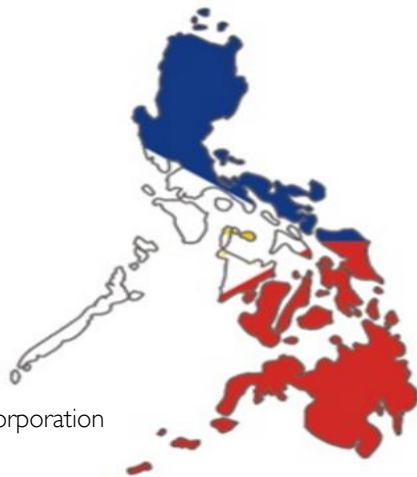
Contract retention, renewal and tender success rates current at 27<sup>th</sup> March 2015

## PHILIPPINES HOSPITAL CONSORTIUM – EARLY STAGE NEGOTIATIONS

Partnership opportunity for turn-key network, digital content and patient, doctor, staff engagement and interaction.

Flagship first hospital test case of 300 to 1,000 rooms prior to national roll-out.

**1,000 + Hospitals**

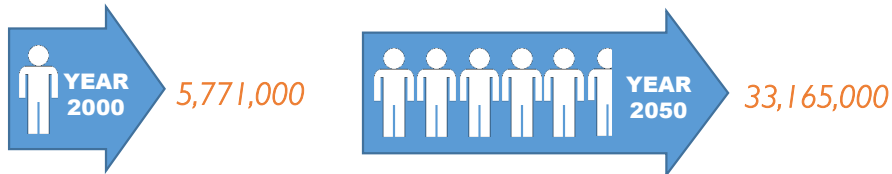


**78,000 + Beds**

Disclaimer: Client negotiations are at early engagement status. Further engagement and activity aligned to partnership lead.

Source: Philippine Health Insurance Corporation

## PEOPLE AGED 80+ YEARS OLD – SOUTHEAST ASIA



Ever increasing demand for aged care and lifestyle village services across the region.

Source: World Health Organisation





Asia Pacific reseller and partnership strategies already underway in addition to potential accretive acquisition opportunities.

Funding also provides Swift the ability to follow its international customers into new geographies.

## Objective for the next 12 months:

**1 Acquisition and 44,000 rooms (organic growth)**

- Attractive investment given low valuation and large market opportunity
- Over 29,000 room installations and 91% of revenue is recurring
- Subscriber (room) growth of 35% December 2014 to December 2015

Peer	Ticker and exchange	Market cap (A\$m) <sup>1</sup>	Company Overview	Price Multiple (P/S) <sup>1</sup>	Revenue Multiple (EV/Revenue) <sup>1</sup>
	XTV.ASX	4.58	Builds, deploys and manages interactive online TV networks for enterprises.	15.32x	11.96x
	TV2.ASX	17.70	Develops technologies that enable TV services to be delivered over the internet to various devices in Australia, the US, the UK, Hong Kong, Malaysia and Indonesia.	289.20x	222.44x
	ONE.ASX	217.18	Enables patients to exchange messages with their care team, stay connected with friends and family via video communication and access premium entertainment	62.98x	41.12x
	SFN.ASX	<b>10.8</b>	Digital entertainment system business providing fully integrated solutions for hospitality, aged care, lifestyle and resource sectors.	<b>0.88x</b>	<b>0.64x</b>

50% of Swift transaction consideration linked to performance. Transaction priced significantly lower than comparatives due to Swift founders' desire to leverage the leadership, business development, merger, acquisition and transactional expertise of the Stanfield executive team.

1. Price to Sales Ratio. Source Bloomberg, Company Filings, Yahoo! Finance. Market data as at 29 March 2016. Financial year 2014-2015. SFN Market Cap based on relisting following minimum subscription raising at \$0.15.

2. Based on Swift audited 2014/2015 revenue and SFN market capitalisation on completion.

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- 1 Widest Range of Services**  
 The Swift offering provides the widest range of digital entertainment services across multiple sectors.
- 2 Lowest 'like for like' Price**  
 As the largest PAY TV reseller in the mining, oil and gas sector wholesale rates currently only available to Swift provide a significant competitive cost advantage.

- 3 Future Proof**  
 The solution integrates many market leading technologies on a single Android platform. Readily adaptable to align to the technologies, as they advance.
- 4 Market Reputation**  
 Largest industry provider in the Mining & Resource sector with continued growth by price, function, service and reliability. Extensive referral sales successes.

- 5 R&D Complete**  
 \$3.6m spend on research and development to produce best of breed system which is readily transferable to hospitality, lifestyle and aged care.
- 6 Vertical & Horizontal Growth**  
 Solution is compliant with international standards and can reference global customers. Has market appeal, functionality, pricing and compliance to have strong uptake within the Aged Care, Lifestyle Villages and Hospitality sectors.

**Example Channels and Studios Available:**



Community

	Swift Networks	SNAP	iBAHN	Bazeport	Docomo	SAS	UXC	Triple Play	Foxtel
Free to Air Television & Radio	⚙️	●	●	●		●	●	●	●
Pay Television - Foxtel and / or Wizzie TV	⚙️	●	●	●		●	●	●	●
Scheduled Movies / Video on Demand	⚙️								
Social Media Applications & Catch Up TV	⚙️				●				
Standard & High Definition Options	⚙️				●				
Internet	⚙️	●	●	●	●	●	●	●	●
In-Room Wi-Fi	⚙️								
Skype	⚙️								
Telephones	⚙️	●			●	●	●		
Messaging	⚙️					●		●	
Alerts	⚙️		●	●			●	●	
Push Notifications	⚙️	●	●	●	●	●	●	●	
Micro Transactions	⚙️		●	●			●	●	
Digital Compendiums	⚙️	●	●				●	●	
Global Authentication	⚙️								
24/7 Help Desk	⚙️								●
Remote Diagnostics	⚙️		●	●			●	●	●
Reporting	⚙️	●				●			
Tools & Guides	⚙️	●	●	●	●	●	●	●	
Management System	⚙️	●	●	●	●	●	●	●	

## Video on Demand Sector

### Residential:



### Commercial:








Disclaimer

- Product descriptions for services stated in the table above are as published by respective providers on their websites as accessed on 25<sup>th</sup> June 2015.
- All descriptions are subject to change and may vary at any time without notice.

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**The Swift Networks B2B solution can consistently deliver a cheaper price than its competitors in the market**

Packages		RRP Compared to Swift Networks
Pay TV (Foxtel or Wizzie)		<p style="text-align: center;"><b>+25-30%</b></p> <p>Swift volume based discount based on market share in resource sector.</p>
On Demand Movies		<p style="text-align: center;"><b>+25-50%</b></p> <p>Movielink largest Australian supplier actively promote Swift Accredited service for national &amp; international usage</p>
Internet & Wi-Fi		<p style="text-align: center;"><b>+25-50%</b></p> <p>Preferred partner with Optus and Telstra Optus actively promote Swift as preferred IPTV provider</p>
Software Licensing & Support		<p style="text-align: center;"><b>+25-50%</b></p> <p>Swift developed proprietary software, no ongoing integration costs</p>

**Key Partners:** 





Metrics   FY	2014	2015	July 2015 to Dec 2015
Sites (Cumulative Growth)	17	32 (88%)	37 (118%)
Rooms (Cumulative Growth)	16,000	22,000 (38%)	26,000 (60%)
Revenue <sup>2</sup> (Cumulative Growth)	\$11.87m	\$12.24m (3%)	\$7.0m (18%)
Recurring Revenue <sup>2</sup> (Cumulative Growth)	\$7.64m	\$10.05m (32%)	\$6.3m (66%)

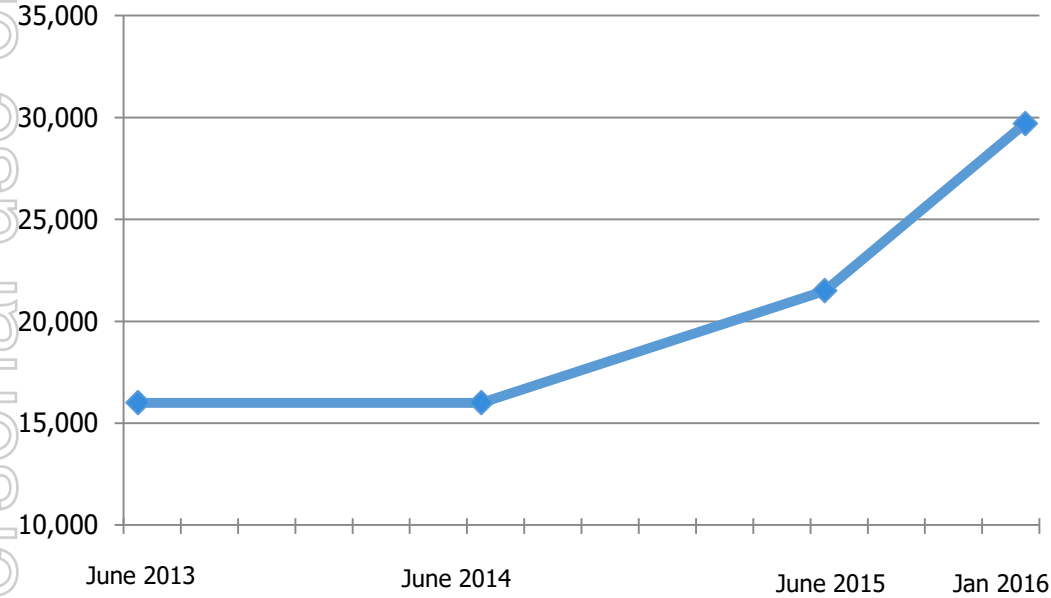
Cap Structure	Min Subscription	Full Subscription
Existing Shares	16,158,387	16,158,387
Total Shares	72,158,387	80,825,054
Market Cap at \$0.15	\$10.8m	\$12.1m
Cash	\$3m	\$4.3m
Debt	Nil	Nil
EV <sup>1</sup>	\$7.8m	\$7.8m

**Notes:**

1. EV based on min and max subscription and pre transaction costs.
  2. July to 2015 to December 2015: Swift Group audited accounts. Cumulative Revenue Growth pro-rata for 12 month period.
  3. Cumulative growth from 2014.
- See Appendix 4 for more details (including performance shares).

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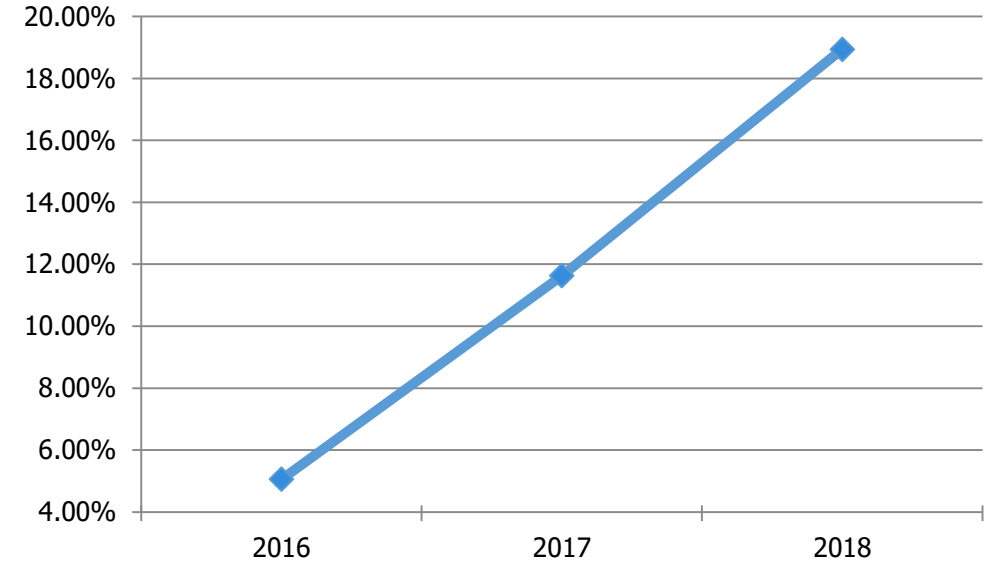
### Swift Room Installations



Note: 2013 & 2014: Transition to recurring revenue business model from upfront capex model

- ⦿ Increasing margin with more rooms
- ⦿ Costs level off with further room installations

### Swift Objective EBITDA Margin



- ⦿ Maximises accretive acquisition opportunities
- ⦿ Valuation uplift potential



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- Technology infrastructure in place
- Marquee customers on board
- Generating strong recurring revenue
- Cash flow positive
- Experienced management team
- Strong organic growth
- Continued market penetration and high customer retention
- Early success in new, open and high growth verticals
- International growth drivers
- EV on listing of \$7.8 million and well funded to fast track expansion into new verticals





# stanfield

## **Xavier Kris**

Corporate Development

M +61 448 811 337

[xavier.kris@stanfieldfunds.com.au](mailto:xavier.kris@stanfieldfunds.com.au)

## **Paul Doropoulos**

Executive Director

M +61 419 903 427

[paul.doropoulos@stanfieldfunds.com.au](mailto:paul.doropoulos@stanfieldfunds.com.au)

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The Prospectus for the offer will be made available when the Shares are offered or otherwise become available. The Prospectus is expected to become available in April 2016 on the Company website ([www.stanfieldfunds.com.au](http://www.stanfieldfunds.com.au)) and as otherwise distributed and made generally available. No action should be taken on the basis of, or in reliance on, this document. A person should consider the Prospectus in its entirety in deciding whether to acquire Shares. Any person who wishes to acquire Shares under the offer in the Prospectus must complete an application form in or accompanying the Prospectus.

This document is a summary only and does not include all information about the Company's assets and liabilities, financial position and performance, profits and losses, prospects and the rights and liabilities attaching to the Company's securities. Any securities that may be issued by the company should be considered speculative and there is no guarantee implied or explicit that there will be a return on the capital invested or that any dividend will be paid or that there will be an increase in the price or value of the Company's shares in the future. Some of the statements or implications in this presentation are forward looking which include but are not limited to, statements or implications about raising capital, issuing shares, listing on the Australian Stock Exchange, operational costs, outcomes of regulatory processes and applications. Although the Company believes that its expectations reflected in forward looking statements or implications are reasonable, such statements and implications involve risk and uncertainties, no assurance can be given that actual results will be consistent with the forward looking statements and implications. The Company does not purport to give financial or investment advice. This presentation contains technical information derived from third party sources and not generated by the Company, as such while the Company considers the information presented and any conclusions drawn correct it is unable to guarantee the veracity of the information or therefore the appropriateness of the conclusions reached.

## Key barriers to entry:

- Large R&D costs and upfront infrastructure costs (Swift Networks \$5 million capital investment to date)
- Studio content and aggregator relationships and volume discounts
- Residential streaming services have studio release windows well behind what is available in target markets
- Narrow cast audiences of hospitality, lifestyle, aged care and mining require specialist local hardware to support concurrent usage

## Compliance standards represent a strong barrier to entry:

- APRA / AMCOS Licence Agreement
- ASTRA: Narrowcast Television Code of Practice
- Legislation: Broadcasting Services Act 1992
- ACMAS: Encryption Standards
- Department of Racing, Gaming & Liquor: Content Distribution Standards
- Copyright Act 1968
- Closed Internet Protocol Internal Reticulation System Act (CIPIRS)
- Digital Rights Management standard
- Australian Communications and Media Authority (ACMA) (Anti-piracy)



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**Market Size**

- 110,000 rooms
- Swift current estimated market share 26%

**Current Sector Issues / Needs**

- High demand for latest technology
- Need to reduce costs for FIFO services
- Harsh and remote environments
- Sector specific services such as menu information, health, bulletins and safety alerts

**Disruptive Opportunity**

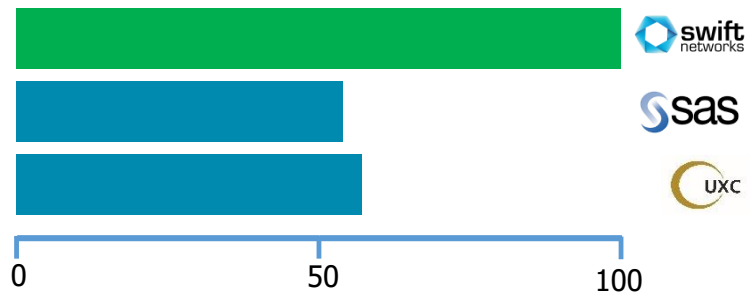
- Swift solution – widest range of services
- Swift solution – purposed for sector
- Scalable and cost efficient Wi-Fi options
- Open platform – add-on applications, subscriptions and third party systems

**Competitive Advantage**

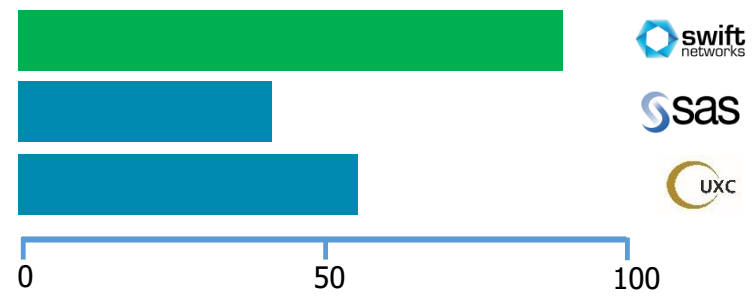
- Wholesale Content Rates
- Wholesale Data Rates
- Lean Cost Solution
- Established full function solution

**ESTIMATED RELATIVE STRENGTH**

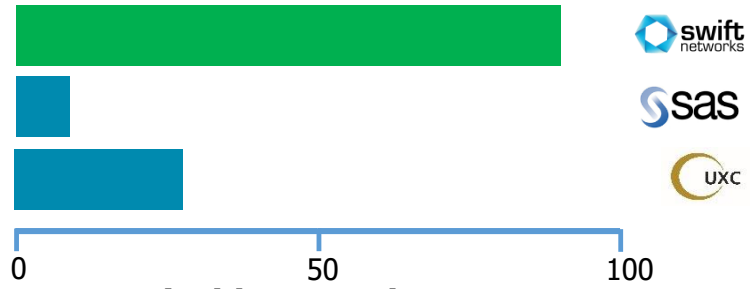
**Widest Range of Services**



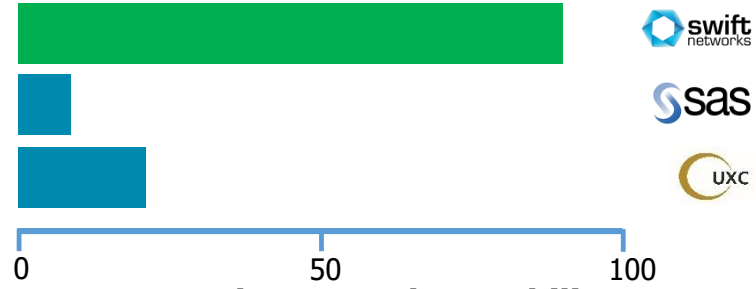
**Lowest 'Like for Like' Price**



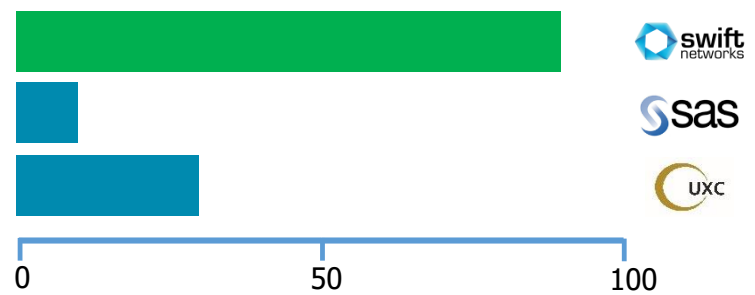
**Adaptable Technology**



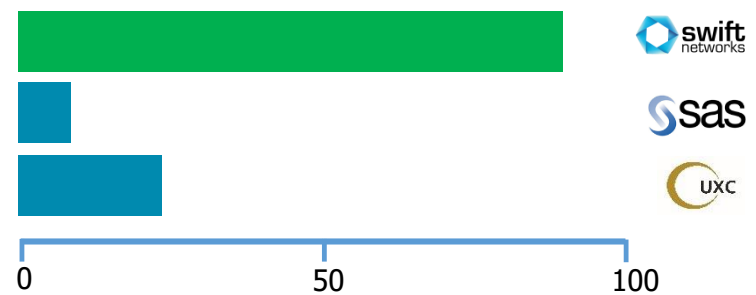
**Current Market Position**



**Customisable to Market**



**Future Market Growth Capability**



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### Market Size

- 327,000 rooms (including Lifestyle Villages)<sup>1</sup>
- Growth projection: up to 900,000 rooms by 2020 (including Lifestyle Villages)<sup>1</sup>

### Current Sector Issues / Needs

- Old Technology
- No market specific providers in IPTV
- No integrated social or commercial Wi-Fi options
- No sector specific services such as menu information, bulletins and alerts
- No integrated brain training applications
- No remote activity monitoring

### Disruptive Opportunity

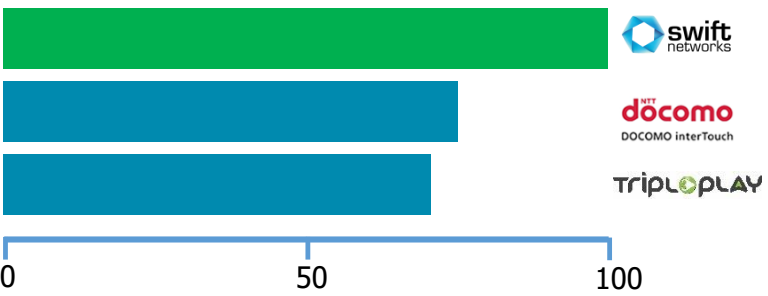
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### Competitive Advantage

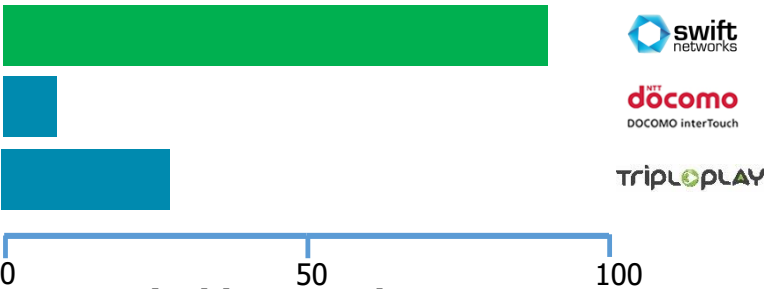
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## ESTIMATED RELATIVE STRENGTH

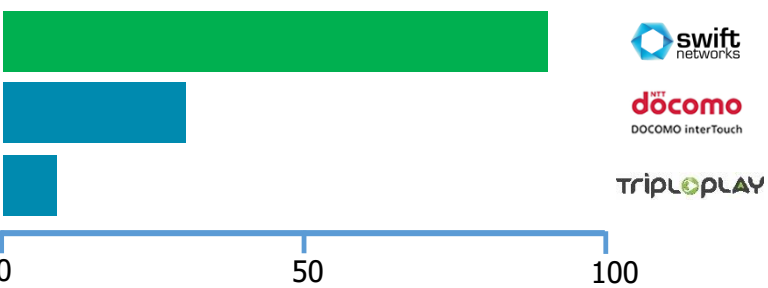
### Widest Range of Services



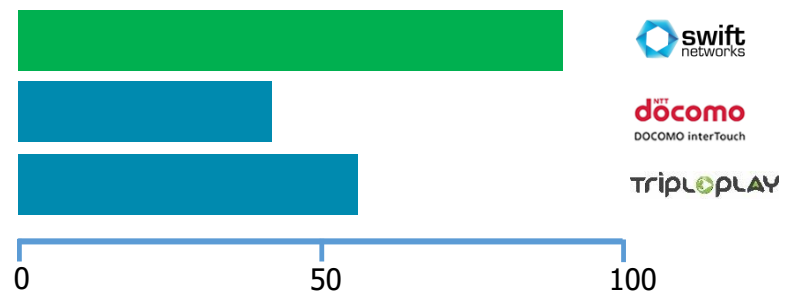
### Adaptable Technology



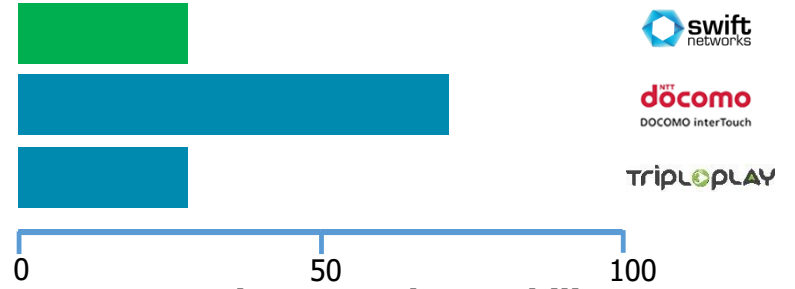
### Customisable to Market



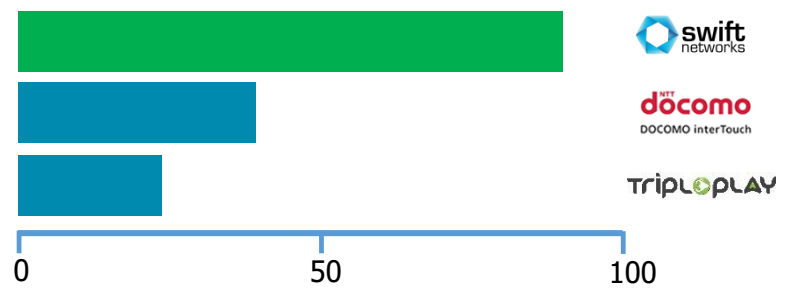
### Lowest 'Like for Like' Price



### Current Market Position



### Future Market Growth Capability



Sources:

1. <http://www.aihw.gov.au/aged-care/residential-and-community-2012-13/services-and-places/> & <http://www.retirementliving.org.au/wp-content/uploads/2015/03/National-overview-of-the-retirement-village-sector-Grant-Thomton.pdf> & <http://myerfoundation.org.au/wp-content/uploads/2014/09/2020-A-Vision-for-Aged-Care-in-Australia.pdf>

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**Market Size**

- 327,000 rooms (including Aged Care)
- Growth projection: up to 900,000 rooms by 2020 (including Aged Care)

**Current Sector Issues / Needs**

- Residential technology adapted only
- No market specific providers in IPTV
- No wholesale discounts available to proprietors or users
- Closed platform – can't add applications, catch up TV, SVOD (Netflix, Stan, Presto)

**Disruptive Opportunity**

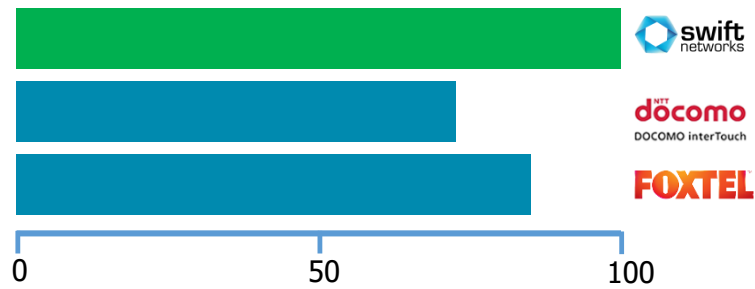
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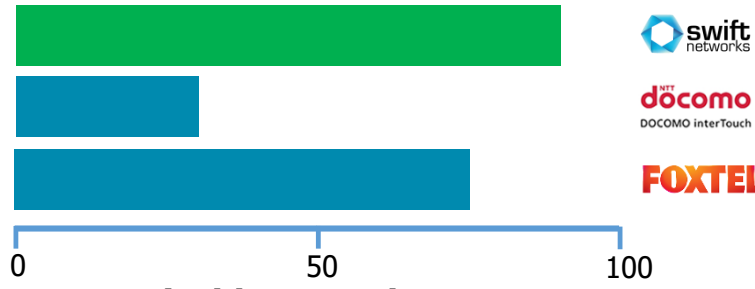
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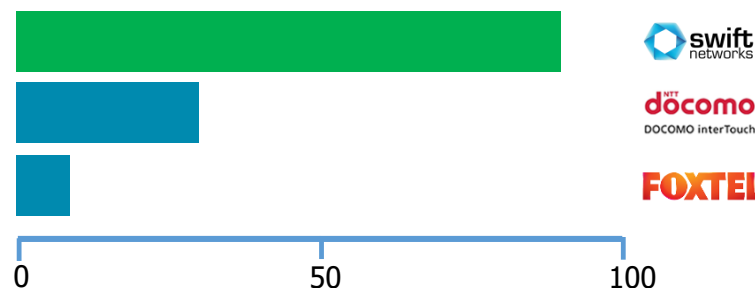
**Widest Range of Services**



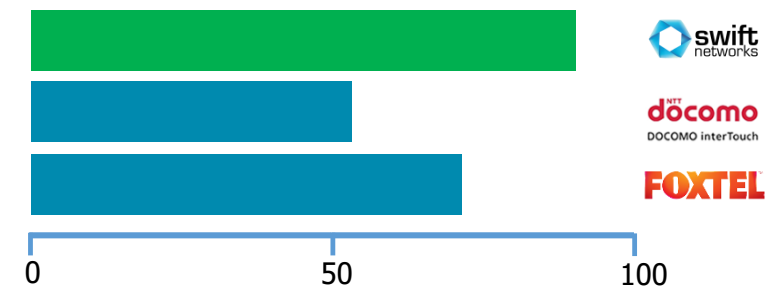
**Adaptable Technology**



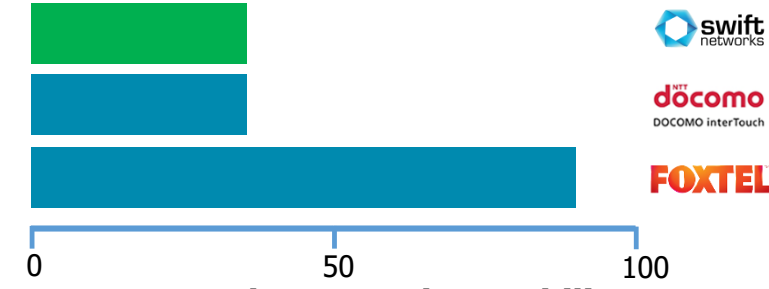
**Customisable to Market**



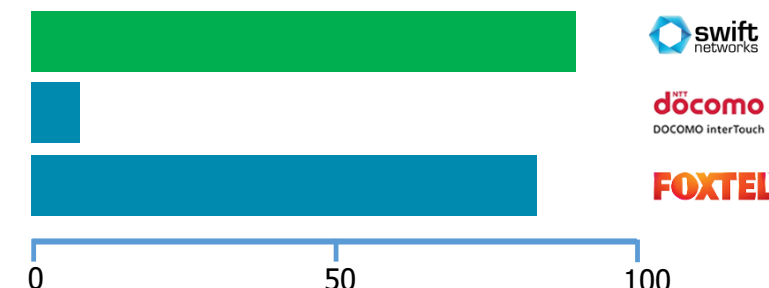
**Lowest 'Like for Like' Price**



**Current Market Position**



**Future Market Growth Capability**



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### Market Size

- 248,000 rooms<sup>1</sup>
- Growth projection: Swift to take advantage of significant prospective client technology refresh requirements and emerging new sites growth

### Current Sector Issues / Needs

- Outdated technology as standard
- No Wi-Fi capability to user needs
- Increasing content costs
- Closed platform – can't add applications, catch up TV, SVOD (Netflix, Stan, Presto)

### Disruptive Opportunity

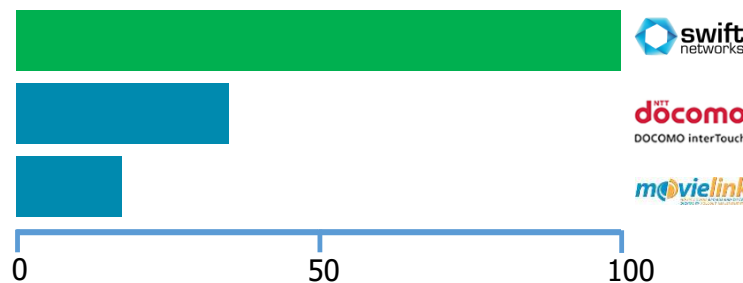
- Swift solution – widest range of services
- High speed / low cost Wi-Fi
- Lower cost content options
- Open platform – add-on applications, subscriptions and third party systems

### Competitive Advantage

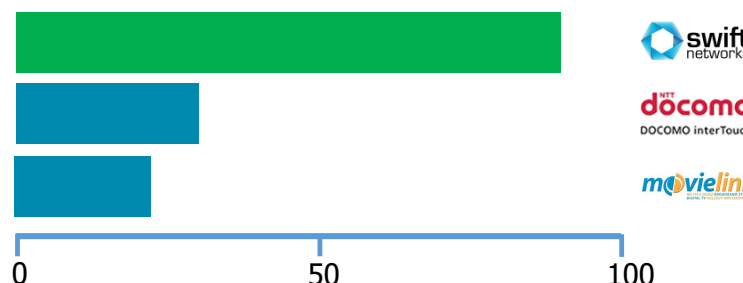
- Wholesale Content Rates
- Wholesale Data Rates
- Lean Cost Solution
- Established full function solution

## ESTIMATED RELATIVE STRENGTH

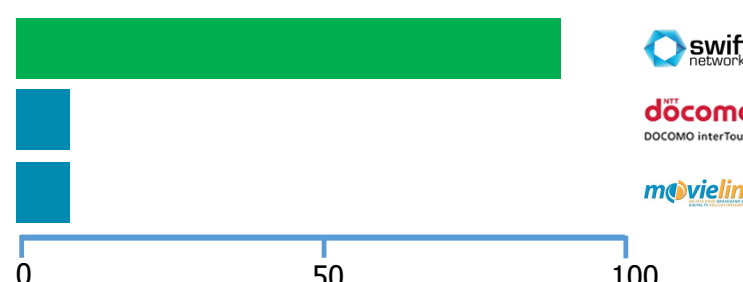
### Widest Range of Services



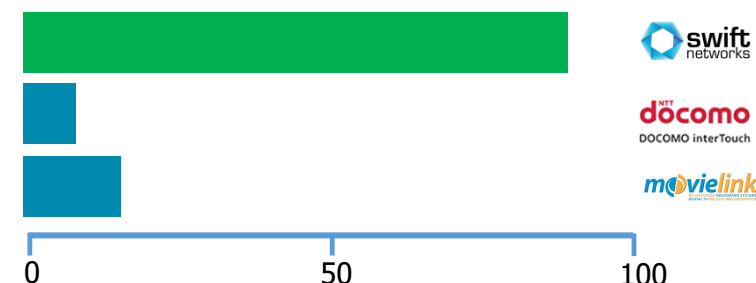
### Adaptable Technology



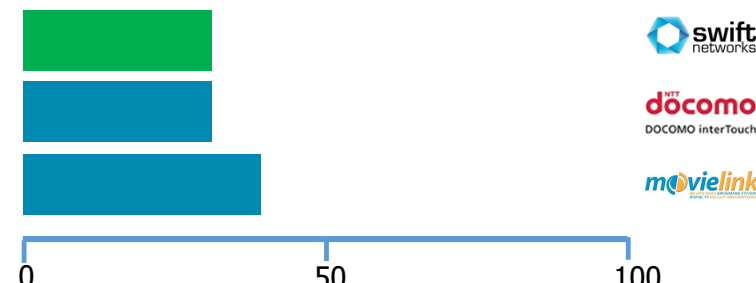
### Customisable to Market



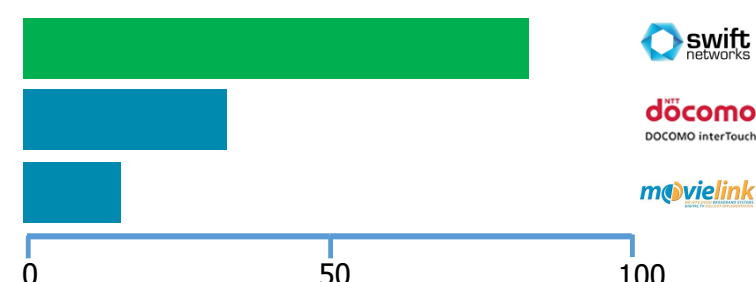
### Lowest 'Like for Like' Price



### Current Market Reputation



### Future Market Growth Capability



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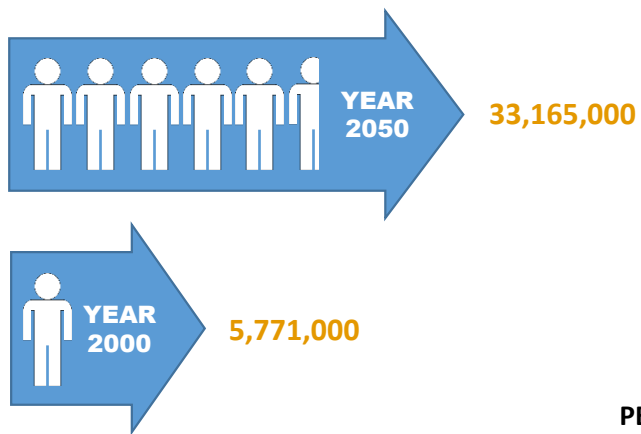
## “Population ageing is unprecedented, pervasive and enduring”

United Nations World Population Ageing Report 2013

*“Even though the elderly in Asia traditionally live with their children, that trend is fast changing with more elderly people turning to retirement homes. Urbanization, a shift toward nuclear families and rising costs of hiring a caretaker make it difficult for families to care for the elderly”*

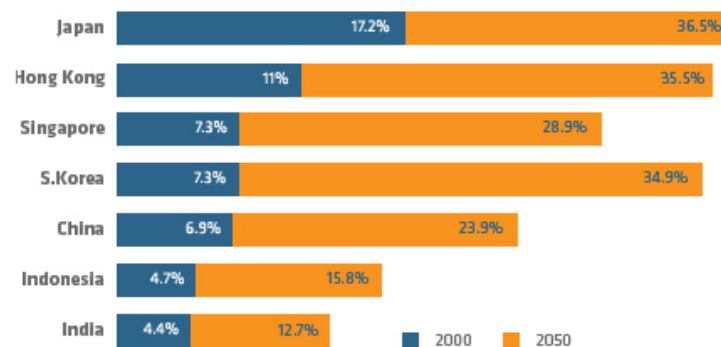
Investing in Asia – CNBC.com

### PEOPLE AGED 80+ YEARS OLD – SOUTHEAST ASIA

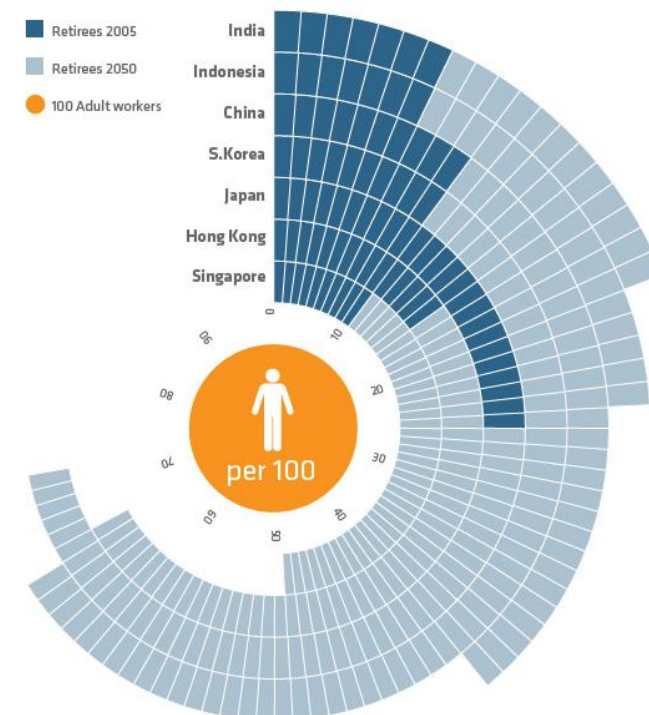


Source: World Health Organisation

### PERCENTAGE POPULATION AGED 65+



### RETIRES PER 100 ADULT WORKERS





As part of the Proposed Transaction, the Company will offer up to 26,666,667 Shares under the Prospectus at an issue price of **\$0.15** each to raise up to \$4,000,000 before costs (Public Offer).

- Subject to foreign investor restrictions, the Public Offer will be open to members of the general public.
- The minimum level of subscription for the Public Offer will be 18,000,000 Shares to raise at least \$2,700,000.
- The Public Offer will not be underwritten.
- Funds raised under the Public Offer will be used in accordance with the table set out overleaf.

### Fully Diluted – Post Milestone 1 and 2 Performance Share Issue:

- 53,000 Rooms; or
- \$29 million revenue

Cap Structure	Min Subscription	Full Subscription
Fully Diluted Shares	122,070,274	130,736,941
Mkt Cap	\$18.3m	\$19.6m
Cash	\$3m	\$4.3m
Enterprise Value	\$15.3m	\$15.3m

Use of funds	Minimum Subscription		Full Subscription	
	Amount	%	Amount	%
Costs associated with the Proposed Transaction	\$399,000	14.8%	\$480,000	12%
Payment to the Seller Group under the Agreement	\$500,000	18.5%	\$500,000	12.5%
Business development, marketing and international expansion	\$1,200,000	44.4%	\$2,000,000	50%
Product development and support	\$400,000	14.8%	\$600,000	15%
Working capital <sup>1</sup>	\$201,000	7.4%	\$420,000	10.5%
Total <sup>2</sup>	\$2,700,000	100.00%	\$4,000,000	100.00%

### Notes:

- Working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, other items of a general administrative nature and cash reserves which may be used in connection with any project, investment or acquisition, as determined by the Board at the relevant time.
- If the amount raised under the Public Offer is between the Minimum Subscription and the Full Subscription, the Company intends to allocate the funds between each item on a pro-rata basis.
- Full subscription allows for potential growth acceleration and new market entry through greater business development expenditure.

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The Indicative Timetable for the Proposed Transaction is set out below:

Event	Date
Notice of Meeting sent to Shareholders	24 March 2016
Prospectus lodged with ASIC	15 April 2016
Public Offer opens	22 April 2016
Suspension of the Company's securities from trading on ASX at the opening of trading General Meeting to approve the Resolutions	26 April 2016
Public Offer closes	20 May 2016
Issue of Shares under the Public Offer	27 May 2016
Issue of Shares and Performance Shares to the Seller Group	
Completion of the Share Purchase Agreement	
Expected date for Shares to be reinstated to trading on ASX	2 June 2016

**Note:**

The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws.

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The Pro forma Capital Structure for the Proposed Transaction is set out below:

Capital Structure	Existing	Upon completion	
		Minimum Subscription	Full Subscription
Existing Shares <sup>1</sup>	16,158,387	16,158,387	16,158,387
Shares under the Public Offer <sup>2</sup>	-	18,000,000	26,666,667
Shares to the Seller Group <sup>3</sup>	-	30,000,000	30,000,000
Shares to Boardroom Capital <sup>4</sup>	-	8,000,000	8,000,000
<b>Total Shares</b>	<b>16,158,387</b>	<b>72,158,387</b>	<b>80,825,054</b>
Existing Creditor Options <sup>5</sup>	205,220	205,220	205,220
Existing Noteholder Options <sup>6</sup>	9,440,000	9,440,000	9,440,000
New Options to Boardroom Capital and other brokers and advisers <sup>7</sup>	-	6,933,333	6,933,333
Class A Performance Shares <sup>8</sup>	-	16,666,667	16,666,667
Class B Performance Shares <sup>9</sup>	-	16,666,667	16,666,667
<b>Fully diluted share capital</b>	<b>25,803,607</b>	<b>122,070,274</b>	<b>130,736,941</b>

Notes:

1. Assumes no additional Shares are issued between the date of this Notice and completion of the Proposed Transaction, including pursuant to an exercise of existing Options.
3. See Offer Details slide for further information on the Public Offer.
4. Shares to be issued to the Seller Group under the Agreement as partial consideration for its shares in the Swift Group.
4. Shares to be issued to Boardroom Capital (and/or its nominees) in consideration of services provided to the Company in connection with the Proposed Transaction.
5. Creditor Options are exercisable at \$0.20 each and expire on 5 August 2016.
6. noteholder Options are exercisable at \$0.25 each and expire on 30 April 2018.
7. New Options are to be issued to brokers and advisers (as determined by Boardroom Capital) in consideration of services provided to the Company in connection with the Proposed Transaction. New Options will be exercisable at \$0.15 each and will expire 5 years from issue.
8. Class A Performance Shares are to be issued to the Seller Group under the Agreement as partial consideration for its shares in the Swift Group.
9. Class B Performance Shares are to be issued to the Seller Group under the Agreement as partial consideration for its shares in the Swift Group.

## The Purchase Price:

### Upfront Consideration

The purchase price payable by the Company to the Sellers is **initially \$5 million** with a further \$5 million linked to performance:

- \$4,500,000 in SFN **Ordinary Shares** calculated at the Offer Price; and
- \$500,000 in cash.

### Performance Based Consideration

- \$2,500,000 in SFN Class A Performance Shares calculated at the Offer Price (**44,000 rooms or \$24 million revenue**);
- \$2,500,000 in SFN Class B Performance Shares calculated at the Offer Price (**53,000 rooms or \$29 million revenue**);
- Further business development – hospitality and lifestyle village and aged care sectors.

## Additional Key Terms:

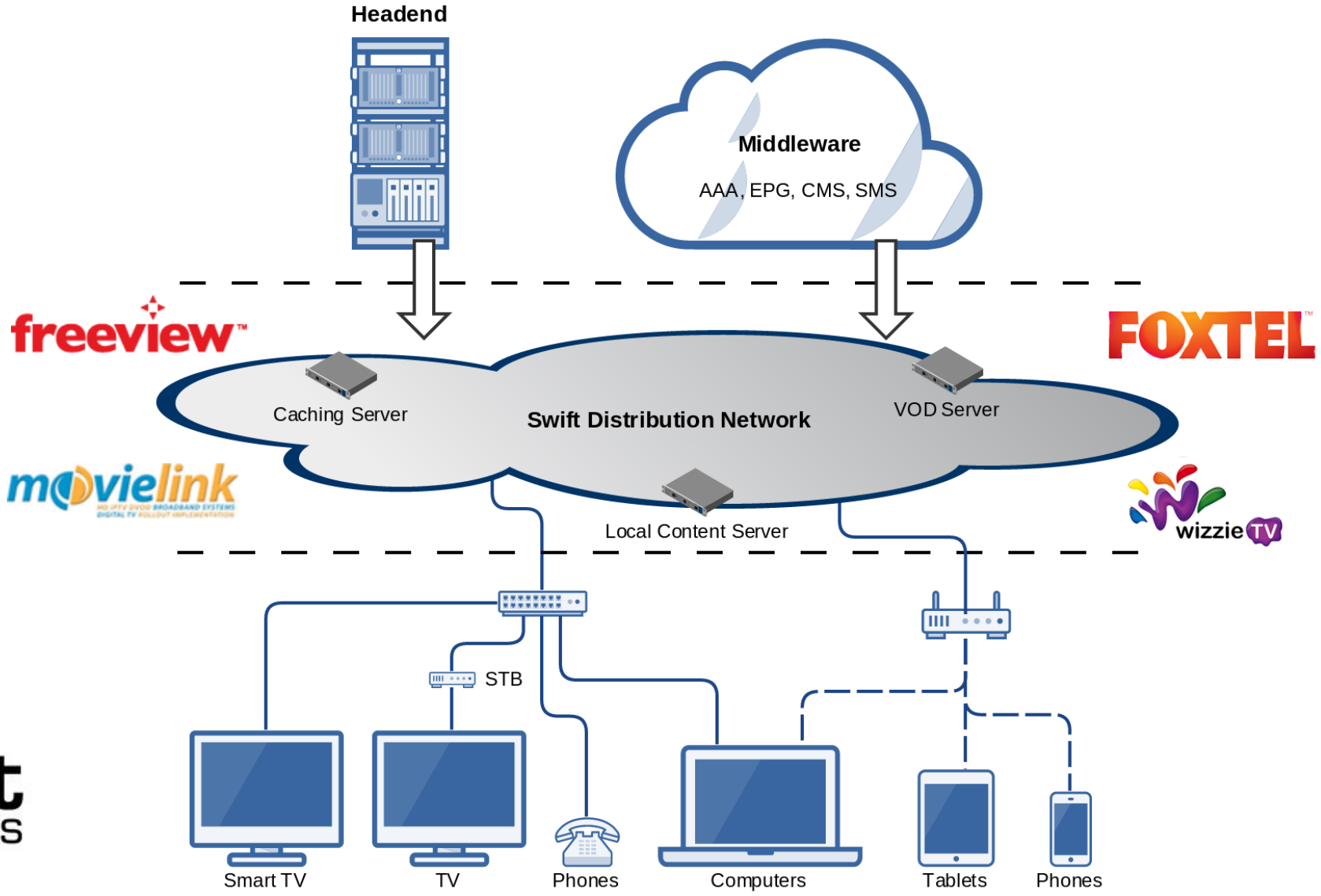
- The sale and purchase of the Swift Group will occur on a 'no cash / no debt' basis
- With effect from completion, Robert Sofoulis and Ryan Sofoulis will be appointed as Directors of the Company, and James Pearson and William Ng will step down as Directors.
- In addition, if Milestone 1 is satisfied, the Seller Group may nominate 1 additional Director to the Board.
- If Milestone 2 is satisfied then either the Seller Group may nominate 1 additional Director to the Board, or 1 existing Director will step

An investment in the Company is not risk free and prospective new investors along with Shareholders should consider the risk factors described in the Prospectus.

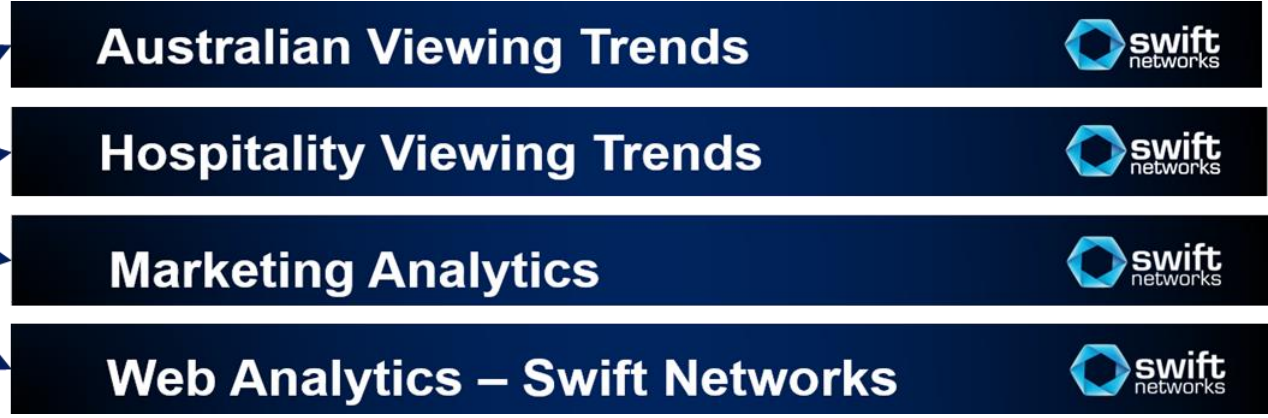
## Key Risks Include:

- Slowdown and changes in the energy and resources sector
- Future profitability
- Sales and marketing success
- Competition and new technologies
- Reliance on service providers, key personnel and the internet
- Faults with products and services
- Contract and Customer service risk
- Foreign operations and compliance with law
- Hacker attacks and domain name risk
- Research and development and management of growth
- Unforeseen expenditure
- Reinstatement to the official list of ASX
- Risks in the course of business such as litigation and insurance
- General risks such as the market, potential acquisitions and future capital needs, liquidity

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Generation of large amounts of relevant real-time consumer data and analytics - **valuable to broadcasters and advertisers**



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### User Analytics

User demographics by age, sex, geography, behavioral patterns

### Interaction Patterns

Inter active usage patterns by site, timeframe; such as gaming sites

### Social Media Activity

Site activity by volume, duration and time zones.

### User Patterns

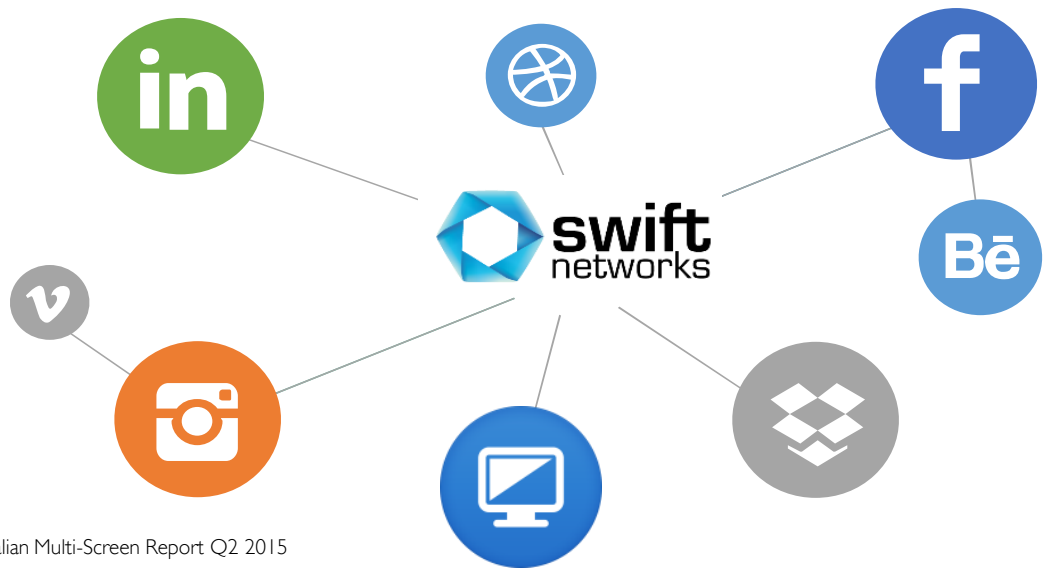
Digital entertainment and data activity patterns and trends

### Device Usage

Numbers of devices, type, usage patterns and multiple device use

### Push Notifications

Creative option for push notification impacts and add new alerting



Source: The OZTAM Australian Multi-Screen Report Q2 2015