

14th December 2017

SKYFII FORECASTING STRONG 1H FY18 REVENUES AND SIGNIFICANT IMPROVEMENT IN EBITDA

- **1H FY18 revenue expected to exceed \$2.6 million, representing over 88% growth on 1H FY17**
- **Significant improvement in forecasted EBITDA for 1H FY18, a direct result of strong revenue growth and cost management**
- **Streamlining of business functions and resource allocation expected to reduce cash burn substantially moving into 2H FY18**

SYDNEY, AUSTRALIA, December 13, 2017 – Skyfii Limited (ASX: SKF) (Skyfii, or the Company), a data analytics and marketing services company, is pleased to announce that it expects forecasted revenues for 1H FY18 to exceed \$2.6 million, representing an 88% increase when compared with 1H FY17. In conjunction with cost management initiatives, the Company anticipates achieving operating breakeven on an Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) level in the near term.

Wayne Arthur, CEO of Skyfii commented “Following the executive team's decision to implement a number of initiatives both to resource allocation and the streamlining of Skyfii's business functions to accelerate sales, I'm proud to announce that the business will be in an EBITDA positive position in the near term.

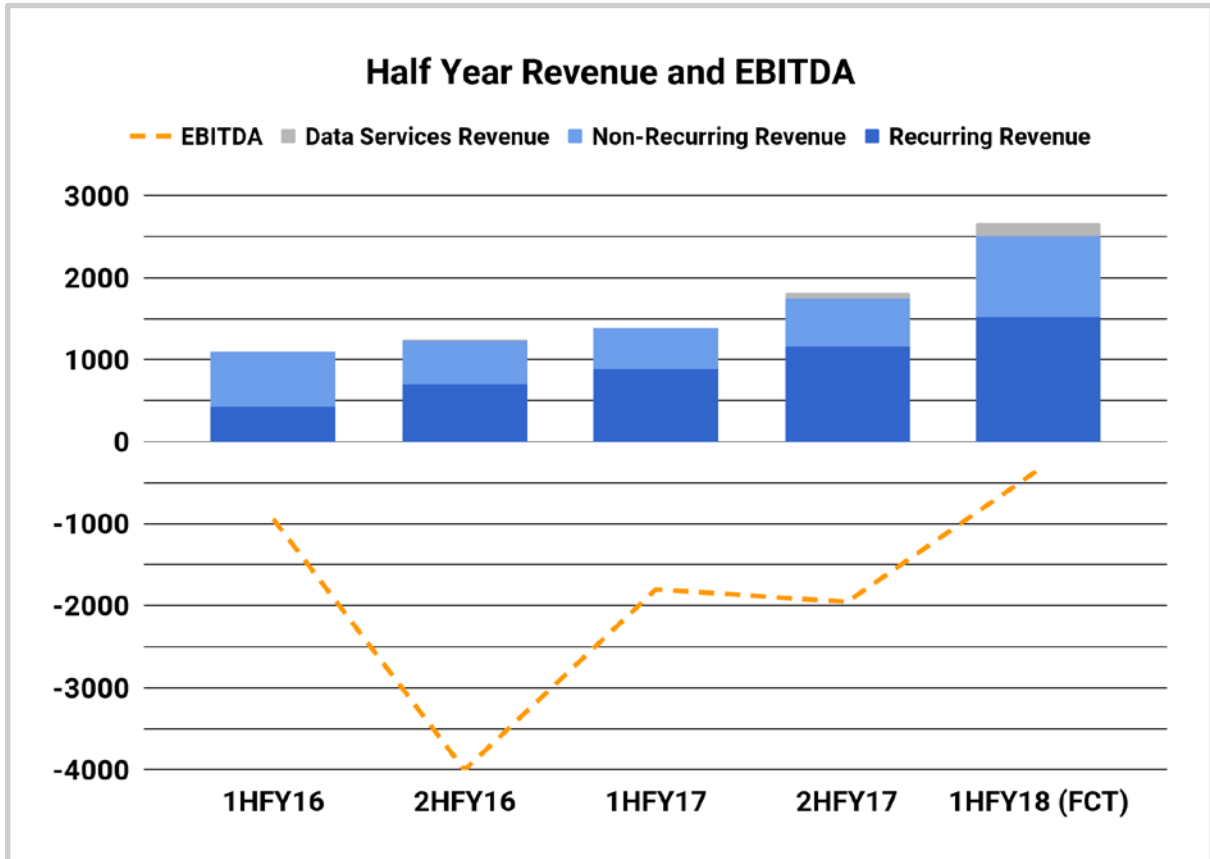
Importantly, these initiatives have not slowed Skyfii's rapidly growing revenue trajectory, highlighted in our recent sales accomplishments both domestically and abroad, in 1H FY18. We look forward continuing this trend and to reporting on further new contract wins in 2H FY18.”

Revenue Growth

The Company forecasts the delivery of strong revenue growth in 1H FY18 with solid contributions from the Australian, UK and European operations. First half operating revenues are forecast to exceed \$2.6 million, an improvement of 88% when compared with 1H FY17. The majority of revenue growth generated from a combination of upfront fees (non-recurring) and recurring revenues contracted on multiyear terms from our subscription software as a service (SaaS) platform.

Looking ahead, the contribution from Skyfii's recently launched Data Consulting Services (DCS) is expected to see continued growth in 2H FY18 as it becomes further embedded within our base of new and existing customers.

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Recent Contract Wins

Skyfii reported on a number of contract wins in 1H FY18 both domestically and internationally. Key highlights included:

Aventus Property Group (31 October)

Deploying the Skyfii services across 4 large format retail centres on a three year contract, Aventus Property Group will be provided with access to the subscription based analytics services (IO Connect and IO Insight).

Aventus Property Group manage a total of 22 large format retail centres nationally, with which Skyfii expects to explore further opportunities.

Major European Shopping Centre Group (25 October)

Following the acquisition of Wicoms Wireless in July, Skyfii signed a multi-year contract across 22 shopping centres for Skyfii’s analytics services (IO Connect and IO Insight). The new agreement represented a significant multiple on the value of the original scrip acquisition of Wicoms.

Leading Italian Supermarket Chain (23 October)

This five year deployment across all 285 venues owned by one of Italy’s largest supermarket chains represents a significant win for Skyfii’s EMEA operations. As a first deployment in the grocery retail sector, it is also a successful execution of Skyfii’s strategy to target and acquire contracts in new vertical markets. The deal was won in partnership with Italian distributor,

Telcomms and their value added partner, Tecnosistemi.

Lexicon Shopping Centre (13 September)

Representing the first contract in the shopping centre vertical within the United Kingdom (prior to the Wicoms acquisition), the 12 month contract with Lexicon Shopping Centre will provide access to Skyfii's IO Platform's full suite of products.

Long Term Renewal with GPT Group (11 September)

Covering 18 of GPT Group's retail premises and commercial offices, Skyfii secured a long term Master Services Agreement contract renewal. Utilising all of Skyfii's subscription products within Skyfii's IO Platform, the contract also included the provision of Data Consultancy Services (DCS). GPT is a top 50 ASX listed company by market capitalization, which owns and manages a \$20 billion portfolio of retail and commercial properties.

Streamlining of Resources and Reduction in Corporate Overheads

John Rankin, Chief Operating Officer said "The Skyfii team remains focused on the continuous improvement of its operating model, cost control measures and allocation of operating capital. Our business model has matured, our technology stack is market leading and we are well positioned to accelerate our revenues across all regions via our global network of select resellers.

The benefit of the cost management and business streamlining initiatives will start to become evident in 1H FY18 results, with the full annual impact of these initiatives becoming more evident in 2H FY18 results."

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About Skyfii

Advancements in cloud, mobile technology and Wi-Fi systems have enabled bricks-and-mortar venues to become more competitive by better understanding the needs of their diverse types of visitors. Today, every smartphone is a chatterbox of information. The cloud-based Skyfii platform uses existing Wi-Fi infrastructure, BLE beacon networks, door-to-people counters, video sources, web and social platforms to allow various types of venues to not only analyse behaviour of anonymous visitors, but also capture data from those who opt-in to free Internet connectivity. In doing so, it converts the data into a critical sales and marketing tool that allows venues and their commercial tenants to deliver content that is catered to each visitor's needs and interests.

Skyfii offers a cloud-based solution in a subscription model consisting of three core 'IO' services:

- IO Connect: a data portal where data is collected (Data in)
- IO Insight: venue performance, customer behaviour and, loyalty & engagement (Insights out)
- IO Engage: targeted content delivery, automated marketing and monetization

Skyfii also engages with clients to provide further revenue generating services such as data

science, targeted advertising and sponsorships, arising from the insights gained from its three core services.

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