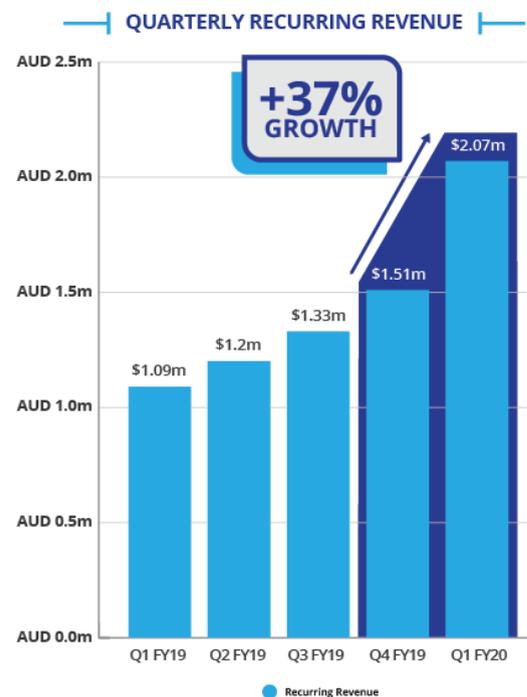


Skyfii delivers +37% growth in recurring revenues driven by key contract wins and acquisition integration

Q1 FY2020 Highlights

- Total Operating Revenues for Q1 FY2020 of \$3.08m¹, (inclusive of Beonic Transaction which completed on 9 July), up 26% on the prior quarter
- Recurring Revenues for Q1 FY2020 of \$2.074m (inclusive of Beonic), up 37% on the previous quarter, and up 90% when compared to Q1 FY2019
- The underlying business (pre-Beonic) delivered \$1.67m in recurring revenue, up 10% on the previous quarter and up 53% on Q1 FY2019
- Beonic business is delivering revenue in line with guidance provided in the Q4FY19 quarterly business review
- Total Cash Receipts of \$3.05m, up 36% on the previous quarter
- Notable contract wins secured during the quarter include Wembley Stadium (UK), Baha Mar Resort (USA), Autostrade (EU), SARCO (LATAM) and a major Outlet Mall Group that delivers 35 new venues across the USA
- Q1 FY2020 delivered strong results in the international markets with new contact wins in retail property, stadiums, airports, hotels and quick service retail with combined Total Contract Value of \$1.4m² secured
- Cash at bank of \$1.09m at the end of the quarter, down from \$1.33m at the end of the previous quarter (30 June 2019) due to timing of cash receipts and cash spend associated with Beonic integration
- The Beonic acquisition was completed on 9 July and is integrating as planned. The Beonic business has been growing strongly and providing upsell opportunities for Skyfii's IO platform with existing Beonic customers



- **Outlook:** Strong Q1 FY2020 provides an excellent foundation for Skyfii to deliver another strong financial and operating performance for the year. Key focus for the balance of the year includes; Conversion of key contracts within our international markets, delivery of strong topline and recurring revenue growth across all regions, maintaining a positive Operating EBITDA position and continued focus on cash management

¹ Revenues, based on unaudited Revenue from operations (excluding interest, grants and other income) for the quarter ending 30 September 2019.

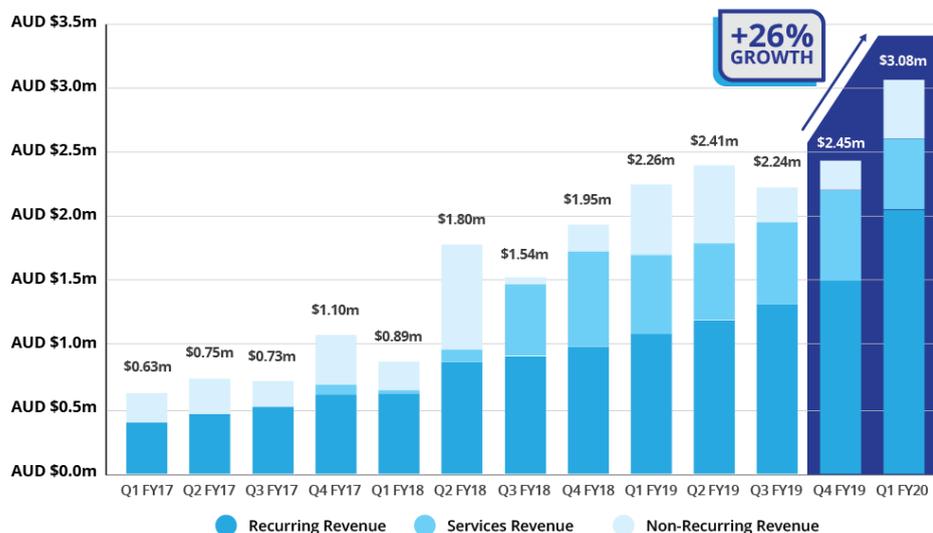
² Total Contract Value, based on a combined value of 1,3 & 5 year contracts

For personal use only

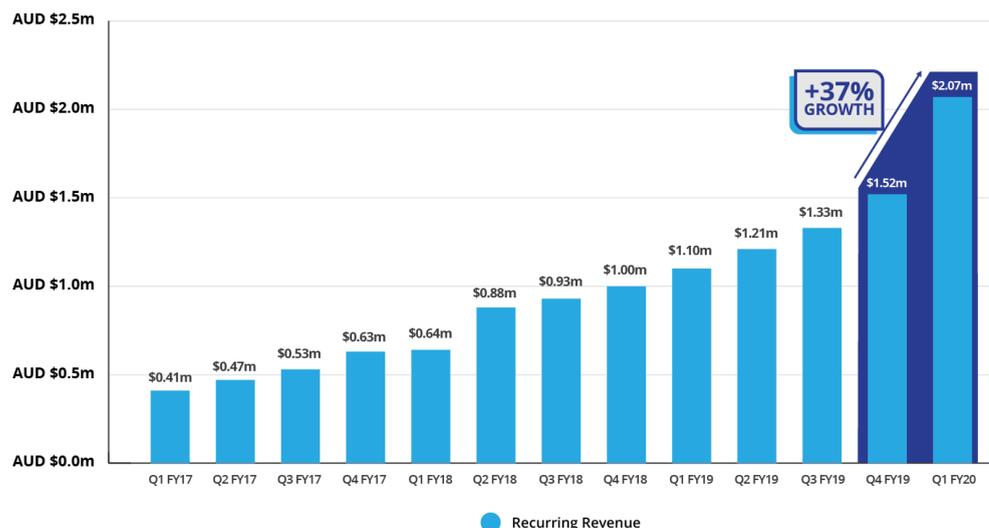
Types of revenues generated by the Skyfii business model:

1. **Recurring Revenues** or SaaS (Software-as-a-Service) revenues are generated from ongoing subscription fees for access to Skyfii's 'IO' data intelligence platform. Typically contracted on 1,3 or 5 year terms
2. **Services Revenues** are generated from the payment of projects undertaken by both Skyfii's Data Consultancy Services (DCS) and Marketing Services (MS) divisions. Revenues generated from Services are received as either recurring or fixed fee projects
3. **Non-recurring Revenues** are generated from deployment of hardware and infrastructure, implementations and upfront setup fees, which underpin recurring revenues including: Installation of Wireless Access Points, 2D and 3D cameras and People Counting sensors

—| TOTAL OPERATING REVENUE |—



—| QUARTERLY RECURRING REVENUE |—



For personal use only

Skyfii Completed Acquisition of Beonic (9th July 2019)

As previously announced, Skyfii completed the acquisition of the assets and select balance sheet items of Beonic (announced 9th July 2019), a leading Australian customer insights provider specialising in camera and people counting technology.

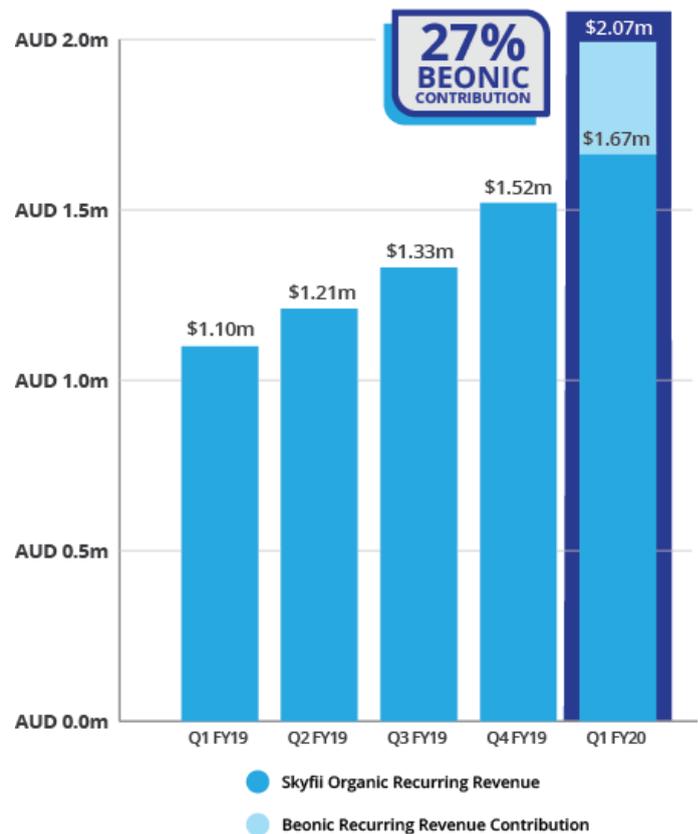
We are pleased to report that the Beonic business is delivering against revenue expectations and in line with the guidance provided in the Q4FY19 quarterly business review.

The integration of the acquisition is progressing well with Beonic staff now fully integrated into Skyfii' operations. The Beonic camera and people counter technology has become a core part of the Skyfii product and service offering and the sales team has already built out a significant sales pipeline.

People counting technology solutions provide physical venues with an effective way to capture high-fidelity, granular analytics on visitor movement throughout their venues. Additionally, the ability to correlate their data with other sources in the 'IO Platform' – such as WiFi, Point-of Sale, Social and Weather – can help venues improve the depth of intelligence they can gather on venue performance including sales conversion, staff optimisation and the impact of weather conditions on performance.

The Beonic acquisition has delivered a portfolio of blue chip customers in key verticals of retail, retail property, municipality, cultural centres, education and transit. Some of the top customers include David Jones, AMP, L'Oreal Lend Lease, New Balance, QIC, Vodafone NZ and

—| QUARTERLY RECURRING REVENUE |—



Melbourne City Council providing a large pool of customer to subscribe to incremental products and services from Skyfii.

For personal use only

Notable International contracts signed during the quarter

Wembley Stadium (UK)

Three year contract signed with Wembley Stadium, one of the leading sporting and entertainment venues in the United Kingdom. The Stadium is a multi-purpose sporting and entertainment venue hosting events including national football matches, premier league football and musical performances. The contract includes the deployment of Skyfii IO Connect (Guest WiFi) and IO insights (Analytics) SaaS platform services to provide a seamless Guest WiFi experience and event day analytics.

Baha Mar Resort (USA)

Three year contract signed with Baha Mar Resort in the Bahamas to deploy Skyfii's IO Connect (Guest WiFi) SaaS platform services. The resort comprises of 3 hotels, 40 dining precincts and a large casino. The contract provides Skyfii with it's first major contract win in the Carribean and highlights the benefits of the Skyfii solution in the lucrative Hotel and Leisure vertical.

Autostrade (ITALY)

Contract extended with Autostrade, Italy's leading petrol convenience operator. Following a successful initial 1 year term, Autostrade agreed to extend the IO Connect (Guest WiFi) and IO Insights (Analytics) SaaS platform services for a further three years.

SARCO (USA)

Three year contract signed with a major Quick Service Retail (QSR) operator across Puerto Rico. The contract will see Skyfii's IO Connect (Guest WiFi) deployed across three restaurant brands: Church's Chicken, Krispy Kreme and Baskin Robbins, in 60 restaurants initially. The contract represents another significant contract win in the lucrative QSR vertical.

Outlet Mall Group (USA)

An initial 1 year contract signed with a major Outlet Shopping Mall Group to deploy IO Connect (Guest WiFi) SaaS platform services to provide a seamless Guest WiFi experience to improve the customer experience and build on their customer database. The provision of the service will be implemented across 35 Outlet Malls.

Regional Airport (USA)

Five year contract signed with a large regional US Airport to deploy Skyfii's IO Connect (Guest WiFi), IO Insight (Analytics) & IO Engage (marketing) SaaS platform services. The Airport is a hub for both Amazon, DHL Air and is one of North America's largest cargo hubs. The engagement extends Skyfii's presence in the global airport vertical.

For personal use only

ASX: SKF

24th October 2019

Cash position

As at 30 September 2019, the Company maintained a cash position of \$1.09m, down from \$1.33m at the end of the previous quarter (ending 30 June 2019). The decrease in cash during the quarter is a result of timing of cash receipts coupled with cash outflows associated with the integration of the Beonic transaction.

Post quarter end, Skyfii received \$1.04m from the Australian Tax Office under the research and development (R&D) tax incentive program for the financial year ending 30th June 2019. The R&D tax incentive program provides a tax offset for the costs of doing eligible research and development activities.

On the 14 May 2019, the Company announced a \$2m unsecured loan facility of which \$955k remains undrawn.

The Company expects to maintain its cash balance in the coming quarters through prudent capital management and the use of the loan facility to invest for further growth.

Outlook

The strong start to FY20 positions Skyfii to deliver another very strong financial and operating performance for the full year.

In addition to continued growth at both the Topline and Recurring Revenue lines, the Company will continue to focus on maintaining a positive Operating EBITDA³ result for the full year. The Company expects to see a significant contribution from its international operations, in particular the The Americas and EMEA regions. In addition, the company remains committed to further investing in its operating model to support its growth.

The Company has successfully diversified its product and service offering to now include analytics reporting from new data sources, including People Counting technology, 2D and 3D cameras, Point of Sale terminals, Car Parking Systems, Mobile Applications, Live Weather and Social Media. The inclusion of new data sources provides a clear competitive advantage and increases the opportunity to sell through additional products and services to our current and prospective customer base. Skyfii is well positioned to become the preferred omnidata intelligence partner for physical venues globally.

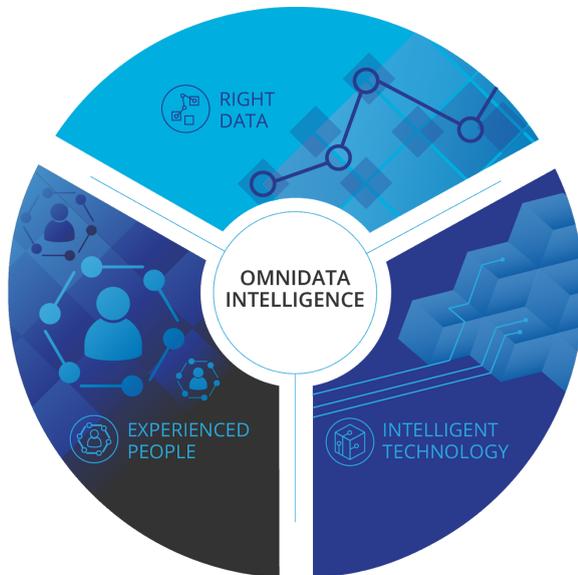
Key areas of focus for Skyfii in FY20:

- Conversion of key contracts within our International markets particularly The Americas and EMEA
- Deliver strong topline and recurring revenue growth across all regions
- Maintain focus on cash management and maintaining a positive Operating EBITDA position
- Expand the Beonic (people counting) business into the UK, USA, Brazil and other international markets
- Increase the number of datasets represented in the IO platform and deliver new IO services offerings
- Further build out our partnerships with global ecosystem partners

³ Operating EBITDA is defined as earnings inclusive of R&D tax incentive grant and before tax, depreciation, amortisation, non-cash share based payments and acquisition costs

For personal use only

About Skyfii



As the world's most trusted omnidata intelligence company, Skyfii collects and analyses billions of data points each month from a range of venue types and data sources across five continents.

Our SaaS cloud-based solution, the IO Platform, helps venues visualise, measure, predict, and influence customer behaviour, creating better experiences for their visitors and customers.

The IO Platform provides location and behaviour based communications software and tools to manage guest Wi-Fi, 2D and 3D cameras, people counting technology, weather, car park and social media data across multiple locations.

Skyfii further augments insights generated by the IO Platform with its Data & Marketing Services offering: a team of data science and marketing consultants who help clients effectively gain more value from their data.

Learn more at www.skyfii.com

Follow Skyfii updates at <https://au.linkedin.com/company/skyfii>

Media

John Rankin
Chief Operating Officer
Skyfii
P: +61 2 8188 1188
E: john.rankin@skyfii.com
W: www.skyfii.com

Investors

Craig Sainsbury
Executive Director
Market Eye
P: +61 428 550 499
E: craig.sainsbury@marketeye.com.au

For personal use only

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

Skyfii Limited

ABN

20 009 264 699

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	3,045	3,045
1.2	Payments for ¹		
	(a) research and development	(151)	(151)
	(b) product manufacturing and operating costs	(781)	(781)
	(c) advertising and marketing	(94)	(94)
	(d) leased assets	-	-
	(e) staff costs	(2,079)	(2,079)
	(f) administration and corporate costs	(580)	(580)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	(40)	(40)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(678)	(678)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(9)	(9)
	(b) businesses (see item 10)	(100)	(100)
	(c) investments	-	-
	(d) intellectual property ¹	-	-
	(e) other non-current assets	(14)	(14)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-

For personal use only

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
	(a) employee advances	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(123)	(123)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	24	24
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	542	542
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
	(a) Capital raising costs	-	-
3.10	Net cash from / (used in) financing activities	566	566

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,330	1,330
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(678)	(678)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(123)	(123)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	566	566
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,094	1,094

5.	Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	49	826
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (see section 8.1)	1,045	504
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,094	1,330

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	82
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	

6.1 includes directors' fees and salaries paid in the quarter.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	131
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	

7.1 includes supplier payments made to Simple Machines a company related to CPO, Jason Martin.

8. Financing facilities available <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	2,000	1,045
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.		

8.1 \$2 million unsecured loan facility as per ASX announcement 14 May 2019. Lenders include Thorney Technologies Ltd, Jagafii Pty Ltd a company related to Director Jon Adgemis and BMR Securities Pty Ltd. The annual interest rate is 8% pa on funds drawn plus an annual line fee of 2% pa. The initial term of the loan facility matures 31st May 2021.

9. Estimated cash outflows for next quarter ***	\$A'000
9.1 Research and development	(100)
9.2 Product manufacturing and operating costs	(500)
9.3 Advertising and marketing	(150)
9.4 Leased assets	-
9.5 Staff costs	(2,000)
9.6 Administration and corporate costs	(600)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows ***	(3,350)

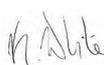
*** The company is an operating business that generates cash inflows each quarter, including receipts from customers generated from sales. As per reporting requirements of Section 9 in this report, the above summary of anticipated cash outflows including costs of generating

forecasted sales for the next quarter ending 31 December 2019, DOES NOT REFLECT ANY ANTICIPATED CASH INFLOWS i.e. it excludes sales receipts from customers.

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions \$A'000	Disposals
10.1	Name of entity	Beonic Tech Pty Ltd	-
10.2	Place of incorporation or registration	Melbourne, VIC	-
10.3	Consideration for acquisition or disposal	100	-
10.4	Total net assets	-	-
10.5	Nature of business	Australian customer insights provider specialising in camera and people counting technology.	-

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: 
(Company secretary)

Date: 24 October 2019

Print name: Koreen White

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.

For personal use only