

ASX: SKF

29th July 2019

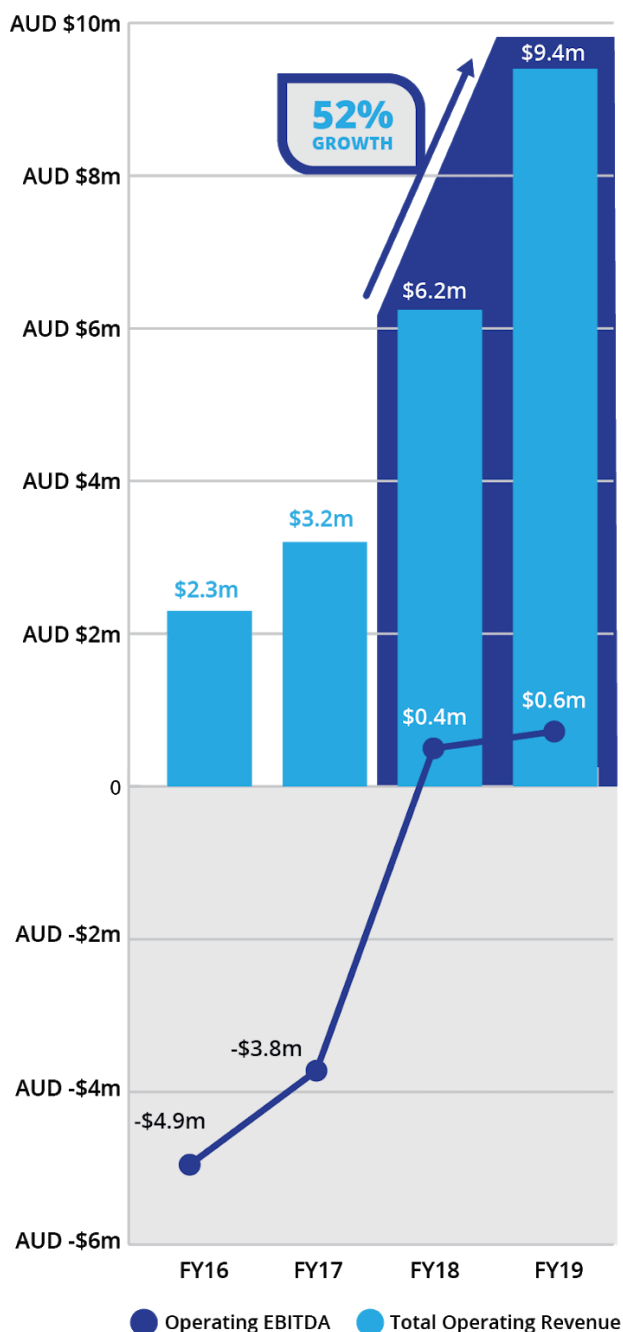
Full-Year FY2019 Highlights (unaudited)

- Full year FY2019 Total Operating Revenues of \$9.4m, representing a 52% growth compared to FY2018
- Full year FY2019 recurring revenues of \$5.1m, representing a 50% growth compared to FY2018
- Annualised Recurring Revenue (ARR) in Q4FY19 of \$6m (excludes any revenue from Beonic acquisition), compared to \$4m at the end of Q4FY18
- Skyfii expects to deliver a full year FY2019 Operating EBITDA¹ of c.\$0.6m, compared to \$0.35m in FY2018

Q4 FY2019 Highlights

- Total Operating Revenues for the June-ended quarter, Q4 FY2019, of \$2.45m², up 9% on the prior quarter and a 26% increase when compared to Q4 FY2018
- Recurring Revenues for Q4 FY2019 of \$1.52m, up 14% on the previous quarter, and up 52% when compared to Q4 FY2018
- Service Revenues of \$0.7m, up 10% on the previous quarter
- Total Cash Receipts of \$2.23m, down 17% on the previous quarter
- Key contract wins announced in the quarter: Fortius Funds Management (Retail Property) and Sydney Cricket Ground (Stadium)
- Cash at bank of \$1.33m at the end of the quarter, up from \$1.2m at the end of the previous quarter (31 March 2019)
- Post quarter end completion of the Beonic Tech acquisition, a consumer insights, camera and people counting service provider, based in Melbourne. The acquisition represented a pro-forma 27% increase in Skyfii's annualised Q4 Recurring Revenue base from \$6m to \$7.6m

FY19 TOTAL OPERATING REVENUE & EBITDA



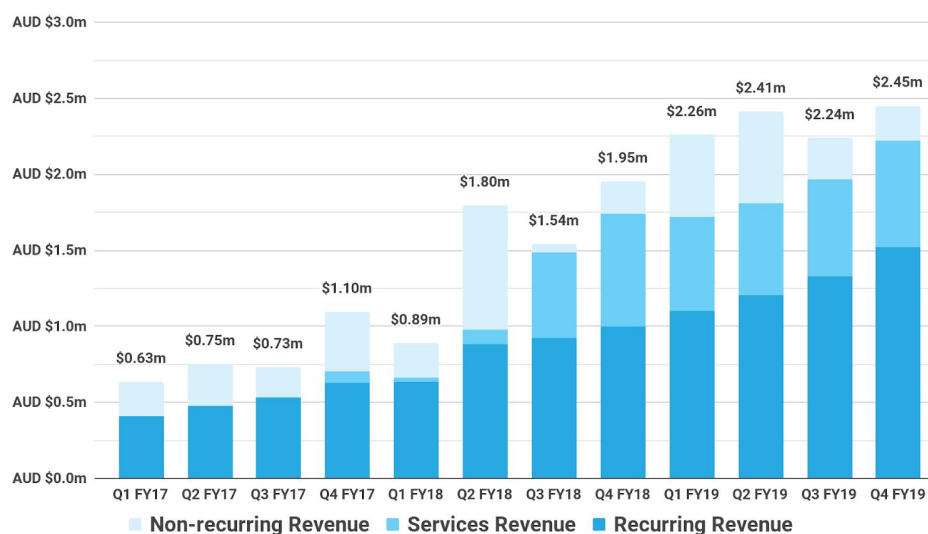
¹ Operating EBITDA, earnings plus R&D grant before interest, tax, depreciation, amortisation and non-cash share based payments.

² Total Revenues, based on unaudited Revenue from operations (excluding interest, grants and other income) for the quarter ending 30 June 2019.

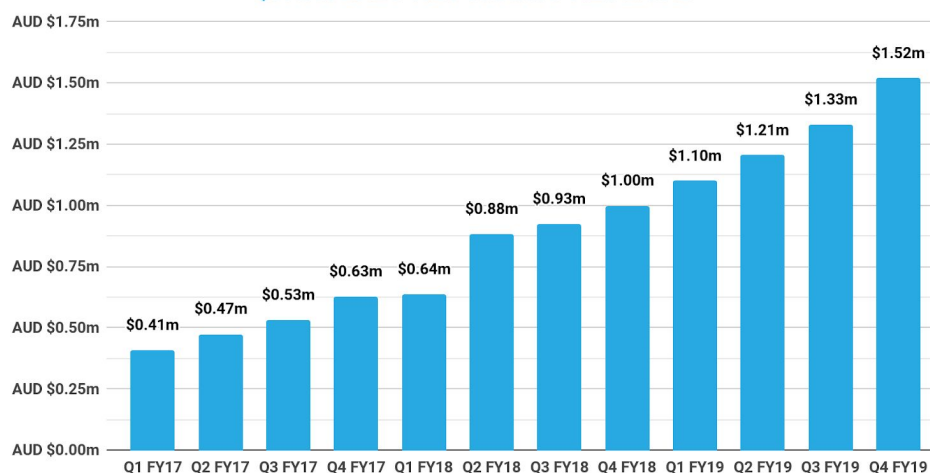
Types of revenues generated by the Skyfii business model:

1. **Recurring Revenues** are generated from ongoing subscription fees for access to Skyfii's 'IO' data intelligence platform
2. **Services Revenues** are generated from the payment of projects undertaken by both Skyfii's Data Consultancy Services (DCS) and Marketing Services (MS) divisions, including revenues generated from customers of the Causely business, which was acquired in February 2018. 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 - BY QUARTER



QUARTERLY RECURRING REVENUE



■ Recurring Revenue

Skyfii Completes Acquisition of Beonic (9th July 2019)

Post quarter end, Skyfii announced the completion of 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.

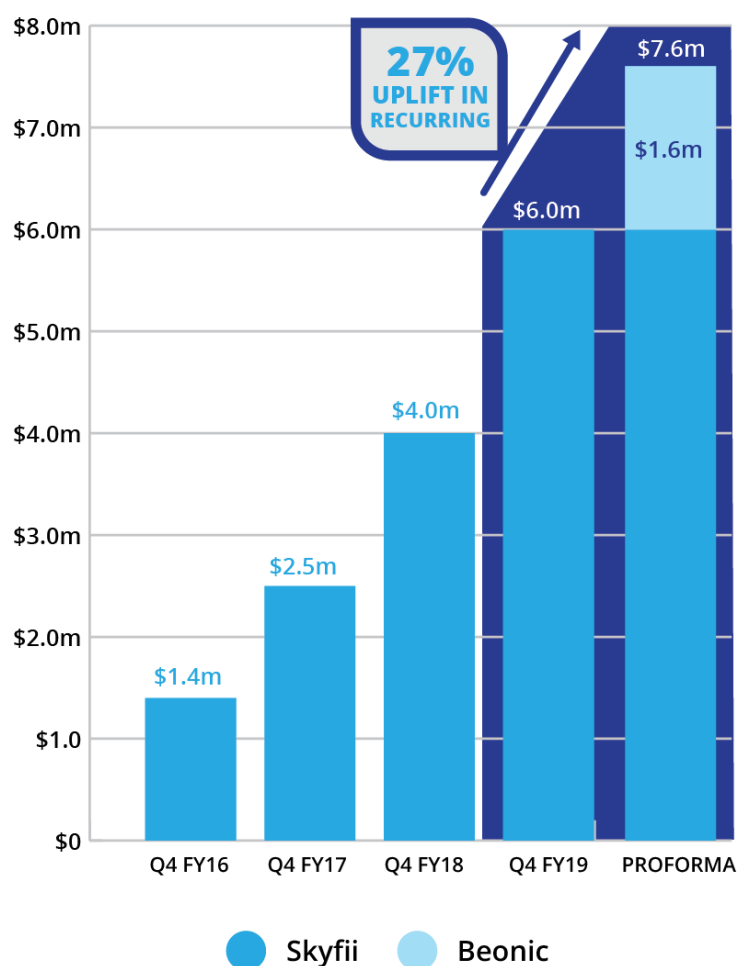
People counters provide physical venues with an effective way to capture high-fidelity, granular analytics on visitor movement throughout their venues. Additionally, the ability to correlate their data with other sources in the 'IO Platform' – such as WiFi, POS, and weather – can help venues improve the depth of intelligence they can gather. While Skyfii's 'IO Platform' already supports the ingestion and visualisation of people counter data, the acquisition of Beonic allows us to augment those capabilities, and integrate with an even wider range of devices.

The acquisition will result in a pro-forma of a 27% increase in Skyfii's annualised Recurring Revenue base from \$6.0m to \$7.6m. The acquisition is anticipated to be EBITDA accretive in the first full year post completion and provides a significant opportunity to upsell Skyfii's full suite of SaaS services to Beonic's existing portfolio of customers.

Portfolio of leading blue chip Australian and international customers in key verticals of retail, retail property, municipality, cultural centres, education and transit. Beonic's top customers, consisting of blue chip customers in the Australian retail sector, including AMP, Lend Lease, QIC, ISPT and The GPT Group, and extends Skyfii's already market leading position in the retail property segment in Australia.

Additional new customers, including New Balance, Melbourne City Council, L'Oreal, David Jones and National Museum of Australia, provides Skyfii a further diversified customer base across the lucrative retail, municipality, cultural centres and education vertical.

PROFORMA ANNUALISED RECURRING REVENUES (ARR)



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Major new contracts announced during the quarter

Skyfii signs three year contract with Fortius Funds Management (4th of April 2019)

Fortius Funds Management signed a three year contract to deploy Skyfii's 'IO Connect' (data collection) and 'IO Insight' (data analytics) across two Australian shopping centres, including Mid-City Centre in Sydney and Albany Creek Village in the greater Brisbane region.

Skyfii signs five year contract with Sydney Cricket Ground (12th of June 2019)

Sydney Cricket Ground, an iconic Australian sporting stadium, signed a five year contract to deploy Skyfii's 'IO Connect' (data collection) and 'IO Insight' (data analytics) across the stadium.

Cash position

As at 30 June 2019, the Company maintained a cash position of \$1.33m, up from \$1.2m at the end of the previous quarter (ending 31 March 2019). On the 14 May 2019, the Company announced a \$2m unsecured loan facility of which \$1.5m remains undrawn.

The Company expects to maintain its cash balance in the coming quarters, while at the same time continuing to invest in growing revenues.

Outlook

As we enter the FY20, with an exit annual recurring run rate of \$6.0m (pre Beonic), Skyfii is well positioned to deliver another very strong financial and operating performance.

In addition to continued growth at both the Topline and Recurring Revenue lines, the Company will continue to focus on maintaining a positive EBITDA result for the full year. The Company expects to see a significant contribution from the North America and EMEA regions and is at this stage continuing to invest into its operating model to support this 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, 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.

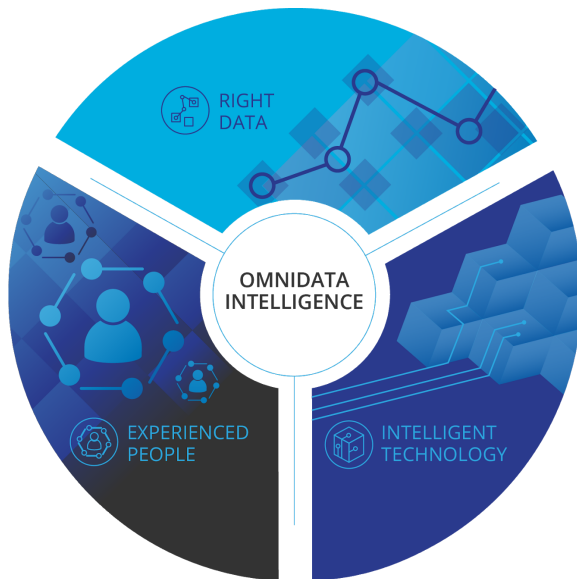
Key areas of focus for Skyfii in FY20:

- Conversion of key contracts within our International markets
- Deliver strong topline and recurring revenue growth across all regions
- Maintain focus on cash management and maintaining a positive EBITDA position
- Integrate the Beonic (people counting) business and expand offering into the UK, USA and Brazil
- Increase the number of datasets represented in the IO platform
- Further build out our partnership with global ecosystem partners

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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 across five continents.

Our SaaS cloud-based solution, the IO Platform, helps venues visualize, 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 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

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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 June 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	2,231	9,431
1.2	Payments for ¹		
	(a) research and development	(134)	(371)
	(b) product manufacturing and operating costs	(684)	(2,855)
	(c) advertising and marketing	(168)	(587)
	(d) leased assets	-	-
	(e) staff costs	(1,592)	(4,452)
	(f) administration and corporate costs	(568)	(2,112)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	6
1.5	Interest and other costs of finance paid	(8)	(11)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	67	919
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(854)	(31)

¹ Operating cash flows are presented after the capitalisation of employee, contractor and other expenditure attributable to software development of \$1.029m for the six months to 31 December 2018. The Company expects to capitalise additional employee, contractor and other expenditure of approximately \$1.17m as an intangible software development asset for the remainder of the full year ended 30 June 2019.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(6)	(76)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property ¹	-	(1,029)
	(e) other non-current assets	(2)	(6)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	17
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(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	(8)	(1,095)

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	488	488
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	504	504
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	991	991

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	1,201	1,465
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(854)	(31)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8)	(1,095)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	991	991
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,330	1,330

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	826	1,201
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (see section 8.1)	504	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,330	1,201

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	70
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	143
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

Add notes as necessary for an understanding of the position

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	2,000	504
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 and Jagafii Pty Ltd a company related to Director Jon Adgemis. 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	(140)
9.2	Product manufacturing and operating costs	(500)
9.3	Advertising and marketing	(200)
9.4	Leased assets	-
9.5	Staff costs	(1,600)
9.6	Administration and corporate costs	(600)
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows ***	(3,040)

*** 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 30 September 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	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: 
(Company secretary)

Date: 29 July 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.