

SKYFII SUCCESSFULLY COMPLETES CAPITAL RAISE TO ACCELERATE GROWTH VIA ACQUISITION OF CROWDVISION

Highlights

- Successful completion of A\$10.0m Placement to new and existing domestic and international institutional and sophisticated investors at an issue price of A\$0.165 per share
- Skyfii also announces the successful completion of the acquisition of CrowdVision, a highly complementary US and UK based AI, computer vision and video analytics company focussed on airports, stadiums, transportation hubs and large-scale resort hotels and casinos
- CrowdVision delivered CY20 Revenue of US\$3.1m with an ARR of US\$1.7m, representing an attractive CY20 EV / ARR multiple of approximately 4.1-4.7x¹
- Pro-forma Skyfii ARR (including CrowdVision) of A\$13.3m² as at 31 March 2021
- Pro-forma cash post Placement of approximately A\$7.9m³, plus available undrawn debt facilities of A\$2.3m
- Funds raised via the Placement will be used to fund the acquisition of CrowdVision, including working capital requirements and for Skyfii growth initiatives
- Proposed Share Purchase Plan ("SPP") to raise up to a further A\$1.0m, open to eligible shareholders at the same price as the Placement
- Skyfii has provided guidance for Q3 FY21 annualised recurring revenue of c.A\$2.8m (+22% vs PCP). FY21 standalone guidance for total revenue of A\$15-\$16m (+10-20% vs PCP), full year recurring revenues of A\$10.5-11.5m (up 20-30% vs PCP) and full year expected operating EBITDA range of A\$2m-\$2.5m (up 20% vs PCP)

SYDNEY, AUSTRALIA, 6 APRIL 2021 – Skyfii Limited (ASX: SKF) ("Skyfii" or the "Company"), an omnidata intelligence company, is pleased to announce that it has received binding commitments from a range of existing and new institutional and sophisticated investors to subscribe to an equity placement (the "Placement") of A\$10.0 million at an issue price of A\$0.165 per share, and completed on the acquisition of CrowdVision Inc., ("CrowdVision"), a highly complementary US and UK based AI, computer vision and video analytics company focussed on airports, stadiums, transportation hubs and large-scale resort hotels and casinos.

¹ Enterprise Value (EV) based on a range of assumed cash and scrip acquisition mix available to Skyfii at its election, before adjustments for net working capital acquired at completion.

² Annual Recurring Revenue (ARR) based on contracted recurring revenues as at the end of Q3 FY21 (inclusive of temporary COVID-19 suspensions). CrowdVision contribution of US\$1.7m at USD/AUD FX rate of 1.31.

³ Pro-forma cash based on estimated 31 March 2021 cash balance, plus net proceeds from the Placement, less minimum total cash consideration assumed for CrowdVision (i.e., where Skyfii elects to utilise the maximum scrip consideration option available to acquire CrowdVision).



Commenting on the Placement and Acquisition of CrowdVision, Skyfii CEO and Managing Director Wayne Arthur said:

"We are delighted by the support we have received for the Placement from a range of high quality domestic and international institutional and sophisticated investors. I would like to thank our new shareholders for their confidence and our existing investors for their continued support of the Company. The acquisition of CrowdVision will further strengthen Skyfii's position as the

market leading provider of venue analytics globally. The acquisition reinforces our strategic focus of delivering recurring revenue growth via a combination of organic growth and accretive and highly complementary targeted acquisitions.

CrowdVision's AI driven computer vision technology solutions are highly complementary to Skyfii and extend our presence in the large and lucrative global airport vertical. The combination of our technology and CrowdVision's range of blue-chip airport customers provides the opportunity for Skyfii to leverage our broader product portfolio to the CrowdVision customer base and extend CrowdVision's technology into our existing customer base. Our ability to leverage the CrowdVision platform to drive and execute on a range of new business development opportunities will deliver significant upside to existing revenue levels, underpinning the strategic rationale for the transaction.

We look forward to welcoming the CrowdVision team members into the broader Skyfii Team where they will be supported by our highly experienced Data Engineers, Data Scientists, Digital Strategists and Customer Success Managers dedicated to helping venue owners around the world better understand venue operations and improve their customer experiences".

About CrowdVision

CrowdVision is a leading AI, computer vision and video analytics company based in North America and the United Kingdom. The company provides automated pedestrian and check point analytics and insights that enables infrastructure operators like airports, transport hubs, retail malls, convention centres, stadiums, casinos and theme parks to act decisively to increase efficiency and profitability, both in real time and in the future, whilst continually improving their customers' experience.

The CrowdVision real-time analytics platform processes live video input from commercial off the shelf cameras and live LiDAR streams, both of which detect pedestrian movements automatically using sophisticated artificial intelligence, computer vision and machine learning techniques. CrowdVision outputs live data about everything from passenger and visitor flows, queue management and wait times to processing times, occupancies, social distancing and asset utilization. Live dashboards reveal actionable insights to improve operations in real-time, while accumulated historical data provides evidence for planning and investment decisions.

CrowdVision delivered revenues of US\$3.1m in CY20, of which US\$1.7m was generated from software-as-a-service subscription revenues. The company has operations across the US and UK with a total of 28 employees.

Strategic Rationale for CrowdVision Acquisition

The CrowdVision acquisition highlights Skyfii's ability to identify, progress and execute on strategic and value accretive transactions. The acquisition will provide Skyfii with a leading presence in the global airport vertical and the transaction will provide Skyfii with:

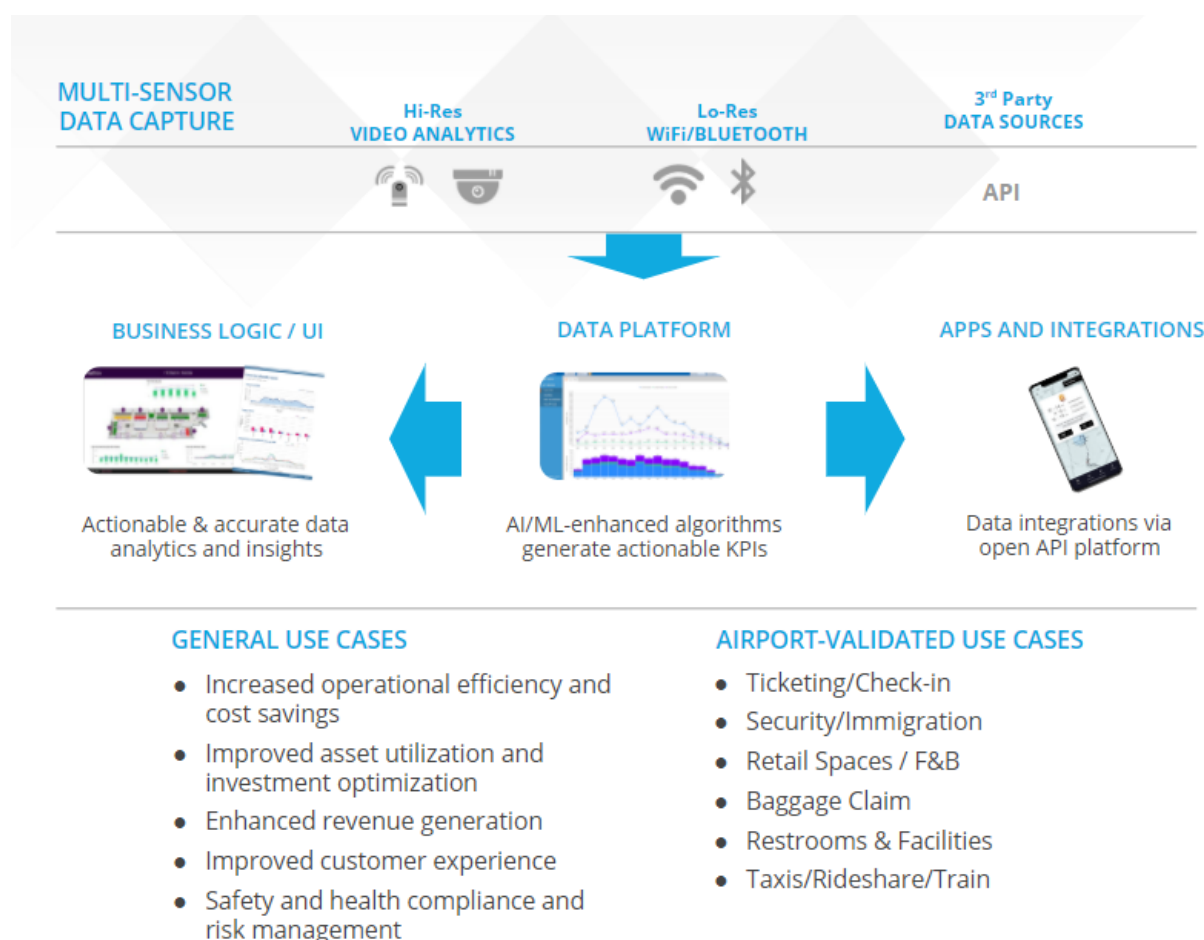
- **Advanced Technology:** Scalable and modular multi-sensor data capture and analysis platform with powerful AI/ML technologies, Computer Vision and LiDAR streaming
- **Attractive Financial Profile:** High percentage of recurring SaaS revenues on long term contracts (ARR at 31 March 2021 was \$US1.7m)
- **Blue Chip Customer Base:** Market leader in US Airport vertical with 13 out of the top 30 airports under contract, with high barriers to entry. Key airport clients include JFK, Heathrow, Narita, Chicago O'Hare, Miami and Adelaide airports as well as Marina Bay Sands in Singapore
- **Key Partnerships:** The only TSA approved supplier for the US airport sector; Strategic partnership with Verizon in place to target Stadium vertical
- **Large Total Addressable Market:** Large unaddressed TAM and opportunity to leverage product into new verticals with similar use cases including Stadiums, Casinos, Rail/Transit hubs
- **Strong Talent:** Highly skilled management, engineering, and sales teams with diverse experience and strong industry connections

The timing of the transaction is strategically counter-cyclical and provides significant scope for Skyfii to capitalise on revenue uplift as global air travel, and airport infrastructure investment, prepare for a return to normal operations. The impact of COVID-19 has increased the importance placed on technology and data that can help underpin the introduction of mandatory safety measures for the benefit of public safety in large public venues.

The combination of Skyfii and CrowdVision technologies will accelerate growth within the Smart Venues vertical which include airports, stadiums, casinos, commercial real estate and major transportation hubs.

CrowdVision Product Overview

CrowdVision provides a scalable and modular multi-sensor data capture and analysis platform with powerful AI/ML Computer Vision technologies. The data captured is then deployed to a data platform that provides actionable venue KPI's and data integrations via an open API platform.



Key Acquisition Terms

Skyfii has completed the acquisition of all the issued share capital of CrowdVision from private vendors.

The key transaction terms are:

- Total enterprise value of US\$7.0-8.0 million
- Upfront cash consideration of US\$1.0 million
- Deferred consideration of US\$6.0-7.0 million payable 3 months following completion
 - Payable with a mix of cash and/or SKF shares, at Skyfii's election (with the higher deferred consideration amount based on a maximum scrip election)
 - SKF shares to be issued at no less than A\$0.20 per share
- Deferred consideration to be adjusted for any net debt and net working capital acquired at completion

CrowdVision delivered a CY20 Revenue of US\$3.1m with an ARR of US\$1.7m. The transaction represents an attractive CY20 EV / ARR multiple of approximately 4.1-4.7x.

Placement Overview

The Placement will result in the issue of 60.6 million shares at an issue price of A\$0.165 per New Share to raise A\$10.0 million before costs of the offer. The issue price of A\$0.165 represents a 17.5% discount to the last traded share price of A\$0.20 and a 19.6% discount to the Company's 5-day VWAP of A\$0.205.

The funds raised via the Placement will be utilised for:

- Payment for the acquisition of CrowdVision;
- Working capital to fund CrowdVision's organic growth opportunities; and
- Growth capital to invest into resourcing Skyfii's US & UK markets (specifically sales, marketing, engineering and support roles).

The Placement is being undertaken within the Company's existing capacity under ASX Listing Rules 7.1 and 7.1A.

Settlement of the Placement is expected to occur on Friday, 9th April 2021 with the issue and trading of the new Placement shares expected to commence on Monday, 12th April 2021.

Canaccord Genuity (Australia) Limited and Bell Potter Securities Limited acted as Joint Lead Managers to the Placement.

Share Purchase Plan

Skyfii will provide eligible shareholders who were on the Company's register at 7.00pm (AEST) on Thursday, 1 April 2021 and having a registered address in Australia an opportunity to subscribe for new fully paid ordinary shares ("SPP Shares"). Eligible shareholders will be entitled to acquire up to A\$30,000 of SPP Shares at an issue price of A\$0.165 per share, being the same price as the Placement. Participation in the SPP is optional and will give eligible shareholders the opportunity to increase their shareholding without paying brokerage fees or other transaction costs.

Full details of the Share Purchase Plan, including offer letters, entitlement and the acceptance form will be sent to eligible shareholders on or shortly after 12 April 2021. A copy of the SPP documentation will also be lodged with the ASX.

Below is an indicative timetable for the Placement and Share Purchase Plan which may be subject to change. The Company reserves the right to amend the dates relating to the SPP at its discretion and without notice, subject to the ASX listing Rules and Corporations Act.

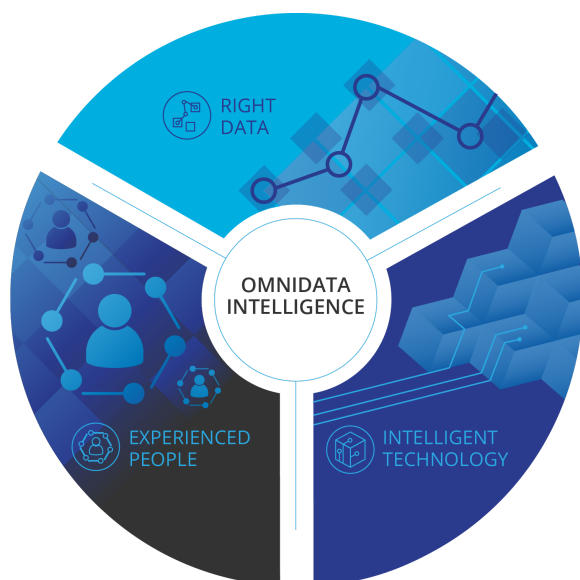
Indicative Timetable

Record Date for the SPP	7.00pm Thursday, 1 April 2021
Settlement of Placement	Friday, 9 April 2021
SPP opens	9.00am Monday, 12 April 2021
Quotation of Placement Shares	Monday, 12 April 2021
SPP closes	5.00pm Friday, 23 April 2021
Issue of Shares under the SPP	Monday, 26 April 2021
Expected date for quotation of SPP Shares	Tuesday, 27 April 2021
Dispatch of holding statements for SPP Shares	Wednesday, 28 April 2021

Note: Dates and times are indicative only and subject to change without notice. Skyfii reserves the right to alter the dates at its discretion and without notice, subject to the ASX Listing Rules and the Corporations Act 2001 (Cth). All dates refer to Sydney local time, Australia.

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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, AI cameras for objection detection, IoT sensors, weather, sales 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.io

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

This announcement has been approved by Skyfii Limited's CEO.

Learn more at www.skyfii.io or follow Skyfii updates at <https://au.linkedin.com/company/skyfii>

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