

Skyfii delivers 24% growth in Recurring Revenues; accelerates growth with CrowdVision Acquisition

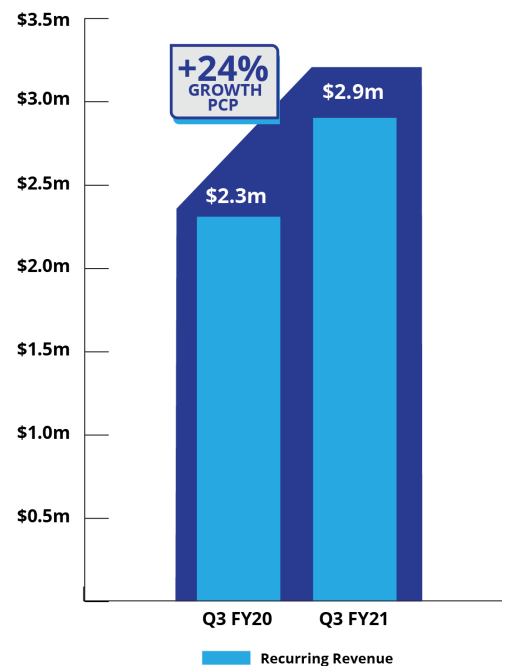
Q3 FY21 Highlights

- **Recurring Revenues for Q3 FY21 of \$2.9m, up 24% vs pcp.** Q3 recurring revenues were 4% above guidance reflecting strong momentum during the latter part of the quarter
- **Total Operating Revenues for Q3 FY21 of \$3.6m, down 9% on the prior quarter** (Q2 FY21)
- **Total Cash Receipts of \$4.03m, up 19% on the prior quarter** (Q2 FY21)
- **Cash at bank of \$2.8m** (as at 31 March 2021), with additional access to a \$2m loan facility, of which \$1.54m remains undrawn
- **Post quarter end**, Skyfii completed the **acquisition of CrowdVision**, a highly complementary Computer Vision and AI driven video analytics, company based in North America and the UK
- **Successful completion of A\$10.0m Placement** in April 2021 to fund the CrowdVision acquisition and other growth initiatives; SPP raised a further **A\$0.7m** (announced 26th of April)
- **Pro forma Annualised Recurring Revenue (ARR)** (including CrowdVision) exited Q3 FY21 at **\$13.3m¹**

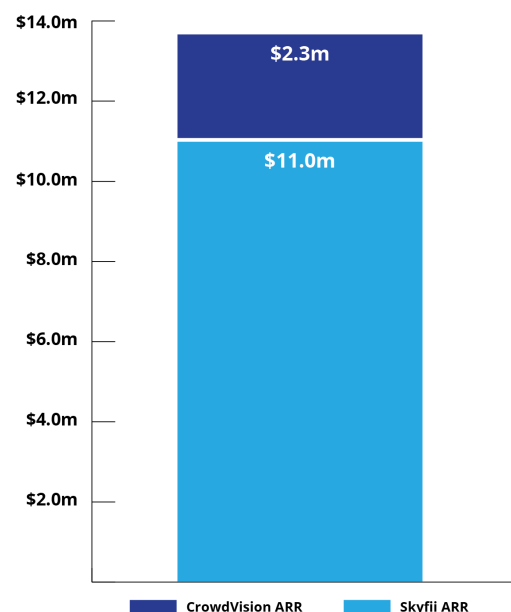
Outlook

- Recurring revenue growth via a combination of organic growth and accretive and highly complementary targeted acquisitions remains a strategic focus for Skyfii
- Skyfii continues its strong track record of retaining and renewing contracts with its key customers, and delivering new customer contracts across verticals and regions
- The successful completion and integration of CrowdVision will see revenue recognised in FY21. Consequently guidance has been updated to include 12 weeks of CrowdVision contribution:
 - **FY21 Total revenue of A\$15.5-16.5m** (previously A\$15m-\$16m pre CrowdVision)
 - **FY21 Recurring revenue of A\$11-12m** (previously A\$10.5m-\$11.5m pre CrowdVision)

RECURRING REVENUE



\$13.3M PRO FORMA ARR¹



¹ Annual Recurring Revenue (ARR) based on contracted recurring revenues as at March 2021 - inclusive of temporary suspensions as a result of COVID-19 & contracted revenues from the acquisition of CrowdVision announced 6 April 2021

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Commenting on the March quarter, Skyfii CEO and Managing Director Wayne Arthur said:

"With demand for our products and services remaining strong, Skyfii is on course to deliver another year of high growth in FY21. The March quarter delivered 24% recurring revenue growth vs pcp and, importantly, we exited the quarter with an ARR of A\$13.3m, inclusive of CrowdVision. The strong quarter has given us the confidence to provide guidance for the full year and I am very pleased to be in a position to confirm that we will deliver double digit growth across all key financial measures.

Our underlying business performance has remained strong despite the continued impact of COVID-19 around the world. Our products have enabled venues to gain a greater understanding of their occupancy rates and allowed them to continue to operate in a safe and compliant manner. At the same time, we have continued to successfully convert the strong pipeline of business opportunities as we roll out our broader product and service offering across verticals and regions.

Earlier this month we announced the acquisition of CrowdVision, a company which provides intelligent computer vision technology solutions to airports, stadiums, transportation hubs and large-scale resort hotels and casinos. Joining forces with CrowdVision and their talented team opens up new business development opportunities and will further accelerate Skyfii's growth into FY22 and beyond".

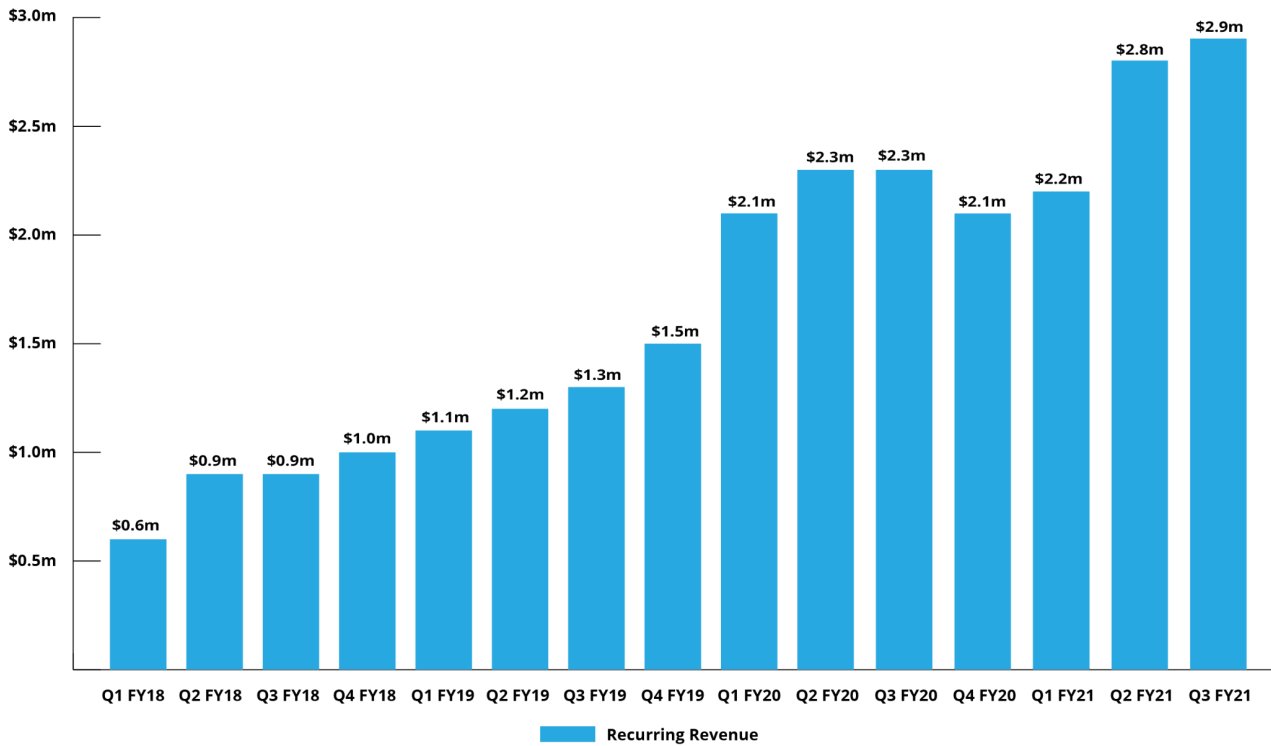


Types of revenues generated by the Skyfii business model:

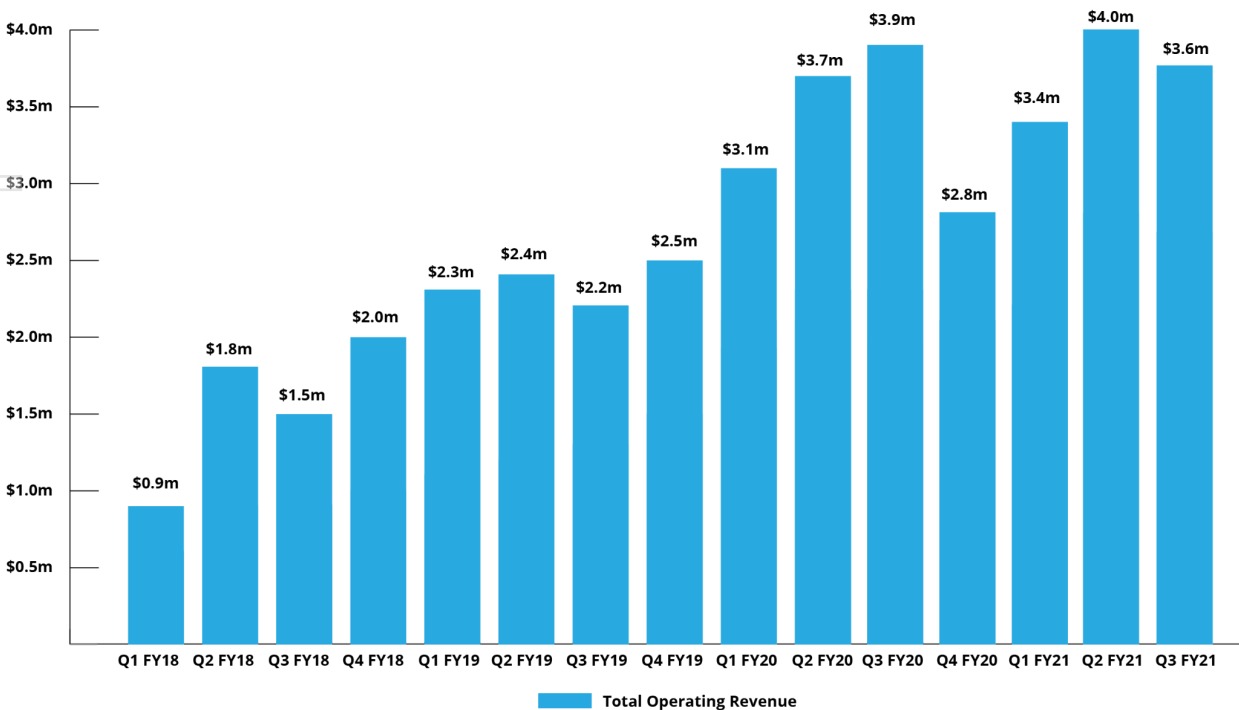
How Skyfii generates revenues can be summarised as follows:

1. **Revenue Revenues** - revenues generated from ongoing subscription fees for access to Skyfii's 'IO' data intelligence platform. Recurring revenues are charged on a fixed fee per venue per month basis. Subscription revenues are typically contracted on 3 or 5 year contract terms.
2. **Non-recurring revenues** - revenues generated from a combination of professional services generated by our data and marketing services, the deployment of hardware, infrastructure, implementations, and upfront setup fees, which underpin recurring revenues. Typical technologies deployed include Wireless Access Points, 2D and 3D cameras, People Counting sensors, LiDAR, FishEye CCTV cameras and Artificial Intelligence (AI) cameras that monitor pedestrian, car, bicycle traffic and IoT sensors that detect building, room, desk occupancy and climate monitoring.

RECURRING REVENUE BY QUARTER



TOTAL OPERATING REVENUE BY QUARTER



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ASX: SKF

28 April 2021

Capital raise and cash position

The Company maintained a strong balance sheet with a \$2.8m cash balance (as at 31 March 2021). In addition, Skyfii has access to a \$2m loan facility, of which \$1.54m remains undrawn.

Post quarter end, in April, Skyfii successfully completed a A\$10.0m Placement to institutional and sophisticated investors at an issue price of A\$0.165 per share, representing a 17.5% discount to the last traded price and a 19.6% discount to the 5-day VWAP. Skyfii also announced a SPP and has raised an additional A\$0.7m at the Placement price.

Following the successful equity raise, the Company will use the funds for the acquisition of CrowdVision and is in a very strong position to continue to invest further into its resource base, particularly in its international markets, which will allow Skyfii to continue to convert new business opportunities as they arise as market conditions continue to improve.

Acquisition of CrowdVision

In April, Skyfii announced that it had successfully acquired CrowdVision, a computer vision and AI driven video analytics company focussed on airports, stadiums, transportation hubs and large-scale resort hotels and casinos. The acquisition extends Skyfii's existing presence in the airport vertical and significantly advances its computer vision capabilities, further strengthening the Company's position as the market leading provider of venue analytics globally.

The acquisition is highly complementary and accretive, with Skyfii being able to extend CrowdVision's advanced technology into its current customer base while introducing Skyfii's broader product portfolio to CrowdVision's blue-chip customers which include major airports such as JFK, Heathrow, Chicago O'Hare as well as luxury hotel Marina Bay Sands in Singapore.

In CY20, CrowdVision delivered revenue of US\$3.1m with an ARR of US\$1.7m. At a total enterprise value of US\$7.0-8.0m, the acquisition represents an attractive CY20 EV/ARR multiple of approximately 4.1-4.7x. The acquisition is expected to deliver positive EBITDA in the first year post completion.

Post Quarter update

Skyfii partners with BrainBox AI to drive increased energy savings in Commercial Real Estate

BrainBox AI, the pioneering leader in autonomous AI technology for commercial and corporate real estate, recently announced its partnership with Skyfii (ASX:SKF). Skyfii, a leading data intelligence provider in the Asia-Pacific region helps building owners understand the behaviour patterns of their visitors. Under the partnership, Skyfii customers will have the ability to rapidly optimize their occupancy data to drive significant energy savings using BrainBox AI.



L-R: Daniel Lepore (AMP Capital), Ben Gill (BrainBox AI) and John Rankin (Skyfii)

CrowdVision Integration

Skyfii is pleased to confirm the integration of the CrowdVision is already well advanced. The CrowdVision employees have been warmly welcomed into the Skyfii business and an outreach campaign has commenced with the CrowdVision customer base. In these early stages post the acquisition, our primary focus is conversion of the CrowdVision sales pipeline, product and employee integration.

Industry Acknowledgement

Skyfii has once again been shortlisted for the **Deloitte Fast 500** which highlights the fastest growing technology companies in the Asia Pacific region. This will be the 4th time Skyfii has been shortlisted and is testament to our strong revenue and operational growth, underpinned by our market leading technology platform and team of industry and domain experts.



Outlook

Skyfii remains in a strong position to continue to benefit from an ongoing focus on safe operation of venues and public spaces around the world. The Company has strengthened its portfolio of data capture & analytics solutions with recent product innovations and complementary acquisitions, further strengthening its position as a global leader in venue analytics.

Given the solid year to date performance and continued momentum into Q4 as the northern hemisphere enters summer and confidence improves with the vaccine rollouts in all regions, Skyfii has updated its previous guidance for FY21 which will see the Company deliver strong growth across key metrics:

- **FY21 Total revenue of A\$15.5-16.5m** (previously A\$15m-\$16m pre CrowdVision)
- **FY21 Recurring revenue of A\$11-12m** (previously A\$10.5m-\$11.5m pre CrowdVision)

The Company will remain focused on the integration of the CrowdVision team and technology into the Skyfii offering in the coming quarters. The near term focus for Skyfii remains new business development and sales conversion, as we look to leverage the broader and feature rich CrowdVision product and service offering.

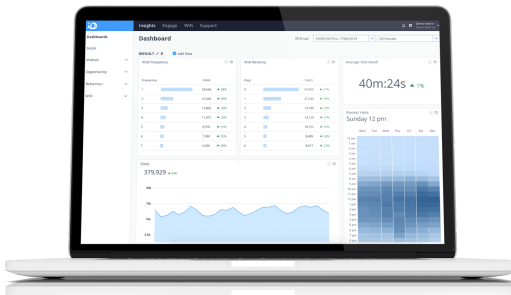
In addition, the key areas of focus for Skyfii's management team during the remainder of FY21 include:

- Continued investment into marketing activities to drive quality leads across all markets and products
- Focus on near term conversion across CrowdVision and Skyfii sales pipelines
- Significant focus on key verticals including Airports, Stadiums, Grocery, Corporate offices, Universities, Schools and Municipalities
- Integration of the CrowdVision technology solution into the Skyfii offering
- Continuing to pursue highly complementary accretive acquisitions to drive further growth and broaden our offering to current and new customers

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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 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 Wireless Access Points, 2D and 3D cameras, People Counting sensors, LiDAR, FishEye CCTV cameras and Artificial Intelligence (AI) enabled cameras that monitor passenger, pedestrian, car, bicycle traffic and IoT sensors that detect building, room, desk occupancy and climate monitoring 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 harness more value from their data.

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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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Skyfii Limited

ABN

20 009 264 699

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,033	11,167
1.2 Payments for ¹		
(a) research and development	(11)	(33)
(b) product manufacturing and operating costs	(950)	(2,552)
(c) advertising and marketing	(155)	(285)
(d) leased assets	-	-
(e) staff costs	(2,727)	(5,659)
(f) administration and corporate costs	(118)	(1,538)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	12
1.5 Interest and other costs of finance paid	(25)	(48)
1.6 Income taxes paid	(18)	(66)
1.7 Government grants and tax incentives	-	1,084
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	30	2,082
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities ²	(132)	(132)
(b) businesses ³	(690)	(840)

¹& ⁴ Cashflows are presented after the capitalisation of employee, contractor and other expenditure attributable to software development of approximately \$1.141m for the six months to 31 December 2020.

²On 6 April 2021, the Company announced the acquisition of CrowdVision, a non-refundable holding payment of \$131,664 (\$100,000 USD equivalent) was paid on the 31 March 2021. This amount will be offset against the purchase price of the CrowdVision entity.

³On 6 January 2021, the Company made a final consideration payment of \$690,126 for the Beonic business.

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(c) property, plant and equipment	(8)	(25)
(d) investments	-	-
(e) intellectual property ⁴	-	(1,141)
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	5
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(830)	(2,133)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	280	280
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	443
3.6 Repayment of borrowings	(66)	(66)
3.7 Transaction costs related to loans and borrowings	-	111
3.8 Dividends paid	-	-
3.9 Other (provide details if material)		
(a) Capital raising costs	-	-
3.10 Net cash from / (used in) financing activities	214	768

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,417	2,114
4.2	Net cash from / (used in) operating activities (item 1.9 above)	30	2,082
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(830)	(2,133)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	214	768
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,831	2,831

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	2,374	2,894
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	457	523
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,831	3,417

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1*
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	2,000	457
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	2,000	457

7.5 **Unused financing facilities available at quarter end** 1,543

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

7.1 \$2million 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 funds drawn plus an annual line fee of 2% pa. The initial term of the loan facility matures 31st May 2021 with an option for an extension of 12 months.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	30
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,831
8.3 Unused finance facilities available at quarter end (Item 7.5)	1,543
8.4 Total available funding (Item 8.2 + Item 8.3)	4,374
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	Not applicable. The Company has positive operating cashflows for this quarter.

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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.

Date: 28 April 2021

Authorised by: By the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.