

Skyfii delivers 59% growth in Recurring Revenues

FY21 Full Year Highlights¹

- **Annualised Recurring Revenue (ARR)** of \$14m up 40% vs FY20
- **Total operating revenues** of \$15.9m up 18% vs FY20
- **Recurring revenues** of \$11.3m up 28% vs FY20
- **Operating EBITDA** of \$1.57m down 25% vs FY20 but inline with expectations and incorporating working capital investment into CrowdVision
- **Cash at bank** of \$8.6m (as at 30 June 2021), with additional access to a \$2m loan facility that remains undrawn

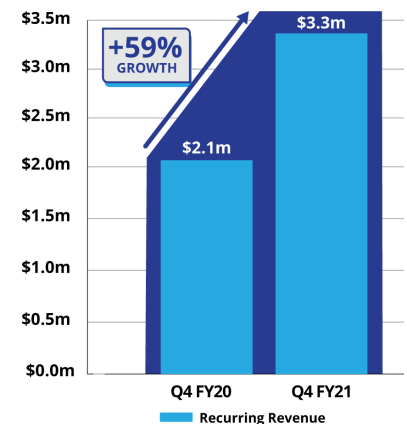
Q4 FY21 Highlights

- **Total Operating Revenues for Q4 FY21 of \$4.9m, up 72% vs pcp**, inclusive of \$0.8m of revenue from CrowdVision acquisition
- **Recurring Revenues for Q4 FY21 of \$3.3m, up 59% vs pcp**, inclusive of \$0.5m of revenue from CrowdVision acquisition
- Completed the **acquisition of CrowdVision**, a highly complementary Computer Vision and AI driven video analytics company
- **Strong international and domestic growth** securing new contracts with Virgin Hotels (North America); Land Securities (EMEA); Pareto / Leap Serve (South Africa) and National Gallery of Australia (APAC)
- **Strong customer retention** with key renewals completed with GPT (APAC) and Nando's (EMEA)

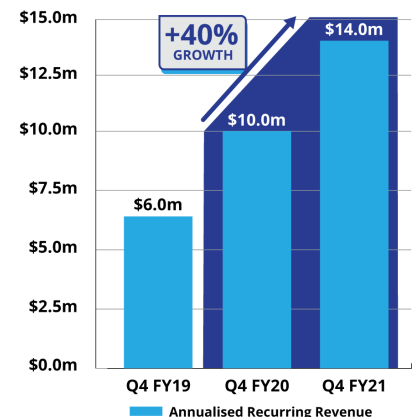
Outlook

- Improving economic conditions in the northern hemisphere are delivering new opportunities and increased customer demand for our analytics platform which are driving an expanding business development pipeline
- Skyfii will focus on an accelerated investment into growth in FY22 via an expanded business development team, a focus on developing the cross-sale opportunities from the CrowdVision acquisition and new product development to drive top line revenue growth into FY22 and beyond
- With improving business sentiment, strong macro-tailwinds for venue analytics, computer vision and people counting technology across airports, stadiums, offices, universities, smart cities and commercial real estate, Skyfii remains focused on organic growth and new product development. The Company is anticipated to deliver another year of double-digit recurring revenue growth in FY22

Recurring Revenue



Annualised Recurring Revenue (ARR)



¹ Annualised Recurring Revenue (ARR), Total Operating Revenue, Recurring Revenue and Operating EBITDA are inclusive of CrowdVision from 6 April 2021. All financial values are currently unaudited.

ASX: SKF

28 July 2021

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

"Skyfii has exited FY21 in an exceptionally strong position. Our ARR of \$14m, up 40% over the past 12 months, highlights the growth in our core business and our cash position of \$8.6m provides a strong and flexible balance sheet to support future growth activities.

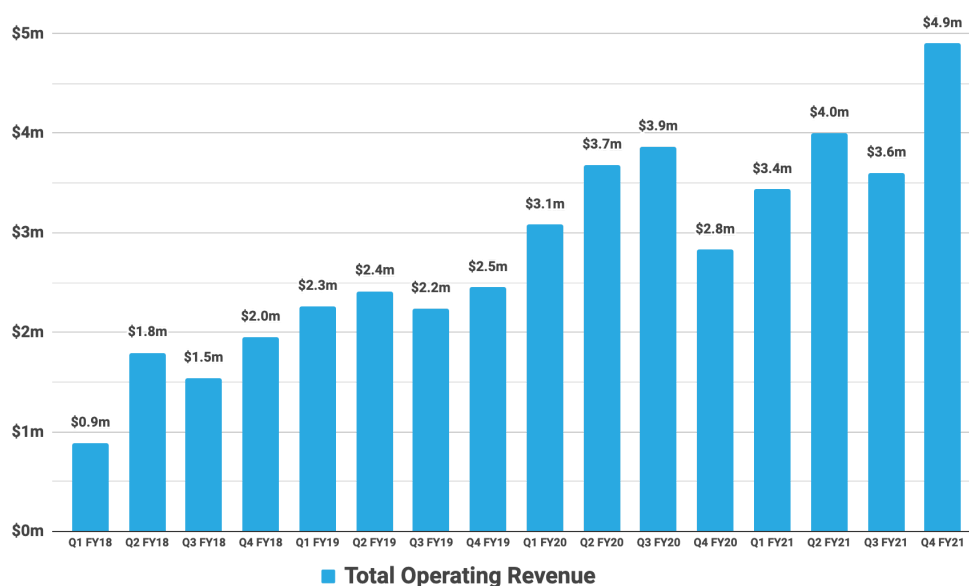
The impact of COVID-19 has provided a strong macro-tailwind for our business delivering a significant opportunity to accelerate our growth efforts. The increasing global focus on venue density, crowd management and occupancy is driving elevated interest in our people counting & venue analytic products. We are taking advantage of this increased demand to fast track our growth initiatives by investing in our people, our products and our channel partnerships. The investment will drive an increased pipeline of opportunities, particularly internationally, delivering a step change in our recurring revenue base.

The recent acquisition of CrowdVision has provided a counter-cyclical ability to grow in the lucrative airports, stadiums, transportation hubs and large-scale resort hotels and casinos verticals. The cross-sell of products and services between Skyfii and CrowdVision's customer base provides further avenues for growth in our recurring revenues.

With a strong balance sheet, and a market leading product offering, we are in an exceptional position to accelerate our growth efforts to deliver a significant uplift in revenues in FY22 and beyond with the aim of moving to a cash flow positive position in FY23.

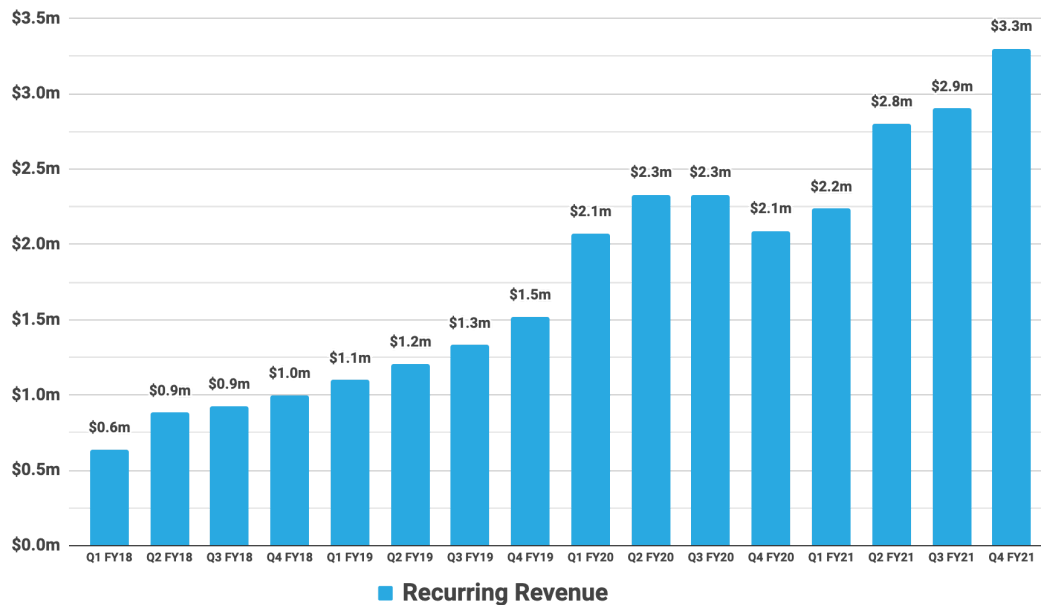
I look forward to updating you on our growth in coming quarters".

TOTAL OPERATING REVENUE



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RECURRING REVENUE



Cash position

The Company maintained a strong balance sheet with \$8.6m of cash as at 30 June 2021. In addition, Skyfii has access to a \$2m loan facility, which remains undrawn.

During the quarter the company successfully completed a A\$10.0m Placement to institutional and sophisticated investors and a A\$0.7m Share Purchase Plan. The Company will use the funds raised 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 the Company to continue to convert new business opportunities as they arise as market conditions continue to improve.

Acquisition of CrowdVision

In April, the Company announced the acquisition of CrowdVision, a computer vision and AI video analytics company focussed on airports, stadiums, transportation hubs and large-scale resort hotels and casinos. The acquisition was completed post the end of the quarter on 6th of July.

The acquisition of CrowdVision provides Skyfii a leading presence in the global airport vertical. The timing of the transaction is strategically counter-cyclical and provides significant scope for Skyfii to generate revenue uplift. This is due to global air travel and airport infrastructure investment continuing to normalise with a rebound in regional domestic travel, post the impact of COVID-19.

CrowdVision generates a high proportion of its recurring SaaS revenues under long term contracts from a range of blue-chip airports including JFK, Heathrow, Narita, Chicago O'Hare and Miami.

CrowdVision has significant opportunity to grow ARR via leverage into new verticals with similar use cases including Stadiums, Casinos, Rail/Transit hubs.

Skyfii's integration of CrowdVision has performed ahead of expectations with the technology platforms aligned and all staff fully onboarded to Skyfii's operating systems. The rapid integration and strong resourcing synergies between Skyfii and CrowdVision resulted in better than anticipated cost performance during the quarter.

Post-acquisition, the CrowdVision standalone annualized pipeline has grown from ~\$9m to ~\$11m as increased air travel is resulting in airports increasingly looking at crowd movement and density solutions within their venues. Over the past quarter, we have submitted responses to two requests for proposal (RFP) from major airport groups and we are in the process of submitting a third with the total contract value of these RFP's expected to exceed \$3m.

The integration and early stage business development activities has reinforced the very strong strategic and revenue opportunities resulting from the acquisition.

Corporate

Jon Adgemis announced his resignation as Non-executive Director, effective 31 May 2021, to pursue other business interests. Mr Adgemis was a foundational investor in the Company and was a member of the Board since 2018. The Board has commenced the search for a new independent Non-Executive Director.

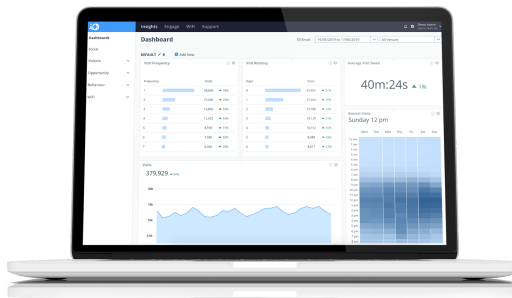
As noted in Section 6 of the Appendix 4C, the amount stated was made to the Directors of the entity during the quarter, comprising salaries and fees for Executive and Non-Executive Directors. No other payments were made to any related parties or their associates of the entity.

Outlook

FY22 will be a year of investment into our operating model in order to drive organic growth in all markets which will be a catalyst for significant YoY revenue growth in FY22 and into FY23 and beyond. The key areas of focus for Skyfii's management team during FY22 include:

- Continued investment into marketing activities to drive quality leads across all markets and products
- Increased investment into Sales, Support and Services headcount to drive additional revenue growth in all regions
- Focus on near-term conversion across CrowdVision and Skyfii sales pipelines
- Expansion of our reach into the UAE region
- 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 and retirement of the legacy platform

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 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")

30 June 2021

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	3,891	15,058
1.2 Payments for ¹		
(a) research and development	(82)	(114)
(b) product manufacturing and operating costs	(1,664)	(4,216)
(c) advertising and marketing	(253)	(538)
(d) leased assets	-	-
(e) staff costs	(2,851)	(8,511)
(f) administration and corporate costs	(865)	(2,403)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	12
1.5 Interest and other costs of finance paid	(33)	(81)
1.6 Income taxes paid	-	(66)
1.7 Government grants and tax incentives	110	1,195
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,746)	336
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities ²	(1,036)	(1,168)
(b) businesses ³	-	(840)

¹& Cashflows are presented after the capitalisation of employee, contractor and other expenditure attributable to software development of approximately \$2.24m for FY21.

²In April 2021, the Company announced the acquisition of CrowdVision, a total cash payment of \$1.168m was made in FY21. This amount will be offset against the purchase price of the CrowdVision entity which settled in July 2021.

³In January 2021, the Company made a final consideration payment of \$0.69m for the Beonic business and in September 2020, the Company made an initial consideration payment of \$0.15m for the Blix business.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(c) property, plant and equipment	(22)	(47)
(d) investments	-	-
(e) intellectual property ⁴	(1,097)	(2,237)
(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	(2,155)	(4,287)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	10,686	11,077
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	(443)	(510)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)		
(a) Capital raising costs	(577)	(577)
3.10 Net cash from / (used in) financing activities	9,666	10,433

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	2,831	2,114
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,746)	336
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,155)	(4,287)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9,666	10,433
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	8,596	8,596

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	8,596	2,374
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	457
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,596	2,831

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**

177

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

*Salaries and Director fees for Executive and Non-Executive Directors

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	0
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	2,000	0

7.5 **Unused financing facilities available at quarter end** 2,000

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 \$2 million unsecured loan facility as per ASX announcement 14 May 2019. Lenders include Thorney Technologies Ltd, Jagafii Pty Ltd and BMR Securities Pty Ltd. The annual interest rate is 8% pa funds drawn plus an annual line fee of 2% pa. The loan facility matures on 31st May 2022.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,746)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	8,596
8.3 Unused finance facilities available at quarter end (Item 7.5)	2,000
8.4 Total available funding (Item 8.2 + Item 8.3)	10,596
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	6.1

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 July 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.