

ASX ANNOUNCEMENT

6 October 2015



MEDIUM-TERM REVENUE GUIDANCE AND CONTINUED STRONG PIPELINE CONVERSION

HIGHLIGHTS

- Estimated revenue from a growing sales pipeline now exceeds \$40m, over the term of the contracts assuming five-year terms
- This represents 13% penetration of the total number of Retail Malls within Australia, Brazil & South Africa estimated to be worth in excess of \$35m in annual recurring revenues from Analytics alone
- Current conversion rate of pilot clients to full service contracts is 90%
- Strong customer growth continues:
 - Two pilot clients converted to billing customers: Barangaroo and Top Ryde Shopping centre
 - New pilot agreement signed with world-leading activewear brand Lorna Jane for six stores across Queensland
 - Lorna Jane currently operates 209 stores across Australia, USA, South Africa, Sweden and the UAE
- The Company is currently in advanced negotiations for a significant pilot with a global sports goods retailer
- Figures quoted above exclude other core revenue streams, being Advertising & Data Services revenues, and opportunities in other International markets which are well advanced

Data services company SkyFii Limited (ASX: SKF) (**SkyFii, the Company**) is pleased to provide an update on its growing sales pipeline, and announce two pilot conversions and a new pilot win with Lorna Jane.

Five-year advanced stage sales pipeline now exceeds \$40m

The Company is pleased to advise that the estimated revenues from its current customers and advanced stage sales pipeline, over the term of the contracts assuming five-year terms now exceeds \$40m.

The Company's advanced stage pipeline includes current contracted customers which are predominantly with major retail property groups that are currently being billed or are in the process of implementing the Company's services across their respective property portfolios. This represents over \$7m in revenues, over the term of the contracts assuming five-year terms.

In addition, this pipeline also includes highly qualified sales opportunities in advanced commercial negotiations with major retail mall operators and other retail market verticals in Australia, Brazil and South Africa, representing over \$33m in potential revenues, over the term of the contracts assuming five-year terms.

Market leading position in the retail mall market

SkyFii currently holds a market leading position in the Australian, Brazilian and South African retail mall markets, which the Company estimates to be worth in excess of \$35m in annual recurring revenues from Analytics alone. Analytics is the Company's baseline revenue and these estimates exclude other core revenue opportunities from Advertising and Data Services which will provide additional upside in the medium term. The Company's current advanced stage pipeline represents an approximate 13% penetration of these retail mall markets¹ and continues to grow steadily.

¹ There are an estimated 1,500 retail shopping malls in Australia, 184 in Brazil and 211 in South Africa.

Strong conversion rate of pilots to long term customers

SkyFii currently benefits from an extremely high conversion rate of over 90%, from pilot trials to commercial Master Services Agreements (MSA) resulting from the cutting edge technology behind SkyFii's Analytics services and capabilities, high customer satisfaction and from having already demonstrated SkyFii's value proposition over lengthy engagement cycles with customers prior to engaging in a pilot.

The Company is pleased to report the successful completion and conversion of two previously announced pilots to billable customers.

- **Barangaroo South Precinct** – Following the completion of a successful four-week trial, SkyFii has agreed commercial terms and commenced billing for the provision of its Guest WiFi and Analytics services to the Barangaroo South Precinct in Sydney. SkyFii is also confident that as other precincts are completed within the Barangaroo development, SkyFii will extend its Guest WiFi and Analytics services to those additional precincts.
- **Top Ryde City Shopping Centre** – SkyFii has agreed commercial terms and commenced billing to provide its Guest WiFi and Analytics services to the Top Ryde City Shopping Centre in Sydney which is operated by the Blackstone Group, following the successful completion of a four-week pilot trial of its services in the centre.

New pilot win – Lorna Jane

SkyFii is pleased to announce a new pilot trial agreement with world-leading activewear retail brand, Lorna Jane for its Guest WiFi and Data services. The twenty-week trial will take place in six retail stores in Queensland, with the potential for a national roll-out across Australia if the trial progresses to a full services contract. Under the trial agreement, SkyFii will provide its Guest WiFi, Analytics services and access to marketing tools to Lorna Jane. Lorna Jane currently operates over 150 stores across Australia with an additional portfolio across the USA, South Africa, Sweden and the UAE.

Advanced negotiations in progress for a new significant contract

The Company is currently in advanced negotiations for a significant pilot deployment with a global sports goods retailer. The Company will provide further information in due course.

SkyFii CEO Mr Wayne Arthur said:

“SkyFii is pleased to report that its estimated sales revenue pipeline now exceeds \$40m assuming five-year terms from current billing, contracted customers and those in advanced stages of commercial discussion. Whilst this is only representative of a segment of SkyFii's current pipeline, this demonstrates tremendous revenue momentum and solidifies our first-mover position in Australia and New Zealand in particular.

“With a high success rate of converting pilot trials into commercial contracts, we expect to continue our strong sales momentum. In addition, we are excited about the international opportunities on the horizon and entering into new and exciting verticals. We look forward to updating the market on the outcome of our advanced discussions for a new pilot contract with a leading global sports goods retailer.”

The Company will report its Appendix 4C – quarterly cash flow report for Q1 FY16 in October 2015.

ENDS

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ABOUT SKYFII

SkyFii is an innovative data services company that captures, stores and analyses behavioural data through technologies such as WiFi. We build, manage and monetise free public Wi-Fi by creating an engaging content channel for advertisers and by analysing customer data to assist retailers to make smarter business decisions.

Our networks are powered by a bespoke technology and commercial solution that gives people access to the internet for free, provides venues a valuable service to offer their customers, and gives brands and venues a powerful tool to understand and engage with consumers.



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