



FY16 RESULTS PRESENTATION | AUGUST 2016

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The logo for skyfii, featuring the word "skyfii" in a bold, black, lowercase sans-serif font. The "i" is a small blue dot, and the "o" is a blue circle with a white dot in the center, resembling a stylized person or a globe. A vertical line is positioned to the right of the logo.

skyfii

Improving customer experiences by
understanding human behaviour.

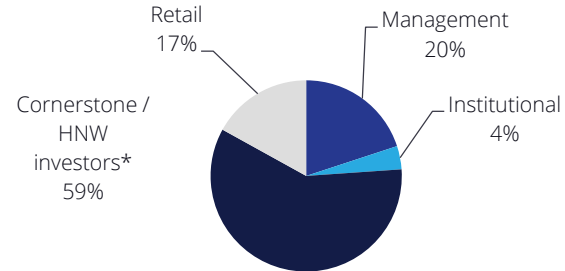
Company overview

- ASX listed **data services company**
- **Cloud based, hardware agnostic, proprietary** data platform
- **+\$53m advanced stage pipeline²**
- **Strong conversion rate** of pilots to long term contracts
- **Strong growth potential** in US & UK markets
- **Proven track record**
- **Recurring revenue model**

Key Market Statistics¹

ASX code	SKF
Share price (30 Aug 2016)	A\$0.075
Market capitalisation (30 Aug 2016)	A\$12.6 million
Total shares outstanding	168,265,551

Composition of Shareholders



- Includes shareholdings of more than 400,000 shares.
- Tightly held -Top 20 shareholders hold +70%

1. Market data as at 30 August 2016.

2. Assuming full rollout and 5 year contract terms excluding additional revenues from advertising and data services.

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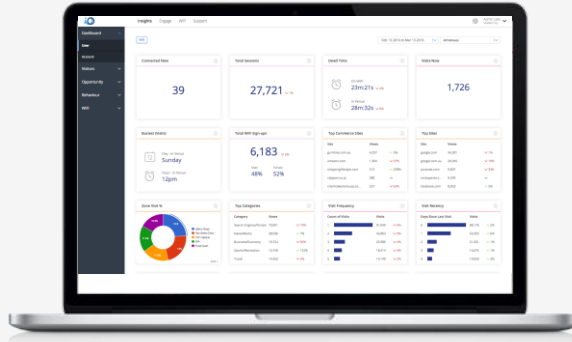
OUR SOLUTION

The skyfii platform has 3 key elements



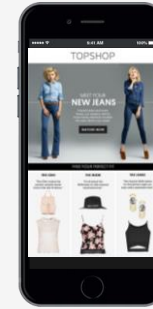
iOconnect

Configurable, secure Guest WiFi access



iOinsight

Real time customer behavioural analytics



iOengage

Data driven, location based marketing capability

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Revenue generated across 3 key streams

1

SUBSCRIPTIONS

Providing customer and business insights

Ongoing revenue through subscriptions to our leading portal, dashboards and insights

- Customer analytics online and offline
- Marketing subscription packages for SMS, email and push notifications
- Recurring revenue model with 3-5 year contract terms

2

TRANSACTIONS

Providing tools to deliver targeted marketing campaigns

New campaign ideas that allow for revenue sharing opportunities with and through clients

- Advertising agency commissions
- Advertising media vendor commissions
- APP based transactions

3

SERVICES

Helping businesses understand and use the data

Implementation and on-boarding services, enabling customers to get the most of the skyfii platform

- Data consultancy services
- Research reporting
- Bespoke data analysis projects
- Guest Wi-Fi consulting services
- Data networking services

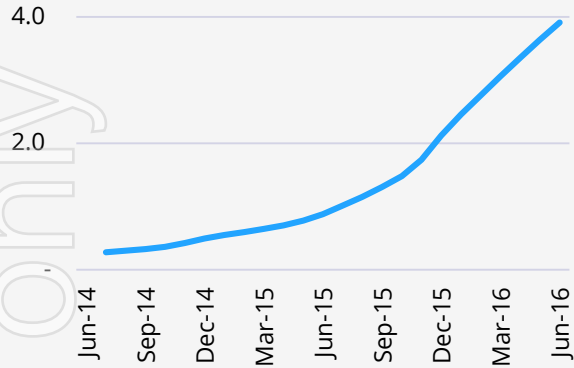
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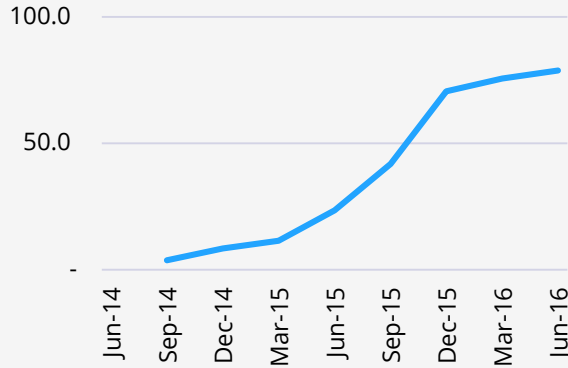
FY16 OPERATING HIGHLIGHTS

Strong growth in key operating metrics

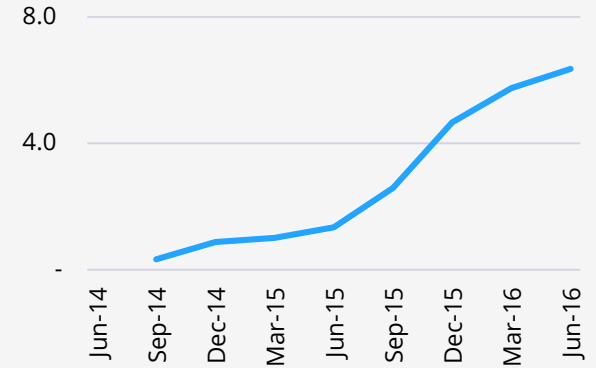
Total User Registrations (millions)



Quarterly Customer Visits (millions)



Quarterly WiFi Sessions (millions)



- Significant growth in total registered user base of +346% from 0.9 million to 3.9 million
- Significant growth in WiFi sessions of +446% year on year
- Significant growth in customer venue visits of +468% year on year

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FY16 GROWTH HIGHLIGHTS

Key contract highlights

Notable contract wins in FY16

- **Mirvac property group:** Skyfii's services have since been rolled out across 2 retail shopping centres on a 3 year contract term, with the potential to roll out across further Mirvac portfolio assets.
- **The Blackstone Group:** Skyfii deployed its services in 5 retail shopping centres on 3 year contract terms, and expects to deploy into an additional 4 retail shopping centres in FY17.
- **Waverley Council:** Skyfii was selected as the preferred Analytics and Guest WiFi partner to deploy its services across 4 public precincts on an initial 12 month contract term, including Bondi Beach, Bronte and Tamarama beach precincts which will commence in FY17.
- **The Merivale Hospitality Group:** Skyfii deployed its Analytics and Guest WiFi services in 3 major Merivale venues including The Ivy, Establishment and The Newport.
- **Barangaroo's South precinct:** Skyfii was selected as the preferred Guest WiFi provider at Barangaroo's south precinct.
- **The Lederer Group:** Skyfii successfully deployed its Analytics and Guest WiFi services at the Imperial Gosford shopping centre on a 3 year contract term, with the potential to extend its rollout across an additional 5 shopping centres.

Existing customer growth in FY16

Additional growth from existing customers:

- **Scentre Group** (delivered through Optus Business): Skyfii's services were deploying in an additional 21 shopping centres during FY16, bringing the total number of live venues to 29.
- **The GPT Group**: Skyfii's services were deployed in an additional 10 retail and office property venues during FY16, bringing the total number of live venues to 17.
- **World Square**: Skyfii successfully renewed its existing contract for its services at World Square in FY16, and subsequent to the acquisition of the asset by ISPT has extended its services and doubled its recurring revenues at the venue in early FY17.
- **IPOH**: Skyfii successfully renewed its existing contract for its services at the QVB, Chifley Plaza, Strand Arcade and Galeries retail centres in FY16.

International highlights

Brazil

- Iguatemi portfolio grew from 3 live venues to 8, with 6 more scoped for FY17
- New client contract with Saga Malls for an initial shopping centre and 5 x car dealerships
- Notable pilots currently in progress include:
 - two major international airports
 - two major retail property groups which represent a potential 40+ shopping malls

International highlights (cont.)

North America, UK & APAC

- Investment in senior sales and support hires in North America and UK in Q3 and Q4 FY16
- Some notable pilots currently in progress include:
 - a major retail property group, which represents a potential 40 large shopping centres (North America)
 - two major international airports (North America)
 - a major university (EMEA)
 - a national 300 venue coffee retail chain (EMEA)
 - a 15 venue fashion retail chain (Asia Pacific)

Sales pipeline (by stage)

Presentation & Demonstration

Pilot Phase
(4 weeks+)

Submissions
Tendered

Vertical	Market	Sites	Est. Ann. Rev.
Property Groups	AU	1215	\$1.5m
Transport	Asia	130	\$3.7m
Other: Conf. Centre	AU	1	\$60k
Govt.	Asia	1100	\$1.32m
			\$6.6m

Property Groups	AU/Asia/US	71	\$1.45m
Retailers	AU/Asia	1579	\$2.4m
Entertainment	AU	77	\$395k
Hospitality	UK	220	\$160k
			\$4.4m

Property	AU/US	122	\$1.5m
Banking	AU	35	\$210k
Hospitality	AU	30	\$540k
Retail	South Africa	398	\$720k
			\$3m

Current advanced stage pipeline - \$14m in recurring revenues per annum

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PRODUCT DEVELOPMENT HIGHLIGHTS

Product development highlights

Two key product and services enhancements will provide continued incremental revenue growth from **marketing tools subscriptions** and **data science capabilities**:

Marketing tools subscriptions – example applications:

- **Department store launch:** Skyfii's platform was utilised to deliver a real-time and location triggered email campaign on the day of a department store launch to shoppers "seen" in a shopping centre to drive them to the store opening. The result of the campaign resulted in customers who received the email being 26% more likely to visit the new store on that day and stayed in the shopping centre for 14% longer than the average customer on that day.
- **Retail venue exit survey:** Skyfii's platform was utilised to deliver an exit survey to shoppers who were "seen" to have exited a retail venue, collecting quantitative and qualitative shopper intent data, resulting in a high quality data set for the retailer to understand "top of mind" shopper intent in real time.

Product development highlights (cont.)

Data science capabilities – example engagements:

- **Elevator analysis:** measuring asset utilisation to support decision making around asset development and investment.
- **Competitor impact analysis:** measuring change in shopper behaviour as a result of new anchor tenants launching at a competitor centre in the same trade area.
- **Audience segmentation:** validating audience segments based on in-centre behaviour.
- **Major retail store launch impact:** measuring impact of launch of a new anchor tenant on shopper behaviour.
- **Spend analysis:** correlating retail spend with centre dwell time to determine acceleration / deceleration of spend over time.
- **Precinct analysis:** analysing shopper behaviour in an under-performing precinct and comparing to rest of centre.

Case Study 1: Objective

Understand the relationship between visit length and visit spend, and whether it accelerates or decelerates.

Solution: We analysed visitor behaviour and transaction size to identify common shopper behaviours.

“Mission shopping”:

- Short visits (under 60 min)
- Higher spend frequency, lower total spend
- Destinations

“Casual shopping”:

- Longer visits (60 min+)
- Lower spend frequency, higher total spend
- Exploration

Maximum visit duration (h:mm)	0:30	1:00	1:30	2:00	2:30	3:00	3:30	4:00
Average spent rate Per 30 min	\$112	\$73	\$57	\$44	\$41	\$27	\$44	\$43
Average total spend	\$112	\$146	\$171	\$176	\$205	\$162	\$309	\$345
	Highest efficiency					Highest total value		

Insight: We identified two common shopping behaviours, mission shopping and casual shopping, and the value of these two distinct groups over time in centre.

Case Study 2: Objective

Diagnose why venue performance of one shopping centre precinct is better than other areas.

Solution: We compared zone correlation and visitor behaviour in Precinct X to the rest of the centre

Visitors who start in Precinct X:

12% ↑

End in Precinct X

4.1% ↓

End in other precincts

Visitors who start in other precincts:

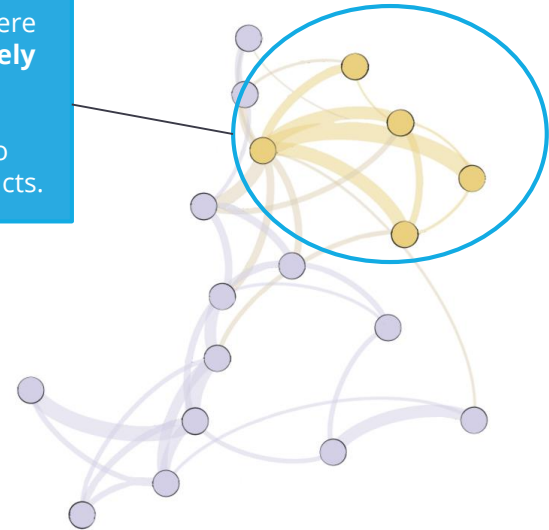
6.1%

End in other precincts

3.2%

End in Precinct X

Shoppers were **twice as likely** to remain in Precinct X compared to other precincts.



Insight: We were able to identify a visitation trap, and recommend initiatives to help drive shopper pollination across precincts.

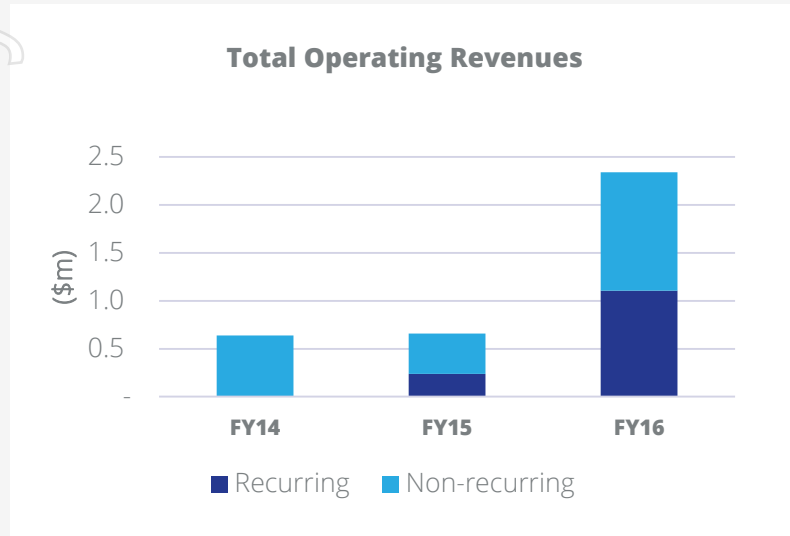
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FINANCIAL PERFORMANCE

Significant growth in operating revenues

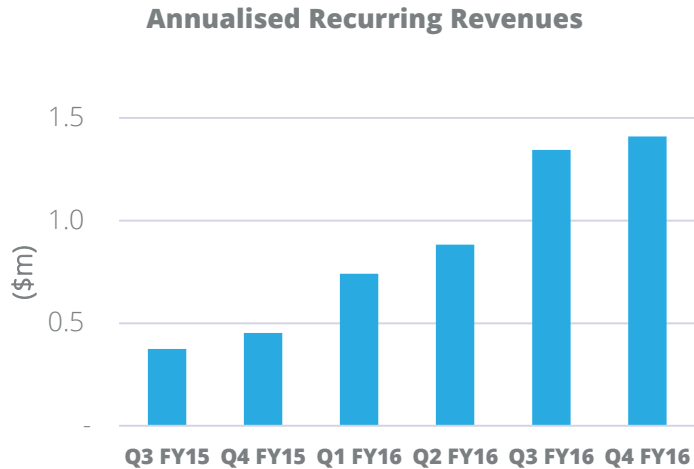
Total revenues continue to grow with increased contribution from recurring revenue channels



- **Strong growth in total operating revenues to \$2.3m** in FY16, up +256% on pcp
- **Strong growth in recurring revenues to \$1.1m** in FY16, up +362% on pcp
- **Recurring revenues** are generated from on-going subscription fees for access to Skyfii's data analytics platform
- **Non-recurring revenues** are generated from implementation and upfront setup fees and through the upsell of other services including marketing and content delivery tools and data science capabilities

Significant growth in recurring revenues

Recurring revenues from subscriptions and managed services continues to accelerate



- **74 sites live and billing** by end of June 2016 (end Q4)
- **New customer installations continue to grow qoq**, up 335% on the previous quarter
- **Strong growth in recurring revenues** in FY16, up 362% on pcp

Key financial highlights

- FY16 **operating revenues of \$2.3 million**, up 256% on pcp
 - Underlying growth in **recurring revenues to \$1.1 million**, up 362% on pcp
- Operating NPAT¹ of \$(2.3)m and operating EBITDA¹ of \$(1.9)m
 - **Predominantly fixed operating cost base** providing opportunity for operating leverage as revenues continue to grow from existing and new customer growth and product expansion
- Operating cash outflows of \$2.0m in FY16, in line with pcp, including receipt of R&D tax incentive rebate of \$0.8m
- Continued investment in development of new Skyfii platform capabilities – \$1.8m of software development expenditure capitalised in FY16
- Cash of \$2.6 million as at 30 June 2016
 - In addition, the Company expects to receive an R&D tax incentive rebate of \$0.85 million in FY17 relating to research and development expenditures undertaken in FY16
- Successful capital raising of \$4.1m in Nov-15, with significant demand from new institutional and retail investors combined with strong support from existing shareholders

1. Exclusive of one-off items including cost of issue of earn out shares and non-cash share based payments expense.

Summary profit & loss statement

(A\$'000) 30 June y/e	FY15	FY16	Change (%)
Operating revenue	658	2,340	256%
Other income	878	1,040	18%
Total revenue	1,536	3,380	120%
Direct costs and implementation expenses	(548)	(787)	44%
Employee benefits expenses	(1,561)	(2,428)	56%
Contractor and consultant expenses	(48)	(69)	44%
Marketing and promotion expenses	(141)	(228)	62%
Data hosting expenses	(162)	(316)	95%
Travel and accommodation expenses	(212)	(258)	22%
Office and other expenses	(681)	(870)	28%
Directors' fees	(209)	(295)	41%
Share based payments expense	-	(60)	n/m
Issue of earn out shares	-	(3,014)	n/m
Acquisition costs	(444)	-	n/m
Corporate advisory services	(150)	-	n/m
Impairment of goodwill and domain names	(2,158)	-	n/m
EBITDA	(4,778)	(4,945)	3%
EBIT	(4,789)	(5,406)	13%
NPAT	(4,789)	(5,415)	13%
Operating EBITDA¹	(2,026)	(1,871)	(8%)
Operating EBIT¹	(2,037)	(2,332)	14%
Operating NPAT¹	(2,038)	(2,341)	15%

- Significant growth in operating revenues, up 256%
 - Predominantly fixed operating cost base providing opportunity for operating leverage as revenues continue to grow from existing and new customer growth and product expansion
 - Employee and contractor expenses excl. \$1.8m of capitalised software development related expenses in FY16
1. Exclusive of one-off items including non-cash share based payments expense, cost of issue of earn out shares, impairment of goodwill and acquisition costs relating to the acquisition of RKS Consolidated Limited, corporate advisory services and impairment of domain name assets.

Summary balance sheet

(A\$000) 30 June y/e	FY15	FY16	Change (%)
Cash and cash equivalents	2,685	2,612	(3%)
Trade and other receivables	961	1,515	58%
Inventories	44	10	(77%)
Other current assets	114	94	(18%)
Plant and equipment	25	164	556%
Intangibles	1,420	2,804	97%
Total assets	5,248	7,200	37%
Trade and other payables	415	675	63%
Other current liabilities	156	304	95%
Total liabilities	571	979	71%
Net assets	4,677	6,222	33%
Contributed equity	11,091	17,987	62%
Reserves	-	64	n/m
Accumulated losses	(6,414)	(11,830)	84%
Total equity	4,677	6,222	33%

- Total cash at year end of \$2.6m
- Trade and other receivables includes R&D tax incentive rebate receivable of \$0.85m relating to R&D undertaken in FY16
- Increase in intangibles relates to capitalised software development expenditure less scheduled amortisation

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SUMMARY & OUTLOOK

Outlook

At the conclusion of FY15, Skyfii committed to focussing on a number of **strategic objectives in FY16**, including:

- Continued roll-out of new and existing contracts
- Continued focus on converting mall pipeline prospects into trials and full service contracts
- Continued focus on new verticals outside of retail malls
- Securing further distribution and reseller agreements globally
- Continued product development focus on marketing automation and associated media/advertising partnerships
- Development of new data source integrations and data services products

In addition to growth from the continued execution of these strategic objectives, Skyfii is excited by the significant growth potential in FY17 and FY18 from its investment in international markets such as North America.

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