

ASX: SKF

Skyfii successfully raises \$4.1 million to fund international expansion

Highlights

- **Equity placement of \$4.1m to new and existing sophisticated investors successfully completed**
- **Funds to provide capital to pursue global growth strategy**
- **Share purchase plan to be offered to all eligible shareholders**

Skyfii Limited (**Skyfii, the Company**), the data analytics and marketing services company, has today announced it has conducted a successful equity capital raising to raise gross proceeds of \$4.1 million (**Capital Raising**) to build on the recent momentum of the business following quarter on quarter revenue growth off the back of significant client wins.

The Capital Raising consists of:

- an unconditional placement of 40.8 million fully paid ordinary shares (**Unconditional Placement Shares**) at an issue price of \$0.063 per share to raise approximately \$2.6 million before costs (**Unconditional Placement**); and
- a conditional placement, subject to shareholder approval, at the same price to raise approximately \$1.5 million before costs (**Conditional Placement**).

The Capital Raising price of \$0.063 per share represents a 7.5% discount to the one month volume weighted average price of the Company's shares.

There was significant demand from existing shareholders for the Capital Raising, including from Jan Cameron, founder of the Kathmandu clothing and outdoor equipment company, and the White family of the Ray White real estate group, demonstrating their ongoing commitment to the long-term strategy and market opportunity of Skyfii.

New investors include Peter Gammell, Chairman of Octet Finance and former Chief Executive Officer of Seven Group and Richard Freudenstein, former Chief Executive Officer of Foxtel.

The funding will allow Skyfii to pursue growth strategies in the global WiFi as a service market which is expected to grow to approximately US\$6 billion by 2021¹ at a compound annual growth rate of 38.1% from 2016. Specifically, the funds will predominantly be used to expand the Company's sales strategy in the lucrative North American and EMEA markets and continue investment in the market leading technology platform.

The Company is beginning to see the results from its US expansion, announcing its first contract win in October 2016. It is anticipated that several contract announcements will be made shortly across the UK and a number of regions that Skyfii operates in as the business continues to engage very large pilot customers. In addition, the pipeline and conversion of clients is seeing additional activity across all geographies from Skyfii's partnership with Aruba Networks, a Hewlett Packard Enterprise company.

¹ MarketsandMarkets publication titled "Wi-Fi as a Service Market by Service Type (Network Planning and Designing, Cloud Access Point, Wi-Fi as a Service Analytics, Support And Maintenance), User Location, Organization Size, Vertical, and Region - Global Forecast to 2021".

The number of positive business milestones has allowed Skyfii to double its cash receipts from customers to \$1.1 million in the September 2016 quarter compared with the December 2015 quarter, when its last equity capital raising occurred. Importantly, the September 2016 quarter continues to reinforce the strong growth in recurring revenues, currently at \$1.6 million (annualised).

Skyfii's CEO Wayne Arthur said, "We would like to thank our existing and new shareholders for supporting Skyfii and our global expansion strategy. The strong demand during the Capital Raising is a testament to shareholders' confidence in our business, its strategy and the continued development of our world leading technology platform.

"The funding will lift capital constraints in the business, allowing the Company to convert on the vast number of opportunities identified in a growing market. We are confident that through additional funding, our sales conversions will pick up pace, allowing the business to accelerate growth in recurring revenues and ultimately be in a position to move past break-even."

"Management and Board are confident in the healthy sales pipeline and our industry leading platform as we continue to deploy our Australian-developed technology solutions across the globe."

The Conditional Placement is subject to obtaining shareholder approval at a meeting, which the Company anticipates will be held on Friday 27 January 2017. An indicative timetable in relation to the Capital Raising is set out below.

The Board of Skyfii is also pleased to announce that it intends to offer to existing shareholders a Share Purchase Plan (**SPP**) at the same price as the Capital Raising, being \$0.063 per share. The SPP will offer existing shareholders the opportunity to acquire up to \$15,000 worth of ordinary shares without incurring any brokerage. Proceeds of the SPP will be utilised for additional working capital for the Company's current growth strategy. The Record Date for the SPP is 7.00pm AEST, 14 December 2016. Further details of the SPP will be provided in an SPP Offer Booklet which will be dispatched to eligible shareholders in due course.

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ABOUT SKYFII

Advancements in cloud, mobile technology and Wi-Fi systems have enabled bricks-and-mortar venues to become more competitive by better understanding the needs of their diverse types of visitors. Today, every smartphone is a chatterbox of information. The cloud-based Skyfii platform uses existing Wi-Fi infrastructure, BLE beacon networks, door-to-people counters, video sources, web and social platforms to allow various types of venues to not only analyse behaviour of anonymous visitors, but also capture data from those who opt-in to free Internet connectivity. In doing so, it converts the data into a critical sales and marketing tool that allows venues and their commercial tenants to deliver content that is catered to each visitor's needs and interests. For more information visit www.skyfii.io.

Indicative Capital Raising Timetable

Settlement of issue of Unconditional Placement Shares	Monday, 19 December 2016
Allotment of issue of Unconditional Placement Shares	Tuesday, 20 December 2016
EGM for approval of issue of Conditional Placement Shares	Friday, 27 January 2017
Settlement of Conditional Placement Shares (subject to approval at EGM)	Wednesday, 1 February 2017
Allotment of Conditional Placement Shares (subject to approval at EGM)	Thursday, 2 February 2017

All dates are indicative and subject to change. All material changes will be announced to ASX.