



ASX Announcement
28th June 2017

SKYFII INVESTOR NEWSLETTER

SYDNEY, AUSTRALIA, 28th June, 2017 - Skyfii Limited (ASX:SKF) (Skyfii or the Company), is pleased to present its June 2017 Investor Newsletter, which follows on the next page of this announcement.

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.

Skyfii offers a cloud-based solution in a subscription model consisting of three core 'IO' services:

- IO Connect: a data portal where data is collected (Data in)
- IO Insight: venue performance, customer behaviour and, loyalty & engagement (Insights out)
- IO Engage: targeted content delivery, automated marketing and monetization

Skyfii also engages with clients to provide further revenue generating services such as Data Consulting Services (DCS) and Marketing Services (MS) arising from the insights gained from its three core services.

For more information visit www.skyfii.io.

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SKYFII INVESTOR NEWS

JUNE 2017

A NOTE FROM WAYNE ARTHUR

Welcome to our investor newsletter.

It has been a busy year for Skyfii, which has seen the company commence active operations in a number of international markets, namely North America, the UK and Europe, whilst continuing to deliver successful contracts in our more progressed markets of ANZ, Brazil and South Africa.

Recent major successes include the announcement of a Master Services Agreement (MSA) with Woolworths Group and deployment of our platform services across 500 of their retail stores throughout Africa and South Africa. Other significant contracts announced this financial year include Durham University, Wellington International Airport, One Five One group, Alliances Group, a premium UK food retailer and the National Museum of Australia.

Consistent with our FY17 strategy, these contracts were a successful indication of entry into a number of new verticals internationally including, education, airports, cultural centres and hospitality.

Our sales go to market strategy is proving effective, particularly our strategy to focus efforts on carefully selected re-seller partners in key geographies and verticals. As such, the company signed reseller/partnership agreements with a number of strategic partners during the later part of the financial year, namely with Jade Solutions (UK), Telcomms (Italy), My Sky Networks (South Africa) and IT-Total (Sweden). The agreements will allow us to drive future revenue growth from existing and new customers, while allowing Skyfii to maintain a low cost overhead structure. We believe their position in international and domestic markets will be a key driver in Skyfii's growth strategy, with several large deals already well progressed in the pipeline.

An observation of the market, Skyfii's venue analytics (IO Insight) continues to be a service that is in strong demand locally and internationally, with location based marketing (IO Engage) and our recently launched Data Consultancy Services (DCS) and marketing services (MS) becoming driving forces in our engagement with both current and prospective clients. With over 600 million visitor experiences analysed every year I feel strongly in the businesses' ability to deliver a wealth of unique IP and expertise to these services for our clients.

Our overall focus remains on delivering footprint growth, in particular, accelerating revenue identified within our sizable advanced pipeline. We have established a strong cadence of deal flow and momentum in moving deals successfully through the pipeline with the next couple of quarters looking very strong.

Our objective is to continue running an efficient, cost effective operations, with a clear mandate to allocating resource and sales efforts towards those areas where the company can deliver maximum shareholder returns. Our efforts to allocate the right resources includes my recent deployment to lead our international growth strategy, where I will be working closely with our international teams as we accelerate growth across all our carefully selected markets.

I look forward to keeping you across our progress.

Best regards,



Wayne Arthur
Executive Director



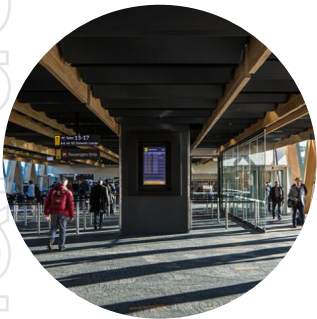
RECENT CONTRACT WINS AND GROWTH WITHIN NEW VERTICALS

The recent quarters for Skyfii have seen us successfully execute on our FY17 strategy. Notably, we have announced the completion of new contracts in new geographies and verticals whilst also cementing our current standing as a market leader in existing verticals.

Recent named contracts include Durham University (UK) - a large scale deployment in the education sector, National Museum of Australia (NMA) in the uncontested cultural centre vertical, One Five One Property in the Australian retail property vertical and Aliansce mall group in Brazil. One of the more significant wins was the announcement of a MSA with Woolworths Group and deployment across 500 of their retail stores, throughout Africa and South Africa.

For more information on this deal and others see the Investor/Announcements section of Skyfii's website at

www.skyfii.io



Wellington International Airport

Wellington International Airport represents the first contract in the Airport vertical for Skyfii. The contract will see Skyfii's IO platform deployed to provide greater insight into the 5.2 million visitors who use the facility annually - allowing venue management to create better experiences for passengers who use the airport's facilities, as a result of the use of location based analytics and marketing tools. This contract will also include the paid provision of Skyfii's recently formed Data Consultancy Services (DCS).



Woolworths Group

The announcement of a Global Master Services Agreement (MSA) with Woolworths Group follows the execution of a multi-year deal for the deployment of the IO platform across an initial 500 Woolworths retail stores in Africa and South Africa. The South African based group is a leading international retailer with operations in 14 countries and owns and operates over 1,300 large format stores.



National Museum of Australia

The contract win with the National Museum of Australia (NMA) is another demonstration of Skyfii's ability to diversify, with the entry into the uncontested cultural centre vertical. Skyfii's IO platform will assist the NMA to better understand and engage with visitors to the museum. In addition, insights will be gained into visitor return rates to the museum, the frequency and recency of visits, visitor flow and dwell times in different areas of the venue. The National Museum of Australia is one of the leading cultural centres in Australia, leaving Skyfii well positioned to capture the +2000 cultural centres domestically and +55,000 internationally.



United Kingdom (UK) Food Chain

Following a successful pilot program, Skyfii is finalising a deployment of its IO platform across 342 premium fast-food chain outlets. This deal is being delivered in partnership with Jade Solutions, a market leading enterprise mobility provider. The deployment with the UK-based food chain will have an opportunity to expand, with the company operating in 6 other countries, including the US.

INDUSTRY EVENTS

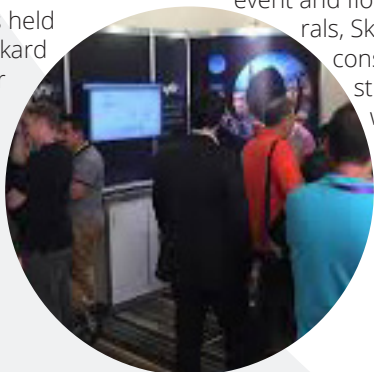
FY17 has seen Skyfii invest significantly into a strong marketing strategy locally and internationally, including the establishment of central marketing team and adoption of a global marketing strategy to support sales, partnerships and build brand credibility and awareness of the Skyfii brand. Integral to this strategy is our participation at a number of international industry events - showcasing the Skyfii platform among highly concentrated groups of prospective customers. Event participation enables our sales teams the ability to deliver a highly compelling product demonstration to prospective customers on mass. Some of the notable events where Skyfii had presence included:

UCISA17

The Universities and Colleges Information Systems Association (UCISA) holds an annual conference, showcasing the leading technology solutions available to universities and colleges. Held between the 8th and 10th of March, this event was a great opportunity to showcase our solution to over 1,000 education facilities, following the recent announcement of our partnership with Durham University. The event proved successful, with a number of engaged parties showing interest in Skyfii's services and products - resulting in continued discussions, post the event.

Aruba Atmosphere Nashville, Paris, Gold Coast and Singapore

The Atmosphere events held by Aruba, a Hewlett Packard Company, are a premier event enabling Skyfii to showcase the company's leading tech solu-



tions to the Aruba/HPE partners, whom form a major part of our re-seller channel. A large focus of the massive, multi-country event is to promote the ecosystem of partners which support the Aruba network, of which Skyfii is one. As Aruba's ecosystem partner for Advertising, Analytics and Mobile Applications; Skyfii is positioned as a preferred service provider. As a result, Skyfii's solutions were showcased in both the Retail Experiential Zone and Hospitality Experiential Zone - both of which were key attractors for attendees.

Held in numerous global locations, the event is run across multiple markets as a coveted event for technology providers and customers globally. Skyfii participated and was showcased in Nashville (USA), Paris (France), Gold Coast (Australia) and Singapore, being highlighted in 'Experiential Zones' for all regions. With numerous Aruba service providers, partners and prospective clients attending, the events are a great opportunity to maintain and grow existing relationships, in addition to discovering new opportunities as Aruba's preferred location based analytics provider. .

National Retail Federation

Known as 'Retail's Big Show', the National Retailers Federation hosts an annual three day event in New York City offering unparalleled education, collegial networking with 34,500 industry professionals and an array of technologies and solutions for the retail industry. Through invitation with Aruba, a Hewlett Packard Company, Skyfii was offered the ability to showcase services as the preferred partner for location analytics and marketing services. With a high volume of foot-traffic through the event and flow on from Aruba's referrals, Skyfii's representatives were constantly engaged in demonstrations and discussions with prospective partners and customers.



Future Higher Education Strategy Forum

The Education Strategy Forum is the UK's leading Further and Higher Education event bringing together the industry's key decision makers to share best practice initiatives in driving greater revenues, building a sustainable education system and delivering service excellence in the sector. As a key presenter at the forum, Skyfii was given the opportunity to discuss applications and successes, together with an audience of 150 delegates.

Wi-Fi Now

Hosted in the UK, Wi-Fi now is a pinnacle event in the Wi-Fi industry and represented an opportunity to meet the industry leaders, entrepreneurs, innovators, and experts from across the global Wi-Fi industry. Advertised as showcasing the most promising companies and inspiring case stories that are driving the Wi-Fi industry forward - Skyfii was a notable attendee, exhibitor and presenter, with our UK Operations Director taking the stage.



Skyfii Hosts Aruba

With a focus on engaging directly with our channel partners and their representatives, Skyfii has been undertaking hosted events at our Sydney office to promote our relationship and awareness in the Australian market. A recent notable event saw the Aruba team take part in a two hour brunch and learn, discussing the Skyfii IO platform, ways in which the platform can be adopted vertically and FAQs.



NEW PARTNERS



Telcomms (Italy)



Founded in 2008, Telcomms are a value-added distributor of wireless devices and services throughout Europe. Headquartered in Italy, they have played a formative role in securing and opening opportunities in the region for Skyfii - targeting system integrators, transport companies, telecommunications operators, public administrations, SMB and enterprise.



Jade Solutions (UK)

A key addition to Skyfii's operations in the UK has been Jade Solutions, a product and services company, specialising in mobile technology and Wi-Fi spaces - providing an array of services from design, development, implementation, integration and support. Skyfii's partnership with Jade Solutions played an important role for both companies in securing a contract with the recently announced premium UK food chain.

IT-Total (Sweden)



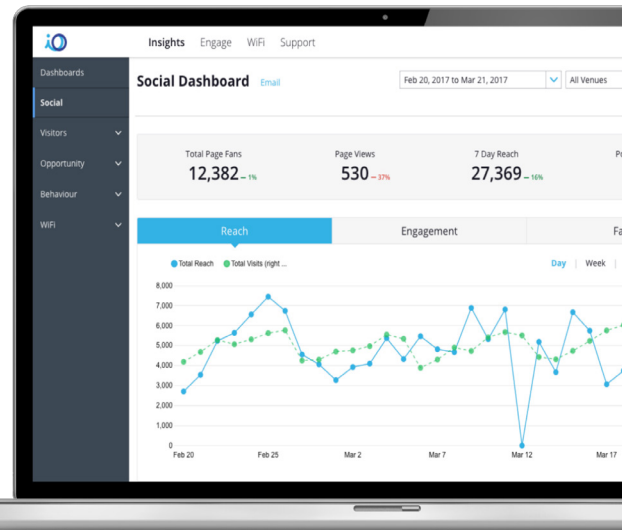
IT-Total is a leading provider of technology infrastructure in Sweden, in addition to providing managed services. As a largely uncontested and untapped market, Sweden and IT-Total present a great opportunity to develop Skyfii's foothold domestically in the country and in Europe.



My Sky Networks (South Africa)

Based in South Africa, My Sky Networks is a key partner operating in the African market. Offering solutions to multiple industries, the company focuses on education, enterprise and events, with a service offering covering Wi-Fi, security, broadband, cloud, voice and infrastructure.

PRODUCT DEVELOPMENT: SOCIAL DASHBOARD



Recently launched, Skyfii's Social Dashboard is a much anticipated value added product extension for existing customers of the IO platform. Ingesting key data from Facebook, and soon to be other social platforms - this toolset enables venues to see a direct correlation between social engagement and its effect on venue footfall. For retailers with an active digital marketing strategy, it provides a platform for ongoing social engagement campaigns.

During preliminary onboarding and testing, clients were engaged on opinion and application of the tool with Kelsey McAlpine, Marketing Manager at One Five One Property (Strathpine Centre) stating "The overall consensus is that for each of the assets we share on social media, the social reach of our posts are correlating with visits to our shopping centres, which is great. Furthermore, the audience reports within Social Dashboard offer valuable insights into our customer demographics, which allows us to tailor our social content accordingly."

To learn more about Skyfii's 'Social Dashboard' visit www.skyfii.io/social-dashboard/

SKYFII IN THE MEDIA

Skyfii has maintained a growing presence in both domestic and international media, as result of the continued success, the company is achieving in targeting and executing in new markets. Not only has this media representation been a reflection of business success, but also its product depth and relevance, with the announcement of Skyfii's 'Social Dashboard' being published across key media outlets. This increase has been highlighted in the array of media formats Skyfii has been discussed in, including print, radio, television and online. Here are some highlights.

CNBC Coverage

The completion and announcement of Woolworths and Skyfii signing an MSA and deploying services to 500 retail outlets in South Africa led to extensive coverage across Australian and South African media. Included in this coverage was an interview with CNBC South Africa, the leading outlet for business and financial news. The live televised interview discussed the successful deployment of Skyfii's IO platform within Woolworths and further applications for the IO platform in retail and other industries.

To view the interview search for CNBC and Skyfii through a search browser.

Entrepreneur's Masterclass Series' - Sky News Business

Through invitation, Skyfii's CEO; Wayne Arthur had the opportunity to participate in a 6 part series televised on Sky News Business. As part of a panel, Wayne and other industry executives discussed some of the most relevant topics for entrepreneurs - providing insight into their own experiences, challenges, observations and recommendations.

The Australian - Durham University

The Australian reported on Skyfii's agreement with Durham University, representing one of Skyfii's largest deployments to date, whilst also demonstrating a successful entry into a new market. Durham University's Chief Information Officer, Paul Featherstone, stated that his vision

was to turn Durham into a smart city, and this deal was a step towards that. "Anyone who attends or has been here knows that the university is the beating heart of the town and using technology in this way will benefit the entire community...Using Skyfii's Wi-Fi and data analytics services will see us deliver a better service provision and engagement with our students, staff and curriculum, and this partnership speaks to that."

To view this article search for Skyfii, Durham University and The Australian in your search browser.

The Why in Wi-Fi' - Business First Magazine

A headline article for Business First Magazine's online publication - 'The Why in Wi-Fi' was a thought-leadership

piece authored by Skyfii's Managing Director; John Rankin. The article featured online and also in the Business First print publication with a readership of over 10,000 senior level executives, investors and business personnel. The article explored the various advantages of Guest Wi-Fi in the context of benefits for both user and provider - substantiating the practices through use cases and research.

To view this article search for The Why in Wi-Fi, Skyfii and BFM in your search browser.

B&T Coverage of Social Dashboard

With a focus on marketing, media and advertising - B&T is a leading source of relevant news and announcements for the industries they cover. As result, the announcement of Skyfii's 'Social Dashboard' through this publication was a great introduction to relevant audiences, with the release titled 'Skyfii Unveils New Marketing Tool For Social Media Campaigns'.

Analyst Research Coverage

TMT Analytics recently published a research initiation report on Skyfii. Within the report, analyst Marc Kennis covered key topics such as Skyfii's business model, subscription platform, addressable markets, competition and stock evaluation.

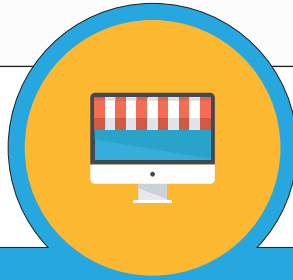
Other included material published with the report's release included a video summary and interview with Skyfii's Executive Director, Wayne Arthur.

This material is available within the Investor section of Skyfii's website at

www.skyfii.io/investor/



DID YOU KNOW?



There is a growing discussion in the retail sector about the need to introduce more personalised services for customers in order to compete with e-commerce and giants such as Amazon. The topic was raised by 'TimeTrade' in their published survey report titled 'The State of Retail'. In this survey report, respondents said they would increase their in-store spending by about 4.7% if retailers provided better, more personalised in-store experiences. This equates to an increase in spending of \$150 billion in unrealised retail revenue.

This trend continues in sentiment with the current largest buying power in the retail industry - Generation Z, overtaking millennials as the largest collective spender of retail products and services.

But with this 'digital native' consumer comes its own unique challenges - identified in a study titled 'Uniquely Gen Z' by the National Retail Federation and IBM's Institute for Business Value.

This report found that engagement with brand relationships revolved heavily around quality, availability and value. Importantly highlighted a shifting trend to preference in-store shopping over online shopping. Ultimately, it culminated in a significant challenge for retailers to create personalised, interactive experiences that consistently reflect the latest digital advances in mobile and technology.

From a market stand-point this represents a shift for retailers, which Skyfii has been supporting and implementing now for a

number of years. In the Skyfii world, we call this a 'Smart Store', where consumers' smart mobile devices provide the insight and big data that's being harnessed to create proven return for retailers - centred around personalisation. It's the ability to use technology to understand customer behaviour, asset performance and use data to deliver targeted marketing campaigns, based on the shopping habits of consumers' in the store at the most crucial moment in a shopper's journey - the point of sale, whilst remaining relevant, contextual and personalised. As this trend continues throughout market, so too does Skyfii see its participation and uptake from leading retailers.

STAY IN TOUCH

Skyfii's website features an [investor](#) section dedicated to providing the most up to date and relevant information for prospective and active investors.

Stay in touch by subscribing to company news alerts, this can be done by visiting our website at www.skyfii.io and registering for email alerts via our homepage footer.

