

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED
31 DECEMBER 2017



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skyfii

The logo consists of a stylized lowercase 'i' in a light blue color, followed by a lowercase 'o' in a darker blue color. The 'i' has a dot, and the 'o' is a simple circle.

Skyfii Limited
ABN 20 009 264 699
Interim Financial Report
For the half-year ended 31 December 2017



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Directors' report

Your Directors present their report on the consolidated entity (referred to hereafter as the Group), consisting of Skyfii Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2017 (1HFY18).

Directors

The names and particulars of the Directors of the Company who held office at the date of this report are:

- James Scott Independent Non-Executive Chairman
- Wayne Arthur Chief Executive Officer/Executive Director
- Andrew Johnson Independent Non-Executive Director
- Shaun Bonett Independent Non-Executive Director (*appointed 22 November 2017*)

Review of operations

During the half-year ended 31 December 2017, the Group generated revenues of \$3,170,273, up 83.1% on the prior corresponding period (pcp) (1HFY17: \$1,731,795).

During the half-year ended 31 December 2017, the Group generated operating revenues (excluding grant and interest income) of \$2,677,161, up 93% on pcp (1HFY17: \$1,386,377). Underlying this result was a 72% increase in recurring revenues on pcp (1HFY18: \$1,514,909; 1HFY17: \$882,966).

This result was mainly driven by the successful deployment of major data analytics and infrastructure set up contracts within Australia. In addition to the success in Australia, Skyfii gained significant growth in customer contract conversion in the UK and European markets which will contribute to future operating revenues in the second half of FY2018 and beyond.

Total operating expenses excluding depreciation, amortisation and finance costs were \$3,473,726 (1HFY17: \$3,531,560) reflecting a 2% decrease on pcp. Compared with the prior period the blend of cost has changed with an increase in cost predominantly from Cost of Sales (COS) to generate operating revenue with a 11% reduction to the remaining operating costs. Operating costs in 1HFY18 excluding COS was \$2,589,222 (1HFY17: \$2,897,619).

The Group reported an operating EBITDA loss (Earnings Before Interest, Tax, Depreciation, & Amortisation) of \$303,454 (1HFY17: \$1,799,765 loss) and net loss after tax of \$1,098,878 (1HFY17: \$2,274,117 loss).

Operating cash inflows for 1HFY18 were \$496,912 (1HFY17: \$713,384 outflow) and net cash outflows from investment activities were \$752,311 (1HFY17: \$834,871 outflow) including an investment of \$732,382 in software development comprising predominantly of direct employee costs and external developer costs.

The Group's cash balance as at 31 December 2017 was \$2,751,932 (1HFY17: \$3,484,943).

Dividends paid or recommended

In respect of the half-year ended 31 December 2017, there have been no dividends paid or provided for (1HFY17: nil).

Auditor's independence declaration

The auditor's independence declaration is included on page of this report and forms part of the Directors' Report for the half-year ended 31 December 2017.

This report is made in accordance with a resolution of Directors.



James Scott

Chairman

23 February 2018



Auditor's independence declaration

HALL CHADWICK  (NSW)

SKYFII LIMITED
ABN 20 009 264 699
AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF SKYFII LTD
AND CONTROLLED ENTITIES

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2017 there have been no contraventions of:

- i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.

H M Chadwick

HALL CHADWICK
Level 40, 2 Park Street
SYDNEY NSW 2000

G Webb

GRAHAM WEBB
Partner
Dated: 23 February 2018

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Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2017

	Note	31 Dec 2017 \$	31 Dec 2016 \$
Revenue and other income			
Revenue	2	2,677,161	1,386,377
Other income	2	493,111	345,418
Total revenue		3,170,273	1,731,795
Expenses			
Direct costs of services		(884,504)	(633,941)
Employee benefits expense	3	(1,628,446)	(1,763,315)
Contractor and consultant expenses		(40,826)	(61,553)
Marketing and promotion expenses		(119,680)	(166,283)
Travel and accommodation expenses		(196,954)	(221,673)
Office and other expenses		(370,236)	(381,137)
Directors' fees		(100,000)	(110,627)
Share based payments expense		(133,081)	(193,031)
Depreciation and amortisation expenses	3	(762,973)	(466,918)
Finance costs	3	(436)	(1,267)
Loss before tax		(1,066,862)	(2,267,950)
Income tax expense		(32,016)	(6,167)
Loss for the period		(1,098,878)	(2,274,117)
Other comprehensive income			
Items that will be reclassified to profit or loss when specific conditions are met:			
Exchange differences on translation of foreign operations		(3,884)	(21,468)
Total comprehensive loss for the period		(1,102,762)	(2,295,586)
Earnings per share		Cents	Cents
Basic earnings per share	14	(0.4)	(1.3)
Diluted earnings per share	14	(0.4)	(1.3)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



Consolidated statement of financial position

As at 31 December 2017

	Note	31 Dec 2017 \$	30 Jun 2017 \$
Assets			
Current assets			
Cash and cash equivalents		2,751,932	2,280,861
Trade and other receivables	4	1,218,071	2,239,156
Inventories		-	1,901
Other assets	5	150,043	142,605
Total current assets		4,120,046	4,664,522
Non-current assets			
Plant and equipment	6	156,491	177,634
Intangible assets	7	3,529,393	3,289,065
Total non-current assets		3,685,884	3,466,699
Total assets		7,805,929	8,131,221
Liabilities			
Current liabilities			
Trade and other payables	9	816,155	824,509
Employee benefits		185,988	181,246
Current tax liabilities		6,493	-
Deferred revenue		737,266	645,779
Total current liabilities		1,745,902	1,651,535
Deferred revenue		308,505	125,483
Total non-current liabilities		308,505	125,483
Total liabilities		2,054,407	1,777,018
Net assets		5,751,522	6,354,203
Equity			
Contributed equity	10	23,141,553	22,774,553
Reserves	11	450,145	320,948
Accumulated losses		(17,840,175)	(16,741,297)
Total equity		5,751,522	6,354,203

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the half-year ended 31 December 2017

	Note	Contributed equity \$	Share based payments reserve \$	Share option reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2016		17,987,101	60,492	-	3,588	(11,829,582)	6,221,599
Loss for the period		-	-	-	-	(2,274,117)	(2,274,117)
Exchange differences on translation of foreign operations		-	-	-	(21,468)	-	(21,468)
Total comprehensive loss for the period		-	-	-	(21,468)	(2,274,117)	(2,295,586)
Transactions with owners in their capacity as owners:							
Issue of ordinary shares	10	2,752,517	-	-	-	-	2,752,517
Capitalised equity raising costs (net of tax)	10	(101,992)	-	-	-	-	(101,992)
Share based payments	11	-	63,281	-	-	-	-
Issue of options	11	-	-	60,627	-	-	60,627
Balance at 31 December 2016		20,637,626	123,773	60,627	(17,881)	(14,103,699)	6,700,446
	Note	Contributed equity \$	Share based payments reserve \$	Share option reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2017		22,774,553	244,437	60,627	15,884	(16,741,297)	6,354,203
Loss for the period		-	-	-	-	(1,098,878)	(1,098,878)
Exchange differences on translation of foreign operations		-	-	-	(3,884)	-	(3,884)
Total comprehensive loss for the period		-	-	-	(3,884)	(1,098,878)	(1,102,762)
Transactions with owners in their capacity as owners:							
Issue of ordinary shares	10	367,000	-	-	-	-	367,000
Share based payments	11	-	133,081	-	-	-	133,081
Balance at 31 December 2017		23,141,553	377,518	60,627	12,000	(17,840,175)	5,751,522

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



Consolidated statement of cash flows

For the half-year ended 31 December 2017

	31 Dec 2017 \$	31 Dec 2016 \$
Cash flows from operating activities		
Receipts from customers	2,744,406	1,806,749
Payments to suppliers and employees	(3,193,021)	(3,389,106)
Receipts from other income	116,594	10,840
Receipts from government R&D tax incentive	823,229	851,219
Interest received	6,139	8,181
Interest paid	(436)	(1,267)
Net cash (outflow) from operating activities	496,912	(713,384)
Cash flows from investing activities		
Payments for plant and equipment	(19,928)	(33,593)
Payments for intangible assets	(732,382)	(748,821)
Payments for other assets	-	(52,456)
Net cash (outflow) from investing activities	(752,311)	(834,871)
Cash flows from financing activities		
Proceeds from prior period issue of shares	726,470	2,522,767
Capitalised capital raising costs	-	(101,992)
Net cash inflow from financing activities	726,470	2,420,775
Net increase / (decrease) in cash	471,071	872,520
Cash at the beginning of the period	2,280,861	2,612,422
Cash at the end of the period	2,751,932	3,484,943

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the half-year ended 31 December 2017

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This Interim Financial Report does not include all the notes normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Skyfii Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.



1. Summary of significant accounting policies

(a) Basis of preparation of interim financial report

These general purpose interim financial statements for the half-year reporting period ended 31 December 2017 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Skyfii Limited is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Skyfii Limited and its controlled entities (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2017, together with any public announcements made during the following half-year. The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those adopted in the Group's annual financial report for the year ended 30 June 2017, with the addition of the following:

Intangibles

Customer Contracts

Customer contracts acquired are carried at their fair value at date of acquisition, less accumulated amortisation. They are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life between five and ten years.

These interim financial statements were authorised for issue on 23 February 2018.

(b) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the interim financial report, are disclosed in the 2017 Annual Report.

(c) Segment reporting

The Group operates predominantly in one industry and one geographical segment, being the development and commercialisation of data analytics, marketing and advertising services to its customers in Australia. At this stage the Group's overseas operations are not significant to the Group during this 1H FY18 reporting period. The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

(d) Accounting standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period. The Group has assessed the impact of these new standards and interpretations and does not expect that initial application will affect any of the amounts recognised in the financial report but may change the disclosures presently made in relation to the Group. For further details refer to the 2017 Annual Report.

(e) Going concern

The financial statements of the Group have been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business.

The Group is in the research, development and commercialisation stage of its data analytics technology and services. During the half-year ended 31 December 2017 the Group incurred a loss after tax of \$1,098,878. At 31 December 2017, the Group had a surplus in net current assets of \$2,374,143 and a surplus in net assets of \$5,751,522.

Management have prepared cash flow projections that support the Group's ability to continue as a going concern.

The Directors of the Company consider that the cash flow projections and assumptions are achievable, and in the longer term, significant revenues will be generated from the commercialisation of intellectual property, and accordingly, the Group will be able to continue as a going concern.

Notes to the financial statements continued

For the half-year ended 31 December 2017

2. Revenue

	Note	31 Dec 2017 \$	31 Dec 2016 \$
Revenue from operations		2,677,161	1,386,377
Other income			
Government R&D tax incentive		370,378	326,397
Other government grants		116,594	10,840
Interest income		6,139	8,181
Total other income		493,111	345,418
Total revenue		3,170,273	1,731,795

3. Expenses

Loss before income tax expense includes the following expenses:

	Note	31 Dec 2017 \$	31 Dec 2016 \$
Employee			
Salaries and related expenses (including superannuation)		1,212,640	1,712,318
Other employment costs		415,806	50,997
Total employee benefits expense		1,628,446	1,763,315
Depreciation and amortisation			
Plant and equipment	7	23,918	18,902
Software development amortisation	8	739,054	448,016
Total depreciation and amortisation expenses		762,973	466,918
Rental expense relating to operating leases			
Minimum lease payments		115,573	125,550
Rent recovery from sub-lease agreements		(74,367)	(67,925)
Net rental expense relating to operating leases		41,206	57,625
Net foreign exchange losses		(3,884)	(15,962)
Finance costs			
Interest expense		436	1,267



4. Trade and other receivables

	31 Dec 2017 \$	30 Jun 2017 \$
Current		
Trade receivables	824,082	638,318
R&D tax incentive receivable	370,378	765,983
Other debtors	23,611	834,855
Total current trade and other receivables	1,218,071	2,239,156

5. Other assets

	31 Dec 2017 \$	30 Jun 2017 \$
Current		
Prepayments	81,433	129,680
Security deposits	4,057	4,057
Other	64,552	8,868
Total current other assets	150,043	142,605

6. Plant and equipment

	31 Dec 2017 \$	30 Jun 2017 \$
Non-current		
Office and computer equipment – at cost	261,515	258,826
Accumulated depreciation	(105,024)	(81,192)
Carrying value of office and computer equipment	156,491	177,634
Total carrying value of plant and equipment	156,491	177,634

Notes to the financial statements continued

For the half-year ended 31 December 2017

7. Intangible assets

	31 Dec 2017 \$	30 Jun 2017 \$
Non-current		
Software development – at cost	5,552,766	4,820,384
Accumulated amortisation	(2,253,220)	(1,531,319)
Carrying value of software development	3,299,546	3,289,065
Customer Contracts	247,000	-
Accumulated amortisation	(17,153)	-
Carrying value of customer contracts	229,847	-
Total carrying value of intangible assets	3,529,393	3,289,065

Reconciliations

Reconciliations of the carrying amount of intangible assets at the beginning and end of the current and previous period are set out below:

	Software Development \$	Customer Contracts \$	Total Intangibles
Balance at 1 July 2016	2,803,857		2,803,857
Additions	1,581,084		1,581,084
Amortisation	(1,095,876)		(1,095,876)
Balance at 31 December 2016	3,289,065		3,289,065
Balance at 1 July 2017	3,289,065		3,289,065
Additions	732,382	247,000	979,382
Amortisation	(721,901)	(17,153)	(739,054)
Balance at 31 December 2017	3,299,546	229,847	3,529,393

8. Net tangible asset backing

	31 Dec 2017 cents per share	30 Jun 2017 cents per share
Net tangible asset backing per share	0.81	1.17
Net assets per share	2.10	2.43

9. Trade and other payables

	31 Dec 2017 \$	30 Jun 2017 \$
Current		
Trade payables	734,100	802,012
Sundry payables	82,054	22,498
Total trade and other payables	816,155	824,509



10. Contributed equity

(a) Share capital

	31 Dec 2017 Number	30 Jun 2017 Number	31 Dec 2017 \$	30 Jun 2017 \$
Ordinary shares	273,436,621	261,118,194	23,141,553	22,774,553
Total share capital			23,141,553	22,774,553

(b) Movements in ordinary share capital

	Date	Number	Average price	\$
Reconciliation to 30 June 2017:				
Balance at 1 January 2017		213,406,839		20,580,303
Capitalised equity raising costs (net of tax)				-
Movements in ordinary shares:				
Share placement	10-Feb-17	26,379,052	\$0.0630	1,661,880
Issue of ESP shares	10-Feb-17	13,000,000	\$0.0650	-
Share purchase plan	14-Feb-17	7,793,643	\$0.0630	491,000
Issued in settlement of various liabilities	16-May-17	538,660	\$0.0768	41,369
Balance at 30 June 2017		261,118,194		22,774,553
Reconciliation to 31 December 2017:				
Balance at 1 July 2017		261,118,194		22,774,553
Capitalised equity raising costs (net of tax)				-
Movements in ordinary shares:				
Issued in settlement of Wicoms Acquisition	1-Aug-17	3,800,000	\$0.065	247,000
Issued in settlement of various liabilities	25-Aug-17	289,857	\$0.069	20,000
Issue of ESP shares	12-Oct-17	800,000	\$0.058	-
Issued in settlement of Directors Fees	24-Nov-17	1,428,572	\$0.070	100,000
Issue of ESP shares	11-Dec-17	6,000,000	\$0.073	-
Balance at 31 December 2017		273,436,623		23,141,553

(c) Ordinary shares

Ordinary shares have the right to receive dividends as declared, and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Notes to the financial statements continued

For the half-year ended 31 December 2017

(d) Employee Share Plan (ESP)

Information relating to the Employee Share Plan can be found in the Company's annual report for the year ended 30 June 2017.

(e) Earn Out Shares

Information relating to the Earn Out Shares issued in the year ended 30 June 2017 can be found in the Company's annual report for the year ended 30 June 2017.

(f) Options over unissued ordinary shares

The Company granted the following options to Directors, convertible into the same number of ordinary shares in the Company, on the basis of shareholder approval granted on 30 November 2016:

Number of options	Option consideration	Expiry date	Exercise price per option
1,000,000	\$0.00	30 November 2019	\$0.100
1,000,000	\$0.00	30 November 2019	\$0.125
1,000,000	\$0.00	30 November 2019	\$0.150
1,000,000	\$0.00	30 November 2019	\$0.200
1,000,000	\$0.00	30 November 2019	\$0.300

The fair value of the options over the shares is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured and recognised at grant date, being 30 November 2016.

The fair value at grant date is determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the options, the impact of dilution, the non-tradeable nature of the options, the share price at grant date and expected price volatility of the underlying shares, the expected dividend yield and the risk-free interest rate for the term of the options.

11. Equity – reserves

	31 Dec 2017 \$	30 Jun 2017 \$
Share based payment reserve movements		
Balance at the beginning of the period	244,437	-
Share based payment expense	133,081	244,437
Balance at the end of the period	377,518	244,437
Share option reserve movements		
Balance at the beginning of the period	60,627	-
Share option expense	-	60,627
Balance at the end of the period	60,627	60,627
Foreign currency translation reserve movements		
Balance at the beginning of the period	15,884	-
Currency translation differences arising during the period	(3,884)	15,884
Balance at the end of the period	12,000	15,884
Total reserves	450,145	320,948



12. Contingent liabilities

There are no contingent liabilities as at 31 December 2017.

13. Events occurring after the reporting date

On 5 February 2018, the Company announced the acquisition of various assets of Causely including the following intangible assets; trading name, trademarks, intellectual property, customer contracts, contract pipeline and data in the US for an all scrip transaction of 25,000,000 new ordinary Skyfii shares issued at A\$0.14 per share, equating to a consideration of A\$3,500,000.

Other than the above matters there are no other matters or circumstances that have arisen since 31 December 2017 that have significantly affected, or may significantly affect:

- the consolidated entity's operations in the future financial years, or
- the results of those operations in future financial years, or
- the consolidated entity's state of affairs in the future financial affairs.

14. Earnings per share (EPS)

	31 Dec 2017 cents per share	31 Dec 2016 cents per share
(a) Basic earnings per share		
Basic EPS attributable to ordinary equity holders of the Company	(0.4)	(1.3)
(b) Diluted earnings per share		
Diluted EPS attributable to ordinary equity holders of the Company	(0.4)	(1.3)
(c) Weighted average number of shares used as the denominator	Number	Number
Weighted average number of ordinary shares used in calculating basic EPS	265,746,231	172,681,095
Weighted average number of dilutive options outstanding	3,606,557	842,391
Weighted average number of ordinary shares used in calculating diluted EPS	269,352,789	173,523,486
(d) Reconciliation of earnings used in calculating earnings per share	\$	\$
Loss attributable to the ordinary equity holders of the Company used in calculating basic EPS	(1,102,762)	(2,295,586)

Directors' Declaration

In the Directors' opinion:

- (a) the financial statements and notes, as set out on pages 6 to 17, are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - ii. giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Directors



James Scott

Chairman

23 February 2018



Independent Auditor's review report

HALL CHADWICK  (NSW)

SKYFII LIMITED
ABN 20 009 264 699
AND CONTROLLED ENTITIES

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SKYFII LIMITED

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Skyfii Limited, which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of Skyfii Limited's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Skyfii Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the review of the half-year financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirement of the Corporation Act 2001.

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Independent Auditor's review report continued

HALL CHADWICK  (NSW)

SKYFII LIMITED
ACN 009 264 699
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SKYFII LIMITED

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Skyfii Limited is not in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of Skyfii Limited's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
SYDNEY NSW 2000

Graham Webb

GRAHAM WEBB
Partner
Dated: 23 February 2018



Corporate directory

Company Directors

Mr James Scott	Chairman, Non-Executive Director
Mr Wayne Arthur	Managing Director
Mr Andrew Johnson	Non-Executive Director
Mr Shaun Bonett	Non-Executive Director

Company Secretary

Ms Koreen White

Registered Office

Level 1
34-36 Oxford Street
Darlinghurst NSW 2010
Telephone: +61 2 8188 1188

Share Registry

Boardroom Pty Limited
Level 12
225 George Street
Sydney NSW 2000

Auditors

Hall Chadwick
Level 40
2 Park Street
Sydney NSW 2000

Securities exchange listing

Skyfii Limited shares are listed on the Australian Securities Exchange (Listing code: SKF)

Website

www.skyfii.io

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