Skyfii Acquires Blix to Strengthen Its Presence In Automotive & Retail Verticals

HIGHLIGHTS:

- **Skyfii completes the acquisition of Blix, an Australian based venue analytics business servicing small and medium format retail venues including auto dealerships**
- **Blix has a portfolio of blue chip customers including Porsche, Volkswagen, Hyundai, Toyota, Country Road Group, Chanel, Swarovski and Watches of Switzerland**
- **The acquisition further diversifies the Skyfii customer base and provides Skyfii with a cost effective venue analytics offering for small to medium sized venues**
- **Blix's complementary customer base and technology offering provides Skyfii with the opportunity to roll out Blix's product on a global basis across UK, Europe, Asia and North America**
- **The acquisition is forecast to deliver a pro-forma $1.1m increase in Skyfii's Annualised Recurring Revenue (ARR)**
- **The purchase price includes an upfront cash consideration of $300k, with an earnout based on Q1 FY22 revenue contribution from both current customers and an agreed new business pipeline, payable in Q2 FY22**
- **Skyfii anticipates the total purchase price to be less than 1x Annualised Recurring Revenues contributed by Blix customers in the first year of ownership**
- **The acquisition is anticipated to be EBITDA accretive in the first full year post completion and provides a significant opportunity to upsell Skyfii's full suite of SaaS services to Blix's existing portfolio of customers**

Mr Wayne Arthur, Skyfii Chief Executive Officer commented,

"This transaction further strengthens Skyfiii's position as a market leading provider of data driven venue analytics and provides further expansion into the lucrative Automotive and Retail sectors. The acquisition reinforces our strategic focus on delivering a diversified mix of products and services into physical venues globally and supports our stated strategy to grow both organically and via accretive and complementary acquisitions. The Blix product and technology solution represents a cost effective solution for small to medium sized venues, whilst delivering valuable insights to inform staff rostering, sales conversion, repeat visitation and customer dwell times.
Skyfii's ability to deliver the Blix technology into offshore markets, specifically the high value Automotive and Retail market in the USA, will drive significant upside from existing revenue levels and underpins the strategic rationale for the transaction".

Mr John Rankin, Skyfii Chief Operating Officer further commented,

"We are extremely pleased to have completed the acquisition of Blix, and we look forward to welcoming the four Blix employees, integrating their operations and serving their portfolio of customers. Customers of Blix, will now benefit from Skyfii's technology platform which provides richer insights and more comprehensive reporting. Additionally, they will be supported by a highly experienced team of Data Scientists, Digital Strategists and

Customer Success Managers dedicated to helping to better understand venue operations and improve the customer experience".

SYDNEY, AUSTRALIA, 16th September, 2020 - Skyfii Limited (ASX:SKF) ("**Skyfii**" or "**the Company**"), an omnidata intelligence company, is pleased to announce that it has acquired the business and assets of Blix, an Australian headquartered customer insights technology platform, largely servicing the retail and automotive sector.

Established in 2013, Blix sells and manages an analytics technology platform that combines sophisticated WiFi and people counting technology. Blix's technology solution, named CountSmart™, counts foot traffic, measures sales conversion, manages staffing rostering and improves the overall business efficiency of small to medium sized venues. The Blix customer base is largely spread across Australia and New Zealand with a growing number of customers across North America and parts of Asia. The customer book comprises approximately 50 blue chip customers including brands such as Porsche, Volkswagen, Hyundai, Toyota, Country Road Group, Chanel, Swarovski and Watches of Switzerland.

KEY FINANCIAL METRICS INCLUDE:

- FY20 Revenue of $2.2m; with current post-COVID ARR of c.$1.1m (contracts typically on 12 month renewal basis)
- Skyfii anticipates Blix to provide positive EBITDA and operating cashflow contribution in the first year of ownership
- Significant cost synergies available from the managed transfer of Blix customers to Skyfii's platform and grandfathering of Blix technology platform

Blix's complementary technology solution expands the Skyfii product and service offering. The acquisition provides customers with an affordable 'plug and play' technology solution that will now benefit from Skyfii's global footprint of resellers and direct to customer operations across the UK, EMEA and North America. On completion, four key employees will transition with the business, with founder Tony Loxton to remain on as advisor to assist with near-term sales pipeline conversion and assist with the business transition.

TRANSACTION DETAILS
The purchase price for the acquisition is structured as follows:

- an initial cash consideration of $300k[1]; plus
- an earnout payment based on a percentage of annualised Q1 FY22 revenue contribution from current and an agreed pipeline of Blix customers, payable in Q2 FY22 ("**Earnout**")

Skyfii can elect to pay up to 50% of the Earnout in SKF Shares, to be issued at the 15 trading day volume weighted average price of SKF Shares prior to payment of the Earnout in Q2 FY22.

Skyfii anticipates the total purchase price to be less than 1x Annualised Recurring Revenues contributed by Blix customers in the first year of ownership.

[1] Subject to a net working capital adjustment mechanism.

ABOUT BLIX

Founded in 2013, Blix provides a retail analytics solution to the specialty retail, automotive, property, and transport sectors in Australia and internationally. By collecting anonymised data from smartphones via WiFi networks, Blix is able to provide businesses with customer engagement data such as outside traffic, inside traffic, dwell times, and customer loyalty. This data is used to optimise costs, identify missed opportunities, and increase sales.

Further information can be found at www.getblix.com

ABOUT SKYFII
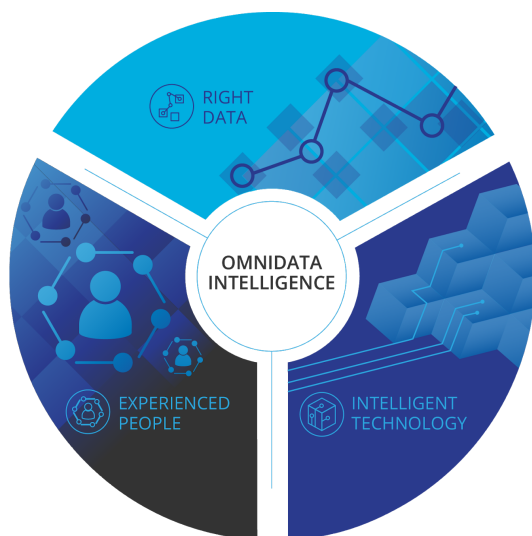
As the world's most trusted omnidata intelligence company, Skyfii collects and analyses billions of data points each month from a range of venue types across five continents.

Our SaaS cloud-based solution, the IO Platform, helps venues visualize, measure, predict, and influence customer behaviour, creating better experiences for their visitors and customers.

The IO Platform provides location and behaviour based communications software and tools to manage guest Wi-Fi, 2D and 3D cameras, people counting technology, artificial intelligence video technology, sales, weather, staff rostering and social media data across multiple locations.

Skyfii further augments insights generated by the IO Platform with its Data & Marketing Services offering: a team of data science and marketing consultants who help clients effectively gain more value from their data.

Learn more at www.skyfii.io

Follow Skyfii updates at https://au.linkedin.com/company/skyfii

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