Skyfii delivers its highest revenue quarter

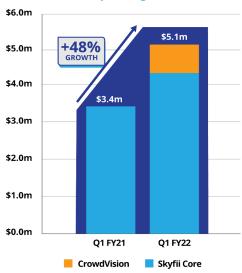
Q1 FY22 Highlights

- Total Operating Revenues for Q1 FY22 of \$5.1m, up 48% on the previous corresponding period (PCP) (Q1 FY21) including revenue from CrowdVision of \$0.8m
- Recurring Revenues for Q1 FY22 of \$3.5m, up 54% vs pcp with CrowdVision delivering recurring revenue of \$0.6m during the period
- Total Cash Receipts of \$4.1m, up 6% on Q4 FY21
- **Cash at bank** of **\$5.8m** (as at 30 September 2021), with additional access to a \$2m loan facility, which remains undrawn. Net cash reduced during the quarter primarily due to a \$1.3m cash payment associated with the completion of the CrowdVision acquisition
- Completed the acquisition of CrowdVision for a total consideration of \$10m (of which 56% funded via equity issued to CrowdVision at a Skyfii share price of \$0.209) delivering access to the rebounding global transportation and airport vertical
- Pro forma Annualised Recurring Revenue (ARR) (including CrowdVision) exited Q1 FY22 at \$14.2m¹
- Post quarter end the Company announced contract wins in the EMEA region with a TCV of \$1.6m

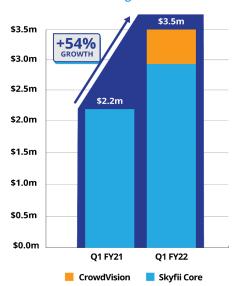
Outlook

- Improving economic conditions in the northern hemisphere have delivered significant new business opportunities and a material improvement in the quality of our global sales pipeline
- Skyfii is focussed on targeted investment into its operating model
 to deliver scalable growth in FY22 and beyond. Primary areas of
 investment include an expanded business development team, a
 focus on developing cross-sale opportunities across its product
 lines and new product development

Total Operating Revenue



Recurring Revenue



¹ Annual Recurring Revenue (ARR) based on contracted recurring revenues as at September 2021 - inclusive of temporary suspensions as a result of COVID-19 & contracted revenues from the acquisition of CrowdVision announced 6 April 2021

Commenting on the September quarter, Skyfii CEO and Managing Director Wayne Arthur said:

"Our business development pipeline continued to grow during the quarter as venues around the globe see the benefit of our people counting and analytics data in helping maintain safe and compliant operations and deliver improved levels of customer experience. That growing pipeline was reflected in the announcement, post the end of the quarter, of several new contracts signed in the rapidly growing Middle East region. With over \$38m in advanced stage deal value, we are well positioned to deliver even stronger revenue growth in the coming quarters.

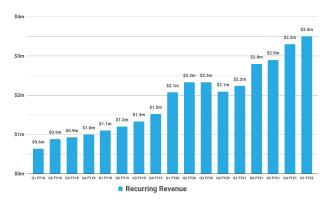
We continued to invest into our business during the quarter as we aim to further expand our pipeline and deliver operating leverage in FY23 and beyond. We are investing into sales, marketing, operations, engineering and human resources and remain well funded to make the investments for future growth.



These investments along with positive market conditions, a growing business development pipeline, upside from our recent acquisition of CrowdVision and a strong baseline of recurring revenue, position the Company to deliver meaningful and rapid revenue growth in FY22. Looking ahead we are confident that our Q2 result will be a significant improvement on our Q1 and see us deliver a record 1H result."

Recurring Revenue

Total Revenue





Cash Position

The Company maintained a strong balance sheet with \$5.8m of cash as at 30 September 2021. In addition, Skyfii has access to a \$2m loan facility, which remains undrawn. Net cash reduced versus 30 June 2021 primarily due to A\$1.3m cash consideration for the settlement of agreed pre-acquisition net debt associated with the completion of the CrowdVision.

Completion of acquisition of CrowdVision

During the quarter the Company completed the acquisition of CrowdVision. The total acquisition cost was A\$10.0m, which was in line with the price stated on 6 April (ref ASX release on 6 April). The breakdown of the acquisition commercials was:

- An initial consideration of A\$1.3m, paid in cash to the vendors of CrowdVision
- A\$3.1m in payments to settle net debts owed by CrowdVision prior to acquisition completion
- A\$5.6m in deferred equity compensation, paid in scrip and issued at a share price of A\$0.209 per share

The company elected to fund the deferred consideration with shares (issued at a price of A\$0.209 per share) rather than cash as it delivered the best value for Skyfii shareholders.

The Company issued 26,673,811 Skyfii shares to satisfy the deferred consideration for the acquisition of CrowdVision, Inc (Deferred Consideration Shares). The Deferred Consideration Shares are subject to voluntary escrow restrictions, as detailed below:

- 15,297,313 shares subject to voluntary escrow restrictions expiring 5 April 2022; and
- 11,376,498 shares subject to voluntary escrow restrictions expiring 5 April 2023.

Strategic Rationale

The acquisition of CrowdVision delivered Skyfii a market leading presence in the global airport vertical with its advanced computer vision technology platform. The timing of the transaction was strategically counter-cyclical and provides significant scope for Skyfii to generate revenue uplift as global air travel, and airport infrastructure investment, continue to normalise post the impact of COVID-19.

Skyfii's integration of CrowdVision has performed ahead of expectations with the technology platforms aligned and all staff fully onboarded to Skyfii's operating systems. The integration and initial business development activities have reinforced the strategic and revenue opportunities from the acquisition, including the ability to leverage the technology into new verticals with similar use cases including Stadiums, Casinos and Rail/Transit hubs.

Post End of Quarter

Post the end of the quarter, the Company signed key contracts in the EMEA region with a combined Total Contract Value of over \$1.6m, including:

- Majid Al Futtaim (MAF), owner and operator of shopping malls, retail outlets and leisure centres in the Middle East, including Mall of the Emirates, signed a three-year deal for the provision of IO Connect Guest WiFi across 19 shopping malls. MAF also operates the Carrefour supermarket brand in the UAE and owns the Geant supermarkets brand in the region
- Quick Service Restaurant operator, McDonald's signed a three-year deal for the provision IO Connect Guest WiFi and IO Insights data analytics platform across 183 restaurants across the UAE
- International shopping centre group McArthurGlen Designer Outlets signed a three-year contract
 extension for the ongoing deployment of Skyfii's IO Connect Guest WiFi and IO Insight data analytics
 platforms across 24 designer outlet malls in the UK and Europe. The three-year extension with
 McArthurGlen follows a successful initial four-year term (reference ASX release 25 October 2017)

Corporate

Employee Share & Option Buy Back

During the quarter the Company completed an Employee Share & Option buy back of 18,694,428 due to various vesting conditions not being met. This reduced the number of employee shares & options outstanding for the Company by 16%. No consideration was paid by Skyfii given the vesting conditions had not been met.

Appointment of new Directors

During the quarter the company appointed two new directors. As the Company continues to grow the business globally, changes to the composition of the Company's Board will ensure we have the appropriate skill set, diversity of experience and corporate governance capabilities to execute on our growth strategy

 Kirsty Rankin was appointed as a non-executive director. Kirsty is an experienced senior executive in the data driven digital marketing sector. She was most recently Senior Vice President Product Development, Data and Services for Mastercard, based in New York.



John Rankin (no relation to Kirsty Rankin) was appointed to an executive
Director position. John is Chief Operating Officer of the Company, having joined
Skyfii in 2016. He holds over 17 years' experience in technology, media,
advertising, and property industry, twelve of which were spent in senior and
executive leadership positions.



• Lincoln Brown has stepped down as a non-executive director of the Company.

As noted in Section 6 of the Appendix 4C, the Directors fees stated were made to the Directors of the entity during the quarter, comprising salaries and fees for Executive and Non-Executive Directors. No other payments were made to any related parties or their associates of the entity.

Outlook

FY22 is a year of investment into our operating model in order to drive organic growth in all markets which will be a catalyst for significant YoY revenue growth in FY22 and beyond. The company remains well funded to make strategic investments into sales, marketing, operations, engineering and human resources in order to propel future growth.

The key areas of focus for Skyfii's management team during FY22 include:

- Continued investment into marketing activities to drive quality leads across all markets and products
- Increased investment into Sales, Support and Services headcount to drive additional revenue growth in all regions
- Focus on near-term conversion across CrowdVision and Skyfii sales pipelines
- Expansion of our reach into the UAE region

- Significant focus on key verticals including Airports, Stadiums, Grocery, Corporate Offices, Universities, Schools and Municipalities
- Integration of the CrowdVision technology solution into the Skyfii offering and retirement of the legacy platform
- Focus on driving operating leverage into FY23 and beyond

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 visualise, 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 Wireless Access Points, 2D and 3D cameras, People Counting sensors, LiDAR, FishEye, CCTV and Artificial Intelligence (AI) enabled cameras that monitor passenger, pedestrian, car, bicycle traffic and IoT sensors that detect building, room, desk occupancy and climate monitoring 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 harness more value from their data.

This announcement has been approved by Skyfii Limited's CEO.

Learn more at www.skyfii.jo or follow Skyfii updates at https://au.linkedin.com/company/skyfii

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Skyfii Limited			
ABN Quarter ended ("current quarter")			
20 009 264 699	30 September 2021		

Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	4,137	4,137
1.2	Payments for ¹		
	(a) research and development	(77)	(77)
	(b) product manufacturing and operating costs	(1,578)	(1,578)
	(c) advertising and marketing	(233)	(233)
	(d) leased assets	-	-
	(e) staff costs	(4,045)	(4,045)
	(f) administration and corporate costs	(1,067)	(1,067)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	6
1.5	Interest and other costs of finance paid	(23)	(23)
1.6	Income taxes paid	(21)	(21)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(2,902)	(2,902)

2.	Cash flows from investing activities	
2.1	Payments to acquire:	
	(a) entities	-
	(b) businesses	-
	(c) property, plant and equipment	(16)

¹ In April 2021, the Company announced the acquisition of CrowdVision. During the quarter, cashflow from operating activities include a payment for \$1.3m for the settlement of net debts owed by CrowdVision prior to the acquisition. The settlement of net debt amount was offset against the purchase price of the CrowdVision entity which settled in July 2021 in an all scrip issue.

ASX Listing Rules Appendix 4C (01/12/19)

Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(16)	(16)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	88	88
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) (a) Capital raising costs	-	-
3.10	Net cash from / (used in) financing activities	88	88

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,596	8,596
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,902)	(2,902)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(16)	(16)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	88	88
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,766	5,766

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,766	8,596
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,766	8,596

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1*	242
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

^{*}Salaries and Director fees for Executive and Non-Executive Directors

7.	Financing facilities Note: the term "facility" includes all forms of financing arrangements available to the entity.	Total facility amount at quarter end	Amount drawn at quarter end \$A'000
	Add notes as necessary for an understanding of the sources of finance available to the entity.	\$A'000	V 11000
7.1	Loan facilities	2,000	0
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	2,000	0

7.5 Unused financing facilities available at quarter end 2,000

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.
- 7.1 \$2 million unsecured loan facility as per ASX announcement 14 May 2019. Lenders include Thorney Technologies Ltd, Jagafii Pty Ltd and BMR Securities Pty Ltd. The annual interest rate is 8% pa funds drawn plus an annual line fee of 2% pa. The loan facility matures on 31st May 2022.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(2,902) ²
8.2	Cash and cash equivalents at quarter end (Item 4.6)	5,766
8.3	Unused finance facilities available at quarter end (Item 7.5)	2,000
8.4	Total available funding (Item 8.2 + Item 8.3)	7,766
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.7

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:
 - 1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:				

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:			

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answe				

ASX Listing Rules Appendix 4C (01/12/19)

² In April 2021, the Company announced the acquisition of CrowdVision. During the quarter, cashflow from operating activities include a payment for \$1.3m for the settlement of net debts owed by CrowdVision prior to the acquisition. The settlement of net debt amount was offset against the purchase price of the CrowdVision entity which settled in July 2021 in an all scrip issue.

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 October 2021

Authorised by: By the Board

Notes

- 1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.