

ASX: SKF

2016 Annual General Meeting – Chairman's Address

Good afternoon ladies and gentlemen.

For the past twelve months your Company has continued to enhance and deliver our technology offering as well as extending our footprint locally and globally. I wanted to take the time to share with you our shareholders some of the objectives we are focusing on with your Company.

During FY16, the Company achieved 256% growth in operating revenues, and an exceptional 362% growth in underlying recurring revenues. In line with its exceptional topline growth in revenues, the Company continued to invest in its people and technology in a disciplined manner without materially increasing its cash burn, providing a solid platform to realise operational leverage in the years to come.

We have done this, while taking a disciplined approach to our costs and our capital management and have driven efficiencies across our business.

In this day and age of fast paced emerging technology, I wanted to highlight the fact that Skyfii is not just an app or widget that has been developed overnight. We have developed and continue to invest in an enterprise grade data and analytics platform that our customers depend upon as they make multi-million dollar decisions relating to their business outcomes and roadmaps for the future.

We are always mindful of our role to deliver shareholder value and thank you for your patience these last two years as Skyfii has developed not just a world class platform, which is enabling the team to take on global technology companies from North America and Europe, but Skyfii is also building an eco-system of partners and offerings that positions us for longer term growth across multiple markets and geographies.

This is no mean feat, but it does take time.

Although our share price today is disappointing for all of us, especially given the ground work that has been laid across multiple industry verticals, geographies and customer segments, it should be noted quarterly share turnover of Skyfii's share register in FY16 has typically been under 2%, which is testament to the fact that most of our shareholders see the significant long term value opportunity in Skyfii's business.

As evidence of the non-executive Directors' support for Skyfii, from day one neither Andrew nor I have taken any of our remuneration as cash and have taken all our remuneration as equity thus linking our remuneration to share price performance. None of your Directors have sold a single share.

In my day to day role, I am fortunate enough to see first-hand how major organisations are using data to drive decisions and a return on investment in their businesses which include changes they need to make to their operating model and market proposition and how global large scale organisations are working on and investing in the development of data and analytics and insight platforms. It is not easy.

As such Skyfii has the following clear objectives to enable us to continue building a world class technology business.

- To continue to build a global retail footprint and ensure we maintain our market leading position.
- To build a balanced sales pipeline across multiple vertical industries, geographies and customer segments enabling us to compete on a global basis with organisations from North America and Europe who have access to highly competitive technology funds and resources. This balanced pipeline is critical in enabling resilience against prevailing market conditions.
- To work in collaboration with our customers and partners to ensure our product continues to provide innovative solutions to the problems and challenges that our customers face – customer centric and relevant.
- To establish the right data partnerships to ensure our data analytics offering is suitably complemented and our service offering continues to stay ahead of the market and our competitors.
- To recruit and align with the best in breed partners who can provide global, scalable distribution for our products and services.
- To continue to focus on growing our recurring revenue base which is a key driver of our Company's value.

I would like to thank our management team, along with the broader team around the globe, for what has been a challenging but very exciting year. They continue to adapt to an ever changing technology environment and ensure your business remains strong and competitive.

Without their tireless effort and commitment this financial result and position for future growth could not be achieved.

We are a market leader in the field of real time, location based data and analytics because we invest in our business with leading infrastructure, delivery processes and experience, and we provide our customers with the best products coupled with the best service.

I would also like to thank my colleagues on the Board for all their support during 2016.

The Board and I appreciate our staff and partners' efforts, commitment and contribution to delivering a strong FY16 result whilst positioning the Company for the next phase of growth. Your Board is focused on driving greater returns for all shareholders, and, on behalf of the Board, I thank you, our shareholders, for your continuing support and commitment to the Company.

I would now like to ask Wayne to take you through a review of the past years performance and to present the strategy for our business for the year ahead.

Thank you.

James Scott
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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.