

31 October 2017

## September 2017 Quarterly Report

### Highlights for the quarter ended 30 September 2017

- EagleView places first large scale purchase order for multiple systems.
- Jason Waller appointed as CEO.
- Growing base of Western Australian private and government sector customers.
- New aircraft added to expand Australian commercial rollout.
- CASA authorises next generation Spookfish camera pod to be added to Air Operators Certificate.
- Certification progressing as expected with FAA 1<sup>st</sup> Stage STC granted after the end of the quarter to allow commercial operations in North America.
- A strong cash position maintained with \$10.4 million cash at bank.

**Spookfish Limited (ASX: SFI)** is pleased to provide the following commentary regarding its activities during the three months ended 30 September 2017.

During the quarter, Spookfish made significant progress towards commercialising its proprietary next generation aerial imaging capture technology in Australia and North America.

Following an extensive testing program undertaken by EagleView Technologies Inc. (“EagleView”) in North America, EagleView placed a large-scale purchase order for multiple systems. Under the terms of the purchase order, EagleView paid Spookfish an upfront deposit to immediately begin fulfilling the order and these systems are expected to be delivered from later this year.

This quarter also saw the key appointment of Jason Waller, to the position of Chief Executive Officer, following an extensive national search. Mr Waller possesses extensive experience in defence, aviation, infrastructure, transportation and technology including significant strategic, commercial, transformation and project delivery expertise that will be hugely beneficial and applicable to the stage of development of the Company.

Spookfish began commercial operations with its new generation system in Western Australia during the quarter and has a growing customer base of Western Australian private and government sector organisations. These customers have further validated the quality of Spookfish’s high resolution imagery data, our commercial offering and its ability to reduce their costs and improve efficiency.



With the introduction of new aircraft, a new next generation system was relocated to Victoria after the end of the quarter and another will join it on the east coast shortly. These aircraft will begin to execute our national capture program that underpins our Australian sales pipeline.

Subsequent to the end of the quarter, our international sales and revenue stream was unlocked when the Federal Aviation Authority (“FAA”) in North America approved the Spookfish Supplemental Type Certificate (“STC”). This major milestone allows our partner, EagleView, to commence commercial operations in North America.

It followed significant progress in gaining certification from the Civil Aviation Safety Authority (“CASA”) in Australia during the quarter with the next generation Spookfish camera pod added to Air Operators Certificate by CASA, allowing it to begin commercial operations.

Two other major announcements were also released after the end of the quarter. Firstly, Spookfish entered into an evaluation agreement with Global Earth Ventures, an entity associated with Dr Vincent Tao, an internationally recognised GIS entrepreneur and global technology investor, to explore opportunities to develop the market for aerial imagery and data analytics in the People’s Republic of China. Secondly, the Board to Spookfish were proud to welcome the eminently qualified the Mr Martin-Ulrich Ripple as a non-executive Director.

Spookfish continued to maintain a strong cash position of \$10.4 million at the end of the quarter despite a significant increase in production spending to supply systems to EagleView in North America and Spookfish in Australia. Under the terms of the licensing agreement, the EagleView expenses are largely rebatable.

Commenting on the last quarter’s achievements, Spookfish CEO, Jason Waller said, “The recent achievements of the company mark a major turning point in our growth cycle. It is an exciting phase and our immediate focus will be on ensuring we continue to execute both on our national sales program and the delivery of systems to EagleView for their North American operations.”

For more information, please contact:

**Jason Waller**

Chief Executive Officer

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### **About Spookfish**

*Spookfish Limited (ASX: SFI) is an Australian listed public company focused on the development and commercialisation of premium next generation geospatial imagery products and services. By starting from a clean sheet and challenging what was thought impossible, Spookfish’s revolutionary technology enables rapid imaging of vast areas in high resolution from a multitude of angles at a fraction of the cost of contemporary systems. Spookfish aims to use these capabilities to make it easy for organisations of all sizes to gain access to premium imagery content and pervasive 3D models allowing concise, accurate and cost effective decision-making.*

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Spookfish Limited

**ABN**

24 123 511 017

**Quarter ended ("current quarter")**

30 September 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	8,030	11,178
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(6,487)	(11,115)
(c) advertising and marketing	(27)	(122)
(d) leased assets	-	-
(e) staff costs	(1,275)	(3,386)
(f) administration and corporate costs	(130)	(353)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	38	98
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	55
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>149</b>	<b>(3,645)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(914)	(2,145)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	31	(23)
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (provide details if material)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(883)</b>	<b>(2,168)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	8,870
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	7	587
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
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)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>7</b>	<b>9,457</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	11,159	6,788
4.2 Net cash from / (used in) operating activities (item 1.9 above)	149	(3,645)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(883)	(2,168)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	7	9,457

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>10,432</b>	<b>10,432</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,290	735
5.2	Call deposits	7,142	10,424
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>10,432</b>	<b>11,159</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
161
-

Payments for director remuneration.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
3,784
-

Payments for consulting, aeronautical engineering and support services provided by Innovaero Pty Ltd and Structured Design Pty Ltd, companies in which Michael von Bertouch (Strategic Operations Director and director of wholly controlled entity Spookfish Global Operations Pty Ltd) has a beneficial interest.

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (Convertible Notes)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Product manufacture and equipment costs	4,598
9.2 Operating costs	829
9.3 Advertising and marketing	132
9.4 Leased assets	-
9.5 Staff costs	1,620
9.6 Administration and corporate costs	104
9.7 Other (Capital equipment)	527
<b>9.8 Total estimated cash outflows**</b>	<b>7,810</b>

**\*\* Note:** Cash inflows of approximately \$4,500,000 are also expected during the quarter, comprising construction progress payments for data capture systems for Eagleview Technologies Inc. for use in North America, sales of data subscriptions in Australia, research and development incentive payments and other revenues.

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

### Compliance statement

- 1 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.

Sign here: .....  ..... Date: ..... 31 October 2017 .....

(Director/Company secretary)

Print name: **Jason Marinko**

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.