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Spookfish Partners With EagleView in North America

Highlights

- Spookfish signs license, royalty and equity investment agreements with EagleView, a North American market leading provider of aerial imagery, data analytics and GIS solutions
- EagleView is a portfolio company of Vista Equity Partners, a leading private equity firm with US\$20 billion in capital commitments and a focus on investing in software and technology-enabled businesses
- The agreements will:
 - See EagleView support Spookfish's large scale North American strategy and significantly reduces the cost, time and risks associated with entering the market
 - Provide EagleView with an exclusive long-term licence to operate Spookfish Capture Platform technologies and sell output products in North America
 - Ensure Spookfish receives a long term royalty consisting of a fee per square mile captured and a share of revenues generated from Spookfish Capture Systems
 - See EagleView invest A\$6m via unsecured, interest free convertible notes which convert into a 10% interest in Spookfish and receive options to acquire an interest of up to 9.9% of Spookfish upon satisfaction of revenue milestones
- First Spookfish system is scheduled to be operating in North America prior to the end of 2016 with EagleView funding all products supplied by Spookfish for North America
- EagleView funding and collaboration will enable Spookfish to accelerate the development of its product roadmap and new systems for the North American market
- Agreement includes provisions to expand this partnership into other geographies outside of North American and Australia/NZ
- Spookfish will continue with its own commercialisation strategies in Australia/NZ with the option to license EagleView's capabilities and analytics reports in these markets

Spookfish Limited (ASX: SFI) ("Spookfish" or "the Company") is pleased to announce that the Company has entered into binding formal license, royalty and equity investment agreements with EagleView Technologies, Inc. ("EagleView"). Under the terms of the agreements, EagleView will have the exclusive rights to operate the Spookfish Capture Platform in North America. EagleView is owned by Vista Equity Partners ("Vista"), a leading private equity firm focused on investments in software, data and technology-enabled businesses.



EagleView is a market leader in aerial imagery, utilising a vast image library and patented 3-D measurement software to deliver solutions to over 40,000 customers in the insurance, construction, solar, government and public utility sectors. Spookfish technology will support EagleView as it seeks to capture higher resolution imagery on a more frequent basis over a greater area.

The partnership with EagleView will enable Spookfish to enter the North American market more quickly with less risk, leveraging its local flight operations capabilities and gaining immediate access to EagleView's distribution channels and customer relationships in major markets such as government, insurance, construction, solar technologies and public utilities.

EagleView will have an exclusive, long-term licence to operate Spookfish Capture Platform technologies and the rights to market, promote, sell and distribute output products in North America. In exchange, EagleView will pay Spookfish a royalty fee per square mile as well as a share of revenues earned from the operation of the Spookfish capture system.

Under the agreement, the first Spookfish system is scheduled to be operating in North America prior to the end of 2016, with EagleView funding the development, delivery, installation and certification of all systems supplied by Spookfish for operation in the North American market.

The agreement also includes provisions to expand the rollout of the Spookfish Capture Platform into other geographies on a large scale to take advantage of significant global market opportunities for Spookfish's high-resolution, low-cost, high-productivity capture system.

The agreement will enable Spookfish to focus its efforts on maintaining its technology leadership and accelerate the development of its product roadmap and Spookfish and EagleView have begun collaborating to develop new technologies to meet immediate demand in the North American market.

Spookfish will continue with its own commercialisation strategies in Australia and New Zealand with the option to license EagleView's operating capabilities and analytics reports for use in these markets.

To support and accelerate the Spookfish R&D programme and facilitate the near term rollout of Spookfish capture systems in North America, EagleView will be making an upfront investment of A\$6m in Spookfish via unsecured, interest free convertible notes, and EagleView will receive options to acquire an interest of up to 9.9% of Spookfish upon the satisfaction of royalty revenue milestones in North America. If all of the convertible notes are converted, and all of the options are exercised, EagleView would have an interest of 19.9% of Spookfish.

Commenting on the signing of the agreements with EagleView, Executive Chairman, Jason Marinko said, "From the outset, Spookfish has received overwhelming interest in its technology from global GIS industry suppliers and customers due to the significant performance and cost advantages of the Spookfish technology."

"However, whilst we have acknowledged the enormous global opportunities for our technology, we have always appreciated the cost, time, resources and operational risks of entering the major established markets for our services."



“As such, we are very excited to be partnering with the North American market leader, EagleView, who has similar aspirations to accelerate the growth of premium GIS services amongst its existing customer base as well as new and emerging markets.”

“During the process of this negotiation, the extensive due diligence undertaken by EagleView into the Company’s technology and IP strategy has provided a strong validation of Spookfish’s business strategy and capabilities. Now having a powerful partner in EagleView will enable us to realise our potential on a global stage.”

Commenting on signing the agreements with Spookfish, EagleView Executive Vice-President, Rishi Daga, commented, “We are very pleased to be partnering with Spookfish and look forward to providing the necessary resources to fast track the continued development and rollout of the Spookfish Capture Platform across North America.”

“The impressive Spookfish technology performance capabilities provide significant prospects to grow the market for our products and our teams are already working together on developing specific technologies to take advantage of immediate market opportunities.”

Key terms of equity investment agreements

EagleView may acquire up to a 19.9% interest in Spookfish, as follows, subject to Spookfish obtaining any necessary shareholder and regulatory approvals:

- EagleView will invest A\$6m by way of unsecured, interest free convertible notes (“Notes”). The Notes have a face value of A\$0.06 each and convert into 100,045,583 ordinary shares in Spookfish (“Shares”), representing a 10% interest, on the delivery by Spookfish of a capture system that meets agreed specifications. The funds raised will be used for the purposes of research and development of capture systems for EagleView in North America. A summary of the material terms of the Notes are attached.
- EagleView will receive 52,655,569 unlisted options (with an exercise price of A\$0.09, and expiry date of 5 years from the date of issue) (“Tranche 1 Options”), which may be exercised upon Spookfish generating US\$10m or more of royalties under the licensing agreement in any trailing 12-month period. If all of the Tranche 1 Options were exercised, EagleView would hold an additional 5% interest in Spookfish.
- EagleView will receive 54,261,260 unlisted options (with an exercise price of A\$0.12, and an expiry date of 5 years from the date of issue) (“Tranche 2 Options”), which may be exercised upon Spookfish generating US\$20m or more of royalties under the licensing agreement in any trailing 12-month period. If all of the Tranche 2 Options were exercised, EagleView would hold an additional 4.9% interest in Spookfish.
- EagleView will receive 42,800,000 unlisted options (with an exercise price of A\$0.06, and an expiry date of 28 February 2020) (“Milestone Options”), which may be exercised upon the Company’s existing rights to Milestone 1 Shares and Milestone 2 Shares converting to Shares in Spookfish. EagleView will be entitled to exercise 1



Milestone Option for every 9 Shares issued in Spookfish on conversion of the relevant Milestone Shares.

Completion of the issue of the above Notes and options is subject to what Spookfish considers to be standard completion conditions.

EagleView will also have certain anti-dilution rights, subject to ASX granting a waiver, including a “top up” right to maintain its percentage interest in Spookfish or to participate up to 19% in any future capital raisings by the Company.

It is intended that the Notes will be issued promptly upon Spookfish's placement capacity under Listing Rules 7.1 and 7.1A becoming available. The issue of the Tranche 1 Options, Tranche 2 Options and Milestone Options is subject to any necessary shareholder approvals. Spookfish will now commence the process of preparing a Notice of General Meeting which it will seek to dispatch as soon as practicable.

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About Spookfish

Spookfish is an Australian company focused on the development and commercialisation of premium next generation geospatial imagery products and services. By starting from a clean sheet and disregarding what was thought impossible, our revolutionary technology enables rapid imaging of entire countries 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.

About EagleView

U.S. based EagleView Technology Corporation, through its two wholly owned subsidiaries, EagleView Technologies, Inc. and Pictometry International Corp., is the unparalleled provider of aerial imagery, data analytics and GIS solutions serving the commercial, government and public utility sectors. The company's patented image capture processes and 3-D modeling algorithms coupled with property-centric analytic tools empower end-user workflows with scalable, efficient and highly accurate answer sets in support of property claims, risk management, construction, emergency response, assessment, corridor mapping and more.

About Vista Equity Partners

Vista, a U.S.-based private equity firm with offices in Austin, Chicago and San Francisco, with more than \$20 billion in cumulative capital commitments, currently invests in software, data and technology-based organizations led by world-class management teams with long-term perspective. Vista is a value-added investor, contributing professional expertise and multi-level support towards companies realizing their full potential. Vista's investment approach is anchored by a sizable long-term capital base, experience in structuring technology-oriented transactions, and proven management techniques that yield flexibility and opportunity in private equity investing. For more information, please visit www.vistaequitypartners.com.

Attachment - Summary of material terms of Notes

- a) **Number of Notes to be issued:** 100,045,583.
- b) **Face value:** the Notes have a face value of A\$0.06 each.
- c) **Principle amount:** A\$6,002,735.
- d) **Form and status:** the Notes are direct, perpetual, subordinated and unsecured obligations of the Company in certificated form, and will at all times rank at least pari passu in right of payment with all unsecured obligations of the Company and rank equally and without any preference or priority among themselves.
- e) **Conversion ratio:** subject to certain adjustments, each Note will convert into one Share.
- f) **Voting and dividend rights:** the Notes do not afford EagleView voting rights in the Company or any right to be paid a dividend or to participate in a distribution of profits of the Company.
- g) **Distributable returns:** if a dividend or other distribution is paid or announced by the Company within 2 years after the date of this announcement, the Company must pay 50% of the principle amount of the Notes to the holder of the Notes as a return on each Note.
- h) **Participation rights:** subject to any required approvals or consents, the Notes will afford EagleView the right to participate in any new issues of securities in the Company on the same basis as if each Note was converted into Shares.
- i) **Interest:** no interest will accrue in respect of the Notes.
- j) **Adjustment events:** The terms of the Notes contain provisions for the adjustment of the conversion ratio upon the occurrence of certain dilutive events including, among others, share subdivisions or consolidations or reclassification, stock dividends, rights offering and equity issuances at less than 90% of the prevailing market price, bonus issues and other analogous dilutive events. If these events occur, the conversion ratio will be adjusted to ensure the same underlying economic value of each Note is retained following the event.
- k) **Mandatory conversion:** subject to their terms, the Notes will automatically convert into Shares upon EagleView accepting delivery of the first capture system to be delivered in accordance with the license, royalty and equity agreements ("Conversion Trigger Date").
- l) **Voluntary conversion:** EagleView may elect to convert all of its Notes into Shares before the Conversion Trigger Date at any of the following times:
 - I. on or after an agreement, transaction or arrangement is announced or entered into which may result in a Change of Control occurring, or a Change of Control occurring;

- II. on or after the Company taking any action that is designed to, or likely to have the effect of, terminating its listing from ASX, or the quotation of the Shares on ASX, or the Company receiving any notification that ASX is contemplating terminating its listing or quotation of the Shares; or
 - III. any other date or period agreed in writing for conversion between EagleView and the Company.
- m) **Redemption:** subject to all applicable laws, the Notes can only be redeemed by agreement between the Company and EagleView. The Company and EagleView have agreed to redeem the Notes in the event that EagleView notifies the Company that the capture system delivered under the license and royalty agreement does not conform to applicable specifications and the Company has not been able to remedy the non-conformity. In the event that the Notes are redeemed and unless otherwise agreed between the parties, the Company will be required to repay their principle amount plus any unpaid distributable returns which have accrued.
- n) **Conversion to Shares precluded:** the Company may refuse to convert the Notes if the conversion would result in a breach of section 606 of the Corporations Act 2001 (Cth) provided the Company must take all steps within its power (including providing information and holding shareholder meetings) to assist EagleView to obtain such approvals as are required.
- o) **Transfers:** the Notes are transferrable to an Affiliate of EagleView, provided that the transferee remains an Affiliate of EagleView for so long as the Affiliate is a holder of Notes.

Definitions

Affiliate: means in respect of a person (“Primary Person”), a person: controlled directly or indirectly by the Primary Person; controlling directly or indirectly the Primary Person; or directly or indirectly under the common control of the Primary Person and another person or persons.

Change of Control: means, with respect to the Company, a person, directly or indirectly, acquires an interest or relevant interest in, becomes the holder of, or otherwise acquires, has a right to acquire or have an economic interest in: 2% or more of the Shares; more than 10% of the securities in any of the subsidiaries of the Company; or all or a substantial or a material part of the business of the Company or any of its subsidiaries; or a person acquires Control (as defined in section 50AA of the Corporations Act 2001 (Cth)) of the Company or any of its subsidiaries.