



31 July 2018

National capture program expands and sales gain traction

Delivering on key milestones during the quarter ended 30 June 2018

- Awarded Spookfish's first NSW Government Contract with NSW Spatial Services, representing the Company's largest contract to date with a value of over \$500k.
- Sales momentum growing, with multiple new contract wins including Landgate, the WA Government's Geospatial Information Systems agency.
- National Capture Program expanding, with Adelaide, Canberra and Melbourne completed, Sydney and Brisbane underway.
- EagleView completed system burn-in, customer and market validation, and pilot training with camera systems now being progressively rolled into their operations workflow.
- US Federal Aviation Authority approval received for Spookfish's camera system's final certification stage.
- Technology initiatives increase capture productivity and image quality, while further reducing capture costs.
- Subsequent to the end of the quarter, Spookfish entered into a Scheme Implementation Agreement with EagleView, under which EagleView has agreed to acquire all of the remaining issued ordinary shares in Spookfish that it does not already own for a cash price of A\$0.08 per share.

Spookfish Limited ("Spookfish" or the "Company") (ASX: SFI) is pleased to provide this business update regarding its operations over the three months ended 30 June 2018, a quarter that saw the Company deliver on several key milestones.

First NSW government contract

Spookfish was awarded its first NSW Government Contract, with NSW Spatial Services, part of the NSW Department of Finance, Services and Innovation. Spookfish was engaged following a competitive tender process to deliver aerial imagery over the Sydney, Illawarra, Blue Mountains and Newcastle regions of NSW. This contract is also the largest value Australian direct sales contract won by Spookfish to date, valued at over \$500k. The engagement commenced during the June quarter.

NSW Spatial Services will have access to high-resolution aerial imagery with the ability to access and utilise this visual data through its online portal that will fast-track the ability of the NSW Government to provide advice to departments, agencies and companies.

Expanded National Capture Program

The Company's capture program is ramping up across Australia, with on-line imagery increasing and Spookfish continuing to monetise this data as more users access products.



During the quarter, the Company completed its capture program over Adelaide, Melbourne and Canberra and commenced capture in Brisbane and Sydney. In addition, Spookfish also made significant progress on its regional capture program with significant areas covered in non-metropolitan regions across WA, Victoria, SA and NSW.

With Australia's capital cities largely completed, Spookfish expects that sales growth will gain traction as it pursues opportunities with national enterprise and government customers wanting full capital city coverage.

As at 30 June 2018, the Spookfish platform had nearly 4,000 contracted users accessing its imagery.

Australian sales growing

Over the quarter Spookfish signed several new clients, including:

- Qualification for the Landgate Capture WA Panel, with an opportunity pipeline already underway.
- A national contract with one of the world's leading navigation and map-making technology companies, TomTom Global Content B.V.
- A major State government department with Main Roads Western Australia, which moved from a short-term trial agreement to a longer-term contract after an exhaustive quality and accuracy assessment.

Spookfish has also recently won further contracts with city councils, including regional centres, and a range of medium to large civil engineering and development firms. Additionally, a number of direct sales and Value-Added Reseller (VAR) agreements have been signed with organisations who have domain expertise with Artificial Intelligence (AI) products that rely on big data from aerial imagery.

EagleView Update

During the quarter, EagleView Technologies, Inc. ("EagleView") completed system burn-in, customer and market validation, and pilot training. The camera systems are now being progressively rolled into their operations workflow. Rollout is expected to ramp-up further this quarter to ensure systems are in operation for their Fall capture season, commencing later this quarter.

US Federal Aviation Authority Approval

In May the US Federal Aviation Authority (FAA) approved the final stage of the Supplemental Type Certification (STC) programme for the Spookfish camera system. This approval allows for simple delivery and installation direct to US operators, making installation of Spookfish camera systems onto US aircrafts faster and more efficient. In addition, it simplifies the approval process in other countries having bilateral arrangements with regard to FAA certification.



Technology initiatives increase capture productivity and image quality, while further reducing capture costs

Investment in Research & Development initiatives further showcased Spookfish's market-leading position at the forefront of the aerial imaging industry. During the quarter, upgrades to Spookfish's sensor and lens technology delivered increased capture productivity and image quality. Updated control systems have also delivered material cost reductions and enhanced productivity.

In addition, Spookfish continues to develop its machine learning and AI learning capabilities to open new market opportunities. The Company is working with third parties to leverage its data to progress its AI strategy.

China Evaluation Agreement extended

The exclusive evaluation agreement with Global Earth Ventures Limited ("Global Earth") was extended in April 2018. Spookfish and Global Earth continue to explore opportunities to develop the market for aerial imagery and data analytics in the People's Republic of China.

EagleView proposal to Acquire Spookfish

Subsequent to the end of quarter, on 26 July 2018, Spookfish announced that it had entered into a Scheme Implementation Agreement with EagleView, under which EagleView has agreed to acquire all of the remaining issued ordinary shares in Spookfish that it does not already own for a cash price of A\$0.08 per share, by way of a scheme of arrangement ("Scheme"). The implementation of the Scheme is subject to a number of customary regulatory and other conditions.

The Directors of Spookfish unanimously recommend that Spookfish shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the Independent Expert concluding the Scheme is in the best interests of Spookfish's shareholders.

Please see Spookfish's announcement to ASX on 26 July 2018 for further information.

-ENDS-

For more information, please contact:

Jason Waller

Chief Executive Officer

E: jason.waller@spookfish.com

Ronn Bechler

Investor & Media Relations, Market Eye

E: ronn.bechler@marketeye.com.au

P: +61-400 009 774

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 June 2018

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 2,722 | 11,092 |
| 1.2 Payments for | | |
| (a) research and development | - | - |
| (b) product manufacturing and operating costs | (2,236) | (9,144) |
| (c) advertising and marketing | (196) | (334) |
| (d) leased assets | - | - |
| (e) staff costs | (1,732) | (3,219) |
| (f) administration and corporate costs | (76) | (207) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 10 | 34 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | 2,698 |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (1,508) | 920 |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | (425) | (1,500) |
| (b) businesses (see item 10) | - | - |
| (c) investments | - | - |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|------------------------------------|--|
| (d) intellectual property | - | - |
| (e) other non-current assets | - | - |
| 2.2 Proceeds from disposal of: | | |
| (a) property, plant and equipment | - | - |
| (b) businesses (see item 10) | - | - |
| (c) investments | - | - |
| (d) intellectual property | - | - |
| (e) 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 | (425) | (1,500) |

| | | |
|---|-------------|-------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of shares | - | - |
| 3.2 Proceeds from issue of convertible notes | - | - |
| 3.3 Proceeds from exercise of share options | - | - |
| 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) | (50) | (50) |
| 3.10 Net cash from / (used in) financing activities | (50) | (50) |

| | | |
|---|---------|---------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of quarter/year to date | 7,234 | 5,881 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (1,508) | 920 |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (425) | (1,500) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | (50) | (50) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|--|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | - | |
| 4.6 | Cash and cash equivalents at end of quarter | 5,251 | 5,251 |

| 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 | 2,024 | 2,472 |
| 5.2 | Call deposits | 3,227 | 4,762 |
| 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) | 5,251 | 7,234 |

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

**Current quarter
\$A'000**

156

-

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

**Current quarter
\$A'000**

426

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Payments for consulting, aeronautical engineering and support services provided by Innovaero Pty Ltd and Structured Design Pty Ltd, companies in which Michael von Bertouch (co-founder and strategic operations consultant and director of wholly controlled entity) has a beneficial interest.

| 8. Financing facilities available <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. Estimated cash outflows for next quarter | \$A'000 |
|--|---------------|
| 9.1 Product manufacture and equipment costs | 9,419 |
| 9.2 Operating costs | 736 |
| 9.3 Advertising and marketing | 167 |
| 9.4 Leased assets | - |
| 9.5 Staff costs | 1,828 |
| 9.6 Administration and corporate costs | 700 |
| 9.7 Other (Capital equipment & technology development) | 1,505 |
| 9.8 Total estimated cash outflows** | 14,355 |

**** Note:** Cash inflows of approximately \$16,285,000 are expected during the next quarter, comprising construction progress payments for data capture systems for Eagleview Technologies Inc. for use in North America, royalty payments, sales of data subscriptions in Australia and other revenues.

| 10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above) | 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: 
(Director/Company secretary)

Date: 31 July 2018

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.