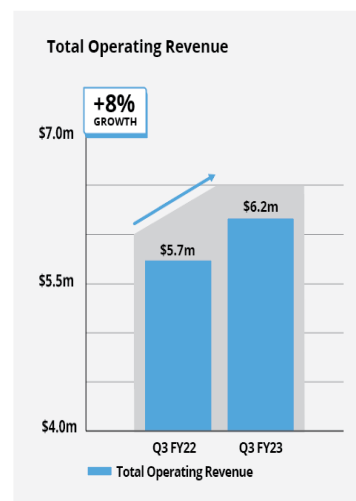


Strong momentum in Airports vertical continued in Q3FY23

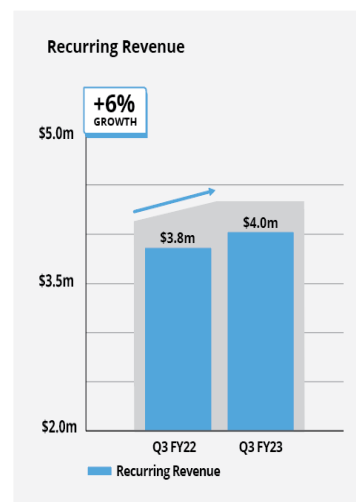
Q3 FY23 Highlights

- Total Operating Revenues for **Q3 FY23 of \$6.2m**, up 8% pcp (Q3 FY22) and up 9% qoq (Q2 FY23)
- Recurring Revenues for **Q3 FY23 of \$4.0m**, up 6% pcp and stable qoq
- Quarterly **Cash Receipts from customers of \$6.0m**
- **Cash at bank of \$5.4m**
- **Annualised Recurring Revenue (ARR)** for Q3 FY23 of **\$16.0m¹** flat qoq due to delays in project delivery shifting recurring revenue commencement into 1H FY24
- **\$4.7m** in new business **Total Contract Value (TCV)²** contracted during the quarter including JFK T4 (USA) and Long Island Railroad (USA)
- Post quarter secured a A\$1.8m contract for the upgrade and expansion of Skyfii's industry-leading **LiDAR technology at London Heathrow Airport**
- Rolling 12 month pipeline includes over **\$28m of advanced stage deals**



YTD FY23 Highlights

- YTD net operating cash inflow from operations of \$1.8m
- Total revenue of \$17.3m and cash receipts of \$21.9m up 3% and 27% respectively on the same period for FY22
- \$11.4m in new business Total Contract Value (TCV)³



Outlook

- Increasing adoption of LiDAR technology continues to drive **significant pipeline growth and conversion** across all regions
- Continued **cost management and efficiency initiatives**, including further offshoring, improved pricing and a more focussed product portfolio to drive improved margins, cash flows and return on capital
- Due to project delivery delays (a result of internal resourcing bottlenecks) and extended production & delivery timeframes from our hardware supply chain partners, ARR from recent contract wins is not anticipated to commence until FY24
- As a result the Company is revising ARR guidance for FY23 to a range of \$17m-\$18m (was \$20m).
- However, given the focus on higher quality earnings, coupled with our continued cost and efficiency initiatives, the Company maintains guidance to deliver a positive EBITDA in 2HFY23

¹ Annual Recurring Revenue (ARR) based on monthly contracted recurring revenues as at 31 March 2023 multiplied by twelve months

² Total Contract Value refers to the entire revenue generated from a contract and is inclusive of both recurring and non-recurring revenues. Skyfii's typical contract term is ~36 months.

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Commenting on the March 2023 Quarter, Skyfii CEO Wayne Arthur said:



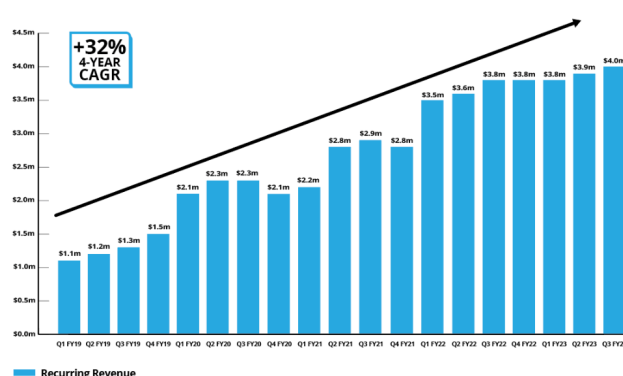
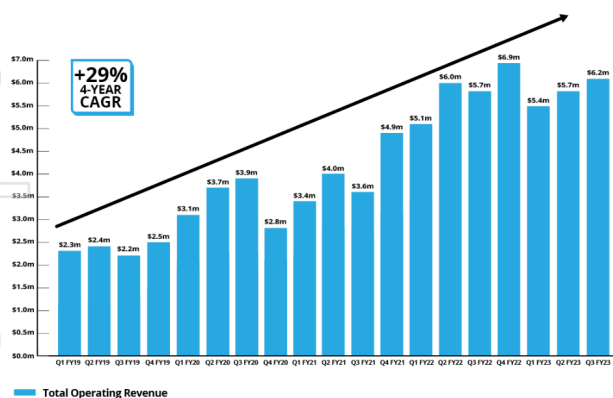
"Skyfii continues to capture increased customer interest in our product and services offerings from a range of customers within our core verticals. Our rolling 12-month deal pipeline of over \$28m includes some of the world's most iconic airports, commercial properties, QSR brands and stadiums throughout the world. Additionally and as noted in the key contract wins below, we also are continuing to substantially grow revenues within our existing customer base.

Whilst we have continued to grow our customer footprint, our ability to convert recent customer wins to recurring revenue has been delayed by a combination of bottlenecks in project and service delivery associated with staffing shortages and extended production timeframes from our hardware supply chain partners. These delays have pushed the commencement of several recent project wins into FY24 and as a result, we have revised our guidance for FY23 exit ARR to a range of \$17 million to \$18 million. Whilst unfortunate, is not a reflection of our ability to win business, and we anticipate the recent contract wins to deliver a strong start to FY24.

Continued cost out initiatives, led by our offshoring strategy, has ensured that our cost base has been managed to reflect the slower topline line growth. That, coupled with an increasing level of high margin revenue from our LiDAR technology solutions, ensures that the Company maintains our guidance to deliver a positive EBITDA in 2HFY23.

Our year to date positive operating cash flow, coupled with over \$5 million in cash on our balance sheet ensures that Skyfii remains well positioned to execute and deliver value to our stakeholders from the growing global trend of venues to utilise crowd analytics and occupancy management solutions to improve the experience for their customers."

Revenue Performance by Quarter



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Key contract wins during the quarter

Notable new contracts this quarter

During the quarter the company delivered a number of meaningful new contracts wins representing a total contract value of \$4.7m including:

Mount Auburn Cemetery (USA), a new Security Checkpoint rollout with JFK Airport (USA), Penn Station (USA), Ashfield Mall (APAC), Sicredi (Brazil), Central Park Mall (APAC).

Skyfii extends partnership with London Heathrow Airport

Post quarter end, Skyfii secured a contract with London Heathrow Airport that will see the deployment of bleeding edge LiDAR sensor technology across T2 Check-In, T4 Check-In and T5 Immigration. Skyfii's technology will allow London Heathrow to leverage advanced capabilities including ultra-live people flow mapping, auto queue detection and integration with multiple third-party data sets, including Heathrow's own flight database. The contract expands Skyfii's relationship with Heathrow inline the airport's strategy to deploy future-proof technologies to enable future cloud-based applications. The total contract value in excess of A\$1.8m presents an expansion to existing services provided across London Heathrow Airport.

Notable renewals this quarter

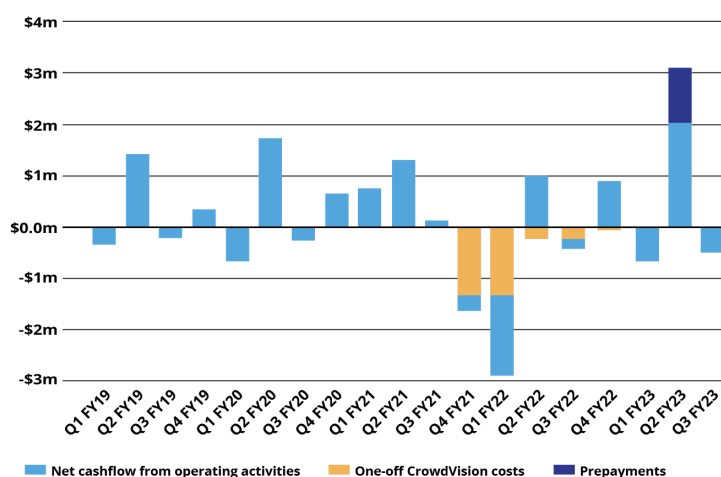
During the quarter the company successfully renewed a number of customers with a total contract value of \$1.6m including:

London Stansted Airport (EMEA), ISPT (APAC), Boingo (Brazil), London City International Airport (EMEA), Orlando International Airport (USA), Trafford Centre (EMEA).

Net Cash Flow from Operating Activities

In Q3 FY23 the Company generated a cash outflow from operating activities of \$0.49m, which was exclusive of the impacts of capitalisation of employee, contractor and other expenditure attributable to software development. The cash outflows in Q3 is a result of a seasonally lower number of projects billed during the quarter.

Net cashflows from operating activities



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The Company has generated a net operating cash inflow from operations of \$1.8m, for the year to date. This is a significant improvement on the cash outflow of (\$2.52m) for the same period in FY22. The improvement in cash flow has been driven by a combination of higher quality earnings, cost out initiatives and growing demand for our industry leading LiDAR technology solutions.

Cash Position

The Company reported \$5.4m of cash as at 31 March 2023.

The Company has a \$1.8m project financing facility with Export Finance Australia which is fully drawn and is assisting with the cash management of large capital works projects in our international operations.

The \$5.4m of available cash provides the Company with sufficient capital flexibility to execute on our stated growth initiatives.

Corporate

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 fees for Non-Executive Directors. No other payments were made to any related parties or their associates of the entity.

Outlook

Specific areas of focus for the Skyfii team throughout the remainder of FY23 include:

- Continued business development focussed on key verticals, specifically airports, stadiums, retail and quick service restaurants
- Ongoing cash management and efficiency initiatives, including continued offshoring of certain functions, to deliver material cost savings throughout FY24 and improved margins
- Focus on improving internal resourcing allocations to remove bottlenecks in project delivery and revenue commencement
- Working with key suppliers to ensure improved supply chain management to deliver better alignment on project commencement
- Delivery and billing of contracted recurring revenue from the high level of implementation revenue in previous quarters
- The Company expects to announce new contracts in the airport, stadium and retail verticals in Q4 FY23

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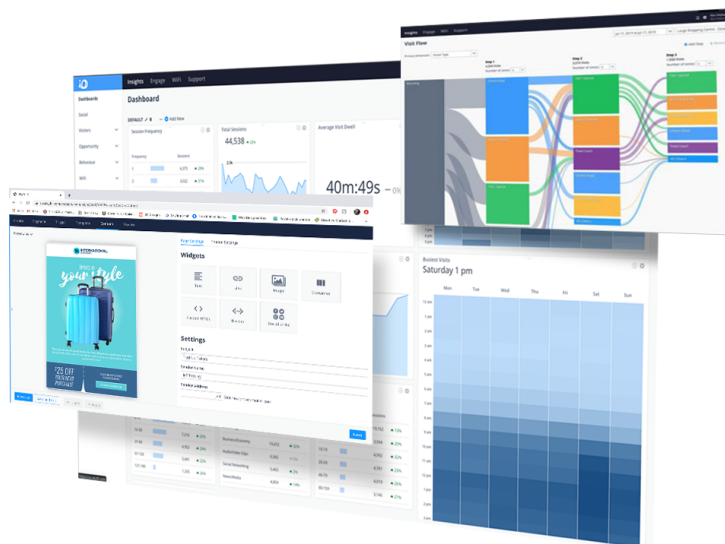
About Skyfii

Skyfii helps organisations activate the power of their data through technology & human ingenuity, to find new ways to optimise the spaces where we live, work, shop, travel & play.

Skyfii's IO platform unifies your data points one proprietary platform to give you the in needed to solve the complex challenges of present and future.

We ingest data from a diverse range of technologies including WiFi, Camera, People counting, LiDAR, CCTV and IoT devices. We combine these datasets with contextual data like weather, retail sales and sociodemographic to improve operational performance for retailers, airports, stadiums, smart cities and other public and commercial venues.

Skyfii further augments insights generated by the IO Platform with its Data & Marketing Services offering: A team of data science and digital marketing consultants who help our clients harness more value from their data.



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

Learn more at www.skyfii.io 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

20 009 264 699

Quarter ended ("current quarter")

31 MARCH 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6,021	21,883
1.2 Payments for ¹		
(a) research and development	-	(24)
(b) product manufacturing and operating costs	(1,173)	(4,498)
(c) advertising and marketing	-	(630)
(d) leased assets	-	-
(e) staff costs	(4,237)	(11,750)
(f) administration and corporate costs	(1,027)	(3,099)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	36
1.5 Interest and other costs of finance paid	(47)	(117)
1.6 Income taxes paid	(37)	(121)
1.7 Government grants and tax incentives	(4)	78
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(490)	1,759
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(87)	(465)
(d) investments	-	-
(e) intellectual property	(675)	(2,054)

¹ Cashflows are presented after the capitalisation of employee and contractor costs to software development of \$2.054m for YTD-FY2023.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(f) other non-current assets	(1)	(1)
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	22	26
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	(741)	(2,494)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	13	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	-	920
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)	-	-
3.10	Net cash from / (used in) financing activities	13	1,008

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,615	5,123
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(490)	1,759

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(741)	(2,494)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	13	1,008
4.5	Effect of movement in exchange rates on cash held		-
4.6	Cash and cash equivalents at end of period	5,396	5,396

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	3,596	4,815
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	1,800	1,800
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,396	6,615

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 ²	257
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>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.</i>		

² *Salaries and Director fees for Executive and Non-Executive Directors

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	1,800	1,800
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
7.4 Total financing facilities	1,800	1,800
7.5 Unused financing facilities available at quarter end		0
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(490)
8.2 Cash and cash equivalents at quarter end (item 4.6)	5,396
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	5,396
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	11
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 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:	
8.6.2 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:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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.

Date: 28 April 2023

Authorised by: The Board of Skyfii Limited
(Name of body or officer authorising release – see note 4)

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.