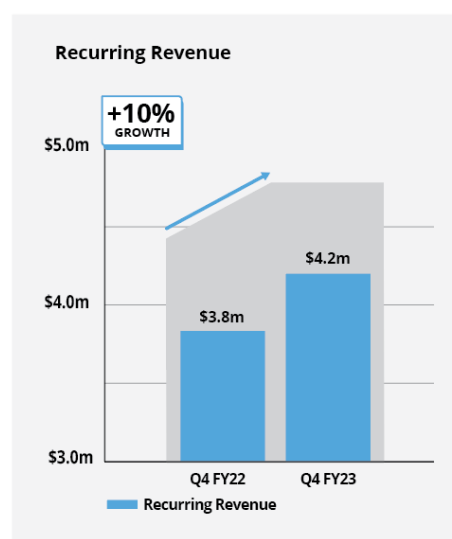


Undertaking Business Transformation to Drive Sustainable Growth

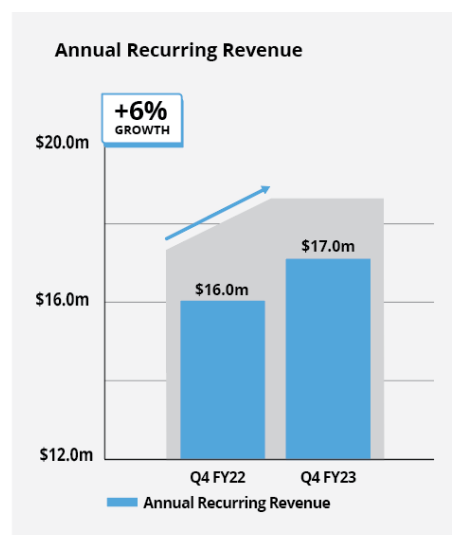
Q4 FY23 Highlights

- Total Operating Revenues for Q4 FY23 of \$6.2m
- Recurring Revenues for Q4 FY23 of \$4.2m, up 10% pcp and up 5% qoq
- Quarterly Cash Receipts from customers of \$5.3m
- Annualised Recurring Revenue (ARR) for Q4 FY23 of \$17.0m¹, up 6% qoq and in line with guidance
- \$4.4m in new business Total Contract Value (TCV)² contracted during the quarter including London Heathrow Airport
- Rolling 12 month pipeline includes over \$33m of qualified deals
- Board of Skyfii has undertaken a strategic review, implementing initiatives including an operating model transformation and a restructure of the cost base with the aim of delivering greater efficiencies to generate improved and sustainable cash flows
- Cash at bank of \$3.8m



FY23 Highlights

- FY23 net operating cash inflow from operations of \$0.95m
- Total Revenue of \$23.5m and Cash Receipts of \$27.1m
- Delivered positive un-audited underlying EBITDA of \$6k in 2H FY23 in line with guidance³
- Secured over \$15.8m in new business Total Contract Value (TCV)



Product update

Product foundations: Delivering more efficiency and scale in:

- User report configurability to scale new solutions across verticals and customers
- Flexibility data model for rapid integration of new data sources and deployment of AI models.
- Advanced customer data management capabilities

¹ Annual Recurring Revenue (ARR) based on monthly contracted recurring revenues as at 30 June 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.

³ Underlying EBITDA refers to earnings before interest, tax depreciation, amortisation, non-cash share based payments and non-recurring costs, primarily employee related restructure costs.

Expand our data diversification capability, including:

- Focus on digital first sources including social, web and loyalty
- Lower cost sensors to more efficiently scale across large portfolios
- Airline Operational Database for advanced analytics and automation upsell
- DMP solutions to support advertising revenue
- Survey and sentiment tools and data sources

AI enablement:

- Enhancement of camera-based computer vision AI models
- Behavioural and predictive AI models: e.g. Detection of unattended baggage
- Advanced customer / audience segmentation AI models supporting CDP use cases

Security by design:

- Continued maturation of security controls, processes and awareness
- Internal testing and further simulation of real world cyber attacks

These initiatives will allow Skyfii to accelerate ARR growth though more securely and efficiently onboarding customers via digital and physical data sets, the delivery of new SaaS products and positioning the company to scale its Customer Data Platform (CDP) capabilities and associated revenue streams.

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

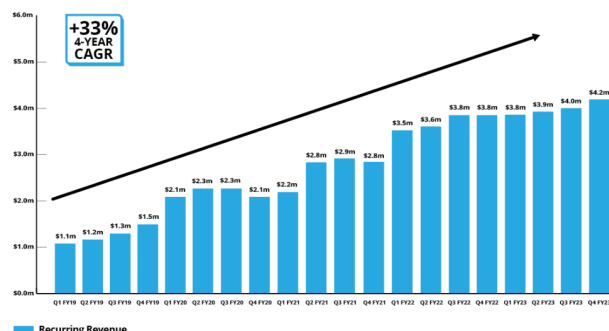
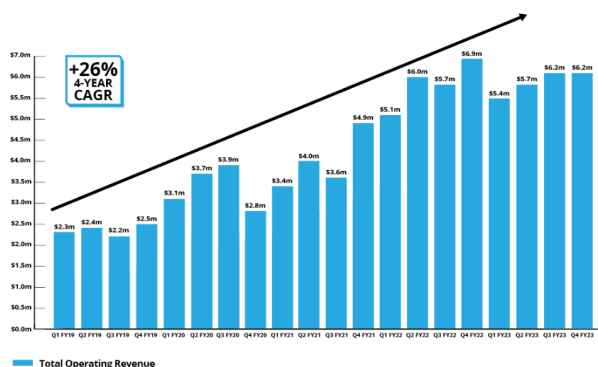
"Skyfii delivered positive unaudited underlying EBITDA in 2H FY23 and continues to experience strong demand for its products and services. We are seeing an increase in the level of requests for proposals as more venues around the globe want to benefit from our people counting and data analytics to improve operations and compliance while delivering a better customer experience. Our 12-month deal pipeline is now at over \$33m in qualified deal value. With a series of projects in their final stage of implementation and a strong forward pipeline.

Our airport customer portfolio continued to grow during Q4 FY23, with over \$2m in contracts secured, including the upgrade and expansion of Skyfii's industry-leading LiDAR technology at London Heathrow Airport and JFK Airport Terminal 4. We are also building momentum in the quick service restaurants verticals, retail and property, which remain key target industries.

We welcome the result of the strategic review, the streamlined operating model with a laser focus on the large and definable target market will accelerate our operating model transformation while delivering meaningful cost savings. The review, coupled with continued positive demand for our technology solutions will position Skyfii to deliver ARR growth and significant earnings growth in FY24."

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Revenue Performance by Quarter



Transformation Strategy

Skyfii's Board has undertaken a strategic review and is implementing various initiatives to pursue the growth opportunities across its core verticals of retail & retail property, major transport hubs, sporting stadia & events and quick service retail (QSR). The Company also reviewed its internal business to reset its operating cost and achieve greater efficiencies to generate improved and sustainable positive cash flows.

The Company will retire non-core legacy products, with \$0.6m in annualised recurring revenue at risk. The revenue associated with these products is low margin and will have limited impact on profitability and cash flow.

Cost-out initiatives associated with the strategic review include: (further details on the exact financial impact of these initiatives will be provided in due course)

- Streamline Sales & Marketing to deploy key resources to core growth verticals
- Increase engineering focus on automation and AI development to accelerate deployment timelines and billing of ARR
- Reduce headcount cost by 12% through improved efficiency, whilst increasing bandwidth
- Transfer of specific support and operations resources to newly established lower cost operating hubs (Philippines and Portugal)

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Operating Model Transformation	Focussed Growth	<ul style="list-style-type: none"> Focus on high margin, scalable verticals of retail & retail property, major transport hubs, sporting stadia & events and quick service retail (QSR). Those 4 verticals accounted for 78% of TCV won in FY23 YTD
	Non-core technology retirement	<ul style="list-style-type: none"> The company is retiring non-core legacy products The retirement will put at risk approximately \$0.6m in annualised recurring revenue. Revenue associated with these products is low margin, and will have limited impact on cash flow.
Cost Out Initiatives	Streamlining resources	<ul style="list-style-type: none"> Streamlining sales & marketing resources to deploy key resources to core growth verticals. Greater engineering focus on tooling automation to continue AI development initiatives & accelerate deployment timelines and ARR commencement.
	Headcount cost reductions	<ul style="list-style-type: none"> Efficiency strategies to reduce headcount costs by approximately 12%. Transfer of specific support and operations resources to newly established lower cost operating hubs in the Philippines and Portugal.

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 \$4.0m including:

London Heathrow Airport (EMEA); Austin Bergstrom International Airport (USA); Detroit Metro International Airport (USA); The Hajj (EMEA); The Oasis (APAC); Landsec (EMEA); Erina Fair Shopping Centre (APAC); Dapto Mall (APAC); Malvern Central (APAC); National Gallery of Australia (APAC)

Skyfii extends partnership with London Heathrow Airport

During the quarter, 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.

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Notable renewals this quarter

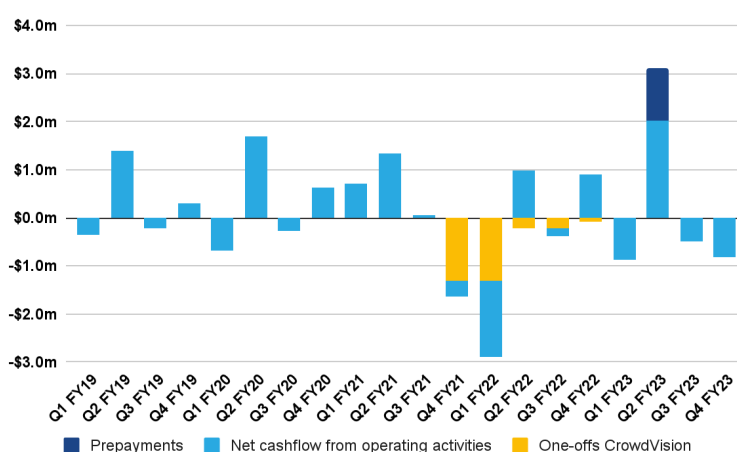
During the quarter the company successfully renewed a number of customers with a total contract value of \$1.9m including:

City of Melbourne (APAC); Waverley Council (APAC); Wembley Stadium (EMEA); Somerset CCC (EMEA); Shopping Itaguacu (AMERICAS)

Net Cash Flow from Operating Activities

In Q4 FY23, Skyfii generated a cash outflow from operating activities of \$0.8m, which was exclusive of the impacts of capitalisation of employee, contractor and other expenditure attributable to software development. The cash outflows in Q4 is a result of a seasonally lower number of projects billed during the quarter.

For FY23 the Company generated \$0.95m of net cash from operating activities.



Cash Position

The Company reported \$3.8m of cash as at 30 June 2023. The Company has a \$1.8m project financing facility with Export Finance Australia which is fully drawn (with a renewal scheduled at the end of Q1 FY24), as well as a short-term facility of \$250k which are assisting with the cash management of large capital works projects in our international operations.

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

Outlook

Specific areas of focus for Skyfii throughout FY24 include:

- Focus on core high-margin, high-growth verticals, specifically airports, stadiums, retail and quick-service restaurants
- Conversion of over \$33m pipeline in qualified stage deals
- Deliver operating cost savings in FY24 through delivery of transformation initiatives to deliver sustainable free cash flow from 2H FY24
- Continued investment in new product development as outlined above, including strengthening our AI capabilities
- Accelerate marketing investments to drive improved conversion and increase market share
- Fast track delivery of our digital first product initiatives to drive ARR growth in FY24 with operating leverage to generate substantial earnings and sustainable free cash flow

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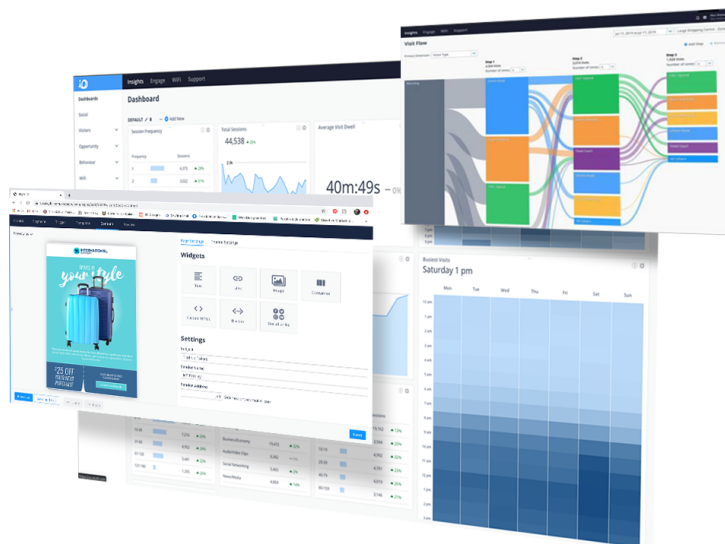
About Skyfii

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")

30 JUNE 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,257	27,140
1.2 Payments for ¹		
(a) research and development	(22)	(45)
(b) product manufacturing and operating costs	(1,582)	(6,080)
(c) advertising and marketing	(273)	(902)
(d) leased assets	-	-
(e) staff costs	(2,740)	(14,491)
(f) administration and corporate costs	(1,395)	(4,494)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	21	57
1.5 Interest and other costs of finance paid	(51)	(168)
1.6 Income taxes paid	(77)	(198)
1.7 Government grants and tax incentives	49	127
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(812)	947
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(309)	(774)
(d) investments	-	-
(e) intellectual property	(737)	(2,791)

¹ Cashflows are presented after the capitalisation of employee and contractor costs to software development of \$2.791m for FY2023.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets	-	(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	-	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	(1,046)	(3,540)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	250	1,170
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	250	1,258

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,396	5,123
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(812)	947

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,046)	(3,540)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	250	1,258
4.5	Effect of movement in exchange rates on cash held		-
4.6	Cash and cash equivalents at end of period	3,788	3,788

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	1,738	3,596
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	2,050	1,800
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,788	5,396

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	231
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, respectively.

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		
7.3 Other (please specify)	250	250
7.4 Total financing facilities	2,050	2,050
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.		
7.1 Export Finance Australia–Secured, 180-day payment terms at 6.75% interest per annum, drawdown available on 75% of international purchase orders. 7.3 Short-term facility–Unsecured 15-day payment terms, total of \$3k interest payable.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(812)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,788
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	3,788
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.67
<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: 31 July 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.