

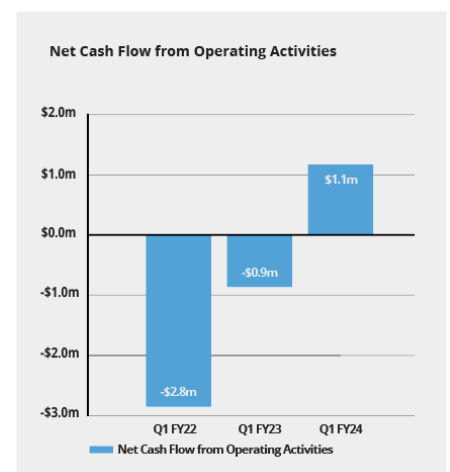
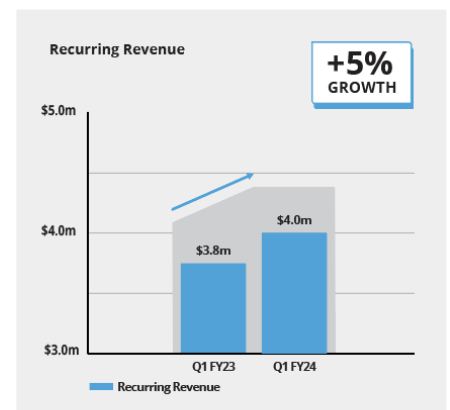
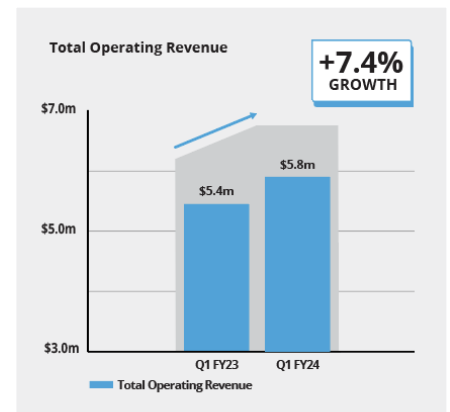
Continued momentum in Airport vertical with major contract win

Q1 FY24 Highlights

- Skyfii secured a contract with a major UAE airport with a TCV of c.A\$5m over 5 years which includes implementation revenue and ongoing recurring revenue over the term
- Total Operating Revenues for **Q1 FY24 of \$5.8m** up 7.4% vs pcq
- Recurring Revenues for **Q1 FY24 of \$4.0m**, up 5% pcq and stable Q4 FY23
- Quarterly Cash Receipts from customers of **\$7.5m, up 17%** versus pcq
- **Net cash flow from operation of \$1.1m** reflecting uplift in cash receipts
- **Annualised Recurring Revenue (ARR)** for the 12 months ending September of \$16.2m¹, down 5% qoq due to a combination of retirement of legacy technology and the impact of the removal of the McDonald's contract (ref ASX release date 8 August 2023)
- **Cash at bank of \$4.0m** as at 30 September 2023
- **\$6.6m** in new business Total Contract Value (TCV)² contracted during the quarter
- **Notable new contracts** include Peraton, Sebrae SP, Grupo Paulo Octavio, The Muse Media, Nottingham Uni Sports Centre and VIS Security
- **Notable contract renewals** include Metropolitan Washington Airports Authority, SITA, Charlotte International Airport, Mirvac, Christchurch Airport and Tanger Outlets
- Rolling 12 month pipeline includes over **\$34m of qualified deals** reflecting a 9.5% uplift of the pcq

Outlook

- Focus remains on high-growth verticals, including airports, stadiums, retail and quick-service restaurants
- Implementing seven revenue growth initiatives to ensure FY24 revenue targets are achieved. Implementing a bottom up review of operating expenses as part of a new cost efficiency initiative
- Continued investment in new product development including the addition of AI capabilities and forecasting features



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

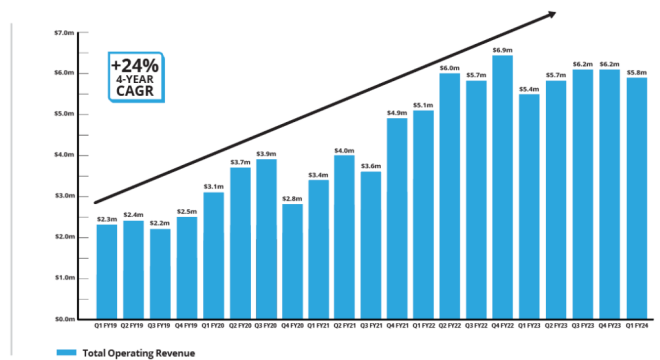
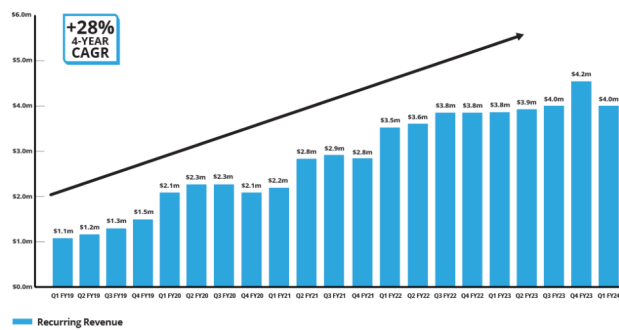
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ASX: SKF | 31 October 2023

Commenting on the September 2023 Quarter, Skyfii Chairman Bob Alexander said:

“Securing another significant contract with a major international airport reflects both our leading position in the global airport vertical and the large global opportunity set. Whilst our topline revenue growth was more subdued than in previous quarters we continue to implement a range of initiatives focussed on growing our sales and marketing efforts by re-focussing the business to deliver cross-sell/upsell revenue opportunities to existing customers and investment in business development roles to increase sales conversion. As a Board we remain confident that the strategic review will position Skyfii to benefit from the significant growth opportunities ahead. We truly believe that the Company is well positioned to deliver its financial and operational goals in FY24”

Revenue Performance by Quarter



Strategy to accelerate revenue growth and earnings

Post a strategic review, Skyfii’s Board and senior management team has commenced the implementation of a number of initiatives to pursue the growth opportunities across its core verticals. Key initiatives include

- **Grow sales and marketing:** Re-focussing the business to deliver cross-sell/upsell revenue opportunities to existing customers and investment in business development roles to increase sales conversion
- **Focus on core products and verticals:** Retire non core technologies and focus resources on higher margin products and increase cadence of AI product releases in core verticals of Airports, Retail, Retail Property, Transit, Stadia & QSR
- **Consolidate operating regions:** Expansion of Manila and Portugal hubs to increase delivery and project management capacity whilst maintaining operating expenses.

The Board and management continue to evolve and implement the strategy with a focus on aligning the company’s cost base with recurring revenue to ensure sustainable cash flow.

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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 \$6.6m including: Peraton (North America), Sebrae SP (Brazil), Grupo Paulo Octavio (Brazil), The Muse Media (UAE), Nottingham Uni Sports Centre (UK) and VIS Security (UK).

UAE Airport Contract

During the quarter, Skyfii was appointed to provide its queue management and passenger flow management solution to a prestigious airport in the UAE. The contract, over a five year term, has a total contract value of c.A\$5m which includes implementation revenue and ongoing recurring revenue over the term.

Skyfii will deploy its world leading LiDAR sensor technology to leverage advanced capabilities including ultra-live people flow mapping and auto queue detection as well as integrate with multiple data sets to allow the airport to provide its passengers with the smoothest and most efficient travel experience.

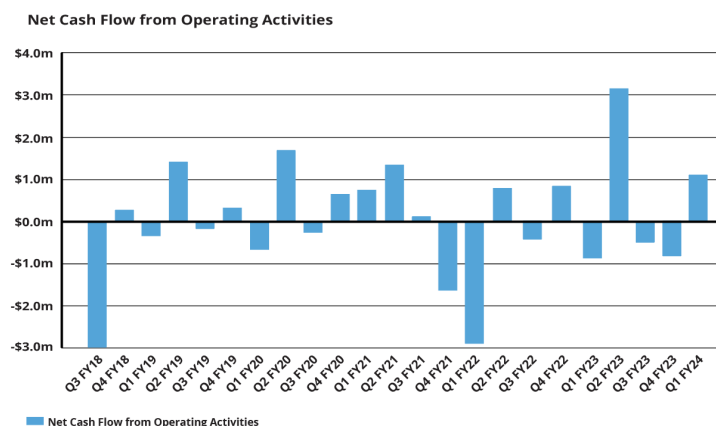
Notable renewals this quarter

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

Metropolitan Washington Airports Authority (North America), SITA (North America), Charlotte International Airport (North America), Mirva (APAC), Christchurch Airport (APAC) and Tanger Outlets (North America)

Net Cash Flow from Operating Activities

In Q1 FY24, Skyfii generated operating cash flow of \$1.1m, which was exclusive of the impacts of capitalisation of employee and contractor and other expenditure attributable to software development. The positive cashflow was driven by a combination of increased cash receipts and working capital management.



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Cash Position

The Company reported \$4.0m of cash as at 30 September 2023. The Company has a \$1.8m project financing facility with Export Finance Australia of which \$1.73m is drawn, 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

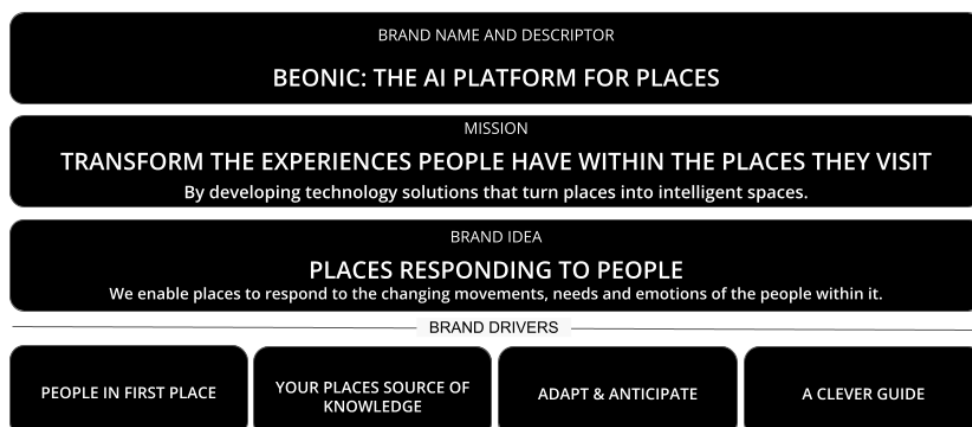
As noted in Section 6 of the Appendix 4C, the Directors' fees stated were made to the Directors of the entity during the quarter, consisting of salaries and fees for Executive and Non-Executive Directors, respectively. No other payments were made to any related parties or their associates of the entity.

Rebrand as Beonic

The Company's rebranding of its registered trading name from Skyfii Limited (ASX:SKF) to Beonic Limited (ASX:BEO) is subject to shareholder approval at the upcoming Annual General Meeting on 14 November 2023. The trading and business name change is not affected by this requirement.

The change reflects the Company's transition from a WiFi analytics provider to a data analytics company powered by enhanced AI and machine learning capabilities. This will better communicate our products and services allow our global customer base, which has grown from retail mall customers to operators of the largest and busiest venues and transport hubs across the globe.

Beonic, a combination of two concepts, 'BECOME' and 'BIONIC', creates a modern, action-oriented brand name that aligns the company's goal with that of our clients, namely, we bring together the worlds of science, data and technology together to allow places to respond to people



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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 \$34m 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

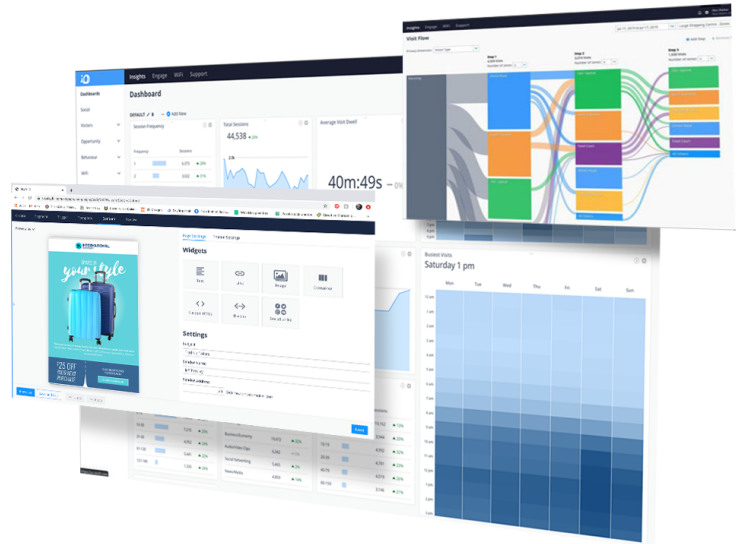
About Skyfii

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 SEPTEMBER 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,476	7,476
1.2 Payments for ¹		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,644)	(1,644)
(c) advertising and marketing	(303)	(303)
(d) leased assets	-	-
(e) staff costs	(3,303)	(3,303)
(f) administration and corporate costs	(1,045)	(1,045)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	15
1.5 Interest and other costs of finance paid	(89)	(89)
1.6 Income taxes paid	(7)	(7)
1.7 Government grants and tax incentives	0	0
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	1,100	1,100
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(146)	(146)
(d) investments	-	-
(e) intellectual property	(675)	(675)

¹ Cashflows are presented after the capitalisation of employee and contractor costs to software development of \$0.675m for Q1 FY2024.

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(f) other non-current assets	(9)	(9)
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	-	-
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	(830)	(830)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	1,080	1,080
3.6 Repayment of borrowings	(1,150)	(1,150)
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	(70)	(70)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3,788	3,788
4.2 Net cash from / (used in) operating activities (item 1.9 above)	1,100	1,100

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Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(830)	(830)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(70)	(70)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,988	3,988

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	3,988	3,788
5.2	Call deposits	-	-
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)	3,988	3,788

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	95
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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.

² *Salaries and Director fees for Executive and Non-Executive Directors, respectively.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	2,050	1,730
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	2,050	1,730
7.5 Unused financing facilities available at quarter end		320
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 10.39% interest per annum, drawdown available on 75% of international purchase orders.		
7.3 Short-term facility–Unsecured 15-day payment terms, total of \$1.6k interest paid in the quarter.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	1,100
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,988
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	3,988
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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 October 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.