

## Quarterly Activity Report & Appendix 4C

**SKS Technologies Group Limited (ASX: SKS)**, Australia's only publicly listed company providing fully integrated end to end technology solutions nationwide is pleased to update the market on its quarterly cash flow and business activity report for the quarter ended 31 December 2021.

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### Key Highlights

- **Customer cash receipts increased 118% to \$16.2m, from the December 2020 quarter of \$7.4m, in line with \$60m revenue target for FY22.**
  - **Positive operating cash flow for the Quarter generated from strong underlying activities.**
  - **Company fully funded to deliver on its growth strategy with a working capital facility of \$5m.**
  - **Quarter delivered new wins with blue-chip private and public customers contributing to a strong increased Work in Hand position.**
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### Quarterly Activities Overview

In line with our strategy laid out in the September released Investor Presentation, SKS Technologies continues to execute on our growth trajectory by capitalising on our depth of experience and relationships that provide a continued strong pipeline of projects as seen through the significant growth momentum over the past quarter.

#### • **New Footscray Hospital Formal Acceptance**

SKS Technologies announced during the quarter ending 31 December 2021 that it had received a formal acceptance of approximately \$10m to design, supply and install the Audio Visual package related to the Private Public Partnership (PPP) for the New \$1.5b Footscray Hospital construction in Melbourne. Delivered by the Plenary Health consortium in partnership with Multiplex and Western Health, this project is set to be the largest ever health infrastructure investment in Victoria's history.

SKS Technologies has been leading the technology design phase of the project in conjunction with the project partnership for the past 2 years. We have been engaged to design, supply and deliver all technology systems for the hospital including audio visual, education and training, digital signage, wayfinding, patient check-in and queuing systems throughout the 10 floor facility.

## Corporate Overview

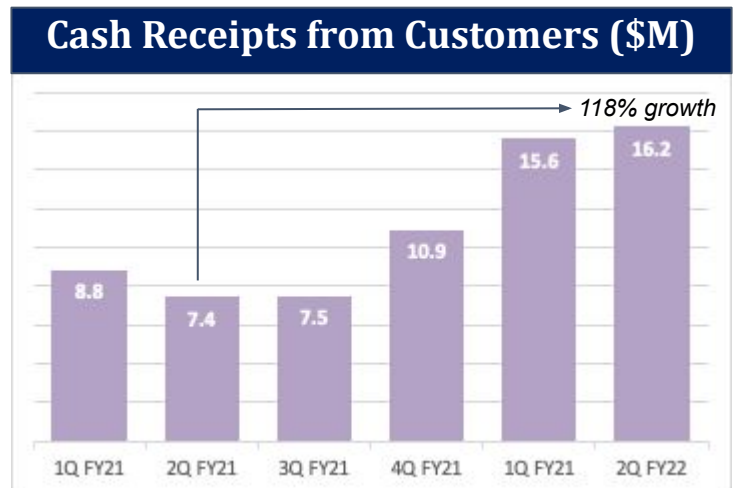
The Company closed the quarter ending 31 December 2021 in a strong cash position with approximately \$4.8m of available funding.

### Record Cash Receipts

SKS Technologies is pleased to report a significant increase in cash receipts from customers, achieving 118% growth to \$16.2m from \$7.4m the previous corresponding period. Together with a strong recurring revenue momentum from service and

maintenance contracts for clients and other initiatives, the Company is pleased to affirm FY22 revenue guidance of \$60m.

Net cash generated from operating activities for the quarter was \$0.97m (previous quarter was negative \$0.68m). Driven by organic growth operations and continued investment in management and relationships, the Company maintains strong growth momentum aligned with our FY22 growth trajectory.



## Operational Overview and Outlook

In the second quarter of financial year 2022, aligned with our previously stated growth strategy, SKS Technologies will continue to focus on:

- Organic growth strategy, which remains our number one priority;
- Appointment of seasoned industry professionals to pursue vertical specific strategies and increase national presence;
- Key contract wins including the recent appointment to lead the Audio Visual Package for the Footscray Hospital;
- Continued focus on the development of innovative technologies to support our recurring revenue model direct to end user;
- The company maintains a disciplined approach to strategic acquisitions of complementary businesses that will accelerate revenue and provide opportunities on a much larger scale

**Chief Executive Officer, Matthew Jinks, Comments:** *"SKS Technologies is well positioned to serve its customers on their digital transformation journeys accelerated by the continued lockdowns and shift to a remote working environment over the past quarter."*

*The company continues to perform and execute on our growth strategy targeting technology and geographical expansion in 2H 2022 and beyond. We have been strongly investing in expanding our management team as part of our ongoing consolidation across our industry, providing further opportunities and contract wins that will ultimately contribute to our recurring revenue streams."*

~ ENDS ~

Approved for release by the Board of SKS Technologies Group

Payments to related parties of the entity and their associates:

Directors' fees and expenses reimbursed paid to directors	\$135,000
Salaries and wages and expenses reimbursed paid to employees who are related to directors	\$140,000
Aggregate amount of payments to related parties and their associates included in item 1	\$275,000
Aggregate amount of payments to related parties and their associates included in item 2	-

#### Further Information

Matthew Jinks  
Chief Executive Officer  
(03) 9289 5000

#### About SKS Technologies Group Limited (ASX: SKS)

SKS Technologies delivers advanced technology through digital transformation via creative design and installation of converged AV/IT, electrical and communication networking solutions nationally.

## Appendix 4C

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

**Name of entity**

SKS TECHNOLOGIES GROUP LIMITED

**ABN**

24 004 554 929

**Quarter ended ("current quarter")**

31 DECEMBER 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (06 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	16,221	31,787
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(8,963)	(19,504)
(c) advertising and marketing	(67)	(98)
(d) leased assets	(137)	(248)
(e) staff costs	(6,111)	(11,019)
(f) administration and corporate costs	(337)	(893)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(100)	(199)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	471	471
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>977</b>	<b>297</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(238)	(341)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	(59)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (06 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	61	81
	(c) property, plant and equipment	-	2
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	8	8
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(169)</b>	<b>(309)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	15,281	30,065
3.6	Repayment of borrowings	(15,925)	(29,856)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (R&D Tax Repayment to ATO)	(129)	(254)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(773)</b>	<b>(45)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	17	109
4.2	Net cash from / (used in) operating activities (item 1.9 above)	977	297
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(169)	(309)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (06 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(773)	(45)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>52</b>	<b>52</b>

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	52	17
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>52</b>	<b>17</b>

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	275
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>		

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other- Invoice Financing Facility	5,000	209
7.4	<b>Total financing facilities</b>	5,000	209
7.5	<b>Unused financing facilities available at quarter end</b>		4,791
7.6	<p>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.</p> <p>Cash Flow Finance has provided the invoice financing facility which is subject to variable interest rate (currently 8.85%) and secured by the accounts receivables ledger.</p>		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	977
8.2	Cash and cash equivalents at quarter end (item 4.6)	52
8.3	Unused finance facilities available at quarter end (item 7.5)	4,791
8.4	Total available funding (item 8.2 + item 8.3)	4,843
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	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: N/A	
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: N/A	
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: N/A	
	<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: .....28/01/2022.....

Authorised by: .....By the Board.....  
(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.