

Positive Operating Cash and Record Cash Receipts

SKS Technologies Group Limited (ASX: SKS) has achieved another quarter of record cash receipts from customers of \$26.83 million, representing a 15.4% increase on 4Q23 and a 2.7% increase on the previous corresponding period, which collected cash receipts of \$26.12 million.

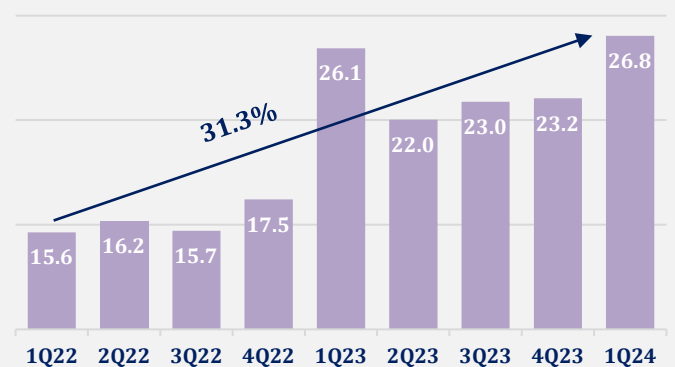
Chief Executive Officer, Matthew Jinks, said “This level of receipts from customers provides a strong foundation for the \$90 million to \$100 million of revenue that we are targeting for FY24. It also reflects the continued momentum in organic growth that has characterised our performance over the past several years.”

Cash operating outlays increased to \$26.44 million, representing a 19.5% rise over the previous quarter and an 8.1% rise over the previous corresponding period. This increase has been driven by a 32.5% increase in product manufacturing and operating costs to \$17.09 million from \$12.89 million in the previous quarter.

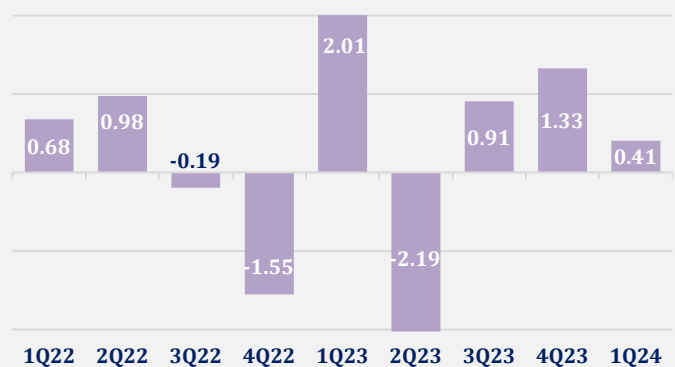
These cost increases are a positive sign of continually accelerating growth, with a constantly increasing volume of work requiring initial cost outlays to fund it in advance of receipt of cash. Hence, cash flows from operations totalled \$0.41 million for the quarter, which enabled a reduction in the overdraft of \$0.31 million to \$1.45 million. Working capital remains adequate with \$3.55 million of undrawn funds in the overdraft.

Work on hand shows no sign of abating and now sits at \$55 million, despite the increased rate of project completion. During the quarter, several multi-million-dollar projects totalling approximately \$15 million were secured with the defence force in Darwin, with Australia Post for a fit-out of its new office in Richmond, and with a large global IT company for a data centre project. These projects demonstrate the changes to the work on hand profile, in terms of locations and market sectors, as a result of a concerted drive to diversify these characteristics of the order book.

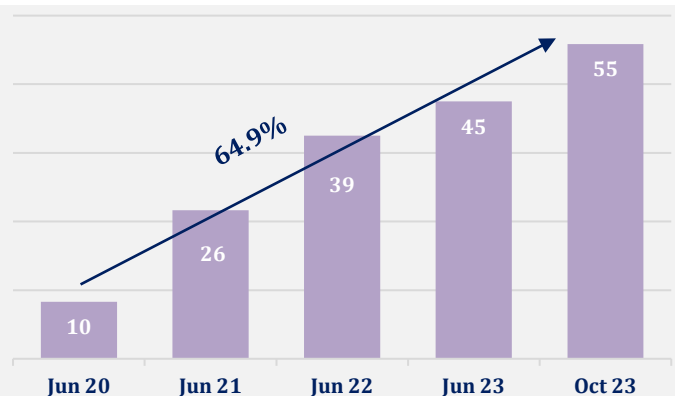
Cash Receipts from Customers (\$M)



Cash Flow from Operations (\$M)



Work on Hand (\$M)



Major works completed during the quarter include projects for Collingwood Football Club and Monash University in Melbourne, and for a Westfield shopping centre in Brisbane.

With the strengthened management in both the Brisbane and Perth branches, operations in those states have begun to thrive, with work being won and completed at an increasing rate and a strong brand presence infiltrating a diversity of market sectors. Similarly, the new Darwin office is gaining traction in targeted Northern Territory markets with multi-million-dollar contracts contributing to the business' growing work on hand as well as the changing profile of work as earmarked in the growth strategy.

Mr Jinks also said, "SKS Technologies is building market share in new sectors and locations with services and systems that are logical extensions of our core areas of expertise. After much market sector and systems analysis several years ago, as well as sustained investment in the people with the expertise and connections to open up those markets for us, we are witnessing the benefits of a determined commitment that began several years ago when we consolidated and mapped out the most logical growth options for our business. Our growth in these targeted areas is the result of these endeavours, and I look forward to updating shareholders on our progress and our successes at our upcoming annual general meeting on 23 November."

~ ENDS ~

Approved for release by the Board of SKS Technologies Group.

Payments to related parties of the entity and their associates:

Aggregate amount of payments to related parties and their associates included in item 1	\$444,000
Directors' fees and expenses reimbursed paid to directors	\$194,000
Salaries and wages and expenses reimbursed paid to employees who are related to directors	\$250,000
Aggregate amount of payments to related parties and their associates included in item 2	-

Further Information	Matthew Jinks Chief Executive Officer (03) 9289 5000
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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")

30 SEPTEMBER 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (03 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		26,833	26,833
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(17,085)	(17,085)
(c) advertising and marketing		(102)	(102)
(d) leased assets		(239)	(239)
(e) staff costs		(8,358)	(8,358)
(f) administration and corporate costs		(481)	(481)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		-	-
1.5 Interest and other costs of finance paid		(175)	(175)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		12	12
1.8 Other (provide details if material)		-	-
1.9 Net cash from / (used in) operating activities		405	405
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(g) entities		-	-
(h) businesses		-	-
(i) property, plant and equipment		(106)	(106)
(j) investments		-	-
(k) intellectual property		-	-
(l) other non-current assets		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (03 months) \$A'000
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	17	17
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	(89)	(89)

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	(1)	(1)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(313)	(313)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (R&D liability Repayment to ATO)	-	-
3.10	Net cash from / (used in) financing activities	(314)	(314)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9	9
4.2	Net cash from / (used in) operating activities (item 1.9 above)	405	405
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(89)	(89)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (03 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(314)	(314)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	11	11

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	11	9
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)	11	9

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	444
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>		

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	-	-
7.2	Credit standby arrangements	-	-
7.3	Other- Overdraft Facility	5,000	1,449
7.4	Total financing facilities	5,000	1,449
7.5	Unused financing facilities available at quarter end		3,551
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>Commonwealth Bank of Australia has provided the overdraft facility which is subject to variable interest rate (currently 6.97%) and secured by a charge over the company.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	405
8.2	Cash and cash equivalents at quarter end (item 4.6)	11
8.3	Unused finance facilities available at quarter end (item 7.5)	3,551
8.4	Total available funding (item 8.2 + item 8.3)	3,562
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?	
	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?	
	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?	
	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:19/10/2023.....

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.