LITCHFIELD HILLS
RESEARCH

SKYX Platforms Corp.

NASDAQ – SKYX

November 13, 2025

3Q Update: Strong Beat, Expanding B2B Pipeline, Potential Building Code Breakthrough Ahead

Analyst: Barry M. Sine, CFA, CMT

- **3Q revenue of $23.9M exceeded expectations**, with gross margin expanding to a record 31.7% on a higher mix of SKYX-branded products.
- **EBITDA loss narrowed to $1.2M**, with management suggesting potential 4Q breakeven driven by ~50,000 units expected to ship.
- **Major project wins accelerated** across Austin, Miami, Saudi Arabia, and Egypt; large installations expected to contribute meaningfully beginning in 2025.
- **AI-enabled website overhaul projected to lift e-commerce revenue by ~30%,** scheduled for 1Q/2Q 2026 rollout.
- **Company teased progress toward a smart-plug code requirement breakthrough**, which could serve as a game-changing catalyst.

Rating	BUY
Target Price	$5.00
Ticker Symbol	SKYX
Market	NASDAQ
Stock Price	$1.62
52 wk High	$2.14
52 wk Low	$0.88
Shares Outstanding:	113.5 M
Public Market Float:	69.2 M
Avg. Daily Volume	579,072
Market Capitalization:	$184 M
Institutional Holdings:	13.0%
Dividend Yield:	0.0%

Earnings Per Share	**Normalized to exclude unusual items**			
FYE - December	**2025E**	**2026E**	**2027E**	**2028E**
1Q - March	($0.09) A	($0.07)		
2Q - June	($0.08) A	($0.07)		
3Q - September	($0.07) A	($0.04)		
4Q - December	($0.07)	($0.04)		
Year	**($0.32)**	**($0.22)**	**($0.04)**	**$0.04**
Revenue ($mm)	**$91.1**	**$113.0**	**$140.0**	**$200.0**
EV/Rev				
EBITDA ($mm)	**($9.4)**	**$2.7**	**$21.1**	**$32.3**
EV/EBITDA				

Risks/Valuation

- **Risk Factors:** While the company's first and second generation products are available now, the key risk is that they may not gain widespread acceptance.
- **Valuation:** We value SKYX shares based on a multiple of future revenue using a group of other companies that are valued mainly on their intellectual property as comps.

Company description: SKYX Platforms has developed a new technology for light and ceiling fan fixture installations that is faster, safer, cheaper, and easier, and has already won acceptance by key industry panels such as the National Electrical Code. Its next-gen products move it to a smart home hub where we see significant product licensing potential.

SKYX Platforms Corp.

NASDAQ – SKYX

3Q Update: Strong Beat, Expanding B2B Pipeline, Potential Building Code Breakthrough Ahead

Last night, SKYX reported stronger-than-expected 3Q results, with revenue ahead of consensus and smaller-than-expected EBITDA and EPS losses. The company continues to secure major customer wins at an accelerating pace, with meaningful installations now underway or scheduled in Austin, Miami, Saudi Arabia, and Egypt. The Austin project is shipping now, while substantial Middle East and Miami deployments are expected to materially benefit 2025 results.

Management also highlighted progress on its AI-driven website revamp, projected to increase online revenue by approximately 30% upon implementation in 1Q–2Q 2026. In addition, SKYX indicated that a potential breakthrough on smart-plug code requirements may be forthcoming—an outcome that would represent a significant positive catalyst not currently embedded in forecasts.

3Q Financial Review

- Revenue: $23.9M (+7.8% Y/Y), above our $23.0M estimate.
- Gross Margin: 31.7%, up from 30.9% Y/Y, benefiting from higher mix of proprietary products and initial B2B shipments.
- EBITDA: ($1.2M), improving from ($2.6M) a year ago. Management cited the potential for 4Q breakeven on expected 50,000 unit shipments; our view remains slightly more conservative.

Balance Sheet & Cash Conversion

SKYX ended 3Q with $7.8M in cash and $13M in liquidity. The company continues to generate a highly attractive negative cash conversion cycle (–46.8 days in 3Q), supporting scalable growth with minimal reliance on dilutive financing—an underappreciated advantage, in our view, that should allow the company to achieve the accelerating growth we expect, without dilutive financing.

Quarter	Revenue	COGS	Avg. A/R	Avg. Inv.	Av. A/P	DSO	DIO	DPO	CCC
Q1 2024	19,000	14,000	1,650	2,000	9,500	7.9	13.0	61.9	(40.9)
Q2 2024	21,400	15,500	1,900	2,350	10,500	8.1	13.8	61.8	(39.9)
Q3 2024	22,169	15,327	2,400	2,850	11,750	10.1	17.0	69.9	(42.8)
Q4 2024	23,700	17,200	2,608	3,493	12,868	10.0	18.5	68.3	(39.8)
Q1 2025	20,076	15,075	2,458	3,293	12,618	11.2	20.0	76.3	(45.1)
Q2 2025	23,100	16,100	2,458	3,293	12,618	9.7	18.7	71.5	(43.1)
Q3 2025	23,892	16,323	2,785	3,751	14,040	10.6	21.0	78.4	(46.8)

Source: Company reports

We reiterate our Buy rating. We continue to believe that SKYX is well-positioned to become the accepted smart-home and smart-building standard through code adoption. The accelerating pace of major wins—now expanding internationally—reinforces this thesis. A breakthrough in mandating its SkyPlug in the building code would be a transformative catalyst for adoption and valuation.

SKYX Platforms Corp.

NASDAQ – SKYX

SKYX Platforms Corp. Income Forecast

Dollars in thousands, except per share data			2025E					2026E			2027E	2028E	2029E	2030E
Fiscal years ended December 31	1QA	2QA	3QA	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR	YEAR	YEAR	YEAR	YEAR
	March	June	September	December		March	June	September	December					
Revenue	**20,113,938**	**23,061,655**	**23,891,537**	**25,000,000**	**92,067,130**	**21,000,000**	**22,000,000**	**30,000,000**	**40,000,000**	**113,000,000**	**140,000,000**	**200,000,000**	**250,000,000**	**300,000,000**
YoY growth	6.0%	7.5%	7.8%	5.6%	6.7%	4.4%	-4.6%	25.6%	60.0%	22.7%	23.9%	42.9%	25.0%	20.0%
Seq growth	-15.1%	14.7%	3.6%	4.6%		-16.0%	4.8%	36.4%	33.3%					
Cost of services	14,402,488	16,064,486	16,323,277	16,500,000	63,290,251	14,070,000	14,520,000	19,500,000	26,000,000	74,090,000	84,000,000	110,000,000	125,000,000	150,000,000
As a percent of revenue	71.6%	69.7%	68.3%	66.0%	68.7%	67.0%	66.0%	65.0%	65.0%	65.6%	60.0%	55.0%	50.0%	50.0%
Gross Profit	5,711,450	6,997,169	7,568,260	8,500,000	28,776,879	6,930,000	7,480,000	10,500,000	14,000,000	38,910,000	56,000,000	90,000,000	125,000,000	150,000,000
Gross Margin	28.4%	30.3%	31.7%	34.0%	31.3%	33.0%	34.0%	35.0%	35.0%	34.4%	40.0%	45.0%	50.0%	50.0%
Selling and marketing	6,827,420	6,185,017	6,099,700	6,250,000	25,362,137	6,300,000	6,600,000	6,000,000	7,200,000	26,100,000	28,000,000	40,000,000	50,000,000	60,000,000
As a percent of revenue	33.9%	26.8%	25.5%	25.0%	27.5%	30.0%	30.0%	20.0%	18.0%	23.1%	20.0%	20.0%	20.0%	20.0%
General and administrative	6,597,055	8,333,265	8,232,175	8,000,000	31,162,495	7,350,000	7,700,000	7,200,000	9,600,000	31,850,000	30,800,000	44,000,000	55,000,000	66,000,000
As a percent of revenue	32.8%	36.1%	34.5%	32.0%	33.8%	35.0%	35.0%	24.0%	24.0%	28.2%	22.0%	22.0%	22.0%	22.0%
Operating income	**(7,713,025)**	**(7,521,113)**	**(6,763,615)**	**(5,750,000)**	**(27,747,753)**	**(6,720,000)**	**(6,820,000)**	**(2,700,000)**	**(2,800,000)**	**(19,040,000)**	**(2,800,000)**	**6,000,000**	**20,000,000**	**24,000,000**
Operating margin	-38.3%	-32.6%	-28.3%	-23.0%	-30.1%	-32.0%	-31.0%	-9.0%	-7.0%	-16.8%	-2.0%	3.0%	8.0%	8.0%
Other														
Interest expense, net	(1,339,103)	(1,305,816)	(852,308)	(1,300,000)	(4,797,227)	(1,300,000)	(1,300,000)	(1,300,000)	(1,300,000)	(5,200,000)	(1,300,000)	(1,300,000)	(1,300,000)	(1,300,000)
Gain on debt extinguishment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pretax Income	(9,052,128)	(8,826,929)	(7,615,923)	(7,050,000)	(32,544,980)	(8,020,000)	(8,120,000)	(4,000,000)	(4,100,000)	(24,240,000)	(4,100,000)	4,700,000	18,700,000	22,700,000
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As a percent of revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Preferred dividends	(219,148)	(269,226)	(287,000)	(270,000)	**(1,045,374)**	(270,000)	(270,000)	(270,000)	(270,000)	**(1,080,000)**	(270,000)	(270,000)	(270,000)	(270,000)
Net income to common	**(9,271,276)**	**(9,096,155)**	**(7,902,923)**	**(7,320,000)**	**(33,590,354)**	**(8,290,000)**	**(8,390,000)**	**(4,270,000)**	**(4,370,000)**	**(25,320,000)**	**(4,370,000)**	**4,430,000**	**18,430,000**	**22,430,000**
Net income margin	-46.1%	-39.4%	-33.1%	-29.3%	-36.5%	-39.5%	-38.1%	-14.2%	-10.9%	-22.4%	-3.1%	2.2%	7.4%	7.5%
Diluted shares outstanding	103,548,494	107,117,216	112,021,945	112,521,945	108,802,400	112,771,945	113,021,945	113,271,945	113,521,945	113,146,945	114,021,945	114,521,945	115,021,945	115,521,945
Seq change	2,524,912	3,568,722	4,904,729	500,000		250,000	250,000	250,000	250,000		500,000	500,000	500,000	500,000
EPS diluted - continuing	**($0.09)**	**($0.08)**	**($0.07)**	**($0.07)**	**($0.31)**	**($0.07)**	**($0.07)**	**($0.04)**	**($0.04)**	**($0.22)**	**($0.04)**	**$0.04**	**$0.16**	**$0.19**
EBITDA														
Net income	(9,052,128)	(8,826,929)	(7,615,923)	(7,050,000)	(32,544,980)	(8,020,000)	(8,120,000)	(4,000,000)	(4,100,000)	(24,240,000)	(4,100,000)	4,700,000	18,700,000	22,700,000
Addback														
Share-based payments	3,041,157	3,612,364	3,373,895	3,600,000	13,627,416	4,000,000	4,000,000	4,000,000	4,000,000	16,000,000	17,600,000	19,360,000	21,296,000	23,425,600
Interest expense	1,339,103	1,305,816	852,308	1,300,000	4,797,227	1,300,000	1,300,000	1,300,000	1,300,000	5,200,000	1,300,000	1,300,000	1,300,000	1,300,000
Impairment	-													
D&A	1,007,817	1,272,337	2,141,160	1,300,000	5,721,314	1,430,328	1,430,328	1,430,328	1,430,328	5,721,313	6,293,444	6,922,789	7,615,067	8,376,574
Transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA	**(3,664,051)**	**(2,636,412)**	**(1,248,560)**	**(850,000)**	**(8,399,023)**	**(1,289,672)**	**(1,389,672)**	**2,730,328**	**2,630,328**	**2,681,313**	**21,093,444**	**32,282,789**	**48,911,067**	**55,802,174**
YoY growth											NM	53.0%	51.5%	14.1%
EBITDA margin	-18.2%	-11.4%	-5.2%	-3.4%	-9.1%	-6.1%	-6.3%	9.1%	6.6%	2.4%	15.1%	16.1%	19.6%	18.6%

Source: Company reports and Litchfield Hills Research

SKYX Platforms Corp.

NASDAQ – SKYX

Disclosures:

Analyst Certification
We, the Litchfield Hills Research Department, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject company and the underlying securities.

FINRA Compliant Research Report
We, the Litchfield Hills Research Department, hereby certify that this report is compliant with FINRA research rules 2241, 3110.

MiFID II Compliant Research Report
Our research is classified as a minor non-monetary benefit under MiFID II. This applies to all forms of transmission, including email, website, and financial platforms such as Bloomberg, FactSet, S&P Global, Refinitiv, and 13 others. We do not seek payment from the asset management community and do not have any execution function. Investors can continue to receive our research under the MiFID II regime without the need for a contract for services to be put in place. This applies to all forms of transmission, including email, website, and financial platforms.

Litchfield Hills Research LLC Rating System

BUY: We expect the stock to provide a total return of 15% or more within 12 months.
HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within 12 months.
SELL: We expect the stock to have a negative total return of more than 15% within 12 months.
Total return is defined as price appreciation plus dividend yield.

Other Disclosures
Litchfield Hills Research, LLC ("LHR") is not a U.S. broker-dealer registered with the U.S. Securities and Exchange Commission nor a member of the Financial Industry Regulatory Authority. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject LHR or any divisions, subsidiaries or affiliates to any registration or licensing requirement within such jurisdiction.

All material presented in this report, unless specifically indicated otherwise, is under copyright to LHR and the subject company. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied, or distributed to any other party, without the prior express written permission of LHR or the subject company. All trademarks, service marks, and logos used in this report are trademarks, service marks, registered trademarks, or service marks of LHR or its affiliates. The information, tools, and material presented in this report are provided to you for information purposes only and are not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. LHR may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. The investments or services contained or referred to in this report may not be suitable for you, and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting, or tax advice or a representation that any investment or strategy is suitable, appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. LHR does not offer advice on the tax consequences of investment, and you are advised to contact an independent tax adviser. LHR believes the information and opinions in the Disclosure Appendix of this report are accurate and complete. Information and opinions presented in this report were obtained or derived from sources LHR believes are reliable, but LHR makes no representations as to their accuracy or completeness.

Ownership and Material Conflicts of Interest
The analyst owns no shares of the subject company. The analyst and his family have no known material conflicts of interest in authoring this report.

Investment Banking and Fees for Services
Litchfield Hills Research has not received compensation for advisory or investment banking services from the Company in the past 12 months. Litchfield Hills Research LLC has received compensation from the subject company for distribution and investor targeting services.

Market Making
Litchfield Hills Research, LLC does not make a market in the subject company's securities.

Additional information is available upon request. LHR accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to LHR. This report is not to be relied upon in substitution for the exercise of independent judgment.