
ANNOUNCEMENT TO THE ASX – 29 April 2022

Inventis Limited [ASX: IVT] – Quarterly Activity Report

General Operational Review

During the last quarter to 31 March 2022, the Group has acquired 100% of Electronic Circuit Designs Pty Ltd (ECD) and all the business assets arising from the Share Sale Agreement from ECD on 30th March 2022 with deferred payment arrangements put in place and previously announced to facilitate the funding requirement.

The Group set forward plans and executed on the following:

- The completion of the Due Diligence relating to ECD during this quarter and completion of the Share Sale Agreement. This also saw the commercial property at Matraville (near the Botany Port terminal and approximately 15 minutes from Sydney CBD) becoming a 100% owned Group property.

ECD is expected to trade to near \$2.8M million annual Revenue and over \$1 million pa (EBITDA) Earnings Before Interest Depreciation and Amortisation in the coming 12 months. This is aligned with our existing PNE circuit business within our Technology Division and will serve to gain additional Group synergy in the coming 12-month period. The acquisition is net accretive to earnings.

- ECD Trading in March 2022 was up 37% MTD (YOY) L4L, year on year for the month.
- 49% associate Winya has managed to win and confirm larger Government contract orders to be installed and delivered in 2H22, these sales once invoiced, are expected to see Winya maintain its original revenue targets despite a weaker first half due to covid lock downs.
- The Technology business received confirmation that United States of America Patent Application No. 17/124,815; being granted and issued for the Emergency Alert System “Hazavoid” TM. This Patent is awarded till 17 December 2040.
- The Technology business had received written confirmation of an approximate \$1 million order for Opentec to NZ during this period expected to be received in May and despatched early in FYR23.
- Senior management travelled internationally, after a long two -year travel ban to see clients’ headquarters in Singapore, the Philippines, and the USA, whilst also attend trade exhibition and securing additional order expectations and confirming the strength of the existing pipeline of work for the next 24 months.
- The US multi-billion-dollar Wesco Group confirmed onboarding of the Hazavoid Emergency alert system by their subsidiary allowing global integrators to access the technology through their existing relationship. Additional purchase orders are being explored in the USA and in India with other interested parties at present, with the first order to ship to the USA being finalised in April -22.

- The MD and the board continue to explore adding net shareholder wealth and accretive expansion exploring various M&A opportunities and managed to complete the acquisition of ECD. The group already providing for 5 additional business brand integrations during the period between FYR 20 to FYR 22 and plans to secure additional staff for future succession planning initiatives and growth.

Capital Management

The Group has successfully negotiated an extension of the existing Group finance facilities due to expire in July 2022, along with new facilities to acquire ECD to 1 July 2025, subsequently allowing for the correct long- term liability accounting treatment in the financial year accounts.

The Group continues to manage costs in line with its revenue base during Covid-19 Lockdowns periods; and management further implemented cost reduction plans to help reduce costs as referred to in the last quarter, given the severity of the Covid-19 Delta strain lockdowns especially in NSW, Victoria and Qld and manage expectations around Omicron emergence.

The group has received over \$0.2 million less Government assistance during this financial year compared to last year. The Inventis national staff base is now 100% fully compliant with Covid regulations and Company policy.

New Software Distribution Agreement

Inventis Technology and Opentec has confirmed a new Distribution Agreement from Hirtenberger Defence Technology New Zealand for their FOCUS Field Operations Control and Utility System Software in Australia and the Philippines for a rolling period of 2 years., Interested parties in the Philippines have now registered their interest with Inventis Technology.

Trading

Most of the Group trading Companies performed exceptionally well, despite periods of Covid uncertainty and world- wide supply chain disruption.

- Network Furniture Sales in March were up 135% for the month and up 3.3% in total Year to date YOY year to 31 March -22.
- Bassett Furniture up 26.7% YOY to 31 March-22.
- Winya up 24.3% YoY to 31 March -22.
- Technology Division up 72.3%, YoY to 31 March -22 (excl ECD).
- ECD up 37% MTD in March.

Cash balances closing firmer to end March -22 of \$1.9 million, up 330 % from previous period

Additional orders in Second Half 2022

We have received advice of additional forward orders of over \$6 Million for Commercial Furniture and a potential world- wide distribution for Hazavoid Technology is expected to commence prior to end FYR 22.

Our Plan is to expand ECD's reach internationally into South -East Asia, whilst gaining synergy from the supply chain resulting from the recent ECD acquisition. ECD currently has over \$405K worth of purchase orders in hand.

Despite publicised worldwide freight and delivery delays, our factories have maintained high levels of Delivery in full and on time KPI's recorded highs of up to 99% & 100% during the half.

The business has shifted from a furniture business in late 2019 toward a technology led business. With new technology patents assets and design benefits across our ranges in both the Commercial Furniture and Technology Division's.

Gregory has developed a world first, best holistic approach with Work from Home safety, offering with the introduction to the smart app, iauditor, with Gregory allowing for the smartest office chair solutions with G-Smart™ - app that allows your office chair to talk to your smart phone. Gregory's made in Australia and sustainability features continue to create a unique value proposition.

Gregory has developed and released is new "Firstline" Chair, targeted toward armed forces, Police and security and has seen encouraging initial Police Departments feedback and support.

Gregory finalised design upgrades to its new design registered smart Acoustic Booth – Office Pod this being released to market in April-22.

By order of the Board

Contacts

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Appendix 4C

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

Name of entity

Inventis Limited

ABN

40 084 068 673

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,414	8,387
1.2 Payments for		
(a) research and development	(15)	(27)
(b) product manufacturing and operating costs	(740)	(4,676)
(c) advertising and marketing	(10)	(32)
(d) leased assets	(121)	(499)
(e) staff costs	(1,387)	(3,559)
(f) administration and corporate costs	(211)	(396)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(188)	(539)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	70	500
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(188)	(841)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	(1,500)	(1,500)
(b) businesses	-	-
(c) property, plant and equipment	(2,119)	(2,133)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	-	-
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	(3,619)	(3,633)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,754
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	-	(94)
3.5 Proceeds from borrowings	5,351	6,425
3.6 Repayment of borrowings	(213)	(2,460)
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	5,138	5,625

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	578	758
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(188)	(841)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(3,619)	(3,633)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	5,138	5,625

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,909	1,909

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	1,909	578
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)	1,909	578

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	-
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. 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	9,225	8,136
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	7,200	1,312
7.4	Total financing facilities	16,425	9,448
7.5	Unused financing facilities available at quarter end		6,977
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.		
	Type	Security	Lender
	Loan	Secured	THN Capital Solutions Pty :Ltd
	Debtor Factoring	Secured	THN Capital Solutions Pty :Ltd
	Purchase Funding	Secured	THN Capital Solutions Pty :Ltd
			Interest Rate
			Maturity Date
			10.00%
			10.07%
			9.30%
			1 July 2025
			Ongoing
			Ongoing

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(188)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,909
8.3	Unused finance facilities available at quarter end (item 7.5)	6,977
8.4	Total available funding (item 8.2 + item 8.3)	8,698
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	46.3
	<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: 29 April 2022



Authorised by: Alfred Kobylanski
(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.