
ANNOUNCEMENT TO THE ASX – 29 July 2022

Inventis Limited [ASX: IVT] – Quarterly Activity Report

General Operational Review

During the quarter ended 30 June 2022,

- Sales across all Divisions were robust, especially in May and June, which accords with historic trends. Group's Total Gross Network Sales are up 13.1% year on year (YOY). Thus, achieving three consecutive years of double-digit growth despite COVID lockdowns and the significant supply and logistics disruption that arose during and subsequent.
- The acquisition of Electronic Circuit Designs Pty Ltd (ECD) was finalised. ECD has integrated well into the Inventis Group and is showing strong promise to becoming a good contributor to Group revenue in the current financial year. Revenue during this quarter was \$626K. Forward orders and quotes in FY23 Pipeline exceed \$800K.
- Sales revenue for associate Winya climbed as predicted due to larger government contract orders, enabling it to finish 30.3% up on sales YTD for the same period last year. Winya being an associated company (49% owned by IVT) is a strong customer source for the Gregory Commercial Furniture Division.
- Inventis Technology was granted a United States of America patent (application No. 17/124,815) for its Emergency Alert System Hazavoid™. This patent provides protection to 17 December 2040. With the benefit of this patent, we are now working diligently to secure partnerships in response to US market demand for an emergency alert system.
- Overall, the Technology Division finished the period up 22.3% on last year and has a robust order book of over \$2.5m.

Capital Management

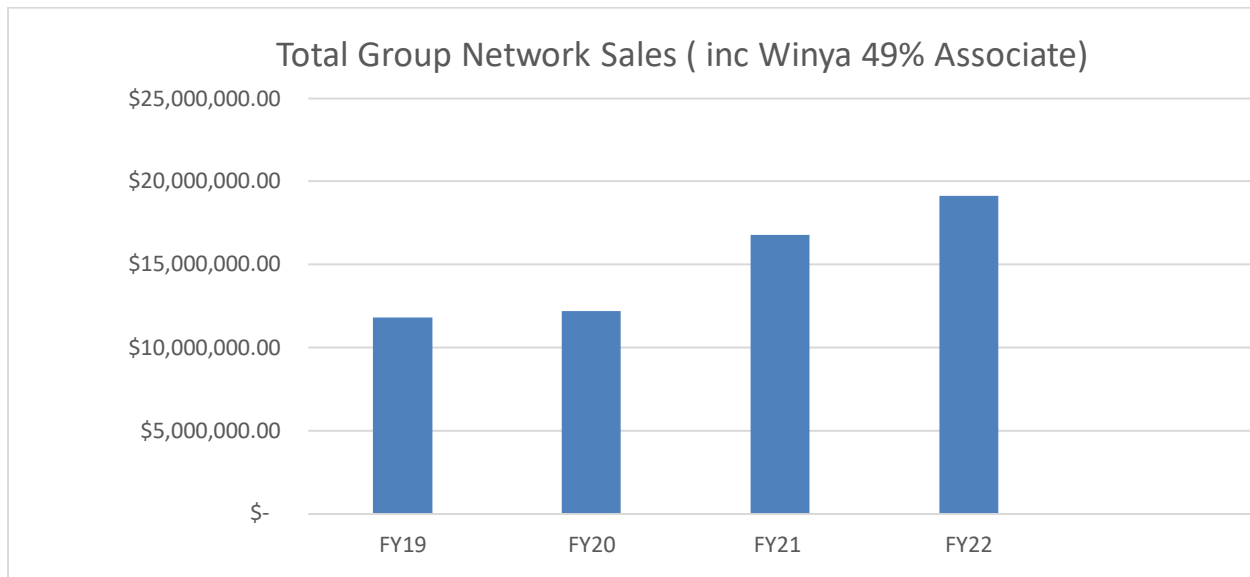
The Group successfully renegotiated a long-term extension to the existing Group finance facilities, which were due to expire in July 2022, and secured new facilities to 1 July 2025, which enabled the acquisition of ECD. We have therefore subsequently allowed for the correct long-term liability accounting treatment in our accounts.

As part of the ECD acquisition, the Group now owns real estate assets in Matraville, NSW, near the Botany shipping terminals.

Trading

- The Group trading companies performed well, despite prolonged periods of Covid uncertainty and world-wide supply chain disruptions.
- Total Group Network Sales in June were up 9.6% for the month and up 13.1% in total Year to date YOY for the year to 30 June 2022.

- The Company has been able to retain its talent pool, whilst providing new opportunities across the group for the next year and beyond. The current management has a proven track record of sustained sales growth over the last three-year period.



Additional orders in first quarter 2023

In June our total Group forward order book (including our 49% associate Winya) stood around \$14 million.

The Group has supported a new Winya showroom lease at Margret Steet Brisbane, due to commence 1 September 2022 and plans to negotiate larger showroom space in Sydney in the next 12 months to encompass a growing range of Australian made product. Our Commercial Furniture Division enjoys product showcase in these and other Winya locations.

Despite widely publicised freight and delivery delays due to Covid, our factories have maintained high levels of Delivery In Full and On Time KPI's recording highs of up to 99% & 100% during the last quarter across the manufacturing business. We thank our dedicated Australian manufacturing team for this.

Our Gregory Commercial Furniture Division continues to lead innovation, with technology and Australian design enabling the development of world-first products focussed on the health and wellbeing of the user. Our technology is leading the way in large and small organisations that care about their team members' health with;

- G-Smart (mobile app and Smart Chair Technology)
- Project -W office and work-from-home Chair
- Gregory Acoustic Pod (very new!) which has drawn significant interest and new orders into FY23
- "Firstline" Chair for Australia's personnel in our Armed Forces, Police and Security which has seen encouraging initial Police Departments feedback and support.



INVENTIS LIMITED

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The Furniture Division has become a well-integrated Australian operation that provides technologically advanced product, sustainability and environmentally responsible solutions as well as working with Indigenous communities and engaging in socially responsible outlook to growth.

The Technology Division continues the Group innovations and has become an international player with a new base in Montgomery Texas USA. The Technology Division is also currently exploring opportunities in South- East Asia through Manila, Philippines in FY23.

The Group continues to forecast strong double digit growth plans in F23 and F24. The overall Group Pipeline including Winya our 49% associate and ECD our newly acquired business is estimated to be in excess of 50% growth compared to this time last year.

The Board looks forward to a 2023 financial year of promising opportunity.

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")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,778	12,165
1.2 Payments for		
(a) research and development	(10)	(37)
(b) product manufacturing and operating costs	(1,762)	(6,438)
(c) advertising and marketing	(13)	(45)
(d) leased assets	(118)	(617)
(e) staff costs	(1,498)	(5,057)
(f) administration and corporate costs	(149)	(545)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(310)	(849)
1.6 Income taxes paid	(92)	(92)
1.7 Government grants and tax incentives	-	500
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(174)	(1,015)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	(1,500)
(b) businesses	-	-
(c) property, plant and equipment	(61)	(2,194)
(d) investments	-	-
(e) intellectual property	(57)	(57)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(118)	(3,751)

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	105	105
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(94)
3.5	Proceeds from borrowings	1,118	7,543
3.6	Repayment of borrowings	(1,957)	(4,417)
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	(734)	4,891

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,909	758
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(174)	(1,015)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(118)	(3,751)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(734)	4,891

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	883	883

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	883	1,909
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)	883	1,909

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:	
	Interest on related party borrowings	298
	Directors' fees	54
	Total Payments	352
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.

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	<i>Other (please specify)</i>	7,200	843
7.4	Total financing facilities	16,425	8,979
7.5	Unused financing facilities available at quarter end		7,446
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
	Mortgage	Secured	THN Property Fund Pty Ltd
	Debtor Factoring	Secured	THN Capital Solutions Pty Ltd
	Purchase Funding	Secured	THN Capital Solutions Pty Ltd
		Interest Rate	Maturity Date
			10.00%
			1 July 2025
			10.00%
			1 July 2025
			10.07%
			Ongoing
			9.30%
			Ongoing

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(174)
8.2	Cash and cash equivalents at quarter end (item 4.6)	883
8.3	Unused finance facilities available at quarter end (item 7.5)	7,446
8.4	Total available funding (item 8.2 + item 8.3)	8,155
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	46.9
	<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:

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.

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 July 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.