
ANNOUNCEMENT TO THE ASX – 30 April 2021

Inventis Limited [ASX: IVT] Quarterly Activity Report.

General Operational Review

During the quarter to 31st March 2021 the Group's business structure and activities remain unchanged since the last quarterly update on 29th January 2021.

The Group has managed to set out and communicate significant plans for the following advancements: -

- Future Capital Management plans to reduce debt and improve net equity;
- Its current high point in Orders, Quotes and opportunity pipeline growth in all Divisions;
- Its future M&A plans; and
- It's partnering strategy to enhance footprint and reach for our Technology and IP.

The Group's cost base reduced again with total staff numbers reducing by 1 FTE to 71 across the entire Group over the last quarter, however additional recruiting is underway to fill important growth positions in this next quarter. A focus on Sales performance is currently being undertaken by Management. Additional cost reductions are being negotiated and the consolidation of our leases in Melbourne will lead to a further cost reduction in 2021. This along with our recent general rent expense reductions negotiated in November 2020 will factor into the overall future expense reductions for the Group.

Covid-19 shut-downs, continued international travel restrictions and slower than expected vaccination programs are still significant factors in closing important international contracts. Additional delays are anticipated moving forward, until such time as international travel resumes. We are encouraged with the New Zealand (Bubble) allowing for travel between the two countries, already B2B confidence there has improved with confirmations of large million dollar defence orders with our Technology Division being realised and awaiting delivery timeslots for F22 and FY23.

Important Memorandum of Understanding (MOU's) with our Technology Division is currently being negotiated with key partners both here and abroad. The signing of these MOU's will herald important future revenue streams for the Group with our Technology Division. We will keep the market informed of any major developments here.

The integration of Bassett Furniture into the Eastern Creek location has been completed.

A complete range review has opened additional opportunities in the retail space with large online and large format Retailers seeking various Australian Made sofas from our group. The quality we produce is exceptional and our recent reputation for a high level of DIFOT is opening large scale opportunities in this space.

Our Associate Winya Indigenous Furniture has recently received confirmation of winning several large tenders with Government Departments and Winya managed to sign a MOU with Wilkhahn, a major high end international furniture manufacturer, expanding their range to the top end Design and Architectural space with Wilkhahn seeking to partner with their Boardroom furniture and seating ranges, as well as their executive seating and tables.

A great deal of R&D was completed in this quarter with the Access Pods, being finalised and ready for commercialisation by Gregory Commercial Furniture. Our Access Pods are being well received within the Hospital network as they are the only product of this kind with Disability access.

The Group continues to engage with resellers and maintain high levels of Delivery in Full and on Time (DIFOT). Gregory Commercial Furniture managed to partner with Office Works and has started ranging the new design registered Project- W select chairs. We anticipate this vertical to continue to grow.

Additional acquisitions are in the pipeline for the group and various discussions continue with both Commercial Furniture and Technology, these along with various partnering agreements is placing the group in an enviable position.

The Group managed to lodge Patents in Australia/NZ and the USA and will seek to commercialise this technology in the next half. Working capital requirements will see a need to for a capital raising and the plan to reduce debt is still firmly on the cards with plans set to be announced shortly. The Technology Division continues to add another dimension allowing the Group to offer sit-stand desk warranties on electronic parts enhancing our sustainability goals and reputation within the commercial office furniture space.

Managing Director, Anthony Mankarios noted "The overall orders, quotes and opportunity Pipeline strength of the Group's total activities reached a new high in February 2021 and has stabilised since, a great deal of work to convert this is showing encouraging signs in the last week or so. No doubt the March period was softer in the B2B market as people grappled with the end of Jobkeeper and the new Covid shutdowns in some States. We anticipate delays as a result, in finalising some of these orders and opportunities which will now be expected to enter F22 period.

The Group statutory (unaudited) total revenue to 31 March 2021 grew by +43%.

Related Parties

During the quarter, the group made payments to related Parties having remained unchanged for example interest to a related Company as they are the main provider to the Group, along with the Company contracted to supply services of the Groups' Managing Director.

Issued by Order of The Board.



Alfred Kobylanski
Chief Financial Officer

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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 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,568	7,741
1.2 Payments for		
(a) research and development	(4)	(14)
(b) product manufacturing and operating costs	(1,211)	(4,291)
(c) advertising and marketing	(5)	(11)
(d) leased assets	(78)	(205)
(e) staff costs	(920)	(2,943)
(f) administration and corporate costs	(233)	(626)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(198)	(568)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	2	712
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(79)	(205)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(11)	(20)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	20

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....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	(11)	-

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	-	-
3.5	Proceeds from borrowings	26	500
3.6	Repayment of borrowings	(54)	(393)
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	(28)	107

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	577	557
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(79)	(205)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(11)	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(28)	107

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	459	459

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	459	577
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)	459	577

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.</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	5,621	5,621															
7.2	Credit standby arrangements																	
7.3	Other (please specify)	7,200	644															
7.4	Total financing facilities	12,821	6,265															
7.5	Unused financing facilities available at quarter end		6,556															
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.																	
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Type</th> <th style="width: 20%;">Security</th> <th style="width: 20%;">Lender</th> <th style="width: 20%;">Interest Rate</th> <th style="width: 20%;">MaturityDate</th> </tr> </thead> <tbody> <tr> <td>Loan</td> <td>Secured</td> <td>THN Capital Solutions Pty :Ltd</td> <td>7.75%</td> <td>1 July 2022</td> </tr> <tr> <td>Debtor Factoring</td> <td>Secured</td> <td>THN Capital Solutions Pty :Ltd</td> <td>10.53%</td> <td>Ongoing</td> </tr> </tbody> </table>			Type	Security	Lender	Interest Rate	MaturityDate	Loan	Secured	THN Capital Solutions Pty :Ltd	7.75%	1 July 2022	Debtor Factoring	Secured	THN Capital Solutions Pty :Ltd	10.53%	Ongoing
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Loan	Secured	THN Capital Solutions Pty :Ltd	7.75%	1 July 2022														
Debtor Factoring	Secured	THN Capital Solutions Pty :Ltd	10.53%	Ongoing														

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(205)
8.2	Cash and cash equivalents at quarter end (item 4.6)	459
8.3	Unused finance facilities available at quarter end (item 7.5)	6,556
8.4	Total available funding (item 8.2 + item 8.3)	7,015
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	34.2
	<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?	
	<div style="border: 1px solid black; height: 30px; margin-top: 5px;"></div>	
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?	
	<div style="border: 1px solid black; height: 30px; margin-top: 5px;"></div>	
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?	
	<div style="border: 1px solid black; height: 30px; margin-top: 5px;"></div>	
	<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: 30 April 2021



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.