
ANNOUNCEMENT TO THE ASX – 28 January 2022

Inventis Limited [ASX: IVT] – Quarterly Activity Report

General Operational Review

During the last quarter to 31 December 2021, the Group Business structure and activities remain unchanged.

The Group set forward plans and executed on the following:

- The 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 up over 20% YOY in F22.
- Technology Division is in discussions on terms on a world-wide distribution agreement that is expected to be substantial, we have alluded to this for some time over the last few months.

Whilst the overall impact is relatively unknown, due to the 300 plus locations that is anticipated we anticipate forward sales estimate potential to lift sales across the Technology Division as well as the Group by more than double over a 12-month period, post formal commencement, when achieved. We aim to finalise terms over the next few months.

We can confirm onboarding paperwork was completed in January in respect of the world-wide distributor and a Memorandum of Understanding is currently being worked on.

- The Company announced the Executive Share Option Plan participants for 2021-22 and finalised incentive programs to staff, with an issue of shares completed on 18th Jan 2022 to long serving staff.
- Completed lodgement of the USA Patent of our Hazavoid product.
- Ramping up continuing discussions with a number of potential M&A activities which together total over \$30 million in annual revenue.

Capital Management

The Company has successfully negotiated an extension of the existing long- term finance facility of \$4.6 Million due to expire in July 2022 for another 12-month period.

The Group has also engaged PWC consultants to assist with acquisition finance facility funding an announcement and update was provided to the market in December 2021. We have since received initial EOI from interested external funders.

The Group continues to manage costs in line with its revenue base during Covid-19 Lockdown 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 \$603,189 less Government assistance in this first half compared to last year.

We are very pleased with the Company's national staff base achieving a 100% covid compliance, including by way of vaccinations.

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 has been agreed to.

Trading

The majority of the Group trading Companies performed exceptionally well, despite extended lockdown periods and Covid uncertainty.

- Gregory Chairs up 31.4% YOY in 1H22.
- Bassett Furniture up 21.7% YOY in 1H22
- Winya and Workstations down combined 22%, YoY in 1H22
- Technology Division up 170.6%, YoY in 1H22

Due to CBD lockdowns and building industry uncertainty during the Covid Lockdowns, revenue was impacted in the quarter in some of the install businesses (Winya and Workstations), hence affecting the Group's network revenue. The December sales however improved and increased by + 30.5% YOY which improved the overall position from the previous period during Covid.

From an overall position Inventis Limited's Statutory income is expected to increase from the prior year period up +16%. The underlying profit is expected to be in line with this growth.

Additional orders in Second Half 2022

We have received advice of additional forward orders of approximately \$4 Million for Furniture and a potential world-wide distribution agreement for Technology is expected to be delivered in 2H22

Despite 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 Covid Omicron variant has emerged during these last few months. 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. The team is seeing positive initial signs of major clients reviewing their WFH policy in this regard.

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.

(All figures quoted are unaudited at this stage)

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 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,931	5,973
1.2 Payments for		
(a) research and development	(9)	(12)
(b) product manufacturing and operating costs	(1,854)	(3,936)
(c) advertising and marketing	(13)	(22)
(d) leased assets	(211)	(378)
(e) staff costs	(1,139)	(2,172)
(f) administration and corporate costs	(138)	(185)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(194)	(351)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	190	430
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(437)	(653)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(14)	(14)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(14)	(14)

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	3	(94)
3.5	Proceeds from borrowings	733	1,074
3.6	Repayment of borrowings	(205)	(2,247)
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	531	487

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	498	758
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(437)	(653)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(14)	(14)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	531	487

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	578	578

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	578	498
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)	578	498

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>		

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

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	5,600	4,537		
7.2	Credit standby arrangements	-	-		
7.3	Other (please specify)	7,200	1,312		
7.4	Total financing facilities	12,800	5,849		
7.5	Unused financing facilities available at quarter end		6,951		
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	Interest Rate	Maturity Date
	Loan	Secured	THN Capital Solutions Pty :Ltd	7.75%	1 July 2022
	Debtor Factoring	Secured	THN Capital Solutions Pty :Ltd	10.07%	Ongoing
	Purchase Funding	Secured	THN Capital Solutions Pty :Ltd	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)	(437)
8.2	Cash and cash equivalents at quarter end (item 4.6)	578
8.3	Unused finance facilities available at quarter end (item 7.5)	6,951
8.4	Total available funding (item 8.2 + item 8.3)	7,092
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	16.2
	<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?	
	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: 28 January 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.