

# Quarterly Activity Report & Appendix 4C

ASX Release

29 April 2021

## 3Q21 Cash Funds Higher Trading Activity

**SKS Technologies Group Limited (ASX: SKS)** announces a cash position of \$0.02 million following higher than normal working capital requirements in 3Q21 as a result of increased trading activity in 2Q21 and usual seasonal factors. The result was consistent with management expectations of typical working capital fluctuations. The cash position was restored on the first day of 4Q21 with receipts of \$1 million.

The 3Q21 results reflect an increase in cash outlays to suppliers in January and February to fund the heightened trading activity late last year as the Victorian operations emerged from the second lockdown, while receipts from customers were impacted by the seasonal slowdown. Cashflow from operations was negative \$1.21 million, and total cash generated for the period was negative \$1.13 million.

Chief Executive Officer, Matthew Jinks, said “The 3Q21 level of activity was significantly higher than the business has experienced in the past, and based on the high invoice months of February and March, we expect higher than usual receipts in 4Q21”.

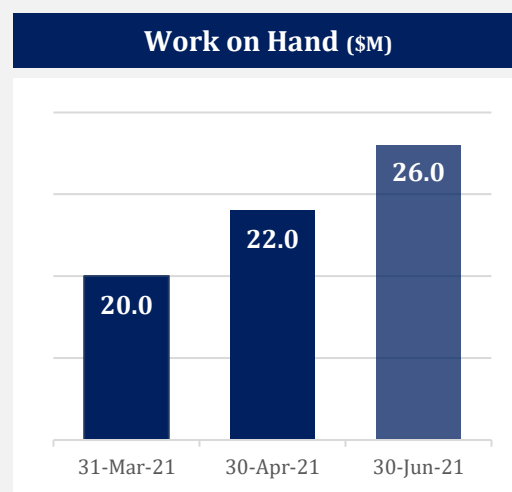
“We also expect volumes to continue at the current rate and anticipate healthy invoicing from the incoming APEC projects, our recent acquisition that was merged into SKS Technologies on 1 April this year, to translate into higher than normal collections in June.”

The order book, which sits at a record level of \$22 million post the APEC acquisition, is up 10%, with further growth expected with the finalisation of new contracts relating to an additional \$4 million of work in the coming weeks. These new contracts, which will be undertaken for large blue-chip and government clients, will take work on hand to a record \$26 million. Working capital to fund this increased level of operations is adequate, particularly given the \$3 million financing facility that was drawn down by only \$0.18 million at the end of 3Q21.

Mr Jinks also said, “We have completed the integration of all operating systems related to APEC Technologies Group and all staff will be relocated to SKS Technologies’ facilities by the end of June. The focus is now firmly on realising the value that combining these two businesses can deliver via cost efficiencies as well as expanded opportunities.

“Having experienced the impact of COVID19 lockdowns on business’ continued ability to operate viably, the requirement for integrated systems that reliably connect workforces has become of paramount importance under business continuity planning processes across industries.”

~ ENDS ~



Approved for release by the Board of SKS Technologies Group

**Further Information**

Matthew Jinks  
Chief Executive Officer  
(03) 9289 5000

**SKS Technologies** delivers advanced technology through digital transformation via creative design and installation of converged AV/IT, electrical and communication networking solutions nationally.

## Appendix 4C

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

**Name of entity**

SKS TECHNOLOGIES GROUP LIMITED (Previously known as "Enevis Limited")

**ABN**

24 004 554 929

**Quarter ended ("current quarter")**

31 MARCH 2021

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		7,548	23,777
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(6,426)	(16,135)
(c) advertising and marketing		(32)	(86)
(d) leased assets		(55)	(304)
(e) staff costs		(2,180)	(7,357)
(f) administration and corporate costs		(219)	(970)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		0	1
1.5 Interest and other costs of finance paid		(74)	(152)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		229	1,528
1.8 Other (provide details if material)		-	-
<b>1.9 Net cash from / (used in) operating activities</b>		<b>(1,208)</b>	<b>303</b>
<b>2. Cash flows from investing activities</b>			
2.1 Payments to acquire or for:			
(a) entities		-	-
(b) businesses		(29)	(29)
(c) property, plant and equipment		-	(28)
(d) investments		-	-
(e) intellectual property		-	-
(f) other non-current assets		(37)	(70)

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	125	1,147
	(c) property, plant and equipment	15	25
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	52	59
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>126</b>	<b>1,103</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	7,789	22,077
3.6	Repayment of borrowings	(7,614)	(23,303)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (R&D Tax Repayment to ATO)	(125)	(389)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(50)</b>	<b>(1,615)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,052	229
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,208)	303
4.3	Net cash from / (used in) investing activities (item 2.6 above)	126	1,103

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	50	(1,615)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>20</b>	<b>20</b>

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	20	1,052
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>20</b>	<b>1,052</b>

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	159
	\$A'000	
	Directors fees & expense reimbursements paid to directors	89
	Salaries & wages & expense reimbursements paid to employees who are related to directors	71
	Total	159
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>		

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other- Invoice Financing Facility	3,000	175
7.4	<b>Total financing facilities</b>	3,000	-
7.5	<b>Unused financing facilities available at quarter end</b>		2,825
7.6	<p>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.</p> <p>Cash Flow Finance has provided the invoice financing facility which is subject to variable interest rate (currently 8.85%) and secured by the accounts receivables ledger.</p>		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,208)
8.2	Cash and cash equivalents at quarter end (item 4.6)	20
8.3	Unused finance facilities available at quarter end (item 7.5)	2,825
8.4	Total available funding (item 8.2 + item 8.3)	2,844
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	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: N/A	
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: N/A	
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: N/A	
	<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: .....29/04/2021.....

Authorised by: .....By the Board.....  
(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.