

# Quarterly Activities Report & Appendix 4C

## Record Work on Hand & Positive Operating Cash Flow

**SKS Technologies Group Limited (ASX:SKS)** is pleased to announce a positive cash performance for the fourth quarter of FY 2021, as well as the successful integration of APEC Technologies from 1 April and a continuing strong order book.

### Q4 Highlights

- Positive cash flow from operations of \$0.74m up from negative \$1.21m in the previous quarter;
- Total cash receipts increased to \$10.92m, up 44% from the previous quarter;
- Record Work on Hand of \$26m.

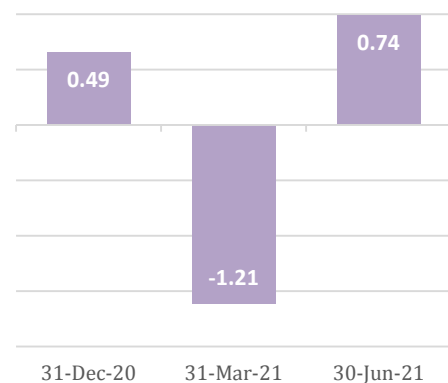
Cash from operations was positive at \$0.74 million in the current quarter, up from negative \$1.21 million in the previous quarter. This result was driven by larger cash receipts from customers totalling \$10.92 million compared with \$7.55 million in 3Q21. Projects transitioned from APEC Technologies' cash receipts totalled \$1.98 million, while receipts from SKS Technologies increased by almost 20% to \$8.94 million.

Despite operating as an integrated business since 1 April 2021 and bearing all operating costs, the full revenue impact of APEC is yet to occur as receipts accruing to the business only began to flow through towards the end of the quarter.

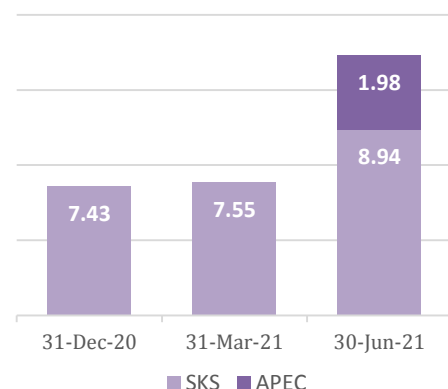
Chief Executive Officer, Matthew Jinks, said *"The impact of the APEC Technologies acquisition has exceeded revenue expectations on a year-to-date basis, which combined with record levels of work on hand, establishes a solid foundation for FY22."*

As forecasted in the 3Q21 market update, work on hand sits slightly above the predicted \$26 million.

### Cash Flow from Operations (\$M)



### Cash Receipts from Customers (\$M)



Cash operating costs were \$10.18 million compared with \$8.76 million in the previous quarter. These increased costs were primarily driven by an almost doubling in staff costs from \$2.2 million to \$4 million. The expansion in payroll reflects the transitioning of approximately 40 employees from APEC as well as a similar increase in SKS Technologies to support continuing organic growth.

Net cash flow was \$0.09 million compared with a negative \$1.13 million in the previous quarter. This fourth quarter was negatively impacted by \$0.31 million of one-off expenses relating to the fit-out of the new premises to accommodate the expanded business.

Cash at bank increased to \$0.11 million from \$0.02 million in the previous quarter. Working capital remains at a comfortable level with the current \$3 million facility undrawn at the end of the quarter.

Mr Jinks said, *"We expect continued growth across the fully integrated business and we are focused on ensuring that we derive the anticipated value from the combined entity. We are also progressing our stated intention to move into the managed AV and IT integrated solutions space and take the next logical step in our capability expansion. Such a move would utilise much of our existing expertise as well as build a solid recurring revenue model to diversify revenue streams."*

~ 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")**

30 JUNE 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	10,918	34,695
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(5,638)	(21,602)
(c) advertising and marketing	(51)	(137)
(d) leased assets	(122)	(426)
(e) staff costs	(4,001)	(11,358)
(f) administration and corporate costs	(302)	(1,443)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(62)	(213)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,528
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>742</b>	<b>1,045</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	(37)	(66)
(c) property, plant and equipment	(311)	(339)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(36)	(107)

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	41	1,188
	(c) property, plant and equipment	-	25
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	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>(343)</b>	<b>760</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	(9)	(9)
3.5	Proceeds from borrowings	9,780	31,857
3.6	Repayment of borrowings	(9,956)	(33,259)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (R&D Tax Repayment to ATO)	(125)	(514)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(310)</b>	<b>(1,925)</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	20	229
4.2	Net cash from / (used in) operating activities (item 1.9 above)	742	1,045
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(343)	760

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(310)	(1,925)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>109</b>	<b>109</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	109	20
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>109</b>	<b>20</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	196
	Directors fees & expense reimbursements paid to directors	115
	Salaries & wages & expense reimbursements paid to employees who are related to directors	81
	Total	196
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.	<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	-
7.4	<b>Total financing facilities</b>	3,000	-
7.5	<b>Unused financing facilities available at quarter end</b>		3,000
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>		

8.	<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)	742
8.2	Cash and cash equivalents at quarter end (item 4.6)	109
8.3	Unused finance facilities available at quarter end (item 7.5)	3,000
8.4	Total available funding (item 8.2 + item 8.3)	3,109
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<p><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></p>		
8.6	<p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>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?</p> <p>Answer: N/A</p> <p>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?</p> <p>Answer: N/A</p> <p>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?</p> <p>Answer: N/A</p> <p><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></p>	

**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: .....23/07/2021.....

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.