

Inventis Limited

Appendix 4E Preliminary Final Report

Company Details

Name of entity: Inventis Limited
ABN: 40 084 068 673
Reporting period: For the year ended 30 June 2024
Previous period: For the year ended 30 June 2023

1. Results for announcement to the market

	Year ended 30 June 2024 \$	Year ended 30 June 2023 \$	Change on previous period \$	Change on previous period %
Revenues from ordinary activities	13,627,621	16,187,950	(2,560,329)	(16%)
Loss from ordinary activities after tax attributable to the owners of Inventis Limited	(3,423,512)	(1,940,715)	(1,482,797)	(76%)
Loss for the year attributable to the owners of Inventis Limited	(3,423,512)	(1,940,715)	(1,482,797)	(76%)

Brief Explanation on Results

Please refer to the Review of Operations at Item 8 below.

- The loss reported above includes all one-off costs and non -cash impairments of Stock provisions and Workstations Goodwill as required under the Australian Standards taken up in F24 mainly due to re-structuring, moving its lease facilities i.e- Technology and Furniture divisions moved into two separate locations during this period. For more details please refer to page 2 to 5 in this report.

2. Dividends

There were no dividends paid, recommended or declared during the current financial period.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.12)	(0.09)

Inventis Limited

Other information

4. Control gained over entities having material effect

Not Applicable.

5. Loss of control over entities having material effect

Not Applicable.

6. Dividend or distribution reinvestment plans

During and since the year ended 30 June 2024 there has not been any dividend or distribution reinvestment plan in operation.

7. Associates and joint venture entities

The Group has 49% interest owned associate Winya Indigenous Office Furniture Pty Limited.

8. Information supporting the disclosure requirements of the Appendix 4E and commentary on results

Operating results and review of operations for the year

The Company's Statutory Revenue to 30 June 2024 is \$13.63 Million down 15.82% from the same 2023 period last year.

In December 2023, the Company's chairman Dr Tony Noun elected not to stand for re-election at the Company AGM. Mr Peter Bobbin was elected as Chairman and Mr Michael Stafford as a Non-Executive Director.

Tony's contribution has been significant to the Company and well noted. We wish Tony and his family the very best in the future and recognise his significant past efforts for the board and as a past Managing Director along with his passion for Inventis and our staff.

The Group's Technology Division was a standout this year continuing with growth of 10% up on the prior year and normalised EBITDA (before MGT fees) up on same period by 28.11%.

The Company began operations in the USA with Hazavoid™, a US patented technology with significant growth opportunity in the global mass notification market. Including the prior system known as WILAS™, the Technology Division has sold near 3,500 units since 2017 and has already sold 24 Hazavoid™ units directly into the USA. The USA features as an important focus right now and the expansion investment has been a major source of fund usage in the recent past

History and Key Milestones



Inventis Limited

The current Managing Director, Anthony Mankarios and the management team undertook a strategic global technology growth strategy into the USA and the Philippines, which is only just now starting to show signs of strong progress.

The Company is currently seeking to undertake an initial seed capital raise in the USA Hazavoid Tx LLC to support US plans.

We have also reviewed our staffing and implemented change management in certain areas of our business. These one-off costs as well as the investment in the USA and Philippines growth impacted our cashflow and results with one-off non-recurring costs. (see details in the table below)

STATUTORY REVENUE RECENT HISTORY INVENTIS LIMITED

Divisional Adjusted Figure (unaudited)

	Furniture Division 2024	Technology Division 2024	Corporate 2024	Abnormal Expenditure 2024	Total 2024
Total Revenue	6,326,157	7,301,464	-		13,627,621
Total Gross Profit	2,992,944	3,681,352	(25)		6,674,271
Other Income	9,312	320,221	13,140		342,673
OPEX	(2,741,874)	(1,762,425)	(1,983,430)	(1,056,294)	(7,544,024)
Winya Contribution (49%)	74,062	-	-	-	74,062
EBITDA	334,444	2,239,148	(1,970,315)	(1,056,294)	(453,018)

The Company's closing cash balance stood at \$96K down \$946.7K on the same period the previous year. We also paid the full final tranche payment for the acquisition of Electronic Circuit Designs Pty Ltd (ECD) during this reporting period of \$434K. The Company raised \$950K as part of an approved Convertible Notes Issue in February 2024. The current Chair and MD took part in this raise.

The Company utilised finance facilities totalling \$8.24 million to 30 June 2024, and unused facilities of \$7.1 million during the period.

The Company reported a loss of \$3.42 million to 30 June 2024 compared to a loss of \$1.94M in F23 and a profit of \$0.07Million in F22. Whilst disappointing, the Company decided to invest in USA and Philippines expansion and a raft of initiatives to further improve the Group moving forward, these expenses were taken up in the results. The results include one-off non-cash items resulting from Stock impairment and Impairment of Goodwill for Workstations of \$321K

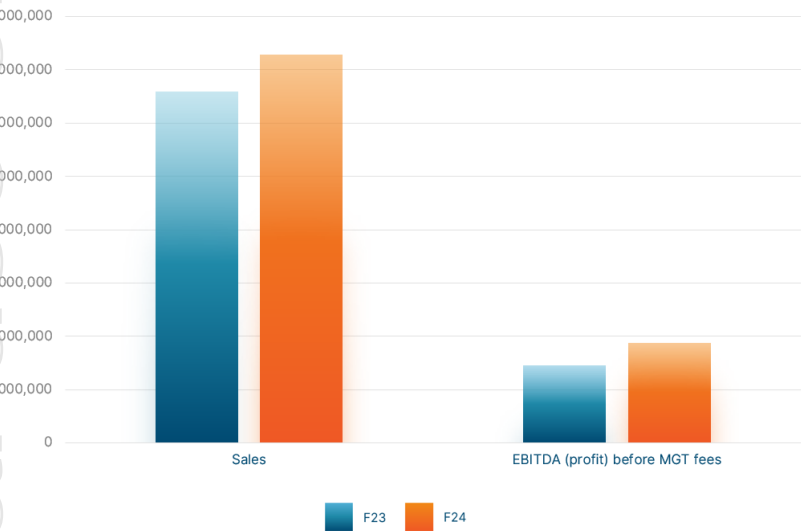
The Company is budgeting for improved sales revenue in the new calendar year F25 backed by an order book in hand.

The net results are also budgeted to improve for the YE F25 period based on initiatives taking place locally and abroad.

Inventis Limited

Technology Performance (unaudited)

	FY24	FY23	Variance (%)
Revenue	\$7,301,464	\$6,655,189	10%
EBITDA before MGT fees	\$1,756,071	\$1,486,374	18%
Normalized EBITDA (taking on of costs)	\$2,239,148	\$1,747,866	28%



Hazavoid™ USA

The US-based business Hazavoid Tx LLC has commenced trading in the USA with recent deliverables to new customer sites in the mid-west. We have listened to the market and have upgraded the Hazavoid™ module to support the K-12 Standard Response Protocol notification messages recognised in over 130,000 schools nationally.

New Distribution Agreements are being developed in the Mid-West and Eastern Seaboard regions and additional regional agreements are currently being sourced. These opportunities are expected to improve the USA revenue over the next 12-24 months. We have formulated a financial model for the USA to take Hazavoid into the lower USA states in the next 4 years.

Legal work for the Hazavoid Tx LLC's "Lease to Buy" subscription model has been completed and we are finalising our relationship with a US based financier to provide funding (subject to customer credit approvals) for this roll-out.

Closer to home, the Western Sydney Airport's new custom Hazavoid™ Storm Alert System is being delivered in September 2024, we passed the factory acceptance test required by prime contractors Multiplex and Honeywell. This may open up a new mass notification opportunity in the broader aviation market.

Hazavoid is developing a range of qualified pipeline opportunities in the Philippines, with the provincial Disaster Risk Reduction Management Summit as well as initial plans for the upcoming new Manila International Airport. We are also continuing to work with our partner Varley Group to develop new longer-term opportunities of over \$85M in the Philippines for various ranges of emergency vehicles and command vehicles with our Impart brand.

Electronic Circuit Designs

As the premier supplier of electronic control systems to the elevator lift business in Australia, we are in the process of finalising new technical IP which has been under development over the last 3 months. The new "Plug and Play" circuit boards and controllers will shortly be tested against the highly rated EN81 Standards which relate to Global Safety Standards for the industry. Accreditation to this standard is expected to create additional revenue prospects.

We continue to open offshore opportunities in both the US and Southeast Asian market with early indications being positive from Australian and International clients located in the US, Philippines, and Malaysia.

Opentec Solutions "Australian owned rugged computer systems"

Opentec recently secured a new order in excess of A\$6.86M million, with stage 1 in June 2024 with the remaining A\$5.7M scheduled for delivery in Q3 of the 2025 Financial Year.

In partnership with our overseas OEM, Opentec have helped develop and recently presented a prototype solution for a section of the Australian Government which relates to improvements to existing Australian Standards for IT hardware and their applications. We are working closely with the relevant government technical working group relating to improvements to existing government requirements. To date, we have received positive feedback regarding this unique "world- first" solution and discussions continue.

We are currently working toward Australian Government Grants relating to this project and we have lodged Export Grant applications for future international growth with a focus on Technology.

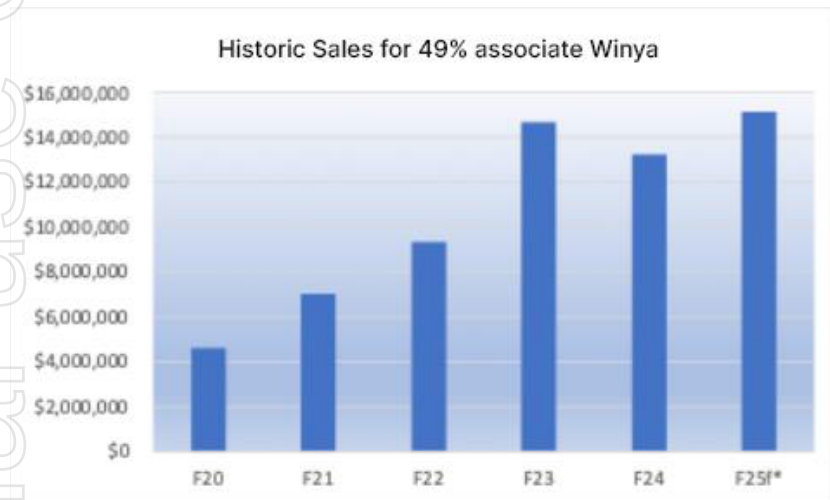
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Furniture Division

The Company's Furniture Division made up of Gregory, Bassett and Workstation incurred reduced sales due to the much-publicised building industry collapse and general economy malaise and project delays resulting in losses in F24. The business strategy underwent review and a significant restructure. This has affected the overall net statutory results.

Both the Furniture and Technology divisions vacated its Eastern Creek premises in early 2024. The Furniture team moved to Arndell Park in Western Sydney and the Technology team to Matraville. Moving costs and staff allocation costs were \$518.6K overall in F24 with the benefits coming through in F25 and F26.

The (non-grouped) 49% investment in Winya Indigenous Office Furniture Pty Ltd which stands at \$99K in Q4, is expected to make a positive contribution in F24 with a normalised EBITDA of \$1.53M (taking out one-off annual change management costs and inventory treatment of \$643K) on sales of \$13.23 Million. The past focus for Winya was on building a National Australian footprint. The focus has now shifted to delivering future maintainable profits.



Capital Management

The Company is currently exploring and implementing plans with several serious opportunities to raise cash from a number of initiatives to help pay down debt and grow.

The Company has received a post money valuation of circa \$12.5M (Acquisition Hub) accompanying our strategy to raise funds in the USA by independent business appraisals and valuers for some of its assets in particular for Hazavoid Tx LLC as part of the planned seed capital raise. This is not reflected at valuation in the IVT consolidated Company's net assets on the balance sheet. We also received external appraisals on our investment in Winya for multiple millions of dollars that is not currently reflected in our recorded investment of \$99K.

Subsequent events

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

9. Status of audit

The financial statements are in the process of being audited and an unqualified audit opinion is expected to be issued.

Peter Bobbin

Chairman

30 August 2024

Inventis Limited

ACN 084 068 673

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue		13,627,621	16,187,950
Cost of sales		(6,953,344)	(8,652,449)
Gross profit		6,674,277	7,535,501
Other income		337,002	260,328
Share of net profits of associates using the equity method		74,062	74,997
Expenses			
Manufacturing and operating		(2,850,195)	(2,157,319)
Engineering and quality assurance		(920,253)	(952,980)
Administrative		(2,969,007)	(2,421,122)
Sales and marketing		(1,990,974)	(2,685,734)
Results from operating activities		(1,645,088)	(346,329)
Finance income		32,463	3,332
Finance expenses		(1,810,887)	(1,610,218)
Loss before income tax		(3,423,512)	(1,953,215)
Income tax benefit		-	12,500
Loss for the year from continuing operations		(3,423,512)	(1,940,715)
Other comprehensive income, net of income tax			
Items that will be reclassified to profit or loss when specific conditions are met			
Exchange differences on translating foreign controlled entities		-	319
Other comprehensive income for the year, net of tax		-	319
Total comprehensive income for the year		(3,423,512)	(1,940,396)
Loss attributable to:			
Members of the parent entity		(3,423,512)	(1,940,715)
Total comprehensive income attributable to:			
Members of the parent entity		(3,423,512)	(1,940,396)
Loss per share			
Basic earnings per share (cents)		(4.54)	(2.95)
Diluted earnings per share (cents)		(4.54)	(2.95)
From continuing operations:			
Basic earnings per share (cents)		(4.54)	(2.95)
Diluted earnings per share (cents)		(4.54)	(2.95)

The accompanying notes form part of these financial statements.

Inventis Limited

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Consolidated Statement of Financial Position**As At 30 June 2024**

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		95,607	946,726
Trade and other receivables		2,376,004	2,909,369
Inventories		2,418,757	3,001,824
Current tax receivable		93,939	93,939
TOTAL CURRENT ASSETS		4,984,307	6,951,858
NON-CURRENT ASSETS			
Investments accounted for using the equity method		357,121	283,059
Other financial assets		372,838	76,208
Loans and advances		9,667	-
Property, plant and equipment		676,846	2,975,744
Deferred tax assets		316,189	506,564
Intangible assets		4,936,461	5,290,752
Right-of-use assets		1,846,247	646,708
TOTAL NON-CURRENT ASSETS		8,515,369	9,779,035
TOTAL ASSETS		13,499,676	16,730,893
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		4,664,343	4,470,715
Borrowings		2,154,088	2,920,019
Contract liabilities		217,886	110,816
Lease liabilities		788,051	736,731
Employee benefits		1,689,831	1,370,054
Deferred tax liabilities		-	10,000
TOTAL CURRENT LIABILITIES		9,514,199	9,618,335
NON-CURRENT LIABILITIES			
Borrowings		7,082,226	8,136,661
Deferred tax liabilities		-	177,500
Lease liabilities		1,262,279	31,537
Employee benefits		56,819	55,811
TOTAL NON-CURRENT LIABILITIES		8,401,324	8,401,509
TOTAL LIABILITIES		17,915,523	18,019,844
NET LIABILITIES		(4,415,847)	(1,288,951)
EQUITY			
Issued capital	3	37,986,207	37,698,583
Reserves		161,823	(946,725)
Retained earnings		(42,563,877)	(38,040,809)
TOTAL EQUITY		(4,415,847)	(1,288,951)

The accompanying notes form part of these financial statements.

Inventis Limited

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Consolidated Statement of Changes in Equity For the Year Ended 30 June 2024

2024

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Other	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	37,698,583	(38,040,809)	(1,096,493)	149,768	-	(1,288,951)
Loss attributable to members of the parent entity	-	(3,423,512)	-	-	-	(3,423,512)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	(3,423,512)	-	-	-	(3,423,512)
Transactions with owners in their capacity as owners						
Issue of shares, net of transaction costs	287,624	-	-	-	-	287,624
Correcting entry for deregistered NZ entity*	-	(1,099,556)	1,096,590	-	-	(2,966)
Share-based payments	-	-	-	80	-	80
Issue of convertible notes - equity component	-	-	-	-	11,878	11,878
Balance at 30 June 2024	37,986,207	(42,563,877)	97	149,848	11,878	(4,415,847)

*In 2019, Inventis New Zealand entity has been deregistered and ceased operation. A correcting entry was made to transfer the reserves.

2023

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Other	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	37,382,841	(36,100,094)	(1,096,812)	140,800	-	326,735
Loss attributable to members of the parent entity	-	(1,940,715)	-	-	-	(1,940,715)
Other comprehensive income for the year	-	-	319	-	-	319
Total comprehensive income for the year	-	(1,940,715)	319	-	-	(1,940,396)
Transactions with owners in their capacity as owners						
Issue of shares, net of transaction costs	354,070	-	-	-	-	354,070
Transaction costs	(38,513)	-	-	-	-	(38,513)
Application monies received - not allotted	185	-	-	-	-	185
Share-based payments	-	-	-	8,968	-	8,968
Balance at 30 June 2023	37,698,583	(38,040,809)	(1,096,493)	149,768	-	(1,288,951)

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	15,376,000	16,231,920
Receipt from government grants	41,207	128,328
Payments to suppliers and employees	(14,433,563)	(15,474,699)
Interest received	32,464	3,332
Interest paid	(1,724,218)	(1,540,504)
Net cash used in operating activities	(708,110)	(651,623)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(852,342)	(76,101)
Purchase of investments	840,333	(548,877)
Dividends received	-	25,000
Net cash used in investing activities	(12,009)	(599,978)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the issue of convertible notes	1,250,000	131,689
Proceeds from borrowings	4,805,000	3,116,805
Payment of transaction costs	-	(38,000)
Payment of borrowings	(6,186,000)	(1,112,389)
Principal repayments of lease liabilities	-	(783,691)
Net cash (used in)/provided by financing activities	(131,000)	1,314,414
Net (decrease)/increase in cash and cash equivalents held	(851,119)	62,813
Cash and cash equivalents at beginning of year	946,726	883,913
Cash and cash equivalents at end of financial year	95,607	946,726

Notes to the Financial Statements

For the Year Ended 30 June 2024

The preliminary final report covers Inventis Limited (the Company) and its controlled entities (the Group). Inventis Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia. The current address of the Company's registered office is 7 Holbeche Road Arndell Park NSW 2148.

The principal activities of the Company for the year ended 30 June 2024 were the manufacture and sale of commercial furniture, electronic controllers and computers.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The preliminary final report is presented in Australian dollars which is the parent entity's functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The preliminary final report has been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The preliminary final report should also be read in conjunction with any public announcements made by IVT during the year in accordance with the continuous disclosure requirements under the *Corporations Act 2001* and ASX Listing Rules.

2 Operating Segments

Segment information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Maker) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Types of products and services by reportable segment

The Group comprises the following main business segments:

(i) Furniture Division

The design, manufacture and sale of a range of commercial furniture, which includes office chairs, tables, lounges, and workstations.

(ii) Technology Division

The design and manufacture of custom control and market ready electronic systems, mobile computing solutions and emergency vehicle control systems.

A corporate head office function provides the Group with finance, human resources and IT services; however, this corporate function does not satisfy the requirements for disclosure as a reportable segment.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Operating Segments (continued)

Segment performance

	Furniture Division		Technology Division		Corporate		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Total revenue	6,488,727	10,180,185	7,301,464	6,658,617	-	-	13,790,191	16,838,802
Inter-segment revenue	(162,570)	(650,851)	-	-	-	-	(162,570)	3
Total external revenue	6,326,157	9,529,334	7,301,464	6,658,617	-	-	13,627,621	16,187,951
Earnings before shared services	(46,805)	850,557	1,750,703	1,519,663	(2,480,159)	(1,924,440)	(776,262)	445,780
Share services cost allocations	(1,993,037)	(1,597,018)	(986,584)	(944,585)	2,979,623	2,541,604	2	1
EBITDA	(2,039,842)	(746,461)	764,119	575,078	499,464	617,164	(776,260)	445,781
Depreciation	(197,732)	(183,204)	(69,872)	(35,825)	(557,264)	(506,922)	(824,868)	(725,951)
Amortisation	(5,694)	(5,523)	(38,266)	(60,634)	-	-	(43,960)	(66,157)
Interest revenue	127	1,468	21,735	1,246	10,601	620	32,463	3,334
Interest expense	(183,720)	(222,585)	(659,128)	(645,478)	(973,709)	(698,764)	(1,816,557)	(1,566,827)
Net foreign currency exchange profit / (loss)	368	(10,122)	5,370	(33,273)	(68)	-	5,670	(43,395)
Reportable segment profit before income tax (EBT)	(2,426,493)	(1,166,427)	23,958	(198,886)	(1,020,976)	(587,902)	(3,423,512)	(1,953,215)

Segment assets and liabilities

	Furniture Division		Technology Division		Corporate		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$
Reportable segment assets	13,761,901	14,236,361	13,991,446	16,404,042	-	-	27,753,347	30,640,403
Reportable segment liabilities	(5,290,050)	(6,080,078)	(4,815,234)	(6,252,679)	-	-	(10,105,284)	(12,332,757)

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Operating Segments (continued)

Reconciliations

Reconciliation of segment revenue to consolidated statement of profit or loss and other comprehensive income

	2024	2023
	\$	\$
Total segment revenue	13,790,191	16,838,802
Intersegment eliminations	(162,570)	(650,851)
Total revenue	<u>13,627,621</u>	<u>16,187,951</u>

Reconciliation of segment operating profit to the consolidated statement of profit or loss and other comprehensive income

Segment net operating profit	(2,402,536)	(1,365,313)
Share services payroll	(78,741)	64,543
Share services facilities	(338,809)	(56,421)
Share services corporate	(603,426)	(596,024)
Total net profit after tax	<u>(3,423,512)</u>	<u>(1,953,215)</u>

Reconciliation of segment assets to the consolidated statement of financial position

Segment operating assets	27,753,347	30,640,403
Cash and cash equivalent held in shared services	10,772	677,367
Share services trade receivables	(7,305,964)	-
Share services financial assets	821,895	-
Share services deferred tax assets	1,042,346	-
Share services investments	99,923	-
Share services fixed assets	407,283	26,809
Share services leased assets	(9,031)	423,884
Share services intangible assets	313,861	3,010,716
Intersegment eliminations	(11,354,626)	(18,048,286)
Total assets per the consolidated statement of financial position	<u>11,779,806</u>	<u>16,730,893</u>

Reconciliation of segment liabilities to the consolidated statement of financial position

Segment liabilities	(10,105,284)	(12,332,757)
Interest bearing liabilities held in Corporate	(4,736,661)	(4,736,661)
Share services leased liabilities	(186,807)	(572,158)
Share services trade payables	(3,247,606)	-
Share services financial liabilities	(1,771,071)	-
Share services provisions	(1,291,343)	-
Intersegment eliminations	5,143,119	(378,268)
Total liabilities per the consolidated statement of financial position	<u>(16,195,653)</u>	<u>(18,019,844)</u>

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Operating Segments (continued)

Geographical information

The Group predominantly operates in one geographical area (Australia).

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers whereas segment assets are based on the location of the assets.

	2024		2023	
	Revenue	Non-current assets	Revenue	Non-current assets
Australia	13,627,621	8,806,651	16,187,950	9,779,035

3 Issued Capital

	2024	2023
	\$	\$
75,924,387 (2023: 70,924,387) Ordinary shares	39,446,554	39,146,557
Share issue costs	(1,460,347)	(1,447,974)
Total	37,986,207	37,698,583

(a) Ordinary shares

	No.	\$
At the beginning of the reporting period	70,924,387	37,698,583
Issue of shares, net of transaction costs	5,000,000	287,624
At the end of the reporting period	75,924,387	37,986,207

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

(b) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as the result from operating activities divided by total shareholders' equity.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor the Group are subject to externally imposed capital requirements.