

Appendix 4D

Half Yearly Report

Name of Entity	Inventis Limited
ABN	40 084 068 673
Half Year Ended	31 December 2024
Previous Corresponding Reporting Period	31 December 2023

Results for Announcement to the Market

	\$	Percentage change increase /(decrease) over previous corresponding period
Revenue from ordinary activities	4,864,289	(38.00%)
Loss from continuing operations after tax attributable to members	(1,731,631)	84.68%
Net loss for the period attributable to members	(1,840,028)	96.24%
Dividends (distributions)	Amount per security)	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividends (if any)		Not Applicable.
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Refer to the Directors report.		

The half-yearly report is to be read in conjunction with the most recent annual financial report.

Directors have not recommended payment of an interim dividend.

Net Tangible Assets per Security

	Current Period	Previous corresponding period
Net liabilities backing per ordinary security	Nil	Nil

Audit/Review Status

This report is based on accounts to which one of the following applies:(Tick one)			
The accounts have been audited	☐	The accounts have been subject to review	☒
The accounts are in the process of being audited or subject to review	☐	The accounts have not yet been audited or reviewed	☐
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: Not Applicable.			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Interim Consolidated Financial Report

Signed By	
 Chairman Peter Bobbin	 Managing Director Anthony Mankarios
Dated this 28 February 2025	

For personal use only

Inventis Limited

ACN: 084 068 673

Interim Consolidated Financial Report

For the Half Year Ended 31 December 2024

Inventis Limited

ACN: 084 068 673

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For the Half Year Ended 31 December 2024

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Directors' Report

31 December 2024

The directors submit the interim consolidated financial report of Inventis Limited (the Company) and its controlled entities (the Group) for the half year ended 31 December 2024.

1. General information

Information on directors

The names of each person who has been a director during the half year and to date of this report are:

Peter Bobbin (Chairman and Non-Executive Director)

Anthony Mankarios (Managing Director)

Michael Stafford (Non-Executive Director)

Jeffrey Stone (Executive Director)

Resigned 20 January 2025

Appointed 20 January 2025

Principal activities and significant changes in nature of activities

The principal activities of the Group during the financial half year were the manufacture and sale of commercial furniture, electronic controllers and computers. The Group's key businesses are separated into a furniture division and a technology division. The furniture division is responsible for the design, manufacture and sale of a range of commercial furniture, which includes office chairs, tables, lounges, and workstations. The technology division is responsible for the design and manufacture of custom control and market ready electronic systems, mobile computing solutions and emergency vehicle control systems.

There were no significant changes in the nature of the Group's principal activities during the financial half year.

2. Operating results and review of operations for the year

Review of operations

The Group's revenue for the half year ended 31 December 2024 is \$4,864,289 which is lower than the same period last year of \$7,845,694. The Group reported an EBITDA of (\$870,204) at 31 December 2024 (Dec 2023: \$364,640). Year-to-date Opex is down 7% on the same period last year and down 9% on year-to-date budgets. The financial results also reflect the reclassification and removal of Electronic Circuit Design (ECD) as a discontinued operation, in accordance with the accounting treatment for assets held for sale. As a result, the consolidated figures do not include ECD's performance for the period of July to December 2024. Further details on the financial impact of this reclassification will be provided in the financial statement.

The 49% investment in Winya Associates (non-grouped) delivered strong performance during the period, with revenue reaching \$7.99 million, an increase of 48% compared to the same period last year with underlying EBITDA of \$602,121. These results represent a significant improvement compared to the same period in 1H24, reflecting the associate's robust operational and financial progress.

The Group's closing cash balance at 31 December 2024 stood at \$11,699 (Jun 2024: \$95,607), with cash inflows from operating activities of \$462,545 (Dec 2023: \$676,014) and cash outflows from financing activities of \$556,986 (Dec 2023: \$905,406) for the 6 months then ended.

Year-on-year sales comparisons in the Technology Division impacted the Group's total 1H25 revenue, primarily due to the early invoicing of a large sale in 1H24. A comparable sale, which occurred in February 2025 is expected to balance this discrepancy by the end of the financial year. This Opentec order, valued more than a total of \$5.7 million, is scheduled for

completion by end of February 2025. As a result, the revenue variance is expected to correct itself, aligning with the Group's full-year financial expectations.

The Technology Division has made significant progress in expanding its pipeline, with numerous international quotes finalised during the Q2 period. Notably, the sales contract order for Hazavoid in Palawan Stage 1 (Philippines) has been secured, with additional stages anticipated in Q3 and Q4. While pipeline growth remains robust, delays have been observed, and client feedback indicates that plan confirmations are likely to materialize in late Q3 and Q4 of FY25. These developments underscore the division's strong market potential and ongoing efforts to capitalize on emerging opportunities.

The GCF, Basset and Workstations business was greatly affected in 1H25 by numerous delayed tenders and contracts which are expected to be resolved in Q3 and Q4. We can confirm GCF is awaiting tender results.

We continue to make significant operational progress, driven by the following key initiatives:

1. Successfully negotiated cost reductions with suppliers for our sit-stand-desk product line, enhancing our competitive positioning and improving profitability.
2. Introduction of a new customisable product range, including office lounges, soft seating, booths, and pods. The ongoing integration of furniture entities continues to streamline operations, improve efficiency and drive profitability.
3. Currently in negotiations with outsourced contract manufacturers for the production of printed circuit boards (PCBs). This initiative is a critical step in scaling up manufacturing capacity to meet anticipated demand growth driven by Hazavoid's overseas expansion.
4. Conducting a comprehensive review of cost structures across all operations and implementing targeted cost-reduction measures. These initiatives are designed to enhance operational efficiency, improve profitability and ensure long-term financial sustainability.
5. Improving our HR and IT systems by implementing online services for staff. This initiative aims to streamline processes, improve user experience and enhance overall operational efficiency.
6. Collaboration between Sales and Engineering teams within the Technology Division to identify and capitalise on new revenue and profit-generating opportunities. This cross-functional effort is focused on driving growth and maximizing profitability.
7. Progressing toward upgrading to a more robust and reliable ERP system. This initiative is aimed at enhancing operational efficiency, improving data management and supporting the organization's future growth and scalability.

We remain steadfast in our commitment to aligning costs with income as part of our broader group strategy. Ongoing headcount reductions across the organisation have resulted in employment cost savings of \$1.375 Million during FY24 and FY25 and identified further cost reduction opportunities totaling \$574K, which will be achieved through natural attrition and the benefits of overhead savings, including those realised from factory relocations completed in the prior period. These measures underscore our focus on operational efficiency and financial sustainability.

Inventis is committed to becoming more technology-driven and focused, with new product development and engineering initiatives currently underway.

In the USA, the Hazavoid business has initiated sales and established a qualified pipeline of client quotes exceeding AUD\$3.4 million. Initial units have already been sold and pending the completion of the planned capital structure, we are optimistic about the successful transformation of the Hazavoid business in the USA. Senior management has travelled to the Philippines and the USA recently and are also meeting with defense base clients in the USA and with disaster recovery relief agencies in the Philippines. This is a significant opportunity for Hazavoid.

In the Philippines, order confirmations have been received for projects in Palawan, supported by Local Government Units (LGUs). Payments are expected in Q3. Efforts are underway to encourage the National Risk Reduction Management Centre in the Philippines to adopt Hazavoid across a broader range of LGUs. Additionally, the partnership with emergency and defense vehicle manufacturer Varley Group has advanced, culminating in an exclusive Agency Philippine Agreement that enables the sale of custom emergency vehicles in the Philippines. Bids for fire trucks, ambulances, and command vehicles, expected to exceed \$60 million AUD, are currently in development progress. With 1,493 LGUs, 83 provinces, and 33 highly urbanized cities in the Philippines, we anticipate growing demand for our Impart product as well.

The Company is currently in detailed discussions to raise \$2.5 million in USD through an equity placement in Hazavoid Tx LLC USA. While the group's structure and net equity position have presented challenges, the board is actively evaluating additional funding options both in the USA and locally to meet the group's capital requirements. These efforts are supported by the strong valuation of Hazavoid and early indications of the potential of the global market. Further updates will be provided as these discussions advance.

The Company has also helped develop pr-to types of a ruggedised mobility solution to a large Government department under Opentec. This will require a \$1.5 Million investment to create a world first IP solution. This is the subject of a recent grant application and will open up potential Government Contract opportunities expected to be worth over \$45 million AUD over 5 years.

Inventis Limited

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Cash Management

- The company is currently working with two Industry Growth Fund grant applications worth up to a combined \$4.45 Million. This has progressed with 2 separate advisors to Opentec and Hazavoid. The commercialization reports are being worked on concurrently with the advisors to submit for assessor review shortly.
- The Company has signed a non-binding agreement to sell (with a buyback option) ECD for \$3M excluding costs with non related party.
- The Company has received non-binding offers for part of the Furniture Investment assets and are in negotiations with multiple parties.
- The Company raised \$900K from Convertible Notes early last year, the Directors have been supporting the operational requirements with short term loans from Peter Bobbin and Anthony Mankarios entities.
- The Hazavoid USA LLC is seeking investors for the total value of \$2.5M USD, we are in the process of negotiations with interested parties.
- The overall Technology Division's expansion is seeking growth investment funds, and an external agent has been appointed to finalise this for up to \$8 Million in total less costs. The Company will seek M&A and partnering opportunities to help realise the large pipeline opportunities.
- The long-term strategic plan includes paying down a significant portion of the debt owed to our funder THN. This approach will provide the financial flexibility necessary to execute our growth initiatives and deliver sustainable, long-term benefits to shareholders.

Directors' Report

31 December 2024

Events after the reporting date

On 20th January 2025, Mr. Michael Stafford stepped down from his role as Non-Executive Director of Inventis Ltd. Following his departure, Mr. Jeffry Stone was elected as the Interim Executive Director, effective immediately.

Except for the above, no other matters or circumstances have arisen since the end of the financial half 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.

Dividends paid or recommended

No dividends were paid or declared since the start of the financial half year. No recommendation for payment of dividends has been made.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December 2023 has been received and can be found on page 5 of the interim consolidated financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Director:



Peter Bobbin (Chairman and Non-Executive Director)

Dated: 28 February 2025



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Auditors' Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Inventis Limited

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

PKF

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SCOTT TOBUTT
PARTNER

28 FEBRUARY 2025
SYDNEY, NSW

Inventis Limited

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Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2024

	31 Dec 2024	31 Dec 2023
	\$	\$
Revenue	4,864,289	7,845,694
Cost of sales	(2,812,688)	(4,177,629)
Gross profit	2,051,601	3,668,065
Other income	7,274	306,014
Share of net loss of associates using the equity method	(6,340)	(115,494)
Expenses		
Manufacturing and operations	(799,426)	(1,331,083)
Engineering and quality assurance	(358,812)	(331,291)
Administrative expenses	(1,067,557)	(1,143,988)
Sales and marketing expenses	(804,539)	(1,077,300)
Results from operating activities	(977,799)	(25,077)
Finance income	6,573	22,771
Finance expenses	(760,405)	(935,347)
Loss before income tax	(1,731,631)	(937,653)
Income tax expense	-	-
Loss from continuing operations	(1,731,631)	(937,653)
Loss from discontinued operations	(108,397)	-
Loss for the half year	(1,840,028)	(937,653)
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	-	184
Other comprehensive income for the half year, net of tax	-	184
Total comprehensive income for the half year	(1,840,028)	(937,469)
Loss attributable to:		
Members of the parent entity	(1,840,028)	(937,653)
Total comprehensive income attributable to:		
Members of the parent entity	(1,840,028)	(937,469)
Loss per share		
Basic earnings per share (cents)	2.41	1.33
Diluted earnings per share (cents)	2.41	1.33
From continuing operations:		
Basic earnings per share (cents)	2.27	1.33
Diluted earnings per share (cents)	2.27	1.33

The accompanying notes form part of these financial statements.

Inventis Limited

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Interim Consolidated Statement of Financial Position As At 31 December 2024

		31 Dec 2024	30 Jun 2024
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		11,646	95,607
Trade and other receivables		1,960,941	2,376,002
Inventories		1,973,259	2,418,756
Current tax receivable		2,506	93,939
Non-current assets held for sale	4	4,759,061	-
TOTAL CURRENT ASSETS		8,707,413	4,984,304
NON-CURRENT ASSETS			
Investments accounted for using the equity method	9	350,781	357,121
Other financial assets		357,392	372,838
Loans and advances		-	9,667
Property, plant and equipment	6	491,788	676,846
Deferred tax assets		316,096	316,192
Intangible assets	7	3,030,258	4,936,461
Right-of-use assets		1,514,113	1,846,247
TOTAL NON-CURRENT ASSETS		6,060,428	8,515,372
TOTAL ASSETS		14,767,841	13,499,676
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		5,136,720	4,664,443
Borrowings	8	3,335,439	2,154,088
Contract liabilities		682,413	217,886
Lease liabilities		686,113	788,051
Employee benefits		1,480,401	1,689,831
Liabilities directly associated with Non-current assets classified as held for sale	4	3,056,150	-
TOTAL CURRENT LIABILITIES		14,377,236	9,514,299
NON-CURRENT LIABILITIES			
Borrowings	8	5,610,876	7,082,226
Lease liabilities		992,931	1,262,279
Employee benefits		49,755	56,819
TOTAL NON-CURRENT LIABILITIES		6,653,562	8,401,324
TOTAL LIABILITIES		21,030,798	17,915,623
NET LIABILITIES		(6,262,957)	(4,415,947)
EQUITY			
Issued capital		37,979,225	37,986,207
Reserves		161,726	161,726
Accumulated losses		(44,403,908)	(42,563,880)
TOTAL EQUITY		(6,262,957)	(4,415,947)

The accompanying notes form part of these financial statements.

Inventis Limited

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Interim Consolidated Statement of Changes in Equity For the Half Year Ended 31 December 2024

	Issued Capital \$	Accumulated losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Other \$	Total \$
Balance at 1 July 2024	37,986,207	(42,563,880)	-	149,848	11,878	(4,415,947)
Loss attributable to members of the parent entity	-	(1,840,028)	-	-	-	(1,840,028)
Other comprehensive income	-	-	-	-	-	-
Transactions with owners in their capacity as owners						
Other	(6,982)	-	-	-	-	(6,982)
Balance at 31 December 2024	37,979,225	(44,403,908)	-	149,848	11,878	(6,262,957)

	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	-	(937,653)	-	-	-	(937,653)
Other comprehensive income	-	-	184	-	-	184
Total comprehensive income for the half year	-	(937,653)	184	-	-	(937,469)
Transactions with owners in their capacity as owners						
Other	-	-	-	80	-	80
Issue of shares, net of transaction costs	294,259	-	-	-	-	294,259
Issue of convertible notes	-	-	-	-	7,460	7,460
Balance at 31 December 2023	37,992,842	(38,978,462)	(1,096,309)	149,848	7,460	(1,924,621)

The accompanying notes form part of these financial statements.

Interim Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2024

	31 Dec 2024 \$	31 Dec 2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	5,181,344	9,116,550
Payments to suppliers and employees	(3,900,709)	(7,541,735)
Interest received	6,580	22,602
Interest paid	(824,723)	(921,403)
Net cash provided by operating activities	<u>462,492</u>	<u>676,014</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for intangible assets	2,024	(8,516)
Purchase of property, plant and equipment	(1,158)	(306)
Loans to related parties - proceeds from repayments	9,667	-
Purchase of investments	-	(65,700)
Net cash used in investing activities	<u>10,533</u>	<u>(74,522)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares, net of transaction costs	-	294,259
Proceeds from the issue of convertible notes	-	600,000
Proceeds from borrowings	5,584,749	2,315,599
Repayment of borrowings	(6,141,735)	(4,115,264)
Net cash used in financing activities	<u>(556,986)</u>	<u>(905,406)</u>
Net (decrease)/increase in cash and cash equivalents held	(83,961)	(303,914)
Cash and cash equivalents at beginning of half year	<u>95,607</u>	<u>946,726</u>
Cash and cash equivalents at end of the half year	<u><u>11,646</u></u>	<u><u>642,812</u></u>

Notes to the Interim Consolidated Financial Statements For the Half Year Ended 31 December 2024

The interim consolidated financial report covers Inventis Limited (the Company) and its controlled entities (the Group). Inventis Limited is a for-profit Group limited by shares, incorporated and domiciled in Australia.

The address of the Company's registered office is 7 Holbeche Road Arndell Park NSW 2148.

The principal activities of the Group for the half year ended 31 December 2024 were the manufacture and sale of commercial furniture, electronic controllers and ruggedized upgrading of 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 consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 28 February 2025.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

This condensed consolidated interim financial report for the reporting period ending 31 December 2024 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Inventis Limited and controlled entities (the Group). As such it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. This condensed consolidated financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2024, together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

2 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these interim consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Notes to the Interim Consolidated Financial Statements For the Half Year Ended 31 December 2024

3 Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

For the period ending 31 December 2024, the Group recorded a loss from continuing operations of \$1,731,631 (Dec 2023: \$937,653), net cash inflows from operating activities of \$462,492 (Dec 2023: \$676,014) and net cash outflows from financing activities of \$556,986 (Dec 2023: \$905,406). As of 31 December 2024, the Group's current liabilities exceeded its current assets by \$5,669,823 (31 December 2023: net current liabilities of \$4,529,995).

In relation to the Directors' assessment of the ability of the Group to continue as a going concern, and therefore, the basis of preparation of this financial report, the Directors have considered the following:

- Management has prepared a forecast indicating that the Group will achieve profitability and positive cashflows for the year ending 30 June 2026. The Directors have reviewed these forecasts and based on the ongoing improvement in operational performance, are confident that sufficient cash inflows and available facilities will enable the Group to meet its operational funding requirements for at least 12 months from the date of approval of these financial statements.
- The Group remains committed to investing in senior sales personnel and expanding its product range within the Furniture Division. By introducing new products and broadening the production range and product mix, the Group aims to enhance its gross profit potential.
- Opentec Solutions Pty Ltd has received an order of \$6,656,575 with a signed agreement to supply in tranches over 12 months. Tranche 1 \$949,780 of the order was completed in June 2024. Tranche 2 of the order \$5,706,795 is to be completed by the end of February 2025.
- The Group continues to expand its presence in export markets, particularly in the Philippines and the USA. Recently, a Hazavoid sales contract and quotes were secured for projects in Palawan, Philippines, with an estimated value of AUD \$2.3 million. Additionally, on 11 February 2025, G.H. Varley Pty Ltd appointed Inventis International Pty Ltd as its exclusive agent in the Philippines to supply Varley Specialised Vehicles.
- The Group maintains a robust pipeline of quotations across both the Furniture and Technology Divisions, which is expected to support the achievement of its sales and gross profit targets for the current year. Furthermore, the Furniture Division is actively engaged in tender processes to secure a position as a major supplier of office furniture to government entities.
- The Group has submitted applications for two separate export market development grants from the Commonwealth Government, totaling \$4,450,000. An assessor has been assigned to review the applications. Based on the initial parameters and the strength of the submissions, the Group's independent grant consultant is confident that the applications will qualify for payments exceeding the threshold.
- The Directors believe that certain signed non-binding agreements for the sale of business assets are likely to materialize within the FY25 timeframe. Additionally, other approaches for acquiring business assets through third-party brokers are expected to have a relatively high probability of generating proceeds in excess of \$4,470,000.
- The Company's board has approved a Capital Raise, approaching registered brokers in the USA for the entity Hazavoid Tx, LLC USA. The objective is to raise \$1.68 million USD (\$2.65 Million AUD) of which \$1,000,000 AUD will be allocated to Inventis Technology to enhance inventory level and bolster marketing and sales efforts.
- The Company has made significant progress in addressing assessment by the Australian Taxation Office (ATO) and maintains ongoing communication with the ATO to negotiate a mutually agreeable payment plan.

Notes to the Interim Consolidated Financial Statements For the Half Year Ended 31 December 2024

3 Going concern (continued)

- The Company has made progress in addressing assessment by Revenue NSW and maintains ongoing communication with the Revenue NSW to negotiate a mutually agreeable payment plan.

The Directors are confident that the Group has sufficient facilities in place to meet the Group's requirements for a period of at least 12 months from the date these financials have been approved. The Group has the following finance facilities in place as at 31 Dec 2024:

- A debtor finance facility of \$6,350,000 with THN Capital Solutions Pty Limited (THN) which was drawn to the value of \$1,875,063 as at balance date. This leaves an amount of \$4,474,936 available to be drawn as of 31 December 2024, subject to invoicing.
- A term loan facility with THN, a related party of the Group, of \$7,925,000, which was drawn to \$7,038,234 at balance date. As such there is \$886,765 available to be drawn down (limit of the long-term loan is \$7,925,000);
- Should the Group require it, an additional short-term loan facility is available to confirmed sales order funding for use in the current financial year on any major projects subject to the approval of THN, a related party of the Group. The short-term facility, which is linked to the invoice finance facility, of \$1,500,000 is available to fund specific large projects which assist in the management of free working capital of the Group; and
- The Board has given approval in December 2023 to raise capital in the form of convertible notes to a value of \$4,000,000. In December 2023, \$600,000 convertible notes were issued. Furthermore, in February 2024, convertible notes of \$350,000 were issued, and there are ongoing discussions and expectations of additional issues in 2025.

Based on the above factors, the Directors have concluded that it is appropriate to prepare the financial report on a going concern basis, as they are confident the Group will be able to pay its debts as and when they become due and payable through planned raising of capital, positive cash flows from operations and finance facilities and that it will return to profitability on a sustainable basis.

However, in the event that the Group is unable to achieve the outcomes in relation to the aforementioned, such circumstances would indicate that uncertainty exists that may cast significant doubt as to whether the Group will continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements.

The consolidated financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

4 Discontinued Operations and Non-current Assets Held for Sale

The 2024 Annual General Meeting of Inventis approved the sale of a 49% equity stake in Electronic Circuit Design. However, since December 2024, a more favourable offer has been received. We are currently reviewing the details and consulting with relevant advisors to assess the proposal. Proceeds are expected to exceed overall net assets.

Notes to the Interim Consolidated Financial Statements For the Half Year Ended 31 December 2024

4 Discontinued Operations and Non-current Assets Held for Sale (continued)

Financial information relating to the discontinued operation to the date of disposal is set out below.

(a) Financial Performance Information

The financial performance of the discontinued operation to the date of sale which is included in profit / (loss) from discontinued operations is as follows:

	31 Dec 2024	31 Dec 2023
	\$	\$
Revenue	820,805	933,644
Expenses	(929,552)	(740,123)
(Loss)/profit before income tax	(108,747)	193,521
(Loss)/profit attributable to members of the parent entity	(108,747)	193,521
Total (loss)/profit after tax attributable to the discontinued operation	(108,747)	193,521

(b) Assets and liabilities of disposal group classified as held for sale

Assets of \$4,759,061 and liabilities of \$3,056,150 were reclassified as held for sale in relation to the discontinued operation as at 31 December 2024.

5 Operating Segments

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.

Notes to the Interim Consolidated Financial Statements

For the Half Year Ended 31 December 2024

5 Operating Segments (continued)

Types of products and services by reportable segment

The Group comprises the following main business segments:

- **Furniture Division**

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

- **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.

Segment performance

Information regarding the operations of each reportable segment is included below. Performance is measured based on segment profit before income tax. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluation the results of each segment. Inter-segment pricing is determined on an arm's length basis.

	Furniture Division		Technology Division		Corporate		Consolidated	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Total revenue	2,455,669	3,518,619	2,468,541	4,509,269	-	-	4,924,210	8,027,888
Inter-segment revenue	(59,921)	(182,194)	-	-	-	-	(59,921)	(182,194)
Total external revenue	2,395,748	3,336,425	2,468,541	4,509,269	-	-	4,864,289	7,845,694
Earnings before shared services	(225,150)	72,337	287,486	1,334,537	(932,540)	(1,042,234)	-	364,640
Share services cost allocations	(876,984)	(986,523)	(321,231)	(494,674)	1,326,820	1,481,197	-	-
EBITDA	(1,102,134)	(914,186)	(33,745)	839,863	394,280	438,963	(741,599)	364,640
Depreciation	(5,250)	(98,838)	(8,693)	(21,815)	(216,160)	(247,195)	(230,103)	(367,848)
Amortisation	(2,840)	(2,805)	(3,258)	(19,069)	-	-	(6,098)	(21,874)
Interest revenue	454	97	117	21,665	6,003	1,009	6,574	22,771
Interest expense	(78,626)	(108,918)	(152,057)	(422,131)	(531,126)	(401,241)	(761,809)	(932,290)
Net foreign currency exchange profit / (loss)	83	648	1,321	(3,637)	-	(68)	1,404	(3,057)
Reportable segment profit before income tax (EBT)	(1,188,313)	(1,124,002)	(196,315)	394,876	(347,003)	(208,532)	(1,731,631)	(937,658)

Notes to the Interim Consolidated Financial Statements

For the Half Year Ended 31 December 2024

5 Operating Segments (continued)

Segment assets and liabilities

	Furniture Division		Technology Division		Corporate		Consolidated	
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	\$	\$	\$	\$	\$	\$	\$	\$
Reportable segment assets	10,136,001	13,761,901	13,901,285	13,991,446	-	-	24,037,286	27,753,347
Reportable segment liabilities	(4,956,810)	(5,290,050)	(1,782,696)	(4,815,234)	-	-	(6,739,506)	(10,105,284)

Reconciliations

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

	31 Dec 2024	31 Dec 2023
	\$	\$
Total loss for reportable segments	(1,384,628)	(729,126)
Share services payroll	(156,255)	(15,660)
Share services facilities	(108,911)	(111,723)
Share services corporate	(81,837)	(81,144)
Consolidated profit/(loss) before income tax from continuing operations for the half year	(1,731,631)	(937,653)

Geographical information

The Group operated in one geographical area being 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.

	Revenue	Non-current assets	Revenue	Non-current assets
	31 Dec 2024	31 Dec 2024	31 Dec 2023	30 Jun 2024
Australia	4,864,289	6,060,428	7,845,694	8,515,369

Notes to the Interim Consolidated Financial Statements

For the Half Year Ended 31 December 2024

6 Property, Plant and Equipment

	31 Dec 2024 \$	30 Jun 2024 \$
Plant and equipment		
At cost	1,290,522	1,461,386
Accumulated depreciation	(1,206,039)	(1,233,474)
Total plant and equipment	84,483	227,912
Furniture, fixtures and fittings		
At cost	104,222	116,822
Accumulated depreciation	(86,582)	(86,255)
Total furniture, fixtures and fittings	17,640	30,567
Motor vehicles		
At cost	46,481	84,732
Accumulated depreciation	(38,433)	(53,346)
Total motor vehicles	8,048	31,386
Leasehold Improvements		
At cost	510,886	510,886
Accumulated depreciation	(129,269)	(123,905)
Total leasehold improvements	381,617	386,981
Total plant and equipment	491,788	676,846
Total property, plant and equipment	491,788	676,846

Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial half year:

Note	Leasehold Improvements \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Total \$
Half Year ended 31 December 2023					
Balance at the beginning of half year	386,981	227,912	30,567	31,386	676,846
Additions	-	1,294	-	-	1,294
Transfers to held for sale	-	(123,630)	(9,450)	(19,127)	(152,207)
Depreciation expense	(5,364)	(21,093)	(3,477)	(4,211)	(34,145)
Balance at the end of the half year	381,617	84,483	17,640	8,048	491,788

Notes to the Interim Consolidated Financial Statements

For the Half Year Ended 31 December 2024

7 Intangible Assets

	31 Dec 2024	30 Jun 2024
	\$	\$
Goodwill		
Cost	3,372,030	4,556,159
Accumulated impairment losses	(484,143)	(484,143)
Net carrying value	2,887,887	4,072,016
Patents and trademarks		
Cost	1,753,000	1,753,000
Accumulated amortisation and impairment	(1,698,000)	(1,698,000)
Net carrying value	55,000	55,000
Development costs		
Cost	1,961,647	1,924,993
Accumulated amortisation and impairment	(1,874,276)	(1,833,548)
Net carrying value	87,371	91,445
Customer relationships		
Cost	1,086,623	1,886,623
Accumulated amortisation and impairment	(1,086,623)	(1,168,623)
Net carrying value	-	718,000
Total Intangible assets	3,030,258	4,936,461

Movements in carrying amounts of intangible assets

	Goodwill	Patents and trademarks	Customer relationships	Development costs	Total
Note	\$	\$	\$	\$	\$
Half Year ended 31 December 2024					
Balance at the beginning of the half year	4,072,016	55,000	718,000	91,445	4,936,461
Additions	-	-	-	2,024	2,024
Reclassified to non-current assets held for sale	4 (1,184,129)	-	(718,000)	-	(1,902,129)
Amortisation	-	-	-	(6,098)	(6,098)
Closing value at the end of half year	2,887,887	55,000	-	87,371	3,030,258

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments reported in Note 5.

Notes to the Interim Consolidated Financial Statements

For the Half Year Ended 31 December 2024

7 Intangible Assets (continued)

Impairment testing for cash-generating units containing goodwill (continued)

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	31 Dec 2024	30 Jun 2024
	\$	\$
Gregory Commercial Furniture Pty Limited	2,392,210	2,392,210
Workstations Pty Limited	-	-
Impart Special Products Pty Limited	495,677	495,677
Electronic Circuit Design Pty Limited	-	1,184,129
Total	2,887,887	4,072,016

For the following entities, the recoverable amount of the cash generating unit of each business was based on its value in use:

- Gregory Commercial Furniture Pty Limited ("Furniture")
- Impart Special Products Pty Limited ("Technology")
- Electronic Circuit Design Pty Limited ("Circuit")
- Workstations Pty Limited ("Workstations")

Based on management impairment test conducted as at 31 December 2024 the estimated recoverable amount of the Furniture CGU exceeds its carrying amount by approximately \$163,263 and \$192,412 for Technology CGU. Management has identified that a reasonably possible change in a key assumption could cause the carrying amount to exceed the recoverable amount.

8 Borrowings

		31 Dec 2024	30 Jun 2024
	Note	\$	\$
CURRENT			
Secured liabilities:			
Convertible notes	8(a)	92,556	92,556
Unsecured liabilities:			
Purchase order funding	8(b)	1,585,265	183,857
Loans from related parties	8(c)	853,797	333,000
Debtors finance facility	8(d)	803,821	1,544,675
Total current borrowings		3,335,439	2,154,088

Notes to the Interim Consolidated Financial Statements

For the Half Year Ended 31 December 2024

8 Borrowings (continued)

		31 Dec 2024	30 Jun 2024
	Note	\$	\$
NON-CURRENT			
Secured liabilities:			
Convertible notes	8(a)	845,565	845,565
Loans from related parties	8(c)	4,765,311	6,236,661
Total non-current borrowings		5,610,876	7,082,226
Total borrowings		8,946,315	9,236,314

Summary of borrowings

Details for the Group's borrowings are as follows:

(a) Convertible notes

The Group issued a total of 17,647,059 convertible notes on 29 December 2023 and 10,294,118 on February 2024, for total proceeds of \$950,000. Interest is at a rate of either RBA + 6.5% calculated monthly and paid bi-annually or RBA + 7.5% per annum calculated monthly and paid at the end of the convertible note's term, both based on the face value and dependent on the Noteholders' election of the desired rate of interest and payment terms. The notes are convertible into ordinary shares of Inventis Limited, at the option of the holder, at any time on or before the maturity date, which is 36 months from the issue date. The conversion rate is dependent on the timing of when the Noteholders redeem the Notes as specified in the agreement. Additional bonus options of one free Inventis Limited share option for every two convertible notes being converted within the first 13 months from the issue date, and a further right (being the additional fully paid shares or securities free from any security interest) will be issued to the Noteholders upon the conversion of the Notes. The convertible notes are subject to adjustments for reconstructions of equity.

Bonus options have been assessed and deemed as NIL value at year-end.

(b) Purchase order funding

The purchase order funding facility has interest rates between RBA Cash Rate+6.85% to 8.30% and BBSW+12.50% per annum. The ability of the Group to access the full limit of these facilities is contingent upon the Group's ability to generate the necessary sales to unrelated third party customers.

(c) Loans from related parties

Current loans from related parties have interest rates between 9.50%-16.40% per annum, whilst the non-current long term loans from related parties have interest rates between 10% and BBSW+12% and are due to mature on 30 June 2025. Related party loans have decreased from the prior period due to the sale and lease back of the Matraville property, with proceeds of \$2.1 million from the sale being used to settle a loan with THN Property Fund Pty Limited.

The Group also has a Term Loan Facility Agreement with THN Property Funding Pty Limited ('THNPF'), which matures on December 2026. The maturity date aligns with the maturity of the Convertible Notes issued by the Group.

Notes to the Interim Consolidated Financial Statements

For the Half Year Ended 31 December 2024

8 Borrowings (continued)

(d) Debtors finance facility

The debtors finance facility has interest rates attached of BBSW+12.5%, RBA Cash Rate+6.85% to 8.30% and 11.75% per annum.

9 Interests in Associates

	Principal place of business / Country of Incorporation	Percentage Owned (%)* Dec 2024	Percentage Owned (%)* Dec 2023
Associates:			
Winya Indigenous Office Furniture Pty Ltd	Australia	49	49

*The percentage of ownership interest held is equivalent to the percentage voting rights for all associates.

10 Contingencies

The Directors wish to note that in relation to the ongoing dispute with the ATO referenced in the Financial Report for 30th June 2024, that progress has been made with the ATO and the disputed assessments are currently under review with the ATO Objections team. Management is reasonably confident that the objections will be upheld.

The Directors wish to make note of an ongoing dispute with the Revenue NSW in relation to certain assessments which were issued and received in August 2024. At the time of issue the assessments totalled approximately \$500K in relation to Payroll Tax. Management has reviewed and reconciled company records to the assessments and lodged objections seeking reversal of these assessments along with the remission in full of all interest and penalties. Management has submitted along with the objections, evidence in support that the assessments were in error and that the company was meeting all of its agreed obligations with the Revenue NSW.

In the opinion of the Directors, based upon Management's assessment, it is reasonable to conclude that the objections will be upheld, and that the amounts assessed will be reversed. Therefore, the Directors have accepted Management's position to not include these amounts as liabilities in the financial statements.

In the opinion of the Directors, the Group did not have any other contingencies at 31 December 2024 (30 June 2024: None).

11 Related Parties

(a) The Group's main related parties are as follows:

- Key management personnel

The following were the key management personnel of the Group at any time during or after the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-executive directors

- Mr. Peter Bobbin – Chairman
- Mr. Michael Stafford (resigned 20 January 2025)

Notes to the Interim Consolidated Financial Statements For the Half Year Ended 31 December 2024

11 Related Parties (continued)

(a) The Group's main related parties are as follows: (continued)

Executive directors

- Mr. Anthony Mankarios – Managing Director
- Mr. Jeffry Stone (appointed 20 January 2025)

Executives - Key Management Personnel

- Mr. Michael Green – Chief Operating Officer (COO) and Co-Company Secretary
- Mrs. Chantelle Knight – Co-Company Secretary
- Mr. Ben Xu – Interim Chief Financial Officer (CFO)

- Associates - refer to note 9
- Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

i. Key management personnel compensation

Key management personnel received compensation in the form of short-term employee benefits and post-employment benefits.

ii. Transactions and loans with related parties

During the reporting period, the Group paid interest and fees amounting to \$608,275 (2023: \$711,612) to THN Property Fund Pty Limited.

The Group obtained an additional loan of \$183,547 (2023: \$288,000) from entities associated with Anthony Mankarios. All transactions entered into had been done on an arm's length basis.

From time to time, key management personnel of the Group, its subsidiaries or their related entities, may purchase from or sell to the Group goods and services. These sales and purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

iii. Share based compensation

The Group has an Employee Performance Option Plan in place to assist in the attraction, retention, and motivation of employees, senior executives and Executive Directors of the Group. The ESOP is administered by the Board.

During the period under review there were no shares issued to Directors or key management personnel as part of compensation under the existing ESOP.

Loans from related parties

Loans are made from other related parties on an arm's length basis. Repayment terms are set for each loan, which range from 1 to 3 years. Monthly principal and interest repayments are made over the terms of the loans are secured and repayable in cash. Refer to note 8 for further details.

Notes to the Interim Consolidated Financial Statements
For the Half Year Ended 31 December 2024

12 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial half 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.

Directors' Declaration

The directors of the Group declare that:

1. The interim consolidated financial statements and notes, as set out on pages 6 to 22 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with *Accounting Standard AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the consolidated group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

This declaration is made in accordance with a resolution of the Board of Directors.



Director

Peter Bobbin (Chairman and Non-Executive Director)

Dated: 28 February 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF INVENTIS LTD

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Inventis Ltd (the Company), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Inventis Ltd is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Material Uncertainty Regarding Going Concern

We draw attention to Note 3 in the half year financial report, which describes management's assessment of the consolidated entity's ability to continue as a going concern. The matters described in Note 3 indicate a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors of the Company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

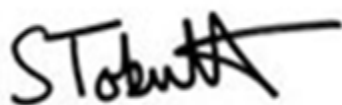
Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Inventis Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF



SCOTT TOBUTT
PARTNER

28 FEBRUARY 2025
SYDNEY, NSW