

Appendix 4E (Rule 4.3A)

Preliminary Final Report

Name of Entity	Inventis Limited
ABN	40 084 068 673
Reporting Period	30 June 2018
Previous Corresponding Reporting Period	30 June 2017

Results for the announcement to the market

	\$	Percentage increase / (decrease) over previous corresponding period.
Revenue from ordinary activities (continuing operations)	8,174,643	(23.6%)
(Loss) / profit from ordinary activities after tax (continuing operations)	(3,076,614)	NA
(Loss) / profit from ordinary activities after tax for the period attributable to members	(3,076,614)	NA
Net Profit for the period attributable to members		
Dividends / (Distributions)	Amount Per Security	Franked amount per security at 30% tax rate
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for the 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:

During the year under review, the result is most disappointing, with a loss of \$3.1m compared to a profit in FY17 of \$89k.

This result is primarily caused by a significant decline in the group revenue from \$10.7m in FY17 to \$8.2m in FY18, which is a year on year reduction of 23.6%. As previously disclosed, we believe this to be a direct result of a one-off set of circumstances relating to the poor pipeline management facilitated by the previous senior staff arrangements. The Board has put in place policies to improve these areas.

The pipeline of sales orders for Gregory Commercial Furniture has strengthened significantly with an average increase in excess of 40% for the period from 1 January 2017 to 31 July 2018.

We are currently working on improving the sales pipeline for our Technology division.

Technology Division

The Technology Division's revenue for the year ended 30 June 2018 was \$2.1m as compared to \$3.5m for the previous financial year. EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) for the year was \$0.7m.

Expanded opportunities within Opentec and stronger partner relationships places this division in a positive position both within Australia and Internationally, which is likely to result in securing several large defence style contracts to be delivered throughout the year ahead and in some cases securing multiple year arrangements.

Forecasts for this division provide significant growth over the coming 12 months.

Furniture Division

The Furniture Division's continuing operations revenue for the year ended 30 June 2018 was \$6.1m as compared to \$7.2m for the previous financial year. EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) for the year was \$2.3m. The decline in revenue was caused by the delay in the execution of the FY18 sales plan, which is now underway with the recent national sales and channel management appointments.

Impairment Testing – Furniture Division

The Board reviewed the carrying value of the intangibles under (AASB 136). Based on the impairment tests prepared by management, the Board concluded that no impairment is required. This conclusion was supported by an independent valuation and review of the impairment model, which was commissioned by the Directors and indicated that the value in use, of the Furniture Division, is between \$5.3m and \$5.8m. This indicates that there is sufficient headroom to conclude that no impairment is necessary as at 30 June 2018.

Corporate and Shared Services

During the current financial year, the business shared services controlled and managed major costs for the Group with regard to facilities, payroll and corporate statutory obligations including Board, audit, accounting, compliance and insurance. The EBITDA loss from this shared service is \$5.1m, which is an improvement of \$0.5m as compared to last year.

Events Subsequent to the Reporting Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of the affairs of the Group, in future financial years.

Future Outlook

The next 12-month period across the group is expected to yield significant consolidated total revenue growth.

With strong open order books in place across Opentec and Inventis Technology; a significantly improved revenue opportunity internationally; improved buying capability to allow a more competitive solutions approach to be taken to the market; a more experienced sales team and national sales management now in place, we find ourselves in the planned position scheduled for the second half of FY18, at the commencement of FY19.

The Board, in conjunction with executive management, is accelerating the execution of planned strategies to grow profitability for the year ending 30 June 2019 by:

1. Filling key sales and management positions;
2. Increasing our commitment to Gregory Commercial Furniture distributor channel management;
3. Ensuring that manufacturing, operations and customer service continue to improve on the performance increases achieved in the later part of FY18;
4. Continuing to invest and expand our Inventis Technology's engineering division to enable further development of new innovative concepts to be taken to market;
5. Expanding our technology innovation and development to incorporate the area of road and rail safety in partnership with major industry bodies;
6. Continuing to execute a national procurement strategy and outsourced manufacturing back into the Company's operations to enhance the reliability and quality of both components and finished product; the appointment of specialised manufacturing procurement staff allows further improvement and development throughout the year ahead;
7. Developing a new website and other computer and mobile phone driven initiatives to drive customer engagement and attraction for all divisions;
8. Strengthening the balance sheet through long term funding and asset management;
9. Supporting and further developing a national employee cross training matrix to ensure coverage of all key positions; and
10. Improving our service levels by recruiting additional Business Development Managers in FY19 to further augment our position as a market leader in the respective segments.

Financial Summary

The Preliminary consolidated results for the financial year ended 30 June 2018 are:

	Actual 2018 \$	Actual 2017 \$
Sales –Operating	8,174,643	10,701,363
NPAT (Loss) / Profit	(3,076,614)	89,359

Dividends

Date the dividend is payable	n/a
Record date to determine entitlement to the dividend	n/a
Amount per security	n/a
Total dividend	n/a
Amount per security of foreign sourced dividend or distribution	n/a
Details of any dividend reinvestment plans in operation	n/a
The last date for receipt of an election notice for participation in dividend reinvestment plans	n/a

NTA Backing	Current Period	Previous corresponding period
Net tangible liability backing per ordinary security	(0.7c)	(0.5c)

Other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

Details of entities over which control has been gained or lost during the period:

Name of the entity / entities	N/A

Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects:		
	Consolidated	
	2018	2017
Basic and diluted (loss / earnings per share)	(0.46) c	0.01c
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	661,938,106	598,445,084
(Loss) /earnings used to calculate earnings per share	(3,076,614)	89,359
Returns to shareholders including distributions and buy backs:		
• n/a		
Significant features of operating performance:		
• Refer to the comments above		
The results of segments that are significant to the understanding of the business as a whole:		
• Refer to segment note		
Discussion of trends in performance:		
Please refer to commentary above		
Any other factors which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified:		
Please refer to commentary above		

Audit / Review Status

This report is based on accounts to which one of the following applies:

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	X	The accounts have not yet been audited or reviewed	

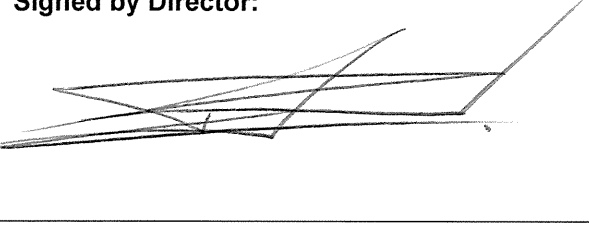
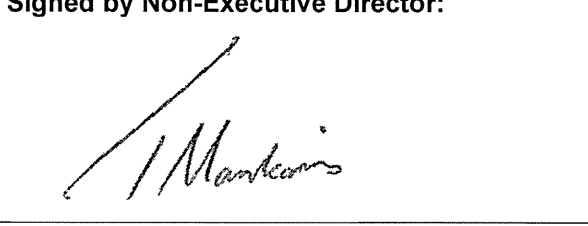
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

- Not applicable

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

- Not applicable

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows, Summary of Significant Accounting Policies Note, Segment Reporting Note, Capital and Reserves Note and Impairment testing Note.
Signed by Director: 	Signed by Non-Executive Director: 
Name: Tony H Noun	Name: Anthony Mankarios
Date: 31 August 2018	Date: 31 August 2018

Inventis Limited and its Controlled Entities
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

	Consolidated Entity 2018	2017
Continuing Operations		
Revenue	8,174,643	10,701,363
Cost of sales	(5,148,641)	(4,912,798)
Gross profit	3,026,002	5,788,565
Other (expense) / income	(3,080)	878,885
Expenses		
Manufacturing & operation	(1,528,815)	(1,798,462)
Engineering & quality assurance	(544,876)	(511,156)
Administration	(1,585,097)	(1,566,366)
Sales and marketing	(1,687,648)	(2,025,646)
Results from operating activities	(2,323,514)	765,820
Financial income	15,728	24,420
Financial expenses	(768,828)	(700,881)
Net financing expense	(753,100)	(676,461)
(Loss) / profit before income tax expense	(3,076,614)	89,359
Income tax benefit / (expense)	-	-
(Loss) / profit from continuing operations	(3,076,614)	89,359
(Loss) / profit for the year	(3,076,614)	89,359
Other Comprehensive Income		
Foreign currency translation differences for foreign operations – continuing operations	(661)	(19)
Total other comprehensive income for the year, net of income tax	(661)	(19)
Total comprehensive (loss)/ income for the year	(3,077,275)	89,340
Earnings per share		
Basic (loss) / earnings per share	(0.46) c	0.01 c
Diluted (loss) / earnings per share	(0.46) c	0.01 c
Continuing Operations		
Basic (loss) / earnings per share	(0.46) c	0.01 c
Diluted (loss) / earnings per share	(0.46) c	0.01 c

Inventis Limited and its Controlled Entities
Statement of Changes in Equity
For the year ended 30 June 2018

Consolidated Entity

Balance 1 July 2016

Total Comprehensive income for the period

Profit for the period
Other comprehensive income
 Foreign currency translation differences for foreign operations – continuing operations
 Total other comprehensive income for the period
Total comprehensive income for the period

Transactions with owners, recorded directly in equity

Contributions by and distributions to owners

Issue of ordinary shares
 Issue of convertible preference share
 Convertible preference share dividends
 Other
 Total contributions by and distributions to owners
 Total transactions with owners

Balance as at 30 June 2017

	Share Capital	Attributable to Equity Holders of the Company Foreign Currency Retranslation Reserve	Accumulated Losses	Total Equity
Balance 1 July 2016	32,579,575	(1,095,845)	(30,922,507)	561,223
Total Comprehensive income for the period	-	-	89,359	89,359
Profit for the period	-	-	-	-
<i>Other comprehensive income</i>	-	(19)	-	(19)
Foreign currency translation differences for foreign operations – continuing operations	-	(19)	-	(19)
Total other comprehensive income for the period	-	(19)	89,359	89,340
<i>Total comprehensive income for the period</i>	-	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-
<i>Contributions by and distributions to owners</i>	-	-	-	-
Issue of ordinary shares	-	-	-	-
Issue of convertible preference share	-	-	-	-
Convertible preference share dividends	-	-	-	-
Other	-	-	(2,057)	(2,057)
Total contributions by and distributions to owners	-	-	(2,057)	(2,057)
Total transactions with owners	-	-	(2,057)	(2,057)
Balance as at 30 June 2017	32,579,575	(1,095,864)	(30,835,205)	648,506

Inventis Limited and its Controlled Entities
Statement of Changes in Equity
For the year ended 30 June 2018

Consolidated Entity

	Attributable to Equity Holders of the Company			
	Share Capital	Foreign Currency Retranslation Reserve	Accumulated Losses	Total Equity
Balance 1 July 2017	32,579,575	(1,095,864)	(30,835,205)	648,506
Total Comprehensive income for the period				
Loss for the period	-	-	(3,076,614)	(3,076,614)
<i>Other comprehensive loss</i>				
Foreign currency translation differences for foreign operations – continuing operations	-	(661)	-	(661)
Total other comprehensive loss for the period	-	(661)	-	(661)
<i>Total comprehensive (loss) for the period</i>			(3,076,614)	(3,077,275)
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to owners</i>				
Issue of ordinary shares	1,039,347	-	-	1,039,347
Share issue cost	(15,338)	-	-	(15,338)
Total contributions by and distributions to owners	1,024,009	-	-	1,024,009
Total transactions with owners	-	-	-	-
Balance as at 30 June 2018	33,603,584	(1,096,525)	(33,911,819)	(1,404,760)

Inventis Limited and its Controlled Entities
Statement of Financial Position
As at 30 June 2018

	Consolidated Entity	
	2018	2017
Assets		
Cash and cash equivalents	417,928	403,143
Trade and other receivables	1,870,985	2,423,218
Inventories	2,491,516	2,566,521
Prepayments	31,223	13,963
Total current assets	4,811,652	5,406,845
Non-current assets		
Property, plant and equipment	234,350	325,922
Other financial assets	17,052	15,085
Intangible assets	3,352,810	3,600,658
Total non-current assets	3,604,212	3,941,665
Total assets	8,415,864	9,348,510
Liabilities		
Current liabilities		
Trade and other payables	4,436,323	3,471,809
Interest-bearing liabilities	4,651,187	4,455,354
Employee benefits	706,351	748,981
Total Current liabilities	9,793,861	8,676,144
Non-Current Liabilities		
Employee benefits	26,763	23,860
Total Non-current liabilities	26,763	23,860
Total Liabilities	9,820,624	8,700,004
Net (Liabilities) / Assets	(1,404,760)	648,506
Equity		
Share capital	33,603,584	32,579,575
Reserves	(1,096,525)	(1,095,864)
Accumulated losses	(33,911,819)	(30,835,205)
Total Equity	(1,404,760)	648,506

Inventis Limited and its Controlled Entities
Statement of Cash Flows
For the year ended 30 June 2018

	Consolidated Entity	
Notes	2018	2017
Cash flows from operating activities		
Receipts from customers	8,864,542	12,711,928
Payments to suppliers and employees	(9,191,463)	(12,510,382)
Cash (used in) / generated from operations	(326,921)	201,546
Other Income	-	689,340
Interest received	6,920	3,270
Interest paid	(768,828)	(700,881)
Net (cash used in) / provided by operating activities	(1,088,829)	193,275
Cash flows from investing activities		
Purchase of fixed assets	(3,507)	(9,430)
Purchase of Intangible assets	-	-
Net cash (used in) investing activities	(3,507)	(9,430)
Cash flows from financing activities		
Proceeds from rights offer	1,039,347	-
Transactions costs paid	(15,338)	-
Proceeds from borrowings	333,112	250,000
Repayment of borrowings	(250,000)	(473,014)
Net cash from / (used by) financing activities	1,107,121	(223,014)
Net increase / (decrease) in cash and cash equivalents	14,785	(39,169)
Cash and cash equivalents at 1 July	403,143	442,312
Cash and cash equivalents at 30 June	417,928	403,143

Inventis Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2018

1. Reporting Entity

Inventis Limited (the “**Company**”) is a company domiciled in Australia and incorporated in Australia. The address of the Company’s registered office is Unit 4, 2 Southridge Street, Eastern Creek, NSW, 2766. The Financial Statements of the Company as at and for the year ended 30 June 2018 comprise the Company and its subsidiaries (together referred to as the “**Group**” and individually as “**Group entities**”). The Group is a “for profit” entity and a manufacturer of products and services including ergonomic office furniture, electronic control systems and ruggedised computing products (see note 4 – Segment Reporting)

2. Use of Estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are:

- Tax assets and liabilities
- Intangible assets

3. Significant accounting policies

The accounting policies used in the compilation of this financial report are consistent with those set out in the Group’s most recent annual report and have been applied consistently to all periods presented in these financial statements.

Inventis Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2018

4. Segment Reporting

The Group comprises the following main business segments:

Continuing

> *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. During the financial year all facility and payroll related costs were transferred into share services and are no-longer reported in the divisional segment results. This is consistent with the component information provided to the General Manager and Board, who are the chief operating decision makers in relation to decisions about resources allocated to each segment and its 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 evaluating the results of each segment. Inter-segment pricing is determined on an arm's length basis.

	Furniture Division		Technology Division		Total	
	2018	2017	2018	2017	2018	2017
Total revenue						
Inter-segment revenue	6,075,813	7,237,071	2,098,830	3,464,292	8,174,643	10,701,363
Total external revenue	6,075,813	7,237,071	2,098,830	3,464,292	8,174,643	10,701,363
Interest revenue	1,449	35	8	(5,745)	1,457	(5,710)
Interest expense	(248,333)	(130,336)	(61,910)	(68,294)	(310,243)	(198,630)
Depreciation and amortisation	(128,757)	(29,660)	(169,817)	(166,011)	(298,574)	(195,671)
Capital expenditure	-	(3,000)	-	(1,599)	-	(4,599)
Loss on disposal of fixed assets	-	(3,400)	-	(9,506)	-	(12,906)
Reportable segment (loss) / profit before income tax	2,024,348	3,699,848	508,795	2,522,781	2,533,143	6,222,629

Other material non-cash items included in segment profit / (loss):

Related party loan impairment / (forgiven)

Reportable segment assets	10,987,275	8,798,723	8,231,754	7,599,062	19,219,029	16,397,785
Reportable segment liabilities	(4,821,644)	(4,657,440)	(612,127)	(488,230)	(5,433,771)	(5,145,670)

Inventis Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2018

4. Segment Reporting (continued)

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2018	2017
Revenues		
Total revenue for reportable segments	8,174,643	10,701,363
Elimination of inter-segment revenue	-	-
Consolidated revenue from continuing operations	8,174,643	10,701,363
Profit or Loss		
Total profit or (loss) for reportable segments	2,533,143	6,222,629
Shared services payroll	(4,144,544)	(4,660,566)
Shared services facilities	(854,050)	(765,133)
Shared services corporate expenses	(611,163)	(707,571)
Consolidated loss before income tax from continuing operations	(3,076,614)	89,359
Assets		
Total assets for reportable segments	19,219,029	16,397,785
Cash and cash equivalents held in shared services	392,108	390,569
Shared services fixed assets	90,172	122,001
Shared services intangible assets	1,274,834	1,274,834
Eliminations and other shared services assets	(12,560,279)	(8,836,679)
Consolidated total assets	8,415,864	9,348,510
Liabilities		
Total liabilities for reportable segments	(5,433,771)	(5,145,670)
Interest bearing liabilities held in shared services	(3,849,115)	(3,500,000)
Eliminations and other share services liabilities	(537,738)	(54,334)
Consolidated total liabilities	(9,820,624)	(8,700,004)

Other material Items 2018

	Reportable Segment Totals	Corporate Additions / (Eliminations)	Consolidated Totals
Interest revenue	1,457	5,463	6,920
Interest expense	(310,243)	(458,585)	(768,828)
Capital expenditure	-	(3,507)	(3,507)
Depreciation and amortisation	(298,574)	(41,980)	(340,554)

Other material Items 2017

	Reportable Segment Totals	Corporate Additions / (Eliminations)	Consolidated Totals
Interest revenue	(5,710)	8,980	3,270
Interest expense	(198,630)	(502,251)	(700,881)
Capital expenditure	(4,599)	(9,249)	(13,848)
Depreciation and amortisation	(195,671)	(40,169)	(235,840)
Los on disposal of fixed assets	(12,906)	-	(12,906)

Inventis Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2018

4. Segment Reporting (continued)

Geographical Segments

The Group operates in one geographical area being Australia.

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

Geographical information	2018		2017	
	Revenues	Non-current assets	Revenues	Non-current assets
Australia	8,174,643	3,604,212	10,701,363	3,941,665

5. Capital and Reserves

Share Capital

	Ordinary Shares	
	2018	2017
On issue at the beginning of the year	598,714,557	598,173,281
Issued during the year	103,934,812	541,276
On issue at the end of the year – fully paid	702,649,369	598,714,557

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

6. Impairment Testing for Gregory Commercial Furniture (GCF)

The Board reviewed the carrying value of the intangibles under (AASB 136). Based on the impairment tests presented by management, the Board concluded that no impairment was required for GCF. In addition, external qualified advice was obtained in a report from an independent valuer, which concluded that the carrying value as at 30 June 18 for the cash generating unit GCF was in the range of \$5,348k to \$5,789k. This indicates that sufficient headroom exists, after the sensitivity analysis performed by the valuer, to conclude that no impairment was necessary as at 30 June 2018

The value in use was determined by management by discounting the future cash flows and was based upon the following key assumptions for the impairment testing completed by management:

	No Impairment
Revenue growth in approved forecast for year ended 30 June 2019	28.4%
Revenue growth in approved forecasts for year ended 30 June 2020	5.0%
Annual average revenue growth per annum 2020– 2023	5.0%
Inflation per annum	3.0%
Average Price growth per annum (2019-2023)	4.4%
Cost growth per annum	3.0%
Pre-tax discount rate	18.6%
Carrying amount	\$4,092,173

The Directors reviewed the analysis coupled with the independent valuer's report and concluded that no impairment is warranted.