

Appendix 4D

Half Yearly Report

Name of Entity	Inventis Limited
ABN	40 084 068 673
Half Year Ended	31 December 2022
Previous Corresponding Reporting Period	31 December 2021

Results for Announcement to the Market

	\$	Percentage increase /(decrease) over previous corresponding period
Revenue from continuing operations	7,935,447	48.5%
Loss from continuing operations after tax attributable to members	(577,522)	28.3%
Net loss for the period attributable to members	(577,522)	28.3%
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.

NTA Backing

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

Control Gained Over Entities Having Material Effect



Name of entity	
Date control gained	
Profit from continuing operations since the date in the current period on which control was acquired	
(Loss) from continuing operations of the controlled entity (or group of entities) for the whole of the previous corresponding period	

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>
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: <p style="text-align: center;">Not Applicable</p>			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Interim Consolidated Financial Report

Signed By	
 Chairman Tony Noun	 Managing Director Anthony Mankarios
Dated this 28 th day of February 2023	

**INVENTIS LIMITED
AND ITS CONTROLLED ENTITIES
ABN 40 084 068 673**

31 DECEMBER 2022

INTERIM CONSOLIDATED FINANCIAL REPORT

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DIRECTORS' REPORT

The directors present their report together with the consolidated interim financial report for the six months ended 31 December 2022 and the review report thereon.

Directors

The directors of the Company at any time during or since the end of the interim period were:

- Tony Noun (Chairman)
- Anthony Mankarios (Managing Director)
- Peter Bobbin Non- (Executive Director)
- Alfred Kobylanski (Alternate Director)

Review of Operations

Operational Review 31 December 2022

- Consolidated Revenue Up 48.5% to \$7.94 million.
- EBITDA Up 110% to \$0.52 million.
- NLAT: Up 28.3% to (\$0.58 million).
- Cash: Up 67% as compared to the same period ended 31 December 2021 and is \$1 million
- Network Sales (includes 49% of Winya) Order Book: Just over \$12 million.

Our NPAT was affected by increases in interest costs (up 99.3% YOY) and 'one-off' start-up costs in the USA and Manila. This highlights a need for a capital raise to assist with continued growth and the potential for future distribution of earnings to Shareholders.

During this period, the Company made significant inroads to winning major contracts and the delivery of major projects across both the Furniture and Technology divisions. Particularly in the Healthcare and Government segments.

Gregory, core manufacturing increased revenue by 51.1% and became a NDIS accredited supplier and launched new ranges in Healthcare and Ergonomic Commercial Furniture.

The Technology Division was a finalist in this year's Endeavour Awards for innovation technology and The Hazavoid product was endorsed formally in writing by the National Disaster Risk Reduction Management Council of the Philippines.

The Group's overall Network Sales Order Book (includes 49 % of Winya) currently stands at just over \$12 million with a potential for number of additional major projects to be won by Opentec.

Our ECD technology business performed in line with expectations and was a positive net earnings contributor to the group. It contributed approximately \$1.2 Million in sales revenue and \$386K in EBITDA (before management fees) during this period.

Whilst a consolidated Group loss was anticipated for the 1H23, much of the effort focussed on delivery of large projects post COVID delays, staff retention, and on the full year outcomes to move the Group to a positive NPAT, above the 2022 financial year, which included Jobkeeper.

Results are also impacted by the expenses for the start-up of Hazavoid USA and the various Manila project pipeline visits as well as Due Diligence costs incurred to date for the acquisition of Open Projects Group.

The underlying Divisional Results are as follows: -

Divisional Total	Technology	1H23	1H22	Variance
Total	Sales	\$ 2,781,858	\$ 1,864,224	49%
Divisional (ex Management Fees)	EBITDA	\$ 418,674	\$ 141,097	197%
Divisional Total	Furniture Network	1H23	1H22	Variance
IVT/F	Sales	\$ 5,629,024.00	\$ 3,621,309.00	\$ 0.55
	Winya (100%)	\$ 9,651,577.00	\$ 3,273,724.00	\$ 1.95
	Total	\$ 15,280,601.00	\$ 6,895,033.00	122%
	EBITDA	\$ 2,062,304.00	\$ 800,770.00	158%
Divisional Total (ex Management Fees)	EBITDA (adjusted for Grants)	\$ 2,270,727.00	\$ 657,075.00	246%

- Furniture Group includes 100% sales and EBITDA from the 49% Winya associate and EBITDA is noted before internal management fees. This is a non-IFRS measure. The statutory financial report includes the 49% equity accounted profits from the Winya associate and this EBITDA includes 100% of the sales and EBITDA for the Winya associate. Non-IFRS measures have not been subject to audit or review.

The underlying divisional business units performed well, and additional improvements have been identified for near future implementation. The Company's near-term focus is on bringing additional revenue and creating synergies.

The proposed acquisition of Open Projects Group continues our strategy of accretive growth.

Progress on this acquisition was provided to the market in January confirming that the Company moved to a Legal Due Diligence phase. This is a complex transaction, which we aim to conclude soonest. A further update will be provided in late March 2023 or earlier.

The acquisition involves additional Group borrowings for the first tranche of the Purchase Price. Anticipated EBITDA from our 80% shareholding in Open Projects is expected to be over 5 times. The second tranche of the Purchase Price is expected to be covered by the Cash generated by the group.

Events Subsequent to Reporting Date

There has not arisen in the interval between the end of the half year ended 31 December 2022 and the date of this report any item, transaction or event of a material nature 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.

Dividends

The Directors do not recommend the payment of a dividend.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included following the director's report.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Tony Noun
Chairman

SYDNEY, on this 28th day of February 2023.

DECLARATION OF INDEPENDENCE BY STEPHEN MAY TO THE DIRECTORS OF INVENTIS LIMITED

As lead auditor for the review of Inventis Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Inventis Limited and the entities it controlled during the period.



Stephen May
Director

BDO Audit Pty Ltd

Sydney, 28 February 2023

Inventis Limited
Consolidated Statement of Financial Position
As at 31 December 2022

	Note	31 Dec 2022	30 Jun 2022
Assets			
Cash and cash equivalents		966,567	883,313
Trade and other receivables		3,197,223	2,971,908
Inventories		3,570,534	3,182,188
Prepayments		169,702	-
Current tax assets		93,672	93,354
Total current assets		<u>7,997,698</u>	<u>7,130,763</u>
Non-current assets			
Property, plant and equipment		3,014,723	3,006,463
Right of use assets		730,510	1,057,111
Investments accounted for using the equity method		994,923	526,245
Other financial assets		57,200	56,847
Deferred tax assets		506,841	506,245
Intangible assets		5,189,446	5,145,981
Total non-current assets		<u>10,493,643</u>	<u>10,298,892</u>
Total Assets		<u>18,491,341</u>	<u>17,429,655</u>
Liabilities			
Trade and other payables		5,695,865	3,952,752
Interest-bearing liabilities	7	1,196,398	936,439
Current lease Liability	7	717,100	795,456
Employee benefits		1,399,377	1,220,272
Unearned income		69,028	160,644
Total current liabilities		<u>9,077,768</u>	<u>7,065,563</u>
Non-current liabilities			
Interest-bearing liabilities	7	8,336,661	8,436,661
Non-interest-bearing liability	7	493,989	493,989
Lease Liability	7	195,567	476,089
Employee benefits		58,832	51,902
Total non-current liabilities		<u>9,085,049</u>	<u>9,458,641</u>
Total liabilities		<u>18,162,817</u>	<u>16,524,204</u>
Net assets		<u>328,524</u>	<u>905,451</u>
Equity			
Share capital		37,382,841	37,382,841
Reserves		(955,416)	(956,012)
Accumulated losses		(36,098,901)	(35,521,378)
Total equity		<u>328,524</u>	<u>905,451</u>

The notes on pages 8 to 15 are an integral part of this interim financial report

Inventis Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Half Year Ended 31 December 2022

	31 Dec 2022	31 Dec 2021
	Note	
Continuing operations		
Revenue	7,935,447	5,345,147
Cost of Sales	(4,246,166)	(3,229,711)
Gross profit	3,689,281	2,115,436
Other income	144,838	477,301
Share of profits of associates accounted for using the equity method	480,677	1,833
Expenses		
Manufacturing and operations	(1,135,432)	(657,574)
Engineering and quality assurance	(310,651)	(70,622)
Administration	(1,285,934)	(1,145,577)
Sales and marketing	(1,405,701)	(828,836)
Results from operating activities	177,078	(108,039)
Finance Income	1,537	712
Finance expense	(756,137)	(342,761)
Net Finance expense	(754,600)	(342,049)
(Loss) before income tax	(577,522)	(450,088)
Income tax benefit	-	-
(Loss) for the period	(577,522)	(450,088)
Other Comprehensive income		
Foreign currency translation differences for foreign operations	596	193
Other comprehensive income for the period, net of income tax	596	193
Total comprehensive (Loss) for the period	(576,926)	(449,895)
Loss per share	Cents	Cents
Basic (loss) per share	(0.89)	(0.73)
Diluted (loss) per share	(0.89)	(0.73)
Continuing operations		
Basic (loss) per share	(0.89)	(0.73)
Diluted (loss) per share	(0.89)	(0.73)

The notes on pages 8 to 15 are an integral part of this interim financial report

Inventis Limited
Consolidated Statement of Changes in Equity
For the Half Year Ended 31 December 2022

	Issued Capital	Reserve	Accumulated Losses	Total Equity
Balance as at 1 July 2021	35,521,545	(1,078,290)	(35,797,579)	(1,354,324)
Total comprehensive income for the period				
Loss for the period	-	-	(450,088)	(450,088)
Other comprehensive income				
Foreign currency translation differences for foreign operations	-	193	-	193
Total other comprehensive income for the period	-	193	-	193
Total comprehensive (loss) for the period	-	193	(450,088)	(449,895)
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to owners</i>				
Issue of ordinary shares	1,753,699	-	-	1,753,699
Share issue expense	(94,003)	-	-	(94,003)
Share based payments	-	87,618	-	87,618
Total contributions by and distributions to owners	1,659,696	-	-	1,659,696
Total Transactions with owners recorded directly in equity				
- Other	1	(1)	(1)	(1)
Balance as at 31 December 2021	37,181,242	(990,480)	(36,247,668)	(59,906)
Balance As at 1 July 2022	37,382,841	(956,012)	(35,521,378)	905,451
Total comprehensive income for the period				
Loss for the period	-	-	(577,522)	(577,522)
Other comprehensive income				
Foreign currency translation differences for foreign operations	-	596	-	596
Total other comprehensive income for the period	-	596	-	596
Total comprehensive loss for the period	-	596	(577,522)	(576,926)
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to owners</i>				
Share based payments	-	-	-	-
Total Contributions by and distributions to owners	-	-	-	-
Total Transactions with owners recorded directly in equity				
- Other	-	-	(1)	(1)
Balance as at 31 December 2022	37,382,241	(955,416)	(36,098,901)	328,524

The notes on pages 8 to 15 are an integral part of this interim financial report

Inventis Limited
Consolidated Statement of Cash Flows
For the Half Year Ended 31 December 2022

	31 Dec 2022	31 Dec 2021
Note		
Cash flows from operating activities		
Receipts from customers	8,499,964	5,973,000
Receipts from government grants	74,000	430,000
Payments to suppliers and employees	<u>(7,537,345)</u>	<u>(6,849,804)</u>
Cash generated / (used in) from operations	1,036,619	(446,804)
Interest received	1,537	712
Interest paid	<u>(726,653)</u>	<u>(380,760)</u>
Net cash from / (used in) operating activities	<u>311,503</u>	<u>(826,852)</u>
Cash flows from investing activities		
Purchase of fixed assets	(75,798)	(14,256)
Proceeds from the realisation of other non-current assets	-	-
Net cash used in from investing activities	<u>(75,798)</u>	<u>(14,256)</u>
Cash flows from financing activities		
Net Proceeds from rights offer	-	1,659,696
Proceeds from borrowings	755,789	997,598
Repayment of borrowings	(549,362)	(1,749,627)
Payment of lease liabilities	<u>(358,878)</u>	<u>(250,025)</u>
Net cash generated (used in) / from financing activities	<u>(152,451)</u>	<u>660,642</u>
Net increase / (decrease) in cash and cash equivalents	83,254	(180,466)
Cash and cash equivalents at 1 July	<u>883,313</u>	<u>757,948</u>
Cash and cash equivalents at 31 December	<u>966,567</u>	<u>577,482</u>

The notes on pages 8 to 15 are an integral part of this interim financial report

INVENTIS LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half year ended 31 December 2022

Note 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 Southridge Estate, 2 Southridge Street, Eastern Creek, NSW, 2766. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2022 comprises the Company and its subsidiaries (together referred to as the “Group”).

The consolidated annual financial report for the Group, as at and for the year ended 30 June 2022 is available upon request from the Company’s registered office or at www.inventis.com.au

Note 2: Basis of Preparation

a. Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2022 and any public announcements made by Inventis Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The consolidated interim financial report was authorised for issue by the Board of Directors on 28th February 2023.

b. Basis of measurement

The interim financial report has been prepared on the historical cost basis, except financial assets and liabilities which are recognised initially at fair value.

c. Functional and presentation currency

This interim financial report is presented in Australian dollars, which is the Company’s functional currency and the functional currency of the majority of the Group.

Note 3: Significant Accounting Policies

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2022.

Estimates

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

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2022.

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet effective have not been adopted.

INVENTIS LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half year ended 31 December 2022

Note 4: Operating Segments

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.

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.

INVENTIS LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half year ended 31 December 2022

NOTE 4: Operating Segments continued

	Furniture Division		Technology Division		Segment Total		Other		Consolidated	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Total revenue	5,629,026	3,621,309	2,781,858	1,864,224	8,410,884	5,485,533	-	-	8,410,884	5,485,533
Inter-segment revenue	(475,437)	(140,386)	-	-	(475,437)	(140,386)	-	-	(475,437)	(140,386)
Total external revenue	5,153,589	3,480,923	2,781,858	1,864,224	7,935,447	5,345,147	-	-	7,935,447	5,345,147
Earnings before shared services	961,483	647,695	433,323	141,097	1,394,806	788,792	(871,610)	(539,277)	523,196	249,515
Share services cost allocations	(761,587)	(670,912)	(338,860)	(204,234)	(1,100,447)	(875,146)	1,100,447	875,146	-	-
EBITDA	199,896	(23,217)	94,463	(63,137)	294,359	(86,354)	228,837	335,869	523,196	249,515
Interest revenue	703	690	609	2	1,312	692	225	21	1,537	713
Interest expense	(120,726)	(80,377)	(266,038)	(33,730)	(386,764)	(114,107)	(339,888)	(250,458)	(726,652)	(364,565)
Depreciation	(80,869)	(81,072)	(2,629)	(701)	(83,498)	(81,773)	(254,711)	(251,519)	(338,209)	(333,292)
Amortisation	(2,758)	(1,824)	(5,154)	(635)	(7,912)	(2,459)	-	-	(7,912)	(2,459)
Net Foreign currency exchange profit / (loss)	(14,831)	-	(14,651)	-	(29,482)	-	-	-	(29,482)	-
Capital expenditure										
Reportable segment profit before income tax (EBT)	(18,585)	(185,800)	(193,400)	(98,201)	(211,985)	(284,001)	(365,537)	(166,087)	(577,522)	(450,088)
Other material non-cash items:										
		30-Jun-22		30-Jun-22		30-Jun-22				30-Jun-22
Reportable segment assets	15,566,604	14,912,362	15,811,630	16,403,169	31,378,234	31,315,531	-	-	31,378,234	31,315,531
Reportable segment liabilities	(3,430,694)	(5,118,720)	(6,660,723)	(5,957,518)	(10,091,417)	(11,076,238)	-	-	(10,091,417)	(11,076,238)

INVENTIS LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half year ended 31 December 2022

NOTE 4: Operating Segments continued

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

	31 Dec 2022	31 Dec 2021	
Revenues			
Total revenue for reportable segments	8,410,884	5,485,533	
Elimination of inter-segment revenues	(475,437)	(140,386)	
Corporate revenues	-	-	
Consolidated revenue from continuing operations	<u>7,935,447</u>	<u>5,345,147</u>	
Profit or Loss			
Total profit for reportable segments	(211,985)	(284,001)	
Share services Payroll	(4,362)	203,802	
Shared services facilities	(86,463)	(29,798)	
Shared services corporate and unallocated amounts	(274,712)	(346,091)	
Consolidated (loss) / profit before income tax from continuing operations	<u>(577,522)</u>	<u>(450,088)</u>	
	31 Dec 2022	30 Jun 2022	
Assets			
Total assets for reportable segments	31,378,234	31,315,531	
Cash and equivalents held in shared services	388,745	372,138	
Shared services fixed assets	31,079	33,278	
Share services leased assets	671,825	922,263	
Shared services intangible assets	4,093,415	3,010,716	
Eliminations and other share service assets	(18,071,957)	(18,224,270)	
Consolidated total assets	<u>18,491,341</u>	<u>17,429,655</u>	
Liabilities			
Total liabilities for reportable segments	(10,091,417)	(11,076,238)	
Interest bearing liabilities held in shared services	(4,936,661)	(4,836,661)	
Shared services lease liabilities	(847,620)	(1,156,605)	
Eliminations and other shared service liabilities	(2,287,119)	545,300	
Consolidated total liabilities	<u>(18,162,817)</u>	<u>(16,524,204)</u>	
	Reportable	Shared	Consolidated
Other items 2022	Segment Totals	Services	Totals
Interest revenue	1,312	225	1,537
Interest expense	(386,764)	(339,889)	(726,653)
Other income – Covid government support	-	60,717	60,717
Other income - Warehouse Services	-	59,406	59,406
Other income - Other	24,715	-	24,715
Depreciation	(83,498)	(254,712)	(338,210)
Amortisation	(7,912)	-	(7,912)
Other items 2021			
Interest revenue	692	21	713
Interest expense	(114,107)	(250,458)	(364,565)
Other income – Covid government support	118,164	297,726	415,890
Other income - Warehouse Services	-	56,862	56,862
Other income - Other	4,549	-	4,549
Depreciation	(81,773)	(251,519)	(333,292)
Amortisation	(2,459)	-	(2,459)

INVENTIS LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half year ended 31 December 2022

NOTE 4: Operating Segments continued

Geographical Segments

The Group operated in one geographical area being Australia.

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

	Revenues (31 Dec 2022)	Non-current assets (31 Dec 2022)	Revenues (31 Dec 2021)	Non-current assets (30 Jun 2022)
Australia	7,935,447	10,493,643	5,345,147	10,298,892

Note 5: Property Plant and Equipment

Acquisitions and disposals – Continuing Operations

During the six months ended 31 December 2022 \$75,798 of Group assets were acquired (2021: \$14,256)

Note 6: Impairment Testing

Gregory Commercial Furniture

As at 30 June 2022 the impairment testing conducted (as per the annual report) concluded that no impairment losses were incurred in the that period. Subsequent testing for the current half year reporting period indicated that no impairment losses should be recognised and the estimated recoverable amount of the cash generating unit (CGU) in the Furniture division exceeded its carrying amount.

Inventis Technology

As at 30 June 2022 the impairment testing conducted (as per the annual report) concluded that no impairment losses were incurred in the that period. Subsequent testing for the current half year reporting period indicated that no impairment losses should be recognised and the estimated recoverable amount of the cash generating unit (CGU) in the Technology division exceeded its carrying amount.

Note 7: Loans and Borrowings

The following loans and borrowings (non-current and current) were issued and repaid during the six months ended 31 December 2022:

	Currency	Interest Rate %	Carrying Amount	Year of maturity
Balance as 30 June 2022			10,644,645	
<i>Proceeds</i>				
Related Party Loans		9.30-11.75%	184,000	2023
Net AASB 16 Lease Liabilities			-	
<i>Repayments</i>				
Net Debtors invoice finance	AUD	9.3-11.75%	(24,023)	On-going
Related Party Loan			(18)	
AASB 16 Lease payments			(358,878)	2024
Balance as 31 December 2022			10,445,726	

INVENTIS LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half year ended 31 December 2022

NOTE 8: 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 half-year ended 31 December 2022, the Group recorded a loss from continuing operations of \$577,522 (2021: \$450,088). The Group has also generated net cash inflows from operating activities of \$311,503 as opposed to the same period last year when net cash outflows were incurred from operating activities (2021: \$826,852). Net cash used in financing activities for the half year ended 31 December 2022 was \$152,451 as opposed to the same period last year when net cash inflows in financing activities (2021: \$660,642).

As of 31 December 2022, the Group's current liabilities exceeded its current assets by \$1,080,070 as opposed to current assets exceeding current liabilities by \$65,200 as at 30 June 2022.

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 that shows that the Group will generate a profit and positive cash flows for the remainder of year ending 30 June 2023 and the full financial year ending 30 June 2024. The Directors have reviewed these forecasts and believe that, based on the continuing improvement in operating results, there will be sufficient cash inflows and facilities available to enable the Group to fund its operations for at least 12 months from the date these financial statements have been approved;
- The business environment is returning to reflect normal business activities that existed prior to Covid and as a result trading is being impacted by delayed projects recommencing such as the export market expansion into the Philippines and the USA; and
- The Group continues to invest in senior sales personnel and the development of new product offerings during the year as a result the Group has a strong pipeline of sales that has achieved improved sales and gross margin in the current year and maintaining this going forward. The Group has significant local and international supply agreements with both multinational commercial organisations and government entities across all both operating divisions.

The Directors are confident that the Group has sufficient facilities in place to meet the Group's requirements for a period for at least 12 months from the date these financials have been approved. The Group has the following finance facilities in place at 31 December 2022:

- A debtor finance facility of \$7,200,000 with THN which was drawn to the value of \$818,708 as at balance date. Based upon the Group's debtors, an amount of \$ 530,835 was available to be drawn as of 31 December 2022;
- A term loan facility with THN Capital Solutions Pty Limited, a related party of the Group, of \$9,225,000, which was drawn to \$8,436,661 at balance date. As such there is \$788,339 available to be drawn down (limit of the long term loan is \$9,225,000);

INVENTIS LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half year ended 31 December 2022

NOTE 8: Going Concern continued

- Should the Group require, 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 Capital Solutions Pty Limited, 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 Group has instigated a rights issue in February 2023 to raise approximately \$1.2 million from existing shareholders. The Directors envisage the rights issue to concluded during May 2023.

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.

Note 9: Related Parties

The following were 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

Tony Noun
Peter Bobbin

Executive Directors

Anthony Mankarios (Managing Director)
Alfred Kobylanski (Alternate Director)

Executives – Key Management Personnel

Alfred Kobylanski
Mr Jeffery Stone
Mr Greg Welsh

i. Key management personnel compensation

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

ii. Other key management personnel transactions

The Company paid interest and fees of \$676,314 (2021: \$312,272), purchased information technology services of \$1,605 (2021: \$3.861), obtained additional funding of \$571,789 (2021: 999,378) and repaid \$549,362 (2021: \$1,770,45) from an existing loan to/from entities associated with Tony Noun. All transactions entered into had been done on arm's length basis.

The Company paid interest and fees of \$4,173 (2021: \$Nil), an additional loan of \$184,000 (2021: Nil) was obtained from an from entities associated with Anthony Mankarios. All transactions entered into had been done on 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.

INVENTIS LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half year ended 31 December 2022

Note 9: Related Parties (continued)

iii. Share Based Compensation

The Group's annual report previously advised that the Group has established an Employee Performance Option Plan 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 other key management personnel as part of compensation under the existing ESOP.

NOTE 10: Contingent Liabilities

The Directors are not aware of any contingent liabilities in existence at reporting date.

NOTE 11: Events Subsequent to Reporting Date

There has not arisen in the interval between the end of the half year ended 31 December 2021 and the date of this report any item, transaction or event of a material nature 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.

INVENTIS LIMITED

For the half year ended 31 December 2022

Directors' Declaration

In the opinion of the directors of Inventis Limited ("the Company"):

- (1) the financial statements and notes set out on pages 4 to 15, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the six-month period ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 28th day of February 2023

Signed in accordance with a resolution of the directors.



Tony Noun
Chairman

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Inventis Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Inventis Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the 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 Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

BDO Audit Pty Ltd

BDO

Stephen May
Director

Sydney, 28 February 2023