



INVENTIS LIMITED
ABN: 40 084 068 673 | ASX:IVT

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ANNOUNCEMENT TO THE ASX – July 30,2024

Inventis Limited [ASX: IVT] – General Operational Review

General Operational Review

For Q4 in the period ending 30th June 2024:-

Highlights Q4

- **Q4 Sales at \$3,401,903**
- **Cost reduction with move from Eastern Creek to new facility at Arndell Park completed saving circa \$500K pa.**
- **Developed US Hazavoid with Hazavoid Tx LCC and capital valuation model.**
- **Recurring revenue funding facility in progress for Hazavoid LCC “Lease To Buy” with reputable US financial institution.**
- **Finalised lodging world first prototype to new Opentec Government contract solution.**
- **Approval for factory acceptance test to new Storm Alert Hazavoid for Western Sydney Airport completed.**
- **Completed final vendor payments for ECD business in Q4.**
- **2 x New Government Export Funding Grants lodged.**

Technology Update

The Technology Division increased sales by 10% YOY for this year ending 30th June 2024 and increased contribution with EBITDA for the same period by 27%.

We focussed on our plan cost reduction by moving out of our manufacturing facility at Eastern Creek to the more efficient location at Arndell Park and establishing a separate Technology location close to the Port of Botany and our ECD business at Matraville.

It is our objective to become more technology driven and focussed. Additional Product and Engineering innovation is currently under review.

The Hazavoid Business in the USA has begun sales and has developed a qualified pipeline of potential leads and quotes of over \$2.45M. The Hazavoid business was recently independently valued and a report was issued to the Board for \$16.6 Million. The Board will aim to raise Capital in the USA on the back of this and our global growth plans.

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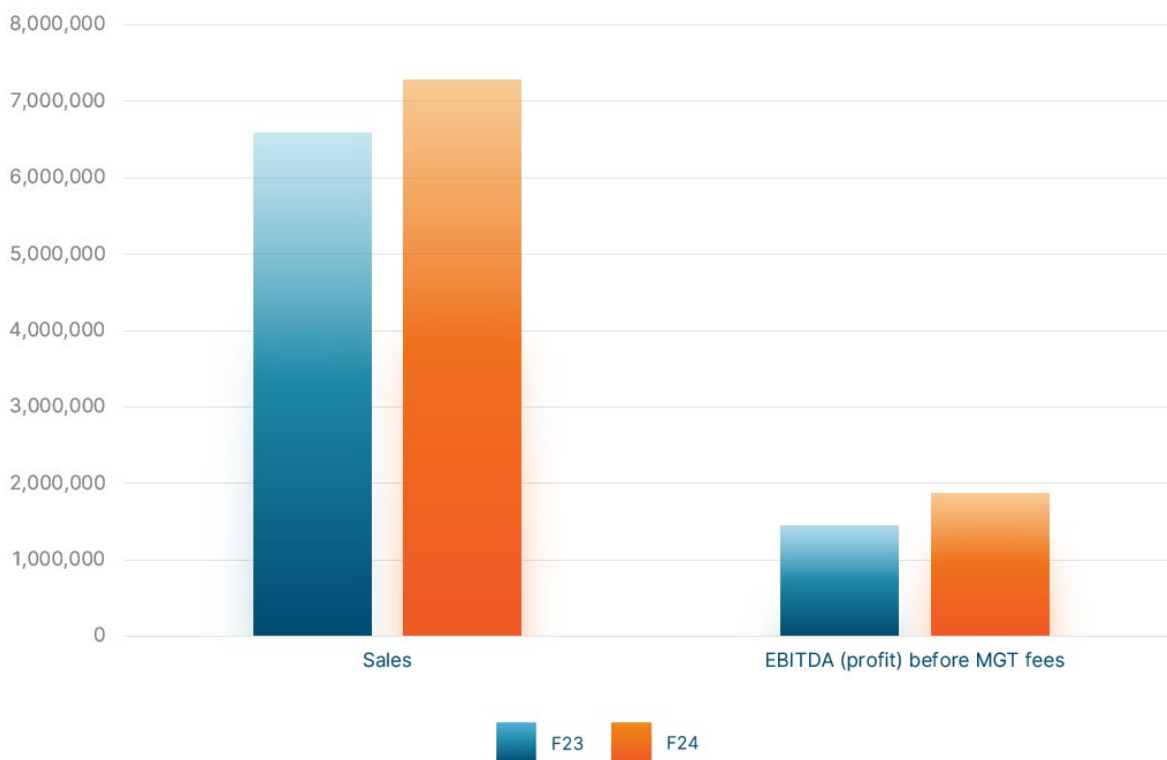
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We have also reviewed our staffing and implemented change management in certain areas of our business. These one- of costs as well as the investment in the USA and Global growth impacted our cashflow and results with one of non- recurring costs. (see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

Technology Division

Technology Performance (unaudited)

Revenue	\$7,284,922	\$6,658,617	10%
EBITDA before MGT fees	\$1,880,375	\$1,486,371	27%
Normalised EBITDA (taking on of costs)	\$2,440,994	\$1,486,371	64%



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Hazavoid™ USA

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

Direct open quotes for the USA have now passed \$2.45M AUD. General lead times vary from 3-12 months. We anticipate additional orders from the confirmed quotes in the next 30 days.

New Distribution Agreements are being developed in the Mid-West and Eastern Seaboard regions and additional regional agreements are currently being sourced. These opportunities are expected to improve USA revenue over the next 12-24 months.

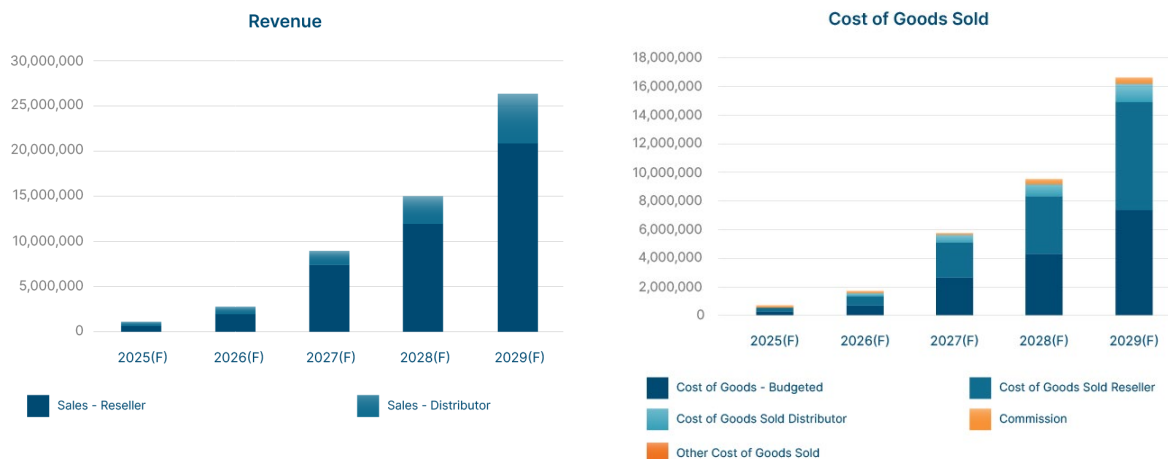
Legal work for the Hazavoid Tx LLC's "Lease to Buy" subscription model has been completed and we are finalising our relationship with a US based financier to provide funding (subject to customer credit approvals) for this roll-out.

Closer to home, the Western Sydney Airport's new custom Hazavoid™ Storm Alert System has now passed the Factory Acceptance Test required by prime contractors Multiplex and Honeywell, creating new mass notification opportunities in the broader aviation market.

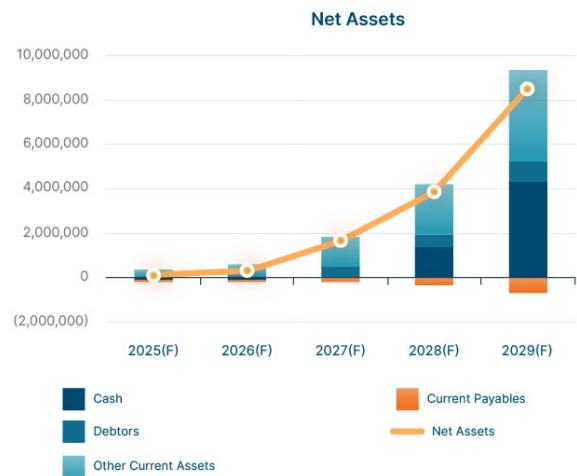
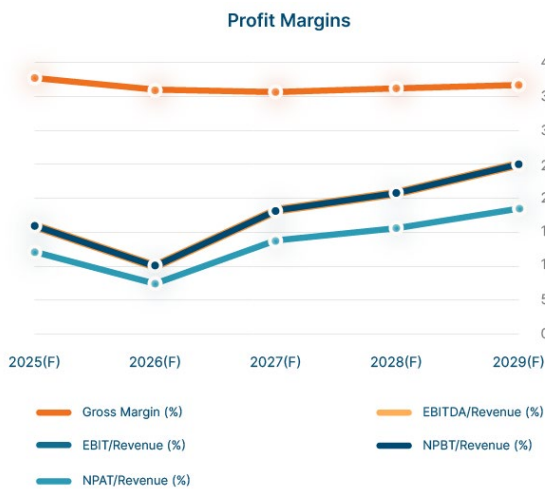
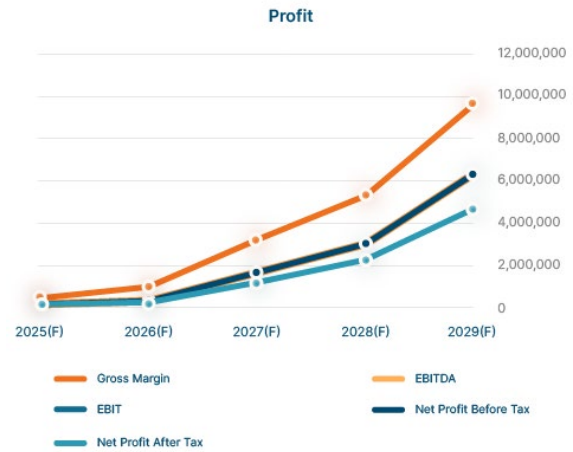
Hazavoid is developing a range of qualified pipeline opportunities in the Philippines, with the provincial Disaster Risk Reduction Management Summit due in July as well as initial plans for the upcoming new Manila international airport. We are also continuing to work with our partner Varley Group to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

The USA Hazavoid financial Model *Forecast (unaudited)

(*prepared by independent Acquisition Hub specialists and analysts.)



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Electronic Circuit Designs

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

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

The final tranche payments under the ECD Business Sale Agreement to the vendor was completed in F24, freeing up cashflow in F25.

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Opentec Solutions “Australian owned rugged computer systems”

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

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

We are currently working toward several large Australian Government Grants relating to this project as well as an Export Grant for future international Hazavoid™ growth.

Furniture Division

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

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

The (non-grouped) 49% investment in associated Winya which stands at \$99K in Q4, is expected to make a positive contribution in F24 with a normalised EBITDA of \$1.53M (taking out one-of annual change management costs and Inventory treatment of \$643K) on sales of \$13.23 Million.

Divisional Adjusted Figure (unaudited)

	Furniture Division 2024	Technology Division 2024	Corporate 2024	Abnormal Expenditure 2024	Total 2024
Total Revenue	6,326,157	7,284,922	-		13,611,079
Total Gross Profit	3,098,079	3,306,225	(25)		6,904,279
Other Income	9,362	320,221	13,140		342,723
OPEX	(2,436,391)	(1,685,452)	(1,983,430)	(1,439,319)	(7,544,593)
EBITDA	745,112	2,440,994	(1,970,315)		(223,529)

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Capital Management

The Company will seek various opportunities to realise cash in the coming weeks.

Whilst the Company attempts to raise \$4M Convertible Notes and succeeded in raising \$950K earlier this Calendar year, the group structure and net equity is proving to be challenging, despite certain external interest, notwithstanding the management and the board are currently considering other options to raise funds in the USA and locally to fuel the Capital needs of the group, given the robust Hazavoid valuation received and early indications of the size and magnitude of the Global Market.

Disclaimer

These projections and forecasts are prepared by Management and external parties for guidance purposes and should not be relied on.

Circumstances may change and global conditions may worsen. This should be read in conjunction with all other information the company has posts on the ASX annual reports, 4E etc and there no warranty provided of any kind by the company and directors. This is Not aimed to be a prospectus. The year end accounts are in the process of audit.

Issued by Order of the Board

Chantelle Knight
Company Secretary

Contacts

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Appendix 4C

Quarterly cash flow report for entities
subject to Listing Rule 4.7B

Name of entity

Inventis Limited

ABN

40 084 068 673

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	3,396	15,376
1.2	Payments for		
	(a) research and development	(2)	(13)
	(b) product manufacturing and operating costs	(1,612)	(6,223)
	(c) advertising and marketing	(9)	(32)
	(d) leased assets	(188)	(728)
	(e) staff costs	(1,398)	(6,269)
	(f) administration and corporate costs	177	(892)
1.3	Dividends received (see note 3)		
1.4	Interest received	4	32
1.5	Interest and other costs of finance paid	(419)	(1,723)
1.6	Income taxes paid	0	0
1.7	Government grants and tax incentives	28	41
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(23)	(431)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	(315)	(434)
	(c) property, plant and equipment	(392)	(396)
	(d) investments	-	-
	(e) intellectual property	(5)	(22)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
(e)	intellectual property	-	-
(f)	other non-current assets	-	-
2.3	Cash flows from loans to other entities	840	840
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	128	(12)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	300
3.2	Proceeds from issue of convertible debt securities	0	950
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	1,465	4,805
3.6	Repayment of borrowings	(1,699)	(6,186)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(234)	(131)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	502	947
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(23)	(408)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	128	(140)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(234)	103
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	373	502
5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	373	502
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	373	502

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1:	
	Interest on related party borrowings	287
	Interest - Director's loans Starball Pty Ltd	13
	Directors' fees	63
	Total Payments	363
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	7,125	6,237
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)		
	Invoice Financing including	7,200	984
	purchase order financing	184	184
	Working Capital short term funding – 1	58	58
	Working Capital short term funding – 2	500	500
	Working Capital short term funding – 3	275	275
7.4	Total financing facilities	15,342	8,238
7.5	Unused financing facilities available at quarter end		7,104
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Type	Security Lender	Interest Rate Maturity Date
	Loan	Secured THN Credit Acceptance Pty Ltd	10.00% 1 July 2025
	Mortgage	Secured THN Property Fund Pty Ltd	10.00% 1 July 2025
	Debtor Factoring	Secured THN SPV1 Pty Ltd	10.42% Ongoing
	Purchase Funding	Secured THN SPV1 Pty Ltd	10.42% Ongoing
	Working capital - 1	Unsecured Starball Pty Ltd	9.50% Ongoing
	Working capital - 2	Secured THN Property Fund Pty Ltd	15.67% 29/06/2024
	Working capital - 3	Unsecured Peter Bobbin	9.5% Ongoing

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(23)
8.2	Cash and cash equivalents at quarter end (item 4.6)	373
8.3	Unused finance facilities available at quarter end (item 7.5)	7,104
8.4	Total available funding (item 8.2 + item 8.3)	7,477

8.5 **Estimated quarters of funding available (item 8.4 divided by item 8.1)** 325.1

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29/07/2024

Authorised by: Ben Xu (Jia Lin Xu)
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.