
ANNOUNCEMENT TO THE ASX – 30 October 2024

Inventis Limited [ASX: IVT] – General Operational Review

For Q1 in the period ending 30 September 2024: -

Highlights Q1

- Confirmed orders > \$6 M in Q2 expected to surpass Q1 Sales of \$2,186K
- US Hazavoid Capital Raise Offer, Hazavoid Tx LCC capital valuation model and Memorandum of Understanding (MOU) are now in final draft stages, aimed to raise \$2.5M USD.
- Developed recurring revenue funding facility for Hazavoid LCC “Lease to Buy” and work has now commenced on the new Hazavoid App and associated recurring subscription model planned for release later in FY25.
- Finalised lodging the world first prototype to new Opentec Government contract solution.
- Delivered the new Storm Alert Hazavoid for Western Sydney Airport, creating a new commercial market potentially.
- Lodged 2 x New Government Export Funding Grants which have been accepted and are awaiting assessor review.
- Delivery in full and on time KPI’s (DIFOT) remains within the range of 93%-100% across various divisions.

Technology Update

The Technology Division has increased its overall pipeline with various international quotes being completed in the Q1 period. The realisation of the pipeline is work in progress and feedback to date is that positive client confirmation of plans will likely see some delays into Q2-3 of F25.

We continue to focus on our overall group plans to align costs with income. Headcount reduction continues with 6 x FTE staff reduced in Q1, in the furniture division by natural progression saving circa \$641K pa moving forward. In the last 9 months, with a combination of reduced headcount, rent savings and other operational expenses, it is anticipated that this will realise annualised savings of circa \$2M pa.

It is our objective to become more technology driven and focused. 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 client quotes of over AUD\$3.4M. We have already sold units into the USA, and should the planned capital structure completion occur, it’s expected that the transformation across the USA will be successful.

The Philippines business has received order confirmations for projects in Palawan and Local Government Units (LGU’s). We are pressing for the National Risk Reduction Development Organisation in the Philippines to adopt Hazavoid within the wider LGU’s. There are currently over 1,493 x LGU’s across the Philippines with 83 provinces and 33 highly urbanized cities making up the LGU’s.

We continue to review our staffing and implemented change management in certain areas of our business.



INVENTIS LIMITED

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Technology Division

Hazavoid™ USA

The US-based business Hazavoid Tx LLC continues to build pipeline, we have developed a \$2.5M USD capital raise offering with this planned high growth entity for a 20% equity placement in the debt free USA based company. We have listened to the market and have upgraded the Hazavoid™ module to support the K-12 Standard Response Protocol notification messages recognised in over 130,000 schools nationally.

We have also considered suggestions to widen our income potential to encompass a subscription model based around maintenance and a subscription to the proposed Hazavoid mobile phone app, which has now been approved by the board for development.

Direct open quotes for the USA have now surpassed AUD\$3.4M. General lead times vary from 3-12 months. We have received verbal confirmations from clients intending to progress with orders.

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 been delivered, and the integrator has requested an additional quote for other areas on site, this now opens opportunity for the broader aviation market.

The relationship with emergency and defence vehicle manufacturer Varley Group has moved forward with the Philippines business securing RFQ's for larger multi-million-dollar potential bids for emergency vehicles.

Managing Director, Anthony Mankarios said "it was a long time coming through covid-19 and the many hurdles following, but now a clearer picture has emerged with the size of the potential opportunity in the Philippines. General sales are down on last year in Q1 due to two larger multi-million-dollar orders last year across two divisions that could not be duplicated in this period. This is anticipated to correct in Q2 and Q3 this financial year with a growing pipeline and orders being seen at present".

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 seek 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.



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Opentec Solutions “Australian owned rugged computer systems”

Opentec recently secured an order in excess of A\$6.86M million, with stage 1 in June 2024 and 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 comprising of Gregory, Bassett and Workstations is building up a pipeline to just over \$8Million at present but delays in PO’s and a general slow-down in Q1 has seen a significant fall in trading income compared to last year, albeit the 2H24 is already building up. The general wider industry continues to incur subdued trading due to the much-publicised building industry collapses, general economy malaise and project delays. The total Group Network Sales in Commercial Furniture including the (non-grouped) 49% Winya investment are up overall by 33.2%. The Furniture business is currently under strategic review.

The (non-grouped) 49% investment in Winya Indigenous Furniture has traded well with increased sales of 59% YOY and improved EBITDA results.

Capital Management

The Group Chairman, Peter Bobbin said “the Company will seek various opportunities to release cash in the coming months.”

The Company is in detailed discussions to raise \$2.5 million in USD through an equity placement in Hazavoid Tx LLC USA, and through opportunities with Convertible Notes. We 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.

The Company is currently reviewing plans of a 49% Management buy-out recommendation of ECD and is currently seeking independent expert review. If it is to proceed, any decision will be subject to shareholder approval at the upcoming AGM according to various listing rules, and in the absence of a better offer. The plan potentially unlocks \$1.2 million of cash (before costs) to the group.

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 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,016	3,016
1.2 Payments for		
(a) research and development	(1)	(1)
(b) product manufacturing and operating costs	(375)	(375)
(c) advertising and marketing	(4)	(4)
(d) leased assets	(35)	(35)
(e) staff costs	(1,312)	(1,312)
(f) administration and corporate costs	(360)	(360)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid	(308)	(308)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	627	627
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
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	2,549	2,549
3.6	Repayment of borrowings	(3,178)	(3,178)
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	(629)	(629)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	373	373
4.2	Net cash from / (used in) operating activities (item 1.9 above)	627	627
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(629)	(629)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	371	371

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	371	373
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)	371	373

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	304
Interest - Director's loans Starball Pty Ltd	4
Directors' fees	63
Total Payments	371
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 <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000																																
7.1 Loan facilities	7,125	6,687																																
7.2 Credit standby arrangements	-	-																																
7.3 Other (please specify)																																		
Invoice Financing including	8,200	1,296																																
Working Capital short term funding – 1	241	241																																
Working Capital short term funding – 2	500	500																																
Working Capital short term funding – 3	275	275																																
7.4 Total financing facilities	16,341	8,999																																
7.5 Unused financing facilities available at quarter end		7,342																																
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.																																		
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Type</th> <th style="text-align: left;">Security Lender</th> <th style="text-align: left;">Interest Rate</th> <th style="text-align: left;">Maturity Date</th> </tr> </thead> <tbody> <tr> <td>Loan</td> <td>Secured THN Credit Acceptance Pty Ltd</td> <td>10.00%</td> <td>1 July 2025</td> </tr> <tr> <td>Mortgage</td> <td>Secured THN Property Fund Pty Ltd</td> <td>10.00%</td> <td>1 July 2025</td> </tr> <tr> <td>Debtor Factoring</td> <td>Secured THN SPV1 Pty Ltd</td> <td>10.42%</td> <td>Ongoing</td> </tr> <tr> <td>Purchase Funding</td> <td>Secured THN SPV1 Pty Ltd</td> <td>10.42%</td> <td>Ongoing</td> </tr> <tr> <td>Working capital - 1</td> <td>Unsecured Starball Pty Ltd</td> <td>9.50%</td> <td>Ongoing</td> </tr> <tr> <td>Working capital - 2</td> <td>Secured THN Property Fund Pty Ltd</td> <td>15.67%</td> <td>29/06/2024</td> </tr> <tr> <td>Working capital - 3</td> <td>Unsecured Peter Bobbin</td> <td>9.5%</td> <td>Ongoing</td> </tr> </tbody> </table>			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
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8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	627
8.2 Cash and cash equivalents at quarter end (item 4.6)	371
8.3 Unused finance facilities available at quarter end (item 7.5)	7,342
8.4 Total available funding (item 8.2 + item 8.3)	7,713

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

8.5 **Estimated quarters of funding available (item 8.4 divided by item 8.1)** 12.3

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: 30/10/2024



Authorised by: Michael Green
(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.