



INVENTIS LIMITED

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ANNOUNCEMENT TO THE ASX – 3rd July 2024

Inventis Limited [ASX: IVT] Business Update

Inventis Limited [ASX: IVT] is providing the following business update

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.

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 Technology Division expects to finish F24 with solid Revenue and EBITDA growth in comparison to the F23 year. The expansion into the US is taking longer than at first anticipated and the associated costs have affected FY2024 as a one-off expense to the consolidated Group accounts.

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

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 an Australian Government Grant relating to this project as well as an Export Grant for future international Hazavoid™ growth.

The Technology Division will finish FY24 with double digit growth and improved EBITDA Year on Year.

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.

Trading update

The total June monthly network sales are expected to be robust.

Statutory EBITDA range estimates at this stage vary from \$130K -330K

One-off normalised costs

Staff reduction termination costs	\$169K <i>(inc. entitlements paid out)</i>
Eastern Creek Moving costs and Make Good	\$135k <i>(inc. staff time)</i>
Global Expansion Investment Costs	\$423k <i>(inc. travel costs)</i>
Wetherill Park Location costs	\$53k

Normalised EBITDA estimates in this period from the one-off affects above is \$780,000. These and other one-off, non-recurring costs will save future rents and interest and salaries in F25.

F24 will also be impacted by 49% Associate Winya Stock Adjustment that will have an impact on Group earnings in the range of \$287k.



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Capital Management and Prospects

The Company has previously announced that a \$4M Convertible Note (CN) Issue was instigated to complement and achieve key debt and working capital solutions requirements and facilitate international growth plans in the USA and Philippines. Currently a total of \$950,000 was issued in CN's.

Two of the Inventis Directors have taken up CN's under the resolutions passed at the last AGM and the Company has also been negotiating an equity capital raise in the USA using the Hazavoid Tx LLC with Industry participants and interested parties. The Company has resolved to continue negotiations with various interested parties and is arranging external arms- length business valuations on the USA potential.

The Company is budgeting strong sales and a return to profit for full year F25. Sales Orders on hand within the network are already over \$13.7M. Sales pipeline with opportunities and quotes across the entire Company are over \$142.1M excluding prospects with the Government Department project referred to above.

Issued by Order of the Board

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