
ANNOUNCEMENT TO THE ASX – 30 April 2020

Inventis Limited [ASX: IVT] – Update on COVID-19 Pandemic

1- Manufacturing Operations

Additional adjustments to work procedures covering COVID-19 guidelines and procedures as issued by the World Health Organisation (WHO) and the Australian Government has been provided to all staff. 4-day per week manufacturing rosters with office and field staff encouraged to work from home has been implemented.

Senior management (including the MD) and all agreeable staff voluntarily continue to take a 20% cut in salary and fees, this will remain in place whilst the Covid-19 restrictions are in place and will be reviewed periodically regardless, subject to work availability. Staff have been encouraged to take paid annual leave during April-20 using up entitlements.

The group continues to manage cash expenses to bring it in line with the reduced revenue, which at this stage is -46.7% group wide year to date. We have registered for Jobkeeper and have referred back under the various commercial rent guidelines to Landlords.

In the case of Winya Indigenous Furniture and Technology, we have applied for various local Government grants and we have across the group been awarded essential services status with our factories and supply chain to continue to supply Government Health during this Pandemic period.

This is certainly good news as we maintain job security for our valued team members.

We have also actively cut costs from this time last year with up to \$2 Million pa on an annualised basis being shaved off our cost base with over 31 initiatives being implemented since the MD took office in October.

2- Operational review

Whilst unplanned expenditure is suspended for now, we have since settled on the planned acquisition of both Bassett Furniture Pty Ltd and The Bevisco trading name in April-20. Funds were sourced from our financier THNCA. These acquisitions along with the 49% investment in Winya and 100% acquisition of Workstations Pty Ltd are expected to enhance synergies across the group and maintain focus on delivering superior service to all our existing clients, with innovative products across all our commercial ergonomic chairs, lounges, soft seating and commercial office desks with axillary product. Post Covid-19, when business returns to some normality, these acquisitions will factor in the long-term growth plans of the group.

The group, despite the lower revenue, is growing its forward orders and pipeline opportunities considerably and whilst travel restriction continue to hamper our ability to do field work particularly in the technology division, we have seen the largest quote period in the company's history over the last 4 weeks. With over \$52 Million of new tenders and opportunities being registered in Technology alone.

We are experiencing strong synergies within the group and a greatly improved focus on supply tenders and opportunities to main- stream Government and Healthcare.

We have a number of planned R&D projects due to be completed that are due to be commercialised within the next 6 months for the Technology division.

The furniture division with its new “Smart Chair” Provisional Patent plans to sell into the market in this half. Overseas supplier delays are still hampering delivery in full and on time in some parts of the business, otherwise generally the DIFOT consistently remains at all-time highs.

We thank our suppliers and partners for their ongoing support, and hope to continue to improve the group’s prospects whilst improving our strong performance culture.

We are in challenging times and whilst revenue has certainly been adversely affected, without doubt it is not a sign of the great work and future prospects that are attributable to this great Australian Company.

3- Finance Facilities

Inventis advised the market on 18th March-20 that it was considering raising funds to improve its net equity and cash position, this was planned by way of Convertible Notes (CN’s) planned to pay a franked dividend return of between 6.5% - 7% pa, offered to all existing shareholders first.

The board has considered the state of the current equity markets, with the worldwide economic recession talks of gloom and doom and investment funds availability just at present. The Board has decided, along with the proposed underwriter to postpone this during the current Covid-19 period restrictions, and to continue to review and explore possibilities by March 2021.

We have been engaged in discussions with the main finance provider, THNCA, and have received an offer to extend the current \$5.6M fixed term facilities to 01 July 2022.

We have also been granted further headroom with Invoice Finance Facility limits across the group by another \$1.3M in our Furniture Division.

4- New Provisional Patent registration for Gregory Chairs.

We are pleased to announce that Gregory Commercial Furniture has lodged a new provisional Patent number 2020901303 for its new “Smart Chair”™ technology.

The group expects to sell into the commercial office space with this leading technology which is planned to place the Gregory superior brand in an enviable position.

5- The Future Plans and Strategies

The Company has large, growing pipelines in place, a large percentage of which is geared around international opportunities. The current level of imposed worldwide flight and local travel restrictions may have an immediate impact on the timing of completing the planned pipeline in 2H20. The Covid-19 pandemic has adversely affected the Education Sector of our business across the group also. As a result

of the continuing uncertainty at present, we are prevented from making any meaningful forecasts and any past guidelines are suspended as a result.

We have a number of important R&D projects approaching Patent stage. We have announced today the lodging of our technology provisional patent “Smart Chair”, with other new technology like “Automated Track Worker System” (ATWS) IP progressing. We have received expression of interest from overseas supply partners for the ATWS, which could potentially earn the Company multi-millions of dollars through local and international sales channels into 2021 and beyond. These R&D projects are aimed to be completed, subject to current economic conditions stabilising.

Inventis remains committed to high quality Australian manufacturer of Commercial Office Furniture and Innovative Technology products aimed toward safety and ergonomic benefits. We are a key supply partners to Australian industry employing Australians and support Indigenous staff.

We will continue to explore appropriate partnering and M&A opportunity where it is deemed prudent.

Contacts

media@inventis.com.au

Ph: 02 8808 0440

Anthony Mankarios

Managing Director

For personal use only