
ANNOUNCEMENT TO THE ASX – 29 January 2021

Inventis Limited [ASX: IVT] Quarterly Activity Report.

General Operational Review

During the quarter ending 31 December 2020 the Group's business and organisation structure remained unchanged from the previous quarter when we previously announced the inclusion of Bassett Furniture Pty Ltd { www.Bassettfurniture.com.au } and the Bevisco Brand { www.bevisco.com.au } acquisition.

The Group's additional cost savings initiatives began 1 November 2020 and are expected to yield savings of \$0.3 million in the next twelve months largely due to re-structuring of operations and site costs being reduced.

In the quarter one-off costs from restructure and acquisitions had an impact on cash used in operating activities that resulted in additional short-term funding above normal trade debtor factoring in finance activities of \$0.2 million.

Covid-19 procedures continue to be at the forefront of operational guidelines issued by the Company. The NSW Covid-restrictions in the Northern Beaches of NSW, border closures and further restrictions are far from ideal, however the Group still managed to exceed its earnings targets for the six months ended 31 December 2020.

The Company completed the move of Bassett Furniture Pty Ltd in late October 2020 and integrated its manufacturing and operations into the Eastern Creek. This has yielded significant synergies and cost savings for the Group. In addition, the integration has enhanced the Furniture Division's manufacturing capabilities to ensure that both existing and new products are "Australian Made and Developed".

The Group continues with strong reseller engagement. Improved partnering focus being the main thrust of our Australian Made business. Agreements were entered into with a number of large Office Supply resellers. This is expected to continue the growth in overall revenue.

The Group has met its targets in 1H21 as it continues to implement its strategic plan despite the challenges of the operating within the current COVID business environment. Reporting is scheduled of half year's results will be announced after the half year audit review in late February.

- EBITDA is expected to be \$0.8 million for 1H21 (unaudited.) up+ 465%
- Consolidated Revenue is expected to be \$4.5 million for 1H21 (unaudited.) up+ 35%
- The Group's Network Sales of \$7.9 Million is up by 65% for 1H21 (unaudited)

This significant growth is fuelled with the acquisition of Workstations Pty Ltd, The Bevisco Brand, Bassett Furniture and the investment in associate Winya. The announced Furniture growth plans is expected to underpin the group's immediate growth.

Additional acquisition plans were announced late in December 2020. There are two related new companies undergoing due diligence currently and are expected to be finalised before the end of quarter three. The revenue increase associated with this acquisition is expected to be circa \$2.0 million per annum and their net earnings are accretive.

During this 1H20 period Gregory Commercial Furniture launched their exciting new G-smart™

“Smart Chair”, technology that allows your Gregory Chair to talk to your Phone. The apps with Apple and Android were deployed onto the various app stores and the Technology has become available now to users and clients of Gregory choosing to purchase G- Smart.

The Managing Director Anthony Mankarios confirmed Patents in Australia, New Zealand and USA were lodged during this period. “Our Technology business is on the verge of signing a significant distribution agreement into the UK and USA. Further field testing of the new Automated Track Worker System (ATWS) is due to be completed in February 2021, further advances and development in Technology are planned to be showcased later this year.”

Managing Director Anthony Mankarios noted “The Pipeline growth in orders, quotes and opportunities being worked upon is in excess of \$123 million currently, this number as a comparison to the same period last year is up approximately 400% on the comparable period. This level of activity indicates the level of growth the business is currently experiencing, which will require a change to the capital structure of the business to be able to maintain the trajectory of the growth currently experienced.”

The Group’s Chairman has previously said that an underwritten pro-rata Convertible Note’s issue is planned for April 2021. The details of which is currently being worked upon with a fully franked dividend yield expected to be circa 6% pa on the convertible notes. This Capital raising along with the deferred tax assets of over \$4.7 million (as at 30 June 2020) will place the group in a strong position that is led by strong experienced Management team and Board.

The first tranche of Share Options was exercised by Greg Welsh during December 2020, resulting in an additional 10,000,000 ordinary Inventis Limited shares being issued as per the acquisition agreement. The second tranche hurdle has already been met and expected to be exercised in accordance with the Share Sale Agreement in due course.

Inventis Limited announced that Opentec Solutions Pty Ltd has been awarded a registered supplier status under the NSW Government ICT Services Scheme. (SCM0020). Discussions continue to firm up supply of technology product to overseas opportunities.

Whilst Gregory was confirmed key supplier status with TAFE and extended their supply to NSW Government for this remaining quarter with a new tender being decided upon now.

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Related Parties

During the quarter the Group made payments to related Parties having remained unchanged for example interest to a related Company as they are the main finance provider to the Group, along with the Company contracted to supply services of the Group's Managing Director.

Issued by Order of The Board.

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