



INVENTIS LIMITED

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ANNOUNCEMENT TO THE ASX – 25 June 2021

Inventis Limited [ASX: IVT] – Chairman’s Letter to Shareholders.

Please find attached Chairman’s Letter to Shareholders in relation to the Extraordinary General Meeting dated 26 July 2021.

This letter will be sent to all Shareholders on 25 June 2021.

By order of the Board

Chantelle Knight
Co-Company Secretary.

For personal use only

Dear Shareholders,

As you are aware, we recently undertook a Non-renounceable Rights Issue. This was offered to all shareholders and accordingly the Rights Issue was seeking to raise \$4.2M if all shareholders were to take up their entitlements. We, the Board of Inventis Limited, were keen to give all shareholders the opportunity to invest in the future of their Company. But at the same time, in recognition of the need to fund current plans, we also sought to enable the Company to source the additional capital, after providing the first offer to current shareholders.

The Rights Issue raised approximately \$0.9m leaving the balance to be available to other investors.

The primary purposes for the current capital raising are to help the Company pay-down debt and put the Company in a strong position to facilitate continued growth.

The shares not taken up by existing shareholders under the Rights Issue are now to be placed through a professional brokerage associate business with whom the Board has executed an agreement enabling them to offer these short-fall shares to sophisticated investors.

If you feel that you would like to consider expanding your interest in the Company and you satisfy the meaning of a sophisticated investor, you may like to contact Jock Fairweather of the professional brokerage associate SeventyTwoCapital on 0415490024 or jock@seventytwo.capital

We also take this opportunity to provide a brief update on your Company;

1. For this financial year ending 30 June 2021, we expect to see continued Revenue and EBITDA growth on last year F20. This has been brought about by strategies and plans enhancing the Companies position in the Commercial Furniture business. This has been achieved by adding valuable brands like Winya (49% investment in this credible Indigenous Supply Nation accredited business) and the 100% acquisition of Workstations, Bassett Furniture and Bevisco Brand, which all add value and complement of product range, whilst simultaneously benefiting from operational and functional synergies.
2. The intended capital raising will be applied to significantly reduce or eliminate debt. By doing so, and by ensuring overall costs are in line with revenue, the Group is better placed to utilise free cash flow together with its \$1.5m in Franking Credits to pay Franked Dividends in the future.
3. The Company has lodged a number of Patents in Australia, NZ and the USA. Part of the proceeds of the Company's fund-raising efforts are in support of the commercialisation these innovations, in particular to the substantive overseas markets which are both at home (due to Covid 19 concerns) and soon will be in the office.

4. Inventis has been nominated in the “Australian Financial Review’s” **Most Innovative Company** awards. A testament to the inspirational work being undertaken by our talented team to build value and growth.
5. We have signed confidential Memoranda of Understandings in both the Furniture and Technology spheres of our business to underpin the robust pipeline of orders and opportunities for the Group.
6. We are currently in discussions with a number of parties exploring further M&A opportunities for growth.

We are certainly not sitting still. Our capital raising activities are designed to enable the Company and the Group to solidify the successes to date by reducing debt and provide a financial platform to engage in further positive accretion of business value. This is why we are asking Shareholders to approve the lifting of the maximum permissible sum that can be issued pursuant to Listing Rule 7.1 of 15% of Shares on Issue, in any one year.

It is our target for Company and Group growth rates to remain in the double digits range for the immediate future. And to reward all key personnel adequately for delivering growth and profitability, we remain committed to the overall existing Executive Share Option Plan. Thus, we are asking shareholders to approve an adjustment in the Starball contractor agreement, which we have in place with our Managing Director, Anthony Mankarios, for share options that were previously agreed to provide and were previously approved by Shareholders. In doing so, Inventis will receive a cash payment of \$105,600 for Starball’s exercise of these Options. These funds will also be applied towards our current growth plans.

Finally, there is a resolution about Share Consolidation. When the fund-raising program is completed, we will have over 1 billion shares on issues. We believe that a consolidation is in the interests of all shareholders. Consequently, we are asking you to approve a share consolidation where every 20 shares currently held will be converted to 1 new share. This does not dilute your equity or change your voting power.

On behalf of the Board, thank you for your continuing support, and I look forward to you joining us for the Extra-Ordinary General Meeting that is being held on Monday 26 July 2021 at 10:00am.

Sincerely,



Tony Noun
Chairman