
ANNOUNCEMENT TO THE ASX – 7 July 2023

Inventis Limited [ASX: IVT] Market Update

Compliance with Listing Rule 10.1

Since 2017, THN Credit Pty Ltd (ABN 87 600 708 727) (“**THN Credit**”) and THN Capital Solutions Pty Ltd (ABN 49 605 379 486) (“**THN Capital**”) and its subsidiaries (“**THN Group**”) has been providing financial assistance to Inventis and its subsidiaries (“**Inventis Group**” or “**the Company**”) by way of loans or financial accommodation (“**Finance Facilities**”).

All Finance Facilities provided by THN Group were backed by security granted by the Inventis Group over all of its assets.

Dr Tony Noun is a Director of the THN Group. He is also a Director of Inventis, as well as being a substantial shareholder. As a consequence, all loan agreements or other financial accommodation between members of the Inventis Group and THN Group are related party contracts, which require shareholder approval as per section 208 of the Corporations Act, 2001 (“**Act**”), unless an exception exists in the Act.

LR 10.1 of the ASX Listing Rules provides that where there is a sale or purchase of a substantial asset to a related party, shareholder approval is required. An asset is a substantial asset if the value or the value of the consideration for it is 5% or more of the equity interests of the company as set out in the latest accounts given to the ASX under the Listing Rules.

The definition of “dispose” includes using an asset as collateral. The granting of security by an entity over any of its assets to secure a debt or obligation owing to a 10.1 party is regarded as a disposal of those assets by the entity to the 10.1 party for the purposes of Listing Rule 10.1. In communications with the ASX, the Inventis Group was advised that by granting a security over its assets representing 5% or more of its equity interest without obtaining Shareholders’ approval it had breached Listing Rule 10.1.

Both the Inventis Group and the THN Group believed that the THN Group was able to provide the financial accommodation to members the Inventis Group given that the finance was provided on an arm’s length basis.

In light of the above, the Inventis Group will seek Shareholders’ approval on 7 August 2023 in respect to the financial to accommodation provided by members of the THN Group and the security granted by the Inventis Group.

The notice of meeting will include an Independent Expert Report (“**Report**”) prepared by Hall Chadwick confirming that the Finance and associated granting of the security to THN Group is fair and reasonable to non-associated shareholders.

Amendment to Welsh Options – Breach of LR 6.23

On 13th September 2019, the Company’s wholly owned subsidiary, Vibe Furniture Pty Ltd (“**Vibe**”), signed a Share Sale Agreement with Greg Welsh in respect to the sale of all Mr Welsh’s shares in Winya Indigenous Furniture Pty Ltd (ABN 97 604 704 065) (“**Winya**”) representing 49% of all shares (“**Sale Shares**”) then on issue (“**Sale Agreement**”).

The Sale Agreement was subject to the Shareholders approving the issue of the Options to Mr. Welsh ("**Welsh Options**"). This condition was fulfilled on 29th November 2019.

The first two Welsh Options have been exercised.

On 26 July 2021, the Company held an Extraordinary General Meeting whereby its Shareholders approved a resolution approving a share consolidation of 22 to 1 ("**Consolidation**"). This had the effect of resetting the Second Welsh Option and Third Welsh Option within the Sale Agreement to reflect the Consolidation.

On 25 August 2021, the Company gave notice to Mr Welsh of the updated terms of the Sale Agreement Options following the Consolidation ("**the Notice**"). The impact would reduce the number of Options on issue according to the Shareholder approved consolidation of 20:1 ratio.

On 28 March 2022, Mr Welsh sent a letter to the Company advising of an intention to withdraw part of his services from 1 May 2022. The Company and Mr Welsh wanted to negotiate an extension of the contract term for a minimum 12 months and deal with issues relating to Mr Welsh's future employment and remuneration. Mr Welsh and the Company agreed to settle all matters pertaining to Mr Welsh's employment, and the remaining Options.

On receipt of a notice of an intention to exercise the *Second Welsh Option*, the second tranche of Options were issued in accordance with Sale Agreement as updated by the Notice. These Options were issued on 29 June 2022 at a new Strike price of \$0.12, based on the post-Consolidation.

On 4 July 2022, the Company made an announcement to the market stating that it had varied the Third Welsh Option by issuing 500,000 Options ("**New Options**") at a strike price of 25 cents per Share with extended the expiry date to 19 September 2024 ("**Changes**").

On 3 November 2022, ASX advised the Company that by amending the terms of the Third Welsh Options it had breach Listing Rule 6.23.3.

On 26 May 2023, the Company and Mr Welsh agreed to make further changes to the Third Welsh Option by amending the strike price for the New Options to be to 8 cents per Share instead of 25 cents per Share, subject to Shareholder approval ("**Further Changes**").

In light of the above, the Inventis Group will seek Shareholder's approval on 7 August 2023 in respect to the changes to the Third Option in the near future. Mr Welsh will not seek to convert Third Welsh Option until Shareholder approval is granted.

Issued by Order of the Board



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