
ANNOUNCEMENT TO THE ASX – 31 August 2020

Inventis Limited [ASX: IVT] – Chairman's Letter

The financial year ended 30 June 2020 has seen a 330.7% turn-around in EBITDA to \$822.7k, even though consolidated revenue was 32.1% down due to Covid-19. The Covid-19 impact caused the almost complete shut-down of the normal Education Sector with on-site study, the requirement to work from home and border closures. As a consequence, multi-million dollar technology sales were placed on hold, until we are able to access overseas clients. To achieve this positive bottom line, management ensured costs were brought down in line with revenues. For example, corporate costs were \$715K, which is 3.4% down on last year.

From an operational perspective, the group transitioned from a Covid-19 holding shut down pattern, to working from home when required and implementing safe Covid-19 practices with sales and management staff maintaining regular phone contact with larger tenders and Government and Education sector clients.

Since the appointment of our new Management team, headed by Anthony Mankarios, back in October 2019, a significant change in business model dynamics and improved performance culture has been achieved.

- The Furniture Division was expanded to meet market demands. This Division grew Network Sales by 37% in FY20. This included, an investment of 49% in Winya Indigenous Furniture and the subsequent successful opening up of new showrooms across Australia showcasing their unique Indigenous inspired designs and architectural products; In November 2019 acquired 100% of Workstations and building a successful online SEO strategy aimed at the mid-tier commercial Office work- space; in April-2020 acquired another Australian manufacturer, Bassett Furniture, specialists in soft-seating and commercial lounges including custom re-upholstery work; and most recently, acquired the well-known brand name of Bevisco Commercial Interiors (cost \$20k) whose revenue was in the order of \$4m to \$7m a year. (www.bevisco.com.au). The Furniture Division is on track to achieve total group network sales of over \$15m in FY21; and
- We also incorporated our Inventis International brand. Which will seek to partner off-shore with a number of multi-million dollar deals currently being negotiated by the management team.

The Board is also encouraged by the synergies arising from its technology and furniture divisions. This has led to the patent pending [G- Smart™] Smart Chair. This innovation is sure to improve WH&S practices as we move to a more work-from-home environment.

During the 2021 financial year, the Company will consider issuing Convertible Notes to reduce its current debt level by \$5.6m and deliver better outcomes for its shareholders through a fully franked dividend that utilises our current Franking Account, which exceeds \$1.5m. Importantly, will also continue our organic growth efforts as well as seeking targeted M&A opportunities.

Thank you to our Staff and management on stepping up during these unprecedented times. A big thank you to our Australian suppliers for their efforts and support of our Company.



Tony Noun
Chairman.