
ANNOUNCEMENT TO THE ASX – 26 September 2022

Inventis Limited [ASX: IVT] Inventis HOA to Acquire Open Projects Group

Inventis Limited, through a 100% owned subsidiary has entered into a Heads Of Agreement (HOA) to purchase 80% of the Open Projects Group (OPG) with rights to acquire up to 100% in five years.

OPG is a commercial furniture manufacturer specialising in design, supply, and delivery of all aspects of commercial furniture, custom office tables, joinery, and industrial kitchens. It is based in Ashmore at the Gold Coast in Queensland and operates nationally.

OPG currently services the hospitality and office sectors. Its business aligns with the Inventis Group's existing and expanding national showroom footprint and allows for integration in design and supply nationally into the Government and Private Healthcare and Corporate office furniture A&D market.

The vendor Kane McCarthy will remain on board with equity of 20% and will continue as the principal director of operations of the OPG business. Kane McCarthy said, "I see this as an opportunity to grow OPG with a motivated and experience national partner in the Inventis Group."

The Inventis Group Managing Director Anthony Mankarios said "We look forward to working with the OPG management team, with this exciting opportunity commencing the next stage of the Group's growth strategy.

OPG has annual revenues of over \$20 million with circa \$4M normalised Earnings before Interest depreciation and amortisation and currently has an open order book of more than \$14M. It will provide additional growth opportunity to fuel our Group networks annual sales.

The acquisition is subject to an exclusive 45-day Due Diligence and final Board and finance approvals.

Under the agreement Inventis will pay \$3.4 million in cash over 24 months and issue \$200,000 of IVT Group shares at WASP for 80% of OPG. The cash consideration of \$3.4 million will be funded through the company's own cash reserves of \$1.0 million in 12 months and the initial component through external funding of \$2.4million.

The existing vendor will retain 20% and enjoy an earn-out right to an additional 8.5%. The additional equity in the OPG business arises on successfully achieving greater than 10% year on year growth each year for Revenue and Profit targets. This would then see Inventis Group holdings of OPG potentially at 71.5%, but still with the right of acquiring up to 100%.

The Inventis Group Managing Director Anthony Mankarios said "We have aimed to achieve a balance of both reward and success recognition for the vendor Kane McCarthy. We have discussed plans that will be great for both businesses."

The Inventis Chairman Dr Tony Noun said "I am pleased with the Group's direction, it's year on year growth during the pandemic and the opportunity to deliver accretive growth. Our Group Network Sales will potentially reach a new milestone of over \$50 million pa with growth in an aligned business, this will bring about further synergies which will complement our national expansion strategies. The Board and Management are pleased with the opportunity to align our existing Group culture and values of doing what we say with the vibrant energetic team at OPG".

Issued by Order of the Board

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