



MD's Address to Shareholders

Good Morning, All,

Thank you, Mr Chairman, for the introduction.

I wanted to firstly commend my team for their ongoing efforts during these last few years and especially this year managing the various challenges COVID has brought about and maintaining consistent growth at a remarkable level. As I have previously mentioned, when I took on the role in late 2019, I could never have imagined such a turbulent disruptive period that would beset the world and the country.

Despite all this, our Group continues to perform well above the average general market stats in Revenue and Profit growth on a year-on-year (YoY) basis, the team continues with enthusiastic commitment and performance stamina on so many levels. I hope to highlight some of those milestones here for you.

Inventis Limited finished the 2022 financial year up in Statutory Revenue by 9.6% on the previous year whilst generating a net profit to members of \$275,661 compared to a net profit of \$76,794, up 259% on the previous year. As a result, the net earnings per share (eps) lifting to 0.44 cents per share.

The Groups' total network sales (including our 49% associate Winya) grew on a three-year average annual rate each year of 21% pa and finished F22 at 13.1% year on year (YoY), despite the COVID lockdowns, delays in logistics and site management delays.

On the 27th of October 2022, we announced the first quarter Statutory sales for F23 were up 40.3% on a YoY basis for the same period, and Total Group Network sales (including 49% Associate Winya) were up 135% YoY for the same period last year.

We finished the F22 with a cash balance of \$883K, up 16.4% on F21, this also being up on F20 as well and subsequently up at the end of the first quarter F23.

During the year, several initiatives took place in addition to those referred to by the Chairman. I would like to highlight the following:

- We continue to be successful in our bids for larger contracts in both our divisions after initially securing the NSW Government preferential office supplier and NSW Education Furniture state contract in F21. We have since received larger orders from the new Prince of Wales Hospital (POWH) with delivery mostly being arranged in 2nd quarter F23.
- The team completed an exciting acquisition of a Technology business known as 'Electronic Circuit Designs Pty Ltd' (ECD). This business is currently expected to generate EBITDA Circa \$1 million pa. The business is aligned with our existing PNE circuit business and has significant international expansion opportunities, particularly in Asia and potentially the US, as it is currently the largest supplier of controller boards and proprietary voice-over technology to the Australian lift and escalator industry.

- We have recently managed to work on innovative technology to assist in the Escalator safety market that will potentially have a significant positive effect on future revenue streams.
- The Company was successful in larger bids for Technology quotes in Opentec. Our order book is currently around \$1.42 million, and our expected sales will climb again this year as a result of some larger contracts we expect to finalise by year-end.
- We have secured a new Group supported leased premises for our 49% associate Winya Indigenous Furniture during the period, which has now successfully opened at Margaret Street in Brisbane, QLD. During the year, we also moved to larger premises in Darwin. We are currently reviewing plans for a new Corporate Office and Showroom for the Group in CBD Sydney and Perth (WA).
- Winya, our 49% associate, continues to grow rapidly and deliver on Defence Government contracts and continues with our rollout for their sustainability contract with ANZ Bank and many other smaller bank initiatives.
- We have the new Technology US Patented registered for Hazavoid, which expires in December 2040 and previously, we were awarded Patents in both Australia and New Zealand for G- Smart™ - smart Chair Technology. Launching apps on Apple and Android.
- Creating exciting innovations in Commercial Furniture like 'Project -W', 'Firstline', and 'Police chair'- aimed at the security business and armed forces.
- The "Gregory AcoustiX Pod" – created with the world first Wheelchair accessible design has since been available, and new initiatives are being planned to ramp up production to much higher levels using socially responsible and sustainability initiatives.
- Enhanced production efficiency in Furniture and Technology factories and delivering in full and on time (DIFOT) at rates of up to 99%.
- Improved Gregory distribution with dealers continuing to be the cornerstone of our strategy moving forward.
- Despite a very challenging general Australian labour market shortages, we managed to reduce overall staff turnover to rates lower than 15% YoY in F22, with current rates in F23 at levels of 6%, another significant reduction, quickly elevating us to an employer of choice.
- Continual improvement in overall Group network pipeline sales, orders, and quotes with the negotiation of opportunities increasing year on year again.
- We lodged our new Trademark for Hazavoid www.hazavoid.com.au, this new branding will assist with our endeavors this year to expand technology internationally with sales in Asia Pacific, and the USA earmarked in 2HF22.

The Near Future

This year in F23 we aim to secure larger international sales contracts and improve our international sales exposure with Technology like Hazavoid and ECD. We have now started operations in the USA in Montgomery Texas and have filed paperwork for our new business in Manila with our Technology business aimed at Asian expansion.

We are currently seeking to finalise the Open Projects Group aligned acquisition that offers us accretive earnings potential and high growth revenue by this financial year whilst continuing to improve our delivery through dealers in Education and Healthcare and opening new verticals into hospitality and aged care.

I can say that the next 6 months are shaping up very well, with larger opportunities presenting themselves just now, we will continue to work through these opportunities as a team, and I am confident the team will deliver the desired results.

Long Term Plan

The Group is seeking to grow its net earnings significantly through technology, efficiency, and strong network sales growth. We have accomplished this thus far in the last three years and have a strategic plan to bring on more aligned business revenue in the near future whilst maintaining our current organic growth and synergy.

Our overall revenue is planned to continue to escalate in the next little while from its current fast trajectory.

The Technology division was recognised with Hazavoid at the recent Endeavour Awards as the best new Australian Technology finalist.

Management continues to focus on delivering on plans to deliver future growth expectations and set this Company up for future success.

Sincerely,



Managing Director
Anthony Mankarios

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