
ANNOUNCEMENT TO THE ASX – 27 January 2023

Inventis Limited [ASX: IVT] Legal Due Diligence to commence

Reference is made to our announcement of 30 November 2022 in relation to the proposed acquisition of an interest of up to 80% in the business of the Open Projects Group. The Company is pleased to announce that agreement has been reached, subject to definitive documentation, and thus, we are now progressing to Legal Due Diligence and a final QA review by McLeod Campbell & Associates.

Agreed Terms:

- A new company (NewCo) will be formed to purchase 100% of the Business from Open Projects Group including but not limited to, all assets, all contracts on a going concern basis with the staff reemployed by NewCo.
- Vibe Furniture, a 100% owned subsidiary of Inventis limited, will hold up to 80% of the shares in the NewCo, which will operate the Business going forward.
- The Managing Director of Open Projects Group, Mr Kane Mc Carthy, will remain on as Operations Director of NewCo for 24 months.
- Mr Kane Mc Carthy will contract to remain on the Board with the NewCo for 5 years.
- The Vendor will have the opportunity to “performance-earn” additional equity in the newly formed company taking equity up from 20% to 28.5% maximum in NewCo.
- Vibe Furniture will have rights to acquire the remaining equity, taking Vibe to 100% ownership of NewCo, using a valuation of 3 x adjusted trading normalised EBITDA.
- Inventis Limited shares that are issued as part of this transaction will remain in escrow for a minimum period of 12 months.

The cash and Inventis Share Issue portion of the transaction for the 80% of NewCo is in the total sum of \$3.6m, which is to be allocated as follows:

- **Tranche 1, paid on Settlement (Total value \$2.5m):**
 - \$2.0m cash,
 - \$0.4m loan to the vendor, secured against the future performance of NewCo over a 12-month period. Should NewCo achieve the agreed performance, the debt is offset by an equivalent payment;
 - \$0.1m worth of Inventis Limited {IVT} shares will be issued to the Vendor on settlement at WASP; and
 - Vendor retains 20% equity in NewCo.
- **Tranche 2, paid 12 months after settlement (Total value \$1.1m):**
 - \$1.0m cash;



INVENTIS LIMITED

ABN: 40 084 068 673 | ASX: IVT

Unit 4, 2 Southridge Street
Eastern Creek, NSW, 2766

PO Box 40 Mt Druitt NSW 2770, Australia

phone: +61 2 8808 0400

fax: +61 2 9620 1582

email: info@inventis.com.au

www.inventis.com.au

- \$0.1m worth of Inventis limited to be issued as WASP; and
- Vendor retains 20% equity in NewCo.
- **Tranche 3, paid 24 months after settlement:** This is an “Earnout” based on performance of NewCo. The vendor will be able to earn additional equity in NewCo taking the equity from 20% up to a maximum 28.5% based on agreed Revenue and EBIT growth performance criteria. If the full “Earnout” is achieved, the Inventis Limited share (via Vibe Furniture) in NewCo will be 71.5%.

Purchase Price Funding: The cash payments of \$2.4m in tranche 1 will be funded by our existing funder, THNCA. The cash payment in tranche 2 will be funded from cashflow.

Completion: Subject to an ASX waiver to listing Rule 10.1, legal contracts and funding protocols associated with the transaction are expected to be complete by end February 2023, with Completion to occur on or before 31 March 2023. Should an ASX waiver not be granted, a general meeting of Inventis Limited will be required, which may delay documentation and completion.

Performance Update - Open Projects Group has recently confirmed the following: -

- Current forward orders and signed agreements for work commencing in January 23 are in the approximate sum of \$14.5m;
- Approved quotes awaiting signed Purchase order contracts are in the approximate sum of \$3m; and
- Future Pipeline quotes and work currently being negotiated stands at approximately \$23m.

Issued by Order of the Board

Anthony Mankarios
Managing Director

Contacts

media@inventis.com.au

Ph: 02 8808 0440