

INVENTIS LIMITED
(ABN 40 084 068 673)

NOTICE OF GENERAL MEETING

TIME: 10AM

DATE: 07 August 2023

PLACE Level 8, 107 Pitt Street, Sydney NSW 2000; and

virtually via Zoom at

<https://us06web.zoom.us/j/84411111111>

This is an important document. If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.

For personal use only

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The EGM to which this Notice of Meeting relates will be held on 10AM (AEST) on 7 August 2023 at the offices of the Company at Level 8, 107 Pitt Street, Sydney NSW 2000 and virtually at <https://us06web.zoom.us/meeting/register/tZAvdOurrsjGt0c6yjGeygQnFioqYhGDQaH>

Voting Is Important

The business of the Meeting affects your shareholding and your vote is important.

Voting In Person

To vote in person, attend the EGM on the date and at the place set out above.

Voting In Proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form:

- post to Inventis Limited, Unit 4, 2 Southridge Street, Eastern Creek NSW (Attn: Michael Green MichaelG@inventis.com.au); or
- send by email to Michael Green, Company Secretary at Michael Green MichaelG@inventis.com.au

so that it is received not later than 10AM (AEST) on 3 August 2023.

Proxy Forms received later than this time will be invalid.

Voting Eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 5PM (AEST) on 4 August 2023.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Inventis Limited (“**Company**”) will be held on 10AM (AEST) on 7 August 2023 at the offices of the Company located at the offices of the Company at Level 8, 107 Pitt Street, Sydney NSW 2000 and virtually at:

<https://us06web.zoom.us/meeting/register/tZAvdOurrjsjGt0c6yjGeygQnFioqYhGDQaH>

The Explanatory Memorandum to this Notice of Meeting and attachments form part of the Notice and provides additional information on matters to be considered at the General Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary.

AGENDA

A. ORDINARY RESOLUTIONS

RESOLUTION 1- APPROVAL TO AMEND OPTIONS GRANTED GREG WELSH

“That, for the purpose of ASX Listing Rule 6.23.3 and for all other purposes, approval be given to amend Options to Greg Welsh on the terms and conditions as described in the Explanatory Statement accompanying this Notice.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Greg Welsh; or
- an associate of that person.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the +chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 2- APPROVAL FOR THE COMPANY AND ITS SUBSIDIARIES TO MAINTAIN THE SECURITY GRANTED BY EACH MEMBER OF INVENTIS GROUP IN RELATION TO THEIR RESPECTIVE FINANCIAL AGREEMENTS WITH THN CREDIT ACCEPTANCE PTY LTD AND ITS RELATED PARTIES AND SUBSIDIARIES

“That, for the purpose of section 208 of the Corporations Act 2001, Listing Rule 10.1 and for all other purposes that approval be given to the Company and its subsidiaries to obtain finance from THN Credit Acceptance Pty Ltd, THN Capital Solutions Pty Ltd and its subsidiary THN Property Funding to obtain finance on terms and conditions described in the Explanatory Statement accompanying this Notice.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Dr Tony Noun (or his nominee) and any other person who will obtain a material benefit as a result of the finance agreements (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the +chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 3- APPROVAL FOR A FACTORING FACILITY

“That, for the purpose of section 208 of the Corporations Act 2001, Listing Rule 10.1 and for all other purposes that approval be given to Electronic Circuit Designs Pty Ltd to establish \$600,000.00 factoring facility with THN Credit Acceptance Pty Ltd, on the terms and conditions described in the Explanatory Statement accompanying this Notice”.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Dr Tony Noun (or his nominee) and any other person who will obtain a material benefit as a result of the Loan Facility (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the +chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 4- APPROVAL FOR A LOAN FACILITY

“That, for the purpose of section 208 of the Corporations Act 2001, Listing Rule 10.1 and for all other purposes that approval be given to the Company to establish \$5,000,000 loan facility with THN Credit Acceptance Pty Ltd, on the terms and conditions described in the Explanatory Statement accompanying this Notice”.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Dr Tony Noun (or his nominee) and any other person who will obtain a material benefit as a result of the Loan Facility (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the +chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 5 – APPROVAL TO ISSUE SHORTFALL SHARES TO STARBALL PTY LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given for the Company to issue up to 2,500,000 Shortfall Shares as follows the Rights Issue Price as described in the Explanatory Statement accompanying this Notice.”

Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Mr Anthony Mankarios and any other person who will obtain a material benefit as a result of the proposed issue of Shortfall Shares (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- any associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the +chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 6 – APPROVAL TO ISSUE SHORTFALL SHARES TO BOBBIN ED PTY LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given for the Company to issue up to 2,500,000 Shortfall Shares as follows the Rights Issue Price as described in the Explanatory Statement accompanying this Notice.”

Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Mr Peter Bobbin and any other person who will obtain a material benefit as a result of the proposed issue of Shortfall Shares (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- any associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the +chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

B. GENERAL BUSINESS

To consider any other business that may be brought forward in accordance with the Constitution or the Corporation Act.

By Order of the Board



Michael Green
Company Secretary
7 July 2023

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the General Meeting of the **Company**.

The purpose of this Explanatory Memorandum is to provide Shareholders with all information known to the Company that is material to a decision on how to vote on the Resolutions in the accompanying Notice of General Meeting.

RESOLUTION 1 – Approval to amend Options granted Greg Welsh

(a) Background

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 terms of the Welsh Options are as follows:

- (i) The *First Welsh Option* gives the right to Mr Welsh to acquire 10,000,000 Shares at \$0.005 exercisable no earlier than 12 months from completion of the Sale Agreement ("**Completion**"). These Welsh Options shall lapse within 24 months of the date they are issued.
- (ii) The *Second Welsh Option* gives the right to Mr Welsh to acquire a further 10,000,000 Shares at \$0.01 exercisable no earlier than 24 months from Completion. These Welsh Options shall lapse within 36 months of the date they are issued.
- (iii) The *Third Welsh Option* gives the right to the Vendor the right to acquire a further 10,000,000 Company Shares at \$0.02 exercisable no earlier than 36 months from Completion. These Options shall lapse within 48 months of the date they are issued.

It is a condition of the issue of each Welsh Option, that Mr Welsh signs a restriction agreement with the Company at the time he exercises a Welsh Option, which shall provide that he will hold the applicable Shares in escrow for a period of 1 year from the date of their issue to him.

On 18 December 2020, the *First Welsh Option* was granted and Mr Welsh was issued with the first tranche of shares.

On 26 July 2021, the Company held an Extraordinary General Meeting where 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 any side 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**”)

The ASX alerted the Company that the Company was in breach of Listing Rule 6.23.3 given that Shareholder approval was required to make the Changes.

On 26th 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**”).

At this time, Mr Welsh has not sought to convert Third Welsh Option.

(b) Listing Rules

Listing Rule 6.23.3 provides that a change which has the effect of reducing the exercise price, increasing the period for the exercise or increasing the number of Options received on exercise cannot be made.

Listing Rule 6.23.4 states that a change which is not prohibited under rule 6.23.3 can only be made if the holders of ordinary securities approve change. The Notice of this Meeting must include a Voting Exclusion Statement.

(c) Consequences of Shareholder Vote.

If Shareholders do not approve the Changes and Further Changes to the Third Welsh Option as noted above (“**Option Changes**”), then the Third Welsh Option will revert to their original terms, save for the changes caused by the Consolidation. In such case, the relationship between the Company and Mr Welsh may sour and become detrimental to the Company given that the Company may not be able to fulfil its commercial and legal obligations. In such case, the Company may need provide some other form compensation including cash payments.

If Shareholders approve the Option Changes, then it is more likely that the business relationship between the Company and Mr Welsh will remain in good stead, which is of benefit to the Company,

Approval sought

Shareholder approval is sought for the Option Changes.

Directors’ Recommendation

The Directors recommend that non-associated Shareholders vote in favour of Resolution 1.

RESOLUTION 2- Approval for the Company and its subsidiaries (“Inventis Group”) to maintain the security granted by each member of Inventis Group in relation to their respective financial agreements with THN Credit Acceptance Pty Ltd, THN Capital Solutions Pty Ltd and its subsidiary THN Property Funding Pty Ltd (“THN Group”)

(a) Background

THN Credit Acceptance Pty Ltd (ABN 87 600 708 727) (“**THN Credit**”) and THN Capital Solutions Pty Ltd (ABN 49 605 379 486) (“**THN Capital**”) and its subsidiary THN Property Funding Pty Ltd (ABN 38 659 844 685) (“**THN Property**”) (each a member of “**THN Group**”) has provided financial assistance to the Company and its subsidiaries (“**Inventis Group**”).

Schedule 1 of this Notice sets out the name of the members of the Inventis Group who are currently obtaining financial accommodation with a member of a THN Entity. Schedule 1 describes the nature and terms of the finance provided by a THN Entity to that member of the Inventis Group.

The Directors of the THN Group are Dr Tony Noun and John Fernandez.

The shareholders of THN Group are Innovative Management Pty Ltd (ACN 54 074 754 546) (“**Innovative**”) and Petfern Consultants Pty Ltd (ABN 99 002 316 761). Innovative holds 51% of all shares in these the THN Group.

Relevantly, Dr Tony Noun is the sole Shareholder and Director of Innovative. He is also a Director of the Company, along with two other directors.

In light of this, Dr Noun is a related party of the Company by virtue of section 228(2)(a) of the Corporations Act, 2001 (“Act”). As a consequence, all loans or other financial accommodation provided by the THN Group to members of the Inventis Group constitute related party contracts.

Dr Noun also owns shares in Company through his companies being:

- (i) Innovative who holds 8,800,000 shares; and
- (ii) THN Limited (ABN 69 072 235 422) who holds 366,666 shares.

These shares combine to represent 12.92% of all shares in the Company, which makes Dr Noun a substantive shareholder via his entities in the Company.

(b) Corporations Act

(i) Section 208 of the Corporations Act, 2001 (“Act”)

- (a) Section 208 provides that for “a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company:

the public company or entity must:

- (i) *obtain the approval of the public company’s members in the way set out in sections 217 to 227; and*
- (ii) *give the benefit within 15 months after the approval; or*

- (b) *the giving of the benefit must fall within an exception set out in sections 210 to 216.*

When assessing proposed Related Party Transactions with the Company, the Board has assessed whether an exception exists or otherwise. Section 210 is relevant to the Company’s circumstances.

(ii) Section 210 - Arm’s length terms- an exception

Section 210 of the Corporations Act provides that Shareholder “approval is not needed to give a financial benefit on terms that:

- (a) *would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm’s length; or*
- (b) *are less favourable to the related party than the terms referred to in paragraph (a).*

(iii) RG 76

RG 76 sets out ASIC’s guidance to promote better disclosure and governance for Related Party transactions.

RG 76.64 refers to certain case law which indicates that in determining the objective standards that would characterise arm’s length terms, courts should consider the transaction terms that would result if:

- (a) the parties to the transaction were unrelated in any way (e.g. financially, or through ties of family, affection or dependence);
- (b) the parties were free from any undue influence, control or pressure;
- (c) through its relevant decision-makers, each party was sufficiently knowledgeable about the circumstances of the transaction, sufficiently experienced in business and sufficiently well advised to be able to form a sound judgement as to what was in its interests; and
- (d) each party was concerned only to achieve the best available commercial result for itself in all the circumstances (“Criteria”).

The Board (excluding Dr Noun) considers RG 76.64 has been met on the basis that the fees paid by respective members of the Inventis Group to applicable members the THN Group in respect to financial accommodation, are, in their view, at their market value.

(iv) Related Party considerations

The following statements are made for the purposes of RG 76.103, RG148 and ASIC RG 228.134:

(i) *the value and nature of the financial benefit;*

Refer to Schedule 1 of this Notice

(ii) *the nature of the relationship;*

Dr Tony Noun has been a Director of the Company since 31 August 2005.

Mr Tony Noun is a Related Party of the Company by virtue of section 228(2)(a) of the Corporations Act.

(iii) *whether the arrangement is on arm's length terms, is reasonable remuneration, some other Ch 2E exception applies or we have granted relief;*

The Board (excluding Dr Noun) considers that Dr Noun's directorship with the Company and the THN Group are on arm's length within the meaning of section 210 of the Corporations Act.

The Board is sufficiently knowledgeable and experienced to have formed a sound judgment in respect of the terms of the fees and charges paid to members of the THN Group by the Inventis Group based on comparable terms in the industry and having regard to the fees being charged for the supply of financial services to the Inventis Group. The Parties agree that the fees paid are within commercial limits.

The Board considers that the Criteria was not offended in respect to the circumstances surrounding the negotiation and execution of the fees payable.

(iv) *the risks associated with the Related Party arrangement;*

There are no obvious risks associated with the Related Party arrangements in respect to the Company.

Risks in such arrangements include the power or opportunity of a Related Party to influence the decision making of non-interested directors to the detriment of the interests of members of the entity as a whole. Dr Noun does not have the ability determine Board outcome by himself.

(v) *the existence of any policies and procedures in place for entering into Related Party transactions;*

The Board has adopted a Related Party Policy, which in part includes a prohibition of an interested Director who has a material personal interest to participate in voting whether at meeting or circular resolution where such interest is involved.

Such policy extends to Board committee meetings (if applicable). The Company has also adopted a Corporate Governance Charter, which includes a duty to avoid conflicts. Non-interested directors are required to exercise special vigilance and to make an independent assessment and seek advice from management, if and where applicable, in respect of the subject proposal. The Board has complied with such policy when considering Dr Noun's connection with THN Group.

(vi) *Directors interest in the outcome*

Save for Dr Noun (who did not vote on the matters), no other Director has a personal interest in the outcome of the fees payable to a member of the THN Group.

(v) Listing Rules

(a) Approval required for certain acquisitions or disposals

LR10.1 An entity must ensure that neither the entity, nor any of its child entities, acquires or

agrees to acquire a **substantial asset** from, or disposes of or agrees to dispose of a substantial asset to, any of the following persons without the approval of the holders of the entity's ordinary securities:

- 10.1.1 A related party of the entity.
- 10.1.2 A child entity of the entity.
- 10.1.3 A person who is or was at any time in the 6 months before the transaction or agreement, a substantial (10%+) holder in the entity.
- 10.1.4 An associate of a person referred to in rule 10.1.1 to 10.1.3.
- 10.1.5 A person who has a relationship to the entity or a person referred to in rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the transaction should be approved by security holders.

The notice of meeting to obtain approval must comply with rule 10.5.

(b) What is a substantial asset?

LR 10.2 An asset is substantial if its value or the value of the consideration being paid or received by the entity for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity, as set out in the latest accounts given to ASX under the Listing Rules.

10.2.1 In determining whether an asset meets the threshold in rule 10.2 to be a substantial asset:

- whether an asset is classified as a tangible or intangible asset is irrelevant;
- if ASX accepts that an asset should be valued using its book value, any provisions for depreciation and amortisation and any impairment charges affecting the asset are to be deducted from its value;
- liabilities assumed by the entity as part of acquisition or assumed by someone else as part of a disposal are not to be deducted from the value of the asset being acquired or disposed of; and
- separate acquisitions or disposals will be aggregated if, in ASX's opinion, they form part of the same commercial transaction.

(c) ASX Guidance 24 – Dealing with Security interest as applicable to Listing Rule 10.1

The definition of "dispose" includes using an asset as collateral. Accordingly, the granting of security by an entity over any of its assets to secure a debt or obligation owing to a 10.1 (here a director of the Company and substantive shareholder) is **regarded as a disposal of those assets** by the entity to the 10.1 party for the purposes of Listing Rule 10.1. If at the time the security is granted the value of the assets equals or exceeds 5% of the equity interests of the entity, as set out in the latest accounts given to ASX under the Listing Rules, the granting of the security will require security holder approval under Listing Rule 10.1.

This is relevant here given that members of the Inventis Group provide security to applicable members of the THN Group to secure financial accommodation. In the event of a breach by a member of Inventis Group, the applicable lending member of the THN Group may enforce its right in under the security respect to the subject asset.

Regrettably, the Company did not recognize that the granting of security for the financial accommodation from members of the THN Group to members of the Inventis Group required Shareholder approval. As a consequence, the Company is in breach of Listing Rule 10.1.

The Company now seeks Shareholders' approval to maintain the security granted by each member of Inventis Group for their respective Agreements with members of the THN Group as described in Schedule 1.

As noted in Schedule 1, members of the Inventis Group are required to grant security for their respective loans or financial accommodation provided to them by the applicable members of the THN Group. The security required is a mix is an ALLPAP or a personal guarantee or both.

AllPAAP stands for 'all present and after-acquired property'. It is a type of 'security' available to back up credit. Security is an interest in property that secures payment or the performance of an obligation. Securities can be over land (such as mortgages), or over personal property). The AllPAAP is a personal property security. Rather than being a security over a particular thing, or a number of things, however, an AllPAAP is a security over "everything", save for land.

If a member of the Inventis Group is in default under its loan, then that member of the THN Group providing the finance may take steps to enforce its rights, which may include appointing a receiver to recover moneys owed.

As at the date of this Notice, no member of the THN Group has taken enforcement action against a member of the Inventis Group.

(d) Requirements for notice of meeting under rule 10.1

10.5 The notice of meeting to approve a transaction under rule 10.1 must include each of the following.

10.5.1 The name of the person from whom the entity is acquiring the substantial asset or to whom the entity is disposing of the substantial asset.

Dr Tony Noun

10.5.2 Which category in rules 10.1.1 – 10.1.5 the person falls within and why.

Category in 10.1.1 and 10.1.3

Dr Noun is a director and a substantial shareholder through his entities:

- (i) Innovative who holds 8,800,000 Shares; and
 - (ii) THN Limited (ABN 69 072 235 422) who holds 366,666 Shares
- which represent 12.92% of all Shares on issue in the Company.

10.5.3 Details of the asset being acquired or disposed of.

Security provided by each member of Inventis Group for their respective loans or financial accommodation:

- (a) Gregory Commercial Furniture Pty Limited (ACN 120 112 969), Factoring Facility, ALLPAP over Inventis controlled companies and joint and several guarantee;
- (b) Opentech Solutions Pty Ltd (ACN 003 054 304), Factoring Facility, ALLPAP over Inventis controlled companies and joint and several guarantee;
- (c) Inventis Technology Pty Limited (ACN 002 877 312), Factoring Facility, ALLPAP over Inventis controlled companies and joint and several guarantee;
- (d) Inventis Limited (ACN 084 068 673), Factoring Facility, ALLPAP over Inventis controlled companies and joint and several guarantee;
- (e) Inventis Limited (ACN 084 068 673), Term Loan, ALLPAP over Inventis controlled companies and joint and several guarantee;
- (f) Electronic Circuit Designs Pty Limited (ACN 081 814 717), Term Loan, ALLPAP over Electronic Circuit Designs and all Inventis controlled companies with Joint and Several Guarantee;
- (g) Electronic Circuit Designs Pty Limited (ACN 081 814 717), Term Loan, Mortgage: 11/30 Perry Street, Matraville, NSW;
- (h) Electronic Circuit Designs Pty Limited (ACN 081 814 717), Debtor Finance Facility, ALLPAP over Electronic Circuit Designs and all Inventis controlled companies with Joint and Several Guarantee;
- (i) Workstations Pty Ltd (ACN 600 639 352), Factoring Facility, First ranking GSA over ALLPAP and guarantee from all Inventis controlled companies;

(j) Winya Indigenous Office Furniture (ACN 604 704 065). Factoring Facility, ALLPAP over Winya and all Inventis controlled companies and Joint and Several Guarantee;

10.5.4 The consideration for the acquisition or disposal.

- (a) \$5M
- (b) As above
- (c) As above
- (d) As above (combined (a) to (d))
- (e) \$ 5,625,000.00
- (f) \$1,500,000.00
- (g) \$2,100,000.00
- (h) \$ 600,000.00
- (i) \$850,000.00
- (j) \$1,350,000.00

10.5.5 In the case of an acquisition, the intended source of funds (if any) to pay for the acquisition.

Not Applicable

10.5.6 In the case of a disposal, the intended use of funds (if any) received for the disposal.

Not Applicable

10.5.7 The timetable for completing the acquisition or disposal.

- (a) 30 August 2017 to open with an ongoing 24 month rollover
- (b) 30 August 2017 to open with an ongoing 24 month rollover
- (c) 30 August 2017 to open with an ongoing 24 month rollover
- (d) 10 June 2021 to open with an ongoing 24 month rollover
- (e) 30 June 2022 to 30 June 2025
- (f) 30 June 2022 to 30 June 2023
- (g) 14 June 2022 to 14 June 2025
- (h) 31 March 2023 to 30 September 2023
- (i) 30 October 2029 for minimum of 24 Months
- (j) 7 November 2019 for minimum of 24 months

10.5.8 If the acquisition or disposal is occurring under an agreement, a summary of any other material terms of the agreement.

- (a) Gregory Commercial Furniture Pty Limited (ACN 120 112 969), Factoring Facility Agreement, Max Limit combined equal to \$5M;
- (b) Opentech Solutions Pty Ltd (ACN 003 054 304), Factoring Facility Agreement, Max Limit combined equal to \$5M;
- (c) Inventis Technology Pty Limited (ACN 002 877 312), Factoring Facility Agreement, Max Limit combined equal to \$5M;
- (d) Inventis Limited (ACN 084 068 673), Factoring Facility Agreement, Max Limit combined equal to \$5M;

- (e) Inventis Limited (ACN 084 068 673), Term Loan, Max limit equal to \$5,625,000.00;
- (f) Electronic Circuit Designs Pty Limited (ACN 081 814 717), Term Loan, Max limit equal to \$1,500,000.00;
- (g) Electronic Circuit Designs Pty Limited (ACN 081 814 717), Term Loan, Max limit equal to \$2,100,000.00;
- (h) Electronic Circuit Designs Pty Limited (ACN 081 814 717), Debtor Finance Facility Agreement, Max limit equal to \$600,000.00
- (i) Workstations Pty Ltd (ACN 600 639 352), Factoring Facility Agreement, Max limit equal to \$850,000.00;
- (j) Winya Indigenous Office Furniture (ACN 604 704 065). Factoring Facility Agreement, Max limit equal to \$1,350,000.00;

10.5.9 A voting exclusion statement.

A voting exclusion statement is included in this Notice.

10.5.10 Report on the transactions as described in Schedule 2 of this Notice

The Company engaged Hall Chadwick (**the Expert**) to prepare an independent expert report to determine whether the provision of finance by members of the THN Group and maintaining the security granted by each member of Inventis Group is fair and reasonable to the Company's Shareholders ("**Expert's Report**"). The Expert's Report is attached to Schedule 2 to this Explanatory Statement.

The Expert has determined that the provision of finance and maintaining the security granted for the finance provided is **fair and reasonable** to the Non-associated Shareholders.

(e) Consequences of Shareholder Vote.

If Shareholders do not approve Resolution 2, then the Company and its subsidiaries, who have Agreements with members of the THN Group, will be in default of those Agreements for failure to provide security for the loans or other financial accommodation. In such case, the relevant member of the THN Group may enforce its security against the applicable member of the Inventis Group, which could include the winding up of members of the Inventis Group. If this occurs, it could have a devastating impact of the Inventis Group and ability to continued trading, unless it could source replacement funding, which could be a higher rates,

If Shareholders approve Resolution 2, the security provided by each member of Inventis Group for their respective loan or financial accommodation will remain in place and the Inventis Group can continue to conduct their business in the usual manner which is of benefit to the Company and other members of the Inventis Group,

Approval sought

Shareholder's approval is required to maintain the security granted by each member of Inventis Group for their respective Agreements with members of the THN Group.

Directors' Recommendation

The Directors (excluding Dr Tony Noun) recommend that non-associated Shareholders vote in favour of Resolution 2.

RESOLUTION 3– Approval be given to the Electronic Circuit Designs Pty Ltd and the members of Inventis Group to grant security over their assets for the \$600,000 Factoring Facility provided by THN Credit Acceptance Pty Ltd, on the terms and conditions described in the Explanatory Statement accompanying this Notice.

(a) Background

Electronic Circuit Designs Pty Ltd (“**Electronic**”) is a subsidiary of the Company. On 30 June 2022 Electronic signed a factoring facility with THN Credit Acceptance Pty Ltd (“**THN Credit**”).

Schedule 1 describes the nature and terms of the finance provided by the THN Group to that member of the Inventis Group including the above agreement between Electronic and THN Credit.

The Directors of the THN Group are Dr Tony Noun and John Fernandez.

The shareholders of THN Group are Innovative Management Pty Ltd (ACN 54 074 754 546) (“**Innovative**”) and Petfern Consultants Pty Ltd (ABN 99 002 316 761). Innovative holds 51% of all shares in these the THN Group.

Relevantly, Dr Tony Noun is the sole Shareholder and Director of Innovative. He is also a Director of the Company, along with two other directors.

In light of this, Dr Noun is a related party of the Company by virtue of section 228(2)(a) of the Corporations Act, 2001 (“**Act**”). As a consequence, all loans or other financial accommodation provided by the THN Group to members of the Inventis Group constitute related party contracts.

Dr Noun also owns shares in Company through his companies being:

- (i) Innovative who holds 8,800,000 shares; and
- (ii) THN Limited (ABN 69 072 235 422) who holds 366,666 shares.

These shares combine to represent 12.92% of all shares in the Company, which makes Dr Noun a substantive shareholder via his entities in the Company.

(b) Corporations Act

(i) Section 208 of the Corporations Act, 2001 (“Act”)

- (a) Section 208 provides that for “*a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company:*”

the public company or entity must:

- (i) *obtain the approval of the public company’s members in the way set out in sections 217 to 227; and*
- (ii) *give the benefit within 15 months after the approval; or*

- (b) *the giving of the benefit must fall within an exception set out in sections 210 to 216.*

When assessing proposed Related Party Transactions with the Company, the Board has assessed whether an exception exists or otherwise. Section 210 is relevant to the Company’s circumstances.

(ii) Section 210 - Arm’s length terms- an exception

Section 210 of the Corporations Act provides that Shareholder “*approval is not needed to give a financial benefit on terms that:*”

- (a) *would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm’s length; or*
- (b) *are less favourable to the related party than the terms referred to in paragraph (a).*

(iii) **RG 76**

RG 76 sets out ASIC's guidance to promote better disclosure and governance for Related Party transactions.

RG 76.64 refers to certain case law which indicates that in determining the objective standards that would characterise arm's length terms, courts should consider the transaction terms that would result if:

- (a) the parties to the transaction were unrelated in any way (e.g. financially, or through ties of family, affection or dependence);
- (b) the parties were free from any undue influence, control or pressure;
- (c) through its relevant decision-makers, each party was sufficiently knowledgeable about the circumstances of the transaction, sufficiently experienced in business and sufficiently well advised to be able to form a sound judgement as to what was in its interests; and
- (d) each party was concerned only to achieve the best available commercial result for itself in all the circumstances ("**Criteria**").

The Board (excluding Dr Noun) considers RG 76.64 has been met on the basis that the fees paid by respective members of the Inventis Group to applicable members of the THN Group in respect to financial accommodation, are, in their view, at their market value.

(iv) **Related Party considerations**

The following statements are made for the purposes of RG 76.103, RG148 and ASIC RG 228.134:

(i) ***the value and nature of the financial benefit;***

Please refer to Schedule 1 of this Notice

(ii) ***the nature of the relationship;***

Dr Tony Noun has been a Director of the Company since 31 August 2005.

Mr Tony Noun is a Related Party of the Company by virtue of section 228(2)(a) of the Corporations Act.

(iii) ***whether the arrangement is on arm's length terms, is reasonable remuneration, some other Ch 2E exception applies or we have granted relief;***

The Board (excluding Dr Noun) considers that Dr Noun's directorship with the Company and the THN Group are on arm's length within the meaning of section 210 of the Corporations Act.

The Board is sufficiently knowledgeable and experienced to have formed a sound judgment in respect of the terms of the fees and charges paid to members of the THN Group by the Inventis Group based on comparable terms in the industry and having regard to the fees being charged for the supply of financial services to the Inventis Group. The Parties agree that the fees paid are within commercial limits.

The Board considers that the Criteria was not offended in respect to the circumstances surrounding the negotiation and execution of the fees payable.

(iv) ***the risks associated with the Related Party arrangement;***

There are no obvious risks associated with the Related Party arrangements in respect to the Company.

Risks in such arrangements include the power or opportunity of a Related Party to influence the decision making of non-interested directors to the detriment of the interests of members of the entity as a whole. Dr Noun does not have the ability to determine Board outcome by himself.

(v) ***the existence of any policies and procedures in place for entering into Related Party transactions;***

The Board has adopted a Related Party Policy, which in part includes a prohibition of an interested Director who has a material personal interest to participate in voting whether at meeting or circular resolution where such interest is involved.

Such policy extends to Board committee meetings (if applicable). The Company has also adopted a Corporate Governance Charter, which includes a duty to avoid conflicts. Non-interested directors are required to exercise special vigilance and to make an independent assessment and seek advice from management, if and where applicable, in respect of the subject proposal. The Board has complied with such policy when considering Dr Noun's connection with THN Group.

(vi) **Directors interest in the outcome**

Save for Dr Noun (who did not vote on the matters), no other Director has a personal interest in the outcome of the fees payable to a member of the THN Group.

(v) **Listing Rules**

(a) **Approval required for certain acquisitions or disposals**

LR10.1 An entity must ensure that neither the entity, nor any of its child entities, acquires or agrees to acquire a **substantial asset** from, or disposes of or agrees to dispose of a substantial asset to, any of the following persons without the approval of the holders of the entity's ordinary securities:

10.1.1 A related party of the entity.

10.1.2 A child entity of the entity.

10.1.3 A person who is or was at any time in the 6 months before the transaction or agreement, a substantial (10%+) holder in the entity.

10.1.4 An associate of a person referred to in rule 10.1.1 to 10.1.3.

10.1.5 A person who relationship to the entity or a person referred to in rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the transaction should be approved by security holders.

The notice of meeting to obtain approval must comply with rule 10.5.

(b) **What is a substantial asset?**

LR 10.2 An asset is substantial if its value or the value of the consideration being paid or received by the entity for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity, as set out in the latest accounts given to ASX under the Listing Rules.

10.2.1 In determining whether an asset meets the threshold in rule 10.2 to be a substantial asset:

- whether an asset is classified as a tangible or intangible asset is irrelevant;
- if ASX accepts that an asset should be valued using its book value, any provisions for depreciation and amortisation and any impairment charges affecting the asset are to be deducted from its value;
- liabilities assumed by the entity as part of acquisition or assumed by someone else as part of a disposal are not to be deducted from the value of the asset being acquired or disposed of; and
- separate acquisitions or disposals will be aggregated if, in ASX's opinion, they form part of the same commercial transaction.

(c) **ASX Guidance 24 – Dealing with Security interest as applicable to Listing Rule 10.1**

The definition of "dispose" includes using an asset as collateral. Accordingly, the granting of security by an entity over any of its assets to secure a debt or obligation owing to a 10.1 (here a director of the Company and substantive shareholder) is **regarded as a disposal of those assets** by the entity to the 10.1 party for the purposes of Listing Rule 10.1. If at the time the security is granted the value of the assets equals or exceeds 5% of the equity interests of the

entity, as set out in the latest accounts given to ASX under the Listing Rules, the granting of the security will require security holder approval under Listing Rule 10.1.

This is relevant here given that, subject to Shareholders' approval, Electronic and the members of the Inventis Group must provide security to THN Group under the Factoring Facility Agreement. In the event of a breach by a member of Inventis Group, the applicable lending member of the THN Group may enforce its right in under the security respect to the subject asset.

(d) Requirements for notice of meeting under rule 10.1

10.5 The notice of meeting to approve a transaction under rule 10.1 must include each of the following.

10.5.1 The name of the person from whom the entity is acquiring the substantial asset or to whom the entity is disposing of the substantial asset.

Dr Tony Noun

10.5.2 Which category in rules 10.1.1 – 10.1.5 the person falls within and why.

Category in 10.1.1 and 10.1.3

Dr Noun is a director and a substantial shareholder through his entities:

- (i) Innovative who holds 8,800,000 Shares; and
- (ii) THN Limited (ABN 69 072 235 422) who holds 366,666 Shares which represent 12.92% of all Shares on issue in the Company.

10.5.3 Details of the asset being acquired or disposed of.

Security provided by each member of Inventis Group for their respective loans or financial accommodation:

Electronic Circuit Designs Pty Limited (ACN 081 814 717), Factoring Facility. ALLPAP over Term Loan, ALLPAP over Electronic Circuit Designs and all Inventis controlled companies with Joint and Several Guarantee;

10.5.4 The consideration for the acquisition or disposal.

\$600,000.00.

10.5.5 In the case of an acquisition, the intended source of funds (if any) to pay for the acquisition.

Not Applicable

10.5.6 In the case of disposal, the intended use of funds (if any) received for the disposal.

Not Applicable

10.5.7 The timetable for completing the acquisition or disposal.

30 June 2022 to 28/2/2025

10.5.8 If the acquisition or disposal is occurring under an agreement, a summary of any other material terms of the agreement.

Electronic Circuit Designs Pty Limited (ACN 081 814 717), Factoring Facility. Maximum Facility Max limit equal to \$600,000.00 (Schedule 1);

10.5.9 A voting exclusion statement.

A voting exclusion statement is included in this Notice.

10.5.10 Report on the transactions as described in Schedule 2 of this Notice

The Company engaged Hall Chadwick (**the Expert**) to prepare an independent expert report to determine whether the grant of security by each member of the Inventis Group for the provision of finance by members of the THN Group is fair and reasonable to the Company's Shareholders ("**Expert's Report**"). The Expert's Report is attached to Schedule 2 to this Explanatory Statement.

The Expert has determined that granting security for the Factoring Facility is **fair and reasonable** to the Non-associated Shareholders.

(e) Consequences of Shareholder Vote.

If Shareholders do not approve Resolution 3, Electronic and the member of Inventis Group will not be able to provide the security required under the Factoring Facility Agreement. This may have detrimental impact of Electronics' business and Electronic will have to source replacement funding, which could be a higher rates. It is noted that as at this time no funds have been drawn down on the facility.

If Shareholders approve Resolution 3, Electronic can continue to conduct its business in the usual manner.

Approval sought

Shareholders' approval is required to allow Electronic and the members of Inventis Group to grant the security required under the Factoring Facility Agreement as described in this Notice.

Directors' Recommendation

The Directors (excluding Dr Tony Noun) recommend that non-associated Shareholders vote in favour of Resolution 3.

RESOLUTION 4 –Approval to be given to the Company to grant security over all its assets to obtain \$5,000,000 Loan Facility from THN Credit Acceptance Pty Ltd, on the terms and conditions described in the Explanatory Statement accompanying this Notice.

(a) Background

From time to time, the Company identifies opportunities to acquire synergistic businesses.

The Company has a current pipeline of merger and acquisition opportunities that it intends to develop in the coming months. The Company intends to use these proposed facilities where it meets the overall Company objectives.

In order to have access to funds more quickly for the purpose of acquiring businesses, the Company and THN Credit Acceptance Pty Ltd (**THN**), being a part of the THN Group, have agreed, **subject to Shareholder approval**, to establish a facility setting out the essential terms as follows:

1. **Start Date:** Upon execution of facility documentation.
2. **Term:** Up to 3-years, but in any event, no later than 30 June 2026.
3. **Security:** All PAP over the Company and the acquired business and all Company controlled companies including but not limited to cross, joint and several guarantees.
4. **Maximum facility size:** \$5M.
5. **Approval Process:** Each proposed acquisition deal by the Company or one of its subsidiaries is subject to:
 - a. Receipt by THN of all Company Due Diligence reports,
 - b. Receipt by THN of all information reasonably required by THN to enable it to assess risk and viability of the acquisition, and
 - c. Approval by THN's Investment and Risk Committee, at its absolute discretion. Such approval may take up to 30 days from receipt of items 5a and 5b.
6. **Facility Fee:** 1.8% pa.
7. **Interest rate:** BBSW + 12% pa.

8. **Payment Frequency:** Monthly [Facility fee + interest + capital reduction component of not less than 1% of the face-value of the debt].
9. **Capital Reduction:** not less than 1% of the face-value / closing balance of the debt, at the end of each month, together with any other amount agreed to between the Company and THN in respect of an acquisition. Full payment of the balance outstanding must occur on or before the Facility End Date.
10. **Other Fees and charges:**
- a. Legal Fee:
 - i. Facility Establishment Fee: 1.2%, plus disbursements.
 - ii. Transaction Fee: 1%, plus disbursements.
 - b. DD Fee: 1% of the value of each business being acquired.

If these basic terms are to be modified, then the Company will seek separate Shareholder approval.

The finance summarised at Appendix IV of the Expert's Report also includes the proposed facility with a \$5M limit, which the Company intends to use for business acquisition funding, subject to Shareholder approval ("**Facility**").

(b) Corporations Act

(i) Section 208 of the Corporations Act, 2001 ("Act")

- (a) Section 208 provides that for "*a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company:*

the public company or entity must:

- i. *obtain the approval of the public company's members in the way set out in sections 217 to 227; and*
- ii. *give the benefit within 15 months after the approval; or*

- (b) *the giving of the benefit must fall within an exception set out in sections 210 to 216.*

When assessing proposed Related Party Transactions with the Company, the Board has assessed whether an exception exists or otherwise. Section 210 is relevant to the Company's circumstances.

(ii) Section 210 - Arm's length terms- an exception

Section 210 of the Corporations Act provides that Shareholder "*approval is not needed to give a financial benefit on terms that:*

- (a) *would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or*
- (b) *are less favourable to the related party than the terms referred to in paragraph (a).*

(iii) RG 76

RG 76 sets out ASIC's guidance to promote better disclosure and governance for Related Party transactions.

RG 76.64 refers to certain case law which indicates that in determining the objective standards that would characterise arm's length terms, courts should consider the transaction terms that would result if:

- (a) the parties to the transaction were unrelated in any way (e.g., financially, or through ties of family, affection or dependence);
- (b) the parties were free from any undue influence, control or pressure;

- For personal use only
- (c) through its relevant decision-makers, each party was sufficiently knowledgeable about the circumstances of the transaction, sufficiently experienced in business and sufficiently well advised to be able to form a sound judgement as to what was in its interests; and
 - (d) each party was concerned only to achieve the best available commercial result for itself in all the circumstances ("**Criteria**").

The Board (excluding Dr Noun) considers RG 76.64 has been met on the basis that the fees paid by respective members of the Inventis Group to applicable members the THN Group in respect to financial accommodation, are, in their view, at their market value.

(iv) Related Party considerations

The following statements are made for the purposes of RG 76.103, RG148 and ASIC RG 228.134:

(i) the value and nature of the financial benefit;

A \$5M Facility

(ii) the nature of the relationship;

Dr Tony Noun has been a Director of the Company since 31 August 2005.

Mr Tony Noun is a Related Party of the Company by virtue of section 228(2)(a) of the Corporations Act.

(iii) whether the arrangement is on arm's length terms, is reasonable remuneration, some other Ch 2E exception applies or we have granted relief;

The Board (excluding Dr Noun) considers that Dr Noun's directorship with the Company and the THN Group are on arm's length within the meaning of section 210 of the Corporations Act.

The Board is sufficiently knowledgeable and experienced to have formed a sound judgment in respect of the terms of the fees and charges paid to members of the THN Group by the Inventis Group based on comparable terms in the industry and having regard to the fees being charged for the supply of financial services to the Inventis Group. The Parties agree that the fees paid are within commercial limits.

The Board considers that the Criteria was not offended in respect to the circumstances surrounding the negotiation and execution of the fees payable.

(iv) the risks associated with the Related Party arrangement;

There are no obvious risks associated with the Related Party arrangements in respect to the Company.

Risks in such arrangements include the power or opportunity of a Related Party to influence the decision making of non-interested directors to the detriment of the interests of members of the entity as a whole. Dr Noun does not have the ability determine Board outcome by himself.

(v) the existence of any policies and procedures in place for entering into Related Party transactions;

The Board has adopted a Related Party Policy, which in part includes a prohibition of an interested Director who has a material personal interest to participate in voting whether at meeting or circular resolution where such interest is involved.

Such policy extends to Board committee meetings (if applicable). The Company has also adopted a Corporate Governance Charter, which includes a duty to avoid conflicts. Non-interested directors are required to exercise special vigilance and to make an independent assessment and seek advice from management, if and where applicable, in respect of the subject proposal. The Board has complied with such policy when considering Dr Noun's connection with THN Group.

(vi) **Directors interest in the outcome**

Save for Dr Noun (who did not vote on the matters), no other Director has a personal interest in the outcome of the fees payable to a member of the THN Group.

(d)

Listing Rules

(a) **Approval required for certain acquisitions or disposals**

LR10.1 An entity must ensure that neither the entity, nor any of its child entities, acquires or agrees to acquire a **substantial asset** from, or disposes of or agrees to dispose of a substantial asset to, any of the following persons without the approval of the holders of the entity's ordinary securities:

10.1.1 A related party of the entity.

10.1.2 A child entity of the entity.

10.1.3 A person who is or was at any time in the 6 months before the transaction or agreement, a substantial (10%+) holder in the entity.

10.1.4 An associate of a person referred to in rule 10.1.1 to 10.1.3.

10.1.5 A person whose relationship to the entity or a person referred to in rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the transaction should be approved by security holders.

The notice of meeting to obtain approval must comply with rule 10.5.

(b) **What is a substantial asset?**

LR 10.2 An asset is substantial if its value or the value of the consideration being paid or received by the entity for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity, as set out in the latest accounts given to ASX under the Listing Rules.

10.2.1 In determining whether an asset meets the threshold in rule 10.2 to be a substantial asset:

- whether an asset is classified as a tangible or intangible asset is irrelevant;
- if ASX accepts that an asset should be valued using its book value, any provisions for depreciation and amortisation and any impairment charges affecting the asset are to be deducted from its value;
- liabilities assumed by the entity as part of acquisition or assumed by someone else as part of a disposal are not to be deducted from the value of the asset being acquired or disposed of; and
- separate acquisitions or disposals will be aggregated if, in ASX's opinion, they form part of the same commercial transaction.

(c) **ASX Guidance 24 – Dealing with Security interest as applicable to Listing Rule 10.1**

The definition of "dispose" includes using an asset as collateral. Accordingly, the granting of security by an entity over any of its assets to secure a debt or obligation owing to a 10.1 (here a director of the Company and substantive shareholder) is **regarded as a disposal of those assets** by the entity to the 10.1 party for the purposes of Listing Rule 10.1. If at the time the security is granted the value of the assets equals or exceeds 5% of the equity interests of the entity, as set out in the latest accounts given to ASX under the Listing Rules, the granting of the security will require security holder approval under Listing Rule 10.1.

This is relevant here given that a member of the Inventis Group will provide security to an applicable member of the THN Group to secure financial accommodation. In the event of a breach by the Inventis Group or other member of the Inventis Group, the applicable lending member of the THN Group may enforce its right in under the security respect to the subject asset.

(d) **Requirements for notice of meeting under rule 10.1**

10.5 The notice of meeting to approve a transaction under rule 10.1 must include each of

the following.

10.5.1 The name of the person from whom the entity is acquiring the substantial asset or to whom the entity is disposing of the substantial asset.

Dr Tony Noun

10.5.2 Which category in rules 10.1.1 – 10.1.5 the person falls within and why.

Category in 10.1.1 and 10.1.3

Dr Noun is a director and a substantial shareholder through his entities:

- (i) Innovative who holds 8,800,000 Shares; and
- (ii) THN Limited (ABN 69 072 235 422) who holds 366,666 Shares which represent 12.92% of all Shares on issue in the Company.

10.5.3 Details of the asset being acquired or disposed of.

As identified and as proposed limited as a M&A Facility up to a maximum of \$5M

10.5.4 The consideration for the acquisition or disposal.

\$5M

10.5.5 In the case of an acquisition, the intended source of funds (if any) to pay for the acquisition.

Not Applicable.

10.5.6 In the case of a disposal, the intended use of funds (if any) received for the disposal.

Not Applicable.

10.5.7 The timetable for completing the acquisition or disposal.

Facility 3 years but no later than 30 June 2026

10.5.8 If the acquisition or disposal is occurring under an agreement, a summary of any other material terms of the agreement.

Facility Agreement, Security ALLPAP and guarantees. Max Limit up to \$5M. Interest BBSW + 12% PA.

10.5.9 A voting exclusion statement.

A voting exclusion statement is included in this Notice.

10.5.10 Report on the transactions as described in Schedule 2 of this Notice

The Company engaged Hall Chadwick (**the Expert**) to prepare an independent expert report to determine whether the grant of security by each member of the Inventis Group for the provision of finance by members of the THN Group is fair and reasonable to the Company's Shareholders ("**Expert's Report**"). The Expert's Report is attached to Schedule 2 to this Explanatory Statement.

The Expert has determined that granting security for the proposed Facility is **fair and reasonable** to the Non-associated Shareholders.

(e) Consequences of Shareholder Vote.

If Shareholders do not approve Resolution 4, then the Company may miss out a significant opportunity, which may be detrimental to the Company's business. As a result, the Company won't have immediate access to funds in the event of an opportunity to acquire a complementary business which may be detrimental to the Company.

If Shareholders approve Resolution, then the Company may be able to move quickly to secure an important and complementary business. In such case, the Company will have access to funds in the event of an opportunity to acquire a complementary business.

Approval sought

Shareholders' approval is required for the Company to establish the Facility with THN Acceptance on the terms canvassed in this Notice.

Directors' Recommendation

The Directors (excluding Dr Tony Noun) recommend that non-associated Shareholders vote in favour of Resolution 4.

RESOLUTION 5 - Approval of the issue of Shortfall Shares to issue up to 2,500,000 Shortfall Shares to Starball Pty Ltd as described in this notice.

(a) General

Mr Mankarios is a Director of the Company and is therefore a Related Party of the Company in accordance with section 228(2) of the Corporations Act. Any Shortfall Shares to be issued to Mr Mankarios will require Shareholder approval as per the Corporations Act and Listing Rules.

As noted in the Announcement, the total number of Shares to be issued under the Rights Issue was 20,007,144 Shares and that if all participating Shareholders took up their rights, then the Company would raise the sum of \$1,200,428.62.

On 28 April 2023 the Company announced that the time for accepting the offer to participate in the Rights Issue ("**Offer**") was extended to 10 May 2023. The Offer has now closed.

As noted in the Announcement, if Shareholders did not take up all of their rights pursuant to the Rights Issue then this would lead to a "Shortfall" and, in such case, the Board could reserve its rights to issue Shares to make up the Shortfall, as it sees fit, subject to applicable legislation ("**Shortfall Shares**").

At the date of this Notice, the Company has issued 6,929,736 Shares and has raised the sum of \$415,784.16 pursuant to the Offer. This has left a Shortfall of 13,077,378 Shares and a cash shortfall of \$784,642.68. ("**Company Shortfall**").

(b) Proposed issue of Shortfall Shares to Starball Pty Limited in respect to the Company Shortfall

Mr Mankarios, being a Director of the Company, wishes to acquire up to a maximum of **2,500,000** of Shortfall Shares in consideration of up to **\$150,000** at the Rights Issue Price.

If Shareholder approval is given to this Resolution, then Mr Mankarios and his Associates Shareholding in the Company will increase from **18.21%** up to a maximum of **21.00%** of all Shares on issue at that time, assuming no other Shortfall Shares were issued.

If Shareholder approval is not given to this Resolution, then Mr Mankarios and his Associates Shareholding in the Company will be **18.21%** of all Shares on issue at that time assuming no other Shortfall Shares were issued.

(c) Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a Related Party of the public company, the public company or entity must:

- (i) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (ii) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

(d) Related Party considerations

The following statements are made for the purposes of RG 76.

(i) the value and nature of the financial benefit;

Starball Pty Ltd up to **2,500,000 Shortfall Shares - value \$150,000**

(ii) the nature of the relationship;

The issue of the Shortfall Shares constitutes giving a financial benefit to Mr Mankarios and his Associates, as already stated, Mr Mankarios is a Director of the Company and is considered a Related Party of the Company under section 228(2)(a) of the Corporations Act.

(iii) whether the arrangement is on arm's length terms, is reasonable remuneration, some other Ch 2E exception applies or we have granted relief;

The Board considers that the issue of the Shortfall Shares as described in the Notice are on arm's length within the meaning of section 210 of the Corporations Act given the Shortfall Shares are being issued at the Rights Issue Price.

(iv) the risks associated with the Related Party arrangement;

Risks in such arrangements include the power or opportunity of a Related Party to influence the decision making of non-interested directors to the detriment of the interests of members of the entity as a whole.

(v) the existence of any policies and procedures in place for entering into Related Party transactions;

The Board has adopted a Related Party Policy which in part includes a prohibition of an interested Director who has a material personal interest to participate in voting whether at meeting or circular resolution where such interest is involved.

Such policy extends to Board committee meetings (if applicable). The Company has also adopted a Corporate Governance Charter which includes a duty to avoid conflicts. Non-interested directors are required to exercise special vigilance and to make an independent assessment and seek advice from management, if and where applicable, in respect of the subject proposal. The Board complied with such policy when proposing to issue the Shortfall Shares. Mr Mankarios did not vote nor was he present when the Board resolved to issue the Shortfall Shares to Mr Mankarios.

(vi) Directors interest in the outcome

Directors did not have a personal interest in the outcome of the proposed issue of Shortfall Shares to Mr Mankarios.

(e) Section 210 - Arm's length terms- an exception

Section 210 of the Corporations Act provides that Shareholder "*approval is not needed to give a financial benefit on terms that:*

- (i) would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or*
- (ii) are less favourable to the related party than the terms referred to in paragraph (a).*

The Board has considered Chapter 2E of the Corporations Act and, as the Shortfall Shares are being issued at the same the Rights Issue Price, it has determined that the issue of the Shortfall Shares to Mr Mankarios are on terms that are reasonable in the circumstances if the Company and the persons to be issued the Shortfall Shares were dealing at arm's length so that Shareholder approval **is not** required by Chapter 2E.

(f) ASX Listing Rules

(i) ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or

agrees to issue, securities to a Related Party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Shortfall Shares involves the issue of securities to a Related Party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception in Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

(ii) ASX Listing Rule 10.12

ASX Listing Rule 10.12 provides an exception for the requirement of Shareholder approval in relation to the issue of Shares issued pursuant to a pro rata rights issue. However, this exception **does not** apply to the issue of Shortfall Shares issued to a Director or his/her Associates.

(iii) Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the information below is provided in relation to the issue of the Shortfall Shares:

10.13.1 Name of person(s) receiving the Shortfall Shares

Mr Antony Mankarios

10.13.2 The persons named in LR10.13.1 are Related Parties as per section 228(3) of the Corporations Act and fall into category LR 10.11.1

10.13.2 The number of Shortfall Shares to be issued,

Mr Mankarios a maximum **2,500,000 Shortfall Shares - value \$150,000**

Representing **19.12% of the Company Shortfall.**

10.13.4 The Shortfall Shares are fully paid ordinary class shares.

10.13.5 The Shortfall Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). It is intended that allotment will occur on the same date and as soon as practicable following the Meeting.

10.13.6 All Shortfall Shares shall be issued at the Rights Issue Price.

10.13.7 Funds raised from the issue of the Shortfall Shares will be used for working capital of the Company and/or paying down long or shorten term debt. Specifically, the funds will be used to pay suppliers for inventory to facilitate growth and to creditors on a regular basis to ensure operational efficiency and to reduce interest cost.

10.13.8 Not applicable.

10.13.9 Not applicable

10.13.10 A Voting exclusion statement is included in this Notice.

(iv) ASX listing Rule 7.1

Approval pursuant to ASX Listing Rule 7.1 is not required to issue the Shortfall Shares as approval is being obtained under ASX Listing Rule 10.11. The issue of the Shortfall Shares will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1

(v) Consequences of Shareholder Vote.

If Shareholders do not approve Resolution 5, then the Company will not receive the funds from Mr Mankarios in respect to the Rights Issue. In such case, there will be no funds to be applied to working capital of the Company and/or paying down long or shorten term debt.

If Shareholders approve Resolution 5, then the Company will receive funds from Mr Mankarios in respect to the Rights Issue. In such case, there will be funds to be applied to working capital of the Company and/or paying down long or shorten term debt.

Directors' recommendation

The Directors (excluding Mr Mankarios) recommend that Shareholders vote in favour of Resolution 5.

RESOLUTION 6 - Approval of the issue of Shortfall Shares to issue 2,500,000 shortfall shares to Bobbin Ed Pty Limited as described in this notice.

(a) General

Mr Bobbin is a Director of the Company and is therefore a Related Party of the Company in accordance with section 228(2) of the Corporations Act. Any Shortfall Shares to be issued to Mr Bobbin will require Shareholder approval as per the Corporations Act and Listing Rules.

As noted in the Announcement the total number of Shares to be issued under the Rights Issue was 20,007,144 Shares and that if all participating Shareholders took up their rights, then the Company would raise the sum of \$1,200,428.62.

On 28 April 2023 the Company announced that the time for accepting the offer to participate in the Rights Issue ("**Offer**") was extended to 10 May 2023. The Offer has now closed.

As noted in the Announcement, if Shareholders did not take up all of their rights pursuant to the Rights Issue, then this would lead to a "Shortfall" and, in such case, the Board could reserve its rights to issue Shares to make up the Shortfall, as it sees fit, subject to applicable legislation ("**Shortfall Shares**").

At the date of this Notice, the Company has issued 6,929,736 Shares and has raised the sum of \$415,784.16 pursuant to the Offer. This has left a Shortfall of 13,077,378 Shares and a cash shortfall of \$784,642.68. ("**Company Shortfall**").

(b) Proposed issue of Shortfall Shares to Bobbin Ed Pty Limited in respect to the Company Shortfall

Mr Peter Bobbin, being a Director of the Company, wishes to acquire up to a maximum of **2,500,000** of Shortfall Shares in consideration of up to **\$150,000** at the Rights Issue Price.

If Shareholder approval is given to this Resolution, then Mr Bobbin and his Associates Shareholding in the Company will increase from **4.43%** up to a maximum of **7.68%** of all Shares on issue at that time, assuming no other Shortfall Shares were issued.

If Shareholder approval is not given to this Resolution, then Mr Bobbin and his Associates Shareholding in the Company will be **4.43%** of all Shares on issue at that time, assuming no other Shortfall Shares were issued.

(c) Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a Related Party of the public company, the public company or entity must:

- (i) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (iii) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

(I) Related Party considerations

The following statements are made for the purposes of RG 76.

(i) the value and nature of the financial benefit;

Bobbin Ed Pty Limited up to **2,500,000 Shortfall Shares - value \$150,000**

(ii) the nature of the relationship;

The issue of the Shortfall Shares constitutes giving a financial benefit to Mr Bobbin and Associates, as already stated, Mr Bobbin is a Director of the Company and is considered a Related Party of the Company under section 228(2)(a) of the Corporations Act.

(iii) whether the arrangement is on arm's length terms, is reasonable remuneration, some other Ch 2E exception applies or we have granted relief;

The Board considers that the issue of the Shortfall Shares as described in the Notice are on arm's length within the meaning of section 210 of the Corporations Act given the Shortfall Shares are being issued at the Rights Issue Price.

(iv) the risks associated with the Related Party arrangement;

Risks in such arrangements include the power or opportunity of a Related Party to influence the decision making of non-interested directors to the detriment of the interests of members of the entity as a whole.

(v) the existence of any policies and procedures in place for entering into Related Party transactions;

The Board has adopted a Related Party Policy, which in part includes a prohibition of an interested Director who has a material personal interest to participate in voting whether at meeting or circular resolution where such interest is involved.

Such policy extends to Board committee meetings (if applicable). The Company has also adopted a Corporate Governance Charter which includes a duty to avoid conflicts. Non interested directors are required to exercise special vigilance and to make an independent assessment and seek advice from management, if and where applicable, in respect of the subject proposal. The Board complied with such policy when proposing to issue the Shortfall Shares. Mr **Bobbin** did not vote nor was he present when the Board resolved to issue the Shortfall Shares to Mr **Bobbin**.

(vi) Directors interest in the outcome

Directors did not have a personal interest in the outcome of the proposed issue of Shortfall Shares to Mr Bobbin.

(e) Section 210 - Arm's length terms- an exception

Section 210 of the Corporations Act provides that Shareholder "*approval is not needed to give a financial benefit on terms that:*

- (a) would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or*
- (b) are less favourable to the related party than the terms referred to in paragraph (a).*

The Board has considered Chapter 2E of the Corporations Act and, as the Shortfall Shares are being issued at the same the Rights Issue Price, it has determined that the issue of the Shortfall Shares to Mr **Bobbin** are on terms that are reasonable in the circumstances if the Company and the persons to be issued the Shortfall Shares were dealing at arm's length so that Shareholder approval **is not** required by Chapter 2E.

(f) ASX Listing Rules

(i) ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to

issue, securities to a Related Party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Shortfall Shares involves the issue of securities to a Related Party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception in Listing Rule 10.12 applies.

In the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

(ii) ASX Listing Rule 10.12

ASX Listing Rule 10.12 provides an exception for the requirement of Shareholder approval in relation to the issue of Shares issued pursuant to a pro rata rights issue. However, this exception **does not** apply to the issue of Shortfall Shares issued to a Director or his or her Associates.

(iii) Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the information below is provided in relation to the issue of the Shortfall Shares:

10.13.1 Name of person(s) receiving the Shortfall Shares

Mr Peter Bobbin

10.13.2 The persons named in LR10.13.1 are Related Parties as per section 228(3) of the Corporations Act and fall into category LR 10.11.1

10.13.2 The number of Shortfall Shares to be issued,

Mr Peter Bobbin a maximum **2,500,000 Shortfall Shares - value \$150,000**

Representing **19.12% of the Company Shortfall Shares should the Rights Issue be 50% subscribed.**

10.13.4 The Shortfall Shares are fully paid ordinary class shares.

10.13.5 The Shortfall Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). It is intended that allotment will occur on the same date and as soon as practicable following the Meeting.

10.13.6 All Shortfall Shares shall be issued at the Rights Issue Price.

10.13.7 Funds raised from the issue of the Shortfall Shares will be used for working capital of the Company and/or paying down long or shorten term debt. Specifically, the funds will be used to pay suppliers for inventory to facilitate growth and to creditors on a regular basis to ensure operational efficiency and reduce interest cost.

10.13.8 Not applicable.

10.13.9 Not applicable

10.13.10 A Voting exclusion statement is included in this Notice.

(iv) ASX listing Rule 7.1

Approval pursuant to ASX Listing Rule 7.1 is not required to issue the Shortfall Shares as approval is being obtained under ASX Listing Rule 10.11. The issue of the Shortfall Shares will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1

(v) Consequences of Shareholder Vote.

If Shareholders do not approve Resolution 6, then the Company will not receive the funds from Mr Bobbin in respect to the Rights Issue. In such a case, there will be no funds to be applied to the working capital of the Company and/or paying down long or shorten term debt.

If Shareholders approve Resolution 6, then the Company will receive funds from Mr Bobbin in respect to the Rights Issue. In such a case, there will be funds to be applied to the working capital of the Company and/or paying down long or shorten term debt.

Directors' recommendation

The Directors (excluding Mr Bobbin) recommend that Shareholders vote in favour of Resolution 6.

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SCHEDULE 1

Entity	Facility	Max Limit	Current Balance (April 2023)	Start Date	End Date	Interest Rate	Fees & Charges	Payment Frequency	Amount	Security *
Gregory Commercial Furniture	Factoring Facility	Combined \$5M	\$ 562,037.08	30/08/2017		RBA Cash Rate + Margin. Margin for Combined Exposure: < \$1.5M = 8.30% < \$3.0M = 7.85% < \$4.0M = 7.35% < \$5.0M = 6.85%	1.25% of face value	Payment of Invoice by Client (max term 90 days)	N/A	AllPAP over all IVT controlled companies + Joint & Several Guarantee
Opentec Solutions	Factoring Facility		\$ -	30/08/2017			1.25% of face value	as above	N/A	as above
Inventis Technology	Factoring Facility		\$ 79,834.18	30/08/2017			1.25% of face value	as above	N/A	as above
Inventis Limited	Purchase Order Finance		\$ 562,037.08	10/06/2021			Fee is based on days until converted to an invoice: < 30 Days = 1.45% < 60 Days = 1.65% < 90 Days = 1.75%	When converted to Invoice and subsequently, in accord with Invoice Facility	N/A	as above
Inventis Limited	Term Loan	\$ 5,625,000.00	\$ 4,836,661.16	4/06/2022	30/06/2025	10.00%	3.00%	Interest & Fees Payable Monthly	Minimum Principal Repayments: \$100,000 on or before 30 June 2023 \$200,000 on or before 30 June 2024 \$500,000 on or before 30 June 2025	as above
Electronic Circuit Designs	Term Loan	\$ 1,500,000.00	\$ 1,500,000.00	30/06/2022	30/06/2025	10.00%	0.25%	as above	Full Repayment at Maturity	AllPAP over ECD + all IVT controlled companies + Joint & Several Guarantee
Electronic Circuit Designs	Term Loan	\$ 2,100,000.00	\$ 2,100,000.00	14/06/2022	14/06/2025	10.00%	0.25%	as above	Full Repayment at Maturity	Mortgage: 11/30 Perry Street, Matraville, NSW
Electronic Circuit Designs	Debtor Finance Facility	\$ 600,000.00	\$ 576,320.85	31.03.2023	30.09.2023	BBSW+12%	5.00%	Monthly	\$100,000 per month	AllPAP over ECD + all IVT controlled companies + Joint & Several Guarantee

Workstations Pty Ltd	Factoring Facility	\$ 850,000.00	\$ -	30/10/2019	Min 24 Months	11.75%	1.65%	N/A	N/A	First ranking GSA over AllPAP + guarantee from all IVT controlled companies
Winya Indigenous Office Furniture	Factoring Facility	\$ 1,350,000.00	\$ 623,990.15	7/11/2019	Min 24 Months	11.20%	1.25%	N/A	N/A	AllPAP over Winya + all IVT controlled companies + Joint & Several Guarantee
Electronic Circuit Designs	Factoring Facility	\$ 600,000.00	\$ -	TBC	28.02.2025	BBSW+12%	2.40%	Payment of Invoice by Client (max term 90 days)	N/A	AllPAP over ECD + all IVT controlled companies + Joint & Several Guarantee
Inventis Limited ~ Proposed Facility	M&A Facility	\$ 5,000,000.00	\$ -	TBC	28.02.2025	BBSW+12%	1.80%	Monthly or Quarterly	Based on Draw-down Max and BBSW at 3.6279% = \$179,330.25 per month	AllPAP over IVT and acquired business + all IVT controlled companies incorporating cross Joint & Several Guarantee.

* AllPAP= All present and after acquired property over all IVT controlled companies incorporating a cross-guarantee amongst the group for all debts outstanding ~ Registered PPSR

6 July 2023

The Directors
Inventis Limited
Unit 4, 2 Southridge Street
Eastern Creek NSW

Dear Sirs,

Independent Expert's Report relating to Finance and Granting of Security over Assets to a Related Party

1. INTRODUCTION

Background

- 1.1 Inventis Limited (“Inventis” or “the Company”) is an Australian Company listed on the Australian Securities Exchange (“ASX”) that designs, manufactures, markets, and sells ergonomic office furniture, electronic control systems, and computing products in Australia.
- 1.2 THN Credit Pty Ltd (“THN Credit”) and THN Capital Solutions Pty Ltd (“THN Capital”) and its subsidiary THN Property Funding Pty Ltd (“THN Property”) (each a member of “THN Group”) has provided financial assistance (“Finance”) to the Company and its subsidiaries as summarised at Appendix IV.
- 1.3 Tony Noun is a Director of both Inventis and THN Group and a related party of a substantial shareholder of THN Group, making THN Group a related party of Inventis.
- 1.4 Shareholder approval is therefore required for the purposes of Section 208 of the Corporations Act 2001 and ASX Listing Rule 10.1 and 10.11 for the granting of security over the assets of the Company (“Security”) under the terms of the Finance.
- 1.5 The Finance and associated granting of the Security to THN Group is referred to in this report as the “Transaction”.

Opinion

- 1.6 In our opinion, the Transaction is fair and reasonable to the Non-Associated Shareholders of Inventis.
- 1.7 The ultimate decision however on whether to accept the Transaction should be based on shareholders own assessment of their circumstances.

HALL CHADWICK
CORPORATE (NSW) LIMITED

ACN 080 462 488

SYDNEY

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Sydney NSW 2000 Australia

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2001

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Purpose of Report

- 1.8 You have requested Hall Chadwick Corporate (NSW) Limited (“HCC”) to prepare an Independent Expert’s Report to advise the shareholders of Inventis other than those associated with THN Group (“Non-Associated Shareholders”), whether the proposed Transaction is fair and reasonable when considered in the context of the interests of Non-Associated Shareholders and to set out the reasons for our conclusions.
- 1.9 HCC understands and has agreed that this report will be included in or accompany the notice to convene a meeting of Inventis shareholders, to assist the Non-Associated Shareholders in their consideration of the Transaction.

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2. OUTLINE OF THE TRANSACTION

- 2.1 THN Group has provided Finance to the Company over a period of at least six years. The Directors of the THN Group are Tony Noun and John Fernandez. Tony Noun is also a Director of the Company.
- 2.2 Given that THN Group is a related party of the Company, shareholder approval is being sought for the Finance provided by THN Group to the Company, as detailed at section 3.
- 2.3 Appendix IV describes the nature and terms of the Finance provided ¹ by THN Group to Inventis and its wholly owned subsidiaries (“Inventis Group”) that are the subject of the resolutions to be put to shareholders and that we have reviewed for the purpose of this report.
- 2.4 The Board (excluding Dr Noun) has structured the Finance to ensure that the fees paid by the Inventis Group to the THN Group in respect to financial accommodation, are, in their view, at a market value.
- 2.5 Directors advise that Dr Noun does not have the ability to determine Board outcomes by himself or influence the decision making of non-interested directors to the detriment of the interests of Inventis members.
- 2.6 Dr Noun is the only Director of Inventis who has a personal interest in the outcome of the fees payable to THN Group. All other Inventis Directors are unrelated to THN Group.

¹ The Finance summarised at Appendix IV and the subject of this report includes a proposed facility with a \$5 million limit which the Company intends to use for business acquisition funding.

STRUCTURE OF REPORT

Our report is set out under the following headings:

- 3 PURPOSE OF REPORT
- 4 BASIS OF EVALUATION
- 5 OVERVIEW OF INVENTIS AND THN GROUP FINANCE
- 6 ADVANTAGES AND DISADVANTAGES OF THE TRANSACTION
- 7 CONCLUSION AS TO FAIRNESS AND REASONABLENESS

APPENDICES

- I SOURCES OF INFORMATION
- II STATEMENT OF DECLARATION & QUALIFICATIONS
- III FINANCIAL SERVICES GUIDE
- IV SCHEDULE OF FINANCE

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3 PURPOSE OF REPORT

- 3.1 The purpose of this report is to advise the Non-Associated Shareholders of Inventis of the fairness and reasonableness of the Transaction. This report provides an opinion on whether or not the terms and conditions in relation to the Transaction are fair and reasonable to the Inventis shareholders whose votes are not to be disregarded in respect of the transaction (that is, the Non-Associated Shareholders).
- 3.2 The ultimate decision whether to accept the terms of the Transaction should be based on each shareholders' assessment of their own circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt about the Transaction or matters dealt with in this report, shareholders should seek independent professional advice.
- 3.3 The Directors of THN Group are Tony Noun and John Fernandez. The shareholders of THN Credit and THN Capital are Innovative Management Pty Ltd ("Innovative") and Petfern Consultants Pty Ltd. Innovative holds 51% of all shares in these THN companies. Relevantly, Dr Noun is the sole Shareholder and Director of Innovative. He is also a Director of Inventis. Through his related entities, Dr Noun holds a relevant equity interest in Inventis of 12.92%. Dr Noun is therefore a related party of Inventis by virtue of section 228(2)(a) of the Corporations Act, 2001 ("Act"). As a consequence, all loans or other financial accommodation provided by the THN Group to the Inventis Group constitute related party contracts. Inventis seeks shareholder approval in respect to the Finance provided by THN Group to Inventis.
- 3.4 Section 208 of the Corporations Act 2001 provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must obtain the approval of members unless the giving of the benefit falls within an exception set out in sections 210 to 216. Section 210 - Arm's length terms, states that Shareholder approval is not needed to give a financial benefit on terms that would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length or on terms less favourable to the related party than these arm's length terms.
- 3.5 Shareholder approval is being sought for the Finance notwithstanding the Board (excluding Dr Noun) considers that the fees paid by Inventis to THN Group in respect to the Finance, are, in their view, at market value.
- 3.6 ASX Listing Rule 10.1 requires that a listed company must obtain shareholder approval before it acquires or disposes of a substantial asset to a related party, a substantial holder or an associate of a related party. An asset is a substantial asset if the value of the assets, in this case the Security, is equal to or greater than 5% of the equity interest of that company at the date of the last audited accounts. Listing Rule 19.2 defines "dispose" to include the using of an asset as collateral or security. Therefore for the purpose of ASX Listing Rule 10.1, the granting of the Security is considered to be the disposal of the assets provided as a surety for the Security, which exceeds 5% of the total equity disclosed in the most recent accounts of the Company.
- 3.7 ASX Listing Rule 10.5.10 therefore requires a report on the Transaction from an independent expert stating whether the transaction is fair and reasonable to Non-Associated Shareholders of the listed company. This report provides such an opinion.

4. BASIS OF EVALUATION

- 4.1 In our assessment of whether the Transaction is fair and reasonable to Inventis Non-Associated Shareholders, we have given due consideration to the Regulatory Guides issued by the ASIC, in particular, Regulatory Guide 74 “Acquisitions Agreed to by Shareholders”, Regulatory Guide 111 “Content of Experts Reports” and Regulatory Guide 112 “Independence of Experts Reports”.
- 4.2 ASIC Regulatory Guide 74 requires, amongst other things, that shareholders are provided with sufficient information to make an effective, informed decision on whether the proposed Transactions are fair and reasonable. In the case of granting security, we consider whether the terms of the transaction are on an arms-length market basis. To be reasonable the shareholders must obtain an overall benefit if the Transactions proceeds. It is possible for a transaction to be reasonable despite being unfair. This would be after the expert considers that, based on non-financial factors, the shareholders should still approve the transaction in the absence of any alternative proposals.
- 4.3 Our report has compared the likely advantages and disadvantages to Non-Associated Shareholders if the Transaction is agreed to, with the advantages and disadvantages to those shareholders if it is not.
- 4.4 We consider that the Transaction will be reasonable if, on balance, the Non-Associated Shareholders in Inventis will be better off if the Transaction is approved. We will also consider the Non-Associated Shareholder’s interests should the Transaction not proceed.
- 4.5 In our assessment of the Transaction we have considered, in particular the following:
- the terms of the Finance;
 - the underlying value of the assets being secured;
 - The advantages and disadvantages associated with approving the Transaction;
 - the likely effect on Inventis if the Transaction is not approved;
 - the likelihood of an emergence of an alternative proposal that could realise better value for Inventis Shareholders; and
 - Other qualitative and strategic issues associated with the Transaction.
- 4.6 The documents and information relied on for the purpose of this report are set out in Appendix I. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.
- 4.7 This report has been prepared after taking into consideration the current economic and market climate. We take no responsibility for events occurring after the date of this report which may impact upon this report or which may impact upon the assumptions referred to in the report. To the extent we become aware of a material change in circumstances since the date of this report, we will issue a supplementary report at the request of Inventis if so required.

5. OVERVIEW OF INVENTIS AND THN GROUP FINANCE

5.1 Company Overview

- 5.1.1 Inventis was listed on 14 April 1999. Inventis designs, manufactures, markets, and sells ergonomic office furniture, electronic control systems, and computing products in Australia. Inventis operates through two divisions; Furniture and Technology.
- 5.1.2 The Furniture Division segment offers commercial furniture, which includes office chairs, tables, lounges, and workstations under the Gregory, workstations.com.au, Winya, Bassett, Bevisco, Vibe, Pluto, and Damba brand names.
- 5.1.3 The Technology Division was established in 1985 and provides custom control and market ready electronic systems, mobile computing solutions, and emergency vehicle control systems. Inventis Technology has been involved with a large range of inventions and industry firsts, providing contract design services for OEMs (Original Equipment Manufacturers), and specialising in electronic control solutions. They operate under the SAFEZONE, PNE, impart, HAZAVOID, and ECD brand names. It also provides computers and computer-based solutions for defense, general purpose, and field-based applications. Inventis Limited is based in Eastern Creek, Australia.

5.2 Financial Information

- 5.2.1 Set out below is the Consolidated Statements of Comprehensive Income of Inventis for the financial years ended 30 June 2021 (“FY2021”) and 30 June 2022 (“FY2022”) (audited) and for the half year ended 31 December 2022 (“HY2023”) (reviewed).

INVENTIS LIMITED			
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
	FY2021	FY2022	HY2023
Revenue	10,559,337	11,547,236	7,935,447
Cost of sales	(5,499,920)	(6,522,434)	(4,246,166)
Gross profit	5,059,417	5,024,802	3,689,281
Other income	1,567,440	620,480	144,838
Share of profits of associated entities	89,355	226,061	480,677
Manufacturing & operations	(1,530,747)	(1,420,429)	(1,135,432)
Engineering & quality assurance	(403,038)	(584,056)	(310,651)
Administration	(2,034,534)	(1,997,373)	(1,285,934)
Sales and marketing	(1,913,258)	(1,697,108)	(1,405,701)
Results from operating activities	834,635	172,377	177,078
Finance income	46,898	1,469	1,537
Finance expenses	(804,739)	(939,895)	(756,137)
Net profit from operations	76,794	(766,049)	(577,522)
Income tax benefit	-	1,042,250	-
Net profit for the period	76,794	276,201	(577,522)

5.2.2 Set out below is the Reviewed Consolidated Statement of Financial Position of Inventis as at 31 December 2022.

INVENTIS LIMITED	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	
As at 31 December 2022	
Current Assets	\$
Cash and cash equivalents	966,567
Trade and other receivables	3,197,223
Inventories	3,570,534
Prepayments	169,702
Current tax assets	93,672
	7,997,698
Non-Current Assets	
Property, plant and equipment	3,014,723
Right-of-use assets	730,510
Investments accounted for using equity method	994,923
Other financial assets	57,200
Deferred tax assets	506,841
Intangible assets	5,189,446
	10,493,643
Total Assets	18,491,341
Current Liabilities	
Trade and other payables	5,695,865
Interest-bearing liabilities	1,196,398
Current lease liabilities	717,100
Employee benefits	1,399,377
Unearned income	69,028
	9,077,768
Non-Current Liabilities	
Interest-bearing liabilities	8,336,661
Non-interest-bearing liabilities	493,989
Lease liabilities	195,567
Employee benefits	58,832
	9,085,049
Total Liabilities	18,162,817
Net Assets	328,524
Equity	
Share capital	37,382,841
Reserves	(955,416)
Accumulated losses	(36,098,901)
Total Equity	328,524

5.3 THN Group Finance

- 5.3.1 In considering the Transaction and the conclusions in this report, we have reviewed the Finance terms summarised at Appendix IV and considered both market data on comparable finance terms, interest and charges, together with the process undertaken by Inventis to ensure the resulting Finance was entered on commercial, arms-length, market terms.
- 5.3.2 The Inventis Directors that are independent of the Transaction includes Peter Bobbin, a tax lawyer and former accountant and Anthony Mankarios, who holds an MBA majoring in Finance. Together they have over 35 years' experience in the finance industry, including a broad knowledge of financing business acquisitions and asset purchases.
- 5.3.3 Prior to the current directors joining the Inventis board, the Company had gone through a period of having a net asset deficit and poor credit rating. The initial finance arrangements were negotiated with THN Group when the Company was finding it impossible to obtain funding from major banks due to its poor loan to asset ratio and credit rating, and after a series of capital raisings were insufficient in supporting the requirements of the business. The loans from THN Group were essential to the financial continuation of the Company.
- 5.3.4 THN Group also took over invoice financing for Inventis at rates comparable to those previously in place with an independent financier, but with increased flexibility on the value of drawdowns.
- 5.3.5 We are advised that with every THN Group finance arrangement, the Company has gone through the process of presenting financial comparisons and ensuring terms were set at commercial rates. This process in April 2022, involved PWC and a proposed acquisition and merger with the Inventis Group placing the various overall loan facilities to tender as part of the proposition with over 14 different financial institutions. Directors advise that other lenders were approached, including the major banks and private lenders, and negotiations were unsuccessful in that no formal acceptable offers were provided or if they were, the terms discussed around fees, charges and security were more restrictive than those offered by THN Group.
- 5.3.6 The Finance rates in the market based on information provided to the Board by Gem Finance Brokers as a guide were 12% to 20% at the time of entering into the Finance, depending on the security and also using Director's Guarantees which are not required by the THN Group.
- 5.3.7 Our own research on rates published by the major banks and Canstar.com over the period of the Facilities supports the above statements made by Directors. Interest rates vary considerably based on the value of loans and type of security. Those offered by the major banks on secured loans above \$1 million have had comparison rates up to 13.09%. Rates are higher (up to the 20% stated above) from private lenders where loan to asset ratios are higher.
- 5.3.8 The interest rates and charges on the Facilities summarised at Appendix IV are considered reasonable based on observable market rates for similar types and nature of borrowings.

6 ADVANTAGES & DISADVANTAGES OF THE TRANSACTION

6.1 Approach to assessing Fairness and Reasonableness

HCC has followed the guidelines of ASIC Regulatory Guide 111 in assessing the fairness and reasonableness of the Transaction. In forming its conclusions in this report, HCC compared the advantages and disadvantages for Non-Associated Shareholders if the Transaction proceeds.

6.2 Advantages of the Transaction

6.2.1 Based on the information available on the Company and the Finance as summarised in section 5.3, we are of the opinion that the Board is sufficiently knowledgeable and experienced to have formed a sound judgment in respect of the terms of the fees and charges paid to THN Group by Inventis based on comparable terms in the industry and having regard to the fees being charged for the supply of financial services to the Inventis Group. The terms and fees paid are within commercial limits.

6.2.2 Continuation of the Finance on terms within the range of observable market terms and interest rates for similar types of borrowings is of benefit to the Company. It has and continues to provide Inventis with access to financial arrangements that the non-conflicted directors of Inventis negotiated on terms that were no more favourable to THN Group than would have been the case had the funds been advanced by a third party.

6.3 Disadvantages of the Transaction

6.3.1 Inventis has provided assets as collateral to THN Group for the Finance. In the event that Inventis defaults on the Finance repayments, some or all of the Company's assets may be sold or assigned to THN Group (to the extent required to enable THN Group to recover the relevant debt).

7 CONCLUSION AS TO FAIRNESS AND REASONABLENESS

7.1 Fairness

- 7.1.1 In our opinion, the Transaction relating to the provision of Finance and the granting of assets as collateral to THN Group (Security) is fair and reasonable to the Non-Associated Shareholders of Inventis.
- 7.1.2 Our opinion is based solely on information available as at the date of this report.
- 7.1.3 The principal factors that we have considered in forming our opinion on the fairness of the Transaction are summarised below.
- a) Based on the information available on the Company and the Finance as summarised in section 5.3, we are of the opinion the terms and charges associated with the Finance are on arms-length market terms. The Board is sufficiently knowledgeable and experienced to have formed a sound judgment in respect of the terms of the fees and charges paid to THN Group by Inventis based on comparable terms in the industry and having regard to the fees being charged for the supply of financial services to the Inventis Group. The terms and fees paid are within commercial limits.
 - b) Based on discussions with management and a review of lending rates in the market over the period the Finance has been in place, as discussed at section 5.3, it is unlikely that Inventis would be able to obtain alternate funding at terms any more favourable than those agreed to with THN Group.
 - c) If the Inventis assets are sold in the event of a default to satisfy the Company's liabilities under the Finance, THN Group will receive a maximum amount equal to the total amount owing to it plus the costs associated with recovery and enforcement.

7.2 Reasonableness

ASIC Regulatory Guide 111 states that a transaction is reasonable if:

- The Transaction is fair; or
- Despite not being fair the expert believes that there are sufficient reasons for security holders to accept the Transaction in the absence of an alternative proposal that could realise better value for Inventis Shareholders.

We have concluded that the Transaction is fair and therefore also reasonable. In forming our opinion we have also considered the following relevant factors.

- a) Continuation of the Finance on terms within the range of observable market terms and interest rates for similar types of borrowings is of benefit to the Company. It has and continues to provide Inventis with access to financial arrangements that the non-conflicted directors of Inventis negotiated on terms that were no more favourable to THN Group than would have been the case had the funds been advanced by a third party.

- b) The terms of the Finance and provision of the related Security does not negatively impact the Company's ongoing operations, except for the fact that it limits the ability of the Company to offer its assets as security for other financial accommodation.
- c) There are no obvious risks associated with the Related Party arrangements in respect to the Company. Risks in such arrangements include the power or opportunity of a Related Party to influence the decision making of non-interested directors to the detriment of the interests of members of the entity as a whole. We are advised by Inventis that Dr Noun does not have the ability to determine Board outcomes by himself. All other Inventis Directors are unrelated to THN Group.
- d) We are unaware of any alternative proposal at the date of this report that could realise better value for Inventis shareholders in terms of alternate finance arrangements.

Having considered that the Transaction is fair and the alternatives of not proceeding with the Transaction, in our opinion the Non-Associated Shareholders of Inventis should benefit if the Transaction proceeds and therefore, in our opinion the Transaction is reasonable.

Yours faithfully
Hall Chadwick Corporate (NSW) Limited

A handwritten signature in blue ink, appearing to read 'Drew Townsend', is written over a light blue rectangular background.

DREW TOWNSEND

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APPENDIX I - SOURCES OF INFORMATION

- Inventis Limited Audited Financial Reports for the financial years ended 30 June 2021 and 30 June 2022 and Reviewed Financial Report for the half year ended 31 December 2022;
- Schedules of Finance as summarised by the Company and legal advisers;
- Inventis Limited Notice of General Meeting and Explanatory Memorandum;
- Publicly available information on Inventis, including media releases, ASX announcements and websites;
- ASIC Regulatory Guide 74 ‘Acquisitions Agreed to by Shareholders’;
- ASIC Regulatory Guide 111 ‘Content of Expert Reports’;
- ASIC Regulatory Guide 112 ‘Independence of Expert’s Reports’;

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APPENDIX II - STATEMENT OF DECLARATION & QUALIFICATIONS

Confirmation of Independence

Prior to accepting this engagement HCC determined its independence with respect to Inventis with reference to ASIC Regulatory Guide 112 (RG 112) titled "Independence of Expert's Reports". HCC considers that it meets the requirements of RG 112 and that it is independent of Inventis.

Also, in accordance with s648 (2) of the Corporations Act we confirm we are not aware of any business relationship or financial interest of a material nature with Inventis, its related parties or associates that would compromise our impartiality.

Mr Drew Townsend, director of Hall Chadwick Corporate (NSW) Limited, has prepared this report. Neither he nor any related entities of Hall Chadwick Corporate (NSW) Limited have any interest in the promotion of the Transaction nor will Hall Chadwick Corporate (NSW) Limited receive any benefits, other than normal professional fees, directly or indirectly, for or in connection with the preparation of this report. Our fee is not contingent upon the success or failure of the proposed transaction, and has been calculated with reference to time spent on the engagement at normal professional fee rates for work of this type. Accordingly, HCC does not have any pecuniary interests that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion under this engagement.

HCC provided a draft copy of this report to the Directors and management of Inventis for their comment as to factual accuracy, as opposed to opinions, which are the responsibility of HCC alone. Changes made to this report, as a result of the review by the Directors and management of Inventis have not changed the methodology or conclusions reached by HCC.

Reliance on Information

The statements and opinions given in this report are given in good faith and in the belief that such statements and opinions are not false or misleading. In the preparation of this report HCC has relied upon information provided, on the basis it was reliable and accurate. HCC has no reason to believe that any information supplied to it was false or that any material information (that a reasonable person would expect to be disclosed) has been withheld from it. HCC evaluated the information provided to it by Inventis as well as other parties, through enquiry, analysis and review, and nothing has come to its attention to indicate the information provided was materially mis-stated or would not afford reasonable grounds upon which to base its report. Accordingly, we have taken no further steps to verify the accuracy, completeness or fairness of the data provided.

Our procedures and enquiries do not include verification work, nor constitute an audit or review in accordance with Australian Auditing Standards (AUS). HCC does not imply and it should not be construed that it has audited or in anyway verified any of the information provided to it, or that its enquiries could have verified any matter which a more extensive examination might disclose.

The sources of information that we relied upon are outlined in Appendix I of this report.

Inventis has provided an indemnity to HCC for any claims arising out of any mis-statement or omission in any material or information provided by Inventis to HCC in preparation of this report.

Qualifications

Hall Chadwick Corporate (NSW) Limited (“HCC”) carries on business at Level 40, 2 Park Street, Sydney NSW 2000. HCC holds Australian Financial Services Licence No. 227902 authorising it to provide financial product advice on securities to retail clients. HCC’s representatives are therefore qualified to provide this report.

Consent and Disclaimers

The preparation of this report has been undertaken at the request of the Directors of Inventis. It also has regard to relevant ASIC Regulatory Guides. It is not intended that the report should be used for any other purpose than to accompany the Notice of General Meeting to be sent to Inventis shareholders. In particular, it is not intended that this report should be used for any purpose other than as an expression of HCC’s opinion as to whether or not the proposed Transaction is fair and reasonable.

HCC consent to the issue of this report in the form and context in which it is included in the Notice of General Meeting to be sent to Inventis shareholders.

Shareholders should read all documents issued by Inventis that consider the proposed Transaction in its entirety, prior to proceeding with a decision. HCC had no involvement in the preparation of these documents, with the exception of our report.

This report has been prepared specifically for the Non-Associated Shareholders of Inventis. Neither HCC, nor any member or employee thereof undertakes responsibility to any person, other than a Non-Associated Shareholder of Inventis, in respect of this report, including any errors or omissions howsoever caused. This report is "General Advice" and does not take into account any person's particular investment objectives, financial situation and particular needs. Before making an investment decision based on this advice, you should consider, with or without the assistance of a securities advisor, whether it is appropriate to your particular investment needs, objectives and financial circumstances.

Our procedures and enquiries do not include verification work, nor constitute an audit or review in accordance with Australian Auditing Standards.

Our opinions are based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time. Furthermore, financial markets have been particularly volatile in recent times. Accordingly, if circumstances change significantly, subsequent to the issue of the report, our conclusions and opinions may differ from those stated herein. There is no requirement for HCC to update this report for information that may become available subsequent to its date.

APPENDIX III - FINANCIAL SERVICES GUIDE

Dated 6 July 2023

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by Hall Chadwick Corporate (NSW) Limited ABN 28 080 462 488, Australian Financial Services Licence Number 227902 (HCC).

This FSG includes information about:

- HCC and how they can be contacted
- the services HCC is authorised to provide
- how HCC are paid
- any relevant associations or relationships of HCC
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that HCC has in place.

This FSG forms part of an Independent Expert's Report (Report) which has been prepared for inclusion in a disclosure document. The purpose of the disclosure document is to help you make an informed decision in relation to a financial product.

Financial services that HCC is authorised to provide

HCC holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio services, to retail clients.

We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of finance products.

HCC's responsibility to you

HCC has been engaged by the independent directors of Inventis Limited ("Inventis" or the "Client") to provide general financial product advice in the form of a Report to be included in the Notice of Meeting (Document) prepared by Inventis in relation to the proposed Transaction.

You have not engaged HCC directly but have received a copy of the Report because you have been provided with a copy of the Document. HCC nor the employees of HCC are acting for any person other than the Client.

HCC is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As HCC has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees HCC may receive

HCC charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay HCC \$18,000 (excluding GST and out of pocket expenses) for preparing the Report. HCC and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

HCC officers and representatives receive a salary, a partnership distribution from Hall Chadwick Sydney professional advisory and accounting practice (the Hall Chadwick Sydney Partnership) or a dividend from a related company. Remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

HCC does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures HCC is controlled by and operates as part of the Hall Chadwick Sydney Partnership. HCC's directors may be partners in the Hall Chadwick Sydney Partnership. Mr Drew Townsend, director of HCC and partner in the Hall Chadwick Sydney Partnership, has prepared this report. The financial product advice in the Report is provided by HCC and not by the Hall Chadwick Sydney Partnership.

From time to time HCC, the Hall Chadwick Sydney Partnership and related entities (HC entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses. HCC has not previously provided services to the Client.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Transaction.

Complaints resolution

If you have a complaint, please let HCC know. Formal complaints should be sent in writing to:

The Complaints Officer
Hall Chadwick Corporate (NSW) Limited
GPO Box 3555
Sydney NSW 2001

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 9263 2600 and they will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If HCC cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Australian Financial Complaints Authority (AFCA). AFCA provides free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at their website www.afca.org.au or by contacting them directly at:

Australian Financial Complaints Authority Limited

GPO Box 3, Melbourne Victoria 3001

Telephone: 1800 931 678

Facsimile (03) 9613 6399

Email: info@afca.org.au

The Australian Securities and Investments Commission also has a free call infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

HCC has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact HCC at:

Hall Chadwick Corporate (NSW) Limited

GPO Box 3555

Sydney NSW 2001

Telephone: 02 9263 2600

Facsimile: 02 9263 2800

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GLOSSARY

\$ means Australian dollars

Agreement means a loan or similar agreement between a member of the Inventis Group and a member of the THN Group.

ASIC means the Australian Securities and Investments Commission.

Associate has the same meaning given to its term as in Division 2 of the Corporations Act.

AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

Announcement means announcement by the Company dated 17 May 2023 as to the outcome of the Rights Issue.

ASX means ASX Limited (ABN 98 008 624 691) or Australian Securities Exchange, as the context requires.

Board means the current board of directors of the Company.

Business Days means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means Inventis Limited (ABN 40 084 068 673).

Constitution means the Constitution of the Company as at the date of the Notice.

Corporations Act means the Corporations Act 2001 (Cth).

Director means all the Directors of the Company from time to time.

EGM, Extraordinary General Meeting or Meeting means the General Meeting of the Company's Shareholders to be held on 7 August 2023 as convened by the Notice.

Expert means Hall Chadwick (NSW)

Explanatory Memorandum means the Explanatory Memorandum accompanying the Notice of Meeting.

Financial Year means 30 June.

Notice or Notice of Meeting means this Notice of the Annual General Meeting giving notice to Shareholders of the AGM accompanying this Explanatory Memorandum.

Ordinary Resolution means a resolution requiring more than 50% of votes to be passed.

Related Party has the meaning in section 228 of the Corporations Act.

Relevant Interest has the meaning given to that term in section 9 of the Corporations Act.

Resolution means the resolution set out in the Notice of the EGM.

Rights Issue means the Rights Issue conducted by the Company dated 28 March 2023.

Rights Issue Price means \$0.06 per Share.

Share means a fully paid ordinary share in the capital of the Company and having all rights attached to such share.

Shareholder means a holder of a Share.

Voting Power has the meaning given by section 610 of the Corporations Act.

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**TO BE COMPLETED
APPOINTMENT OF PROXY**

**INVENTIS LIMITED
(ABN 40 084 068 673)**

MEETING PROXY FORM

Member Details

Name:

Address:

Contact

Telephone

Appointment of Proxy

I/We being a Member/s of Inventis Limited and entitled to attend and vote hereby appoint

Chairman of the Meeting OR

Insert Name of Appointed Proxy Below

Or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the General Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the EGM of Inventis Limited to be held at 10am (AEST) on 07 July 2023 at Level 8, 107 Pitt Street, Sydney NSW 2000 **and** virtually via Zoom at <https://us06web.zoom.us/meeting/register/tZAvdOurrsjGt0c6yjGeygQnFioqYhGDQaH> and at any adjournment of that meeting.

If no directions are given, the Chair will vote in favour of all the Resolutions in which the Chair is entitled to vote undirected proxies.

	For	Against	Abstain
Ordinary Resolution			
Resolution 1. Approval to amend Welsh Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2. Approval for Company and its subsidiaries to obtain THN finance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3. Approval to Electronic Circuit Designs Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4. Approval for Loan Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5. Approval for issue of Shortfall Shares to Mr Anthony Mankarios	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6. Approval for issue of Shortfall Shares to Mr Peter Bobbin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please Note: By marking the Abstain box for any of the Resolutions you are directing the proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll. If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

PLEASE SIGN HERE
Individual or Member 1

Member 2

Member 3

Sole Director and
Sole Company
Secretary

Director
Secretary

Director/Company

**INVENTIS LIMITED
(ABN 40 084 068 673)**

("COMPANY")

INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 5PM am (AEST) on 04 August 2023.

1. **Appointing a Proxy:** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **Direction to Vote:** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.

Unless authorised by ASIC, if a member of Key Management Personnel or their Closely Related Parties is appointed as a proxy, they are not permitted to vote undirected proxies on remuneration matters (arising directly or indirectly in connection with remuneration of Key Management Personnel), related party benefit matters under Chapter 2E of the Corporations Act and any spill resolutions. However, the chair may vote a proxy that does not specify how it is to be voted, provided the member who has lodged the proxy has provided their consent in the proxy form for the chair to exercise the proxy in its discretion (save in relation to the remuneration report where a direction is required).

3. **250BB and 250BC of the Corporations Act:** These sections came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:
 - if proxy holders vote, they must cast all directed proxies as directed; and
 - any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

4. **Proxy vote if appointment specifies way to vote**

Section 250BB (1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e., as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e., as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e., as directed).

**INVENTIS LIMITED
(ABN 40 084 068 673)**

INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

5. Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

6. Signing Instructions:

- **(Individual):** Where the holding is in one name, the member must sign.
- **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
- **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

7. Attending the Meeting: Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.

8. Return of Proxy Form: To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- post to Inventis Limited, Unit 4, 2 Southridge Street, Eastern Creek NSW (Attn: Michael Green MichaelG@inventis.com.au); or
- send by email to Michael Green, Company Secretary at Michael Green MichaelG@inventis.com.au

so that it is received not later than 10am (AEST) on 03 August 2023

Proxy Forms received later than this time will be invalid.

**INVENTIS LIMITED
(ABN 40 084 068 673)
("COMPANY")**

CORPORATE REPRESENTATIVE FORM

Shareholder Details

This is to certify that by a resolution of the directors of:

_____ ACN _____
(Insert Company Name)

(Insert Address)

The Company has appointed:

(Insert Name of Corporate Representative)

In accordance with the provisions of Section 250D of the Corporations Act to act as the Corporate Representative of the company to exercise all or any of the powers the company may exercise at the General Meeting of shareholders of Inventis Limited to be held at 10AM (AEST) on 07 August 2023. The EGM to which this Notice of Meeting relates will be held at 10AM (AEST) on 07 August 20232023 at the offices of the Company at level 8, 107 Pitt Street, Sydney NSW 2000 and virtually at <https://us06web.zoom.us/meeting/register/tZAvdOurrjsjGt0c6yjGeygQnFioqYhGDQaH> and at any adjournment of this meeting.

Dated this day of 2023

Executed by **[insert name of Company and ACN]** in accordance with section 127 of the *Corporations Act 2001*:

Director

Director/Secretary

Name of Authorised Representative

Signed by Authorised Representative