



ASX Announcement

31 August 2020

Invigor Reports Half Year Results

Invigor Group Limited (ASX:IVO) (“**Invigor**” or “**the Company**”) provides this financial and operational update for the half year ending 30 June 2020.

The Company has released its 2020 Half Year Financial Report which has not been reviewed by the Company’s Auditor’s, as the Company has relied on relief granted by ASIC in *ASIC Corporation (Extended Reporting and Lodgement Deadlines – Listed Entities) Instruments 2020/451* to extend the lodgement date of the reviewed Half Year Financial Report.

The Company also advises that it will make a further announcement to the market if there is a material difference between its unreviewed and reviewed accounts following a review by the Company’s Auditor.

HY Financial Performance

Despite revenue from customers from continuing operations (excluding TillerStack) being down in the half to \$324,000 compared to \$621,000 in the prior period following the closure of its Singapore office, the Company reduced its net loss before financing costs, tax, depreciation, amortisation and impairment (EBITDAI) to \$1.2 million, an improvement on the 2019 period (2019: \$1.6 million loss) due to cost reductions.

Despite the circumstances surrounding COVID-19 and the significant impact on the economy, the Company has managed to adapt to the changed environment and grow its core business throughout this period.

As stated in our recent quarterly update (see ASX announcement of 29 July 2020), Revenue for the April - June quarter (Q2) was up by 36% compared to the January - March quarter (Q1) and the Company’s qualified pipeline is up by 82% in Q2 from the end of Q1.

The company’s primary focus is on securing new customers, creating new products to increase the revenue from existing customers, establishing strategic relationships and strengthening its balance sheet.

The Company had planned to hold a shareholders meeting to approve a number of initiatives but due to COVID-19 and market conditions the Company decided to postpone this meeting. The Company is planning to hold this meeting during the last quarter this year.

Innovation

As previously mentioned in the last update a key development focus during this half has been on providing an AI-driven solution for the Pricing Insights product matching to reduce the manual effort required for this task, as well as increasing the accuracy and consistency of matching. Initial tests indicate a significant improvement over current processes, and we expect to deploy this into production during the current quarter. As well as improving the quality of data in our Alcohol and Consumer Electronics verticals, this will also enable the Company to enter new verticals both within Australia and other selected geographies more quickly and cost-effectively.

Furthermore, numerous improvements have also been completed on the Pricing Insights platform including a total new front end that is far more user friendly and intuitive with significant new features.



Cost Reductions

As mentioned last quarter, we have made significant structural changes to our business to ensure a lower cost base and to remove areas of business which are not achieving the expected profitability targets. The combined effect of the initiatives has meant that the Company's operational cost base is now reduced by \$1.5 million on an annualised basis.

Sale of TillerStack

As advised today the Company has signed an agreement to sell its entire shareholding in its Berlin based subsidiary for US\$1.25 million (c\$1.72m) with completion expected in the final quarter of this year.

As previously advised the Company did not see this business as core and it plans to use the cash to reduce its debts and fund the growth of its Pricing and Analytics business.

Solid operational progress provides a strong platform for growth

The shift towards online purchases during this half has seen a significant shift by major brands and retailers to improve their access to critical real time information as well as to have the requisite tools to manage their online platforms. The Company's investment into these areas is now coming to fruition and we expect this trend to continue for the remaining months of this year. As stated, the increase in new customers and growth in the pipeline has continued since the last quarterly update. The Company is currently undertaking some trials with major retailers and international brands which it expects to lead to contracts in the current half.

Commentary

Invigor's Executive Chairman, Gary Cohen said: "Despite the disruption caused by Covid, we have been the beneficiaries of the significant shift to online purchases. We see this trend accelerating during this half. Further, the sale of TillerStack will free up some needed capital to bring down debt levels and provide an ability to streamline the company's focus on its core analytics business.

We see the next steps as holding a shareholders meeting to further reduce debt and raise some further capital that will enable the Company to get reinstated on the ASX."

-ENDS-

Approved and authorised for release by the Executive Chairman, Gary Cohen.

For further information, please contact:

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About Invigor Group

Invigor Group (ASX: IVO) is a B2B data intelligence and solutions company that turns data analytics into dollars for the retail and service industries. Invigor's innovation in owned retail platforms and unique cross-channel data ecosystem allows businesses to have a holistic view of their customers and competitive landscape to not only understand, but effectively engage with today's physical and digital consumers. Combined with proprietary data and predictive engines, Invigor Group provides strategic insights and recommendations that empower businesses to successfully influence future customer strategy and increase long-term profitability.

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