

28 October 2020

ASX Announcement

Appendix 4C September and Quarterly Activities
Report July – September 2020

Invigor Group Limited (ASX: IVO) (“Invigor” or “the Company”), has released its Quarterly Activities Report for the period of 1 July to 30 September 2020, together with the Appendix 4C for the month and year to date as at 30 September 2020.

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

For further information, please contact:

Gary Cohen
Executive Chairman
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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. www.invigorgroup.com | info@invigorgroup.com | twitter.com/InvigorGroup | linkedin.com/company/invigor-group

Quarterly Activities Report July –September 2020

Key Highlights

Invigor’s Annualised Revenue from continuing operations (including R&D grant but excluding Tillerstack and Gov’t assistance) continues to grow and is on track for \$2.1m for FY2020 which represents a 26% increase on FY2019. Whilst revenue from continuing operations (excluding Tillerstack and Gov’t grants and assistance) for the July –September quarter is up 2% on the previous quarter at \$165,000 , the closure of Diageo was finalised after the quarter end and the Company’s qualified pipeline continues to strengthen with leading brands and retailers.

The Company is benefiting from its renewed focus on Pricing Insights and the market’s need for real-time online competitive data. There is increasing interest in the Company’s online solutions. The investment that the Company has made in enhancing the product suite is now being recognised by the market.

The Company’s annualised cost base has also substantially declined by \$2.0 m (36%) year on year as a result of continuing restructuring actions.

This is illustrated in the chart below.



As one can see from the above chart the Company is closing the gap to operational profitability with \$1.3m of annualised revenue to be filled. The Company is now planning to bridge this gap from the increase in sales of its existing products and from the launch of additional products, as a result of the investment in innovative solutions as described below, which it will begin marketing in the next quarter and the first half FY2021.

Customers

Q3 highlights have included another two new international groups as clients and contract renewals.

- New client Diageo Australia – Pricing Insights
- New client – Major international Liquor Brand.
- Renewals – including Pernod Ricard

Innovation

The Company has recently launched two new products as well as launched two new verticals for its Pricing Insights solution:

- A Profit Optimisation solution for ecommerce. The Company has already utilised this solution for one of its major brand customers as they now utilise the Amazon marketplace but also want to ensure that they effectively manage their channel. The Company believes this product will have wide application across multiple verticals.
- On Premise Insights – which enables brands and the hospitality industry to understand what consumption is happening on premise for sales of beverages.

Further, the Company is in the process of developing two new vertical markets for the Pricing Insights solution:

- Health and Beauty
- Groceries.

The team are particularly excited about these two new verticals as they will significantly expand the reach and scope of the existing opportunities.

Expenditure on these initiatives in the quarter amounted to \$28,000.

Sale of TillerStack

As advised during the quarter the Company entered into a contract for the Sale of TillerStack GmbH for US\$1.25m (A\$1.75M). The settlement is now expected by mid-December. In the interim the Purchaser has agreed to make some interim payments to secure the extension to the closing date.

Capital Management Update

As outlined in the previous Quarterly Activities Report, the Company had intended to hold a shareholders meeting to approve several resolutions including authorising a proposed capital raising and a proposed debt to equity conversion. The advent of COVID-19 with the combined market conditions led to the Company postponement of this meeting. It is now intended that this meeting be held in the last quarter of the current calendar year at which time we would hope to have finalised some of the proposed strategic discussions.

Payments to Directors and Related Parties

During the quarter, total payments to Directors and Related Parties included in operating cash flows were \$60,000 which included:

- Payments to Marcel Equity Pty Ltd (entity associated with Gary Cohen and Gregory Cohen) under cost sharing arrangements for office rent, electricity, and IT support of \$33,000.
- Payments to Executive and Non-Executive Directors for monthly fees of \$21,000.
- Payments to Gregkar Pty Ltd (entity associated with Gregory Cohen) as fees related to an invoice credit facility of \$6,000.

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Appendix 4C

Monthly report for entities subject to Listing rule 4.7B

Name of entity

Invigor Group Limited

ABN

75 081 368 274

Month ended ("current month")

30 September 2020

Consolidated statement of cash flows	Current month \$A'000	Year to date (9 months) \$A'000
Cash flows from operating activities		
1.1 Receipts from customers	164	1,591
1.2 Payments for	-	-
(a) research and development	-	-
(b) product manufacturing and operating costs	-	(62)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(125)	(1,252)
(f) administration and corporate costs	(71)	(968)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	0
1.5 Interest and other costs of finance paid	(1)	(22)
1.6 Income taxes paid (refund received)	-	-
1.7 Government grants and tax incentives	54	295
1.8 Other (provide details if material)	-	35
1.9 Net cash from / (used in) operating activities	22	(383)
2 Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	67
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	(0)	(1)
2.4 Dividends Received	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(0)	66
Cash flows from financing activities		
3.1 Proceeds from issues of equity securities	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction Costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings from Director related parties	-	403
3.6 Repayment of borrowings from Director related parties	-	(24)
3.7 Transaction Costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other - Proceeds from Borrowings	-	-
3.9 Other - Repayment of Borrowings	(25)	(135)
3.10 Net cash from / (used in) financing activities	(25)	244

4	Net increase (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of month/year to date	(143)	(73)
4.2	Net cash from / (used in) operating activities (item 1.9 above)	22	(383)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(0)	66
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(25)	244
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	(146)	(146)

5	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current month \$A'000	Previous month \$A'000
5.1	Bank balances	1	1
5.2	Call deposits	-	-
5.3	Bank overdraft	(147)	(144)
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of month (item 4.6)	(146)	(143)

6	Payments to related parties of the entity and their associates	Current month \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	12
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

6.3	Explanation necessary to understand the transactions included in items 6.1 and 6.2: Includes: 1. Payments to related parties under cost sharing arrangements for office rent, electricity and IT support 2. Payments to Directors for monthly fees
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7	Financing facilities	Total facility amount at month end \$A'000	Amount drawn at month end \$A'000
7.1	Loan facilities	12,401	9,302
7.2	Credit standby arrangements	-	-
7.3	Other - share placement commitments	50	-
7.4	Total financing facilities	12,451	9,302
7.5	Unused financing facilities available at month end	3,149	

7.6	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after month end, include details of those facilities as well.
	<p>National Australia Bank - 10.3% p.a. Interest Bearing, revolving, AUD 154,000 Secured Overdraft Facility</p> <p>Marcel Equity Pty Ltd (entity associated with Gary Cohen and Gregory Cohen) - 15% p.a. Interest Bearing AUD 7,500,000 Unsecured Facility, maturity 31 December 2021</p> <p>Gary Cohen - 16% p.a. Interest Bearing AUD 1,050,000 Secured Loan, repayable on demand</p> <p>Gregkar Pty Ltd (entity associated with Gregory Cohen) - 10% Fee AUD 150,000 Invoice Assignment Facility</p> <p>Partners For Growth IV, L.P. - 16% p.a. Interest Bearing AUD 200,000 Secured Loan, repayable on demand</p> <p>Karoo Investment Group - 18% - 22% p.a Interest Bearing AUD 147,000 Secured Loan, repayable on demand</p> <p>Karoo Investment Group - 15% - 20% p.a Interest Bearing AUD 220,000 Unsecured Loan, repayable on demand</p> <p>Glowaim Pty Limited - 20% p.a. Interest Bearing AUD 1,400,000 Secured Loan, repayable on demand</p> <p>Finarch Holdings Pty Limited - 20% p.a. Interest Bearing AUD 710,000 Secured Loan, repayable on demand</p> <p>John Hayson - 3% p.m. Interest Bearing AUD 500,000 Unsecured Loan, repayable on demand</p> <p>Other short-term loans - 15% p.a. interest, AUD 187,000 Unsecured Loans, repayable on demand</p> <p>Sophisticated investor - 20% p.a. interest, AUD 233,333 Unsecured Facility, repayable on demand</p>

8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	22
8.2	Cash and cash equivalents at month end (item 4.6)	(146)
8.3	Unused finance facilities available at month end (item 7.5)	3,149
8.4	Total available funding (item 8.2 + item 8.3)	3,003
8.5	Estimated months of funding available (item 8.4 divided by item 8.1)	n/a

8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:
8.6.1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: n/a
8.6.2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be
	Answer: n/a
8.6.3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: n/a

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with ASX Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 October 2020

Authorised by: The Board



Gregory Cohen, Director