



ASX Announcement

26 February 2021

Invigor Reports FY 20 Results

Invigor Group Limited (ASX: IVO) (“Invigor” or “the Company”) provides this financial and operational update for the full year ending 31 December 2020. The results are extracted from the Preliminary Financial Statements of the Consolidated Entity which remain subject to audit completion.

FY 20 financial performance

The company reported operating earnings from continuing operations before interest tax, depreciation, amortisation, impairment, and interest (EBITDAI) of a \$2.4 million loss for the year (PCP: \$4.8 million loss) from revenue and other income of \$2.2 million (PCP: \$2.0 million). During the year the Company signed a contract to sell Tillerstack GmbH (“**TillerStack**”), its subsidiary in Germany. The revenue of TillerStack which is excluded from continuing operations was \$1.1 million (PCP: \$1.6 million), and the net contribution (loss) of TillerStack was \$30,000 loss (PCP: \$138,000 loss).

The sale of TillerStack for US\$1.2M (cA\$1.7M) was completed on 15 January 2021 with the consequent forecast profit of \$1.6 million being recognised in the current FY21 year.

Growth in Revenue and move to profitability

FY20 saw a substantial increase in sales momentum with annualised run rate up 65% by the close of the financial year (\$931K compared to FY19 of \$563K). This trend has continued in the first quarter of the current FY21 year. This has been a direct consequence of the increased demand of online commerce and the trend of major brands’ strategy of moving to more direct sales to consumers (B2C). As a result of this trend brands are valuing our Pricing Insights and Profit Optimisation solutions. Major new customers include global brands with larger size and multi-year contracts. These factors have all led to the substantial increase in annualised revenue with a growing subscription base.

The sale of Tillerstack was a very positive outcome for the company with a forecast profit of \$1.6 million from the sale. 50% of the sale consideration was received by settlement with the balance in a converting promissory note amortising over the next 12 months. This sale has also led the Company to refine its focus on the local market. Further, the Company has continued to eliminate non profitable areas including the closure of the Singapore and Melbourne offices and an overall reduction in costs and overheads. Annualised cost savings are \$1.7M leading to operational costs from continuing operations for the year being \$4.6 million (cf \$6.4 FY19).

Move to reinstatement of Listing

As part of the move towards getting the Company reinstated on the ASX, the Company is finalising the audit of the FY 2019 Financial Accounts and the audit review of the HY 2020 Financial Accounts.

Further, the Company has appointed Corporate Advisors to conduct a strategic review and advise on capital raising initiatives. This review is substantially underway, and we expect to be able to advise the market of this outcome during Q2.

It is expected that the Company will at that time also hold a shareholders meeting to restructure the balance sheet as previously communicated to shareholders.



Outlook

The current economic climate continues to play favourably towards the Company's offerings. We expect that the annualised revenue will continue to grow at a similar rate to FY20 based on new customers coming on board and the increasing value of our contracts. The Company expects to move to operational cash positivity during Q3 FY21.

Commentary

Invigor's Executive Chairman, Gary Cohen said: *"The past year has significantly benefited the Company as the shift to online commerce accelerates. Brands need data to trade more profitably online and to enable a more direct engagement with their customers. This trend has enabled the Company to focus on its core solutions and reduce expenditure in other areas. This will lead to turning operationally cash positive during FY21."*

This release is authorized by Gary Cohen, Executive Chairman.

-ENDS-

For more information 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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