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Invigor Group 2020 AGM – Chair’s address & CEO presentation

In accordance with ASX Listing Rule 3.13.3, Invigor Group Limited attaches the Chair’s address and Chief Executive Officer’s presentation slides to be delivered at Invigor’s 2020 Annual General Meeting.

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

For further information, please contact:

Gary Cohen
Executive Chairman
+61 2 8251 9600

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.

Web: www.invigorgroup.com | email: info@invigorgroup.com

Invigor Group AGM 2020 Chair Address

Gary Cohen

The year 2020 turned out to be a watershed year for the Company. It was the year that no one expected where we were beset by a world-wide Pandemic. Notwithstanding the difficulties this has had on the global economy - including many of our customers – it has had enormous beneficial impact on our Company.

Over the past few years, the Company has invested heavily into building tools to help businesses successfully manage the online world. The pandemic has seen businesses across all sectors invest more in online commerce to address the change in consumer purchasing patterns and the shift has been significant and irreversible. The tools the Company has strongly focussed on provides data to assist major brands and retailers with online commerce. The positive impact of this has been profound. The shift to online is also having a major disruptive effect on the channel, as marketplaces such as Amazon are enabling consumers to bypass the traditional bricks and mortar retailers and brands seek to build relationships directly with consumers. Our innovative Dynamic pricing solution provides our customers with the opportunity to maximise their profits whilst managing their channels appropriately.

As we continued our focus to build on our core solutions, we continued to rationalise our products and our offerings accordingly. We sold our remaining business in Germany, Tillerstack GmbH, and made a profit on the sale of \$1.4m after sale costs. Due to timing of the sale occurring in early January 2021 this profit will be reported in the first half of FY2021.

We also used the opportunity to wind back our investment in solutions and operations that were less profitable. The effect of this was to reduce our costs by \$1.7million per annum.

Whilst the Company has benefited significantly from the dramatic shift to online commerce, the Company currently has too much debt on its balance sheet. The Company is proposing to restructure its balance sheet by removing \$10.8 million debt from the balance sheet by a debt-to-equity conversion and raising equity. A shareholders meeting will be held in the next quarter to deal with that proposal.

Once we have restructured the balance sheet, we will look to move to have the Company reinstated to trading on the ASX.

Outlook

The Company has started 2021 with the sales momentum continuing and the pipeline and its quality growing strongly.

I thank our loyal and hardworking staff for enduring through the past year with all its ensuing difficulties. I also thank the Board for their support and guidance.

I have asked Rohan Dhowan, CEO designate, to illustrate how our customers are benefiting from the products we have built and why we are very optimistic about our future.

Invigor Group AGM 2021 CEO Designate Address

Rohan Dhowan

I have been appointed as the CEO designate after 2 years of proven performance as Sales Director for the Invigor Group.

Prior to joining Invigor, I worked at Groupon Australia for 5 years holding multiple sales roles and ultimately headed up National Sales for the company. During this time at Groupon, I helped make Australia the fastest growing Groupon country in the world posting double digit growth year on year, with a team of over 50 sales reps covering a variety of verticals.

My expertise includes building businesses by leading sales teams, generating new revenue and driving a hungry, committed, and loyal work culture within organisations. Over the last 2 years as Sales Director for Invigor, I have quadrupled Invigor's SaaS revenue and doubled its customer base with market leading international brands now part of Invigor's ever-growing portfolio.

Changed Market Trends

2020 saw the biggest rise in online retail adoption making the e-commerce space worth more than \$50 billion in Australia. Worldwide, this number jumps to over \$4 trillion with a further 50% growth projected by 2024. Pre-Covid, these trends were definitely moving in this direction however undoubtedly the pandemic has catapulted these figures and now this trend here to stay.ⁱ

This is relevant to Invigor and its current and future growth as Invigor's technology cleverly addresses a huge gap that exists in the online insights space. Traditional data and market research firms focus on panel surveys and TV ads, whilst Invigor focuses purely on providing brands and retailers, irrespective of industry, a clear and detailed insight into market and competitor activity in the e-commerce world.

As the adoption of e-commerce grows, so does choice for consumers in a rapidly dynamic environment. Brands and retailers need to be fully aware of pricing and promotional activity of their products and their competitor's products in real-time and this is the gap that Invigor addresses. Over the past 5 years, Invigor has invested significantly in building its proprietary platform ensuring it is scalable, cross region and cross vertical. As a result, we are now perfectly poised to reap the rewards of this investment.

Value Proposition

Invigor's products and solutions serve brands and retailers like Diageo and The Good Guys. Our tools act as a source of truth for companies that require live, accurate, deep, and rich data on competitor online activity, insights which they then use to establish their own pricing and promotions strategy. Invigor's data is rich with over 5 years' worth of historical information, which is extremely valuable to companies' analyst and pricing teams that can surface up trends and insights over several years allowing them to hone into their competitors strategies and create their own to gain an improved share of voice and wallet.

Companies use Invigor to save time and increase revenue by eliminating potential errors and reducing the manual effort in price comparison as well as making decisions based off live data that help them be more competitive and generate more volume sales. Invigor's solution has been validated locally across a number of sectors including the Liquor and Electronic Consumer Goods markets and can be quickly adapted for other verticals across all geographies. Invigor has also provided its solutions to the State Governments of NSW and WA assisting them with pricing data to help determine the effectiveness of their respective programs.

The growth of marketplaces such as Amazon and eBay are moving traffic away from the traditional brick and mortar stores, which means retailers and brands want solutions that are price centric, and AI driven in order to compete more effectively.

Operational Changes

Under the new executive team, a big emphasis has been put on profitability and focusing on our strengths.

Over the last 18 months we have conducted numerous roadshows and webinars with our customers, listening to their likes, dislikes and growth strategies moving forward. The feedback harnessed during these conversations has become the backbone to our growth strategy.

PRODUCT FOCUS: In 2019 we streamlined our solution set to four key products that leverage our one core strength, "Online Pricing" which we plan to continue to invest in and scale to capture broader markets. Our vision for the future is to be a recognized leader in Pricing solutions.

PEOPLE FOCUS: Over the last 5 years Invigor has invested in R&D, developing our IP and SaaS platform. Now the focus is on generating revenue and growing our customer base with long standing reputable brands that will allow us to grow even more quickly. The expanded sales team will focus on serving our existing customers, increase our customer lifetime value through upsell and cross-sell opportunities into linked products and focus on new customer acquisitions across numerous verticals such a FMCG and Health & Beauty in Australia and Internationally.

Sales Growth and Building Pipeline

Over the last 12 months, Invigor has grown its sales and doubled its customer base purely by focusing on our core pricing solution. We expect to substantially grow revenue by moving into more verticals, growing share with our international brands, and building on some key strategic partnerships. This will continue to support the growth in annualised revenue we already have experienced year on year.

ⁱ <https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/>