

29 July 2021

## ASX Announcement

### **Appendix 4C June and Quarterly Activities Report April – June 2021**

Invigor Group Limited (ASX: IVO) (“Invigor” or “the Company”), has released its Quarterly Activities Report for the period of 1 April to 30 June 2021, together with the Appendix 4C for the month and year to date as at 30 June 2021.

### **Approved and authorised for release by the Board**

For further information, please contact:

Rohan Dhowan  
CEO  
+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 dataecosystem 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 dataand 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](http://www.invigorgroup.com) | [info@invigorgroup.com](mailto:info@invigorgroup.com) | [twitter.com/InvigorGroup](https://twitter.com/InvigorGroup) | [linkedin.com/company/invigor-group](https://linkedin.com/company/invigor-group)

## Quarterly Activities Report April – June 2021

### Key Highlights

- Q2 revenue YoY up by 77% (excl R&D grant)
- 38% YoY growth in new customers
- Q2 revenue is \$677K from continuing operations (including R&D grant)
- Q2 revenue is \$417K from continuing operations (excluding the R&D grant)

### Existing Customers

- YTD renewals were strong with an overall 10% growth in customer value YoY.
- Including in the renewals were
  - SMEG;
  - The Good Guys; and
  - An international liquor brand

### New Customers

- A 38% growth YOY in new customer acquisitions.
- No new acquisitions this quarter (Q2 2021).

### User Growth

- Q2 2021 saw unique users of our platform grow 70% YoY.
- This is attributed to a growing application of our data within existing customer brands and an increase in trials launched with potential new clients reflecting our strong sales activities and pipeline

### Outlook

- We continue to improve the integrity of our product and quality of our data by listening to our customers' requirements.
- Whilst we continue to focus on growth with major international brands, we will also pursue local brands, retailers and marketplaces.
- There are over 60,000 retailers in Australia all realizing the potential in e-commerce and the power real time data plays to their overall online strategy, a gap that Invigor addresses very well.
- We continue to follow our growth plans outlined in our Q1 announcement including

expanding into other verticals such as FMCG and Health & Beauty products.

- In addition, we are engaged in several partnership discussions with complementary businesses whilst ensuring we don't divert from our core competencies.
- As also reported in Q1, we are still on track for the Company moving to operational cash positive by year end.
- As also foreshadowed the Company is looking at a debt/equity conversion together with a capital raise which on completion will ensure a strong balance sheet with sufficient working capital. The finalisation of this restructure will enable the Company to apply to the ASX for the approval for a resumption of the trading of its securities on the Exchange.
- These changes combined with our new management structure should position the Company very strongly for long term revenue and earnings growth.

### **Capital Management**

The company is planning a General Meeting of Shareholders in late Q3 this year to approve its plans as mentioned above.

### **Innovation**

The development of new vertical markets for the Pricing Insight solution is underway with a target date for completion in Q3. Expenditure on these initiatives in the quarter amounted to \$77,000.

### **Payments to Directors and Related Parties**

During the quarter, total payments to Directors and related parties included in operating cash flows were \$224,000 which included:

- Reimbursement payments under cost sharing arrangements for rent, electricity, and IT support to Marcel Equity Pty Ltd (entity associated with Gary Cohen and Gregory Cohen) of \$71,000.
- Monthly salaries and fees to Executive and Non-Executive Directors of \$125,000.
- Payments to PrimaryMarkets Ltd (entity associated with Gavin Solomon) as consultancy fees of \$8,000.

## Commentary by the CEO

*"Taking over as CEO in July has been an honor and exciting as we continue to push through, despite the disruptive macro factors of Covid-19 affecting the operating conditions for our clients and our team. I am extremely proud of the team for their dedication and resilience that has contributed to our simplified growth strategy. Much of what has driven our strategy over the past 18 months is one of sustained growth and maintainable margins, with our customers being at the forefront of every single decision we make for the long-term benefit for our shareholders.*

*We have identified key metrics to which we will continue to measure performance allowing the Company to report more effectively on our growth and the execution of our strategy to all our stakeholders."*

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## Appendix 4C

### Monthly report for entities subject to Listing rule 4.7B

Name of entity

Invigor Group Limited

ABN

Month ended ("current month")

75 081 368 274

30 June 2021

<b>Consolidated statement of cash flows</b>	<b>Current month</b>	<b>Year to date (6 months)</b>
	<b>\$A'000</b>	<b>\$A'000</b>
<b>Cash flows from operating activities</b>		
1.1 Receipts from customers	128	986
1.2 Payments for	-	-
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs (including taxes and superannuation payments)	(76)	(788)
(f) administration and corporate costs	(72)	(681)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(16)	(123)
1.6 Income taxes paid (refund received)	-	-
1.7 Government grants and tax incentives	-	0
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(36)</b>	<b>(607)</b>
<b>2 Cash flows from investing activities</b>		
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	-	670
(b) businesses	63	187
(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)	(0)
2.4 Dividends Received	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>63</b>	<b>857</b>
<b>Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities	-	-
3.2 Proceeds from issue of convertible debt securities	50	132
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	52	346
3.6 Repayment of borrowings from Director related parties	(1)	(14)
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	(76)	(748)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>25</b>	<b>(284)</b>

<b>4 Net increase (decrease) in cash and cash equivalents for the period</b>	<b>Current month</b>	<b>Year to date (6 months)</b>
	<b>\$A'000</b>	<b>\$A'000</b>
4.1 Cash and cash equivalents at beginning of month/year to date	(95)	(8)
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(36)	(607)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	63	857
4.4 Net cash from / (used in) financing activities (item 3.10 above)	25	(284)
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of period</b>	<b>(43)</b>	<b>(43)</b>

<b>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</b>	<b>Current month</b>	<b>Previous month</b>
	<b>\$A'000</b>	<b>\$A'000</b>
5.1 Bank balances	1	4
5.2 Call deposits	-	-
5.3 Bank overdraft	(44)	(99)
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of month (item 4.6)</b>	<b>(43)</b>	<b>(95)</b>

<b>6 Payments to related parties of the entity and their associates</b>	<b>Current month</b>
	<b>\$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	37
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 and electricity 2. Payments to Directors for monthly fees and expense reimbursements 3. Payments to related parties for consultancy services provided
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<b>7 Financing facilities</b>	<b>Total facility amount at month end</b>	<b>Amount drawn at month end</b>
	<b>\$A'000</b>	<b>\$A'000</b>
7.1 Loan facilities	11,150	11,094
7.2 Credit standby arrangements	-	-
7.3 Other - share placement commitments	50	-
<b>7.4 Total financing facilities</b>	<b>11,200</b>	<b>11,094</b>
<b>7.5 Unused financing facilities available at month end</b> (excluded from the total facility amount, and unused financing facilities at June month end is the facility with Marcel Equity Pty Ltd, refer to item 7.6 for further details)	<b>106</b>	

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 100,000 Secured Overdraft Facility  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>At June month end, the unused amount of the financing facility with Marcel Equity was not available for drawdown, and has been removed from the calculation of unused facilities calculation. The use of the undrawn facility is subject to the terms of the facility which provides Marcel Equity the discretion to approve each drawdown notice.</p> <p>Gary Cohen - 16% p.a. Interest Bearing AUD 1,000,000 Secured Loan, repayable on demand  Partners For Growth IV, L.P. - 16% p.a. Interest Bearing AUD 217,000 Secured Loan, repayable on demand  Karoo Investment Group - 15% - 20% p.a Interest Bearing AUD 220,000 Unsecured Loan, repayable on demand  Glowaim Pty Limited - 20% p.a. Interest Bearing AUD 1,400,000 Secured Loan, repayable on demand  Finarch Holdings Pty Limited - 20% p.a. Interest Bearing AUD 835,000 Secured Loan, repayable 10 September 2021. Current Balance AUD152,000 and extended in July, until 20 January 2022 with a redraw of AUD235,000 -30% p.a interest on redraw amount.  John Hayson - 3% p.m. Interest Bearing AUD 500,000 Unsecured Loan, repayable on demand  Other short-term loans - 15% p.a. interest, AUD 187,000 Unsecured Loans, repayable on demand  Other short-term loans - 15% p.a. interest, AUD 787,000 Secured Loans, repayable 31 July 2021  Sophisticated investor - 17% p.a. interest, AUD 1,000,000 Convertible Note facility, repayable on demand  Sophisticated investors - 15% p.a. interest, AUD 132,000 Convertible Note facilities, repayable March, May &amp; June 2022  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)	(36)
8.2	Cash and cash equivalents at month end (item 4.6)	(43)
8.3	Unused finance facilities available at month end (item 7.5), see further detail under Marcel Equity facility in item 7.6	106
8.4	Total available funding (item 8.2 + item 8.3)	63
8.5	Estimated months of funding available (item 8.4 divided by item 8.1)	1.7

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?  The Company expects it may continue to have negative operating cash flow for the next few months, however it continues to see a significant improvement in new customer orders which are resulting in improved operational cashflow.
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 successful?  The Company has appointed a Corporate Advisor to assist in advising on strategic options including a capital raise and strategic partnerships. Since the appointment the Company has made significant progress. The Company is currently finalising debt restructuring and new equity issue proposals to be considered by shareholders at an upcoming General Meeting to be called in during September.
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?  Yes. In addition to the above, the Company has continued to collect the amortising promissory note installments from the sale of Tillerstack GmbH. Monthly instalments have been received since February 2021.

#### Compliance statement

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

Date: 29 July 2021

Authorised by: The Board

A handwritten signature in black ink, appearing to read 'Gregory Cohen', written in a cursive style.

Gregory Cohen, Director