

ASX Announcement

31 March 2022

Appendix 4C February 2022

Invigor Group Limited (ASX:IVO) (“Invigor” or “the Company”) refers to the attached Appendix 4C report on the consolidated statement of cash flows for the month ended February 28 2022.

The Company advises that during February it finalised a significant re-capitalisation plan, reducing debt by approximately \$18.5m. Included in the execution of the re-capitalisation plan were the cash payments of \$1.6m of non-recurring costs, and the cash repayment of \$3.2m of secured and unsecured loans. Similarly, interest and other financing costs will be significantly reduced going forward.

The Company expects that cashflow from Operations will be negative for the balance of the first half of 2022 as investment increases in development resources, resulting in increased sales revenues from additional products and features offered.

Approved and authorised for release by the Board

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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Twitter: <https://twitter.com/InvigorGroup> | LinkedIn: [linkedin.com/company/invigor-group](https://www.linkedin.com/company/invigor-group)

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")

28 February 2022

Consolidated statement of cash flows		Current month	Year to date (12 months)
		\$A'000	\$A'000
Cash flows from operating activities			
1.1	Receipts from customers	85	85
1.2	Payments for	-	-
	(a) research and development	-	-
	(b) product manufacturing and operating costs (including new product innovation costs)	(40)	(81)
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs (including taxes and superannuation payments)	(657)	(697)
	(f) administration and corporate costs	(1,009)	(1,045)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	(442)	(443)
1.6	Income taxes paid (refund received)	0	0
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(2,065)	(2,181)
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	-	-
	(b) businesses	-	67
	(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)	-	-
2.6	Net cash from / (used in) investing activities	0	67
Cash flows from financing activities			
3.1	Proceeds from issues of equity securities	(15)	6,600
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	-	(451)
3.5	Proceeds from borrowings from Director related parties	-	-
3.6	Repayment of borrowings from Director related parties	-	-
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	(3,146)	(3,146)
3.10	Net cash from / (used in) financing activities	(3,161)	3,003

4 Net increase (decrease) in cash and cash equivalents for the period		Current month	Year to date (12 months)
		\$A'000	\$A'000
4.1	Cash and cash equivalents at beginning of month/year to date	6,067	(48)
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,065)	(2,181)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	67
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3,161)	3,003
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	841	841

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	841	6,067
5.2	Call deposits	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of month (item 4.6)	841	6,067

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	1,066
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
6.3	Aggregate amount of payments to related parties and their associates included in item 3	293

6.4 Explanation necessary to understand the transactions included in items 6.1, 6.2 and 6.3:		Current month \$A'000
Includes:		
1. Payments to related parties under cost sharing arrangements for office rent and electricity		167
2. Payments to independent Directors for monthly fees and deferred amounts from 2019-2021 and expense reimbursements		220
3. Payments to Executive Directors and related employees for salaries/monthly fees and deferred amounts from 2019-2021 and expense reimbursements		495
4. Payment of interest on related party loans including amounts deferred from 2019-2021		184
5. Repayment of Director and related party employee loans including interest payable from 2019 -2021		293

7 Financing facilities		Total facility amount at month end \$A'000	Amount drawn at month end \$A'000
7.1	Loan facilities	1,533	1,433
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	Total financing facilities	1,533	1,433
7.5	Unused financing facilities available at month end (excluded from the total facility amount, and unused financing facilities at October month end is the facility with Marcel Equity Pty Ltd, refer to item 7.6 for further details)	100	

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.

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 Unsecured Facility, maturity 31 March 2022. 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.

Glowaim Pty Limited - 20% p.a. Interest AUD 878,000 long term Loan, repayable on 30 April 2023
 Inventive Healthcare Solutions Pty Limited - 10% p.a. Interest AUD 160,000 term Loan. This has now been repaid in March 2022
 Marcel Equity Pty Ltd (entity associated with Gary Cohen and Gregory Cohen) - 20% p.a. Interest AUD 378,000 long term Loan, repayable on 30 April 2023

8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,065)
8.2	Cash and cash equivalents at month end (item 4.6)	841
8.3	Unused finance facilities available at month end (item 7.5)	100
8.4	Total available funding (item 8.2 + item 8.3)	941
8.5	Estimated months of funding available (item 8.4 divided by item 8.1)	0.5

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?

During February the company finalised a significant re-capitalisation plan, reducing debt by approximately \$18.5m. Included in the execution of the re-capitalisation plan were the cash payments of \$1.6m of non-recurring costs, and the cash repayment of \$3.2m of secured and unsecured loans. Similarly, interest and other financing costs will be significantly reduced going forward.

The Company expects that cashflow from Operations will be negative for the balance of the first half of 2022 as investment increases in development resources, resulting in increased sales revenues from additional products and features offered.

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 is in the process of arranging a long-term financing facility, this will provide additional working capital.

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, following the settlement of the restrucutre, and a significant reduction in interest costs and increase in customer revenues, the company will be able to achieve it's business objectives.

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: 31 March 2022

Authorised by: The Board



Gregory Cohen, Executive Director & Chief Financial Officer