

29 July 2022

ASX Announcement

Appendix 4C and Q2 Quarterly Activities Report

Key Highlights

- Annual Recurring Revenue (ARR) up 34% QoQ
- New clients secured: Catch Group; William Grant & Sons, Boozebud
- New verticals established and additional new contracts secured
- 20% growth on ARR from existing customers YoY (comparable quarter)
- 18% growth in new customers YoY (comparable quarter)
- SaaS Cash Receipts: \$234,000 with an additional \$220,000 received by mid-July.
- Cash expenses in the quarter impacted by \$370,000 one-off payments following the restructuring
- Interest paid on borrowings down 88% YoY (comparable quarter)
- Users: Up 25% quarter on quarter
- Customer Retention: Current run rate 100%

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 quarter ended 30 June 2022 and the Q2 Quarterly Report

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 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

ABN: 75 081 368 274

Invigor Group Limited
Level 16, 56 Pitt Street
Sydney, NSW 2000

Tel: +61 2 8251 9600
Fax: +61 2 8078 0182

info@invigorgroup.com
invigorgroup.com

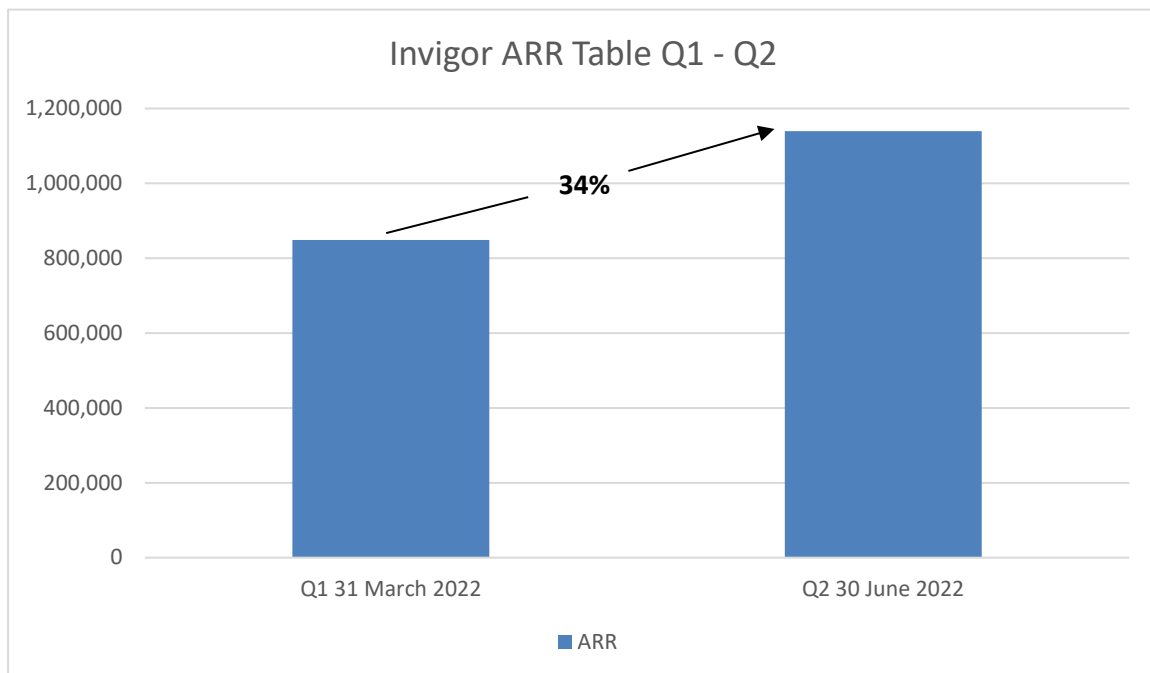
Quarterly Activities Report April - June 2022

Sales and New Products

Overall sales momentum was strong for the quarter. The demand for the Company's pricing data has continued to increase due to the changes in the market's dynamics, and this is driving sales growth with new and existing customers. The Company's pipeline value grew during the quarter by 25%, as compared to the March quarter, reflecting the market's increased appetite for pricing and promotions data.

The Company achieved a milestone quarter signing the Catch Group for 3 years and William Grant & Sons which owns premium liquor brands (e.g. Glenfiddich). The Company has also signed a paid trial with a major group, which will be finalised in Q3, following which it is hopeful of converting the trial into a multi-year contract.

Powered by the successful recapitalisation, the Company has launched three major new verticals, namely FMCG, Health & Beauty and office supplies verticals. These new verticals, which includes some big household big box retailers, multi-national blue-chip brands and pure play national retailers, provide the potential for significant growth in revenue within Australia and internationally.



Given current market conditions with growing inflation and higher interest rates, the Company's pricing insights, combined with dynamic pricing, will provide significant opportunities for further growth locally and internationally.

Operational Efficiencies

Part of the Company's investment in the coming quarter will be directed to an expanded technology infrastructure. With this new platform, Invigor's Pricing Insights will greatly assist brands & retailers to adapt more quickly to market changes, as the platform will further enhance the automation of processes, based on machine learning and artificial intelligence.

Payments to Directors and Related Parties

- Payments to related parties under cost sharing arrangements for office rent and electricity were \$211k
- Payments to independent Directors for monthly fees and expense reimbursements were \$36k
- Payments to Executive Directors and related employees for salaries/monthly fees and expense reimbursements were \$161k

Innovation

The development of new verticals for the Pricing Insight solution continues with Office Supplies the first new category to have launched successfully in Q1. Expenditure on these initiatives in the quarter amounted to \$196,000.

Cash

The quarterly cash receipts were \$234,000, with an additional \$220,000 received in the first half of July relating to end of quarter invoices issued. Cashflow from operations was impacted due to the timing of customer receipts and other revenue and one-off expenses.

During the quarter, the company finalised payments following the completion of its debt restructure and its resumption of trading on the ASX. Following the completion of the restructure, \$370,000 of one-off expenses were incurred during the quarter, and ongoing interest and other financing costs will be significantly reduced.

Further, the Company continues to expense all its investment in IP and categorises this as an operating expense rather than treat this as capitalised investment.

The Company expects that cashflow from operations will be negative for the balance of 2022 as investment continues to increase in development and sales resources to meet the requirements of the growth in sales in these new areas.

Outlook

The Company recorded a 34% increase in ARR, an 18% growth in new customers and a 100% customer retention rate in the quarter. It is expecting further customer revenue growth in the July-September quarter from contracts that are currently being finalised.

The Company has positioned itself with substantial proprietary IP and Data that is now an invaluable resource required by the market. The Company is exploring potential partnerships that could more easily leverage this unique position.

Approved and authorised for release by the Board

For further information, please contact:

Rohan Dhowan

Chief Executive Officer

+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. www.invigorgroup.com | info@invigorgroup.com | [linkedin.com/company/invigor-group](https://www.linkedin.com/company/invigor-group)

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Invigor Group Limited

ABN

Quarter ended ("current quarter")

75 081 368 274

30 June 2022

Consolidated statement of cash flows		Current Quarter	Year to date (6 months)
		\$A'000	\$A'000
Cash flows from operating activities			
1.1	Receipts from customers	234	325
1.2	Payments for	-	-
	(a) research and development	-	-
	(b) product manufacturing and operating costs (including new product innovation costs)	(196)	(326)
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs (including taxes and superannuation payments)	(585)	(1,528)
	(f) administration and corporate costs	(555)	(1,766)
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	(7)	(458)
1.6	Income taxes paid (refund received)	-	0
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,109)	(3,754)
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
2.4	Dividends Received	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	67
Cash flows from financing activities			
3.1	Proceeds from issues of equity securities	-	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	-	(160)
3.7	Transaction Costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other - Proceeds from Borrowings	1,400	1,400
3.9	Other - Repayment of Borrowings	(233)	(3,379)
3.10	Net cash from / (used in) financing activities	1,167	4,010

For personal use only

4 Net increase (decrease) in cash and cash equivalents for the period		Current Quarter	Year to date (6 months)
		\$A'000	\$A'000
4.1	Cash and cash equivalents at beginning of quarter/year to date	217	(48)
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,109)	(3,754)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	67
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,167	4,010
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	275	275

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 Quarter \$A'000	Previous Quarter \$A'000
5.1	Bank balances	25	(0)
5.2	Call deposits	250	-
5.3	Bank overdraft	-	(48)
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (item 4.6)	275	(48)

6 Payments to related parties of the entity and their associates		Current Quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	408
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	-

6.4	Explanation necessary to understand the transactions included in items 6.1, 6.2 and 6.3:	Current Quarter \$A'000
	1. Payments to related parties under cost sharing arrangements for office rent and electricity	211
	2. Payments to independent Directors for monthly fees and expense reimbursements	36
	3. Payments to Executive Directors and related employees for salaries/monthly fees and expense reimbursements	161

7 Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities (Refer to details in 7.6 and 8.6.2 below)	2,474	2,374
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	2,474	2,374
7.5	Unused financing facilities available at quarter end		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 quarter end, include details of those facilities as well.	
	National Australia Bank - 10.3% p.a. Interest Bearing, revolving, AUD 100,000 Secured Overdraft Facility Glowaim Pty Limited - 20% p.a. Interest AUD 878,000 long term Loan, repayable on 30 April 2023 Allectus Capital Limited working capital loan- (May 2022) 8% p.a, secured AUD1,400,000, with a matching dollar for dollar (\$1,400,000) of options, with the facility fully repayable on 31 May 2024.	
8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,109)
8.2	Cash and cash equivalents at quarter end (item 4.6)	275
8.3	Unused finance facilities available at quarter end (item 7.5)	100
8.4	Total available funding (item 8.2 + item 8.3)	375
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.3
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 the quarter the company finalised payments following the completion of its debt restructure and its resumption of trading on the ASX. As a result of the restructure, \$370,000 of one-off expenses were incurred during the quarter and ongoing interest and other financing costs will be significantly reduced going forward. Cash revenues received during the first half of July are \$220,000 from new and existing customers. The Company expects its cash revenues to increase over the second half from new customer wins that have been finalised in July and others that are pending completion in the near-term. The Company expects that total cash flows from Operations will be negative for the balance of the of 2022 as investment increases in sales and 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 finalised a long-term working capital financing facility of \$1,400,000 in April with Allectus Capital Limited. The Company is also in discussions with underwriters in relation to a potential capital raise. No decision has been made on the amount or timing of the raise.	
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 restructure, the increase in customer revenues from newly won major contracts, and the substantial reduction in ongoing interest costs incurred, the Company will be able to achieve its business objectives.	

Compliance statement

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

Date: 29 July 2022

Authorised by: The Board