

30 April 2020

ASX Announcement

Quarterly Business Update

Invigor Group Limited (ASX: IVO) (“Invigor” or “the Company”), has released its Quarterly Business Update together with the Appendix 4C for the month and quarter ended 31 March 2020.

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. www.invigorgroup.com | info@invigorgroup.com | twitter.com/InvigorGroup | linkedin.com/company/invigor-group

April 30, 2020

Company Update for Q1 of FY2020

Solid Operational Progress

The Company has initiated a number of major restructures that will see it reduce the operating cash outflow, increase its revenues as well as strengthen its balance sheet. We also have today announced a major new initiative with Invigor Healthcare Solutions.

Sales growth in Q1

Q1 saw 3 net new accounts won to implement Pricing Insights:

- WA Economic Regulation Authority (ERA) to supply alcoholic beverage pricing as part of the State's Container Deposit Scheme.
- Smeg Australia - The contract with SMEG will provide competitive pricing data, brand share of voice and other aspects of pricing and market data. The initial contract is for one year with a one-year extension. The expected revenue for the whole period is in the range of \$90,000 to \$130,000.
- Vantage Group – a contract to supply our retail insights.

COVID-19 Impact

The major impact of the COVID-19 crisis has been to delay the rollout of the solutions to ERA and Vantage Group by several months.

Invigor has been aggressively prospecting new customers resulting in 3 short term trials of our Pricing Insights solution with 2 major Brands and a nationwide retailer.

The Pipeline is still strong but delays in decision making are expected until late Q2 and beginning of Q3.

Strategic Focus Areas and Initiatives for the rest of the year

Drink@Home

The COVID-19 crisis represents a major threat to the independent liquor store owners with reduced turnover as customers shy away from bricks and mortar stores.

In response the Company has launched Drink@Home an end-to-end eCommerce solution which enables store owners to quickly and cost-effectively transition their bottle shops to online trading with their own

fully branded eCommerce website. Designed in consultation with Retail Drinks Australia (RDA), it enables the industry to overcome the current challenges by delivering:

- Secure cash flow by quickly moving to online trading
- Keep staff employed as order fulfilment personnel or delivery drivers
- Move inventory and retain market share
- Open a whole new revenue channel

The Company is currently working with several large retail chains regarding the adoption of Drink@Home.

Invigor Healthcare Solutions Pty Ltd (IHS)

The advent of COVID-19 has led the Company to establish a healthcare division, IHS. IHS is set to leverage opportunities in the sales and marketing of COVID-19 testing kits as well as leveraging data that will promote public health.

Invigor is negotiating a master distribution agreement with Marcel Equity Pty Ltd (Marcel) who has secured the distribution rights from two major Chinese companies –Zhuhai Livzon Diagnostics Co Ltd and Coyote Bioscience Ltd.

Livzon a world leader in this field, has developed a rapid antibody test which Marcel as sponsor has secured registration under TGA, whilst Coyote have developed a rapid PCR test which can be conducted outside the Laboratory using an analyzer. TGA approval is pending for Coyote.

The Company sees the marketing opportunity of this initiative as a major one given that testing for COVID-19 is likely to become a major requirement of the current pandemic and beyond. Furthermore, the ability for life to resume to some form of normality will depend on the need for community wide and frequent testing by all members of the community.

Costs reduced

The Company has closed or ceased initiatives where it considers the lead time to sales and positive cash generation is too slow. The Company will no longer proceed with its Smart Farm initiative and has begun discussions terminating the proposed acquisition of Sun Asia group.

The Company has reduced its corporate overhead by closing its offices in Singapore, Melbourne and subletting part of its Sydney office. The Company continues to explore strategic options for its subsidiary, TillerStack in Berlin.

During this time, the Executive Chairman and the CFO have respectively taken a 33% and 25% remuneration cut.

Strengthening the Balance Sheet

The Company is now undertaking several initiatives that will repair the balance sheet to eliminate a substantial portion of the Company's debt. In addition, the Company will seek to raise more capital as part of its plan to reinstate its listing. The effect of the capital raising, and debt conversion will result in extinguishing a substantial part of the financing charges and interest payments and restore equity value to all shareholders. It will also ensure the Company has a healthy working capital position. These proposals are being put to shareholders at a meeting expected to be called in early June.

After fulfilling these objectives and ensuring the appropriate amount of capital is available to the Company, the Company will then apply to the ASX for its shares to be reinstated to trading.

This release is authorised by Gary Cohen, Executive Chairman.

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