

ASX Announcement

31 January 2018

Appendix 4C

Invigor delivers strong fourth quarter performance

Leading data analytics and solutions company, **Invigor Group Limited (ASX: IVO)** (“Invigor”, “the Company”) has released its Appendix 4C for the quarter ended 31 December 2017. Solid progress has been made with respect to cash receipts, growth in new contracts wins and renewals, geographical expansion, and the signing of strategic partnerships that are transformational for the Company.

Key highlights for the quarter include:

- A 14% quarter-on-quarter increase in cash receipts from operations to \$2.34m, and an increase to \$3.48m when accounting for R&D tax credits.
- Solid growth in new contract wins and renewals in Australia, Asia and Europe.
- Establishing the Skyware logistics management business in Asia Pacific building on its European presence.
- Securing a binding MOU with Microsoft.
- Strengthening the balance sheet with \$1.84m in new capital raised and the repayment of \$420,000 in debt.

Financial Summary for the Quarter

Growth in Operational Cash Receipts

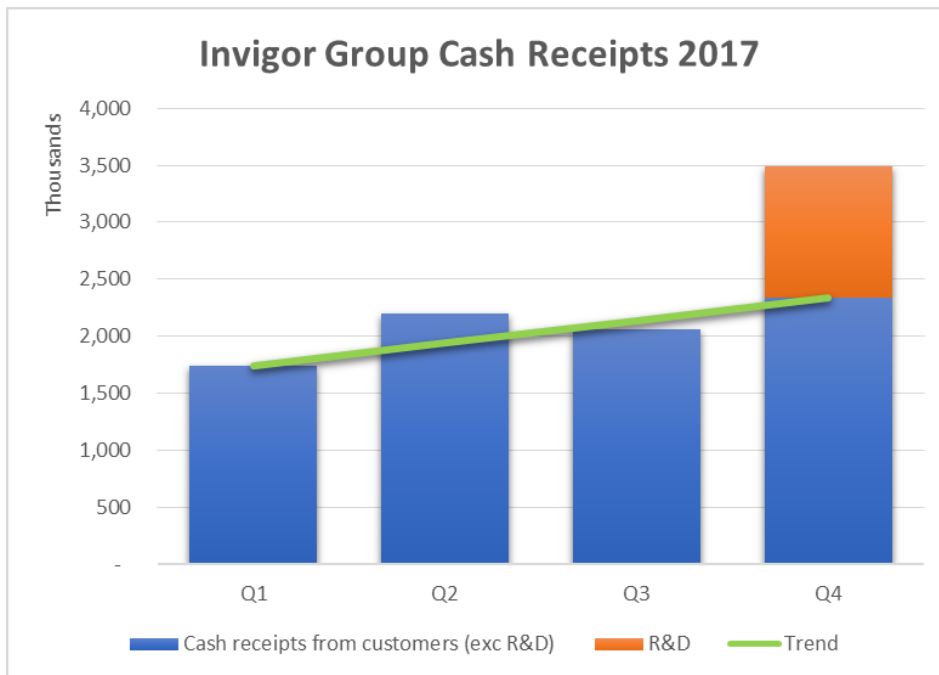
Total cash receipts were \$3.48m, comprising \$2.34m in customer receipts, up 14% on the prior quarter from \$2.05m, and an R&D tax credit of \$1.15m. Growth in customer receipts was driven by the execution of data analytics and solutions projects in Australia and Asia, and contributions from the Condat business in Germany.

The Company is pleased with the progressive increase in cash receipts and this incremental growth is reflected in the table below. This is an encouraging reflection of the sales momentum now occurring across the Company.

Strengthened Balance Sheet

Invigor continued to improve its balance sheet with the repayment of \$420,000 of debt and the Company raising a total of \$1.84m through the issue and proposed issue of new shares. A further \$150,000 was raised through the proposed issue of shares in early January and used to retire \$140,000 of debt remaining from the Sprooki acquisition.

Additionally, \$1.19m may be raised in March through the exercise of options which are to be approved at the forthcoming General Meeting. A General Meeting has been called for 27 February to approve the issue of shares and options.



Operational Overview

Data Intelligence Division

The Company Data Intelligence division delivered a pleasing operational performance with a number of new revenue generating contracts and renewals with major brands and retailers.

In November, Invigor announced that it had signed a major revenue-generating contract with one of the world's largest 'new world' wine producers, Accolade Wines. Accolade Wines will deploy the Insights Retail module of Invigor's cloud-based Pricing platform providing competitive pricing and market intelligence allowing it to respond rapidly to changes in industry and pricing conditions.

Further enhancing the Company's footprint in the alcohol and beverage sector, Invigor secured another major contract with Asahi beverages. The immediately revenue-generating contract was also for use of the Company's market leading Retail Insights Pricing platform, which Asahi is now deploying across its large-scale Australian operations to track and change pricing in real time.

In another pleasing development, Invigor reported a 33% quarter-on-quarter surge in paid subscriptions for its SpotLite business unit. SpotLite is a revolutionary cloud-based platform real-time competitor pricing data and market intelligence platform that launched in during 2017.

Major new SpotLite customers secured include recognised brands such as Hanes (Bonds), Healthy Life, ITW, Smart Electric Outlet and Baby Village. The Company has also witnessed significant uptake in New Zealand, the United States and Europe.

Solid progress was also made in Invigor's Asian operations with the Company securing its first contract with AyalaLand's mall division of the Philippines for the deployment of the Visitor Analytics technology into the first of AyalaLand's 44 malls.

Strategic Partnerships driving growth in Invigor's Data Intelligence division

During the period, Invigor was successful in securing strategic partnerships that help underpin and strengthen the Data Intelligence division.

In December, the Company entered into a binding Memorandum of Understanding (MoU) with Microsoft where Microsoft will provide Invigor with co-marketing funds, technical training and development resources to support product development and drive customer adoption of Invigor's Shopper Insights and SpotLite solutions through the global network of Microsoft partners and users.

Logistics and Workforce Management Solutions

Expanding the Logistics and Workforce Management division, Skyware Service Control (Skyware), outside of Europe and into Asia-Pacific was a notable development. Skyware's cloud-based platform assists companies with their logistics, delivery and workforce mobility and boasts blue chip customers such as Liberty Media, Deutsche Bahn and Daimler Benz. The technology is now being actively marketed in Asia Pacific, and growing its core revenue base across Europe. The European pipeline is strong with several well-known European companies currently evaluating the product suite.

A solid start to the new financial year

Calendar 2018 has commenced well for Invigor, driven by a very solid momentum in new contract wins and renewals. The total value of these wins and renewals reported to date in 2018 from the Data Intelligence Division and Skyware is almost \$1m. This includes a major new deployment of the Loyalty and Insights technology into three shopping malls in Singapore with Mercatus Co-operative Limited, and a new Skyware contract with a major food retailer in Germany.

Both divisions present excellent growth opportunities for Invigor and accordingly, the Company is well placed to unlock significant value in the coming year.

Invigor will report its full year audited financial results towards the end of February.

-ENDS-

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About Invigor Group

Invigor Group Limited (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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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity	
Invigor Group Limited	
ABN	Quarter ended ("current quarter")
75 081 368 274	31 December 2017

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	2,336	8,331
1.2 Payments for	-	-
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(19)	(124)
(d) leased assets	-	-
(e) staff costs	(2,467)	(9,279)
(f) administration and corporate costs	(1,609)	(5,097)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	8
1.5 Interest and other costs of finance paid	(321)	(993)
1.6 Income taxes paid (refund received)	-	-
1.7 Government grants and tax incentives	1,150	1,150
1.8 Other (provide details if material)	-	-
1.9 Net operating cash flows	(922)	(6,004)
2 Cash flows related to investing activities		
2.1 Payment for acquisition of:		
(a) physical non-current assets	(2)	(5)
(b) businesses (item 10)	-	(60)
(c) equity investments	-	(59)
(d) intellectual property	-	-
(e) other non-current assets - convertible notes acquired	-	-
2.2 Proceeds from disposal of:	-	-
(a) physical non-current assets	-	-
(b) businesses (item 10)	-	-
(c) equity investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Loans to other entities	0	0
2.3 Loans repaid by other entities	-	-
2.4 Dividends Received	-	-
2.5 Other - Distribution received from Kit Digital Inc	-	-
2.6 Net investing cash flows	(2)	(123)

	Cash flows related to financing activities (*)		
3.1	Proceeds from issues of shares, options, etc. (net of transaction costs offset)	1,855	2,955
3.2	Proceeds from issue of convertible notes	-	2,520
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction Costs related to issues of shares, con notes or options	(17)	(33)
3.5	Other - borrowings from director related parties	(113)	1,044
3.6	Other - repayment of borrowings from director related parties	-	(400)
3.7	Transaction Costs related to loans and borrowings	-	(50)
3.8	Dividends paid	-	-
3.9	Other - Proceeds from Borrowings	826	5,246
3.10	Other - Repayment of Debts, Con Notes and Borrowings	(1,133)	(5,285)
3.11	Net financing cash flows	1,418	5,996
4	Net increase (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	17	642
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(922)	(6,004)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(123)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,418	5,996
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash at end of quarter	511	511

5 **Reconciliation of cash**

Reconciliation of cash 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	Cash on hand and at bank	511	17
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (Term deposits)	-	-
5.5	Total: cash at end of quarter (item 4.6)	511	17

6 **Payments to directors of the entity and associates of the directors**

		Current quarter \$A'000
6.1	Aggregate amount of payments to the parties included in item 1.2	299
6.2	Aggregate amount of loans to the parties included in item 2.3	-
6.3	Explanation necessary to understand the transactions included in items 6.1 and 6.2	
	Includes payments made under service agreements to entities associated with Gary Cohen and payment of directors' fees and executive directors' remuneration	

7 **Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
7.1	Aggregate amount of payments to the parties included in item 1.2	-
7.2	Aggregate amount of loans to the parties included in item 2.3	-
7.3	Explanation necessary to understand the transactions included in items 7.1 and 7.2	
	Includes payments made under service agreements to entities associated with Gary Cohen and payment of directors' fees and executive directors' remuneration	

8 **Financing facilities available**

- 8.1 Loan facilities
8.2 Credit standby arrangements
8.3 Other (please specify)
8.4 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.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8,471	7,278
-	
-	

National Australia Bank - 10.3% Interest Bearing AUD\$100,000 Secured Overdraft Facility
Berliner Sparkasse - 4.75% p.a. EUR250,000 Unsecured Amortising Loan
Berliner Sparkasse - 9% p.a. EUR350,000 Overdraft facility unsecured
Berliner Volksbank - 3.97% p.a. EUR250,000 Overdraft facility unsecured
Employee Loans - 10% p.a. Interest Bearing EUR300,000 Unsecured Loans
Hermann Loan - 9% p.a. EUR1,300,000 Loan Facility
Marcel Equity Pty Ltd - 10.3% (entity associated with Gary Cohen and Gregory Cohen) - Interest Bearing AUD\$2,000,000 Unsecured Facility
R&D Capital Partners - 15% p.a. Interest Bearing AUD\$700,000 Secured Loan
Partners For Growth IV, L.P. - 10% p.a. Interest Bearing AUD\$2,000,000 Secured Loan

9 **Estimated cash outflows for next quarter**

- 9.1 Research and development
9.2 Product manufacturing and operating costs
9.3 Advertising and marketing
9.4 Leased assets
9.5 Staff costs
9.6 Administration and corporate costs
9.7 Other (provide details if material)

\$A'000
-
-
(100)
-
(2,500)
(1,100)
-
(3,700)

9.8 **Total estimated cash outflows ***

** The company is an operating business that generates cash inflows each quarter, including receipts from customers generated from sales. As per reporting requirements of Section 9 in this report, the above summary of anticipated cash outflows including costs of generating forecasted sales for the next quarter ending 31 March 2018, does not reflect any anticipated cash inflows including receipts from customers. Sales receipts from customers for the quarter ended 31 December 2017 was \$2,336K.*

10 **Acquisitions and disposals of business entities**

- 10.1 Name of entity
10.2 Place of incorporation or registration
10.3 Consideration for acquisition or disposal
10.4 Total net assets
10.5 Nature of business

Acquisitions	Disposals

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.
Sign here:



Gregory Cohen, Director
Date: 31 January 2018