

ASX Announcement

9 October 2017

Invigor Company Update

Leading big data solutions company **Invigor Group Limited (ASX: IVO)** (“Invigor”, “the Company”) is pleased to provide this update on the Company’s growth opportunities following the acquisition of Sprooki Pte Limited (“Sprooki”) in June of this year.

Progress following acquisition

1. Enhanced product range

Sprooki has proven to be a valuable acquisition for Invigor as it has created a unique opportunity to position the Company as one of the leading providers of products using Big Data to empower brands and retailers in Australia and Asia. This is at a time when there is huge demand for data to combat the threat/opportunities posed by Amazon and other major e-commerce suppliers.

Sprooki is a clear leader in terms of shopper engagement and loyalty solutions in Asia with an established footprint across 18 shopping malls and several thousand retailers.

The acquisition has unlocked strong product synergies between Invigor and Sprooki and delivered a customer base now spanning Australia, Asia and Europe.

Since the transaction was completed, Invigor has focused very heavily on capitalising on the synergies between the two businesses, integrating the offering, and promoting this capability to a much wider pool of potential customers.

Today, we have two major product groups for this market:

- **Insights 360** which incorporates our two pricing solutions **Retailer and SpotLite together with Insights Visitor**, and
- **Loyalty** – which incorporates the Sprooki product range.

These products have a major role to play in helping brands, retailers and shopping malls understand their customers and behaviours.

Retailer and SpotLite enable brands and retailers to understand the competitive landscape for their products and how they can influence the pricing.

Loyalty is focused on influencing the shopper with relevant offers – either in a physical or e-commerce marketplace.

Invigor now delivers a comprehensive suite of Big Data tools that gives retailers and brands the actionable insights they need to withstand the competitive threat posed by online retailers like Amazon.

2. More revenue materialising as a result of the Sprooki transaction

As a result of the combined product offering we have seen a significant pick up in the company's pipeline as well as entering into some very exciting opportunities with our customers and partners.

This technology foundation has helped to turbocharge our sales pipeline, due to strong interest from a range of major brands, shopping malls, retailers and fin tech companies which is beginning to flow through to new revenue-generating sales contracts.

We have recently been engaged for paid pilots for two Major Australian shopping mall groups. Both of these projects enable these shopping malls to understand shopper behaviour in their malls in ways that have previously been unavailable. Furthermore, we are currently short listed in several large Tenders for our Visitor suite combined with other Loyalty solutions.

3. Contract Wins

We have secured a series of contract wins over the past three months in addition to the significant growth of our sales pipeline.

A great example of a recent contract win is Zoos Victoria, which has deployed the Visitors module of Insights 360 at Werribee Open Range Zoo, Royal Melbourne Zoo and Healesville Sanctuary. This is helping them to better understand who their visitors are, how they move around the parks and how long they dwell at each exhibit.

Leading wine and spirits company Pernod Ricard Australia is now using the Retail module of Insights 360 to maximise its revenues and margins in the highly-competitive alcoholic beverage sector by gaining access to insights that will allow it to rapidly respond to changes in industry and pricing conditions.

Sharp Australia has also deployed and recently renewed the Retailer module across its diverse portfolio of products, which includes home appliances such as microwaves and air purifiers, as well as document systems, point of sales systems, information displays and audio equipment.

In Germany, our wholly owned company, Condat, has achieved a substantial increase in its pipeline and is in the final stage of negotiations of several large contracts. In addition, we have had a successful trial of our Skyware mobility solution with Deutsche Bahn (German Railways).

4. New Partnerships

Invigor has also executed a number of agreements with global partners.

Invigor has executed an MOU with global technology company Microsoft, a leader in digital transformation solutions for the retail sector. The MOU includes the optimisation of Invigor Shopper Insights on Microsoft Azure for a key Australian enterprise retail customer. Invigor looks forward to exploring more opportunities to build transformational retail solutions leveraging the Microsoft cloud platform and go-to-market investments. Invigor previously announced channel partnerships with eBay and GoDaddy for the SpotLite platform.

Partnerships like these involve integrating and offering our solutions as an optional value-added product to their global customers and are able to be sold directly through their existing distribution or partner sales channels. These platforms and channels are expected to provide the company with a major growth opportunity.

5. SpotLite helps retailers and brands meet the challenges posed by Amazon

Fast decision making has become crucial to being competitive and profitable in the age of Amazon. However, businesses struggle to either obtain data in an automated way which will provide them a competitive advantage, or, if they actually have access to it, they might not know what next steps they should be taking to use the data to drive greater profitability.

Our SpotLite platform provides businesses across a range of industries with accurate real-time competitor pricing intelligence and actionable insights that help businesses worldwide directly increase profit margin, sales and revenue while reducing manual labour and increasing productivity.

By understanding how their own products as well as their competitors' are priced in the market, not only in traditional ecommerce stores, but also eBay and Amazon, retailers and brands can ensure they have the correct pricing strategy and positioning to maximise profitability.

SpotLite currently tracks prices for all products across 40 industries internationally, providing customers such as Treasury Wines in the US and UK and Aussie Farmers Direct and Healthy Life in Australia the ability to receive pricing information tracked down to the hour. Features such as alert notifications allow customers to quickly respond to price changes to win more customers and increase sales. A wide range of automated customised reports and charts gives businesses the ability to understand the competitive landscape and gives insights into price movements across categories and products.

We have recently launched a managed service to assist our customers with the on-boarding of their products into SpotLite. This means that it has become relatively quick and easy to on-board a customer and retain them. Since this service was introduced in late August we have seen a substantial increase in uptake of the service.

6. Improved funding

As part of Sprooki acquisition, we were able to attract a \$1M share investment from Allectus Capital as well as additional investments from some family offices who were Sprooki shareholders. We also recently announced a \$2.5M Convertible Note Issue of which has been \$1.35M subscribed and there are currently negotiations continuing with potential investors.

In addition, we have announced a strategic review of some non-core assets.

Whilst we continue to build the revenue, we also will pursue these and other strategic options that will assist in strengthening our balance sheet, reduce debt, and improve operating cash flow.

7. Multiple catalysts to drive shareholder value

The following should be regarded as strong catalyst for shareholder growth:

- Major contract wins with a number of near-term contract wins pending.
- Stronger balance sheet.
- Strategic partnerships.
- Disposal of non-core assets.

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About Invigor Group Limited

Invigor Group (ASX:IVO) uses its complementary suite of big data products to source, aggregate, analyse and publish content for the benefit of businesses and consumers.

Today its interconnected data sets enable enterprise clients including retailers, brands, shopping centres and government bodies to identify and better understand competitors, consumers, markets and demographics while providing the consumer with the best value-for-money.

Using its current products and a pipeline of additional offerings Invigor will have the ability to provide an end-to-end solution spanning sales, product management, business intelligence, marketing, advertising, content creation and distribution, while monetising each step of the process.