



## WeChat Update – Investor Web Conference Call

OCTOBER 2018

# WHO WE ARE

- Listed ASX (IVO)
- Data-driven solutions that help brands, retailers and commerce businesses compete and grow in more profitable ways.
- CEO Gary Cohen (successful exit in Healthcare IT iSoft \$400M)
- COO Claire Mula (former founder of Sprooki, acquired by Invigor Group, P&G, Fairfax)



**BOB McKINNON**  
Non-Executive Chairman  
(formerly Westpac, CBA, Lendlease)



**GARY COHEN**  
CEO and Executive Director  
(formerly iSoft, Allco)



**CLAIRE MULA**  
COO and Executive Director  
(formerly Sprooki, Astro, Fairfax, P&G)



**GREG COHEN**  
CFO and Finance Director  
(formerly Ford Credit)

# Invigor turns data into dollars

through innovative data-  
driven solutions such as  
Pricing and Loyalty for  
Retailers & Brands





# THE PROBLEM WE SOLVE

Challenge for the retail market today:

1. Growth of eCommerce
2. Growth of Digital Payments
3. Lack of useful data to understand customers and the market

Invigor's MOU will help:

- Drive customers to retailers
- Address the digital payment challenges
- Provide a loyalty solution which enables access to essential data to drive profitable commerce

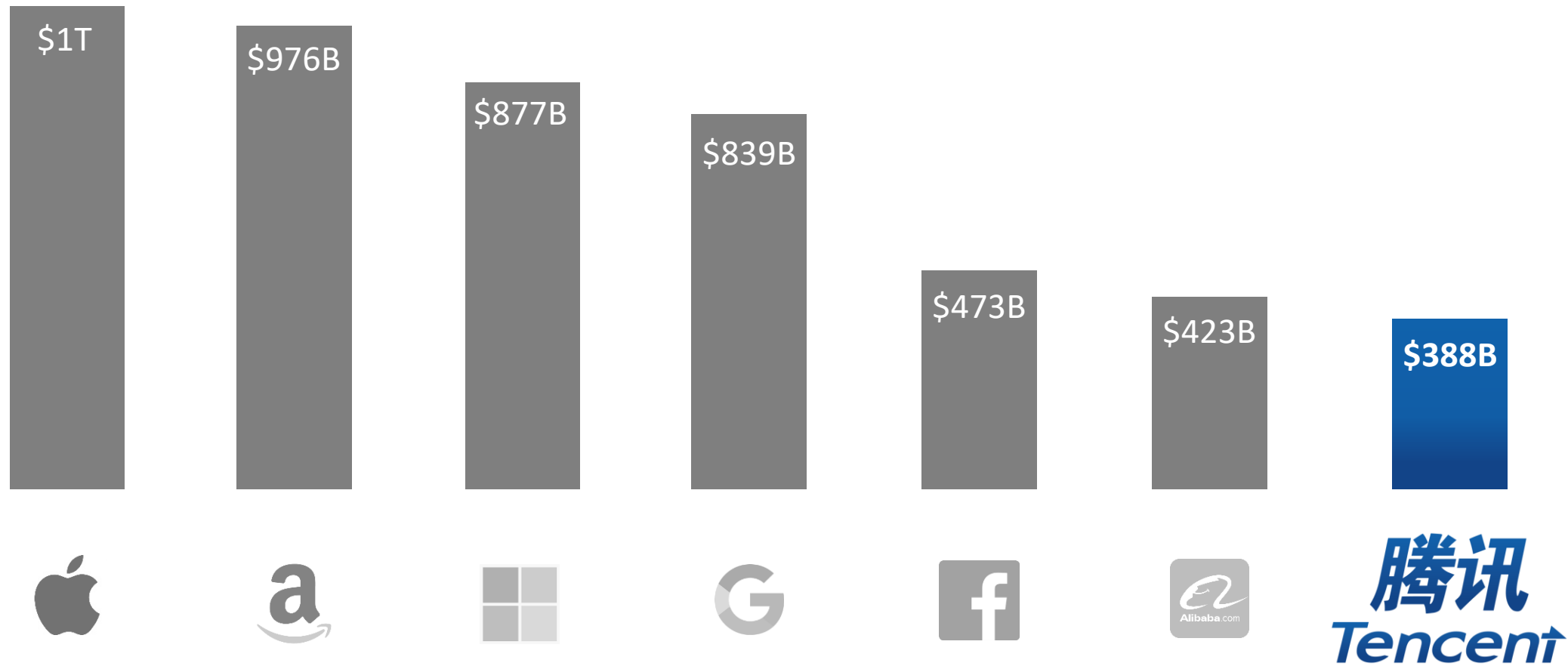


# EXECUTIVE SUMMARY

- Invigor signs MOU with China's Winning Group, a Tencent partner (one of the world's highest valued companies) and owner of WeChat
- Tencent is at the centre of driving innovation globally, growing at high rates in various markets and heavily focussed on launching in new markets
- Deal solidifies Invigor's shift to a transaction-based revenue model and leverages our significant investment in Loyalty and Pricing solutions

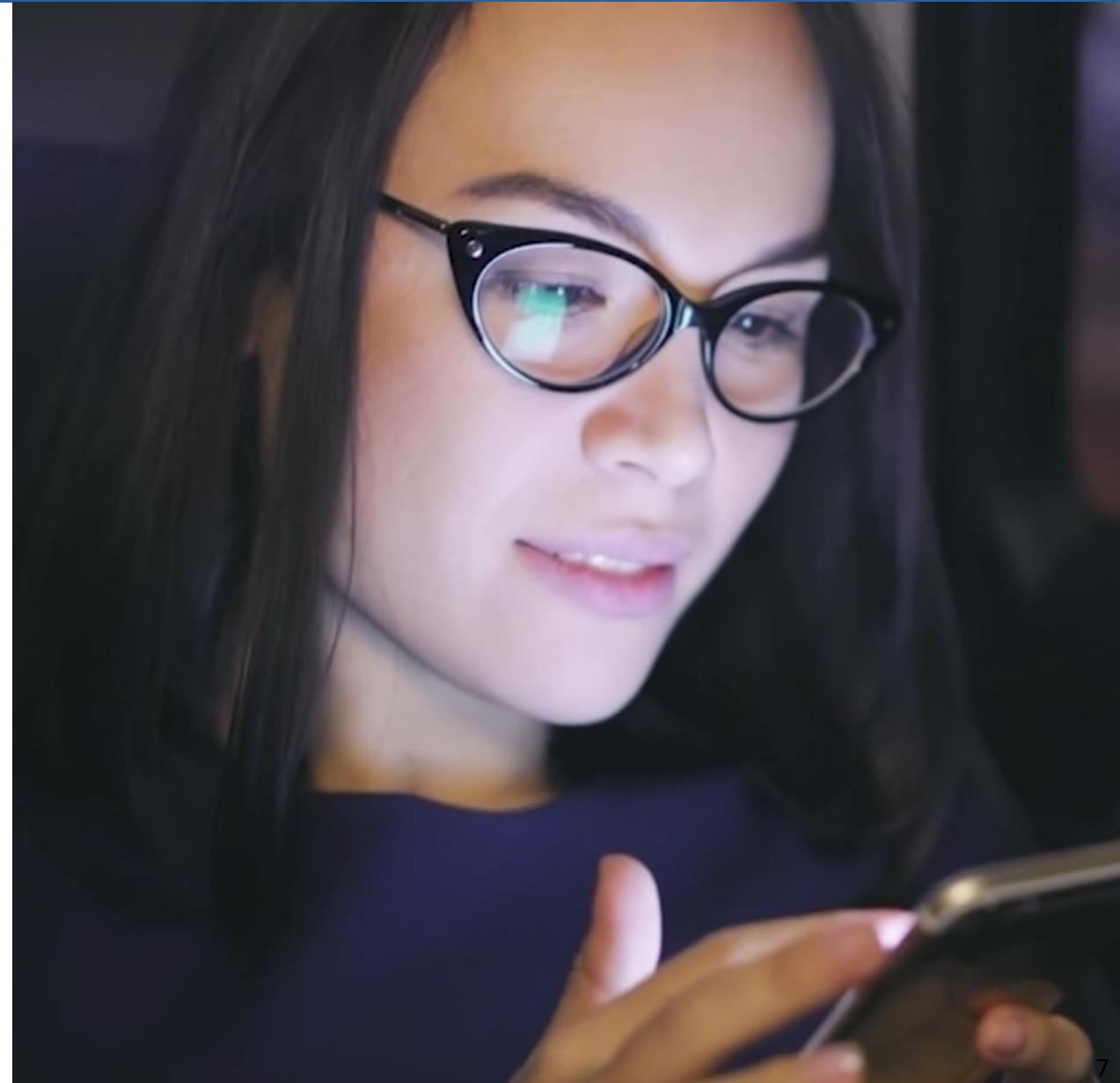


# TOP TECH COMPANIES BY MARKET CAP Q3 2018 (USD)



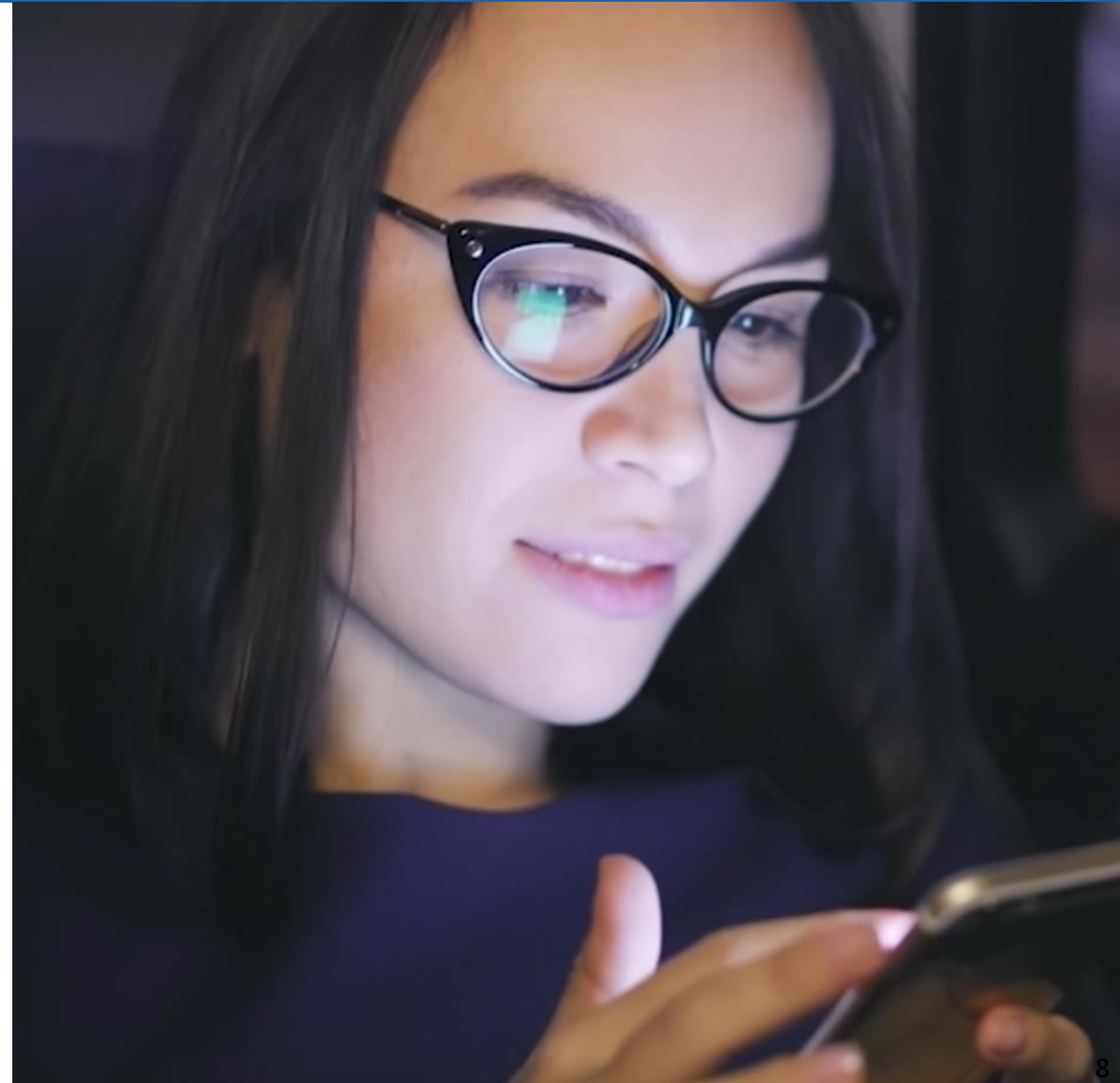
# WHO IS WINNING GROUP?

- Hong-Kong based agency commissioned by Tencent to help expand WeChat Pay outside of China
- Winning Group runs online and offline campaigns, activations and events to increase WeChat Pay awareness and adoption amongst Chinese consumers overseas
- Winning Group extends its services currently throughout 7 markets Singapore, Hong Kong, Malaysia, Japan, United Kingdom, Korea and Canada and soon other markets



# INVIGOR & WINNING GROUP DEAL

- Acquisition of major retailers and shopping mall groups for WeChat Pay and other WeChat services
- Integration of Invigor Loyalty and Insights solutions for Brands and Retailers alongside WeChat
- Joint investment in own branded channels and official accounts targeting local residents and Chinese tourists





# WECHAT – MORE THAN JUST PAYMENTS

WeChat is a whole ecosystem:

- WeChat is social, marketing and payments solutions rolled into one application – think of:



App Store



WhatsApp



**GROUPON**



# WECHAT – SNAPSHOT



**1+ BILLION**

monthly WeChat active users

**900 MILLION**

monthly WeChat Pay active users

**1 MILLION**

merchants with WeChat Pay  
in their stores

**20 MILLION**

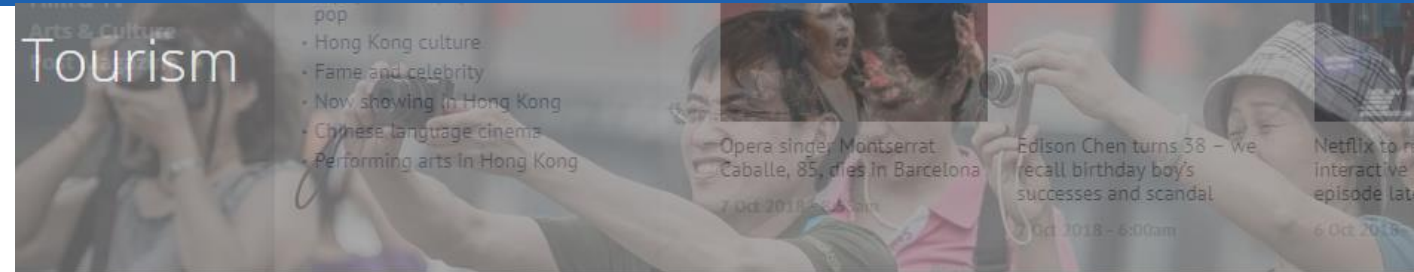
Businesses with official accounts

**90 MINS**

50% of users spend on WeChat  
per day

# CONVENIENCE OF WECHAT PAY

- Simplifies payments and transcends online and offline commerce
- WeChat Pay is heavily used by both Chinese travellers and local residents in many countries in South-East Asia
- Tourists (mainly Chinese) spent \$60 billion last year on average in Hong Kong and tourism from mainland China is predicted to keep growing across South-East Asia
- The convenience for Chinese travellers to use WeChat Pay overseas is a great opportunity for merchants to expand their customer base



## More than 60 million tourists expected in Hong Kong in 2018 as officials pin hopes on projects linking city to mainland China

Authorities dismiss fears city would be too congested and reignite animosity towards cross-border visitors, citing increased number of hotel rooms

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# WECHAT – THE OPPORTUNITY



WeChat expanding out of China – 95% of users within China

WeChat uses partners to expand internationally

Winning Group is a key to this international expansion - it has rights to SG, HK, MY, JP, UK, KR, CA and more

Invigor and Winning is a key partnership for WeChat expansion in SE Asia

Invigor's Solutions on top of WeChat to be a win/win



# GROUNDBREAKING DEAL & OPPORTUNITY

- Leverage current relationships and customers to help expand and accelerate WeChat's growth initially Singapore & Hong Kong
- Build on Loyalty & Insights solution to differentiate offering, acquire merchants and grow usage

MULTI-RETAILER  
ACQUISITION

SOPHISTICATED  
LOYALTY & REWARDS  
PROGRAMS

SHOPPING CENTRE  
EXPERTISE &  
RELATIONSHIPS

DIRECT  
SALES



# MULTIPLE REVENUE STREAMS

## MERCHANT ACQUISITION

A percentage of transaction revenue (estimated at 0.5%) from merchants using WeChat Pay when introduced by Invigor

## ADVERTISING REVENUE

Advertising revenue when either party initiates a marketing or promotional campaign with a merchant

## LOYALTY TRANSACTION FEES

Transaction fees from merchants based on sales revenue when Invigor's Loyalty solution is deployed

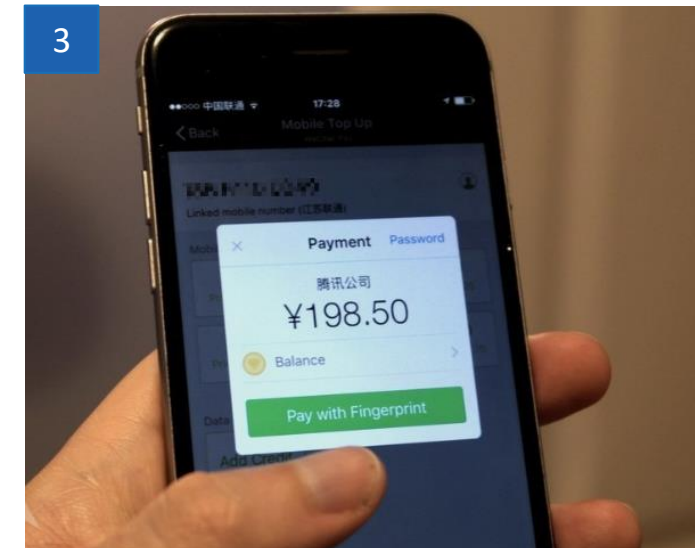
# USE CASE: MERCHANT ACQUISITION REVENUE



Merchants introduced by Invigor  
deploy WeChat into retail outlet



Customer purchases using  
WeChat Pay in that merchant



Invigor takes a percentage of  
the total purchase transaction

# USE CASE: ADVERTISING REVENUE



Domestic Moments Ads

OA + Mini Program

Retailer or Brand buys advertising within the WeChat ecosystem



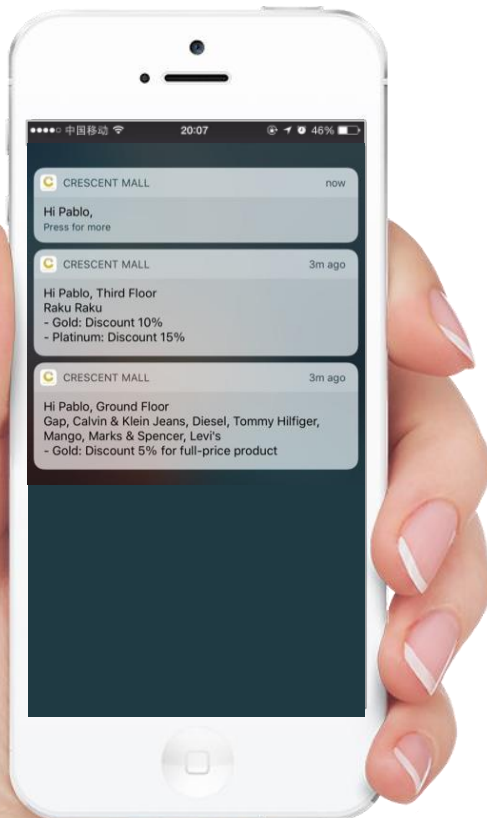
Invigor shares the total advertising spend



# USE CASE: LOYALTY TRANSACTION FEES

Merchants use Invigor's Loyalty to launch promotional campaigns to engage cohorts nearby

1



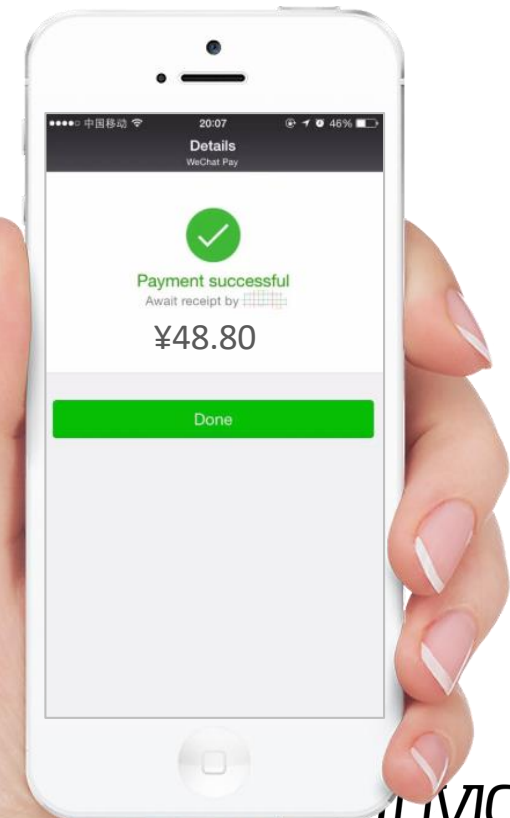
Customer responds to campaign and purchases product or service from merchant with WeChat Pay

2



Invigor shares the transaction which resulted from the usage of the Loyalty solution

3



<https://www.youtube.com/watch?v=02ANXgIWFO8>

# BEYOND WECHAT

- Alipay is a third-party mobile and online payment platform and one of the most popular payment methods in Asia
- It's one of the world's most valued fintech companies at over \$150 billion
- Secured rights for Alipay in Hong Kong
- Revenue share based on a percentage of the transaction revenue generated



# CURRENT PIPELINE

## ASIA - WECHAT

- Currently in discussions with major Asian Food & Beverage, Transportation and Fashion groups
- New business opportunities across other South-East Asian markets

## PRICING AND LOYALTY

- Pipeline continues to build with over \$1million in deals to close imminently
- Significant growth in Loyalty opportunities in Australia





# STRONGER BALANCE SHEET

- Up to \$1.32m new Capital raised via share placements made during September and October, including announcement of today
- \$750,000 debt reduction during September (ASX Announcement 26, September 2018)
- Convertible Notes (\$3.73m) have been extended to November 30, 2018 and Company's plans to restructure balance sheet by eliminating up to \$3.73m of debt (ASX Announcement 28, September 2018)



# POSITIVE OUTLOOK

- MOU addresses many of the challenges facing the retail market today
- Significant transaction-based revenue capability and does so at scale
- Integration of Loyalty solution into one of the world's fastest growing and most recognised global payment and transaction platforms
- Pipeline building strongly across markets
- Looking at a number of strategic opportunities which leverages cost base and provides greater revenue synergies





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