

# ASX Announcement

5 February 2015

## Market Update – Invigor on track for FY 2015

Invigor Group Limited (“Invigor” or “the Company”) (ASX: IVO) provides the following business update accompanied by the attached presentation.

The Company has made a positive start to the 2015 financial year (ending December 2015) with approximately \$1.0 million revenue for the month of January and reaffirms the guidance issued on 7 November 2014, being operating revenue for FY 2015 of \$10 - \$10.5 million with an EBITDA margin of approximately 23%.

### 31 December 2014 financial results

The Company anticipates releasing its audited financial report for the 2014 financial year by 27 February 2015. The Company anticipates reporting a consolidated loss before interest, tax, depreciation and amortisation of approximately \$3.6 million (subject to audit). This result reflects the effect of the acquisitions made during 2014, the transition and repositioning of the Company as well as costs incurred in connection with the acquisitions and legacy matters, including the US litigation. Further preliminary financial information is contained in the accompanying presentation

### Business Update

Following completion of the Global Group and Amethon acquisitions and the successful \$7.0 million raising of new capital during the second half of 2014, the Company has been focusing on development of its Insights product suite. The Insights range of solutions provides powerful business analytics for a range of industries and has applications in both the public and private sectors.

### Insights Product Sets

Invigor Retail is a product set that is based on a leading solution developed by Invigor over several years for the consumer electronics market. Invigor is now taking this product directly to market instead of selling it through a third party provider. Invigor Retail has been significantly enhanced to provide a far more functionally rich solution delivering enhanced market depth at a competitive price. The product has been significantly expanded to provide data and analysis on competitive landscape including pricing and competitor marketing activities. The range of Industry verticals we now service has also been expanded to include alcohol, supermarkets, health & beauty, fashion and automotive. A range of presentations have already been made to major retailers and brands. The response has been highly encouraging and we expect to see a significant take up of Insights Retail in the course of the coming months. Pricing is based on a Software as a Service (SaaS) model depending on the industry segment, product set and number of users.

The Insights Visitor and 360 platforms have been developed to provide businesses with consumer intelligence and actionable insights, particularly taking advantage of mobiles.

As retailers embrace the use of data to make more decisions around their consumer, the depth and timeliness of that data and the analysis into actionable insights becomes more important. The Insights Visitor platform is a fully integrated cross-functional platform bringing together a range of sensory data,

web based data, point of sale data and proprietary data sets to give the most comprehensive analysis currently on the market.

These products are a major addition to the existing product suite and provide significant additional potential to customers. We have already seen significant engagement with several groups which would result in a national roll out in a variety of settings. In addition to providing a precinct or business with consumer insights, the solutions enable Invigor to provide consumer trend and sentiment insights to the broader market.

We are also exploring further media and advertising applications of the platform. This opens up significant revenue opportunities based on the advertising spend.

#### **InvigorOnshow**

Invigor's event management solution (Invigor Onshow) is currently preferred supplier in a major government tender to assist public transport. We are also in early stages of discussions with another State transport authority.

#### **Professional Services**

The professional services division continues to grow and deliver some solid and profitable contracts. These provide a good catalyst for growing our credibility in the 'Big Data' arena. As previously announced, the Company has significant contracts for the development of a traffic application for the Australian Traffic Network and has been rolling out an application for the NSW Environmental Protection Agency.

#### **Piksel/KIT digital**

In relation to Piksel/KIT digital, we await the distribution by the appointed KIT digital Creditors' Committee. The timing of distributions is not confirmed. The value of the claims is tied to the USD/AUD exchange rate at the time of the claim so we have seen an appreciation of approximately 25% in the value. We anticipate receiving over \$1 million for the claims in due course. Following the decision by Piksel to issue warrants to Invigor during December 2014, the remaining issues between the parties have considerably narrowed. The Company elected not to exercise the warrants after reviewing the financial information provided by Piksel.

For further information, please contact:

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#### **About Invigor Group Limited**

Invigor Group is a leading information technology and digital solutions company. It specialises in innovative business intelligence, big data solutions for businesses and consumers which are supported by strategic consulting, development and marketing services. Invigor delivers its cloud based solutions to a broad range of clients including: retailers, brands, mobile network providers, local and state governments, advertising and media agencies.



**Delivering business intelligence to  
create value from data**

5 February 2015

# Presentation Overview

- About Invigor Group
- Our story
- What we do?
- What is the market?
- What do our products do?
- What is our revenue model?
- How do we do it?
- Corporate and Financial Information



## About Invigor Group

Invigor Group is an information technology and digital solutions company listed on the Australian Securities Exchange (ASX:IVO).

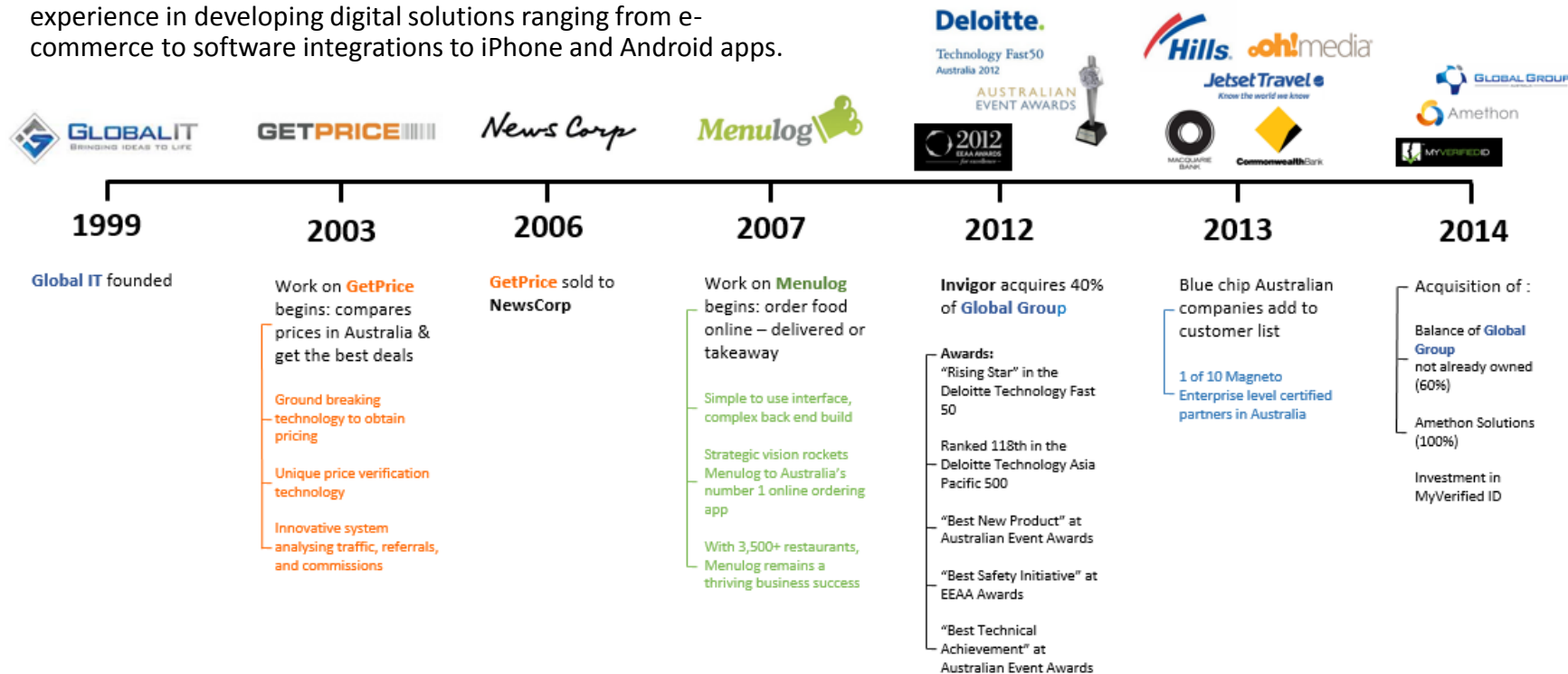
Invigor specialises in innovative business intelligence and big data solutions to create value for our clients.

These activities are supported by strategic consulting, research & development and marketing services.



# Our Story

Invigor Group, through its subsidiaries, has over 15 years experience in developing digital solutions ranging from e-commerce to software integrations to iPhone and Android apps.



# What do we do?

## **Invigor Insights** delivers

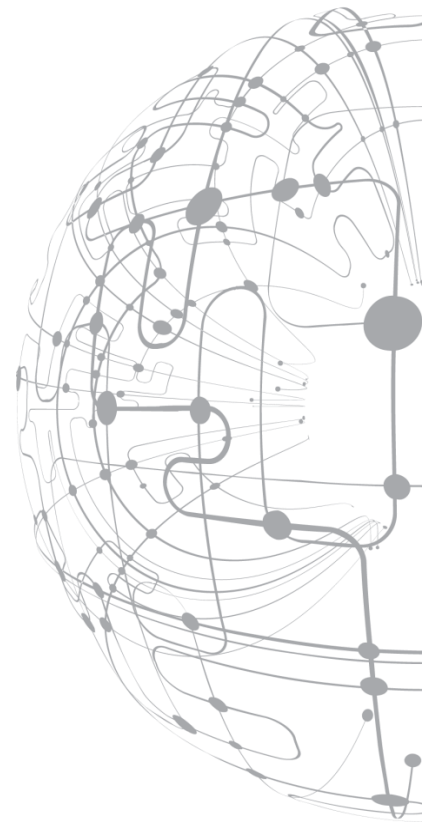
- Real time competitor & consumer insights

## **Invigor OnShow** provides

- Event, venue & customer relationship management

## **Invigor Digital Solutions** offers

- Professional services
- Consulting



# What is the market?



# Big Data market insights

PricewaterhouseCoopers estimate that Australian retail and consumer businesses, by not leveraging their existing internal data, are missing an enormous opportunity worth...<sup>1</sup>

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Big Data helps solve current advertising inefficiencies, with over 40% of \$500bn Global advertising spend currently wasted <sup>2</sup>

**\$3.8**  
**BILLION**

<sup>1</sup> Ref: IDC, Dec 2013 forecast & ADMA

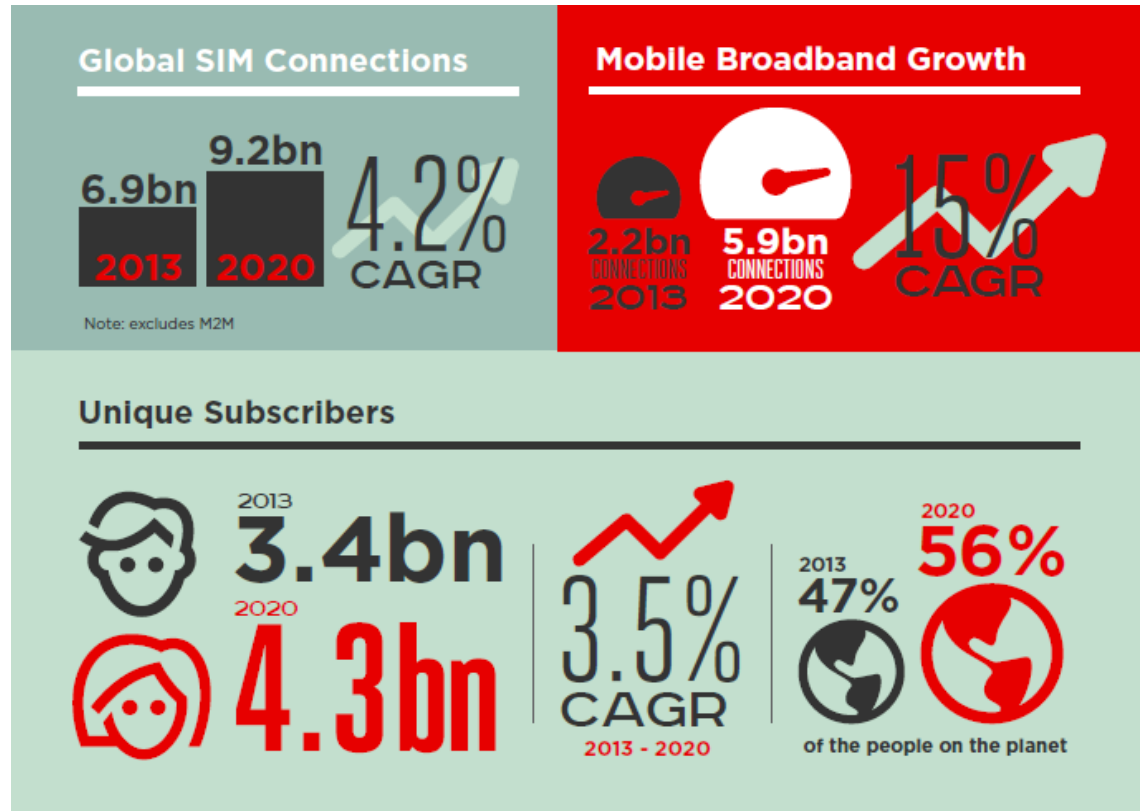
<sup>2</sup> Australian Digital Marketing Association

## By 2020.....

Global mobile broadband connections to double.

900m new unique subscribers added globally.

67% of Australian mobile subscribers use Wi-Fi when available.



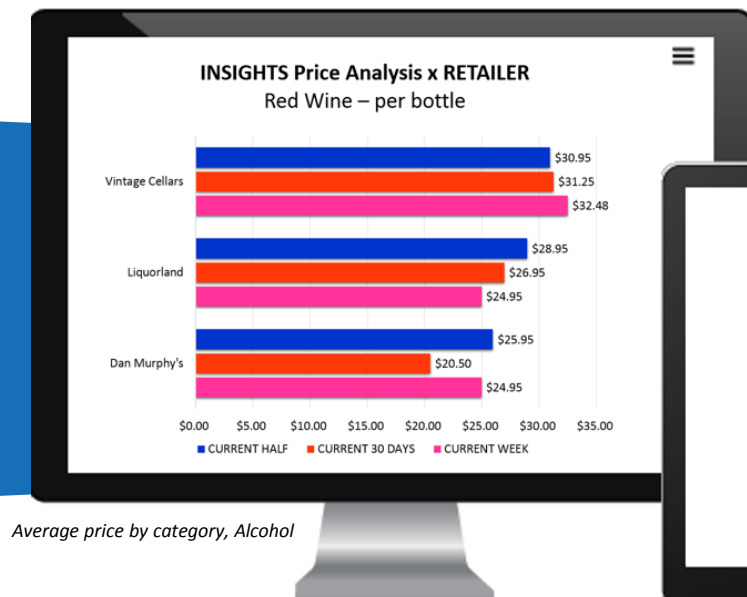
Source: GSMA Intelligence Report & ACMA

# What do our products do?

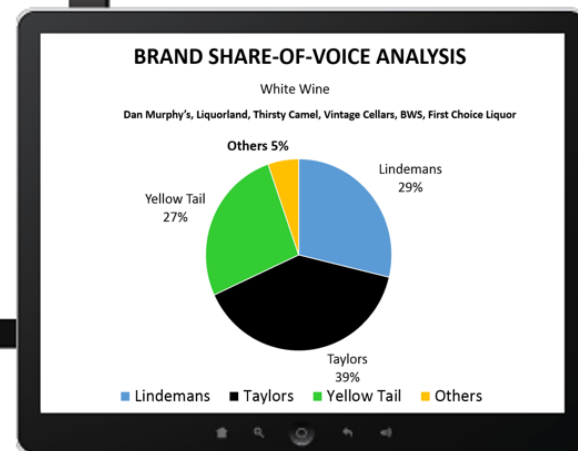


# Insights Retail Analytics for Brand Owners & Retailers

Enhance your brand and retail strategy decision making with real time Insights data



Brand share of voice, Alcohol



# Insights Retail Analytics for Brand Owners & Retailers

*A COMPREHENSIVE VIEW TO ENHANCE STRATEGY AND DECISION MAKING*



**Online and offline data** – Insights obtains the latest information on retail prices and more from both online and offline sources



**Report builder** – Create Insights reports and charts on any retailer, product or brand and export and share



**Alerts** – Receive instant notifications when new prices, catalogues, or products are updated and released



**Dashboard** – Customise, quickly view and share your favourite reports in one area



**Freight** – Understand the total cost of a product, factoring in regional/metro freight



**Product finder** – Drill down to any product to view price history, product details and more



**Media library** – View and download any offline advertisement or catalogue



**Opportunities** – Automatically be informed about lost revenue due to non-competitive pricing



**Google Adwords** – Analyse what key retailers are spending online with regards to their products



**Google search volume** – Report on consumer search traffic across retailers, brands and products

# Insights Retail Analytics for Brand Owners & Retailers

- Cloud based, business-to-business, competitive market insights software
- Detailed live and historical pricing and product information for a number of consumer products
- Retailers and brand owners can be alerted to, view and analyse the latest retail pricing information, positioning and promotions for products in their chosen industry

Relevant to for example:

## ***Retailers***

- JB Hi-Fi
- Harvey Norman
- Dan Murphy's
- Liquorland

## ***Brands***

- Sony
- Canon
- Diageo
- Beam





# Insights Visitor Analytics

A 360° VIEW OF YOUR VISITORS



# Insights Visitor Analytics

ACTIONABLE INSIGHTS - THE PULSE OF YOUR BUSINESS



*Stunning Insights.  
Intuitive Interfaces.*

Insights web based dashboard and mobile friendly display keep you informed real-time. Have your store performance at your fingertips with action alerts, traffic, conversion and more.

- **TRAFFIC**  
Foot traffic. Heat Maps. New vs Repeat. Missed opportunity
- **VISITOR INFORMATION**  
Demographic, Sociographic, AIO's & Trends
- **CONVERSIONS & GOALS**  
Sales, Window Shopper to Entry, Return Customers, Average Transaction Value

# Insights Visitor Analytics

A holistic solution for retail property owners, department stores, websites and apps providing access to an almost infinite range of consumer usage, trends and behaviour information and delivering insights into customers interactions with competitors.

Relevant to:

- Major Shopping Centre Chains
- Outdoor Media Groups
- Major Retailers
- Websites

# Insights 360

THE MOST COMPREHENSIVE DATA SET



# Insights 360

Enables advertisers and retailers, brands, businesses and public sector to know and interact with their target audiences in real time, across multiple locations enabling them to target sales efforts, service provision and communications via previously unknown links.

Relevant to:

- Advertising Agencies
- Outdoor Media Groups
- Major Brands
- Public Transport Sector
- State and Local Government

# Insights Network Analytics

Delivers **subscriber and network usage data** through advanced **mobile and network analytics** and content tracking solution.

Relevant to:

- Telcos
- Wi-Fi Providers
- Network Operators
- Local Government



## Consumer facing solutions

Invigor will be introducing a range of consumer applications leveraging off the data collected around Insights Retail.

This expanded consumer data will add further value to our B2B range of Insights solutions.

# What is our revenue model?

# Revenue Model

Revenue includes:

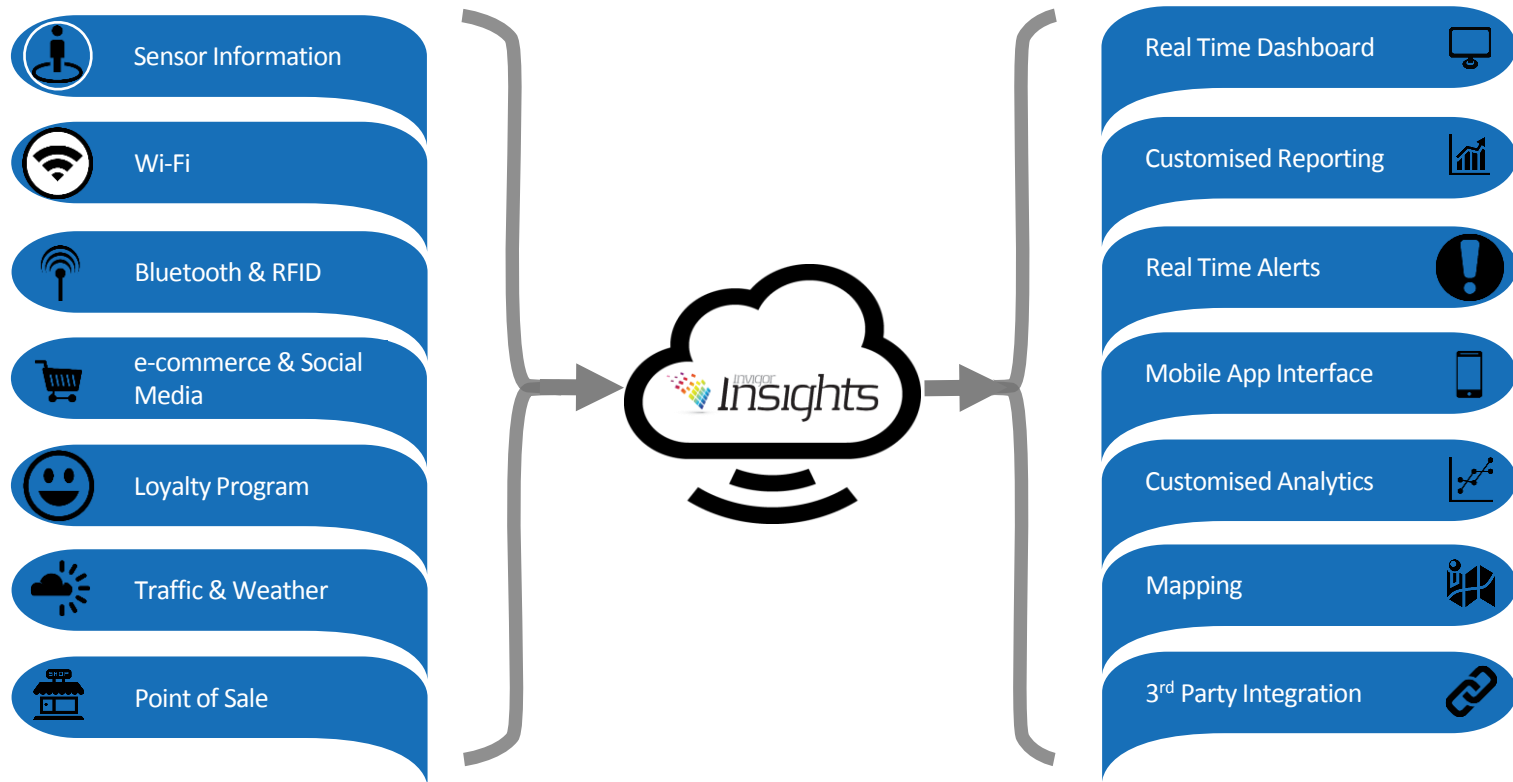
- Annual product licence fees – based on a SaaS model for usage and scale
- Share of advertising revenue (where incremental revenue growth achieved from sales)
- Support fees – payable yearly/quarterly in advance
- Professional Service fees – Based on hourly charge out rates

# How do we do it?



# How do we do it?

THE MOST ADVANCED ANALYTICS SOLUTION



# Corporate & Financial Information





# 2014 Preliminary Results and Financial Position<sup>1, 2</sup>

• Operating revenue	\$0.9 million <sup>3</sup>
• EBITDA	(\$3.6 million) <sup>4</sup>
• Cash balance	\$1.1 million
• Net assets	\$5.6 million
• Net assets per ordinary share	2.5 cents

<sup>1</sup> Balance date 31 December 2014

<sup>2</sup> Subject to audit and final Board approval. Audited financial statements expected to be released by 27 February 2015

<sup>3</sup> Earned in the second half of 2014 following acquisition of balance of Global Group on 1 July 2014

<sup>4</sup> Reflects acquisitions made during 2014, the transition and repositioning of the Company as well as costs incurred in connection with the acquisitions and legacy matters, including the US litigation.



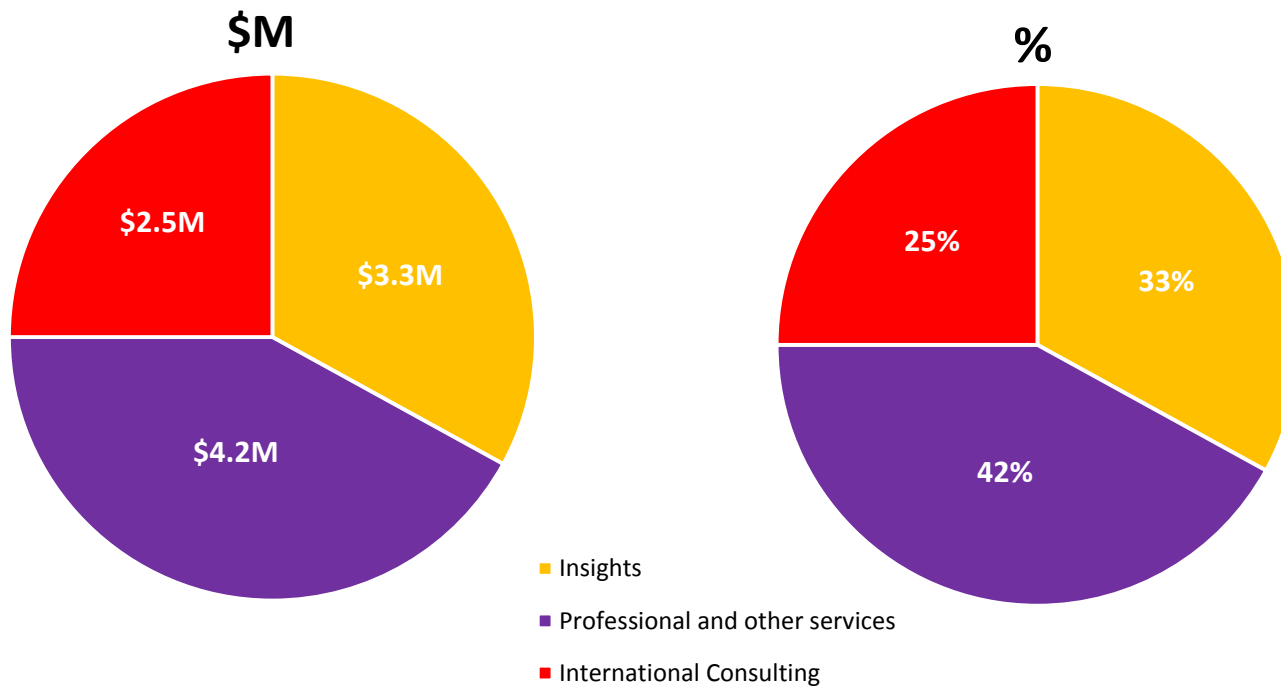
## Financial forecast

- **Invigor** forecasts FY2015<sup>1</sup> operating revenue of \$10.0 - \$10.5m and forecast EBITDA margin of approximately 23%.
- January revenue c.\$1m
- **Invigor** expects to see substantial growth in operating revenue and EBITDA in the following years<sup>1</sup>.

<sup>1</sup> 31 December financial year



## 2015 Forecast Revenue<sup>1</sup>



<sup>1</sup> Current expectation; subject to change without notice

# Capital Structure at 31 December 2014

## Quoted on ASX

- Ordinary shares 227,806,667
- Options (expire in 2018) 38,869,889 at 5c each

## Not quoted

- Unlisted Options 5,000,000 at 10c each
- Unlisted Employee Options 13,818,870 at 10c each
- Convertible notes 22,730,000 at 10c each



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