

30 July 2018

Australian Securities Exchange (**ASX**)
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000



INTIGER MARKET UPDATE

Intiger Group Limited (**Intiger** or the **Company**) (**ASX:IAM**) is pleased to update the market with commentary on our activity during Quarter 2 and our progress towards our goals.

HIGHLIGHTS

- Cash receipts increase by 44% from last quarter
- Unaudited revenue increased by 62% from last quarter
- Continued progress in our pilot with CBA reflected in increasing work volumes
- Continued development of BOOM2 including access to API coding for leading financial services Client Management System manufacturer
- Successful management restructuring

Market environment


The Royal Commission into Banking and Financial Services has attracted a great deal of scrutiny, in particular as it relates to financial advice. The Company has received many queries as to the impact that this may have on our services, and the financial advice profession in general. Although the findings of the Commission are not due until next year, its hearings have underlined the importance of financial advice providers to demonstrably provide compliant, quality financial advice that is in the best interests of their clients.

Intiger sees no lessening of demand for financial advice, indeed our experience is that the attention the Royal Commission has given to financial advice has underlined its importance in helping everyday Australians achieve their financial goals. Certainly, the feedback from our clients is that it makes it all the more important that quality compliance advice can be provided in greater volumes at a lower price, and **in a manner which can be measured and monitored**.

These factors support demand for the Company's services, particularly our BOOM fintech software.

BOOM2 development update

Currently, all clients order their work through our original BOOM1 platform. This allows orders to be placed efficiently and effectively on a straight through processing basis to our offshore team.



Our next generation BOOM2 service expands on this capability, having the ability to prepare Financial Plans (Statements of Advice) and Records of Advice. Currently, it has functionality to do this in the areas of Personal Risk Insurance, and Personal Superannuation. These two areas cover approximately 50% of all client requests.

Our next area of advice provision is to develop the capacity for Retirement Advice and associated advice strategies. Once completed, these areas will ensure that BOOM2 has capabilities in approximately 80% of client advice scenarios.

We have several areas under active development in BOOM2. These include mapping information fields from BOOM2 to the market-leading Client Management System through the use of API codes. This is a key development as it significantly reduces the amount of double handling of information by both the Company and our clients.

Ultimately, we plan for BOOM2 to have automatic Advice Quality Vetting to allow our customers to audit advice quality in real time, rather than the current system of retrospective file audits.

BOOM2 has already been the subject of significant field testing with select clients and has been subject to intensive risk assessment by the CBA as part of the pilot program. It is planned to begin using this with 'live' advice scenarios in Quarter 3 2018.

CBA pilot program update

The CBA pilot program, previously announced to the market on 2 February 2018, continues to proceed according to our co-designed project plan.

During the quarter, there was a material increase in the number of team members who are accredited to work on the CBA pilot. Our project plan anticipates that this trend will continue, should the project continue its current trajectory. The project is managed with weekly project meetings, and monthly governance meeting between senior CBA management and senior Intiger management, reviewing both the volume and quality of work completed.

The next steps in this pilot program include increasing the number of paraplanners authorised to complete CBA and hosting another two week visit from CBA staff trainers.

Financial and Activity update

Last quarter the Company advised that a strategic decision to focus on restructuring and training for the CBA pilot had a short-term impact on revenues. With this now completed, our resources are able to return to revenue generating activities, which is reflected in an increase in cash receipts. Costs savings of approximately \$450,000 per annum were made with the closure of our Sydney office and other cost savings measures, however the benefit from these is not yet fully reflected in Quarter 2.

- Cash receipts were \$184,000 for the quarter which was up 44% on the previous quarter
- Unaudited revenue for the quarter was \$207,000, which was up 62% on the previous quarter
- 543 Statements of Advice were ordered during the quarter, an increase of 285% on the previous quarter
- 2281 Back Office processes were ordered during the quarter, an increase of 18% on the previous quarter



Team

Managing director Mark Fisher continues to be on extended medical leave. The board will continue to assess the most appropriate operational management structure on an ongoing basis.

In the Philippines, our focus has been on continuing to recruit and train additional human resources to meet the requirements of both the CBA pilot program and our existing customers. Additionally, extra coding resources have been engaged to ensure that BOOM2 development continues to meet our timeframes.

Conclusion

Commenting on the company's activities, Intiger chair Patrick Canion said, "I'm very pleased to see the progress we are making, particularly with our CBA pilot program where we require very exacting quality standards. It's also very gratifying to see the senior management step up and take over the operational leadership during Mark's extended leave. Intiger is passionate about the value of financial advice and we will continue to develop our BOOM technology to ensure that our financial planning customers can spend more time with their clients, providing quality and compliant financial advice."

- ENDS -

For further information, please contact:

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Industry

Mark Fisher

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About Intiger Group Limited

The business of **Intiger Group Limited (ASX: IAM)**, was founded by experienced investment banking and financial services executive Mark Fisher and operates an Australian software development house dedicated to supporting professional Financial Planners to meet the needs of their clients. Intiger does this by reducing the back office and operational costs within the Australian financial planning industry. Working with Australian Financial Services Licensees and their advisers, the Intiger Group has developed and launched proprietary software platform BOOM2, which has been designed to digitise and automate core components of the financial planning process including the production of automated statements of advice. BOOM2 also tracks key performance indicators of a financial planning practice and delivers oversight and control to both licensees and financial planning practices nationally.



INTIGER GROUP

BOOM₂ DEVELOPMENT UPDATE

ASX:IAM

Tech-driven superior processes, better compliance, better advice

Current State – Wealth Management Technology

Legacy CRM's & processes are not meeting industry demands for cost effective, quality controlled, scalable advice production.

Royal Commission will result in more regulatory requirements to be met – resulting in greater demand for better tech-driven solutions to manage compliance and advice.

Existing Processing & CRM's

- Databases
- Laborious manual manipulation
- Un-scalable
- Limited process optimisation/automation
- Multi touch data entry

Outcome:

- ✓ **Licensees:** low/no control over advice quality across network. High risk.
- ✓ **Practices:** unscalable, slow, expensive processing cost. Falling margins.



Legacy tech & processing is not meeting industry needs

BOOM2 solves the problem

Next Gen Financial Planning back office processing platform created in conjunction with Tier 1 Licensees & Practices.



BOOM2 leverages:

- Digitisation
- Process Optimisation (LEAN, Six Sigma)
- Automation
- Artificial Intelligence in development
- Offshore processing
- Single touch data entry
- Single point of data view

BOOM2 drives:

- ✓ **Licenses:** network control, compliance, oversight, productivity, scale
- ✓ **Practices:** reduced back office costs, scale, productivity & profitability

BOOM2 outcome:

- ✓ ~ **significantly** lower cost of production
- ✓ **3X** increased productivity



High quality, scalable, compliant advice
High volume, low cost, profitable advice production

EMBRACING NEW TECH

Gartner Prediction: By 2020, 50 percent of analytical queries will be generated via search, Natural Language Processing, or voice.



Source: Tableau Whitepaper, 2018 Top 10 Business Intelligence Trends



New technology adoption – Natural Language Processing



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A.I. DEFINED

Adj; Technology capable of performing tasks normally requiring human intelligence, such as making predictions, providing insights on human behaviour, speech to text, community opinions/sentiment & text to speech



A.I. in BOOM2

1. **Predictive client profiling:**
 - For Advisers. Know your client
2. **Predictive advice compliance:**
 - For Licensee's, Control quality of advice risk
3. **Conversational speech to text & text to speech:**
 - For Advisers & Licensees: removes manual typing + drives mass market engagement
4. **Predictive sentiment & opinion:**
 - For Advisers & Licensees. Know your client, align advice to sentiment



The industry's 1st exposure to practical A.I.

EVOLVING with industry buy in, support, feedback & uptake



ADVISER

Client Meeting

Enters fact find & task request in BOOM

BOOM SOFTWARE

Creates workflow task

Research Call entered into BOOM standard online template

Ins Quotes checked in CRM and top 2-5 quotes run in Individual Insurer Quoting Tool, Saved to client file in CRM

Product Comparisons run in CRM and saved to client file in CRM

Modelling done in CRM and saved to client file in CRM

BOOM User Interface

Review Admin & Research Outcome in Xplan

BOOM sends alert to review

Submit Advice Request Strategy in BOOM

SOA workflow created

Review SOA

NO

Present to Client

Change Required?

YES

Creates Initial SOA in WORD format

SOA

Paraplanner obtains the above admin data from CRM, inputs and completes SOA

SOA is Quality checked internally

INTIGER OFFICE

Conducts Admin Tasks:

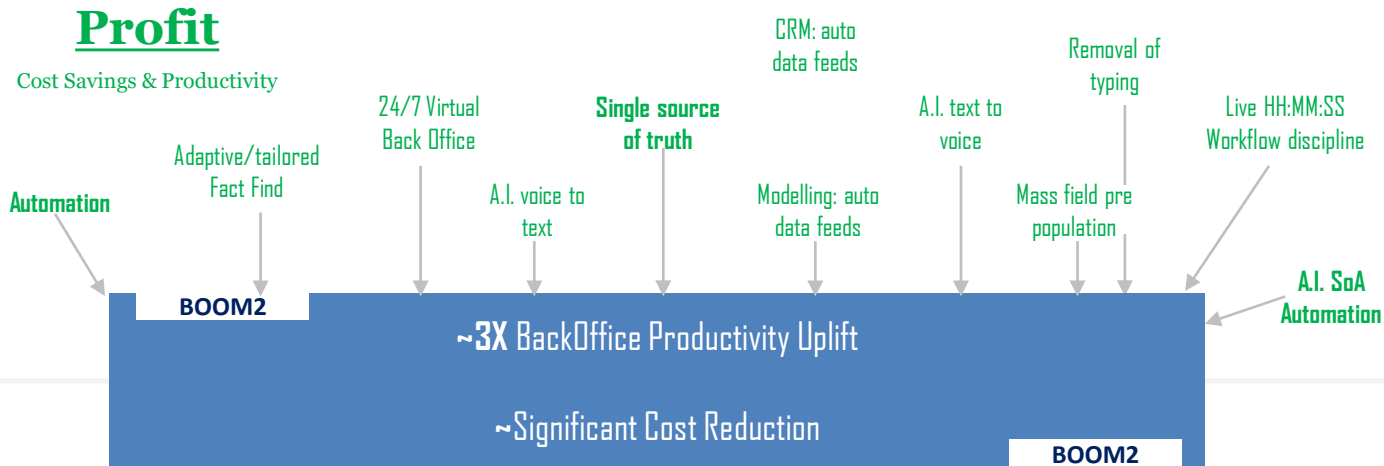
- Research Calls
- Insurance Quotes
- Product Comparisons
- Modelling

BOOM2 - how the benefits are derived

Sum of the parts, not each part in isolation

Profit

Cost Savings & Productivity



Predefined/hard coded
Licensee Standards &
Business Rules

A.I. predictive
Quality of Advice
Audit

Single source
of truth

A.I. predictive
advisor
behaviour

A.I. Discovery:
know your client

Pre submission to
client A.I. QC
Gatekeeper

Outbound dial funds
& insurance firms
recording

Predefined
cross network
process
standardisation

Compliance

Compliance & Quality Control

BOOM2 – benefits for all stakeholders

	QUALITATIVE	QUANTITATIVE
Licensee:	<ul style="list-style-type: none"> ▪ Oversight & control of network advice production ▪ Live compliance & QC oversight ▪ Reduced risk of non-compliant advice ▪ Reduced reputational risk ▪ Reduced manual compliance tracking 	<ul style="list-style-type: none"> ▪ Increased AR #'s & penetration ▪ Increased fees, income ▪ Lower compliance risk/cost <p>If offering centralised back office:</p> <ul style="list-style-type: none"> ▪ ~3X increase back office productivity ▪ ~significantly lower costs of production ▪ Faster TAT
Practice	<ul style="list-style-type: none"> ▪ Scaled, on rail advice, compliant to Licensee ▪ Increased advice quality, consistency & client satisfaction ▪ Competitive advantage 	<ul style="list-style-type: none"> ▪ Increased margin, profit, & scalability ▪ Faster TAT ▪ ~3X increase back office productivity ▪ ~significantly lower back office cost of production
Adviser	<ul style="list-style-type: none"> • Maximised time engaging clients not admin • Increased revenue • In control of client experience • Competitive advantage • Greater personal productivity & performance 	<ul style="list-style-type: none"> • Increased revenue • Increased scale of client base • Faster TAT • Increased client referral and conversion



Achievements to date

- BOOM2 built & tested for Single Strategy Advice
- AI Regtech potential successfully canvassed with prospects
- Approved integration of BOOM with market leading CRM (shared APIs)
- Entered into 1 year pilot with Commonwealth Financial Planning, Financial Wisdom & Count



Quality Software combined with Industry Know How

Accelerating Progress

Current Priorities:

- BOOM2 on track for implementation mid-next quarter
- Increased technology programming resources to accelerate BOOM2 development
- CBA pilot continuing to scale up & BOOM2 Risk Assessment
- Build capacity to service multiple institutional clients



BOOM2 evolution continues

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

INTIGER GROUP LIMITED (ASX:IAM)

ABN

71 098 238 585

Quarter ended (Current quarter)

30 June 2018

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 Months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	184	604
1.2 Payments for:		
(a) research and development	-	-
(b) product manufacturing and operating costs	(252)	(788)
(c) advertising and marketing	(58)	(147)
(d) leased assets	(24)	(149)
(e) staff costs	(156)	(727)
(f) administration and corporate costs	(403)	(1,607)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	(8)	(21)
1.6 Income taxes (paid) / refunded	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material):		
(a) Former activities	-	19
(b) Back-pay of Managing Director salary package accruals	(143)	(143)
(c) Business and operational restructuring costs	(46)	(46)
1.9 Net cash from / (used in) operating activities	(905)	(3,003)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material):	-	-
2.6 Net cash from / (used in) investing activities	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 Months) \$A'000
3. Cash flows from financing activities			
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	2,082
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	2,082
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	2,022	2,038
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(905)	(3,003)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,082
4.5	Effect of movement in exchange rates on cash held	1	1
4.6	Cash and cash equivalents at end of quarter	1,118	1,118
5. Reconciliation of cash and cash equivalents 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	Bank balances	401	398
5.2	Call deposits	717	1,624
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,118	2,022
6. Payments to directors of the entity and their associates		Current quarter \$A'000	
6.1	Aggregate amount of payments to these parties included in item 1.2		163
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3 and 2.5		-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2			
In respect to 6.1, amounts included salaries and director remuneration / fees, superannuation. Also Included in 6.1 is \$143,000 in back pay of managing director salary.			
7. Payments to related entities of the entity and their associates		Current quarter \$A'000	
7.1	Aggregate amount of payments to these parties included in item 1.2		-
7.2	Aggregate amount of cash flow from loans to these parties included in items 2.3		-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2			
Nil			

8. Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
Add notes as necessary for an understanding of the position		
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.		


None.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	250
9.3 Advertising and marketing	-
9.4 Leased assets	10
9.5 Staff costs	190
9.6 Administration and corporate costs	200
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	650

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets / (deficiency)	-	-
10.5 Nature of business	-	-

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Signed:  Dated: Monday, 30 July 2018

Company Secretary

Print name: STEPHEN BUCKLEY

Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.