

## ASX Announcement

28 February 2017

### Invigor primed for growth after transformational FY2016

- **58% growth in FY2016 revenue to \$8.5 million**
- **Solid operational progress made across all operating divisions**
- **Impressive contract wins and extensions totalling \$3.7 million**
- **New services launched and strong partnerships established**
- **Balance sheet strengthened and platform for growth now in place**

Leading big data solutions company Invigor Group Limited (ASX: IVO) (“Invigor”) is pleased to report on its financial and operational performance for the 12 months ended 31 December 2016. Significant progress has been made with Invigor now well placed to deliver very strong growth in the current 12-month period.

#### **Financial performance**

Group revenue for the year was pleasing at \$8.5 million, up 58% on the prior year (2015: \$5.4 million) and reflects the top line growth across all operating divisions, and the contribution from the Condat business which was acquired in November 2015.

Invigor recorded a loss of \$6.8 million after booking \$1.5 million worth of impairments arising from the My Verified ID Holdings and Kit Digital Inc investments. Earnings before interest, tax, depreciation, amortisation and impairment was (\$4.1) million.

Particularly encouraging was the performance of Condat which has delivered improved financial performance under Invigor’s ownership. The business booked revenue of \$7 million and earnings before interest, tax, depreciation and amortisation (EBITDA) was \$743,000. Gross margin was an impressive 18% at \$1.3 million.

During the year, Invigor streamlined its cost base and strengthened its balance sheet. Over \$1 million worth of annualised costs were removed, the full benefit of which will be recognised in the FY17 year. Further, \$1.95 million of debt was retired with a final settlement made with the Condat vendors. As reported this month, Invigor has secured a \$4.52 million financing facility which will allow the Company to repay existing convertible notes and deliver the necessary financial flexibility to drive growth across operating divisions.

#### **Solid operational progress**

Invigor delivered solid operational progress across the group including securing new partnerships, launching new businesses, and locking in new contracts and multiple contract extensions.

**New partnerships secured:** In May, Invigor announced a new partnership with Sprooki, a leading shopper engagement and commerce platform that has been integrated with the Insights Visitor

platform so venue owners can better engage with consumers through their mobile devices and deliver improved offerings and monetisation opportunities. The partnership has been a key determinant in Insights Visitor securing new contracts and is part of the solution offered by the successful JV at Manly Wharf.

In July, the Company also announced a partnership with International Data Corporation Australia (IDC), one of the world's leading market intelligence firms which will see IDC provide Invigor with vendor specific reports across the Company's product suite, including the recently published Vendor Spotlight Report.

**New divisions launched:** In June, Invigor announced the addition to its suite of big data market intelligence solutions with the launch of SpotLite, a pricing and market intelligence solution for retailers and brands of any industry and any geography. SpotLite empowers businesses of any size in Australia and internationally to make smarter decisions by providing them an affordable and easy-to-use price tracking solution, with features such as real-time notifications, never before seen in the Australian market. Beta testing was completed after a two-month period, and the product went live in early February this year.

**Extensive contract wins across all divisions:** Invigor demonstrated the growing appeal and validity of its big data solutions suite of services, and the benefits realised from its new partnerships, with record levels of new contract wins and contract extensions achieved. The total value of new contracts and extensions secured during the year was \$3.7million, and included:

- **Insights Visitor:** the creation of a digital precinct at Manly Wharf with Sprooki, the provision of analytics at major Sydney CBD shopping precincts and the Moore Park Supa Centre, the implementation of a trial of Visitor for Zoos Victoria, and in January, deployment of Wi-Fi analytics at the Australian Open with Optus on behalf of Tennis Australia.
- **Insights Retail:** Treasury Wine Estates (TWE) deploying Retail for a product range, competitive market intelligence services for The Good Guys under a three-year contract together with contract renewals with Moët Hennessy, Epson, TCL and Navman.
- **Condat:** Deployment of Condat solutions into Ericsson's UK division, a new \$1 million contract with Germany's largest broadcaster ZDF, and a new contract and subsequent extension with one of Europe's largest collective management rights organisations, GVL.
- **SpotLite:** Clients already on board and utilising SpotLite's pricing intelligence such as Everton, Adore Beauty, Treasury Wines (UK and USA), ASUS (Brazil), IDC, IBSA, Outliving, Lighting and More, Langton Management

#### **Management commentary and outlook**

Invigor's Chairman and CEO commented: "Financial Year 2016 has been a transformational year for Invigor and we are pleased with our achievements. We have strengthened our balance sheet and lowered the cost base, broadened our suite of complementary big data services, expanded our geographical footprint, established lasting partnerships which enhance our offerings, and significantly expanded our order book with multiple new contracts and contract extensions with some very notable organisations."

"All these achievements give us the platform to drive continued growth and underpin our revenue base for the next few years. While 2016 can be characterised as a year of restructure and transformation, 2017 will be the year of considerable growth, and one in which we capitalise on the work undertaken in 2016. Invigor has never been in better shape."

On the Outlook the Company is shortlisted with a significant number of major contracts in both Australia and Europe.

“We are also exploring opportunities in Asia so that we can leverage our investment in our products across more markets. Further since the commercial release of SpotLite earlier this month, we are very encouraged by the take up and already seeing some major interest from international businesses as well as opportunities to market SpotLite in some of the world’s largest market, delivering a significant scale to the user base.”

#### **Funding Update and Clarification**

The Company refers to its recent announcements on December 13, 2016 and February 3 2017 in relation to the successful raising of \$4.53m of additional funding from sophisticated investors (\$2.52m) and Partners for Growth of \$2m. The Company advises that the total amount raised was \$4.52m, and in addition, that the \$2.52m has been treated as short term borrowings until the Company seeks shareholder approval on the issue of Convertible Notes for the equivalent amount at an upcoming General Meeting (GM) to be held in April. The PFG loan of \$2m is for a two-year term and the 66,666,667 warrants to be issued to PFG that are associated with this loan are also subject to shareholder approval at the upcoming GM. It is anticipated that Shareholders will be advised of the date and arrangements for this meeting shortly.

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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.