



A.C.N. 098 238 585

**ASX Announcement**

**29 May 2019**

## Intiger Market Update

Intiger Group Ltd (**IAM, the Company**) is pleased to update the market on its business operations. This update should be read in conjunction with the Company's Strategic Plan Update of 21 January 2019.

### Key Points

- Intiger will refocus Company efforts on its leading BOOM software
- Significant reduction in the Company's Offshore Processing team will reduce costs
- Intiger explores acquisition opportunities to gain scale

### Background

Intiger was founded with a belief that every Australian can benefit from quality financial advice. The Company's vision is to liberate its partners through intelligent technology and outstanding people.

The Company has created technology that enables financial planners to spend more time with their clients by decreasing their costs and improving the quality of their advice documents. In conjunction, we have established several offshore processing centres to lower the administration costs of planning practices and cover off the areas that technology has yet been unable to satisfy.

Since 2016, Intiger has responded to feedback from its clients and continued to develop and launch several iterations of its BOOM software, as well as two separate offshore processing locations. The Company has recruited experienced financial services and IT professionals to ensure that its quality software is immediately practical to financial planners. Intiger implicitly understands the needs and challenges of lowering the cost to provide advice, whilst not compromising on quality and compliance.

### Current Situation

The Royal Commission into Misconduct into the Banking, Superannuation and Financial Services Industry has had a profound impact on the provision of financial advice, from small practices to large national AFSL holders. It is a matter of public record that many financial advice providers have undertaken significant reviews of their operational processes and indeed, their participation in providing financial services, as a result.

Intiger believes that in the longer term, the recommendations of the Royal Commission will increase demand for the Company's services. We believe that awareness of the value of financial advice will increase, as will the need for advisers and licensees to have, and demonstrate, quality and compliance. The only way to meet these competing demands at a price acceptable to the market, is to integrate technology into advice processes to improve adviser productivity. However, in the short term, the implications of the Royal Commission have

presented trading challenges for Intiger as clients and prospective clients have reassessed their processes in providing financial advice.

The Company invested heavily to ensure that a recently concluded pilot program was a success. Despite meeting or exceeding all program benchmarks, the Company, as announced on 23 May 2019, was unable to reach a commercial arrangement to provide ongoing services.

Without the anticipated revenue from this commercial arrangement, it is unsustainable for the Company to continue with its current structure and level of resources. As prudent managers of shareholders' capital, the management and board of Intiger have used this as an opportunity to refocus the Company's future direction.

Regarding our broader market engagement, Intiger has maintained its client numbers. Enquiries and interest from prospective clients remain steady with respect to our offshore services, and this supports our decision to turn our major focus to our technology solution.

We have continued to develop BOOM and expand it beyond simple production of advice documents and have begun to incorporate regulatory compliance components. This is in response to demand from our clients and the broader marketplace, as a means to address the changes in work practices that we believe will result from the Royal Commission.

## Future Direction

To date, the Company has adopted a 'hybrid' approach to its services, incorporating solutions that combined both technology and offshore business processing.

Intiger will now direct its focus on its core strength, namely the continuing development and marketing of BOOM software. This software has the greatest potential to add value to financial planners and AFSL holders. The Company is very aware that this area is its core competitive advantage and is what the market values.

The BOOM online portal delivers unique solutions combining new technology with advice process insight, resulting in an enhanced financial adviser and client experience. Intiger continues its engagement of Artificial Intelligence expertise to liberate financial advisers from fundamental pain points, such as the productivity drain of completing client engagement and compliance processes with legacy solutions.

BOOM facilitates a superior Client Discovery experience whilst enabling convenient data connectivity between BOOM and downline advice processes. In line with the 2019 Technology Roadmap, Intiger has commenced integrating quality-checking advice processes into BOOM, leading to a full Dynamic Compliance Solution (Regtech solution).

The Company will also take immediate steps to address the excess capacity we have built in its offshore operations which is no longer required. This service will be scaled back to an appropriate level commensurate with meeting the needs of the Company's existing clients and to allow for organic growth.

Intiger has also been in ongoing discussions with several parties regarding prospective acquisitions and/or joint ventures to bring scale and complementary benefits and services to the Company's operations. At this date no agreements have been reached and there is no certainty that these discussions will result in a transaction.

## Summary

Intiger continues to believe that there is significant opportunity in the market for the Company's products and services. We believe that the Company's expertise and knowledge of financial services provides Intiger with a competitive advantage. The changes we are making in the Company's focus will ensure that we are best placed to deliver a competitive and profitable value proposition.

For further information, please contact:

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## ABOUT

### Intiger Group Limited

The business of Intiger Group Limited (ASX: IAM), 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 boom, which has been designed to digitise and automate core components of the financial planning process including the online practice management system which tracks key performance indicators of a financial planning practice and delivers oversight and control to both licensors and financial planning practices nationally.