

28 February 2016

Results for announcement to the market

Appendix 4E for the year ended 31 December 2016

Invigor Group Limited (ASX: IVO) announces the following results for the Company and its controlled entities (together the Consolidated Entity) for the year ended 31 December 2016. The results are extracted from the Preliminary Financial Statements of the Consolidated Entity which remain subject to audit completion.

Extracted from the 31 December 2016 Preliminary Financial Statements which remain subject to audit completion	Year to 31 December 2016 \$A'000	Year to 31 December 2015 \$A'000	Change %
Revenue from ordinary activities	8,500	5,364	58
Net profit (loss) from ordinary activities after tax attributable to members	(6,775)	(3,110)	(117%)
Net profit (loss) after tax attributable to members	(6,775)	(3,110)	(117%)

The result for 2016 reflects:

- the first full year contribution from Condat AG;
- an impairment charge of \$1.5m
- Write down of Intellectual License of \$320,000

Please refer to the 31 December 2016 Preliminary Financial Statements for further information.

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

Condat 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, and \$1.95 million of debt was retired with a final settlement made with the Condat vendors. As reported this month, Invigor has secured a \$4.53 million financing facility which will allow the Company repay existing convertible notes and deliver the necessary financial flexibility to drive growth across operating divisions.

Dividends for the year ended 31 December 2016

No final dividend has been declared or proposed (2015 – nil).

No interim dividend was declared or paid (2015 – nil).

Net Tangible Assets (Liabilities) per Share

	31 December 2016 ¹ \$A	31 December 2015 ² \$A
Net assets (liabilities) per share	0.021	0.036
Less: Intangible assets per share	(0.033)	(0.038)
Net tangible assets (liabilities) per share	(0.012)	(0.002)

1 Based on 461,564,131 issued ordinary shares.

2 Based on 348,082,663 issued ordinary shares.

Audit status

The Preliminary Financial Statements remain subject to completion of the audit by the Company's Auditor. The Auditor has indicated that, at this stage, the final audit report may contain an emphasis of matter on the following:

- Preparation of the financial statements on a going concern basis.

The remainder of the information requiring disclosure to comply with Listing Rule 4.3A is contained in the accompanying 31 December 2016 Preliminary Financial Statements.

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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.

Invigor Group Limited
Consolidated Statement of Profit or Loss and Comprehensive Income
for the year ended 31 December 2016

	Consolidated 31 December 2016 \$'000	Consolidated 31 December 2015 \$'000
Note		
Revenue	8,500	5,364
Employee benefits expense	(7,888)	(4,116)
Professional fees	(1,202)	(1,087)
Impairment of other financial assets	(1,468)	-
Other operating costs	(3,176)	(2,297)
Profit/ (Loss) from Joint Venture	(35)	-
Profit/ (Loss) on non-current assets	(320)	-
Total profit (loss) before financing costs, tax, depreciation and amortisation	(5,589)	(2,136)
Depreciation and amortisation	(837)	(826)
Total profit (loss) before financing costs and tax	(6,426)	(2,962)
Financing costs	(336)	(667)
Profit (loss) before income tax	(6,762)	(3,629)
Income tax benefit (expense)	(13)	519
Profit (loss) for the period	(6,775)	(3,110)
Other comprehensive income		
Foreign currency translation reserve	(92)	(55)
Total comprehensive income (loss) for the period	(6,867)	(3,165)
Total:	Cents	Cents
Basic earnings (loss) per share attributable to ordinary equity holders	(1.68)	(1.19)
Diluted earnings (loss) per share attributable to ordinary equity holders	(1.68)	(1.19)

The above Consolidated Statement of Profit or Loss and Comprehensive Income should be read in conjunction with the accompanying notes.

Invigor Group Limited
Consolidated Statement of Financial Position
as at 31 December 2016

		Consolidated 31 December 2016 \$'000	Consolidated 31 December 2015 \$'000
Note			
	CURRENT ASSETS		
	Cash and cash equivalents	642	1,100
	Trade and other receivables	1,631	3,808
	Assets held for sale and Other financial assets	11	1,774
	Total Current Assets	2,284	6,682
	NON-CURRENT ASSETS		
	Other financial assets	1,749	1,750
	Property, plant and equipment	152	256
	Intangible assets	15,375	12,983
	Total Non-Current Assets	17,276	14,989
	TOTAL ASSETS	19,560	21,671
	CURRENT LIABILITIES		
	Other creditors and accruals	2,023	4,543
3	Interest bearing loans and borrowings	7,501	4,195
	Provisions	302	253
	Other current liabilities	80	
	Total Current Liabilities	9,906	8,991
	NON-CURRENT LIABILITIES		
3	Interest bearing loans and borrowings	-	180
	Provisions	85	64
	Total Non-Current Liabilities	85	244
	TOTAL LIABILITIES	9,991	9,235
	NET ASSETS	9,569	12,436
	EQUITY		
4	Issued capital	140,848	137,351
	Reserves	2,161	1,750
	Accumulated losses	(133,440)	(126,665)
	TOTAL EQUITY	9,569	12,436

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

	Consolidated 31 December 2016 \$'000	Consolidated 31 December 2015 \$'000
Note		
Cash flows from operating activities		
Receipts from customers	9,479	5,357
Payments to suppliers and employees	(15,379)	(9,544)
Interest received	6	22
Other income received	985	903
Net cash from (used in) operating activities	(4,909)	(3,262)
Cash flows from investing activities		
Payments for property, plant and equipment	(44)	(103)
Payments for acquisition of investments and convertible notes	(1,004)	(3,128)
Payments for other assets	849	-
Net cash outflow upon acquisition of business operations, net of cash acquired	0	(376)
Net cash from (used in) investing activities	(199)	(3,607)
Cash flows from financing activities		
Proceeds from issue of shares	2,461	4,611
Proceeds from issue of convertible notes	-	3,400
Proceeds from borrowings	-	215
Borrowing costs paid	(389)	(346)
Repayment of borrowings	2,966	(988)
Capital raising costs paid	(388)	-
Net cash flow from (used in) financing activities	4,650	6,892
Net increase (decrease) in cash and cash equivalents	(458)	23
Cash and cash equivalents at 1 January	1,100	1,077
Cash and cash equivalents at 31 December	642	1,100

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Invigor Group Limited
Consolidated Statement of Changes in Equity
for the year ended 31 December 2016

	Issued Capital	Accumulated Losses	Reserves	Total
Consolidated	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2016	137,351	(126,665)	1,750	12,436
Profit (loss) for the period	-	(6,775)	-	(6,775)
Foreign currency translation reserve	-	-	(92)	(92)
Total comprehensive income (loss)	-	(6,775)	(92)	(6,867)
Transactions with owners in their capacity as owners:				
Issue of shares	3,885	-	-	3,885
Share based payments reserve	-	-	503	503
Capital raising costs reversed (incurred)	(388)	-	-	(388)
Balance at 31 December 2016	140,848	(133,440)	2,161	9,569
Balance at 1 January 2015	127,028	(123,555)	1,550	5,023
Profit (loss) for the period	-	(3,110)	-	(3,110)
Foreign currency translation reserve	-	-	(55)	(55)
Total comprehensive income (loss)	-	(3,110)	(55)	(3,165)
Transactions with owners in their capacity as owners:				
Issue of share capital	10,544	-	-	10,544
Share based payments reserve	-	-	255	255
Capital raising costs incurred	(221)	-	-	(221)
Balance at 31 December 2015	137,351	(126,665)	1,750	12,436

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

1. Significant accounting policies

This general purpose consolidated financial report for the year ended 31 December 2016 comprises Invigor Group Limited ("the Company" or "Invigor"), its subsidiaries (together referred to as the "Consolidated Entity") and the Consolidated Entity's interests in associates and jointly controlled entities. The principal accounting policies adopted in the preparation of the consolidated financial report are set out below and have been consistently applied by each entity within the Consolidated Entity for all periods presented, unless otherwise stated.

Invigor Group Limited is a limited liability company incorporated and domiciled in Australia.

(a) Statement of compliance

This financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASB) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated financial report of the Consolidated Entity complies with the International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board. The Company is a for-profit entity for the purpose of preparing the financial statements.

(b) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial assets which are measured at fair value.

Comparative figures have been adjusted to conform to changes in presentation for the current financial year when required by accounting standards. Where the Consolidated Entity has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the majority of the entities in the Consolidated Entity during the reporting period.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars unless otherwise stated.

(c) Preparation of financial statements on the going concern basis

The consolidated financial statements have been prepared on the going concern basis. In determining that the going concern basis is appropriate, the directors have had regard to the:

- effect on the financial position of the Consolidated Entity following a review of the amount of expected revenue and terms of forecast investment, financial and operating commitments for the next 12 months, including short to medium term funding requirements which may need to be met through raising additional debt or equity.
- terms of financing facilities available to the Company and the likelihood of these being extended, if required.

The Company's ability to continue to operate as a going concern is dependent upon the items listed above. Should these events not occur as anticipated, the Company may not be able to pursue its business objectives and will have difficulty continuing to operate as a going concern, including realising its assets and extinguishing its liabilities at the amounts shown in the financial statements.

(d) Use of estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Consolidated Entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement of Receivables, Assets held for sale and Other financial assets, Intangible assets, Tax losses and Interest bearing loans and borrowings.

(e) Principles of consolidation

Subsidiaries

The consolidated financial statements of Invigor Group Limited incorporate the assets and liabilities of all entities controlled by the Company as at 31 December 2016 and the results of all controlled entities for the year then ended. Control exists when the Consolidated Entity has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Where control of an entity is obtained during a financial year, its results are included in the consolidated income statement from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

Associates and jointly controlled entities

Associates are those entities in which the Consolidated Entity has significant influence, but not control, over the financial and operating policies. Jointly controlled entities are those entities over whose activities the Consolidated Entity has joint control, established by contractual agreement. In the consolidated financial statements, investments in associates and jointly controlled entities are accounted for using either fair value through profit or loss or the equity method of accounting.

The Consolidated Entity's investments in associates and jointly controlled entities include goodwill identified on acquisition net of impairment losses, if any.

Where the fair value through profit or loss method is applied, the carrying amount of investments in associates or jointly controlled entities is restated to the assessed fair value with changes recognised in the income statement. Such investments are classified as "Other financial assets" in the balance sheet.

Where the equity method is applied, the consolidated financial statements include the Consolidated Entity's share of the total recognised gains and losses of associates or jointly controlled entities on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Consolidated Entity's share of losses exceeds its interest in an associate or jointly controlled entity, the Consolidated Entity's carrying amount is reduced to \$nil and recognition of further losses is discontinued except to the extent that the Consolidated Entity has incurred obligations or made payments on behalf of the associate or jointly controlled entity.

Transactions eliminated on consolidation

All intercompany balances, unrealised income and unrealised expenses arising from intra-group transactions, have been eliminated in full.

Unrealised gains or losses on transactions between the Consolidated Entity and its equity accounted investments are eliminated to the extent of the Consolidated Entity's interest in those entities. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

(f) Foreign currency translation

Foreign currency transactions and balances

Transactions in foreign currencies are initially translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items that are outstanding at reporting date are translated at the foreign exchange rate prevailing at that date.

Foreign exchange gains and losses arising on translation are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the exchange rates prevailing at the dates the fair value was determined.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates ruling at balance date.

The income and expenses of foreign operations are translated into Australian dollars at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case revenues and expenses are translated at exchange rates at the dates of the transactions). Any exchange differences arising on translation are taken directly to the Foreign currency translation reserve in equity.

Exchange differences arising from the translation of a net investment in foreign operations, and of related hedges, are taken to the Foreign currency translation reserve and are released into the income statement upon a disposal resulting in a loss of control.

(g) Revenue

Revenue is income that arises in the course of ordinary activities of the Consolidated Entity and is recognised at the fair value of the consideration received or receivable. Revenue is recognised when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

Interest income

Interest income is recognised in the income statement on an accruals basis, using the effective interest method.

Dividend income

Dividend income is recognised in the income statement when the entity's right to receive payment is established.

Development projects and rendering of professional services

Revenue from development projects and the rendering of professional services is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to some or all of the specific contract terms, milestone or performance delivery dates, agreed invoicing terms and costs incurred as a percentage of estimated total costs, including labour, for each contract. Where the contract outcomes cannot be reliably measured, revenue is recognised only to the extent that recoverable expenses have been recognised.

Revenue from time and materials and consulting services is recognised when the service is provided.

(h) Financing costs

Financing costs comprise interest expense on borrowings calculated using the effective interest rate method, costs incurred in establishing and maintaining borrowing facilities for use in funding business acquisitions, foreign exchange gains and losses on foreign currency borrowings, unwinding of the discount on provisions, fair value movements on other financial assets at fair value through the profit or loss where considered part of the borrowing cost, and gains and losses on hedging instruments that are recognised in the income statement. Borrowing costs are recognised in profit or loss using the effective interest method unless they relate to a qualifying asset in which case they are capitalised in the relevant asset.

(i) Operating leases

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

(j) Research and development expenditure

Research expenditure is expensed as incurred.

Development expenditure incurred on projects may be capitalised if the product or service is technically feasible, adequate resources are available to complete the projects, it is probable that future economic benefits will be generated and expenditure attributable to a project can be reliably measured. Expenditure capitalised comprises the direct costs of services, direct labour and an appropriate portion of overheads. Other development costs are expensed when they are incurred. Capitalised development expenditure, if any, is stated at cost less accumulated amortisation and any impairment losses and amortised over the period of expected future sales from the related projects, which is generally no more than 5 years. Capitalised development expenditure is reviewed at least annually for impairment.

(k) Income tax

The income tax expense or benefit on the profit or loss for the year comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is also recognised directly in equity.

Current tax is the expected tax payable on the current period's taxable income, using tax rates enacted or substantially enacted at balance date. Current tax also includes any adjustment to tax payable in respect of previous years.

Deferred tax is measured using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and income tax purposes. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the underlying items and the tax rates which are enacted or substantially enacted at balance date and expected to apply when the assets are recovered or liabilities are settled. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax is not recognised for taxable temporary differences arising from the recognition of goodwill.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Tax consolidation

The Company and its wholly-owned Australian controlled entities formed a tax consolidated group on 10 October 2012 meaning that all members of the tax consolidated group are taxed as a single entity from that date. The Company is the head entity of the tax consolidated group.

(I) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Financial assets are recognised when the rights to receive cash flows and the risks and rewards of ownership are transferred to the Consolidated Entity. Financial assets are derecognised when the rights to receive cash flows from these assets have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership.

Financial liabilities are recognised if the Consolidated Entity becomes a party to the contractual provisions of a financial instrument. Financial liabilities are derecognised if the Consolidated Entity's obligations specified in the contract expire or are discharged or cancelled.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value though profit or loss, any directly attributable transaction costs, except as described below.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Purchases of investments are recognised when the Consolidated Entity is entitled to the risks and rewards of ownership. This is usually on settlement date, being the date on which the asset is delivered to the Consolidated Entity. Sales of investments are recognised when the Consolidated Entity is unconditionally committed to sell the asset and the risks and rewards of ownership have been substantially transferred by the Consolidated Entity.

The Consolidated Entity classifies its investments as either loans and receivables at amortised cost or financial assets through profit or loss. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Consolidated Entity provides money, goods or services directly to a debtor with no intention of selling the receivable. After initial measurement, loans and receivables are subsequently measured at amortised cost using the effective interest method, less allowance for impairment, if any. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortisation is included in the income statement in interest income. Losses arising from any impairment of such loans and advances are recognised in the income statement.

Financial assets at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition or subsequently re-designated in compliance with accounting standards. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial instruments are designated at fair value through profit or loss if the Consolidated Entity manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's investment strategy. Attributable transaction costs are recognised in profit or loss when incurred. Financial instruments that are classified as at fair value through profit or loss are measured at fair value, and changes therein are recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Consolidated Entity's cash management strategy are reported within liabilities in the balance sheet, but included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

Impairment

The Consolidated Entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is considered to be impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment includes observable data that indicates that there is a measurable decrease in the future cash flows expected to be received.

Loans and receivables

For loans and receivables carried at amortised cost, the Consolidated Entity first assesses whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Consolidated Entity determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

Financial assets at fair value through profit or loss

For financial assets at fair value through profit and loss, the Consolidated Entity assesses at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

(m) Property, plant and equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation, accumulated amortisation and impairment losses (refer note 1(t)). The carrying amount of an item of property, plant and equipment includes the cost of replacing part of such an item when that cost is incurred if it is probable that future economic benefits embodied within the item will eventuate and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the income statement as incurred.

Depreciation or amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

- | | |
|---------------------------------|---------|
| - Property, plant and equipment | 3 years |
| - Computer equipment | 2 years |

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

(n) Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Consolidated Entity's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Any goodwill on acquisitions of associates or jointly controlled entities is included in investments in associates or jointly controlled entities where the equity method is adopted. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Identifiable intangible assets

The useful lives of separately identified intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets other than goodwill which is not amortised. Other intangible assets are amortised from the date they are available for use. The useful lives of intangible assets are reviewed, and adjusted if appropriate, at each balance date.

(o) Creditors and payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the period and which remain outstanding at balance date. Creditors are stated initially at fair value and subsequently at amortised cost, are unsecured, and are usually paid within 60 days of recognition.

(p) Interest-bearing loans and borrowings

Interest-bearing borrowings are recognised initially at fair value. Fair value is calculated based on discounted expected future principal and interest cash flows. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with income/expense recognised in profit or loss on an effective interest basis.

(q) Employee entitlements

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave due to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The Consolidated Entity's net obligation for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on government bonds that have maturity dates approximating to the terms of the Consolidated Entity's obligations.

Profit-sharing and bonus plans

The Consolidated Entity recognises a provision for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made. The liability is not discounted as it is settled within 12 months.

(r) Employee benefits expense – share based payments

The Consolidated Entity may provide benefits to its employees, including directors, in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity (Employee equity benefits reserve). The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. Fair value is determined using an appropriate option pricing model (e.g. Black-Scholes). In determining fair value, no account is taken of any performance conditions other than those related to the share price of Invigor Group Limited.

(s) Provisions

Provisions are recognised in the balance sheet when the Consolidated Entity has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount has been reliably estimated. If the effect is material, provisions are determined by discounting expected future cash flows at a market rate.

(t) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment. Assets that have a definite useful life and are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is measured by reference to fair value less costs to sell and value in use. An impairment loss is recognised in the income statement unless the asset has previously been revalued, in which case the loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement.

(u) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or the collection of instalment amounts due from shareholders are accounted for as a deduction from equity, net of any related income tax benefit.

(v) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(w) New and revised accounting standards

The Australian Accounting Standards Board has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Consolidated Entity. The Consolidated Entity has decided not to early adopt any of the new and amended pronouncements. The Consolidated Entity's assessment of the new and amended pronouncements that are relevant to the Consolidated Entity but applicable in future reporting periods is set out below:

AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018)

The standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and de-recognition requirements for financial instruments and simplified requirements for hedge accounting. The key changes that may affect the Consolidated Entity on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the Consolidated Entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective. Although the directors anticipate that the adoption of AASB 9 may have an impact on the Consolidated Entity's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2017)

When effective, this standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this standard permit an entity to either: restate the contracts that existed in each prior period presented as per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue. Although the directors anticipate that the adoption of AASB 15 may have an impact on the Consolidated Entity's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 2014-3: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (applicable to annual reporting periods beginning on or after 1 January 2016)

This standard amends AASB 11: *Joint Arrangements* to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: *Business Combinations*, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. As at 31 December 2016, management is not aware of the existence of any such arrangements which would impact the financial statements of the Consolidated Entity going forward and as such is not capable of providing a reasonable estimate at this stage of the impact on initial application of the standard.

AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128).

This Standard amends AASB 10: *Consolidated Financial Statements* with regards to a parent losing control over a subsidiary that is not a “business” as defined in AASB 3 to an associate or joint venture, and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest.

The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018. Although the directors anticipate that the adoption of AASB 2014-10 may have an impact on the

Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

2. Segment reporting

The Consolidated Entity has adopted *AASB 8 Operating Segments* whereby segment information is presented using a 'management approach'. That is, segment information is provided on the same basis as information used for management reporting purposes by the chief operating decision maker.

The Consolidated Entity has identified Condat AG as a separately identifiable operating segment. This segment operates primarily in Germany (from 1 November 2015). The comparative results are for the period 1 November 2015 to 31 December 2015 only.

Segment information

	Condat AG	Consolidated Total
Year ended	\$'000	\$'000
31 December 2016		
Revenue from external customers	7,056	7,056
Other revenue/income	-	-
Total segment revenue/income	7,056	7,056
EBITDA	512	512
Interest income	-	-
Interest expense	(109)	(109)
Depreciation and amortisation	(164)	(164)
Year ended		
31 December 2015		
Revenue from external customers	1,265	1,265
Other revenue/income	-	-
Total segment revenue/income	1,265	1,265
EBITDA	(100)	(100)
Interest income	-	-
Interest expense	(42)	(42)
Depreciation and amortisation	(28)	(28)

Reconciliation of segment EBITDA to profit (loss) before income tax is as follows:

	Consolidated 2016 \$'000	Consolidated 2015 \$'000
Segment EBITDA	512	(100)
Non-segment EBITDA	(6,101)	(2,036)
Depreciation and amortisation	(837)	(826)
Finance costs	(336)	(667)
Profit (loss) before income tax	(6,762)	(3,629)

Revenue by geographical region

Revenue attributable to external customers is disclosed below, based on the location of the external customer:

	Consolidated 2016 \$'000	Consolidated 2015 \$'000
Australia	1,444	1,023
Germany	7,056	1,265
Total revenue from external customers	8,500	2,288

3. Interest bearing loans and borrowings

	Consolidated 2016 \$'000	Consolidated 2015 \$'000
Unsecured borrowings – convertible notes	1,050	2,400
Unsecured borrowings – loan and overdraft facilities	5,314	1,240
Unsecured borrowings - employees	437	555
Secured borrowings - loan facilities	700	-
Current	7,501	4,195
Unsecured borrowings – loan facilities	-	180
Non-current	-	180

Unsecured borrowings – convertible notes

Unsecured convertible notes are shown as a current liability at balance date because the note holders held a current right at that date to issue a conversion notice and notwithstanding the remaining terms to maturity under the facilities.

Facility with Atlas Capital and others

The Company entered into a \$2,000,000 redeemable convertible note facility with MAP Capital Pty Ltd <atf Atlas Capital Series B Fund> and Gary Munitz and Daniel Sekers as nominees in June 2015. Of the principal amount, \$1,400,000 was received in cash from MAP Capital Pty Ltd <atf Atlas Capital Series B Fund> and \$600,000 was deemed to be received by settling part of the deferred consideration for the Global Group Australia acquisition in 2014 which was previously payable to entities associated with Gary Munitz and Daniel Sekers. On 19 August 2015, 6,666,666 convertible notes issued under this facility were converted into shares. On 23 December 2016, 3,888,889 convertible notes issued under this facility were redeemed, on 2 February 2017 3,888,890 convertible notes issued under this facility were redeemed and on 23 February 2017 3,888,889 convertible notes issued under this facility were redeemed. The terms of the facility are:

- Convertible notes on issue at balance date – 11,666,667 (31 December 2015 – 15,555,556)
- Maturity Dates – 31 December 2016 for 3,888,890 notes; 29 January 2017 for 3,888,889 notes; and 13 February 2017 for 3,888,888 notes on issue at balance date.
- Ranking – unsecured
- Conversion price – the convertible notes may be converted into shares at the conversion price of \$0.09 per share (subject to any adjustment in accordance with the terms and conditions of those notes).
- Interest – 8.0 per cent per annum from the date of issue on the principal amount outstanding payable quarterly in arrears and ending on the earlier of the redemption date or conversion date. Any unpaid interest will capitalise on a quarterly basis.
- Redemption – on the maturity date, or at a later date when the noteholder gives a notice requiring redemption, or after the occurrence of a defined event of default.

Unsecured borrowings – loan and overdraft facilities

In February 2016, the Company has entered into an interest bearing short term loan arrangement with Marcel Equity Pty Ltd ("Marcel"), an entity associated with Gary Cohen and Gregory Cohen, under which Marcel will make available up to \$700,000 as and when required by the Company, subject to the terms of the loan arrangement. In December 2016, this arrangement was renewed and extended with a drawdown limit of \$1,000,000 and is available until 31 March 2018. An amount of \$606,000 has been drawn as at the date of this report. Borrowings under the facility incur interest at a rate of 10.3%pa, being a rate equivalent to a bank overdraft facility at the time the arrangement was entered into.

Condat AG has unsecured loan (€250,000) and overdraft facilities (€300,000) with Berliner Sparkasse and Berliner Volksbank (€50,000) drawn to an aggregate equivalent to €447,578 (\$A651,307) at balance date. The unsecured loan facility will be repaid over 5 years at an interest rate of 4.75%. An interest of 9.5% per annum applies to their overdraft facilities of €350,000.

Condat AG has an unsecured €120,000 (\$A82,464) loan from Buro am Draht. The loan is to be repaid in instalments by 30 June 2017 unless varied. The loan accrues interest at 5.0% per annum.

From November 2016, the Company received funds from a number of sophisticated investors with the intention of gaining shareholder approval for this funding to be in the form of Convertible Notes. At balance date the total funds received were \$2,520,000. Subject to shareholder approval at an upcoming EGM key terms of the facility are to be:

- Proposed convertible notes on issue – 84,000,000 at \$0.03 cents or 126,000,000 at \$0.02 cents (31 December 2015 – Not Applicable)
- Maturity Dates – 12 months from the 1st note issue date with the option to extend for a further 18 months by mutual consent
- Ranking – unsecured
- Conversion price – the convertible notes may be converted into shares at the conversion price of \$0.03/\$0.02 per share (subject to any adjustment in accordance with the terms and conditions of those notes).
- Interest – 10.0 per cent per annum, compounded monthly on the principal amount outstanding of each convertible note. Interest is payable no later than 15 business days after each quarter end commencing 31 December. As such 31 December, 31 March, 30 June and 30 September with the last interest period ending on the redemption date or the conversion date
- Redemption – on the maturity date, or at a later date when the noteholder gives a notice requiring redemption, or after the occurrence of a defined event of default.

In October 2016 Invigor Holdings (Germany) GmbH entered into an unsecured 14-month loan facility of €1,000,000 with an investor/consultant of the Company, Mr. Peter Hermann. The loan is repayable on 31 December 2017 and accrues interest at a rate of 9% per annum. The amount outstanding was €1,000,000 or \$A1,455,000 (31 December 2015 – Not Applicable)

Unsecured borrowings – employees

Condat AG entered into unsecured borrowings with certain employees prior to its acquisition by the Company. At balance date the amount outstanding was €300,000 (\$A436,554). The borrowings accrue interest at 10.0% per annum.

4. Issued capital

	Company 2016	Company 2015	Company 2016	Company 2015
	Shares	Shares	\$'000	\$'000
Ordinary shares, fully paid	461,564,131	348,082,663	140,848	137,351

Movement in ordinary share capital

Balance at the beginning of the period	348,082,663	227,806,667	137,351	127,028
Issues of new fully paid shares	113,481,468	120,273,996	3,885	10,544
Issue of shares on conversion of Entitlement Options	-	2,000	-	-
Capital raising costs incurred	-	-	(388)	(221)
Net balance at end of period	461,564,131	348,082,663	140,848	137,351

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and the amounts paid on the shares held.

During 2016 to date, the Company has issued:

- 5,200,000 ordinary shares on 8 February 2016 pursuant to the terms of an Intellectual Property Sale Agreement; and
- 40,712,500 ordinary shares between 7 April 2016 and 14 April 2016 pursuant to the terms of a Share Purchase Plan announced on 29 February 2016 and a Share Placement announced on 5 April 2016.
- 2,068,968 ordinary shares on 6 July 2016 to eligible non-executive employees under retention arrangements which concluded on 30 June 2016.
- 34,000,000 ordinary shares on 27 July 2016 pursuant to a Share Placement announced on 21 July 2016.
- 1,500,000 ordinary shares on 8 September 2016 as part of non-executive employees' short term incentive bonus arrangements.
- 30,000,000 ordinary shares on 11 November 2016 to settle outstanding liabilities to vendors, as outlined in the announcement to the market dated 31 October 2016.

The movement in issued shares is reconciled to cash proceeds from share issues as follows:

	Company 31 December 2016	Company 31 December 2015
	\$'000	\$'000
Cash received from share issues	2,461	4,611
Gross up for capital raising costs offset against cash proceeds	-	230
Gross movement for fully paid shares issued for cash	2,461	4,841
Issue of shares other than for cash	1,424	2,477
Conversion of convertible notes and interest	-	3,226
Issues of new fully paid shares	3,885	10,544

5. Share Options

(a) Entitlement Options

The Company issued options pursuant to a pro rata entitlement offer completed in April 2013. Additional options, on the same terms, were issued in December 2013, March 2014 and July 2016. There were 76,867,889 of these options ("Entitlement Options") on issue at 31 December 2016. Key terms of these options are:

Exercise price – 5.0 cents per Entitlement Option

Expiry – 1 July 2018

Entitlement – one fully paid ordinary share in the Company for each Entitlement Option exercised. There are no vesting or exercise conditions.

Details of Entitlement Options on issue at the date of this report, and movements occurring during the period, are shown in the following table.

	Company 31 December 2016	Company 31 December 2015
Movement in Entitlement Options	Entitlement Options	Entitlement Options
Balance at beginning of period	38,867,889	38,869,889
Issue of Options during the period	38,000,000	-
Exercised during the period	-	(2,000)
Net balance at end of period	<u>76,867,889</u>	<u>38,867,889</u>

(b) Options granted under incentive plans

The Company provides benefits to defined employees of the Consolidated Entity (including executive directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or options over shares. Approved incentive plans for the granting of options to defined employees (including executive directors) ("Plans") are in place. At 31 December 2016, there were 29,668,866 options on issue under the Plans (2015 – 22,918,866). Options on issue under the Plans may have varying vesting dates. All options on issue under the Plans at 31 December 2016 expire 5 years from the applicable grant date.

The Company did not issue any ordinary shares to participants in the Plans during the year ended 31 December 2016 upon exercise of options as no previously granted options were exercised. The issue of shares upon the exercise of options will be governed by the terms of the relevant plan.

Date options granted	Expiry Date	Exercise price \$	Balance at 1 January 2016 #	Issued during the period #	Cancelled or Lapsed during the period #	Exercised during the period #	Balance at the date of this report #	Exercisable at the date of this report #
22 July 2013	22 July 2018	0.10	7,198,855	-	-	-	7,198,855	7,198,855
24 Dec 2013	24 Dec 2018	0.10	270,015	-	-	-	270,015	270,015
17 Sept 2014	17 Sept 2019	0.10	3,866,663	-	-	-	3,866,663	3,273,055
26 Mar 2015	26 Mar 2020	0.10	3,750,000	-	-	-	3,750,000	2,208,902
1 July 2015	1 July 2020	0.10	6,583,333	-	-	-	6,583,333	3,336,302
29 July 2015	29 July 2020	0.10	1,250,000	-	-	-	1,250,000	593,607
1 Dec 2015	1 Dec 2020	0.10	1,750,000	-	(500,000)	-	1,250,000	450,912
26 Feb 2016	26 Feb 2021	0.10	-	1,800,000	(1,800,000)	-	-	-
12 July 2016	12 July 2021	0.05	-	5,000,000	-	-	5,000,000	2,500,000
30 Aug 2016	30 Aug 2021	0.05	-	500,000	-	-	500,000	-
Total			24,668,866	7,300,000	(2,300,000)	-	29,668,866	19,831,648

The Weighted Average Exercise Price of options on issue under incentive plans at balance date is \$0.10 (2015: \$0.10).

The principal rules governing the operation of the Plans are as follows:

- (i) The Board is responsible for determining the number of options granted to each eligible employee;
- (ii) Vesting conditions in relation to options are determined by the Board at the time of determination of option entitlements;
- (iii) Options which have not vested when an employee ceases their employment will lapse unless an employee ceases to be employed through death, retirement or disablement, in which case special provisions apply or if the Board otherwise determines;
- (iv) The share option exercise price is determined by the Board;
- (v) The acquisition price of the options are nil, unless the Board determines that it should be any other amount;
- (vi) Share options issued pursuant to the Plans are not transferable; and
- (vii) Options not exercised by their expiry date will lapse.

The weighted average contractual life of all options on issue under incentive plans outstanding at 31 December 2015 was 1,352 days (2014 – 1,496 days).

(c) Other Options

The Company has granted options over shares ("Other Options") as part of fee arrangements for capital markets and other services pursuant to mandate letters with the firms providing the services and as part of the fee arrangements for convertible note facilities entered into in June 2015.

Key terms of the Other Options are:

Exercise price – Options issued prior to 31 December 2015; \$0.10, Options issued on 17 June 2016: \$0.045

Expiry – 5,000,000 Other Options expire on 11 May 2018; 5,000,000 Other Options expire on 5 August 2019; 3,000,000 Other Options expire on 16 July 2018 and 4,000,000 Other Options expire 1 July 2019; 10,000,000 expire on 1 July 2019; 750,000 options expire 17 June 2021

Entitlement – one fully paid ordinary share in the Company for each Other Option exercised.

There are no vesting or exercise conditions.

Movement in Other Options	Company 31 December 2016 Other Options	Company 31 December 2015 Other Options
Balance at beginning of period	13,000,000	5,000,000
Issue of Other Options during the financial year	10,750,000	8,000,000
Net balance at end of period	<u>23,750,000</u>	<u>13,000,000</u>

6. Events Subsequent to Balance Date

Invigor Group Limited secured a A\$2 million loan facility with Partners for Growth (PFG) in February 2017. Under the terms of the agreement, Partners for Growth's funding is for 2 years at a 10% annual interest rate. IVO will issue 66.6 million warrants to the firm exercisable at 3.0 cents, expiring in 2021, subject to shareholder approval.

On 3 February 2017 3,888,890 convertible notes held by MAP Capital Pty Ltd <atf Atlas Capital Series B Fund> were redeemed. A further 3,888,889 were redeemed on 23 February 2017.

Invigor Group Limited settled the remaining funds owed to Condat vendors of \$80,000 in February 2017.

Extension of Marcel loan facility from 31 March 2017 to 31 March 2018.