

ASX Announcement

15 October 2015

Invigor to acquire leading German smart media specialist Condat AG

- **Complementary acquisition to accelerate Invigor product roadmap**
- **Exceptional IP to enable Invigor to manage content distribution across multiple platforms**
- **Strong customer base**
- **Strong revenues and significant contribution to EBITDA expected**
- **Substantial cost synergies with product development teams**
- **European base to expand global sales of Invigor's Australian product suite**

Leading big data solutions company Invigor Group Limited (ASX: IVO) ("Invigor") has signed a heads of agreement to acquire all the issued shares in Condat AG, a software solutions business based in Berlin, Germany ("Condat"). A summary of the key terms of the proposed transaction, including the main conditions precedent is attached.

Condat is the major provider of smart media solutions to public broadcasters in Germany and its innovative software will strongly complement Invigor's existing product offering and its development towards becoming an end-to-end big data and content distribution provider.

Condat is projecting revenue of approximately \$7.0m for 2016¹ with an operating EBITDA margin expected to exceed 15 per cent¹. Invigor expects Condat to deliver continuing revenue growth and a strong EBITDA contribution. Condat employs approximately 50 staff.

Invigor will acquire Condat for \$4.5m subject to any adjustment for closing net tangible assets. The purchase consideration will comprise \$2.25m payable in cash with the balance by an issue of Invigor shares which will be issued at 8.5 cents per share. Of the cash component of the acquisition consideration, \$500,000 will be paid at completion and \$1.75m will be deferred until December 2016 subject to a holdback of up to \$800,000 for warranty claims which may arise. Shares issued as part of the acquisition consideration will be placed in escrow for between 12 to 18 months from completion as set out in the attachment. Any adjustment to the consideration required for the closing net tangible assets will affect the number of shares to be issued.

The Condat Smart Media Engine allows companies to analyse semantic content. This capability will enhance Invigor's existing contextual analysis capability and deliver better customer segmentation and targeting. This will strengthen the Insights Visitor offering substantially and will accelerate the delivery of our product roadmap.

Invigor's Executive Chairman Mr Gary Cohen said: "We have identified Condat as a business which will seamlessly slide into our vision of taking Invigor's existing product offering and moving toward becoming an end-to-end solution for our clients, who want to source, aggregate and analyse data and publish relevant content as a result."

"We see excellent synergies between our existing Insights Visitor platform, which can identify and profile individuals, and Condat's offering which provides the ability to manage relevant content across media and internet distribution being viewed by these people."

Invigor's Managing Director Mr Gary Munitz said: "Condat's existing platform will enable Invigor to achieve significant cost synergies by enabling us to leverage the skill set of the Condat team. Condat's clients comprise the major public broadcasters in Germany as well as a selection of key private outlets which provides a strong base to springboard our products and solutions into the European market."

A meeting of shareholders to seek required approvals is expected to be held in late November. A notice of meeting will be distributed shortly. The acquisition is expected to be finalised shortly after the approvals are obtained.

1. Based on information provided by Condat

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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.

ATTACHMENT TO ASX ANNOUNCEMENT DATED 15 OCTOBER 2015

SUMMARY OF KEY COMMERCIAL TERMS FOR THE PROPOSED ACQUISITION OF CONDAT AG BY INVIGOR GROUP LIMITED PURSUANT TO A CONDITIONAL HEADS OF AGREEMENT DATED 14 OCTOBER 2015

This document is a summary only of the key commercial terms for the proposed acquisition of Condat AG ("Condat") by Invigor Group Limited ACN 081 368 27 ("Invigor" or Purchaser"). This summary does not contain all of the agreed terms and conditions which remain subject to satisfaction of conditions precedent and other matters contained in the conditional Heads of Agreement.

The parties have agreed in good faith to work to implement the transactions set out in the Heads of Agreement upon and subject to the terms and conditions.

(I)	Consideration	<p>Subject to satisfaction or waiver of Conditions Precedent, the proposed Consideration is \$4.5 million comprising:</p> <ul style="list-style-type: none"> (a) \$2,250,000 cash; and (b) \$2,250,000 worth of Invigor shares to be issued on Completion at an issue price of 8.5 cents per share ("Consideration Shares"). <p>An adjustment to the purchase price will be made for closing net tangible assets ("NTA adjustment") to be determined as at 31 October 2015. Any NTA adjustment will affect the number of shares to be issued.</p> <p>Cash consideration will be settled as follows:</p> <ul style="list-style-type: none"> (a) \$500,000 payable at Completion; and (b) \$1,750,000 payable in December 2016 subject to holdback of up to \$800,000 for any specified and agreed warranty claims. <p>The issue of shares contemplated by (b) above is subject to the <i>Corporations Act 2001</i>, ASX Listing Rules and any applicable approvals from the shareholders of the Purchaser.</p>
(II)	Key Conditions Precedent	<p>The Transaction is subject to and conditional on specified conditions precedent, including the following Key Conditions Precedent:</p> <ul style="list-style-type: none"> (a) The Purchaser completing the financial and legal due diligence of the Company to its satisfaction (Due Diligence), including in connection with third party and bank debts; (b) the Purchaser obtaining shareholder approval for the Transaction; (c) Millinium obtaining any approvals that it requires for the Transaction; and (d) the Purchaser entering into an appropriate agreement with the CEO of Condat.
(III)	Escrow period and ability to trade shares	<p>The Consideration Shares will be placed in escrow for up to 18 months. The Consideration Shares will be released from escrow on the basis that after 12 months 16.67% would come out of escrow and the same percentage would be released in each subsequent month so that all shares would be out of escrow after 18 months.</p> <p>Any additional shares issued as a result of a positive NTA adjustment, will be capable of being sold or dealt with by Millinium in the period from 1 January 2016 to 31 December 2016 up to 250,000 shares per calendar month at the prevailing market price.</p> <p>Invigor has the right to amend at completion the number of shares placed</p>

		in escrow when the number of any shares required to be issued for the NTA adjustment is finalised.
(IV)	Security	The Purchaser will grant a mortgage in favour of Millinium over the Condat shares to deal with an event of default (being failure to pay the cash consideration or insolvency by Invigor).