

ASX Announcement

31 October 2016

Invigor significantly strengthens balance sheet to drive growth

- **New \$2.1 M debt facilities secured on favourable terms to fund near-term growth and repay current obligations**
- **\$1.95M debt to Condat vendors to be repaid through \$1.05M cash and remainder in new shares**
- **New shares to be escrowed to July 2017**
- **Negotiations with \$2.4M convertible note holder**
- **Significant cost management program initiated to deliver additional \$1M in annual savings**
- **Strengthened balance sheet provides solid platform for continued operational growth**
- **New recurring revenue generating contracts are pending across all divisions**

Leading big data solutions company, Invigor Group Limited (ASX:IVO) ('Invigor' or 'the Company'), is pleased to announce a significant strengthening of the Company's balance sheet, through the renegotiation of its debt position, improved terms on the payment of Condat vendor obligations, and a planned \$1M cost reduction program being implemented now.

Invigor has secured \$2.1 million in new debt facilities that will be applied against existing obligations and provide working capital to fund the Company's current operational growth plans. This includes a new \$1.4m facility of secured on favourable terms through a European debt funder that will be used to repay \$970,000 of the \$1.95 million outstanding payment to Condat shareholders under the terms of the acquisition announced on 15 October 2015. The remainder of the funds owed to Condat vendors will be paid through the issue of 30 million Invigor shares at 3c per share and a \$80,000 cash payment by February 2017. The remaining funds will be used as working capital.

The 30 million shares issued to the Condat vendors will be escrowed to July 2017.

In addition, Invigor has secured a loan facility of \$700,000 through R&D Capital Partners, in anticipation of accrued R&D tax credits owed to the Company for FY2016 tax year.

To further strengthen its financial position, Invigor has also implemented a cost management program that is expected to deliver in excess of \$1 million per annum in savings. These savings will come from a restructure of the development team as we have progressively moved into a greater role in sales and marketing.

As part of the balance sheet restructure, the Company is currently negotiating an extension to a portion of its \$2.4 million in convertible notes with Atlas Capital. Invigor will advise the market of the outcome of these negotiations in due course.

Invigor's Chairman and CEO, Gary Cohen, commented: "We are pleased to have substantially strengthened the Company's balance sheet through the retirement of a large portion of our existing debt. When

combined with a reduction in operating costs in the next 12 months, and a boost to our working capital, Invigor has a robust foundation to continue the Company's growth in Australia and Europe.

"The availability of debt funding from Europe on favourable terms means we can better preserve our capital structure. The fact that we can secure this debt funding is a solid endorsement of the underlying strength of our operating divisions and the cash flows they are now starting to generate.

"Invigor continues to strengthen its pipeline of new recurring revenue generating contracts across the group. Of particular note, the pipeline of opportunity for both the Insights Visitor and Insights Retail businesses is very promising. In addition, Condat continues to deliver opportunities for continued expansion in Europe, with recent contract wins in Germany and the UK supporting a growing footprint in the region."

"As well, the formal release of SpotLite is pending, and this will provide the Company with an additional revenue stream and visibility amongst small to media enterprise businesses."

For further information, please contact:

Gary Cohen
Chairman & CEO
+61 2 8251 9600

Released through: Ben Jarvis, Six Degrees Investor Relations: +61 (0) 413 150 448

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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.