

ASX Announcement

31 August 2018

Capital Raising and Proposed Balance Sheet Restructure

- **\$668,000 commitment received for the issue of new shares at \$0.004 under existing capacity**
- **Proposed re-pricing and conversion of \$3.78m of convertible notes due to mature in October 2018 to restructure balance sheet^{1,2}**
- **Proposed re-pricing of \$1m of convertible notes which have been extended to May 2019³**

Data and analytics solutions company, Invigor Group Limited (ASX: IVO) (“Invigor” or “the Company”) is pleased to confirm the successful completion of a capital raising, and to report on the Company’s intention to seek shareholder approval to restructure the balance sheet and reduce outstanding debt.

Completion of capital raising

Invigor has agreed to place 167,000,000 fully paid ordinary shares under its existing placement capacity to three sophisticated investors at \$0.004 per share to raise \$668,000. The funds raised will help Invigor strengthen its core Pricing and Loyalty operations and fund general working capital.

Contracted and committed revenue in the Pricing and Loyalty divisions already totals approximately \$1m early in 2HY 2018, of which \$400,000 would be recognised as revenue in the second half. This is expected to increase with further adoption of the SaaS technology by some well recognised Australian retailers and services companies. Invigor’s development team has greatly enhanced the data gathering and analytical capabilities of its software and this is translating into more contracted revenue and a stronger sales pipeline.

Balance sheet restructure

Invigor plans to seek shareholder approval to restructure the Company’s balance sheet to eliminate over \$3.7m of debt associated with outstanding convertible notes. For \$1.33m of the convertibles notes, the Company proposes to reduce the conversion price to \$0.004. \$1.3m worth of the \$3.7m of notes maturing in October 2018 are held by related parties.

If approved, Invigor’s theoretical market capitalisation will increase substantially and the Company’s outstanding debt will be reduced from \$9.6m to \$5.5m. Of this, approximately \$2m of debt is owed to an entity associated with Gary and Greg Cohen, Marcel Equity Pty Ltd, with the remaining \$3m being external. Invigor is advancing other capital management initiatives to also eliminate this debt.

¹ For \$1.33m of the convertibles notes, the Company proposes to reduce the conversion price to \$0.004. This is subject to shareholder approval; a notice of meeting is expected to be issued in October 2018 to consider this proposal.

² For \$2.45m of the convertible notes, the committed capital raise announced today triggers an automatic adjustment to the conversion price to the lower of \$0.004 and the 30-day VWAP at the time of conversion discounted by 15% (to a floor of \$0.0027).

³ For the \$1m of convertible notes, the conversion price is proposed to be the lower of \$0.007 and 10-day VWAP at time of conversion, subject to a floor price of \$0.004. This is subject to shareholder approval; a notice of meeting is expected to be issued in October 2018 to consider this proposal.

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Comment

Invigor's Board and management team are confident about the prospects for its Pricing and Loyalty divisions based on the growing contracted revenue base, the enhanced SaaS capability of its core technology, and some new opportunities being pursued in the financial services sector. The 100% owned TillerStack business is also performing in line with expectations.

The Company expects to hold an Extraordinary General Meeting in October so shareholders have the opportunity to vote on the balance sheet restructure. A Notice of Meeting will be lodged shortly.

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About Invigor Group Limited

Invigor Group (ASX: IVO) is a B2B data intelligence and solutions company that turns data analytics into dollars for the retail and service industries. Invigor's innovation in owned retail platforms and unique cross-channel data ecosystem allows businesses to have a holistic view of their customers and competitive landscape to not only understand, but effectively engage with today's physical and digital consumers. Combined with proprietary data and predictive engines, Invigor Group provides strategic insights and recommendations that empower businesses to successfully influence future customer strategy and increase long-term profitability.

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