

9 May, 2018

George Tharian
ASX Compliance Pty Limited
Exchange Centre
20 Bridge Street
Sydney, NSW 2000

Dear George,

I refer to your letter to dated 7 May, 2018 in relation to the Appendix 4C for the period ended 31 March, 2018 that was released by the Company on 30 April, 2018.

As advised to the market on 9 May 2018, the Company has completed the Sale of Condat, comprising the Media division for €2.4m (~\$3.8m). The sale will retire over \$3.6M in debts and, with other adjustments, will give rise to a surplus of over \$400K. Following this sale the Company expects its cash outflows to reduce by over \$1m in the June quarter compared to the March quarter; and continue for the rest of the year due to the removal of Condat and the flow through of the reduction in interest costs

The Company has also obtained new finance facilities for TillerStack of €120K (~\$190K).

In addition:

- The Company has announced that it anticipates new contracted revenue opportunities for its key Pricing and Loyalty solutions which it is looking to close in the next three months and which it expects will add over \$1million revenue on an annualised basis. Furthermore the Company has advanced discussions with a number of potential local and international partners for distributing its solutions.
- The transition of Skyware to TillerStack is progressing well and the business opportunities for TillerStack continue to grow strongly with a number of key partnerships and potential contracts expected to be finalised in the near term.
- As noted in Section 9 of the 4C, the Company is an operating business that generates cash inflows each quarter, including receipts from customers generated from sales. As per the reporting requirements of Section 9 of the 4C, the summary of anticipated cash outflows, including the costs of generating forecasted sales for the June quarter does not include any anticipated cash inflows including receipts from customer contracts.

Responding to your specific questions and taking into account the information referred to above:

- 1 The Company expects to continue to have net negative operating cash flows (albeit improving) for the rest of FY 2018 (Apr-Dec).
- 2 The Company currently has already obtained a finance facility for TillerStack of ~\$190K and, as noted in the 4C, has undrawn finance facilities available. The Company will continue to evaluate its cash flow needs and if required will consider the need for an increase in its loan facilities or a capital raise. The Company believes that these initiatives will be successful in generating further cash to fund its ongoing operations.

- 3 The Company expects to be able to continue its operations and is continuing to pursue and meet its business objectives as evidenced by recent announcements on contract wins; and the growth of TillerStack. Condat has now been sold and ongoing operating and interest costs have been significantly reduced. We also expect further substantial revenue growth for all our products during the remainder of 2018.
- 4 Confirmed. The Company is not aware of any information required to be released to the market.
- 5 I confirm that the above responses to the questions have been authorised and approved in accordance with Invigor's published disclosure policy and have been authorised by the Chief Financial Officer and the Chief Executive Officer

The Company believes it is in compliance with Listing Rule 12.2 as it is of the view that it has access to sufficient sources of funds to meet its short term operating commitments.

Please contact me if you require any additional information.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'L. Ralph', written over a light blue circular stamp.

Leanne Ralph
Company Secretary



7 May 2018

Ms Leanne Ralph

Company Secretary
Invigor Group Limited
Level 16
56 Pitt Street
Sydney NSW 2000

By email

Dear Ms Ralph

Invigor Group Limited (the “Invigor Group”): Appendix 4C Query

I refer to Invigor Group’s Appendix 4C quarterly report for the period ended 31 March 2018 lodged with ASX Market Announcements Platform and released on 30 April 2018 (the “Appendix 4C”).

ASX notes that Invigor Group has reported:

- negative net operating cash flows for the quarter of \$2,049,000;
- cash at the end of the quarter of \$247,000; and
- estimated cash outflows for the next quarter of \$3,050,000.

It is possible to conclude, based on the information in the Appendix 4C, that if Invigor Group were to continue to expend cash at the rate indicated by the Appendix 4C, Invigor Group may not have sufficient cash to continue funding its operations. In view of that, ASX asks Invigor Group to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does Invigor Group expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has Invigor Group taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does Invigor Group expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that Invigor Group is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that Invigor Group’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of Invigor Group with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that Invigor Group considers may be relevant to ASX forming an opinion on whether Invigor Group is in compliance with Listing Rule 12.2 (a listed entity’s financial condition must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 9.30am AEST on 10 May 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in Invigor Group’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, Invigor Group's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to Invigor Group's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that Invigor Group's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in Invigor Group's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

If you have any further enquiries in relation to this matter, please do not hesitate to contact me.

Kind regards

[Sent electronically without signature]

George Tharian

Adviser, Listings Compliance (Sydney)