

7 May, 2019

Maria Clemente
ASX Compliance Pty Limited
Exchange Centre
20 Bridge Street
Sydney, NSW 2000

Dear Maria,

I refer to your letter to dated 1 May, 2019 in relation to the Appendix 4C for the period ended 31 March, 2019 that was released by the Company on 30 April, 2019.

As advised in the ASX Announcements on April 16 2019, the it has agreed \$767,200 worth of placement commitments from several groups of sophisticated investors at \$0.004 for each ordinary share. A placement of 66.8 million ordinary shares at \$0.004 for \$267,200 was completed on April 15 2019. A further 125 million ordinary shares at \$0.004 for \$500,000 is committed with settlement expected in the coming week.

Further, the Company has continued to restructure its debt with the replacement of \$1,000,000 of facilities and repayment of approximately \$690,000 over the past 5 months.

In addition:

- The Company has finalised the April 2017 Condat AG transaction (please refer to ASX Announcement on February 27, 2018) with the full settlement of the remaining holdback amount of €120,000 (5% of purchase price) from the purchaser this week. These funds will be used to further reduce the Company's current debt facilities as reflected in the above debt repayment amount.
- 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 next 7 months (May-Dec).
- 2 The Company currently has, as noted in the 4C, has undrawn finance facilities available. The Company will continue to evaluate its funding requirements which may include increasing its loan facilities or a capital raise.
- 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 contracts and current negotiations on

new contract wins. Interest costs have been reduced. We also expect further revenue growth for all our products during 2019.

- 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 'Julian Rockett'.

Julian Rockett
Company Secretary



1 May 2019

Reference: 01210

Mr Julian Rockett
Company Secretary
Invigor Group Limited

By email: julian.rockett@boardroomlimited.com.au

Dear Mr Rockett

Invigor Group Limited ('IVO'): Appendix 4C Query

ASX refers to IVO's Appendix 4C quarterly report for the period ended 31 March 2019 lodged with the ASX Market Announcements Platform and released on 30 April 2019 (the 'Appendix 4C').

ASX notes that IVO has reported:

- negative net operating cash flows for the quarter of \$920,000;
- cash at the end of the quarter of \$18,000; and
- estimated cash outflows for the next quarter of \$3,100,000.

It is possible to conclude, based on the information in the Appendix 4C, that if IVO were to continue to expend cash at the rate indicated by the Appendix 4C, IVO may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks IVO to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does IVO expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has IVO 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 IVO expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that IVO is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that IVO'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 IVO with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that IVO considers may be relevant to ASX forming an opinion on whether IVO is complying with Listing Rule 12.2 that 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 Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEST Tuesday, 7 May 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in IVO'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, IVO'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 and 3.1A

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 IVO'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 IVO'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 IVO's securities under Listing Rule 17.1. If you wish to request 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*.



Enquiries

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

Yours sincerely

Maria Clemente
Adviser, Listings Compliance (Sydney)