

ASX Announcement

10 October 2014

Update on proposed transaction with My Verified ID Corp.

Invigor Group Limited (ASX: IVO) ("Invigor") announced on 17 July 2014 that it had reached conditional agreement to acquire an investment in My Verified ID, Corp. ("My Verified"), a company specialising in the development and distribution of universal sign-in technology to eliminate fraud, reduce costs and protect against identity theft.

Invigor is pleased to advise that it has now signed binding documentation with My Verified and that it expects the transaction to complete by no later than 31 October 2014¹.

The transaction has been restructured such that Invigor will now provide funding to My Verified by way of an interest bearing convertible note. The balance of the note will be convertible into ordinary equity or redeemable, at Invigor's option, after 31 December 2015 with the percentage shareholding, if converted, determined in accordance with an agreed conversion formula. The convertible note will be available for up to \$3.1 million plus accrued interest, will be drawn progressively in accordance with an agreed schedule and can only be used for specified purposes.

A summary of the revised commercial terms is attached.

For further information, please contact:

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About Invigor Group Limited

Invigor Group is a leading information technology and digital solutions company. It specialises in innovative business intelligence, big data solutions which are supported by strategic consulting, development and marketing services. Invigor delivers its products and services across a broad range of industries including: consumer electronics, automotive, financial and insurance, pharmaceuticals, apparel and homewares.

1 Binding subject to My Verified obtaining any required shareholder approval ratifying entering into the Binding Term Sheet. The directors of My Verified who signed the Binding Term Sheet control over 75% of the shares of My Verified and have agreed to vote in favour of any such resolutions. .

ATTACHMENT TO ASX ANNOUNCEMENT DATED 10 OCTOBER 2014

SUMMARY OF KEY COMMERCIAL TERMS FOR THE PROPOSED FUNDING TO BE PROVIDED TO MY VERIFIED ID CORP. BY INVIGOR GROUP LIMITED OR ITS NOMINEE PURSUANT TO A BINDING TERM SHEET DATED 10 OCTOBER 2014¹

This document is a summary only of the key commercial terms for the proposed funding to be provided to My Verified ID Corp. ("the Company") by Invigor Group Limited ACN 081 368 27 or its nominee ("Invigor"). 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 Binding Term Sheet¹.

The parties have agreed in good faith to work to implement the transactions set out in the Binding Term Sheet upon and subject to the terms and conditions.

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| (I) | Conditions Precedent | <p>The Transaction is subject to and conditional on the following conditions precedent (Conditions Precedent):</p> <ul style="list-style-type: none"> (a) completion of due diligence by Invigor on the Company to its satisfaction; (b) the parties, using their best endeavours, entering into the Formal Documentation by no later than 31 October 2014 (Execution Date); (c) all 3rd party supplier agreements of the Company "locked in" with terms satisfactory to Invigor; (d) the provision by the Company of a suitable risk assessment and business continuity plan around 3rd party suppliers and potential alternative providers; (e) development of any replacement features with either a working replacement version or a clear development plan outlining when and how the feature will be delivered; (f) an agreed business plan / financial model covering operations through to 31 December 2015 and showing use of funds in accordance with the use of funds terms below; (g) an agreed corporate restructure plan of the Company and its subsidiaries. <p>The parties will use their best endeavours to ensure that these Conditions Precedent are satisfied as quickly as possible.</p> |
| (II) | Funding | <p>Funding of up to AUD\$3,100,000.00 (exclusive of interest and inclusive of defined Advisor Fees) will be made available progressively in accordance with an agreed timetable by way of a Convertible Note Facility (Convertible Note) subject to agreed milestones and in accordance with the agreed business plan and financial model with funds to be used for agreed purposes. The Convertible Note will accrue interest at a rate of 7% p.a calculated monthly. Interest may be paid or capitalised into the Convertible Note and is in addition to the AUD \$3,100,000. Convertible Note to mature 31 December 2016 (Maturity Date). Invigor will hold a first ranking security in the form of a Charge to be provided over the Company and its group entities. Financial Covenants and other conditions appropriate for a transaction of this nature will apply.</p> |
| (III) | Repayment and Conversion | <p><u>Repayment</u> Approximately \$A 1.0 million to be repayable during FY 15 and the balance of approximately \$A 2.0 million to be converted or redeemed as follows.</p> <p><u>Conversion</u></p> <ol style="list-style-type: none"> 1. Invigor may convert the Convertible Note after 31 December 2015. 2. Conversion of the Convertible Note will be in the form of ordinary |

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| | | <p>equity with full voting rights on the following basis: The value of the Company applied to be the lower of:</p> <ol style="list-style-type: none"> An enterprise value of AUD\$10m; or 1.5 x Revenue contracted from 1 October 2014 up to 31 December 2015. <ol style="list-style-type: none"> If the Company achieves revenue greater than \$A6.6 million by 31 December 2015, the valuation for conversion will be determined by a sliding scale up to a maximum revenue of \$A10.0 million using a 1.5x revenue formula. In the event the Company receives a takeover offer for \$A20.0 million or more in exchange for 100% equity, Invigor agrees to enable the Company to progress discussions on the premise that it will agree to sell or participate on the basis that the Convertible Note would be converted on an enterprise value of \$A 10.0 million. The Convertible Note may partially or fully redeemed, at Invigor's sole discretion. Irrespective of what proportion of the Convertible Note is to be redeemed, the value is to be calculated at the value of the enterprise as per Conversion point 2 above. Conversion or Redemption to occur only at Invigor's option. Conversion will be subject to anti-dilution provisions in respect of any equity issued subsequent to conversion by Invigor if such issue of equity is relation to a funding arrangement negotiated before conversion. |
| (IV) | Formal Documentation | <p>The parties agree to enter into the Formal Documentation to more fully document the terms of the Transaction (to be prepared by Invigor's solicitors). In addition to the terms, conditions and warranties set out in this Term Sheet, the Formal Documentation will contain terms and conditions standard for documentation of its nature, including but not limited to additional representations, warranties and indemnities.</p> <p>A convertible note agreement will be entered into between the Company and Invigor, containing key protections and financial covenants regarding: material adverse changes, anti-dilution, changes to the constitution, issue of new shares, additional debt, sale of shares and changes to the board and key management.</p> |
| (V) | Anticipated Completion Date | To be on or before 31 October 2014. |
| (VI) | Exclusivity | The Company agrees not to enter into discussions with any other prospective financier, whether in relation to debt or equity funding, until 31 October 2014. |
| (VII) | Termination | <p>This Term Sheet will terminate:</p> <ol style="list-style-type: none"> with a party providing written notice to the other party on or before the Formal Documentation is entered into, that the completion of the Due Diligence was not to their satisfaction; or in the event that the Conditions Precedent are not satisfied by 31 October 2014 (unless extended by agreement). |

1 Binding subject to My Verified obtaining any required shareholder approval ratifying entering into the Binding Term Sheet. The directors of My Verified who signed the Binding Term Sheet control over 75% of the shares of My Verified and have agreed to vote in favour of any such resolutions.