

ASX Announcement

27 February 2018

Invigor strengthens balance sheet with sale of Condat Media

Highlights:

- Binding all cash agreement to sell Condat AG, comprising the Media Division for €2.4m (~A\$3.75m).
- The Condat Mobility Division (Skyware) is excluded from the Sale and will be transferred to a separate Invigor entity called TillerStack.
- Settlement by 30 April and funds to be used to retire debt thereby significantly strengthening the Invigor balance sheet. Further near-term reduction of IVO's debt anticipated.
- IVO now focused on growing two core operations:
 - Data Intelligence and Analytics
 - Workforce Management Solutions

Invigor Group Limited (ASX: IVO) ("**Invigor**" or "**the Company**"), is pleased to confirm that it will strengthen its balance sheet considerably with the sale of the Berlin-based software solutions business Condat AG (Condat), comprising the media division for €2.4m (~A\$3.75m) in cash.

Invigor has entered into a binding sale agreement with German IT group HFC Group with settlement on 30 April 2018. The purchase is subject to a 5% holdback for 12 months to cover any warranty claims.

The Company retains full ownership of Condat's Workforce Management Division, comprising Skyware Service Control (Skyware) which has been excluded from the sale. Invigor has established a new Australian company, TillerStack Ltd (TillerStack), to acquire and house Skyware. This company will be totally free of debt.

Invigor announced on 9 February that it has received commitment for \$500,000 for a 5% stake in TillerStack with an option for a further 5% on the same valuation.

The Sale of Condat AG's media division was viewed as non-core and the proceeds will be used to repay over \$3.5m in debt thereby significantly strengthening the company's balance sheet. With further reductions in the Company's debt anticipated from the likely conversion of \$2.45m of Convertible Notes in April, the Company will be able to focus on growing its Data Intelligence and Workforce Management solution divisions, both of which are in very attractive markets with high growth rates.

Skyware to become a separate Company of Invigor

As reported on 9 February 2018, Invigor has been assessing opportunities to unlock the value of Skyware, a business that manages the efficient movement and scheduling of remote workforces which deliver major economic savings for its blue chip customer base.

With the establishment of TillerStack and \$1m of funding commitments received for Skyware for 10% of the equity in the business (Invigor retains 90%), the Company is now well placed to fully capitalise on the

value of this subsidiary. TillerStack has strong growth prospects based on its current recurring revenue base, its tendering pipeline and future opportunities in Europe and now the Asia Pacific. The underlying global demand for workforce management solutions is currently valued at over \$6 billion and growing at over 10% per year (*Markets and Markets WMM Global Forecast to 2021 Report*).

Accompanying this announcement is a presentation on TillerStack, its management team, customer base, growth opportunities and market dynamics.

A greater focus on scaling up Data Intelligence operations in Australia and Asia

The sale of the services arm of Condat will enable the Company to drive greater growth in Australia and Asia from our core Data Analytics solutions, namely Pricing and Loyalty. These solutions together with Workforce management are in large high growth markets currently experiencing disruption and have excellent prospects, growing revenue streams and dedicated management teams. Recent wins from Mercatus and Ayala Malls have been driven by the successful acquisition and integration of the Sprooki business and the subsequent broadening of Invigor's service offering. The partnership with Microsoft is also progressing well with a view to broadening the distribution of our pricing solution. Further, new contract wins are pending.

Commentary

Invigor CEO, Gary Cohen said: "This is a very pleasing transaction for Invigor and helps strengthen our balance sheet greatly. Our focus now is to complete the Condat sale agreement by 30 April and ramp up the growth of TillerStack in Europe and Asia Pacific. We are underpinning this by a further strengthening of the balance sheet, broadening investor support, managing the cost base and growing revenue streams. We look forward to reporting progressively on hitting these milestones. Invigor's growth prospects are excellent."

Invigor will release its preliminary final results for FY2017 on Wednesday 28 February.

For further information, please contact:

Gary Cohen
CEO
+61 2 8251 9600

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

About Invigor Group

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.

Web: www.invigorgroup.com | email: info@invigorgroup.com



Twitter: <https://twitter.com/InvigorGroup> | LinkedIn: <https://sg.linkedin.com/company/invigor-group>