



AGM Presentation 30 November 2018



CONTENTS

| | |
|---------------------------------------|----|
| COMPANY OVERVIEW..... | 3 |
| FY 2018 REVIEW, FY 2019 PROGRESS..... | 8 |
| FINANCIAL PERFORMANCE..... | 11 |
| MARKET DYNAMICS & GO-TO-MARKET..... | 15 |
| STRATEGIC OBJECTIVES..... | 23 |

COMPANY OVERVIEW

- ▶ **We are a Digital Performance Marketing (DPM) business**
- ▶ **We help companies to cost efficiently find customers**
- ▶ **Through Digital Lead Generation technology, data, and our media network**
- ▶ **At scale**
- ▶ **Globally**

WELL POSITIONED DIGITAL DPM INFRASTRUCTURE

Driving leadership in technology-led Customer Acquisition

3

Operating in
Australia, New
Zealand and UK

Tech

Powerful
proprietary
technology
platforms

Team

Mobile / Digital
& Performance
Marketing
specialists



DRIVING CUSTOMER GENERATION FOR LEADING BRANDS

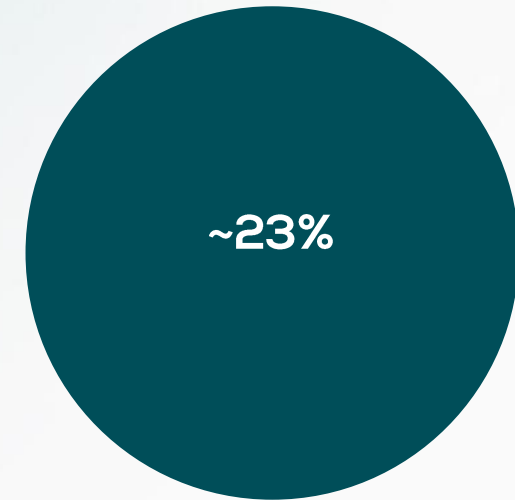




CORPORATE SNAPSHOT

As at 29 November 2018.

| Corporate Overview: | |
|-------------------------------------|---------|
| ASX code | IMS |
| Shares on Issue | ~555m |
| Options on Issue | ~5m |
| Current share price | \$0.013 |
| Market Cap (at 1.3 cents per share) | ~7.2m |



Top 20
Shareholders



FY 2018 REVIEW

Group transitioned to pure-play Digital Performance Marketing business

- The Company's operations in the UK, Australia and New Zealand were rationalised
- Global Digital Performance Marketing Impelus brand launched
- Operations unified under the global Impelus brand

Investment continued in developing proprietary technology to increase competitive strength

- Development of Digital Asset Network
 - Existing Digital Lead Generation platform developments "AddGlu suite" consolidated to UK platform increasing operations efficiency and scalability
 - Solvers Premium Lead Generation products commercially launched in March to access growing market demand and enable higher revenue per lead generated

External factors impacted performance

- Major Australian telco decision to prematurely cease providing DCB services to its partners removed revenue and earnings relied upon to scale up operations

Focused cost reduction, operational efficiency gains and debt reduction

- Scaled down non-core operations – Clipp merged with DPM in 2HY18. Carrier Billing operations scaled down
- \$1.2m of annualised cost savings identified in April 2018 and being realised
- Progressive reduction of bank debt - from \$7.97 million at 31 December 2017 to \$6.9 million at 30 June 2018 – a \$1.09 million reduction in H2FY2018



FY 2019 PROGRESS

External circumstances as announced have impacted 1HY19 performance

- Remaining major Australian telco decision in July to cease carrier billing agreements with its partners from August and \$490K is still owed to IMS which it is pursuing
- Well publicised royal commission into banking and insurance impacts to businesses
- Reduction in carrier billing revenue run-off and Lead Generation/ Customer Acquisition revenue in some sectors
- A small loss in 1HY2019 is anticipated, returning to profitability in 2HY2019

Much stronger positive 2HY19 performance is projected driven by

- Ramp up in new Lead Generation product revenue in Health and Education and new sector developments
 - In seven months premium lead revenue has grown from zero in March 2018 to a \$1.5 million annualised run rate from four client campaigns in only two industry sectors.
- A stronger UK operation: and
- A greatly reduced cost base and enhanced financial flexibility

Cost Savings, operational efficiency gains and debt reduction

- Scaling down of non-core operations – Clipp divested for \$300k
- Further \$550k of cost savings identified. Circa \$1.75m of annualised cost savings now being progressively realised
- Further pay down of bank debt - to \$5.3 million at 30 November 2018 and debt favourably restructured

Positive full year FY2019 earnings performance projected



BUSINESS SENSITIVITIES

MARKET

Fluctuation in digital marketing spend, effective access to inventory, business spend on mobile / digital or consumer sentiment

Lumpiness that can come from campaign sales or change in spending patterns, changing market conditions or technologies that may impact access

TECHNOLOGY

Competitive technologies risk that new technologies emerge that impact competitive advantage or market environment

Carrier support of billing platforms

Carriers changing their support for carrier billing of mobile products and services

Programmatic platforms

Use of platforms for purchase / pricing of ad inventory negatively impacting demand or access for digital marketing

COMPETITORS

New competitive market entrants

Risk that new competitors enter market with a similar business

Marketing channels

New product or billing channel performance

Non-performance of marketing channels or disinterest in products by consumers

REGULATION

Changes in rules around the regulation of digital and mobile products and services

Regulation across industries

Changes in rules around regulation of digital marketing

Restrictions in handset or other device platform access – e.g. Apple's current ecosystem

Handset & technology manufacturers or digital or mobile platform developers restricting consumer access to products and services

FINANCIAL PERFORMANCE

FINANCIAL RESULTS FY 2018

| (\$ million) | FY 2017 | FY 2018 | Variance |
|---------------------------------|---------|-----------|-----------|
| Revenue | \$52.50 | \$25.51 | (\$26.99) |
| Gross Profit | \$22.60 | \$17.14 | (\$5.46) |
| Employment costs | \$11.00 | \$8.33 | (\$2.67) |
| EBITDA | \$5.40 | \$4.27 | (\$1.13) |
| Depreciation and amortisation | \$4.20 | \$4.18 | (\$0.02) |
| Impairment of intangible assets | \$0.10 | \$29.57 | \$29.47 |
| Net Profit / (Loss) After Tax | \$1.60 | (\$29.01) | (\$30.61) |



DEBT REDUCTION PROFILE THROUGH TO END FY19

- Principal debt has reduced from ~\$7.9m as at February 2018 to \$5.8m as at 31 October 2018 - ~\$2.1m of repayments in 9 months.
- Paid from operating cash flows.

DEBT REDUCTION ACTUAL AND BUDGETED BY MONTH FY18 TO FY19





ACTUAL CASH OUTFLOWS

Actual Cash Outflows JUL 18 TO OCT 18 (4 months) VS Projected Cash Outflows NOV 18 TO FEB 19 (4 months)

Actual Cash outflows Jul 18 to Oct 18 (4 months) compared to Projected cash outflows Nov 18 to Feb 19 (4 months)



- This Graph highlights the out flow of funds from Jul 18 to Oct 18 (4 months) and compares this outflow against the projected outflow from Nov 18 to Feb 19 (4 months)
- The cost base of the Company was geared for a higher level of activity
- The cashflow impact of the combination of external factors and roll on affects Q1FY2019 totalled \$1.07 million.
- The recent capital raise has enabled the Company to complete the restructure and re-negotiate with the bank thereby reducing the monthly payments by \$150,000 per month until the end of June 2019 and the reduction of the operational expenses by \$153,000 per month.

MARKET DYNAMICS & GO-TO-MARKET



A PURE PLAY DIGITAL CUSTOMER ACQUISITION ENGINE

Businesses don't want clever advertisements anymore, they want customers

- ▶ **Generating traffic and leads is the top marketing challenge of 61% of businesses across 99 countries***

A large global addressable market. IMS is currently operating across three countries

- ▶ **87% of businesses use outsourced lead generation****

Currently IMS Digital Performance Marketing has approximately 200+ simultaneous campaigns live. A minor fraction of the addressable business market

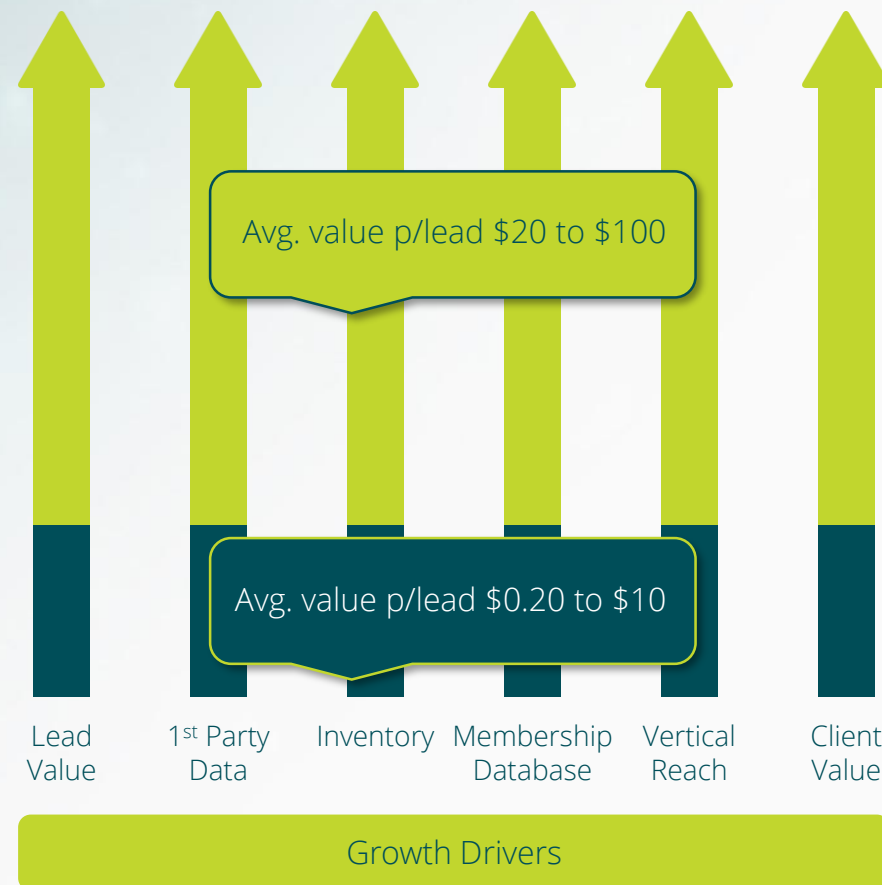
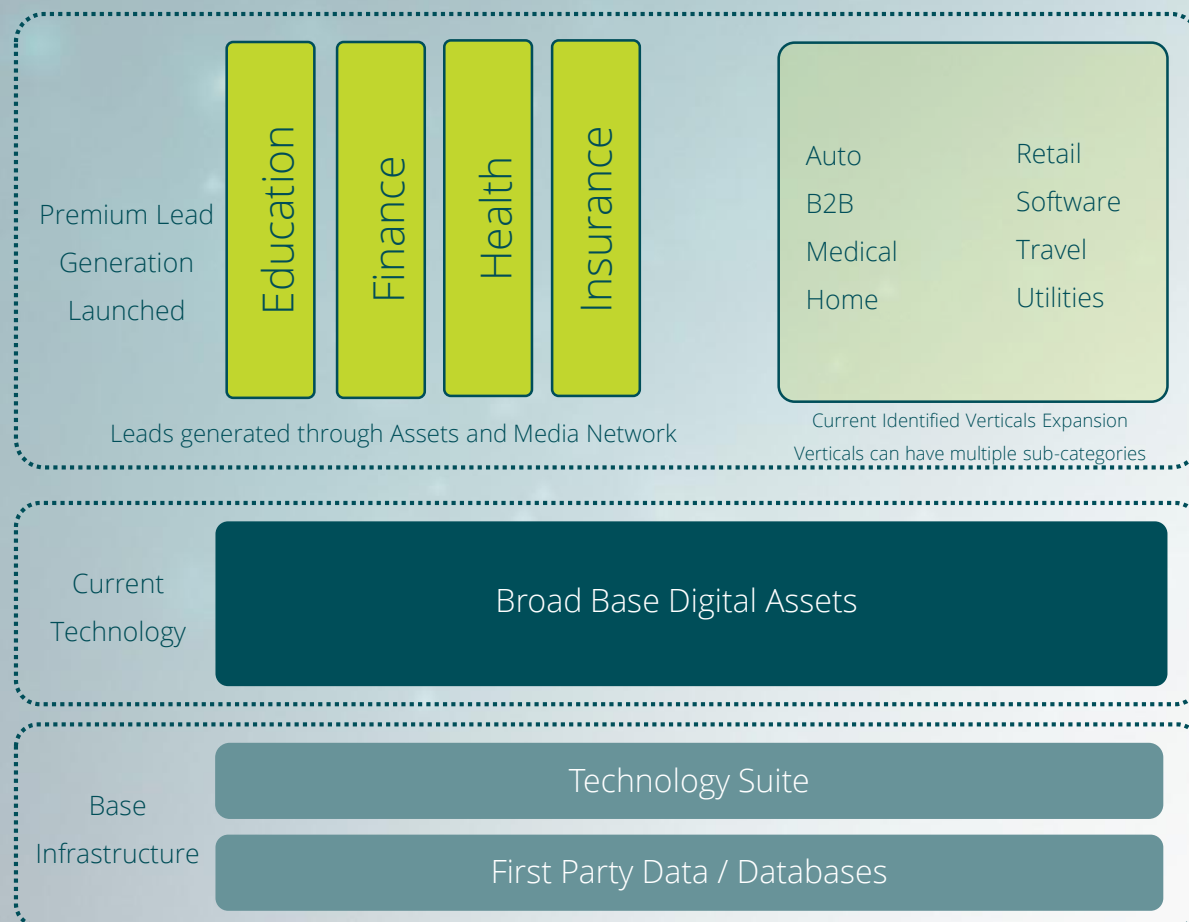
- ▶ **IMS enables businesses to attain measurable Return on Investment (ROI) on every marketing dollar spent**

Through the combination of our proprietary technology, data and media network.



▶ PROGRESSIVELY BUILDING A COMPREHENSIVE DIGITAL ASSET NETWORK

Driving higher value, more efficient customer acquisition

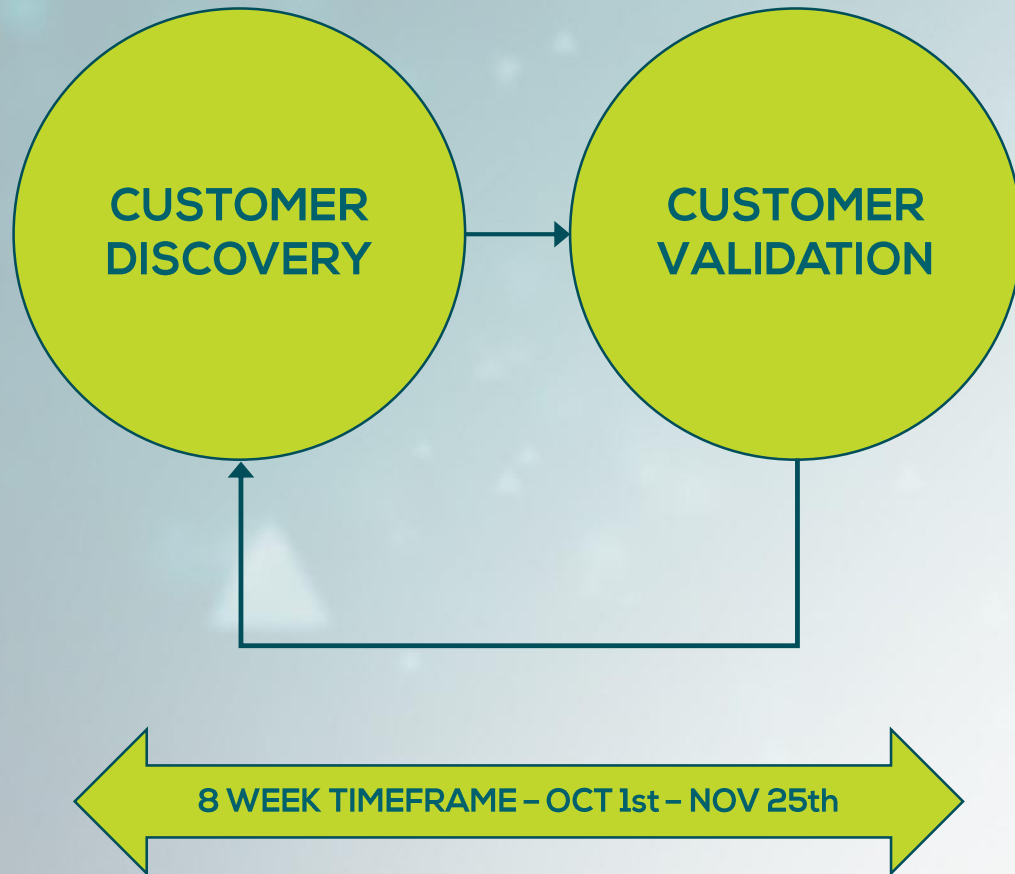


► PREMIUM LEAD GENERATION - PATH TO OWNERSHIP

GOAL: Digital Asset Network technology development – Digital consumer engagement assets developed and integrated into IMS tech infrastructure



▶ CUSTOMER VALIDATION SUCCESS – PREVIOUS 8 WEEKS



1. EDUCATION – EARLY LEARNING
 - \$5K - \$40K PER MONTH
2. FINANCIAL SERVICES
 - First in Market Solution
3. EDUCATION – ONLINE LEARNING
 - Increase CPL from \$35 to \$75



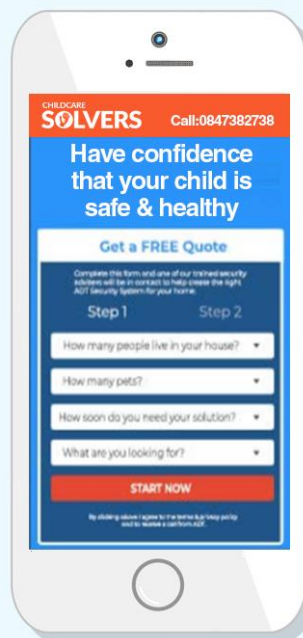
PREMIUM LEAD GENERATION - ENGAGEMENT PROCESS

Step 1: Source



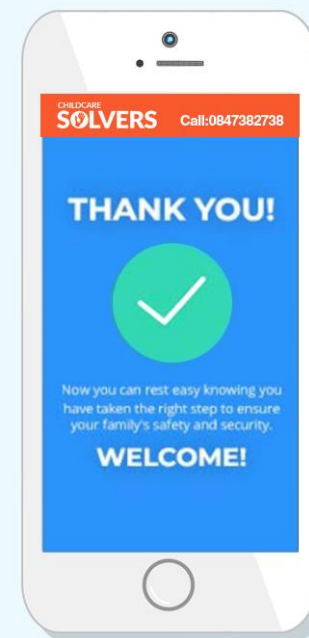
Using our proprietary data and Digital Asset Network we identify targeted customers interested in booking childcare services.

Step 2: Capture



We capture this audience via opt-in lead generation, including all relevant information to help facilitate a strong customer connection.

Step 3: Acquire



All leads are verified and can be delivered in real time directly to the client's CRM or via spreadsheet to be actioned by the client's sales team.

PREMIUM LEAD GENERATION – CLIENT INTEGRATION

HEARING SOLVERS

Book your FREE hearing check today

Full Name *

Email *

Phone Number (10 digit) *

Postcode *

Date of birth *

Date of Birth (DD/MM/YYYY)

Book Hearing Check

By clicking above, I agree to the terms, privacy policy and provide consent to be contacted by a hearing health care provider for booking my appointment.

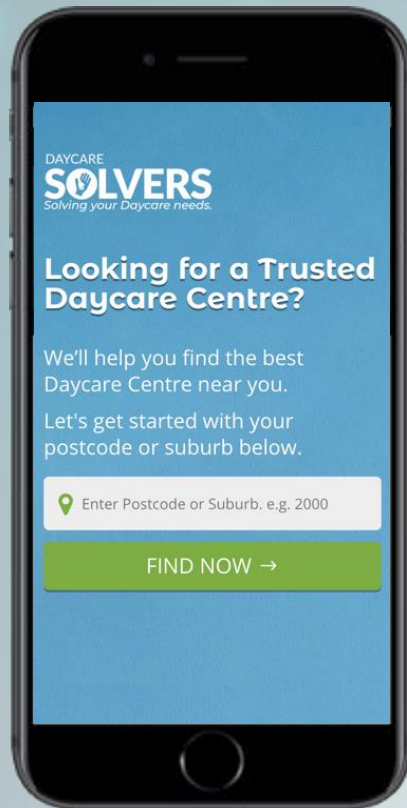
Leads sourced and verified via IMS digital assets and infrastructure



Verified leads directed in real time to the client campaign site for sign-ups, call back etc.

Verified IMS Digital Assets / partner network / social / search leads delivered in real time via API integration to client CRM or directed to full application.

▶ EARLY LEARNING 1 CLIENT EXAMPLE – OVER 8 WEEK PERIOD



**\$66K
IMPELUS
REVENUE**

STRATEGIC OBJECTIVES



FY 2019 STRATEGIC OBJECTIVES

Strategic focus to drive performance and shareholder value

- ▶ **Grow new Lead Generation product revenue** in current sectors and through the development and launch of new sectors
- ▶ **Grow UK operations** through expanded technology & products
- ▶ **Drive competitive advantage** through sustained DPM technology & product development
- ▶ **Further strengthen operating conditions** with cost savings, efficiency gains and debt reduction
- ▶ **Strengthen and increase profile and communications** to market and shareholders



3 YEAR GROWTH STRATEGY



TECHNOLOGY & DATA

Continued innovation and enhancement of technology and digital asset development to deliver market leading quality at massive scale.



PRODUCT

Build a globally recognised brand and range of high performing products that secure an expansive client base and grow and sustain competitive advantage.



INTERNATIONAL EXPANSION

Consistently improve existing markets and replicate into new markets building an expansive IMS global operational footprint and financial performance.



SUMMARY

- ▶ **IMS is a pure play** Digital Performance Marketing business in a growing industry where successful companies can achieve high valuations
- ▶ **Focused on scaling** up our Digital Customer Acquisition operations in Australia, NZ, UK and expanding to Europe
- ▶ **Our technology is strong** and highly scalable, and continued product development is increasing competitive strength and enabling growth
- ▶ **Performance of new** Lead Generation solutions that enable higher revenue per lead is strengthening and the client demand is growing
- ▶ **Disciplined approach** to operations and cost management aligned with an aggressive sales strategy and highly experienced new management appointments will ensure we are best placed to increase financial performance and grow shareholder value



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