



ASX ANNOUNCEMENT

31 JULY 2020

IMPELUS LIMITED JUNE 2020 QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

Highlights

- \$1.38 million revenue in June 2020 Quarter due to the impact of COVID-19
- With multiple measures and assistance including JobKeeper Scheme in AU and Job Retention Scheme in UK, the cash balance has been maintained at a stable level
- In order to improve the Group efficiency, AU operation has become a branch of UK operation
- AU operation started to recover from June 2020
- Though impacted by COVID-19, UK operation showed resilience and maintained a positive net cash flow

Key areas of activity during the fourth quarter of the 2020 financial year related to:

EMEA Operations

UK revenues and profits to date have shown resilience to COVID-19 impacts. The UK team is developing and improving the intellectual property to better service the clients under the COVID-19 deprecations.

Solvers, one of the core IP products for Impelus, is continuously being developed to improve the user experience and better connect the clients with their potential customers. It will strengthen the customer-acquisition ability of Impelus' network.

With the help of the UK Government, 40% of the UK staff are now on the Coronavirus Job Retention Scheme, which means the UK Government will pay 80% of the employees' wages for the Company. This scheme reduces the stress on the UK team while helping to maintain a positive monthly net cash flow.

AU Operations

The near-term repercussions of COVID-19, which became apparent in mid-March 2020, delivered an unexpected jarring jolt. This continued during April and May when Australian revenue plummeted by 90% due to the indirect impact of the virus.

Through the efforts of our employees, together with Government support the AU operation has started to recover from June 2020.

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All employees are presently working from home with most on the government JobKeeper program. Significant overhead savings have been realised already, reduction in office rent has been approved and further Government assistance is being actively pursued.

The merging of AU and UK systems and platforms is proceeding well, improving the Group's efficiency and saving unnecessary and duplicate costs.

Principal Activities

Impelus Limited (ASX:IMS) is a technology led Digital Customer Acquisition company that is building out its Digital Performance Marketing (DPM) Platforms and infrastructure globally. This infrastructure utilises its proprietary technology, tools and data assets in the UK, Australia and New Zealand to seamlessly connect and engage consumers with products they value, enabling better customer generation for businesses at scale via digital channels and devices.

Impelus is expanding its catalogue of Digital Performance Marketing products to provide increasing value and market opportunity to its clients and partners.

Businesses globally are urgently seeking to alleviate the growing complexities of marketing through digital channels such as advertising fraud, viewability, transparency, brand safety and overall marketing spend wastage. Impelus enables businesses, through its technology, engagement mechanics and data assets, to attain measurable ROI (Return on Investment) for every dollar spent, addressing these complexities and simplifying digital customer acquisition for businesses.

Businesses can reach and acquire their best customers, at scale, through digital channels and most importantly, on the devices where consumers are choosing to spend more and more of their time.

Payments to related parties of the entity and their associates

During June 2020 Quarter, Impelus has paid \$10,676 to directors as director's fees and superannuation.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Impelus Limited

ABN

24 089 805 416

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,087	9,749
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	(1,120)	(5,831)
(c) advertising and marketing	0	0
(d) leased assets	0	0
(e) staff costs	(440)	(3,126)
(f) administration and corporate costs	(440)	(759)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	0	6
1.5 Interest and other costs of finance paid	(20)	(365)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	131	227
1.8 Other (provide details if material)	0	0
1.9 Net cash from / (used in) operating activities	198	53
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	0	0
(b) businesses	0	0

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(c) property, plant and equipment	0	(40)
	(d) investments	0	0
	(e) intellectual property	(45)	(639)
	(f) other non-current assets	0	0
2.2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	Net cash from / (used in) investing activities	(45)	(679)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2	Proceeds from issue of convertible debt securities	0	669
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5	Proceeds from borrowings	0	530
3.6	Repayment of borrowings	(29)	(286)
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Finance Lease payment	(41)	(484)
3.10	Net cash from / (used in) financing activities	(69)	429

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	926	1,207
4.2	Net cash from / (used in) operating activities (item 1.9 above)	198	53
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(45)	(679)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(69)	429
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,010	1,010

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	720	636
5.2	Call deposits	290	289
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,010	926

6. Payments to related parties of the entity and their associates

6.1	Aggregate amount of payments to related parties and their associates included in item 1	11
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

Current quarter \$A'000
11
0

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	4,518	4,518
7.2 Credit standby arrangements	0	0
7.3 Personal Loan	1,650	1,650
7.4 Total financing facilities	6,168	6,168

7.5 **Unused financing facilities available at quarter end** 0

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

1. AUD\$4,175,000 facility from Commonwealth Bank of Australia at 4.25% interest rate, maturing at 22/06/2022
2. AUD\$343,024 facility from Commonwealth Bank of Australia at 5.34% interest rate, maturing at 01/04/2021
3. Director's loan \$500,000 from chairman Mr Brendan Birthistle at 14.71% interest rate, maturing at 15/12/2021
4. Director's loan \$500,000 from chairman Mr Brendan Birthistle at 15.71% interest rate, maturing at 15/12/2022
5. Director's loan \$500,000 from chairman Mr Brendan Birthistle at 15.71% interest rate, maturing at 15/12/2022
6. Director's loan \$150,000 from chairman Mr Brendan Birthistle at 13.71% interest rate, maturing at 15/12/2022

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	198
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,010
8.3 Unused finance facilities available at quarter end (Item 7.5)	0
8.4 Total available funding (Item 8.2 + Item 8.3)	1,010
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.6.2 Has the entity 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?

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: ..31 July 2020.....

Authorised by:By the board.....

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.