

Digimatic Group

Investor Presentation

A decorative graphic on the right side of the slide. It features three large, thin red circles that overlap. At the intersections of these circles are small circles: a blue one at the top intersection, a red one at the middle intersection, and a green one at the bottom intersection. A dotted red line forms a path that starts near the bottom-left intersection and curves upwards towards the top-right intersection.

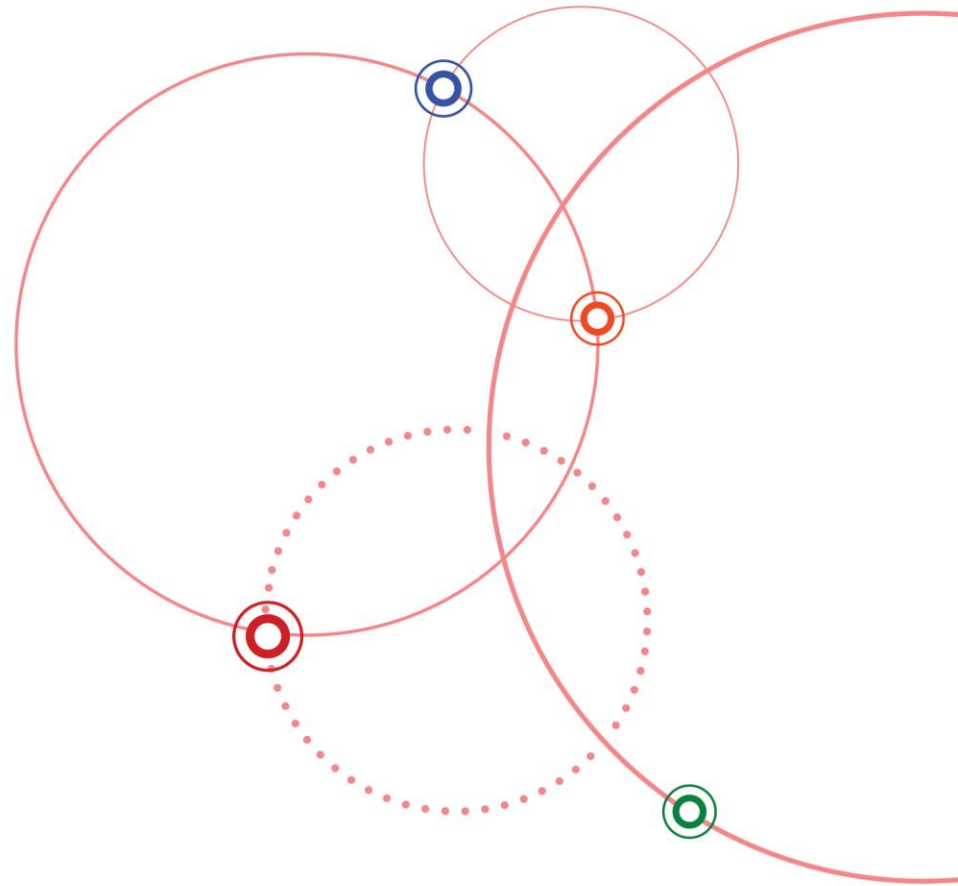
HELPING
BRANDS
CONNECT

AGENDA

- ❖ What drives DMS Management Buyout
- ❖ DMS Management Buyout & its Impact
- ❖ DMS Valuation
- ❖ Valuation of Buy-back Shares
- ❖ Is the Proposed Transaction Fair & Reasonable?
- ❖ DMC Future Plans
- ❖ Questions and Answers



What drives DMS Management Buyout



Reasons for DMS Management Buyout

The expected synergy from the merger and collaboration within the group did not materialise due to different focus in business strategy and clientele base.

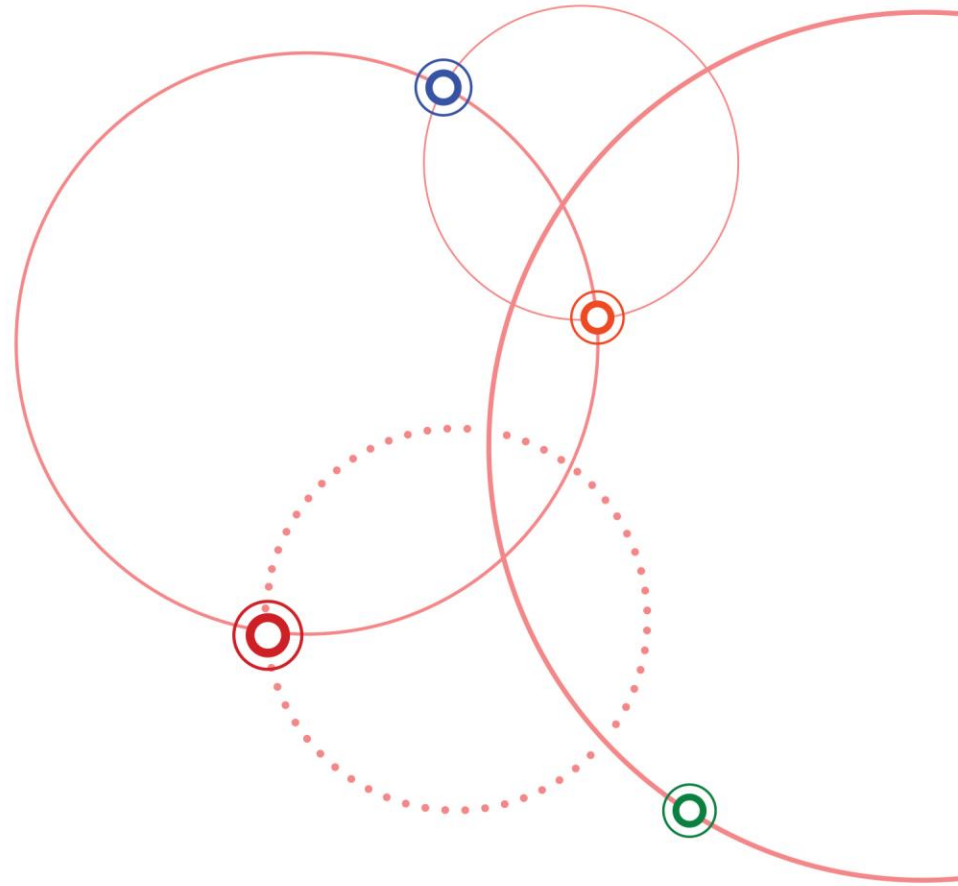
This proposed Transaction will enable DMC to rechannel resources & refocus on the remaining profitable businesses under DMC's umbrella in the aspect of Advertising Technology (Ad Tech)

The remaining businesses play a synergistic role. Moving forward, DMC can expect a more cohesive culture held together by a unified goal.

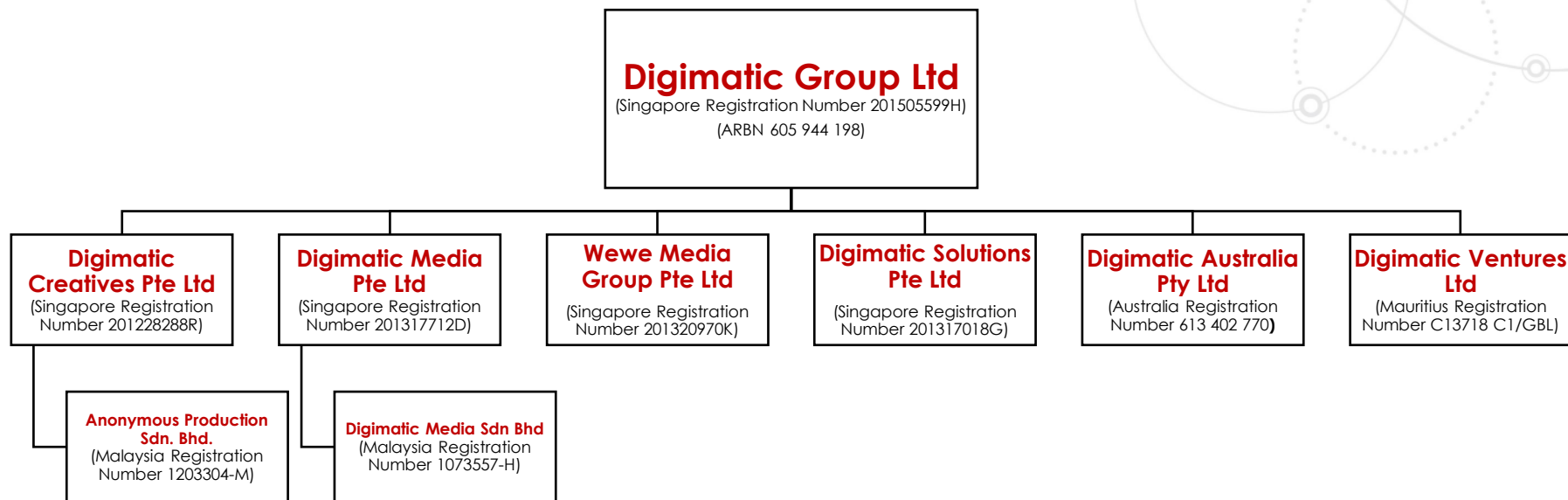
Upon completion of the Transaction, the corporate structure will be streamlined. Percentage shareholdings of all DMC shareholders will increase due to the reduction in the total number of DMC's shares on issue.



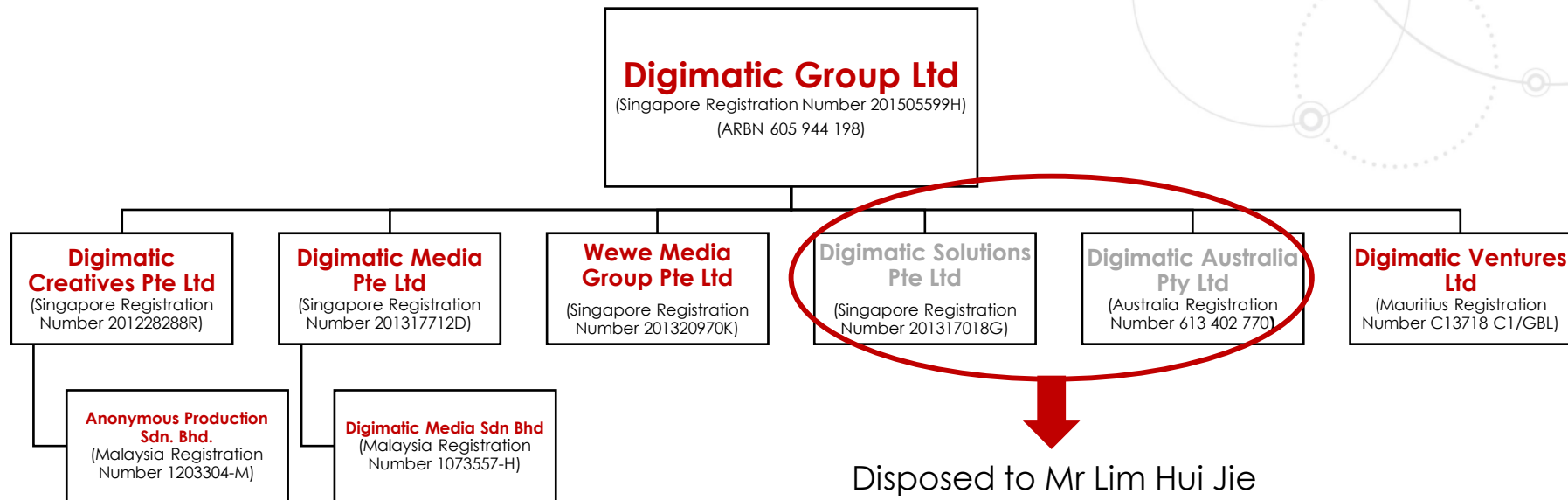
DMS Management Buyout & Its Impact



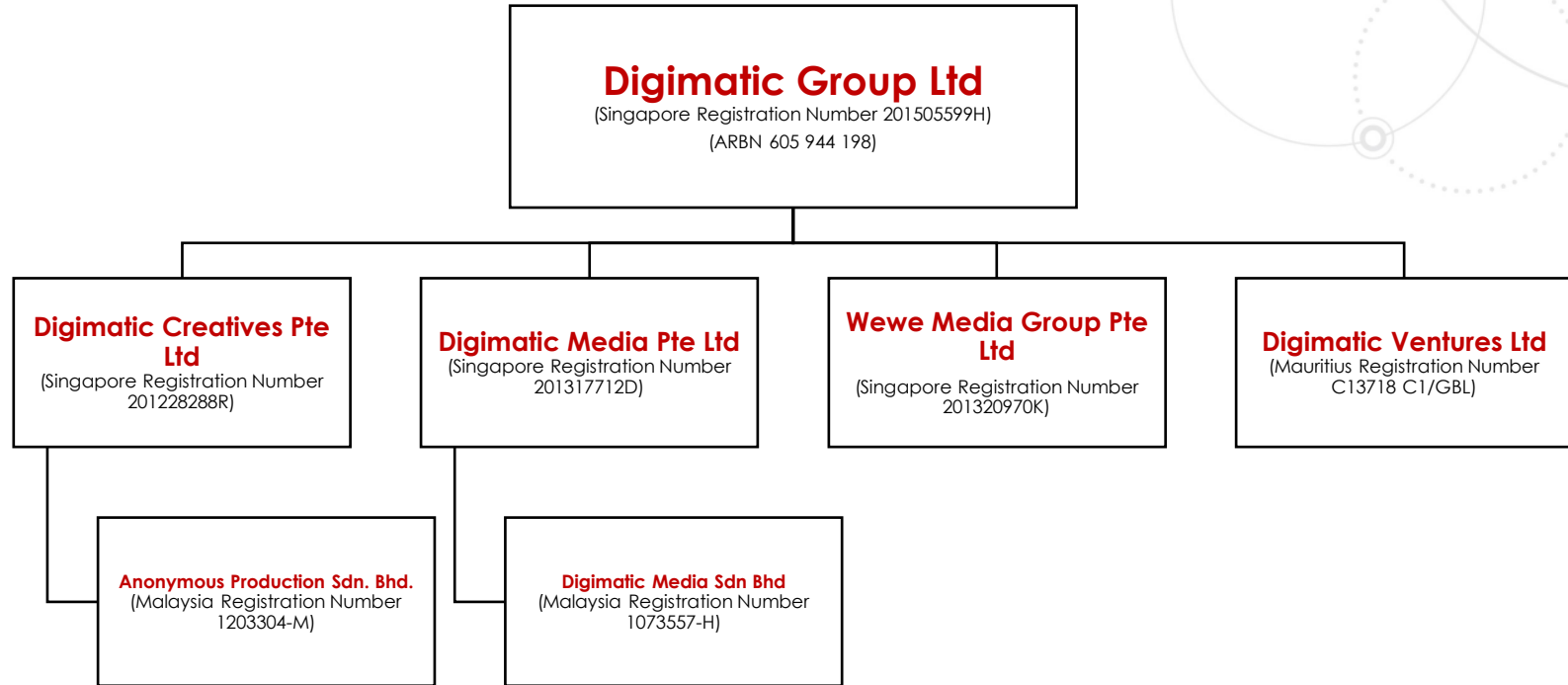
Group Structure Before DMS Management Buyout



Group Structure During DMS Management Buyout



Group Structure After DMS Management Buyout



Loan of S\$2.60 Million

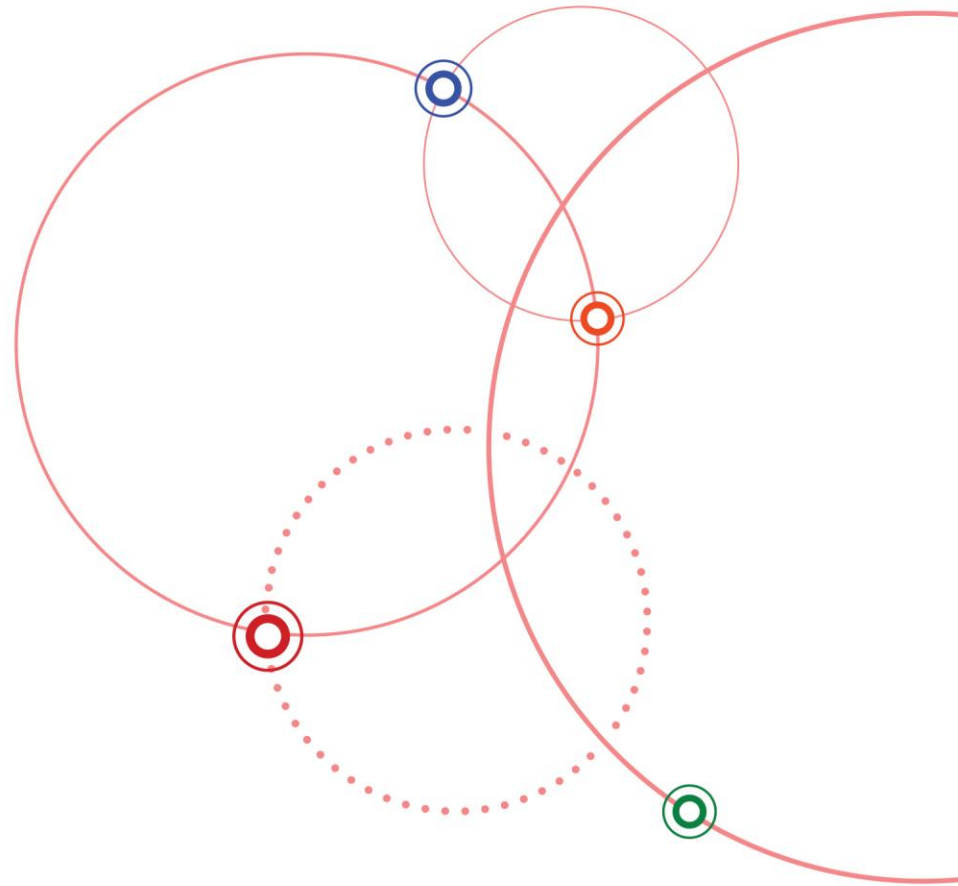
The loan of S\$2.60 Million was granted to DMS to meet its working capital requirement.

The loan may be repaid, in part or in full, by any of the following means:

1. payment in cash at any time;
2. (a) via the offer to issue fully paid ordinary shares in DMS, which if accepted by the Company, of up to 13% of the total enlarged share capital of DMS in satisfaction of the loan amount of S\$2.60 million (or pro-rated accordingly in the event of part payment) plus payment in cash for any accrued interest unpaid; or
- (b) at a price per share based on the latest valuation of DMS represented by the subscription amount per share paid by the most recent third party investment of a minimum of S\$100,000 in DMS after completion; or
- (c) as an alternative to the above, the number of shares in DMS based on any other valuation agreed between DMS and the Company, provided always whether in the case of (a), (b) or (c) above, that DMS has positive EBITDA based on its latest available management accounts and subject to satisfactory financial due diligence by the Company, that the Company accept the offer made by DMS.



Valuation of DMS



Valuation of DMS

NAV - Digimatic Solutions		30-Sep-16
	Notes	S\$
CURRENT ASSETS		
Cash and cash equivalents		489,722
Inventories		4,325
Trade and other receivables	1	2,361,568
Prepayments		80,946
TOTAL CURRENT ASSETS		2,936,561
NON-CURRENT ASSETS		
Property, plant and equipment		487,012
TOTAL NON-CURRENT ASSETS		487,012
TOTAL ASSETS		3,423,573
CURRENT LIABILITIES		
Trade and other payables		24,354
Accruals		417,324
Unearned revenue		166,667
Intercompany payables	2	2,436,919
Deposits from customers		193,663
TOTAL CURRENT LIABILITIES		3,238,927
TOTAL LIABILITIES		3,238,927
NET ASSETS/(LIABILITIES)		184,646

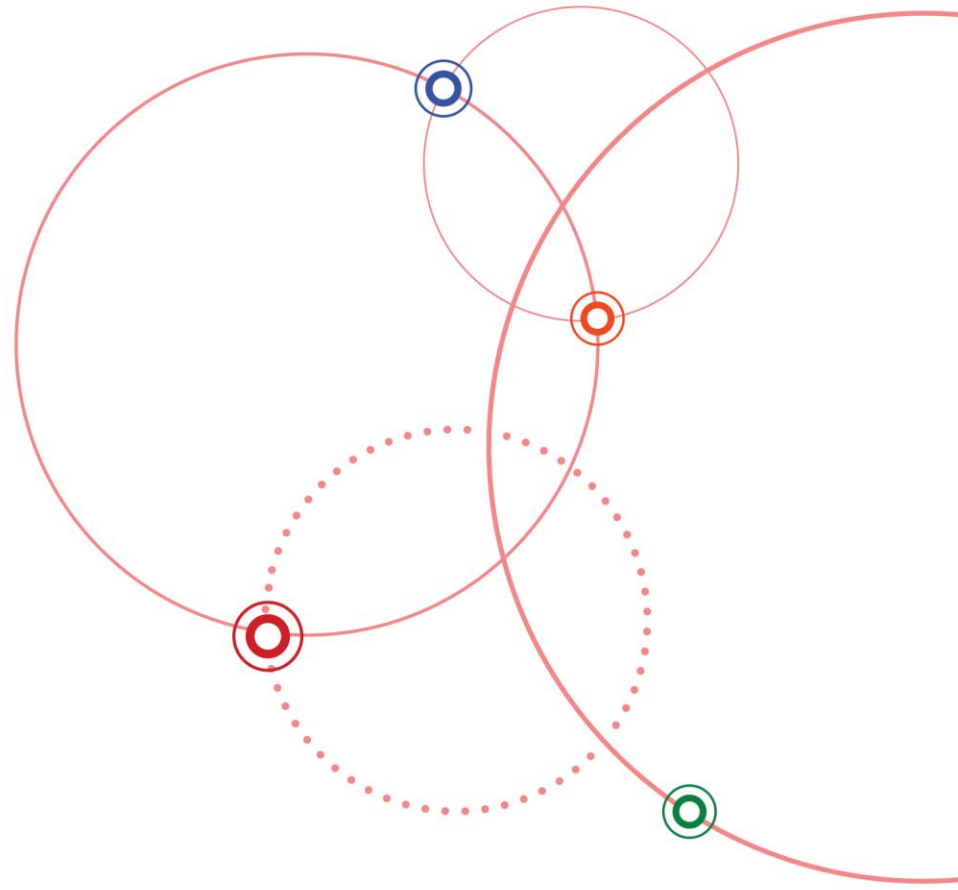
Source: BDO analysis

[Extracted from IER Report]
Valuation
Methodology: Net Asset Valuation (NAV)

The fair market value of the assets and liabilities as at 30 September 2016 are equal to the carrying values as set out in the above statement of financial position. The table above indicates the net asset value of Digimatic Solutions is **S\$184,646**.



Valuation of Buy-back Shares



Valuation of Buy-back Shares

NAV	Notes	30-Sep-16 S\$	Adjustments S\$	Low Adjusted NAV S\$	High Adjusted NAV S\$
CURRENT ASSETS					
Cash and cash equivalents	1	3,126,982	(489,722)	2,637,260	2,637,260
Inventories	1	4,325	(4,325)	-	-
Trade and other receivables	1,2	3,384,133	(2,494,568)	889,565	889,565
Prepayment	1	219,680	(80,946)	138,734	138,734
Fixed deposits		9,500,000	-	9,500,000	9,500,000
TOTAL CURRENT ASSETS		16,235,120	(3,069,561)	13,165,559	13,165,559
NON CURRENT ASSETS					
Property, plant and equipment	1	538,620	(487,012)	51,608	51,608
Intangible assets	3	4,003,206	(1,394,039)	-	2,609,167
Other investments		100,000	-	100,000	100,000
Amount due from Digimatic Solutions	4	-	2,600,000	2,600,000	2,600,000
TOTAL NON CURRENT ASSETS		4,641,826	718,949	2,751,608	5,360,775
TOTAL ASSETS		20,876,946	(2,350,612)	15,917,167	18,526,334
CURRENT LIABILITIES					
Trade and other payables	1	1,696,902	(635,341)	1,061,561	1,061,561
Unearned revenue	1	1,048,357	(166,667)	881,690	881,690
Provision for income tax		126,517	-	126,517	126,517
TOTAL CURRENT LIABILITIES		2,871,776	(802,008)	2,069,768	2,069,768
NON CURRENT LIABILITIES					
Deferred tax liabilities		175,414	-	175,414	175,414
Provision for reinstatement cost		65,000	-	65,000	65,000
TOTAL NON CURRENT LIABILITIES		240,414	-	240,414	240,414
TOTAL LIABILITIES		3,112,190	(802,008)	2,310,182	2,310,182
NET ASSETS		17,764,756	(1,548,604)	13,606,985	16,216,152
Shares on issue (number)				683,664,000	683,664,000
Value per share (\$)				0.020	0.024

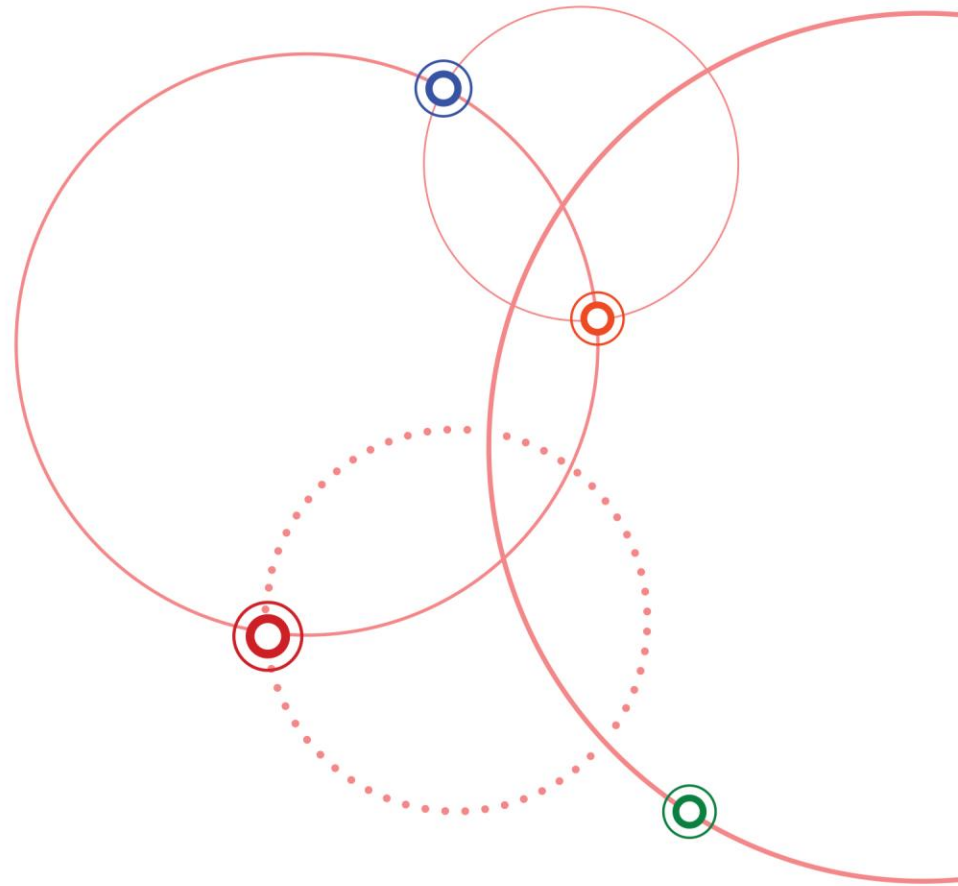
Source: BDO analysis

[Extracted from IER Report]
Valuation Methodology:
Net Asset Valuation (NAV)



The table above indicates the net asset value of a DMC share, excluding Digimatic Solutions is in the range of **S\$0.020** and **S\$0.024**.

**Is the Transaction Fair &
Reasonable?**



Is the Transaction Fair?

[Extracted from IER Report]



NET ASSET VALUATION	LOW	HIGH
	S\$	S\$
Value of Digimatic Solutions	184,646	184,646
Value of Buy-back Shares	600,000	720,000

Source: BDO analysis

The above pricing indicates that, in the absence of any other relevant information, the Proposed Transaction is fair for shareholders.



Is the Transaction Reasonable?

[Extracted from IER Report]

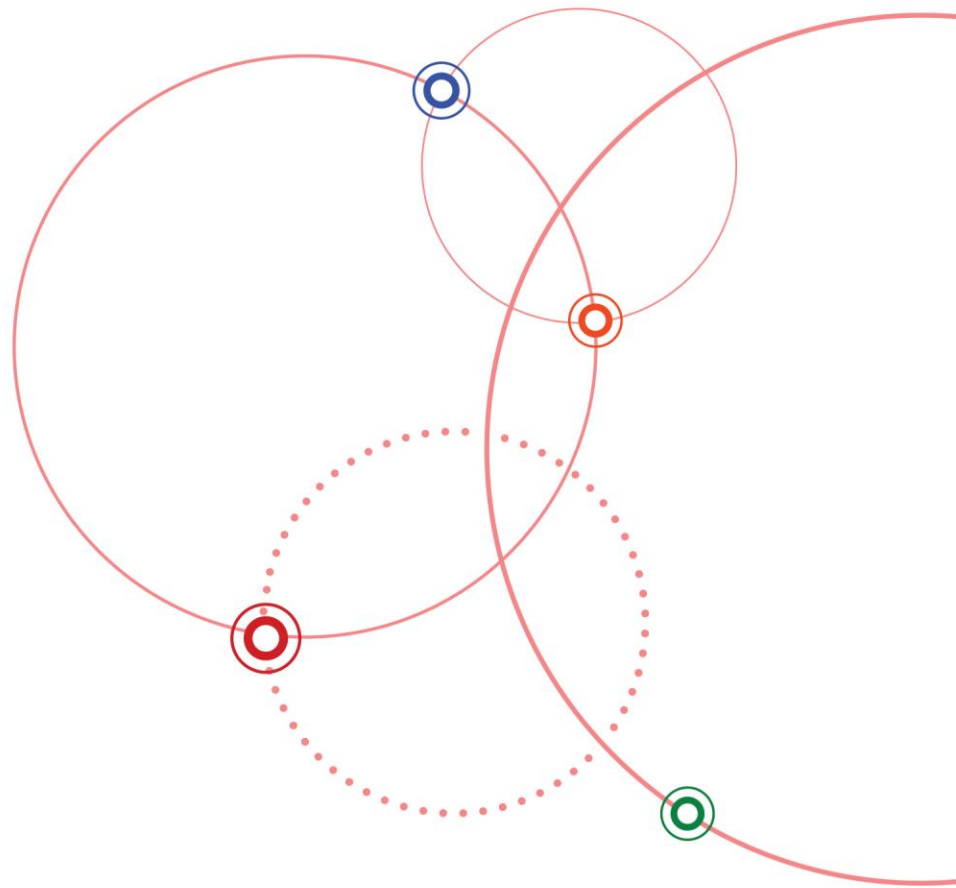
ADVANTAGES	DISADVANTAGES
The Proposed Transaction is fair	Shareholders forego the opportunity to benefit from any potential upside in Digimatic Solutions and Digimatic Australia
Reduces losses and the requirement to fund future losses via working capital	
Allows a more focused approach from Management	
A cleaner corporate structure may improve the attractiveness of the Company to potential investors	
Shareholders' interests will increase	

Source: BDO analysis



We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that the Proposed Transaction is **fair and reasonable** to the Shareholders of DMC.

What does this mean to
the Investors?



Shorter Sales Cycle → FASTER PROFIT TURNAROUND



Digimatic Solutions



- Extensive scope to fulfil a platform solution
- Milestone fulfilment and payment
- Sales Cycle : **6 months to 1-2 years** to complete



Digimatic Media



- Quick Turn Around : Performance base marketing
- Through Content Marketing, APP Digital Media Buy, Lead Generation
- Recurring Revenue / Sales Model
- Edu. Business : Pre-Collection of payment
- Stronger Cash Flow and Balance Sheet
- Sales Cycle : **Few Weeks to 1-2 mths** to complete



Digimatic Creatives



- Project scope level
- Sales Cycle : **1-2 mths** to complete

WHAT DOES THIS MEAN?

The departure of Digimatic Solutions will bring down the average sales cycle of each company to 1-2 mths or less, resulting in **quicker profit turnaround**



Aligned Maturity of Business Stage → ENHANCED SYNERGY & COHESION



Digimatic Solutions



- At development stage
- Yet to achieve Sales & Profit stage
- Started development from end 2015



Digimatic Creatives



- Mature Sales & Profit stage
- Business established 2012



Digimatic Media



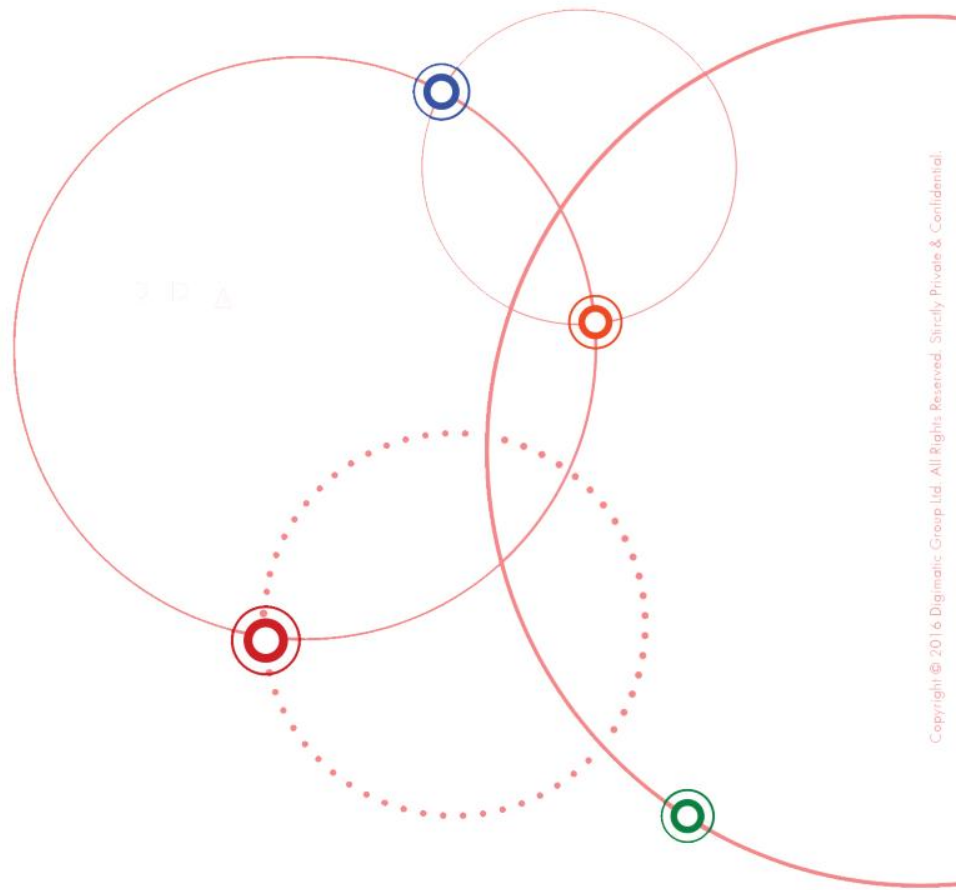
- Mature Sales & Profit stage
- Business established 2013

WHAT DOES THIS MEAN?

Different stages of business development growth means a lack in synergy. The departure of Digimatic Solutions would sync all business units as the mature Sales & Profit stage for **better cohesion and goal unity**

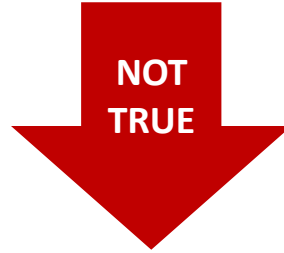


Moving Forward – Our Vision



MOVING FORWARD

Are we no longer a Solutions company?



On the contrary, DMC Group is a synergistic cohesion of solutions tailored to help our clients achieve marketing goals and brand growth

HOW?

Via a combination of Ad Tech & Creative Tech Innovation, to actualise our vision as the leading digital disrupter & leader in marketing solutions





Refocusing on the Profitable Ad Tech & Creative Tech Innovation

We expect this restructuring to strengthen the group's fundamentals and allow us greater clarity in focus to pursue a strategy that concentrates on our core strength of Advertising Technology. This move will foster **greater cohesiveness** as we are now able to better align the entire group to push our capabilities in **Ad Tech & Creative Tech Innovation** even further.

By having greater resources at our disposal to fuel the growth of our other units, we expect to open up even more opportunities as we seek to create greater value in our group's endeavours moving forward.

DMC Refocused Structure



Digimatic Group

Creative Tech Innovation



Digimatic Creatives

360VR ASIA
By Anonymous Production

anonymous
production

Partnering Agencies :



Financial Expansion



Digimatic Ventures

Ad Tech & Performance Marketing



Digimatic Media

KCE PROFITS ACADEMY
Your Growth, Our Passion

WeweMedia

The Management Team



Mr. Ivan Ong
Executive Director



Ms. Chung Pit Lee
Chief Financial Officer



Mr. Nick Tan
*Managing Director,
Digimatic Creatives Pte Ltd*



Ms. Jane Neo
*Managing Director,
Digimatic Media Pte Ltd*



Mr. Ronny Lua
*Managing Partner,
Wewe Media Group Pte Ltd*




Mr. Danny Lua
*Managing Partner,
Wewe Media Group Pte Ltd*



Mr. Aaron Tan
*Managing Partner,
Wewe Media Group Pte Ltd*



DMC Future Plans

WHAT IS
A  TECH?



DMC Future Plans – Ad Tech



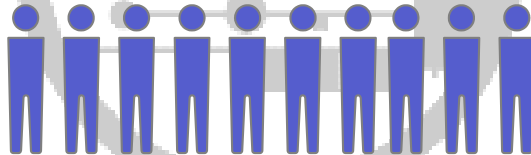
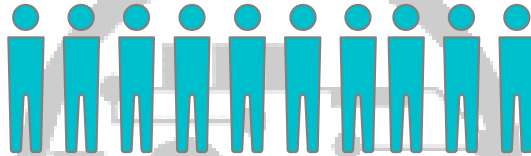
Ad Tech broadly refers to different types of Analytics and Digital tools used in the context of Direct Advertising, to specific audiences.

Technopedia



DMC Future Plans

ADVERTISING TECHNOLOGY



Focusing our resource allocation to our Ad Tech subsidiaries, allowing them to streamline and better focus on their individual core strengths.

Acquiring relevant expertise and technology to further enhance individual core capabilities, for better efficiency and effectiveness.





Digimatic Creatives

DMR Future Plans – Creative Tech Innovation

MOVING FORWARD



Partnering Agencies :



- Performance Video Marketing
 - Live Stream and Broadcast
 - Video Production / Cinemagraphs
 - Exploring New markets and Industries
-
- Creative Tech Marketing
 - 360VR (Virtual Reality) videos / 360 video marketing campaign
 - 360VR Solutions / Education Platform
 - Augmented Reality (AR) Production / Creatives
-
- 360 Campaigns
 - Branding & print
 - Content creation
 - Digital & social media marketing



Digimatic Media

DMM Future Plans- Performance Marketing

MOVING FORWARD



- Content Based Performance Marketing Services / Leads Generation
- Expand operations in Kuala Lumpur and Penang, Malaysia
- Set up operations in Australia
- In-house Digital Marketing Courses
- Providing digital marketing services for clients



Digimatic Media

DMM Future Plans- Ad Tech

MOVING FORWARD



Affiliate
Network



Traffic
Monetization



Internal Media
Agency

- Build state-of-the-art tracking/analytics platform
- Increase in Affiliates
- Increase in Direct Advertisers
- Increase in new product categories + offers
- Boost our brand + exposure
- Exhibit at + attend key conferences in Berlin, Bangkok, Barcelona, China
- Recruit top performers
- Set up new offices in PH + US/CA

DMC Future Plans



Digimatic Creatives

Branding & Marketing

Value proposition • Positioning • Messaging
Powered by Creative Technology



Understanding

Business Goals & Objectives
Strategizing on Branding & Marketing



Digimatic Media

Performance

Performance • Affiliate • Mobile
Driven by Analytics and Digital tools



Digimatic Ventures

Investors' Ecosystem

Mergers • Acquisition • Entrepreneurship
Business Development



Digimatic Group

Ad Tech Solution

Comprehensive Digital Advertising Solution



DMC Future Plans



Digimatic Group



Our Value Proposition

We take pride in understanding our client's businesses and value add by providing a comprehensive performance marketing solution through continuous growth in our Ad Tech & Creative Tech Innovation solutions.

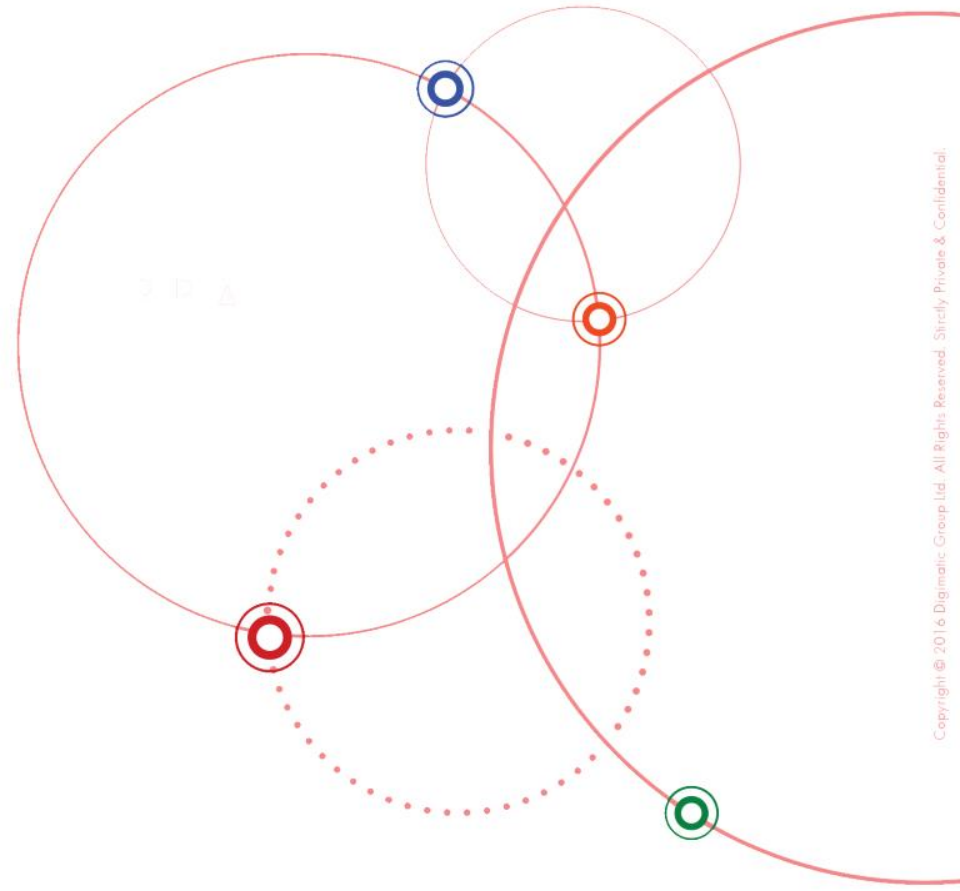


About DMC (New Description)

Digimatic Group Ltd (ASX: DMC) is a Leading Digital Performance Marketing Agency that Empowers Brands to Connect Their customers in the most effective way. Founded as a small group of like-minded digital marketers, DMC rapidly become one of the leading Digital Performance Marketer in this region.

Driving this growth, is the continuous development of their Advertising Technology (AdTech) platform to enhance marketing performance through machine learning, measurable ROI for their clients, and the integration of Creative Technology like Virtual Reality (VR) and Augmented Reality (AR) to their offering. DMC will continue to be a disruptive innovator that will ride on digital transformation trend towards being a leading global company.

Questions and Answers





Thank You



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<https://www.linkedin.com/company/digimatic-group-ltd>



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