



AGM Presentation 28 November 2019



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A hand holding a smartphone, with a bokeh background of light circles and geometric shapes. The text 'COMPANY OVERVIEW' is centered over the image.

# COMPANY OVERVIEW



## IMPELUS – COMPANY OVERVIEW

- ▶ Impelus Limited is a Digital Customer Generation company that uses its technology, tools and data assets to deliver high volume leads to its clients to generate quality results, at quantity, across industries globally on a pay per lead basis, so they can scale, grow and exceed their business objectives.
- ▶ In a rapidly evolving digital and online environment, businesses globally are urgently seeking ways to better secure leads and acquire customers through more measurable ROI (Return on Investment) for every marketing dollar spent.
- ▶ Operating in Australia, New Zealand and the UK, we find the right customers to drive their growth. Impelus is providing increasing value and market opportunity to its brand partners which are some of the world's most recognised and leading brands. 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.
- ▶ As experts in targeted, consented consumer engagement, Impelus has a passionate commitment to technology innovation and agility that drives its competitive strength, and a focused determination to continually succeed in the dynamic Digital Performance Marketing industry.
- ▶ Together with ambitious businesses who value transparency, collaboration and deep performance experience, we are dedicated to driving unprecedented trust, efficiency, and quality to Digital Customer Generation.

A hand holding a pen over a document, with a bokeh background of light circles. The text is centered over the image.

# REVIEW OF FINANCIAL PERFORMANCE FY 19





## IMPELUS – FINANCIAL REVIEW OF FY 2019

### Financial Performance

Comparison of the full FY 2019 vs FY 2018

(\$) million	FY 2019	FY 2018	Variance
Revenue	\$12.07	\$25.51	(\$13.44)
Gross Profit	\$5.60	\$17.14	(\$11.54)
Employment costs	\$3.34	\$8.33	\$4.99
Operating Expenses	\$3.27	\$3.78	\$0.51
<b>EBITDA</b>	<b>\$0.07</b>	<b>\$4.55</b>	<b>(\$4.48)</b>
Depreciation and amortisation	\$4.20	\$4.18	(\$0.02)
Impairment of intangible assets	\$7.28	\$29.57	\$22.29
Impairment for Debtors	\$0.82	\$0.82	-
Tax & Other (Benefit)	\$0.04	(\$1.01)	\$1.05
Net Profit / (Loss) After Tax	(\$12.27)	(\$29.01)	\$16.74



## IMPELUS – FINANCIAL REVIEW OF FY 2019

### Financial Performance

Comparison of the 2<sup>nd</sup> half FY19 vs 1<sup>st</sup> half FY19

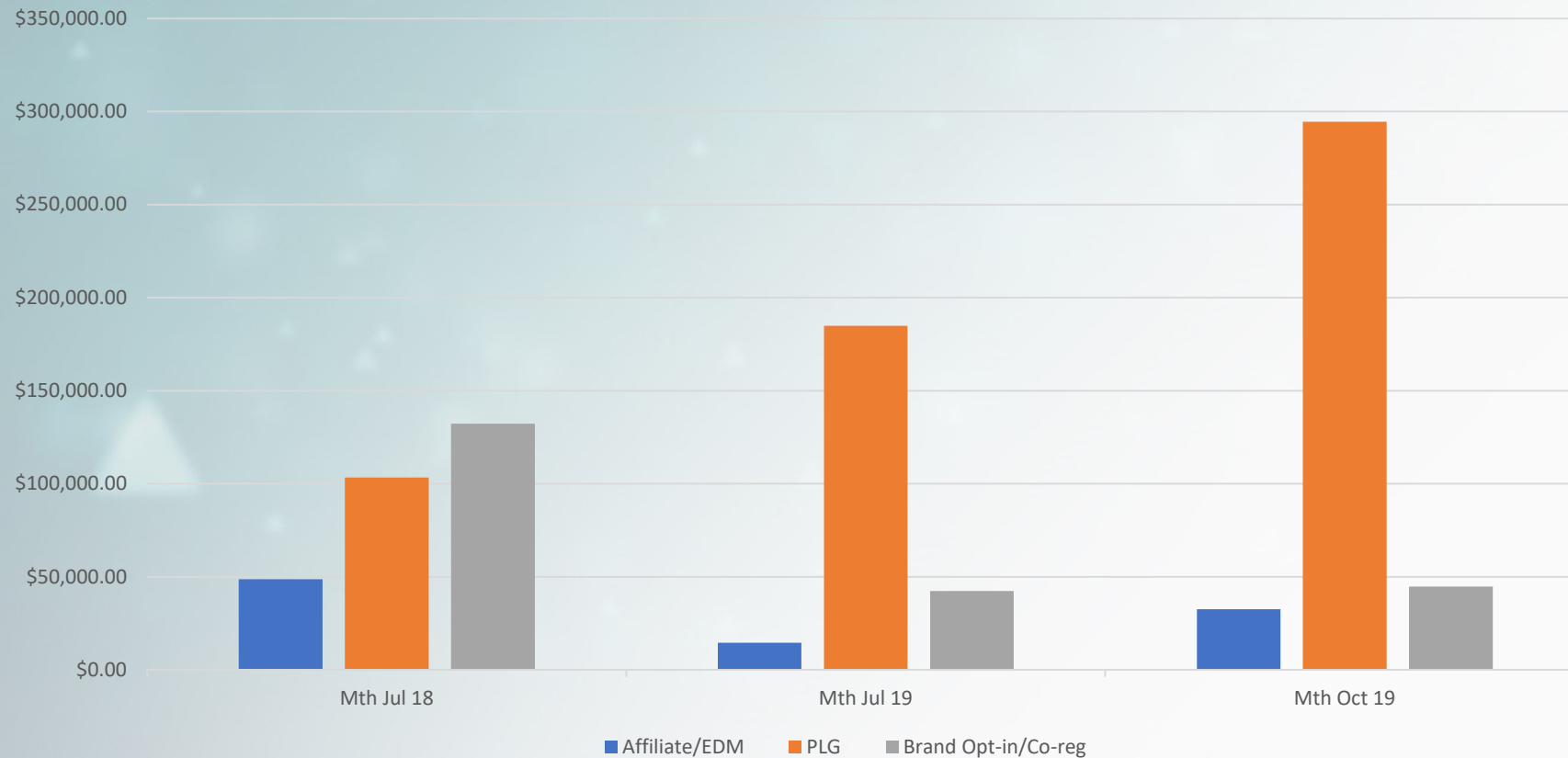
(\$) million	2 <sup>nd</sup> FY 2019	1 <sup>st</sup> FY 2019	Variance
Revenue	\$5.95	\$6.12	(\$0.17)
Gross Profit	\$2.95	\$2.65	\$0.30
Employment costs	\$1.40	\$1.94	\$0.54
Operating Expenses	\$1.16	\$1.90	\$0.74
<b>EBITDA</b>	<b>\$0.44</b>	<b>(\$0.37)</b>	<b>\$0.81</b>
Depreciation and amortisation	\$2.39	\$1.81	\$0.58
Impairment of intangible assets	\$0.41	\$6.87	(\$6.46)
Impairment for Debtors	\$0.82	-	\$0.82
Tax & Other (Benefit)	\$0.57	(\$0.53)	\$1.10
Net Profit / (Loss) After Tax	(\$3.75)	(\$8.52)	\$4.77



# IMPELUS – FINANCIAL REVIEW OF FY 2019

## Financial Performance

Change of composition in Australian revenues FY 2019







# IMPELUS – FINANCIAL REVIEW OF FY 2019

## Consolidated Cash Flow

### Comparison of the 2<sup>nd</sup> half FY19 vs 1<sup>st</sup> half FY19

	<b>HY2 FY19</b>	<b>HY1 FY19</b>	<b>Full Year FY19</b>
	<b>6 months</b>	<b>6 months</b>	<b>12 months</b>
	<b>AUD</b>	<b>AUD</b>	<b>AUD</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by / (used in) operating activities	405,070	(2,372,548)	(1,967,478)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net cash provided by / (used in) investing activities	(575,917)	85,988	(489,930)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash provided by / (used in) financing activities	256,845	72,988	329,833
Net (decrease) in cash held	85,997	(2,213,572)	(2,127,575)
Cash at beginning of financial year period	1,120,704	3,334,276	3,334,276
Cash at end of financial year	1,206,701	1,120,704	1,206,701



## IMPELUS – FINANCIAL REVIEW OF FY 2019

### UK Cash Flow

Comparison of the 2<sup>nd</sup> half FY19 vs 1<sup>st</sup> half FY19

UK Cashflow		HY2 FY19	HY1 FY19	Full Year FY19
	Period	6 months GBP	6 months GBP	12 months GBP
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers		1,755,506	1,624,046	3,379,552
Payments to suppliers and employees		(1,068,613)	(1,340,500)	(2,409,113)
Cash receipts from other operating activities		2,563	2,074	4,637
Net Cash Flows provided by Operating Activities		689,456	285,620	975,076

A hand holding a smartphone, with a bokeh background of light circles. The text is overlaid on the image.

# DOING BUSINESS REVIEW OF CLIENT ACTIVITY

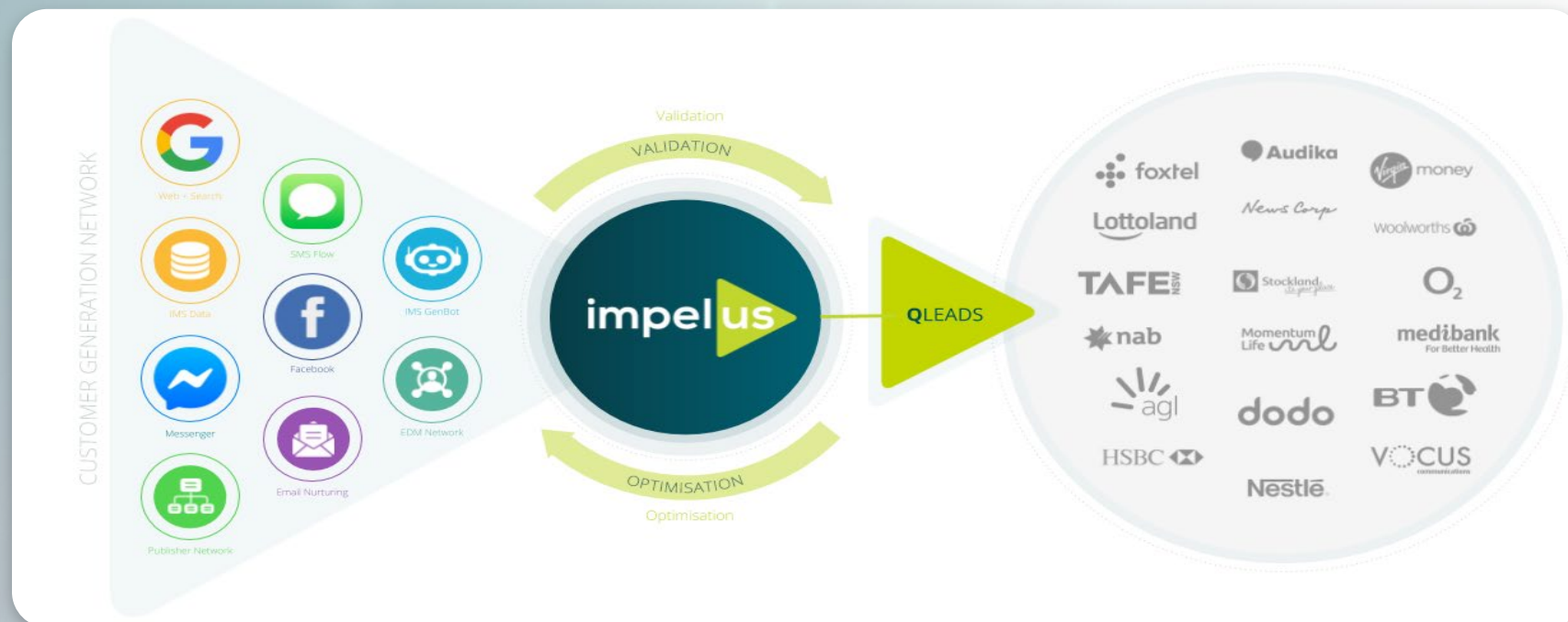
# ▶ PRODUCT HIGHLIGHTS

## Lead Validation Process:

Underpinned by a new technology stack and automated processes, Impelus now validate thousands of leads per month through automation and conversation. This ensures Impelus is protected against bad actors who don't want to pay for a % of leads and also provides real time insights into campaign results, without relying on the client.

## Cross Channel Lead Generation:

Impelus have developed technology and which generates across a multi step user journey which incorporates traditional elements of web, email, sms and overlays conversational technology to identity high value leads within large data sets.



# PREMIUM LEAD GENERATION H2 2019

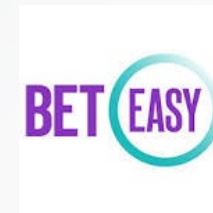
## Development across four primary verticals:

- Education – two clients includes a Global Technology University
- Property – two clients includes one of Australia's biggest builders
- Health & Wellness – two clients
- Early Learning



## Affiliate Network

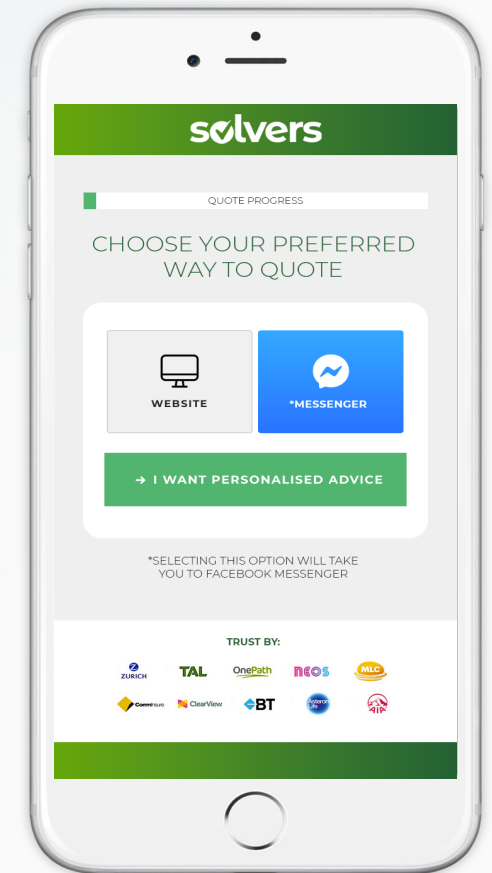
- 9 new advertisers
- 20 new campaigns





# KEY CLIENT RESULTS

- **Premium Lead Generation**
  - Increased 81% Year on Year
- **Key Client Scale**
  - Increased key client lead volume by 74% without sacrificing gross profit or client results.
  - This is very strong result – the general trend when scaling campaigns quickly is a drop in conversion rates, which increases either (a) customer acquisition cost; or (b) lead price
  - Correspondingly, this decreases campaign gross profit.
  - Both GOP and lead price stayed steady whilst lead volume accelerated.
- **Existing vertical**
  - Continued to build success in primary vertical through innovation and premium client service
- **New Vertical – Education**
  - Launched a key education brand on ‘Solvers’ platform with a 40% Gross Profit and driving new enrolments each month





# OUTLOOK



### ENGINEERING GROWTH

- ▶ Where the market is going
- ▶ How we are dealing with it
- ▶ Where we see the opportunity



## WHERE THE MARKET IS GOING

	2012*	2018*
• National online advertising spend	\$3.34B	\$8.80B
• Display advertising – est.	\$850M	\$2.24B
• Lead generation @ 20% of display – est.	\$190M	\$500M

\*IAB Australia - PwC Online Advertising Expenditure Report - 2012 & 2018

NOTE - US lead-gen advertising spend is estimated @ \$US2.6B, projected to reach \$3.2B by 2023.

Ref - Digital lead generation ad spend in the U.S. 2019-2023 - Published by [A. Guttmann](https://www.statista.com), Aug 27, 2019. <https://www.statista.com>



### WHERE THE MARKET IS GOING

88% of shoppers research online before making a purchase

## What are people looking for?

Validation... Confirmation... Referral

Only 1/3 of customers say they trust the brand they have

Ref - 2019 Edelman Trust Barometer Special Report

Decision time...

Over 3million Australians visit a comparison web site in an average four weeks

Ref - Roy Morgan

<http://www.roymorgan.com/findings/7822-comparison-websites-september-june-2018-201812070608>



### WHERE THE MARKET IS GOING

- > Greater research
- > Lower trust

Greater propensity to switch... gives rise to the need for third party validation & lead generation



### HOW ARE WE DEALING WITH IT

- **Increasing the value of the service** we provide
  - Co-registration & affiliate moves up the food chain
- Developing the **Premium Lead Generation (PLG)** offering
  - High growth segment
- **Systems & process** – formula-based service delivery
- Application of **deeper marketing strategy**
- Development of **specialist tech & AI** to support lead nurture
- Integration of call centre activity to **support lead nurturing & client infrastructure**





### WHERE DO WE SEE THE OPPORTUNITY

- Disrupted/challenged segments
- Product/service is a high value purchase
- Defined area of need

# Annexure



# 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



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## SUMMARY OF PROXIES RECEIVED PRIOR TO AGM

#	Resolution	For	Open	Against	Abstain	Total
	<u>ORDINARY RESOLUTIONS</u>					
1	Adoption of Remuneration Report	87,985,591	2,946,030	34,686,522	430,333	126,048,476
2	Election of Mr Brendan Birthistle as a Non-Executive Director	297,689,774	2,946,030	5,859,308	1,300,000	307,795,112
3	Election of Mr Craig Poole as an Executive Director	297,072,774	2,946,030	6,076,308	1,700,000	307,795,112
4	Approval of 10% Placement Facility	271,319,365	2,941,030	33,284,000	250,717	307,795,112
5	Approval of Issue of Convertible Notes	113,080,468	3,166,030	32,375,148	209,830	148,831,476