

A group of people, including a woman and a man, are looking at a smartphone together outdoors. The scene is set against a bright sunset or sunrise, with a warm, golden glow and lens flare effects. The woman is pointing at the screen of the phone held by the man. Another person's hand is visible on the right side of the frame, resting on the man's shoulder. The background is slightly blurred, showing what appears to be a cityscape or a large gathering of people.

Yatango

# Investor Presentation

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July 2015

# Transaction Overview

- Latitude Consolidated (ASX:LCD) has executed a binding terms sheet to acquire 100% of the issued capital of Yatango Pty Ltd
- Capital raising of \$6m-\$8m at 10¢ per share
- Transaction subject to Shareholder vote on 6 July 2015
- Upon approval, stock will relist on ASX as Yatango Limited (ASX: YGO) on or about 31 July 2015
- Key shareholders: 22.64% The Digital Bakery Ltd (founder), 5-9% executive management

## Indicative Pro-forma Capital Structure (Post Consolidation)

Current LCD Shares on issue	31,675,428
Upfront Shares issue to Yatango	182,633,683*
Capital Raising (\$8m raised)	80,000,000
<b>Total Ordinary Shares on issue at Completion</b>	<b>294,309,111</b>

## Indicative Market Capitalisation

Implied Market Capitalisation (\$0.10)	\$29.4m
Pro-forma Cash	\$5.2m**
Enterprise Value	\$24.3m

\*Includes 224,887 shares issued as introductory and advisory fee

\*\*includes \$1.5m R&D grant due in Sept 15)

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# Investment Summary

## ✓ **Diversified and high growth vertical businesses**

- ✓ Mobile telecommunications, eCommerce, Travel, Transportation and others coming soon including Retail Banking and Energy

## ✓ **Well positioned to transform the consumer market**

- ✓ Innovative consumer online platform with integrated rewards system and social networking
- ✓ Competitive advantage in Mobile with Optus 4G wholesale agreement

## ✓ **Material growth, advanced technological and commercial validation**

- ✓ Globally scalable business: 175K+ customers, 4 countries
- ✓ Achieved annualised revenues of ~\$12m, in 2015 (only 2 years of operation)

(annualised amount to 30 June 2015 calculated based upon average unaudited revenue to 31 May 2015)

## ✓ **Significant near-term activity pipeline**

- ✓ Additional vertical businesses including Retail Banking (Yatango Money) and international expansion to drive growth. Short time frame to cash break-even (3 years)

## ✓ **Highly skilled and successful Board and entrepreneurial team**

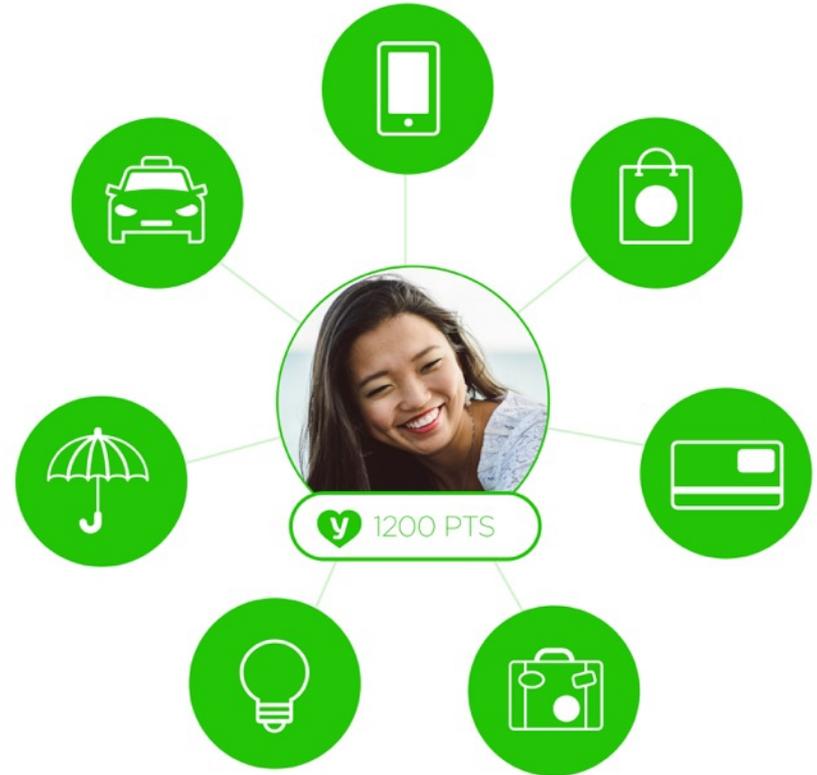
- ✓ With international experience and track record of success in delivering, executing and creating shareholder value

# About Yatango

Yatango is a cloud based, integrated online platform solution & recommendation engine targeting key lifestyle consumer spending verticals with its own propriety enterprise rewards program

Founded in 2012 by technology entrepreneur, Andy Taylor, co-founder of peer-to-peer lending platform SocietyOne

- Proven and commercialised offering in 2 verticals, Mobile and Shopping
- Other verticals being commercialised include Travel, Retail Banking and Transportation
- Operations across Australia, New Zealand and USA, with plans for further geographic expansion



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# Industry Leading Board

Highly skilled Executive Team



**Andy Taylor**  
Founder, Managing  
Director & CEO

Co-founder of SocietyOne  
and leading marketing  
technology agency Unity ID



**John Wilkinson**  
Co-Founder, CFO &  
Executive Director

Previously APAC CFO at  
Acxiom and Regional  
Controller at AfriTel and  
Financial Controller  
Motorola Russia



**John Mackay**  
Non-Executive  
Chairman

15+ years of experience as  
Chairman and CEO of large  
publically listed companies  
Founder, Executive  
Chairman of Actew AGL



**Tom Alexander**  
Non-Executive  
Director

Previously the Founder and  
CEO of Virgin Mobile UK.  
Previously CEO of Orange  
and EE in the UK



**Michael Malone**  
Non-Executive  
Director

Founder and former CEO of  
iiNet. Other Board positions  
including Chairman of  
Diamond Cyber, Director of  
Kingfire and Director of  
SpeedCast

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# Management from Board

## Highly skilled Executive Team



**Darren Bell**  
COO

14 years experience in engineering and information technology and Co-founder of MobiCity



**Daniel Duggan**  
Head of Yatango  
Mobile

Seasoned Telco start-up campaigner and ops specialist. International experience with Virgin Mobile



**Alistair Eldred**  
Head of Yatango  
Shopping

12 year in mobile with 8 years eCommerce. Co-founder of MobiCity



**Mark Taylor**  
CMO

8 years marketing experience in B2B & B2C within leisure retail, industrial, eCommerce and telecommunications.



**Melanie Wilkinson**  
Head of Sales

20 years sales experience in B2B & B2C within retail, training, eCommerce and telecommunications.



**Philip Hoosen**  
Head of Engineering

Specialised full stack Software Engineer with more than 15 years experience across a wide range of operating systems and programming languages working for companies like Oracle and Tonic.

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# Consumer market landscape

- ✗ Oligopolistic vertical market – no full suite of integrated consumer services
- ✗ No personalisation or social integration
- ✗ Customers cannot move seamlessly between devices, experiences, with consistency
- ✗ Industry lacks innovation – Systems and call centres are costly and outdated
- ✗ Cannot scale business models
- ✗ Lack of transparency disincentives customers

The modern shopper wants relevant, personalised, configurable interactions with companies and brands that acknowledge individuality

# Oligopolistic vertical markets

**Yatango**



Mobile



Shopping



Money



Travel



# The Yatango Solution

- ✓ Consumer's in **control**
- ✓ **Superior** customer experience
- ✓ Centralised **rewards** system
- ✓ Community **ecosystem**
- ✓ **Social** engagement
- ✓ Harnessing **machine learning** & big data to deliver **personalisation**
- ✓ **Low cost** of acquisition
- ✓ **Cross selling** potential
- ✓ **Soft bundling** potential



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# Key benefits and competitive advantage



A **quantum leap** in capability / smarter technology



**Adaptability** of strategy to quickly take advantage of **emerging opportunities**



More **nimble cost** base, scalable with **minimal capital**



Focusing on **strong early cash** flow to fund rapid expansion



**Industry leading** Board and management team



**Better customer experience**, leverage and learning

**Disruption** in their DNA

**Customer led** strategy and validation

# A proven business model

Virgin Case Study: Software as a service (SaaS) and a single integrated customer approach



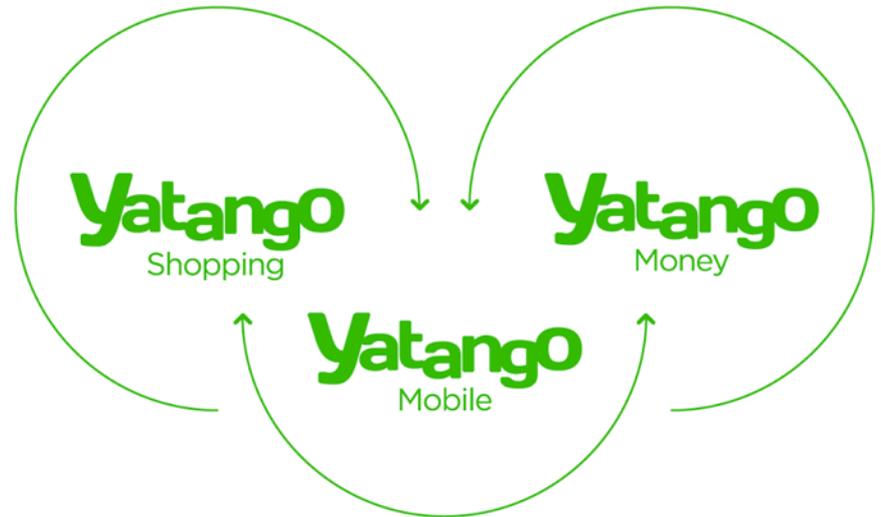
- ✓ One consistent brand
- ✓ Multiple businesses centrally controlled
- ✓ Seamless, end-to-end experience for the customer
- ✓ Community engagement
- ✓ Full rewards

Innovating the customer experience, disrupting stale industry sectors

# Integrated customer offering

Customers are empowered to take control of their consumption and spend.

- ✓ Superior customer offering
  - Ecosystem of services
  - Enhanced customer experience
- ✓ Customers are incentivised for engagement:
  - Rewards for every customer referral
  - Rewards for answering other customers questions in the forum
  - First mobile service to employ this strategy in Australia
- ✓ Integrated customer offering which harnesses social media channels and big data to constantly improve service.





Transparency | Reliability | Flexibility  
Personalisation | Rewards

### KPIs:

- Annualised revenue: \$4.3m  
(annualised amount to 30 June 2015 calculated based upon average unaudited revenue to 31 May 2015)
- Tolling ARPU (average revenue per user): \$20-\$25
- Total number of registered users: 57.6K
- Cost of customer acquisition: \$55-\$65
- Churn: 2%/mth

### Commercialisation:

- Competitively priced
- Optus, T-Mobile wholesale partnership
- Month-by-month prepayment, usage requirements
- Members rewarded for inviting and servicing members as well as spend

### Growth:

- Organic customer growth
- Repricing of retail price platform (August)
- Yatango Mobile beta launch in Chicago, USA with T-Mobile (imminently)



Plan builder



Recommendation engine



SIM only, No contracts



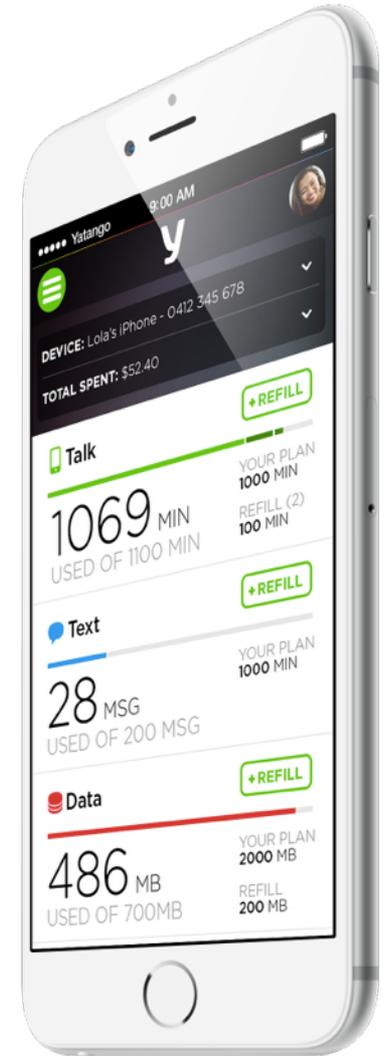
MGM invite system (Member get member)



Q&A system



Native mobile and web application



## The Offering:

- eCommerce technology originated from MobiCity
- 4 years - Australia, USA (split)
- eCommerce marketplace that partners with over 40 sellers
- Range: electronics, cosmetics, fragrances, sunglasses, apparel

## KPIs:

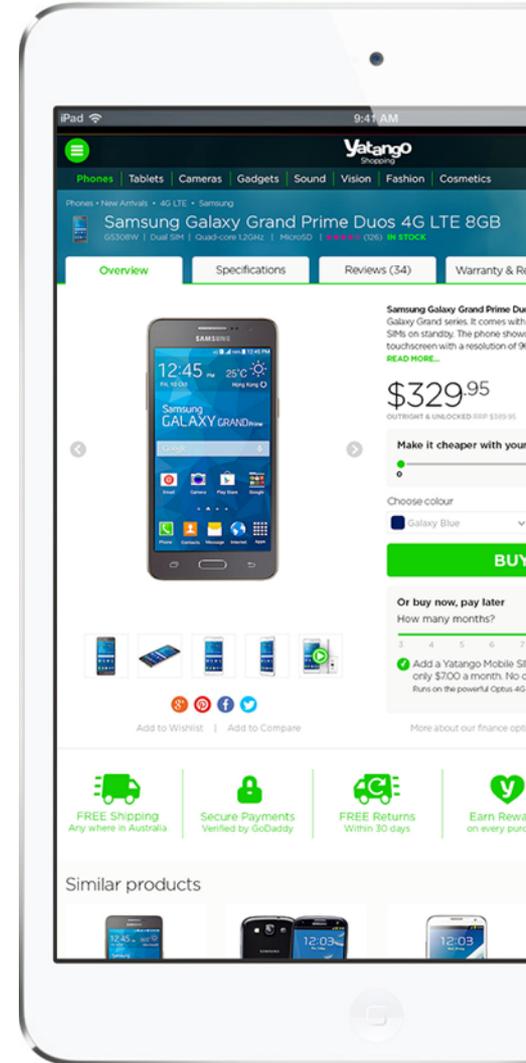
- Annualised revenue: \$7m  
(annualised amount to 30 June 2015 calculated based upon average unaudited revenue to 31 May 2015)
- Average transaction value: \$250-\$350
- Total number of registered users: 130K
- Cost of customer acquisition: \$25-\$30
- Product stock keeping units: 27,016

## Commercialisation:

- Third party reseller margin
- Credit card and finance (Zip Money)
- Partnerships and contracts
- Rewards and social community

## Growth:

- Relaunch Yatango Stores in Australian (month).
- Expand existing range and suppliers
- Increase number of suppliers from current level of 40
- Rebrand Mobicity to Yatango (month)
- Launch in UK and NZ

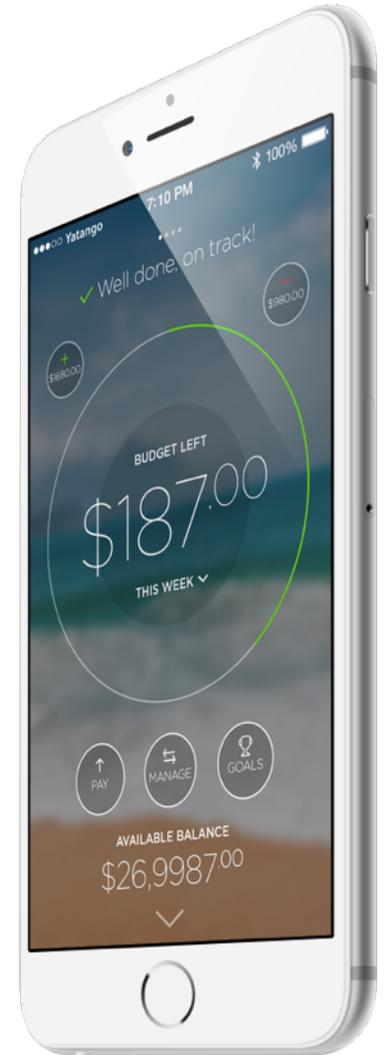


# Yatango

## Money

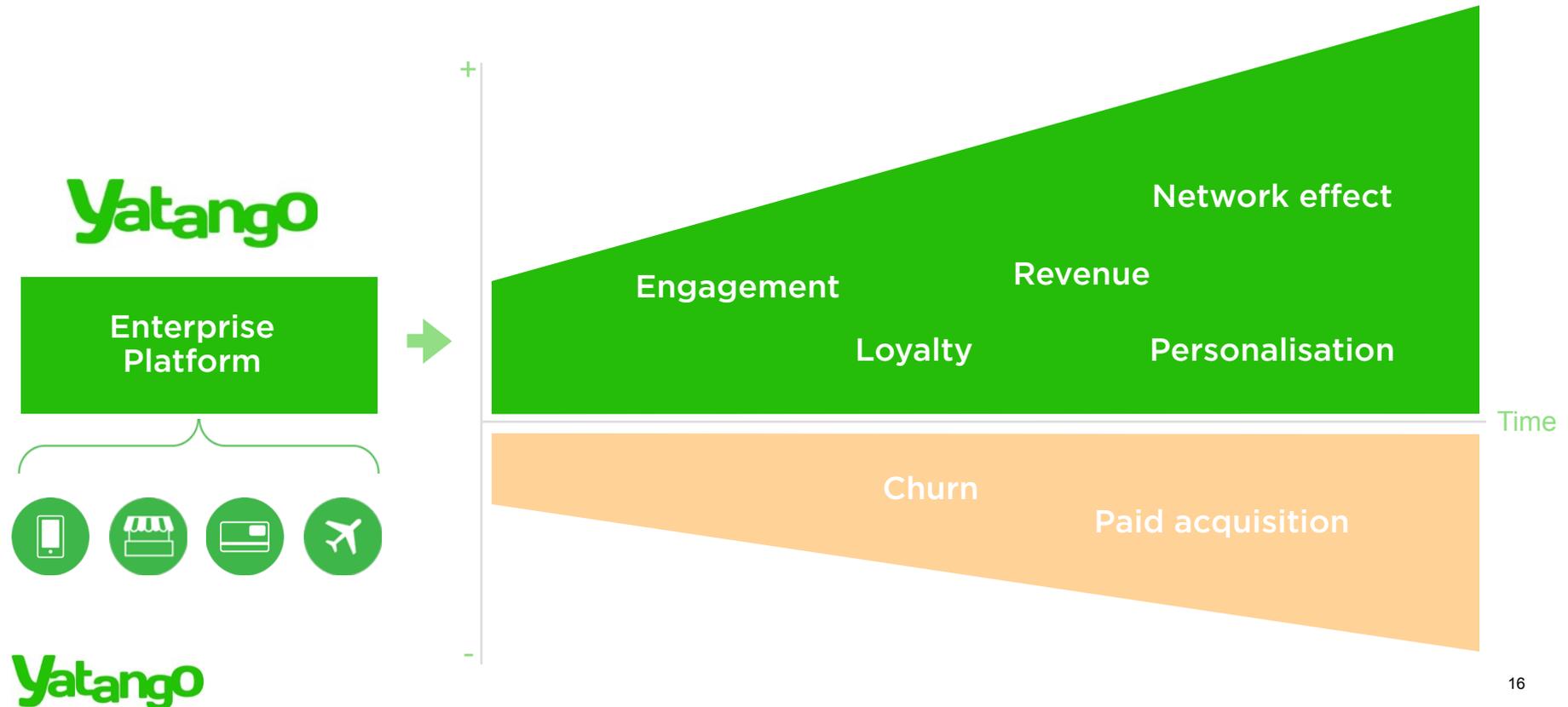
A revolutionary social banking utility aimed at empowering customers to take control of their money.

- Spending & Management – full internet banking capability linked to a Near-Field Communication (NFC) enabled Visa Debit Card.
- Budgeting & Saving – customers will be given engaging tools to better budget their outgoings.
- Borrowing & Lending to the community (Social Lending) – ability to borrow from and lend money to the community. All lenders funds will be government guaranteed up to \$250,000.
- Credit will be revolving & fixed term personal loans.
- Yatango Rewards – customer cash back on transactions; participation in Yatango reward program.



# Rewards & Recommendations Engine

Our enterprise platform solution allows members to earn and redeem rewards within the closed ecosystem, gamifying the experience to drive higher engagements. The bespoke recommendations engine delivers true personalisation through predictive consumption advice by analysing historical behaviour.



# Highly scalable commercialisation model

Long-term goal is to diversify vertical offerings thereby establishing a resilient earnings stream and driving economies of scale

## Revenue Stream

1. Mobile top ups + monthly pack renewals
2. Shopping: items + credit card and finance (Zip Money)
3. Partnerships and contracts e.g. Amaysim website device purchases
4. Strategic acquisition targets



## Cost Base

1. Small retail footprint, 70% online acquisition rate
2. No inventory risk
3. No call centre overhead (self-service orientated)
4. No legacy technology
5. Automated e-billing only
6. Wholesale partnerships



Highly scalable  
and profitable  
business model

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# Key success metrics in customer engagement

342,000

Average visitors per month to  
Yatango ecosystem

38%

of member get member  
conversion rate on Mobile

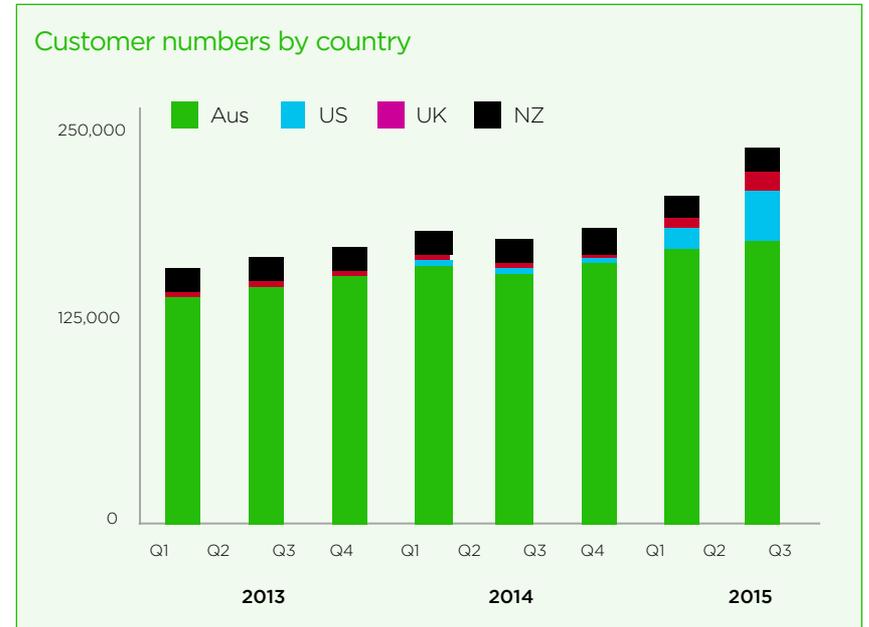
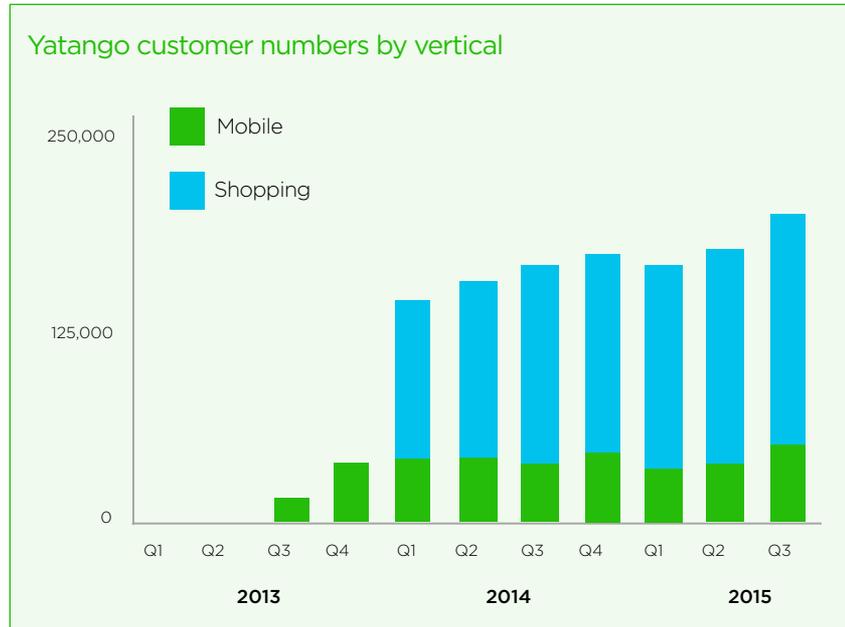
5.34 mins

Average time  
on platform

Sources: Yatango Monthly Reporting, Based on month to date June 2015. Google Analytics. Average traffic from May 2013 to June 2015

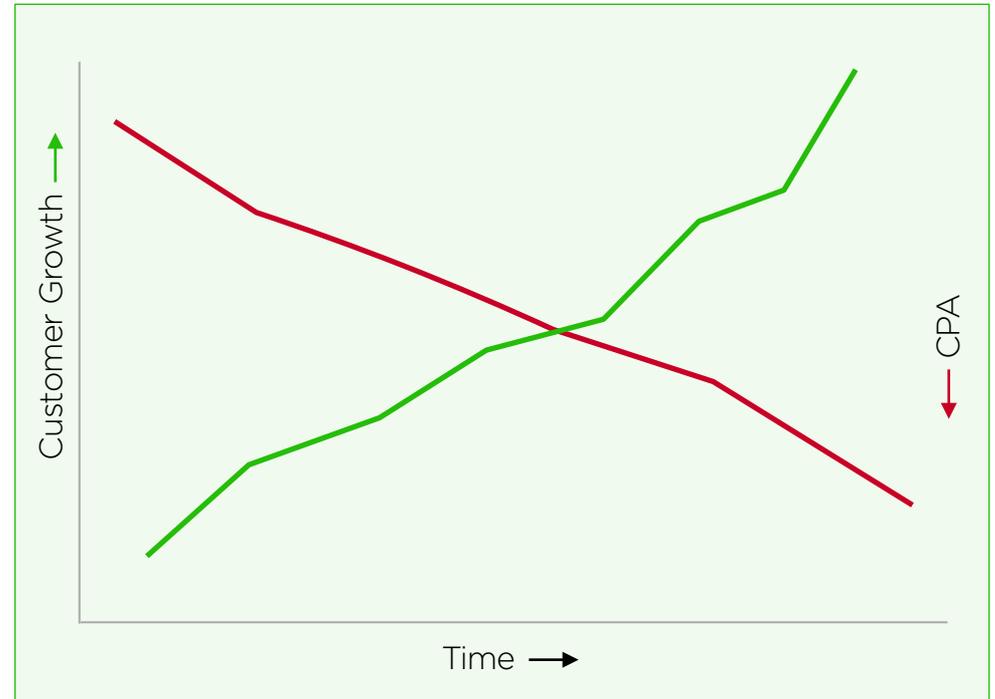
# Leading to strong customer growth numbers

Targeting loyal customer base and recurring revenue from engagement and in the ecosystem



# Digital marketing focus to drive customer scale

- Targeted marketing with high return on investment
- Ecosystem - 15% of new customers are referrals from existing customers (qtr % to sales)
- Ability to cross-sell, bundle and market attractive offers across verticals
- Customer analytics enables targeted and relevant offers
- Digital marketing, social media, part of everyday focus
- Establish brand and building increased awareness through targeted digital campaigns and offline activities
- Targeted marketing spend of \$2.4m uplift FY16



# Focused vision and growth strategy

## Horizon 1: next 6 months

- New retail pricing platform for Mobile
- US soft launch beta stage Mobile
- Relaunch Yatango Shopping to Yatango Stores (fully fledged marketplace)
- Rebrand offshore businesses to Yatango
- Establish Yatango Travel platform
- Launch new rewards program
- Further senior leadership appointments
- \$22m revenue target for FY16

## Horizon 2:

### New high value verticals

- Retail Banking
- Transportation

### Rapid organic growth

- Loss leading products
- Growing digital and channel engagement
- Member referrals

### Improved margins

- Lowering customer acquisition cost
- Increasing revenue per customer
- Social community scale established

## Horizon 3:

### Geographic expansion

- UK
- USA
- New Zealand

### Efficiencies

- Ecosystem partnership e.g. uber
- Low cost consumer acquisition achieved

### Strategic acquisitions

- Focus on complimentary industries and overseas markets

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# Investment criteria to drive shareholder value

- ✓ Disciplined approach to investment
- ✓ Continue strong track record of investing effectively in the development and delivery of technology
- ✓ Excess cash reinvested into technology and growth
- ✓ Infrastructure light model
- ✓ Medium term focus to invest surplus cash for growth - over time, Board will develop a dividend policy to both support ongoing growth and provide yield
- ✓ Strict criteria on evaluating new verticals and geographic markets:



Financial relevance of product to target demographic



High industry concentration



Substandard customer experience



Disintermediation potential – wholesale to retail margin gap



Low capital requirements for entry and scale

# Indicative Timetable

An indicative timetable for the Transaction is set out below. The Company notes that the timetable may be subject to change.

Event	Date
Announcement of Acquisition	23/03/2015
Due Diligence Completed By	01/04/2015
Despatch Notice of Meeting	05/06/2015
Lodgement of Prospectus and Offer Open	01/07/2015
Shareholder Meeting to Approve Acquisition	06/07/2015
Suspension from Trading	06/07/2015
Offer Close	20/07/2015
Re-admission to the Official List	31/07/2015

# Use of Funds

Advertising and Marketing	\$2,400,000	>
R&D Costs - New Verticals	\$650,000	>
Former Mobicity Owners	\$300,000	>
Share Buyback	\$1,400,000	>
Cost of offers	\$720,000	>
General working capital and creditors	\$2,530,000	>

# \$8m

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# Yatango

Thank you

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**Yatango**

Appendix

“Yatango is built for the everyday consumer, challenging industry titans who thrive off a lack of transparency, personalisation and operating inefficiencies to the detriment of the consumer. We exist to shake things up, to educate and empower our members through technology so they are always in control with complete transparency, delivered via a more efficient operating model.

Yatango is not dissimilar to what Richard Branson set out to do with the Virgin brand. We are a disruptor, a consumer champion. The difference is that we are more than just a brand, we are a technology company that works with wholesale suppliers to bring our brand, platform and community to the table. We operate a single cloud based software solution centred around a single customer profile. This gives our members a simple, integrated and consistent experience no matter what service they are using, underpinned by a bespoke rewards program to gamify engagement and drive loyalty.

We have a long-term business plan that is focused on building out an ecosystem of tightly integrated consumer services around the world. Investing in top line growth is key to scaling quickly and building out a sustainable competitive advantage that increases the barrier to exit for members and average revenue per user via cross-selling tactics.”

**Andy Taylor - Founder & CEO**

**Yatango**



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# Key Highlights



\$11-12m

Revenue  
(annualised)



175,000

Members



15%

Average gross  
profit margin  
target

(annualised amount to 30 June 2015  
calculated based upon average  
unaudited revenue to 31 May 2015)

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# Yatango



## For Consumers

Putting our members  
in control

Yatango is an innovative, integrated community platform for consumer services that revolutionises the customer experience by empowering and rewarding its members.



## For Suppliers

Servicing &  
Engaging Gen-Y

A technology platform with a thriving community that targets millennials with the unique ability to acquire, service and retain members off a low cost base.

# Brand Positioning

## Brand Positioning within industry.

A digital first, consumer champion.

As a value driven brand, we are in the middle between the low cost and high end/large volume providers.

## How do we want to be perceived?

- Fresh, simplistic, innovative, honest & fun.
- A consumer champion who wants to help members save money.
- A community based company, that listens to its members and continues to push global boundaries.

Positioned in the middle between low cost and value.





Personalisation



Empowerment



Transparency



Simplicity



Community



**Yatango**

# Customer data analytics

Externally validated quality database of customers

- High contactability with 90% of phone numbers and 50% of customers with registered addresses
- Successful targeted customer acquisition with Yatango customers being urban, younger and aspirational

## Household Income



Table 1: Yatango Customers are urban and young vs. broader population

\$1 to \$199 / \$1 to \$10,349 is least represented

**55.51** ▼

are in this group

\$4,000 and over / \$208,000 and over is most represented

**128.58** ▲

are in this group

# Customer data analytics cont.

Data validates Yatango strategy:

- Engage, connect, optimise customer conversions and experience
- Targeted cross selling opportunities
- Quick expansion and roll out of product offerings, efficiently, minimal cost relative to peer, highly digital marketing strategies

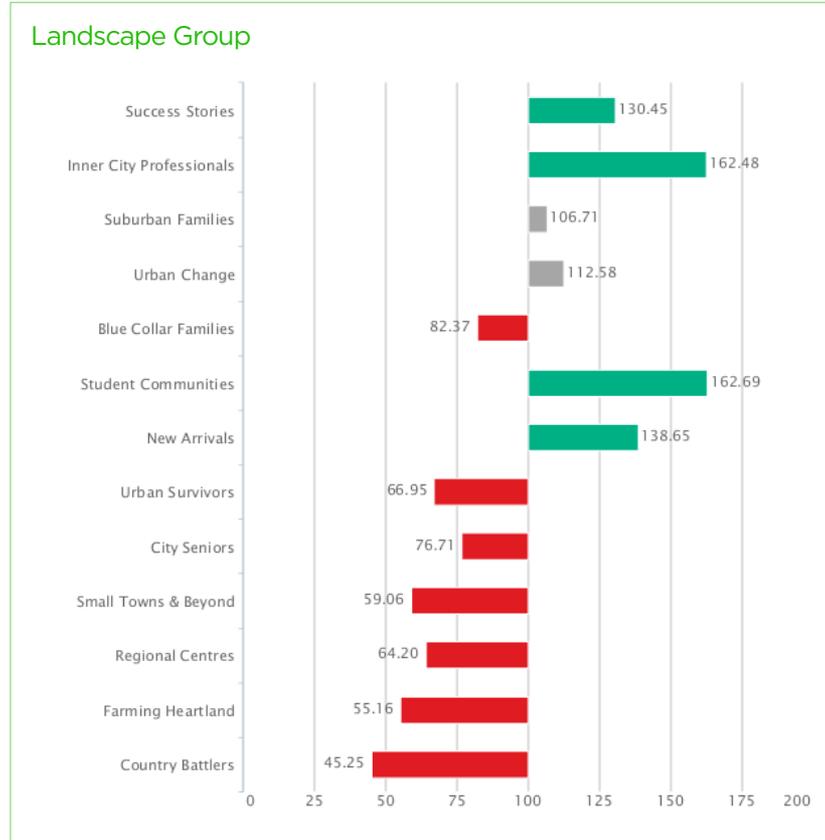


Table 2: Yatango Customer are more affluent vs. broader population

Country Battlers is least represented

**45.25** ▼

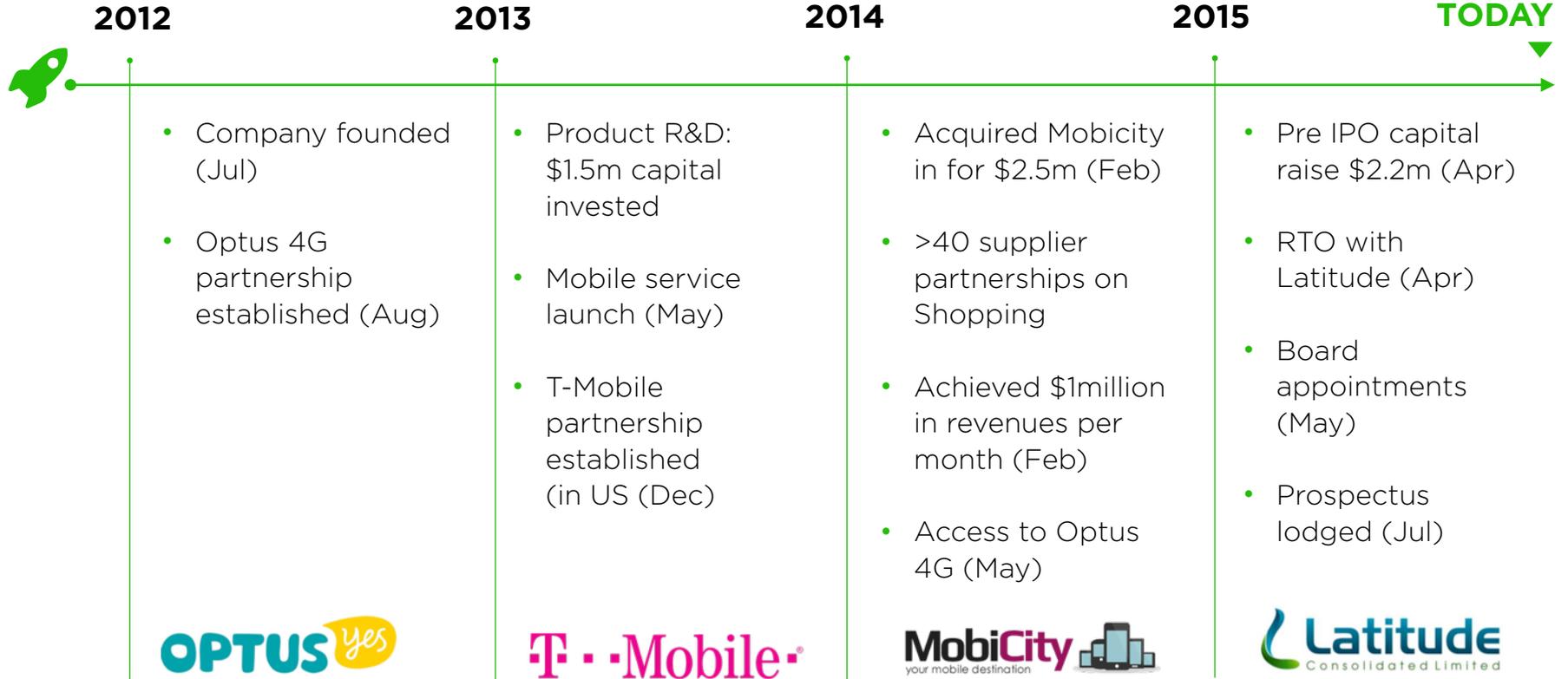
are in this group

Student Communities is most represented

**162.69** ▲

are in this group

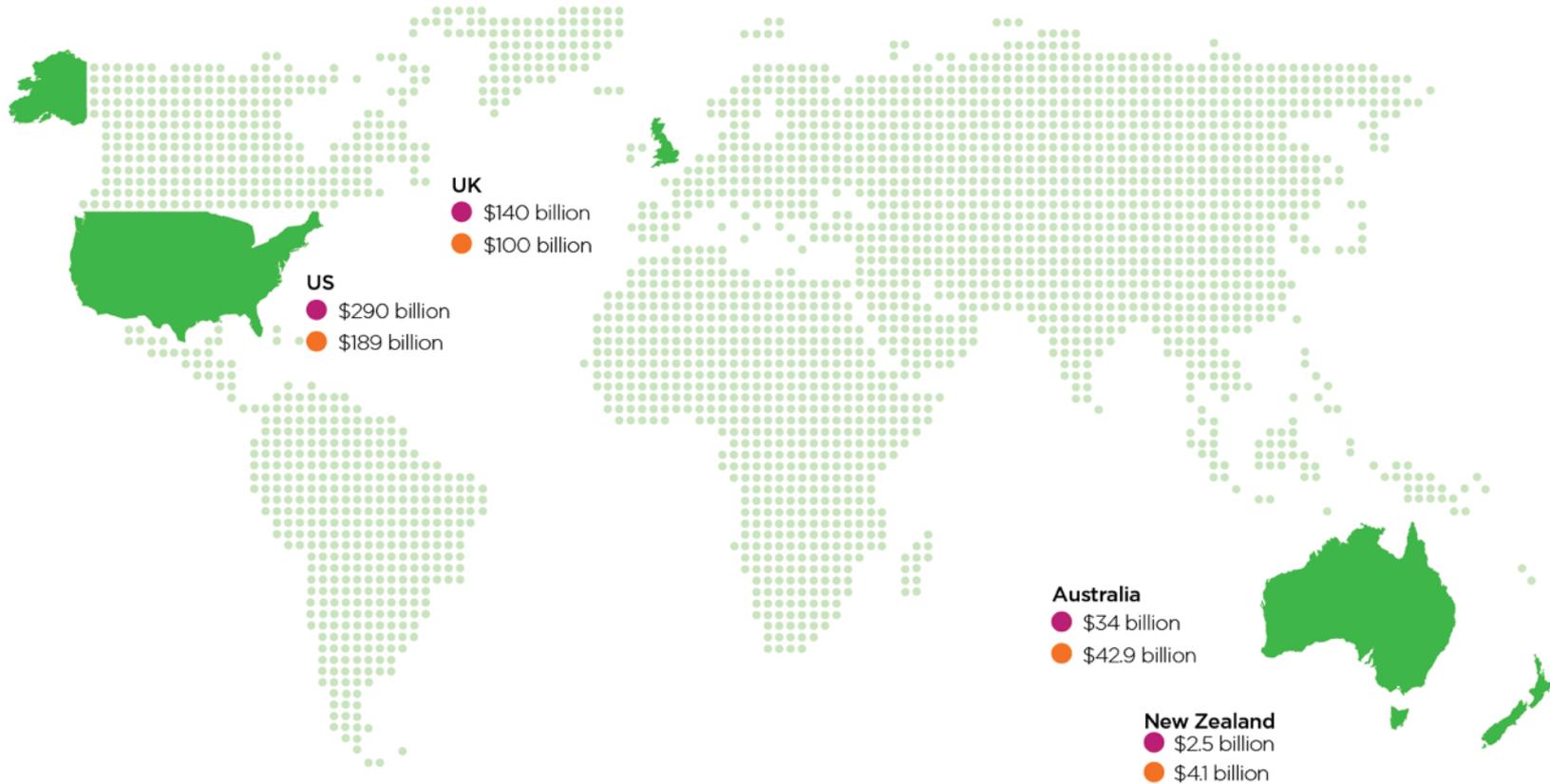
# Milestones and Achievements



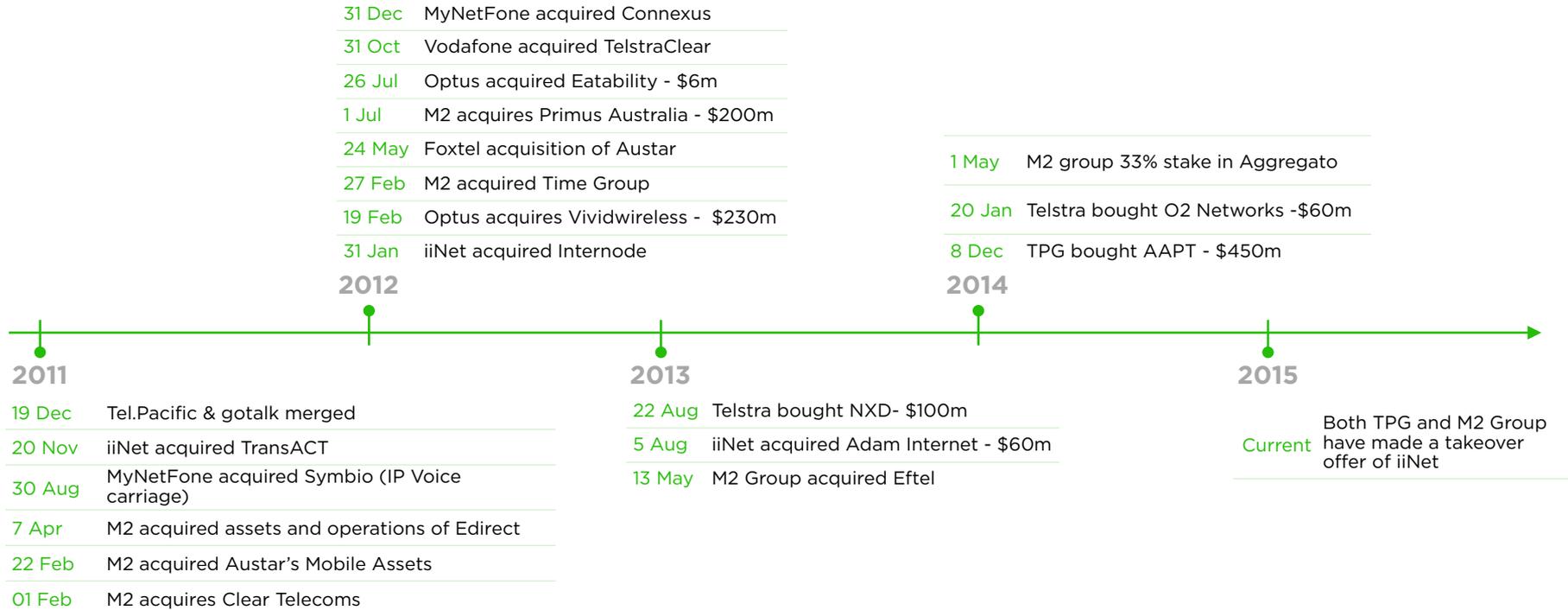
A blurred background image showing a group of people on a rooftop or balcony. They have their arms raised in a celebratory gesture. The scene is brightly lit, possibly by the sun, creating a warm and positive atmosphere. The text 'Growth strategy & outlook' is overlaid in the center in a white, sans-serif font.

# Growth strategy & outlook

# Global market opportunity



# Corporate Activity in Telecommunications Market



**Current market multiples:** Acquisitions at ~10x EV/EBITDA and ~23x PE | Amaysim listed expected 19-26x EV/EBITDA Australian technology and online comparables\* trading on 20.6x EV/EBITDA FY16

\* The valuation was based on Australian technology and online comparables, including 3P Learning, Aconex, GBST Holdings, iProperty Group, IRes and Seek.

# All industries shifting to full service offerings

Core banking



Travel



Business Software



Accounting



Recruitment



Real Estate



Marketing



Consumer





# Transaction details & funding overview

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# Acquisition terms

Latitude has executed a binding terms sheet to acquire 100% of the issued capital of Yatango Pty Ltd (Yatango), subject to the satisfaction of a number of conditions precedent outlined below. The term sheet has been agreed to by the management and shareholders of Yatango.

## **The key terms of the agreement are as follows:-**

- Consideration of 182.4m ordinary fully paid shares in Latitude (on a post-consolidation basis);
- 49.9m share options in Latitude, exercisable at 4 cents each (on a post-consolidation basis) within 3 years of the date of issue; and
- 99.9m performance rights to key employees and management of Yatango (on a post-consolidated basis) which will convert to fully paid ordinary shares upon the achievement of the following Milestones, which are subject to approval by the ASX

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# The Deal

Capital raising In conjunction with the acquisition of Yatango, in order to re-comply with the requirements of Chapters 1 & 2 of the Listing Rules, LCD will seek to raise a minimum of \$6.0 million (or such increased amount as is required to satisfy ASX requirements and complete the Yatango share buyback).

If required, the Company will seek shareholder approval for a share consolidation so that the minimum capital raising price is 2 cents per share or greater following the consolidation. Azure Capital Limited (Azure) and Foster Stockbroking Pty Ltd (FSB) will be appointed as Joint Lead Managers to the Capital Raising for a fee of 6% of the gross funds raised plus 10 million (on a post-consolidation basis) broker options. In addition, 224,887 fully paid ordinary post-consolidation shares will be issued to an unrelated third party as a fee for introducing Yatango and Latitude. The Company also plans to immediately undertake an entitlements issue to shareholders.

# Indicative capital structure

Pre Consolidation		
Securities	LCD Shares	LCD Options
Entitlement issue securities	211,275,103 <sup>(1)</sup>	3,800,000
Post Consolidation		
Post Consolidation	31,675,428	569,715 <sup>(2)</sup>
Introduction and Advisory Fee	224,887	-
Adviser Options	-	10,000,000
Proposed Director Options	-	7,357,728
Consideration Securities	182,408,796	49,975,012
Post Consolidation Capital Raising	80,000,000	-
<b>TOTAL SECURITIES POST CONSOLIDATION</b>	<b>294,309,111</b>	<b>67,902,455</b>

The pre-Consolidation and post-Consolidation capital structure of the Company following completion of the Acquisition:

1. Assumes no further securities are issued prior to completion of the Acquisition, other than as set out in the table.

2. This figure comprises 284,857 unlisted options each exercisable at \$0.20 on or before 31 December 2016 and 284,857 unlisted options each exercisable at \$0.2668 on or before 31 December 2016.

# Acquisition terms

Milestones	Number of shares to be issued all post
<p><b>Milestone 1:</b> The volume weighted average ASX trading price for Company shares for 20 consecutive trading days equals or exceeds 23.345 cents per share. The performance rights may vest at any time within eighteen (18) months of Completion. Such price to be adjusted on a pro-rata basis should a consolidation be required by ASX.</p>	33,316,675
<p><b>Milestone 2:</b> The volume weighted average ASX trading price for Company shares for 20 consecutive trading days equals or exceeds 31.68 cents per share. The performance rights may vest at any time within thirty six (36) months of Completion. Such price to be adjusted on a pro-rata basis should a consolidation be required by ASX.</p>	33,316,675
<p><b>Milestone 3:</b> The volume weighted average ASX trading price for Company shares for 20 consecutive trading days equals or exceeds 40.02 cents per share. The performance rights may vest at any time within forty eight (48) months of Completion. Such price to be adjusted on a pro-rata basis should a consolidation be required by ASX.</p>	33,316,675