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ASX Release

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Update on Direct Carrier Billing Dispute

Impelus Limited (ASX: **IMS**) (**Impelus** or **Company**) advises that late on 29 January 2018 it was informed by a major telecommunications carrier which provides Impelus with Direct Carrier Billing Services (**DCB** or **Services**) of its intention to cease providing the Services as of March 2, 2018 to all its DCB partners including Impelus.

Impelus' strong position is that the carrier has a continuing obligation to provide it with the Services after March 2, 2018.

While, as previously announced, Impelus has classified its DCB operations as non-core (and has been reducing costs in that area of its operations and focusing on its existing and profitable technology-led Digital Performance Marketing business), premature withdrawal of the Services in March 2018 would have a material impact on Impelus' FY2018 revenue and earnings before interest and tax (**EBITDA**).

As such, Impelus and the carrier have been in communication this week, and have agreed, while each reserving their respective rights, to try and resolve this issue.

To the extent that Impelus is unable to reach a satisfactory resolution of this issue, it's current intention is to aggressively pursue its rights and seek injunctive or expedited final relief to prevent the carrier from ceasing to provide it with the Services from March 2, 2018.

The directors and management are currently assessing the potential impact so that they are able to more fully inform the market.

Impelus is scheduled to announce its 1H earnings by February 28 and will provide any further updates in relation to this matter as they become available.

NEIL WILES
CEO & Managing Director

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