5 July 2018

ASX Release

Market Update

- **Higher value Lead Generation/Customer Acquisition technology now launched in Health sector.**

- **Lead Generation/Customer Acquisition technology now active in Education, Finance, Investment and Health sectors – more to be launched this quarter.**

- **Recurring orders of Digital Customer Acquisition Lead campaigns materialising with a strengthening sales prospect pipeline. Monthly global campaign numbers still tracking at 200+.**

- **Currently scaling up UK operations.**

- **$1.2 Million of annualised cost savings announced in April now progressively being realised.**

- **Bank debt has decreased through regular payments from $7.97 million at 31 December 2017 to $6.9 million at 30 June 2018 – a $1.09 million reduction. Debt reduction is ongoing.**

- **Full year results to be reported next month.**

Digital Customer Acquisition Company Impelus Limited (**ASX: IMS)** (**IMS, Impelus** or **Company**) is pleased to provide this update to shareholders. IMS's evolution to a 'pure play' global Digital Performance Marketing (**DPM**) customer acquisition business that helps companies cost efficiently find customers through digital means at scale globally is progressing well. Impelus' focus during the half year has been:

- Developing the growth platform of its DPM business with the roll-out of more digital Lead Generation/Customer Acquisition tools that deliver better qualified customer leads to clients cost effectively;

- The scale down of non-core activities including Clipp and Direct Carrier Billing (**DCB**) so that their costs are substantially reduced and with DCB still delivering positive cash generation in the run-off phase; and

- Significantly reducing the Company's overall cost base and lowering debt levels substantially.

All these objectives have been met and a strong platform for DPM growth for FY2019 and beyond has been established.

Growth Platform for Digital Performance Marketing operations in Australia and the UK

Impelus continues to scale its DPM operations with a focus on premium lead generation. As reported in March, new Lead Generation/Customer Acquisition digital assets that enable higher revenue generation per lead were launched in the Education, Finance and Investment sectors with new clients added. This has now been extended to the Health sector

in test and learn phase delivering strong lead conversions and improved client Return on Investment (**ROI**). More digital assets will be launched this quarter.

Also encouraging are the recurring orders for Digital Customer Acquisition Lead Generation campaigns and the strengthening sales prospect pipeline. While the focus is on securing a greater percentage of higher revenue per lead campaigns, client campaigns are still tracking at 200+ a month and underpin Impelus' diversified revenue base.

Impelus has also identified a number of organic growth opportunities in its UK operations and is developing new digital assets specifically for that market. The UK business is also being developed to act as a springboard into Europe, anticipated this financial year. An update on specific growth initiatives will be reported shortly and the Company sees considerable opportunity here.

Cost Base Reduced and Balance Sheet Strengthened

With non-core operations scaling down, additional cost and efficiency gains are being realised. A further $1.2m of annualised cost savings were identified *(refer Investor Presentation released 11 April 2018)*, and they are progressively being realised.

Impelus' bank debt has decreased through regular payments from operational cashflow during the six months to 30 June 2018 by $1.09 million, from $7.97 million to $6.9 million. With cost savings and the reducing debt, IMS is operating on a much leaner cost base with a stronger balance sheet, a positive outlook and a continued focus on debt reduction.

Scaling Down and Divestment of Non-Core Assets

The scaling down of non-core assets including the progressive exit from DCB has continued. The DCB business is cash flow positive with some residual revenue and earnings materialising from historical databases which are in run-off.

As announced, the Board determined that the 97%-owned Clipp business does not fit with the future direction of the business and options to sell or repurpose the business continue. Clipp costs have been substantially reduced.

Update on DCB Dispute

The Board is continuing to pursue a claim against a telecommunications carrier (*Refer ASX announcement of 16 March 2018*) in a considered approach consistent with ensuring minimum disruption and loss of focus to the core areas of the Company's business. Such approach is likely to include, at first instance, mediation. Impelus continues to believe it has a strong claim and will provide further updates in due course.

Full Year Results

Impelus looks forward to reporting its FY2018 results in the later part of August and will continue updating shareholders on growth initiatives in the interim. The Board and management team is very confident in the Company's prospects and opportunities for growth.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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ABOUT IMPELUS LIMITED

Impelus Limited (ASX: IMS) is a Customer Acquisition Engine that enables businesses to cost efficiently find customers through digital channels, at scale, globally. To learn more please visit www.impeluscorp.com or follow us on Twitter @ImpelusLimited.

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