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CORPORATE DIRECTORY



ABN 63 003 326 243

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This Annual Report may contain forward looking statements. Please refer to page 77 for an explanation of forward looking statements and the risks, uncertainties and assumptions to which they are subject.

infomedia.com.au



Infomedia's aspirational journey

A great place to work



Superior shareholder returns



The success of our customers, shareholders and people drives IFM's success



Admired by industry



Recognised market leading software solution provider

CHAIRMAN'S REPORT

Dear Infomedia Shareholders,

Thank you for your continued support of Infomedia Ltd in the 2018 financial year (FY18).

IMPROVING OUR GROWTH TRAJECTORY

As foreshadowed, the 2018 financial year delivered growth in our revenue and earnings, and was characterised by the major streams of investment in our products, people, processes and technology to meet the needs of our growing customer base and future growth opportunities. We believe our investment over the past two years has positioned the business to deliver an improved growth trajectory in the year ahead and provides the platform for future product and market expansion.

Our focus on people during the year saw investment in both executive upskilling and the appointment of new regional heads of sales in both the Americas and Asia Pacific. We have also invested to ensure our product teams and the regional teams are working in unison to expand our global footprint.

Infomedia's diverse employee demographic enables Infomedia to engage with global customers at a local level to both develop and maintain long standing relationships with approximately 40 global automakers and their partners, dealers and wholesale customers.

We have invested in our processes to meet the needs of our global customers, including innovative new measures to successfully achieve the requirements of our largest global Microcat™ parts contract and a number of Superservice™ contracts across Europe. The Nissan roll-out was successfully delivered on time and on budget in FY18. The completion of the global roll-out will make a significant contribution to revenue growth in FY19.

We have also successfully completed the roll-out of our Superservice product for Nissan across much of Europe. Strong Superservice sales during the year was the result of an extensive effort to expand our product offering with existing customers into new markets.

Investment in technology has continued to be an area of focus for Infomedia during the year both in terms of infrastructure to support future growth and also in innovation to ensure our products are competitive, customer focused and market leading.

The Company recently attained certification of its Information Security Management System in line with ISO 27001:2015 standards. The Company has developed comprehensive information security protocols and processes, which the certification validates.

Infomedia remains focused on growth in its core business, expanding our global footprint in our parts and services suite of products and delivering market leading software to our automotive manufacturer and dealer customers.

FY18 PERFORMANCE

Infomedia's results for FY18 were in line with the Company's expectation and reflected the level of investment in people, process and technology during the year.

Infomedia reported revenue of \$72.9 million for the 12 months to 30 June 2018, an increase of 3.5% on the previous year (FY17: \$70.5 million). Whilst year on year revenue from our Microcat parts business was flat due to the roll-off of a previously announced contract, our strong growth in Superservice revenue in Europe and the US contributed to the company's performance for the year. Revenue from contracts sold will continue to ramp up into the financial year ending 30 June 2019 (FY19).

Net profit after tax (NPAT) was \$12.9 million, up 7.9% from the prior period (FY17: \$11.9 million), reflecting stronger growth in the second half and disciplined cost management.

Infomedia's financial position remains strong with net current assets of \$11.5 million at 30 June 2018 (FY17: \$13.5 million) including cash and cash equivalents of \$13.3 million (FY17: \$13.3 million).

CULTURAL EVOLUTION

Infomedia competes in an exciting global industry. With over 80% of our revenue generated outside Australia, we are determined to nurture a corporate culture which is diverse, high performing and customer centric.

Infomedia places emphasis on personal integrity, mutual respect and ethical business practices underpinned by the core values we introduced across the company last year. These values, defined by our employees, form the basis of our principles and how we work together as a team.

We believe our success is created when we act together to:

- **Accelerate Performance:** we are action orientated and always accountable to our customers.
- **Drive Innovation & Service:** our technology leadership empowers our customers.
- **Navigate Global, Steer Local:** our customers benefit from a unified Infomedia approach with local execution.
- **Have Fun in the Fast Lane:** we balance hard work with a fun and vibrant workplace.

In addition, the Company maintains a range of internal policies which define the Company's expectations and commitment to good corporate governance and responsible business practices including a comprehensive Code of Conduct.

We recently introduced a Whistleblower Policy to formally communicate the right of our people to report unethical or illegal conduct without fear of reprisal. We also adopted a voluntary statement with respect to modern slavery in

CHAIRMAN'S REPORT (continued)

our supply chain and replaced our Securities Trading Policy with a new version containing a series of enhanced governance measures.

More information can be found on our website at www.infomedia.com.au.

CONFIDENT ABOUT THE FUTURE

Infomedia expects our growth trajectory to continue to improve in the 2019 financial year (FY19) with the full benefit of recurring revenue from contracts won.

The parts and service sectors of the global automotive industry remain the most profitable sectors for automotive manufacturers. Our business model combines the power of an attractive business sector with the ease of use that software as a service (SaaS) delivers to our customers. Our product portfolio design and development is built on helping our customers be more successful in serving their customers.

Infomedia has a technology stack that is difficult to replicate and parts and service product suites that are market leading and supported globally.

We remain focused on sticking close to our core business to capitalise on these assets and expertise. We will look at acquiring assets that complement our core and accelerate growth. As a SaaS provider in a growing industry, the opportunity to support the growth of our customers and their brands remains strong.

DIVIDEND

The Board declared a final dividend of 1.70 cents per share fully franked for the 2018 financial year.

ACKNOWLEDGEMENTS

I am confident that we are building a stronger Infomedia and recognise that it is the combination of our customers, our leadership and our team that makes this possible.

I thank our customers for their continued support of Infomedia. We are committed to providing market leading software that supports the growth of our customers' businesses and the retention of their customers.

I would like to acknowledge the efforts of Infomedia's CEO, Jonathan Rubinsztein and the Infomedia management team for their effort over the last 12 months. Making the right calls for the long term can be difficult in a public company environment. Our leadership team has made great strides in building a platform for growth through our investment this year in product, people, technology and customer service to help us be recognised as a leading software solution provider to the global automotive industry.

Thanks also go to my fellow Directors Anne O'Driscoll, Clyde McConaghy and Paul Brandling for their knowledge, their counsel and the collegiate manner in which they have supported Infomedia's aspirations.

The Board is confident of a stronger 2019 financial year as the company continues to move forward and deliver some positive outcomes for customers, an inspiring environment for employees and solid returns for our shareholders.



Bart Vogel
Chairman



CEO'S REPORT

MESSAGE FROM THE CEO

Infomedia Ltd is an Australian-based software as a service (SaaS) provider to global automotive manufacturers and their dealers. Our software supports the key objectives of global car manufacturers and dealers to increase profits in their parts and service departments and enhance customer retention.

Our technology is difficult to replicate and our software integrates real-time, original manufacturer data with an interface that is accurate, intuitive and reliable.

More than 95 percent of Infomedia's revenue is recurring. Our software is developed in Australia, but we are a global business with 85 percent of revenue generated overseas. We support more than 170,000 users in 186 countries and in 29 languages.

OUR PERFORMANCE

The 2018 financial year for Infomedia was marked by the build completion of our global Microcat parts contract with Nissan and a number of Superservice Menus™ and Superservice Triage™ contracts across Europe.

FY18 revenue of \$72.9 million, a 3.5% increase on the previous corresponding period (pcp) and NPAT of \$12.9 million (7.9% pcp) was in line with our expectations. Reflecting the upfront investment required to develop parts and service contracts won in the prior year, cash EBITDA was \$10.5 million (FY17 \$11.7 million).

Our performance this year reflects a focus on improving our growth trajectory and also on the investment in people, process and technology that will provide a solid foundation for scale into the future.

Infomedia aspires to be the leading software solution provider to the parts and service sectors of the global automotive industry.

We are focussed on the success of our customers. We exist to help them drive the sale of more original parts and navigate the delivery of excellent customer service to retain loyalty to the automotive manufacturer brand.

STRATEGY

Two years ago, when I joined Infomedia I did so because I saw an opportunity to build an exciting Australian based, Australian developed, global software business that supported the growing parts and service segments of global automotive manufacturers.

At that time, we identified that our core assets required investment and we needed to improve our delivery. We set some clear objectives to drive performance and progress the business in five key areas.

Initially, the aim was to simplify the business and drive sales performance. We identified what was unique about our business and set a plan for growth and then communicated our strategy to all 290 employees around the world.

PEOPLE

We broke down silos and fostered communication at a regional and product level to drive sales in our existing global customer base and then linked those to opportunities in key markets. The appointment of new regional heads in both the Asia Pacific and North America regions during the year further supported this objective.

PROCESS

We prioritised delivery with investment in people, process and technology and established a set of values that align our culture to growth.

We committed to providing transparency to our customers, our employees and our shareholders.

We remain focussed on leveraging these initiatives and on building a more consistent growth trajectory.

Infomedia's competitive advantage:

- global market leading software to a growing industry
- software that integrates real-time, original manufacturer data
- more than 95% of revenue is recurring
- more than 80% of revenue generated from outside Australia
- more than 170,000 users, 186 countries, 29 languages

TECHNOLOGY

We will continue to invest to support future growth with a strategy concentrated in four key areas:

- strengthen and leverage our existing global footprint through further penetration with existing customers in current markets, increase our coverage through cross-sell and utilising a global account sales model;
- strengthen the Microcat parts suite through innovation and adjacencies;
- foster a robust integrated Microcat parts and Superservice growth platform; and,
- leverage our data assets.

The success of our customers in the parts and service segment of the global automotive industry will drive Infomedia's growth trajectory. Opportunities for further



CEO'S REPORT (continued)

differentiation through acquiring assets close to our core segments and innovation will build Infomedia's presence as a global market leader of parts and service software.

PRODUCT INNOVATION

Investment over the last two years resulted in the expansion of our two core software product suites.

The Microcat electronic parts suite is a group of products that are both scalable and built with specific, real-time original manufacturer data. Our Microcat electronic parts catalogue (EPC) is scaled to meet the scope of a customer's needs at a dealer, regional or global level.

Real-time, original manufacturer data is built into Microcat to the customer's requirement. We identify every part, for every automobile make and model in every region defined in the contract. Infomedia's Microcat assists an automotive dealer increase original parts sales, lift productivity and raise customer satisfaction levels.

Our Superservice Menus software uses a customer's vehicle identification number (VIN) at the initial point of service enabling the dealership service advisor to provide a timely, fully priced and itemised service quote. Integration of the Superservice Menus software with Infomedia's Superservice Triage electronic vehicle health check instantly prices all parts, labour and additions identified in a vehicle inspection.

Integration between Superservice Menus and Superservice Triage empowers dealer employees to quote quickly and accurately for complex repairs, reducing the time spent researching parts information and labour times and increasing on-the-spot work authorisations.

Precise information is provided quickly in a format that is user-friendly and deepens a customer's understanding and appreciation of genuine service. A customer feels informed and confident in knowing the service process and receiving accurate pricing ahead of vehicle collection.

"We are focussed on the success of our customers. We exist to help them drive the sale of more original parts and navigate the delivery of excellent customer service to retain loyalty to the automotive manufacturer brand."

Investment in product enhancements in Infomedia's parts suite will supplement organic growth in the parts business through leveraging existing information and evaluating opportunities in adjacent markets.

During the year, we invested to create a more robust and differentiated parts ordering system to extend dealer reach to their wholesale customers in the collision and mechanical repair segments.

Enhancements in Microcat Partsbridge provide timely information and competitive pricing to a dealer's wholesale customers resulting in more original part sales and improved customer experience.

Smaller-scale acquisition opportunities close to our core activities will drive further growth in Infomedia's parts business as well as further innovation.

The acquisition last year of an Australian developed customer relationship management (CRM) tool and the introduction of an Infomedia developed messaging tool, provide our customers further productivity and efficiency gains and enhanced sales support through the entire sales channel.

Infomedia's Superservice suite of products will drive Infomedia's growth into the future.

The subsequent engagement and trust between the auto brand, the dealer and the customer often results in higher parts and labour sales, more satisfied customers and higher retention rates beyond the warranty period.

OUTLOOK

We are feeling confident about the year ahead due to the increase in recurring revenue from contracts won in prior periods and disciplined cost management.

We will explore acquisitions that are close to our core and value adding. We will pursue opportunities that provide an entry into new markets, access to new customers or provide innovation to our existing parts and service software.

Our goal is to deliver sustainable growth in revenue and earnings.

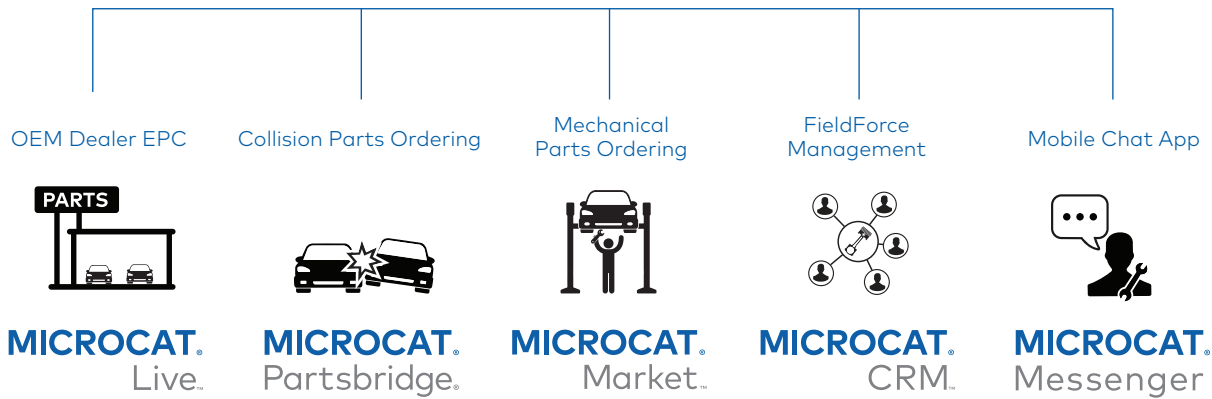


Jonathan Rubinsztein
Chief Executive Officer

PRODUCT OVERVIEW

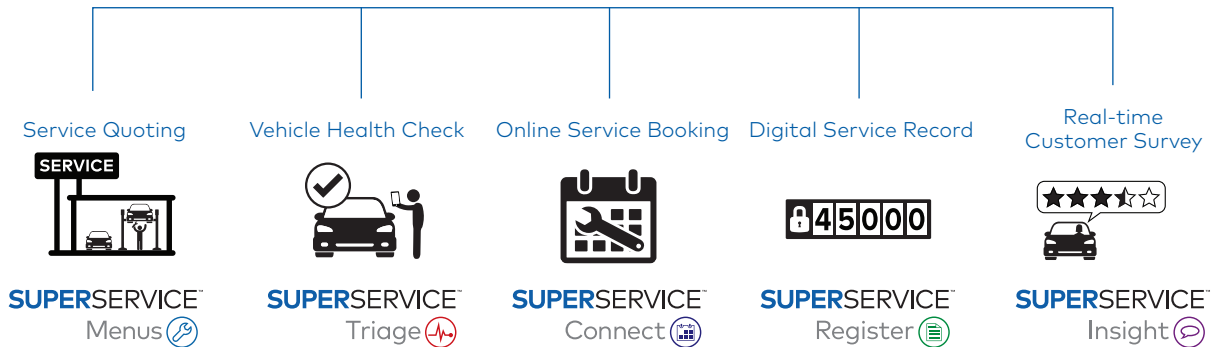
Microcat parts suite extends parts selling beyond the dealership parts counter to support wholesale original parts sales. Microcat has two new solution components to improve operational efficiency, and help to transform frontline sales processes using digital innovation.

MICROCAT®



The Superservice suite is powered by genuine automaker data and enables a dealership to connect and manage every aspect of the automotive service relationship accurately and transparently. A dealer's customer appreciates the accountability, honesty and efficiency. Superservice helps to reduce operating costs, increase service volume and builds trust between dealerships and their customers.

SUPERSERVICE™



VOICE OF THE CUSTOMER

Moving Nissan dealers to next generation Microcat Live™ during the year has been well received. Microcat grows dealer parts sales, productivity and customer satisfaction.

"I cannot believe this masterpiece."

"Kudos to the entire staff."

WC, Coastal Nissan South Carolina, USA



Infomedia deploys its Superservice product suite as a white label solution to KIA's global markets. Known as CVIS (customer value innovation system), Infomedia's Superservice software builds profits, productivity and customer relationships.

"Using CVIS, we save nearly 10 minutes and add almost \$70 in income on every repair order."

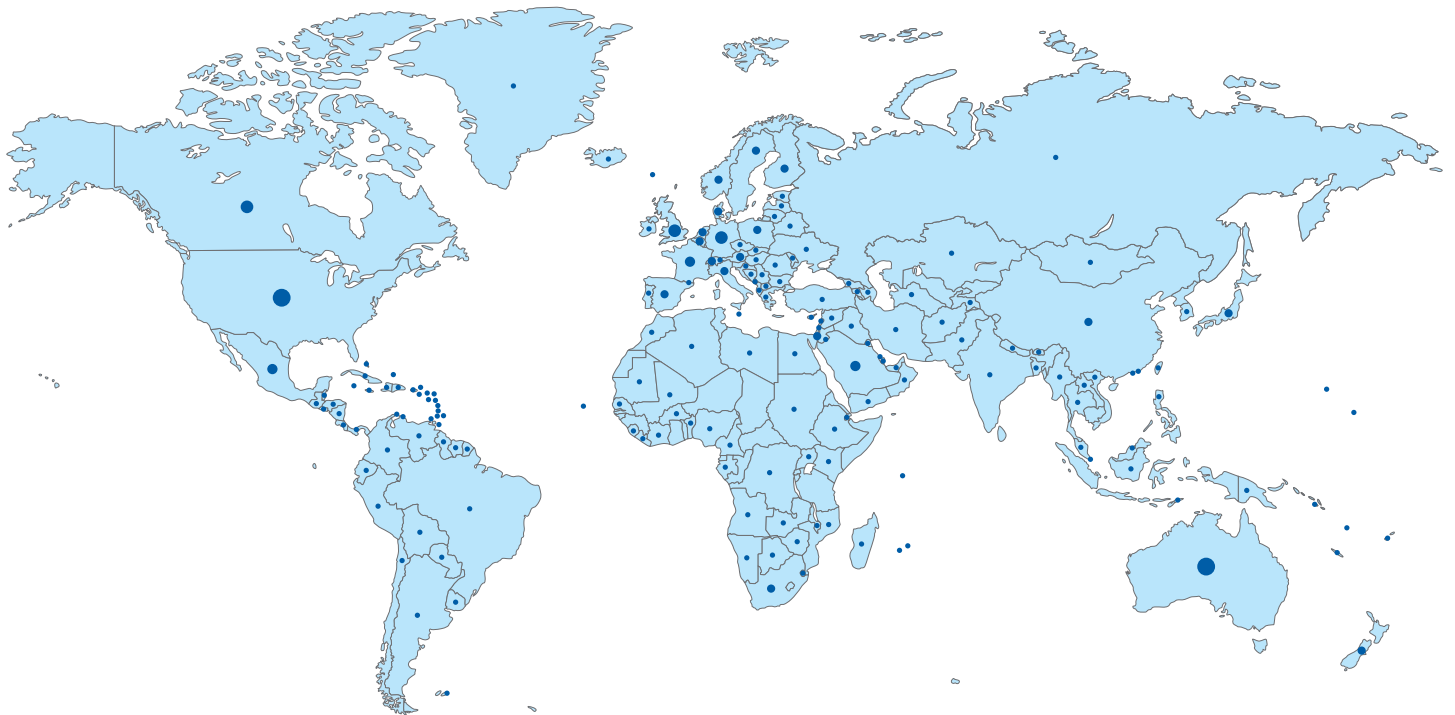
*Derek Holmes
Parts and Service Director Peoria Kia, Phoenix AZ, USA*

To our customers – thank you for your support!

NAVIGATING GLOBAL, STEERING LOCAL

Expanding our global footprint

Infomedia's parts and service solutions are used in 186 countries.



DIRECTORS' BIOGRAPHIES

BART VOGEL BCOM (HONS), FCA, FAICD **Independent Non-Executive Chairman**

Mr Vogel was appointed to the Infomedia Board of Directors on 31 August 2015.

Mr Vogel serves on the Remuneration & Nominations Committee and the Technology & Innovation Committee.

Mr Vogel is a director of listed companies Macquarie Telecom Group Limited, Invocare Limited and Salmat Limited. He is also a director of BAI Communications Pty Ltd and the Children's Cancer Institute of Australia. He has extensive commercial experience from a range of sectors including telecommunications, information technology and business services. His executive career included CEO roles with Asurion Australia and Lucent Technologies (Australia and Asia Pacific), Computer Power Group, and over 20 years in the management consulting industry as a partner with Bain & Company, A.T. Kearney and Deloitte.

JONATHAN RUBINSZTEIN BCom (Hons), MBA, FAICD **Chief Executive Officer (CEO) & Managing Director**

Mr Rubinsztein commenced as CEO & Managing Director on the Board of Infomedia in March 2016. Mr Rubinsztein has a proven track record of leading high-performance teams in the technology sector.

Mr Rubinsztein was a founding partner, CEO and shareholder of UXC Red Rock Consulting. He also served as a founding Director of RockSolid SQL, a private technology company specialising in automated data management solutions. He has been involved in a number of Private Equity Investments in the global technology sector and is also on the Advisory board of the Missionvale charity based in Port Elizabeth, South Africa.

Mr Rubinsztein has been a guest lecturer at the University of Sydney Business School and a regular participant at TED (Technology, Entertainment and Design) conferences.

Mr Rubinsztein was awarded the IT Professional of the Year 2013 (AIIA award NSW).

PAUL BRANDLING, BSc Hons, MAICD **Independent Non-Executive Director**

Mr Brandling was appointed to the Infomedia Board of Directors on 1 October 2016. Mr Brandling serves as chair of the Technology & Innovation Committee and is a member of the Audit & Risk Committee.

Mr Brandling has over 30 years experience in the local and international technology sector. He previously held the position of Vice President and Managing Director

of Hewlett-Packard South Pacific from 2002 to 2012. Prior to that time, Mr Brandling was Vice President and Managing Director of Compaq South Pacific between 2000 and 2002. Mr Brandling was also a member of the International CEO Forum (Australia) from 2001 to 2012 and served as a Director of the Australian Information Industry Association (AIIA) from 2002 to 2011.

Mr Brandling began his career as an engineer in the motor industry working for major automotive manufacturers in both Europe and Australia.

Mr Brandling currently serves as a Non-Executive Director of Integrated Research Ltd and Avoka Technologies Pty Ltd. Previously, he also served as a Non-Executive Director of Tesserent Limited and Vocus Communications Ltd.

CLYDE MCCONAGHY BBus, MBA, FAICD **Independent Non-Executive Director**

Mr McConaghy was appointed to the Infomedia Board of Directors on 1 November 2013. Mr McConaghy serves as chair of the Remuneration & Nominations Committee and as a member of the Audit & Risk Committee.

Mr McConaghy has over 20 years experience as a senior international board director and executive of publicly listed and private companies. His experience encompasses both multinational and early stage companies, in the technology, media, publishing, and venture capital sectors. He also held several senior positions within BMW Australia.

Mr McConaghy was a director in The Economist Intelligence Unit in London and a founding director of World Markets Research Centre Plc, both including automotive industry analysis divisions. He is currently a director of Serko Limited. He is also Managing Director of Optima Boards, a Board advisory firm for companies and non-for-profit entities worldwide.

ANNE O'DRISCOLL FCA, GAICD, ANZIIF (Fellow) **Independent Non-Executive Director**

Ms O'Driscoll was appointed to the Infomedia Board of Directors on 15 December 2014. Ms O'Driscoll serves as chair of the Audit & Risk Committee and a member of the Remuneration & Nominations Committee. Ms O'Driscoll has over 35 years of business experience, having qualified as a chartered accountant in 1984. She was CFO of Genworth Australia from 2009 to 2012 and spent over 13 years with Insurance Australia Group.

Ms O'Driscoll is on the boards of Commonwealth Bank's insurance subsidiaries (CommInsure), Steadfast Group Limited and MDA National Insurance Pty Limited.

DIRECTORS' REPORT

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Your Directors present their report, together with the consolidated financial report of Infomedia Ltd (the 'Company') and its subsidiaries (together referred to as 'Infomedia' or the 'Group') for the financial year ended 30 June 2018, along with the independent auditor report.

The Directors' report (including the Remuneration Report) and the annual financial report have been restructured to facilitate greater understanding for the reader.

Information is only being included in the 2018 Annual Report to the extent it has been considered material and relevant to the understanding of the financial performance and financial position of the Group. A disclosure is considered material and relevant if, for example:

- the dollar amount is significant in size (quantitative factor);
- the dollar amount is significant by nature (qualitative factor);
- the Group's results cannot be understood without the specific disclosure (qualitative factor);
- it is critical to allow a user to understand the impact of significant changes in the group's business during the period such as business acquisitions (qualitative factor);
- it relates to an aspect of the Group's operations that is important to its future performance.

The flow of information in the Directors' report is grouped as the table above. The flow of the financial report with key notes to facilitate better understanding of significant matters is provided on pages 36 and 37.

DIRECTORS' REPORT – Operating and financial review

Company overview

Infomedia Ltd is a global technology company, incorporated in New South Wales and listed on the Australian Securities Exchange (ASX:IFM). The Company is headquartered in Sydney, Australia with regional offices in Australia, the United Kingdom and the USA, serving the Group's customers across the world.

Principal activities

During the financial year, the principal continuing activities of Infomedia consisted of:

- development and supply of Software as a Service ('SaaS') offerings, including electronic parts catalogues and service quoting software systems, for the parts and service sectors of the global automotive industry; and
- information management, analysis and data creation for the automotive and oil industries.

Financial and operating review

Infomedia reported a revenue growth of 3.5% to \$72.935 million for the year ended 30 June 2018 ('FY18'), compared with revenue of \$70.474 million in the prior financial year.

All regions reported revenue growth in local currency other than Europe ('EMEA') where performance was impacted by a major contract roll-off announced in 2015.

As foreshadowed, cash EBITDA during FY18 decreased to \$10.477 million compared to \$11.652 million in the prior year. The decrease related to the pre-revenue development for parts and service contracts secured in the previous financial year.

Infomedia continues to report Cash EBITDA, adjusted earnings before interest, tax, depreciation and amortisation as a key performance measure to identify the cash flows of investing in development costs that are capitalised in reported NPAT. Infomedia's Board and management believe Cash EBITDA is a transparent view of the underlying level of activity and investment in its products.

The Company's net profit after tax ('NPAT') was \$12.897 million, an increase of 7.9% compared with \$11.953 million the prior financial year.

The summary of the results is shown below.

	2018 \$'000	2017 \$'000	Movement %
Revenue (a)	72,935	70,474	3.5%
EBITDA	29,050	25,219	15.2%
Development costs capitalised	(18,463)	(13,715)	34.6%
Unrealised foreign currency translation (gains)/losses	(110)	148	
Cash EBITDA (b)	10,477	11,652	(10.1%)
NPAT	12,897	11,953	7.9%
Earnings per share (cents)	4.16	3.85	8.1%
Final dividend (cents)	1.70	1.20	41.7%
Total annual dividend per share (cents)	3.10	2.90	6.9%

(a) Revenue details

By geographical location (local currency)	2018 '000	2017 '000	Movement %
Worldwide revenue (AUD)	72,935	70,474	3.5%
Asia Pacific (AUD)	18,259	17,054	7.1%
EMEA (EUR)	18,345	20,476	(10.4%)*
Americas (USD)	19,506	17,874	9.1%

* Decrease reflects a major contract roll-off announced in 2015.

DIRECTORS' REPORT – Operating and financial review (continued)

(b) Reconciliation of EBITDA to NPAT

	2018	2017	Movement
	\$'000	\$'000	%
EBITDA	29,050	25,219	15.2%
Net finance (costs)/income	(564)	36	
Depreciation, amortisation and impairment	(12,824)	(9,717)	32.0%
Income tax expense	(2,765)	(3,585)	
NPAT	12,897	11,953	7.9%

The investment focus over the past two years has enabled a revenue momentum shift in the second half of FY18. Revenue for the second half of FY18 had no revenue related to the contract roll-off announced in 2015 and saw recurring revenue commence from contracts won in prior periods. As a result, the second half of FY18 grew by 6.3% when compared to first half of FY18. All regions contributed to this half-on-half growth.

By geographical location (local currency)	2H18	1H18	2H18:1H18
	'000	'000	%
Worldwide revenue (AUD)	37,590	35,345	6.3%
Asia Pacific (AUD)	9,750	8,509	14.6%
EMEA (EUR)	9,354	8,991	4.0%
Americas (USD)	10,195	9,311	9.5%

Infomedia's financial position remains strong with net current assets of \$11.495 million at 30 June 2018 (2017: \$13.519 million). The cash and cash equivalents position closed at \$13.282 million (2017: \$13.313 million) reflecting the robust cash generative nature of the business. The Company has no debt.

Business objectives, strategies and outlook

Business objectives

Infomedia is a global technology company, providing software as a service (SaaS) to the global automotive industry. The Company's software supports automotive manufacturers to drive productivity and profitability through their dealer and distributor channels. Infomedia's software solutions promote the sale of original automotive parts and the delivery of superior service to enhance customer loyalty.

Infomedia's software is both scalable and backed by specific, real time original manufacturer data. Infomedia's intuitive software is scoped for the global automotive manufacturer and delivered to the dealer service provider and their wholesale customers with a solution focussed on increasing profits and improving the customer experience. The software supports customers globally, regionally and at an individual dealer level.

Infomedia aspires to be the leading software solution provider to the parts and service sectors of the global automotive industry.

The Group will continue to pursue its financial and strategic objectives to deliver sustainable, long-term performance for Infomedia's shareholders by focusing our strategy in four key areas.

Global footprint	Strong EPC foundation	Integrated parts & service platform	Data assets
Strengthen and leverage our global footprint	Explore adjacencies from our strong EPC foundation	Leverage our integrated parts and service platform	Leverage our data assets
Focus on global account management	Strengthen parts product foundation through innovation and adjacencies	Foster a robust integrated parts and service growth platform	Conduct assessment and define future data strategy

DIRECTORS' REPORT – Operating and financial review (continued)

Outlook

Board and management are confident about the year ahead.

Confidence in FY19, is underpinned by an increase in recurring revenue from contracts won in prior periods and disciplined cost management.

The Group is exploring acquisitions that are close to its core and value adding. Infomedia will pursue opportunities that provide an entry into new markets, access to new customers or provide innovation to its existing parts and service software solutions.

Infomedia aims to deliver sustainable growth in revenue and earnings.

DIRECTORS' REPORT – Operating and financial review (continued)

Risks

In seeking to achieve its strategic goals, Infomedia is subject to risks which may have a material adverse effect on operating and financial performance. The Group adopts a risk management process which is an integral part of the Group's corporate governance structure, and applies risk mitigation strategies where feasible. Despite best efforts, some risks remain outside the Company's control. Some of the key risks (in no particular order and non-exhaustively) are discussed in the table below.

Risk	Description	Risk management strategies
Loss of key licence agreements	<ul style="list-style-type: none"> Continued access to Original Equipment Manufacturer ('OEM') parts information is integral to several of the Group's product lines 	<ul style="list-style-type: none"> Management of key account relationships Continued investment to sustain market leading products Customer service focus, including working with customers to modify offerings to meet their needs
Loss of key customers	<ul style="list-style-type: none"> The relatively concentrated automotive industry leads to a degree of revenue concentration 	<ul style="list-style-type: none"> Global account management receiving increased focus Continuing focus on securing new OEM licence agreements to reduce concentration Participation in industry forums and other marketing opportunities to ensure prominent industry positioning Adding value to the customer solutions in order to remain as a technology of choice
Competitive risk	<ul style="list-style-type: none"> Risk from existing and new market entrants 	<ul style="list-style-type: none"> Focus on client satisfaction via continuous improvements in delivery of high-speed, high uptime solutions with evolving feature sets with intrinsic value propositions Leveraging accrued experience and capability in the sector with a global reputation as a leading solutions provider in the parts space Regional directors charged with maintaining key relationships with OEM customers and maintaining detailed account management plans
Product obsolescence or substitution	<ul style="list-style-type: none"> Products do not keep pace with developments in market needs or technological advancements Competitors or OEMs may develop superior products 	<ul style="list-style-type: none"> Close monitoring of market developments and direction and OEM strategies Continued investment in research and development to sustain market leading position
Product outages caused by software or hardware errors	<ul style="list-style-type: none"> Customer dissatisfaction with the Company's software products which fail to facilitate their critical business operations Customers cancel subscriptions or switch to competitive solutions 	<ul style="list-style-type: none"> Real time monitoring of the Company's software products and online hosting environments to identify and correct errors quickly Investment in industry leading platform technology
Intellectual property risk	<ul style="list-style-type: none"> Protecting data integrity and data privacy 	<ul style="list-style-type: none"> Network and product structuring and monitoring to identify and limit unauthorised access Legal restraints Migration from disc based products
Cyber risk, privacy & data sovereignty	<ul style="list-style-type: none"> Risk of targeted cyber-attack against Company assets Unauthorised access to or loss of customer data including personally identifiable data Increasingly onerous regulatory environments governing use and cross border transfer of data (e.g. European General Data Protection Regulation) 	<ul style="list-style-type: none"> Information security management system certification to ISO 27001:2015 Measures to detect and prevent unauthorised access to Company IT assets Robust redundancy measures allowing compromised environments to be seamlessly severed and replaced Re-architecture of hosting environments to support regulatory requirements relevant to customers Internal compliance program including training for all employees on relevant data security and privacy laws
People risk	<ul style="list-style-type: none"> Loss of key executives Loss of key customer relationships Succession planning 	<ul style="list-style-type: none"> Investment in people and culture initiatives Multiple touch points with key customers as part of relationship management Appropriate incentives and career development opportunities for key executives and senior management Identification and management of high potential employees

DIRECTORS' REPORT – Remuneration Report – Audited

The Directors present Infomedia's Remuneration Report for the financial year ended 30 June 2018 ('FY18').

The Remuneration Report ('Report') is structured as follows.

Table 1 – Structure of Remuneration Report

Section	Details
A	Key management personnel
B	Remuneration governance
C	Infomedia's purpose and strategic priorities
D	Executive KMP remuneration structure and philosophy
E	Executive KMP remuneration details
F	Non-Executive Directors remuneration
G	Non-Executive Directors remuneration details
H	Additional information

A. Key management personnel

This Report outlines Infomedia's remuneration philosophy, framework and outcomes for FY18 for all key management personnel ('KMP'), including all Non-Executive Directors and the Executive KMP (being the Chief Executive Officer & Managing Director ('CEO & Managing Director') and the Chief Financial Officer ('CFO')). KMP are those persons having authority and responsibility for planning, directing and controlling the activities of Infomedia.

The following persons were KMP during FY18.

Table 2 – Independent Non-Executive Directors

Current Directors	Date of appointment
Bart Vogel	31 August 2015
Paul Brandling	1 October 2016
Clyde McConaghy	1 November 2013
Anne O'Driscoll	15 December 2014

Table 3 – Executive KMP

Current executives	Role	Date of appointment
Jonathan Rubinsztein	CEO & Managing Director	14 March 2016
Richard Leon	CFO	29 March 2016

DIRECTORS' REPORT – Remuneration Report – Audited (continued)

B. Remuneration governance

The Remuneration Report has been prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB 124 Related Party Disclosures. The term 'remuneration' as used in this Report has the same meaning as 'compensation' as prescribed in AASB 124.

Remuneration is a technical subject in the current regulatory and reporting environment. In writing this Report, the aim is to present information in a way that is easily understood and aligned to legal reporting obligations.

Who is responsible for presenting this Remuneration Report?	The Remuneration & Nominations Committee (the 'Remuneration Committee' or the 'Committee') of the Board presents this Remuneration Report on behalf of Infomedia Ltd.									
Who are the members of the Committee?	<p>The Committee consists of three Non-Executive Directors. Committee membership was restructured in July 2017 as follows.</p> <table><tr><td>1 July – 21 July 2017</td><td>From 21 July 2017</td></tr><tr><td>Clyde McConaghy (Chairman)</td><td>Clyde McConaghy (Chairman)</td></tr><tr><td>Paul Brandling</td><td>Anne O'Driscoll</td></tr><tr><td>Bart Vogel</td><td>Bart Vogel</td></tr></table>		1 July – 21 July 2017	From 21 July 2017	Clyde McConaghy (Chairman)	Clyde McConaghy (Chairman)	Paul Brandling	Anne O'Driscoll	Bart Vogel	Bart Vogel
1 July – 21 July 2017	From 21 July 2017									
Clyde McConaghy (Chairman)	Clyde McConaghy (Chairman)									
Paul Brandling	Anne O'Driscoll									
Bart Vogel	Bart Vogel									
Why did the membership change?	The Committee membership changed following the establishment of a Technology & Innovation Committee during FY18. Committee memberships were reconsidered and rebalanced to ensure an appropriate mix of skills and experience on each sub-committee, and to ensure a balanced distribution of workload.									
What role does the Committee play?	<p>The Committee is responsible for reviewing and determining remuneration arrangements for the Non-Executive Directors and the Executive KMP. The Committee is also charged with responsibility to assist and advise the Board to fulfil its responsibilities on matters relating to:</p> <ul style="list-style-type: none">• the composition and quantum of remuneration, bonuses, incentives and remuneration issues relating to Executive KMP and other senior management personnel;• policies relating to remuneration, incentives and superannuation for all employees;• remuneration of Non-Executive Directors; and• other matters as required. <p>The Committee operates in accordance with its charter, a copy of which is available on the Company's website at: https://www.infomedia.com.au/investors/corporate-governance/remuneration-committee-charter/</p>									

a. External remuneration advisory services

The Remuneration Committee, subject to Board approval, directly engages with and considers market remuneration data from external remuneration consultants as required. During FY18 the Committee engaged with Guerdon Associates to review the Company's remuneration structure in the context of market practice, with particular reference to companies of similar size and sector.

The Committee will implement a series of refinements to the FY20 Executive KMP remuneration framework based on the results of the Guerdon Associates review. No remuneration recommendations as defined by the Corporations Act 2001 were provided by Guerdon Associates.

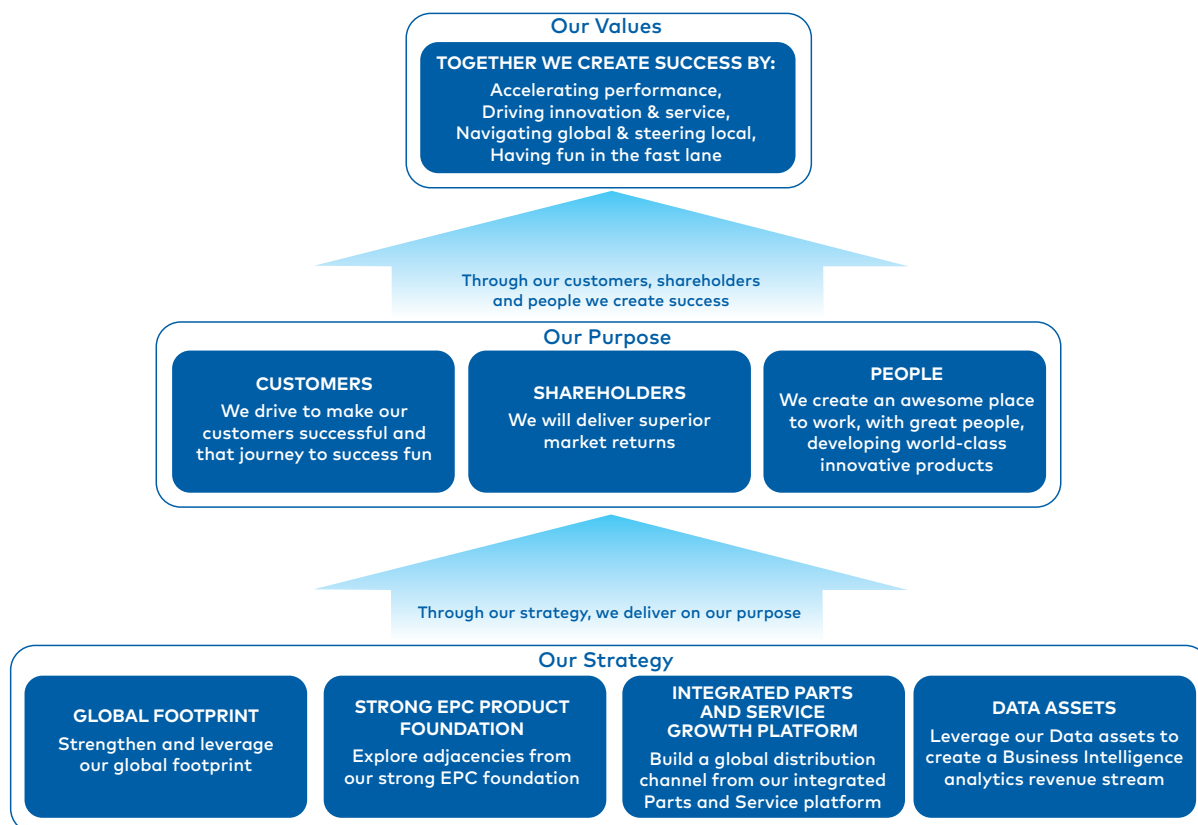
b. Prior year Remuneration Report – AGM outcome

The Company's FY17 Remuneration Report was approved at the 2017 Annual General Meeting ('AGM') with a vote of 98.79% of votes cast in favour of the resolution.

DIRECTORS' REPORT – Remuneration Report – Audited (continued)

C. Infomedia's purpose and strategic priorities

The Company's key strategies and purpose, articulated in the following diagram, form a key consideration when designing and implementing the executive remuneration framework.



D. Executive KMP remuneration structure and philosophy

Infomedia's remuneration framework aligns executive reward with achievement of strategic objectives and shareholder returns. The performance of the Company relies upon the quality of its Directors and executives. The Company must attract, motivate and retain skilled Directors and executives to deliver on key strategic goals. Compensation must be competitive and appropriate for the results delivered. The Company adheres to the following framework when setting remuneration.

DIRECTORS' REPORT – Remuneration Report – Audited (continued)

Table 4 – Executive KMP remuneration structure

Element	Total potential remuneration		
	Fixed remuneration	At risk remuneration	
	Fixed annual remuneration	Short term incentive ('STI')	Long term incentive ('LTI')
Indicative total potential Executive KMP remuneration mix^(a)	40% of Total remuneration package	30% of Total remuneration package	30% of Total remuneration package
Performance conditions	Base level of reward set around the Australian market median using external benchmark data. Set in the context of the relative skills, experience and responsibility assigned.	At risk remuneration linked to a combination of overall Infomedia's financial performance gateways and individual performance gateways. Financial measures include Cash EBITDA, cost management and revenue growth. Non-financial measures include specific strategic objectives relating to customer, technology, people and product.	Share options ('Options'): Linked to capital growth in share price with a strike price of 92.2 cents representing a 55% increase over the June 2016 VWAP price of 59.5 cents per share used to calculate the entitlement. Measured over a three-year period to FY19. 50% of vested entitlements subject to a holding lock until release of FY20 annual results. Performance rights ('Rights'): Linked to compound annual growth rate ('CAGR') in earnings per share ('EPS') between 10% and 15%.
Link to strategy	Fixed remuneration is set at market levels to attract and retain individuals with the necessary skills, experience and talent to pursue strategic goals.	Executive KMP rewarded subject to delivery of Company financial performance in the form of 'STI Gateways' which in FY18 were linked to Cash EBITDA performance. Additionally, Executive KMP are set appropriate key performance indicators ('KPI') and objectives which are both financial and non-financial in nature, including appropriate stretch goals. KPIs are aligned to strategic goals and creation of shareholder value. STIs are useful to reward in year performance and achievement of strategic objectives.	The LTI ensures a robust link between the long-term performance of the Company and creation of shareholder value. The LTI acts as a valuable part of the remuneration mix to retain key talent and to reward executives for performance over an extended period. The Options encourage delivery of capital appreciation over the period, whilst the Rights encourage focus on net profit which in turn drives shareholder returns. The intrinsic value of the Options and the Rights granted to Executive KMP increases or decreases depending on the Company's trading share price
For more information	See section D.a below.	See section D.c below	See section D.d below

Footnote to Table 4

- (a) The remuneration mix applies in respect of maximum potential remuneration or the 'total remuneration package'. The remuneration mix is indicative of the overall philosophy and varies slightly between remuneration elements for the Executive KMP. Where this is so, it has been noted in the section below summarising the terms of engagement

DIRECTORS' REPORT – Remuneration Report – Audited (continued)

for each Executive KMP, including the monetary amounts attaching to each element.

a. Employment terms

Table 5 – Employment terms of CEO & Managing Director

Term	Conditions
Service commence date	14 March 2016
Contract duration	Ongoing with no specified end date
Remuneration package	<p>Jonathan Rubinsztein's FY18 total potential remuneration package was \$1,260,000 made up of the following components:</p> <p>Fixed remuneration</p> <p>\$510,000 per annum inclusive of superannuation representing 40% of total potential remuneration.</p> <p>STI</p> <p>\$0 to \$375,000 based on performance and payable in cash representing 30% of total potential remuneration.</p> <p>LTI</p> <p>LTI opportunity of \$375,000 per annum representing 30% of total potential remuneration. The LTI is conferred in the form of Options and Rights.</p> <p>No new LTI were awarded in FY18. Mr Rubinsztein is subject to an existing LTI package awarded upon his commencement in FY16 with vesting events in FY17, FY18 and FY19.</p> <p>The LTI conferred in FY16 represented three years worth of annual LTI opportunity of \$375,000 per annum as at the date of grant. Further details about the LTI, including LTI vesting outcomes for the FY18 are described below in section D.d.ii and D.d.iii.</p>
Termination by executive	<p>Six months written notice; or</p> <p>One month if the Company materially diminishes the executive's duties without consent or directs the executive not to perform work for a period greater than six months. In this circumstance the executive is entitled to redundancy entitlements as outlined below.</p>
Termination by Company for cause	The Company may immediately terminate the service agreement without notice, or any payment in lieu of notice in certain circumstances including material breach, conduct having a material adverse effect on the Company's reputation, or if the executive commits an act justifying termination at common law, becomes bankrupt or is absent from work for more than three months in any 12-month period without approval. Entitlements will be paid until the date of termination only.
Termination by Company (other)	Six months written notice or six months payment in lieu of notice (or a combination of notice and payment in lieu of notice).
Redundancy entitlements	In addition to notice, the executive is entitled to 12 months fixed annual remuneration inclusive of any statutory redundancy payments plus any accrued but unpaid STI and LTI or other incentive to which the executive would have been entitled, had the executive remained employed to the end of the relevant notice period.
Post-employment restraints	12 months non-compete and non-solicitation.
External directorships	Not permitted without written consent of the Board.

DIRECTORS' REPORT – Remuneration Report – Audited (continued)

Table 6 – Employment terms of CFO

Term	Conditions
Service commence date	29 March 2016
Contract duration	Ongoing with no specified end date
Remuneration package	<p>Richard Leon's FY18 total potential remuneration was \$720,048 made up of the following components:</p> <p>Fixed remuneration</p> <p>\$320,048 per annum inclusive of superannuation representing 44% of total potential remuneration.</p> <p>STI</p> <p>\$0 to \$200,000 based on performance and payable in cash representing 28% of total potential remuneration.</p> <p>LTI</p> <p>LTI opportunity of \$200,000 per annum representing 28% of total potential remuneration. The LTI is conferred in the form of Options and Rights.</p> <p>No new LTI were awarded in FY18. Mr Leon is subject to an existing LTI package awarded upon his commencement in FY16 with vesting events in FY17, FY18 and FY19.</p> <p>The LTI conferred in FY16 represented three years worth of annual LTI opportunity of \$200,000 per annum as at the date of grant. Further details about the LTI, including LTI vesting outcomes for the FY18 are described below in section D.d.ii and D.d.iii.</p>
Termination by executive	Three months written notice.
Termination by Company for cause	The Company may immediately terminate the service agreement without notice, or any payment in lieu of notice in certain circumstances including material breach, conduct having a material adverse effect on the Company's reputation, or if the executive commits an act justifying termination at common law, becomes bankrupt or is absent from work for more than three months in any 12-month period without approval. Entitlements will be paid until the date of termination only.
Termination by Company (other)	Three months written notice or three months payment in lieu of notice (or a combination of notice and payment in lieu of notice).
Redundancy entitlements	In addition to notice, the executive is entitled to 12 months fixed annual remuneration inclusive of any statutory redundancy payments.
Post-employment restraints	12 months non-compete and non-solicitation.
External directorships	Not permitted without written consent of the CEO.

DIRECTORS' REPORT – Remuneration Report – Audited (continued)

b. Company performance

Table 7 outlines Infomedia performance delivered over the past five years.

Table 7 – Key financial performance indicators

	2018	2017	2016	2015	2014
Revenue (\$'000)	72,935	70,474	68,087	60,385	57,143
Net profit after tax (\$'000)	12,897	11,953	10,323	13,232	12,279
EBITDA (\$'000)	29,050	25,219	20,897	25,024	24,598
Cash EBITDA (\$'000)	10,477	11,652	n/a	n/a	n/a
Earnings per share (cents)	4.16	3.85	3.33	4.30	4.02
Dividends per share, exclude special dividend (cents)	3.10	2.90	2.65	3.64	3.78
Special dividend per share (cents)	-	-	-	0.25	-
Share price at 30 June (\$)	0.96	0.73	0.69	1.20	0.75

Infomedia has adopted adjusted earnings before interest, tax, depreciation and amortisation ('Cash EBITDA') as a key measure for the FY18 STI Gateway for Executive KMP and was also used as one of the KPIs for the Executive KMP.

Cash EBITDA acknowledges the cash impact of investing in development costs that are capitalised.

The Company believes Cash EBITDA offers a more transparent view of the underlying level of activity and investment in products. By stripping out the financial impact of capitalised development costs, Cash EBITDA gives a clearer indication of the actual cash operating costs incurred during the financial year. Accordingly, management are directly measured and accountable for their management of costs which translates into improved bottom line results for shareholders in current (improved EBITDA) or future periods (via reduced future amortisation expenses), depending on the actual timing and accounting treatment of capitalised development costs actually incurred during the financial year.

As noted above the Company achieved Cash EBITDA of \$10.477 million compared with \$11.652 million in the prior corresponding period. As foreshadowed, a lower FY18 Cash EBITDA result was signalled to the market during FY17 owing to:

- **Contract completion:** the roll-off in revenue associated with expiry of a contract on 31 December 2017 impacting top line revenue; coupled with;
- **Cash investment ahead of future revenue:** significant investment required to develop Microcat parts catalogue and Superservice Menus for a large OEM contract. These solutions have been progressively rolled out in 2018 and are expected to continue with the full rollout to be completed during the financial year ending 30 June 2019.

The Directors carefully set the Cash EBITDA targets in consideration of these factors and expected a subdued Cash EBITDA result in FY18. The Cash EBITDA result was offset by an improvement in both revenue and NPAT in FY18.

The reconciliation of NPAT to Cash EBITDA is provided in Table 8 below. As Cash EBITDA was introduced as a new financial measure from 2017 onwards, no comparatives are provided for financial years prior to FY17.

Table 8 – Reconciliation of NPAT to Cash EBITDA

	2018	2017
	\$'000	\$'000
NPAT	12,897	11,953
Add/(less):		
Net finance costs/(income)	564	(36)
Depreciation, amortisation and impairment	12,824	9,717
Income tax expense	2,765	3,585
Development costs capitalised	(18,463)	(13,715)
Unrealised foreign currency translation (gains)/losses	(110)	148
Cash EBITDA	10,477	11,652

DIRECTORS' REPORT – Remuneration Report – Audited (continued)

c. Short term incentive

i. Summary of KPIs and performance outcomes for Executive KMP

Table 9 – KPIs and FY18 performance outcomes for the CEO & Managing Director and the CFO

Performance metrics	Weighting	Payout ratios	FY18 performance outcome/payout ^(a)
CEO & Managing Director KPIs and FY18 performance outcome			
Financial		Targets met or exceeded:	Partially met
Cash EBITDA targets	60%	Sliding scale payment between 75%-120% ^(b)	52%
Revenue growth		Targets not met: 0%	
Non-financial		Targets met or exceeded:	Partially met
Customer	40%	Sliding scale payment between 60%-100%	36%
Technology		Target not met: 0%	
Strategic projects			
Total	100%		88%
CFO KPIs and FY18 Performance Outcome			
Financial		Targets met or exceeded:	Partially met
Cash EBITDA targets	60%	Sliding scale payment between 75%-120% ^(b)	52%
Revenue growth		Targets not met: 0%	
Non-financial		Targets met or exceeded:	Partially met
People	40%	Sliding scale payment between 60%-100%	28%
Cost Management		Target not met: 0%	
Strategic projects			
Total	100%		80%

Footnote to Table 9

(a) STI Gateways based on Cash EBITDA targets were met as a threshold for the STI program in FY18 for Executive KMP.

(b) Stretch targets apply to financial objectives only. Despite the stretch targets, the maximum potential STI achievement is capped at 100% of the CEO & Managing Director's and the CFO's STI opportunity of \$375,000 and \$200,000 per annum, respectively.

Table 10 – Executive KMP FY18 STI outcome

Executive KMP	Maximum STI potential \$	Actual STI Awarded \$	Actual STI awarded as % of maximum STI potential %	STI forfeited as % of maximum STI potential %
Jonathan Rubinsztein	375,000	329,325	88%	12%
Richard Leon	200,000	159,640	80%	20%

DIRECTORS' REPORT – Remuneration Report – Audited (continued)

d. Long term incentive

i. Long term incentive framework

The purpose of the LTI program is to link Executive KMP performance with long term shareholder wealth creation. The details of the FY18 Executive Incentive Plan – LTI are explained below.

Who participates?	Executive KMP
How was the current Executive KMP LTI program devised?	The Executive KMP LTI program was devised in consultation with external remuneration consultants in 2016 to entice the current Executive KMP to Infomedia to drive a significant turnaround of the Company.
Why were three years worth of LTI issued in 2016?	The Board granted three years worth of LTI in a combination of Rights and Options. The Rights have testing events in FY17, FY18 and FY19. The Options have testing events in FY19. The Directors did so to attract the calibre of talent required to steer the Company through a turnaround period.
Why was EPS chosen as the relevant performance hurdle for the Rights?	Earnings per share ('EPS') is directly linked to shareholder value creation. It encourages management to grow top line revenue whilst maintaining adequate cost controls to deliver strong net profit after tax results. The compounding nature of the metric year on year provides a rigorous metric and a sound growth proposition for shareholders.
Why was retesting of the Rights permitted?	Retesting of the Rights (equally allocated in three tranches) attributable to FY17 and FY18 was permitted on the basis that the Company was in a period of uncertainty at the time of appointing the Executive KMP. The requirement for compound annual growth ('CAGR') in EPS (compared to straight line growth) provides a stringent testing metric over the period. This is coupled with a governance overlay in the form of a holding lock. Any resultant shares realised upon vesting of the Rights which applies until after the release of the Company's audited accounts for the year ending 30 June 2021 ('FY21') to ensure a long term sustainable growth model is pursued and aligned to shareholders' interests.
What is the purpose of the disposal restrictions / holding locks?	<p>Disposal restrictions or 'holding locks' have been placed on:</p> <ul style="list-style-type: none"> • 100% of shares realised from the exercise of the vested Rights until release of the Company's audited accounts for the year ending 30 June 2021 ('FY21'); and • 50% of the shares realised from the exercise of the vested Options until release of the Company's audited accounts for the year ending 30 June 2020 ('FY20'). <p>This prevents the Executive KMP from selling the relevant shares immediately post vesting and helps to ensure a long term, sustainable growth model is pursued to aligned to the interests of shareholders.</p>
What governance mechanisms does the Company have in place regarding LTI and trading in shares generally?	<p>Share Trading Policy:</p> <p>The Company maintains a formal Share Trading Policy which was replaced in December 2017. The policy prohibits trading based on insider information and limits the ability of Restricted Persons to trade in Infomedia shares to several short trading windows following the release of half year and full year financial results and following the Annual General Meeting. The policy also prohibits short term or speculative trading.</p> <p>Prohibition against hedging:</p> <p>Additionally, the Company's Performance Rights & Option Plan Rules prohibit Plan participants from entering into hedging arrangements to limit the risk of their 'at risk' LTI component.</p>
Does the Company impose a minimum shareholding requirement?	The Company does not impose any requirement on Executive KMP to hold a minimum quantity of Infomedia shares at any time. Refer Table 18 showing the shareholdings of KMP during FY18.

DIRECTORS' REPORT – Remuneration Report – Audited (continued)

ii. Summary of outstanding KMP LTI

The Executive KMP were granted LTI in the form of a combination of Rights and Options covering the three financial years ending 30 June 2019 as part of their appointment in 2016. Further details of the key terms of the Rights and Options are disclosed in section H.a below.

Performance period	Testing event	Financial Performance hurdle	Strike price	Performance outcome	Retesting of unvested Rights	Vesting %
2016 Rights						
Tranche 1 2016-2017	After release of FY17 accounts	25% vesting at 10% CAGR above FY16 EPS	n/a	Over 15% CAGR above FY16 EPS	No retesting is required	100%
Tranche 2 2016-2018	After release of FY18 accounts	100% vesting at 15% CAGR above FY16 EPS Pro rata vesting in between 25% and 100%		11.7% CAGR above FY16 EPS	After release of FY19 accounts	50%
Tranche 3 2016-2019	After release of FY19 accounts	0% vesting if less than 10% CAGR achieved		n/a	n/a	n/a
2016 Options						
2016-2019	After release of FY19 accounts	Share price must exceed strike price	92.2 cents	n/a	n/a	n/a

iii. LTI outcomes by Executive KMP

Table 11 – Movement in Rights and Options

Executive KMP	Number held at 1 July 2017	Number granted during FY18	Number vested and exercised during FY18	Number lapsed during FY18	Number held at 30 June 2018
2016 Rights					
Jonathan Rubinsztein	1,418,067	-	(472,689)	-	945,378
Richard Leon	756,302	-	(252,100)	-	504,202
	2,174,369	-	(724,789)	-	1,449,580
2016 Options					
Jonathan Rubinsztein	3,750,000	-	-	-	3,750,000
Richard Leon	2,000,000	-	-	-	2,000,000
	5,750,000	-	-	-	5,750,000

iv. LTI outcomes – fair value and maximum value to be recognised from grant date

Executive KMP	Grant date	Fair value per Rights/ Options (\$)	Number of Rights/Options granted	Vesting date	Maximum value to be recognised from grant date (\$)
2016 Rights					
Jonathan Rubinsztein	29 January 2016	0.53-0.57	1,418,067	30 June 2017 to 30 June 2019	774,600
Richard Leon	17 February 2016	0.53-0.57	756,302	30 June 2017 to 30 June 2019	413,600
2016 Options					
Jonathan Rubinsztein	29 January 2016	0.07	3,750,000	30 June 2019	279,000
Richard Leon	17 February 2016	0.07	2,000,000	30 June 2019	149,000

DIRECTORS' REPORT – Remuneration Report – Audited (continued)

E. Executive KMP remuneration details

In this section the remuneration of Executive KMP is presented from two different perspectives. The first is the statutory disclosure basis. The second basis replaces the movement in the estimated value of share-based payments to which the Executive KMP became entitled during the year. It also removes movement in leave accruals. Whilst this is referred to as actual received, it should be noted that the relevant share-based payments are subject to holding locks (see section H.a below) and all payments are stated before applicable income tax.

a. Executive KMP remuneration outcomes in FY18 – Statutory basis

Table 12 below discloses the remuneration for Executive KMP calculated in accordance with statutory requirements and Accounting Standards. Refer to table note underneath Table 12 for the relevant statutory and accounting requirements.

Table 12 – Total Executive KMP remuneration - Statutory basis

	Short term employment benefits			Post-employment benefits		Long term benefits	Share-based payments	Total
Table note	(1)	(2)		(3)		(4)	(5)	
	Cash salary and leave accruals	Short term incentive	Non-monetary benefits	Super-annuation	Termination payments	Long service leave accruals	Performance rights and share options (refer to Table 14)	
	\$	\$	\$	\$	\$	\$	\$	\$
Jonathan Rubinsztein								
2018	487,765	329,325	-	25,000	-	622	84,330	927,042
2017	493,577	360,000	-	25,000	-	245	405,304	1,284,126
Richard Leon								
2018	307,491	159,640	-	20,048	-	405	44,916	532,500
2017	266,579	192,000	-	19,605	-	122	226,487	704,793

i. Footnote to Table 12

(a) The remuneration mix for the Executive KMP based on the remuneration details in Table 12 above are:

- Mr Rubinsztein: 55% fixed and 45% at-risk (2017: 40% fixed and 60% at-risk); and
- Mr Leon: 62% fixed and 38% at-risk (2017: 41% fixed and 59% at-risk).

ii. Table note

- (1) Cash salary includes amounts paid in cash plus any salary sacrifice items. Annual leave accruals are determined in accordance with Accounting Standard, AASB 119 Employee Benefits.
- (2) The FY18 short term incentive has been approved by the Board and will be paid in cash in September 2018.
- (3) Superannuation contributions are paid in line with legislative requirements.
- (4) Long service leave accruals are determined in accordance with Accounting Standard, AASB 119 Employee Benefits.
- (5) The share-based payments value in Table 12 above represents the amount of LTI (in the form of Rights and Options) granted for the three financial years commencing 1 July 2016 from the date of service agreements signed in accordance with Accounting Standard, AASB 2 Share-based Payments. Further information is provided in section D.d in this Report.

Table 13 – Breakdown of share-based payments

	Performance rights ^(a)	Share options	Total share-based payments
	\$	\$	\$
Jonathan Rubinsztein			
2018	14,580	69,750	84,330
2017	335,554	69,750	405,304
Richard Leon			
2018	6,711	38,205	44,916
2017	188,282	38,205	226,487

Footnote to Table 13

(a) The Rights value for FY18 is lower than FY17 due to the performance hurdles forecast to be partially met in the year ending 30 June 2019 whilst in FY17 it was forecast to be fully met.

DIRECTORS' REPORT – Remuneration Report – Audited (continued)

b. Executive KMP remuneration outcomes in FY18 – Actual received

Table 14 discloses the cash and other benefits, being amounts actually received by the Executive KMP as distinct from the technical accounting expense. Accordingly, this table does not align with the statutory remuneration outcomes calculated in accordance with Accounting Standards in Table 12 above.

The actual remuneration received by the Executive KMP in Table 14 below represents:

- cash received/receivable amount for FY18 – cash salary, short term incentive – cash bonus and superannuation; and
- the market value of Rights that vested and were converted to shares during FY18. The market value represents the variable weighted average price of Infomedia shares in the four weeks following release of the Company's FY17 results on 28 August 2017. This period has been selected as it gives a fair indication of the value attributed by the market assessing the performance of the Company, and by implication the Executive KMP, based on the FY17 annual results. The VWAP over the period was 77.84 cents. Whilst this is referred to as actual received, it should be noted that the relevant share-based payments are subject to holding locks (refer section H.a below) and all payments are stated before applicable income tax.

Table 14 – Total Executive KMP remuneration – Actual pre-tax remuneration received

	Short term employment benefits			Post-employment benefits		Long term benefits	Share-based payments	Total
	Cash salary ^(a)	Short term incentive	Non-monetary benefits	Super-annuation	Termination payments	Long service leave accruals	Performance rights vested and exercised	
	\$	\$	\$	\$	\$	\$	\$	\$
Jonathan Rubinsztein								
2018	485,621	329,325	-	25,000	-	-	367,941	1,207,887
2017	485,000	360,000	-	25,000	-	-	-	870,000
Richard Leon								
2018	300,384	159,640	-	20,048	-	-	196,235	676,307
2017	250,000	192,000	-	19,605	-	-	-	461,605

Footnote to Table 14

(a) The remuneration mix for the Executive KMP based on the actual remuneration received details in Table 14 above are:

- Jonathan Rubinsztein: 42% fixed and 58% at-risk (2017: 59% fixed and 41% at-risk); and
- Richard Leon: 47% fixed and 53% at-risk (2017: 58% fixed and 42% at-risk).

F. Non-Executive Directors remuneration

a. Board and committee structure

As at the date of this Report, Infomedia's Board and Committees are structured as follows.

Table 15 – Board and committee composition

		Board	Audit & Risk Committee	Remuneration & Nominations Committee	Technology & Innovation Committee
Non-Executive & Independent	Bart Vogel	(C)		✓	✓
	Paul Brandling	✓	✓		(C)
	Clyde McConaghy	✓	✓	(C)	
	Anne O'Driscoll	✓	(C)	✓	
Executive	Jonathan Rubinsztein	✓			✓

(C) represents Chairman of the Board or Committee.

DIRECTORS' REPORT – Remuneration Report – Audited (continued)

b. Remuneration structure and governance principles

Remuneration structure	<p>Non-Executive Directors are remunerated in the form of Board fees, Committee chair fees and superannuation paid in line with legislative requirements. See Table 16 below for further details.</p> <p>Fees payable are fixed in accordance with formal agreements held between the Non-Executive Directors and the Company (subject to periodic increases), and are paid from an aggregate fee pool limit of \$550,000.</p> <p>Directors may also be reimbursed for travel and other expenses incurred in attending to the affairs of the Company.</p>
Does the Company impose a minimum shareholding requirement?	The Company does not impose any requirement on Non-Executive Directors to hold a minimum quantity of Infomedia shares at any time. Refer Table 18 showing the shareholdings of the KMP during FY18.

Table 16 – Non-Executive Director Fees (exclusive of superannuation)

Board/Committee	Role	Per role \$	Total \$
Board	Chairman	175,000	175,000
	Non-Executive Directors	75,000	225,000
Audit & Risk Committee	Chairman	15,000	15,000
Remuneration & Nominations Committee	Chairman	15,000	15,000
Technology & Innovation Committee	Chairman	15,000	15,000
Total			445,000

DIRECTORS' REPORT – Remuneration Report – Audited (continued)

G. Non-Executive Directors remuneration details

Table 17 below provides remuneration details for the Non-Executive Directors on the Company's Board.

Paul Brandling was appointed as:

- Board Director on 1 October 2016; and
- Chairman of the Technology & Innovation Committee on 21 July 2017.

Mr Brandling's fees have been pro-rated for both the financial year ended 30 June 2017 and 2018.

Table 17 – Total Non-Executive Director remuneration

		Short term employment benefits	Post- employment benefits	Total
		Board and committee fees	Superannuation	
		\$	\$	\$
Bart Vogel	2018	175,224	16,646	191,870
	2017	150,000	14,250	164,250
Paul Brandling	2018	89,307	8,484	97,791
	2017	56,520	5,344	61,594
Clyde McConaghy	2018	90,115	8,561	98,676
	2017	90,000	8,550	98,550
Anne O'Driscoll	2018	90,115	8,561	98,676
	2017	90,000	8,550	98,550

H. Additional information

a. Key terms of Rights and Options

Key terms relate to all Rights and Options granted other than those specified in section D.d.ii above:

- the Rights and Options granted to the Executive KMP are deemed to be granted on the date when their service agreements were signed;
- the Rights and Options are granted for nil consideration;
- the vesting conditions of the Rights and Options are conditional on continuous employment and meeting performance hurdles;
- when vesting:
 - Rights – each right will be converted into one Infomedia ordinary share for nil consideration;
 - Options – each option will be converted into one Infomedia ordinary share by paying an exercise price of 92.2 cents;
- holding lock for vested Rights and Options:
 - Rights – subject to a holding lock until release of audited accounts for the year ending 30 June 2021;
 - Options – 50% of exercised Options subject to a holding lock until release of audited accounts for the year ending 30 June 2020.

b. Loans to KMP

There were no loans at the beginning or at the end of the financial year ended 30 June 2018 to the KMP. No loans were made available to KMP during FY18.

DIRECTORS' REPORT – Remuneration Report – Audited (continued)

c. Shareholdings of Non-Executive Directors and the Executive KMP

Table 18 below summarises the movement in holdings of Infomedia ordinary shares during the year and the balance at the end of the financial year, both in total and held indirectly by related parties of the KMP.

Table 18 – Movement of shareholding interests of Directors in accordance with section 205G of the Corporations Act 2001 and the other Executive KMP

Name	Balance at 30 June 2017 Number	Grant as compensation Number	Exercise of share options Number	Exercise of performance rights Number	Net other changes Number	Total shares held directly & indirectly at 30 June 2018 ^(a) Number
Non-Executive Directors:						
Bart Vogel	300,000	-	-	-	90,000	390,000
Paul Brandling	144,020	-	-	-	65,789	209,809
Clyde McConaghy	80,000	-	-	-	-	80,000
Anne O'Driscoll	45,000	-	-	-	55,000	100,000
Executive KMP:						
Jonathan Rubinsztein	500,000	-	-	472,689	54,776	1,027,465
Richard Leon	119,000	-	-	252,100	-	371,100

Footnote to Table 18

(a) Shares held indirectly are included in the column headed Total shares held at 30 June 2018. Total shares are held directly by the KMP and indirectly by the KMP's related parties, inclusive of domestic partner, dependants and entities controlled, jointly controlled or significantly influenced by the KMP.

This concludes the Remuneration Report, which has been audited.

DIRECTORS' REPORT – Statutory Matters

Directors

The following persons were Directors of Infomedia Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated.

Name	Role
Bart Vogel	Chairman & Independent Non-Executive Director
Jonathan Rubinsztein	Chief Executive Officer & Managing Director
Paul Brandling	Independent Non-Executive Director
Clyde McConaghy	Independent Non-Executive Director
Anne O'Driscoll	Independent Non-Executive Director

Directorships of other listed companies

Directorships of other listed companies held by the Directors in the three years preceding the end of the financial year are as follows.

Name	Company	Period of directorship
Bart Vogel	Macquarie Telecom Ltd	Since 2014
	Sedgman Ltd	From February 2015 to November 2015
	Salmat Limited	Since 2017
	InvoCare Ltd	Since 2017
Jonathan Rubinsztein	None	
Paul Brandling	Integrated Research Limited	Since 2015
	Tesseract Limited	From 2015 to 2017
	Vocus Communications Limited	From 2015 to 2016
Clyde McConaghy	Serko Limited (ASX & NZX)	Since 2014
Anne O'Driscoll	Steadfast Group Limited	Since 2013

Particulars of the Directors' qualifications and experience are set out under Board of Directors on page 11.

Meetings of directors

The number of meetings of the Company's Board of Directors (the 'Board') and of each Board committee held during the year ended 30 June 2018, and the number of meetings attended by each Director were as follows.

	Board		Audit & Risk Committee		Remuneration & Nominations Committee		Technology & Innovation Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Bart Vogel	10	10	-	-	5	5	4	4
Jonathan Rubinsztein	10	10	-	-	-	-	4	4
Paul Brandling	10	10	5	5	1	1	4	4
Clyde McConaghy	10	10	5	5	5	5	-	-
Anne O'Driscoll	10	10	5	5	4	4	-	-

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Refer to Table 15 in the Remuneration Report for the three committees' members composition.

DIRECTORS' REPORT – Statutory Matters (continued)

Company secretaries

Daniel Wall BBA, LLB

Mr Wall is a lawyer, admitted to the Supreme Court of New South Wales and the High Court of Australia in 2007. He gained experience across a range of practice areas including finance, corporate restructuring and insolvency, prior to joining Infomedia in 2011. He also holds a Certificate in Governance Practice from the Governance Institute of Australia.

Mark Grodzicky BSc, LLB

Mr Grodzicky joined Infomedia Ltd in 2017 as General Counsel, leading the legal and company secretariat team for Infomedia's worldwide operations and Company Secretary. He holds degrees in Law and Science. Prior to joining Infomedia, Mr Grodzicky, over a 30 year career, held general counsel and company secretarial roles with global IT companies including Wang, Sun Microsystems, Digital Equipment, Compaq, HP, Getronics, UXC, CSC and DXC.

Significant changes in the affairs

On 25 August 2017, the Group completed the acquisition of a CRM software product for its customers. Refer to note 13 for details of this business acquisition.

There were no other significant changes in the state of affairs of the Group during the financial year.

Dividends

Details of dividends paid or declared by the Company during the financial year ended 30 June 2018 are set out in note 3.

Matters subsequent to the end of the financial year

Other than the Board declared a final dividend of 1.70 cents per share, fully franked, there has been no matter or circumstance arisen since 30 June 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years:

Indemnity and insurance of officers

To the extent permitted by law, the Company has indemnified the Directors and executives of the Company for liability, damages and expenses incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Corporate governance

Infomedia strives to achieve compliance with the governance recommendations set out in the Corporate Governance Principles and Recommendations 3rd Edition, published by the ASX Corporate Governance Council (the ASX Principles). The Company addresses the ASX Principles in a manner consistent with its relative size and resourcing capabilities. Infomedia's latest Corporate Governance Statement was lodged with the ASX on the same date as this report and is available on the Company's website, <http://www.infomedia.com.au/investors/corporate-governance/>

Share options

At the date of this report, there are 5,750,000 share options issued in respect of ordinary shares of Infomedia Ltd.

No person entitled to exercise the share options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

There were no shares issued as a result of the exercise of share options during the financial year.

Since the end of the financial year, there have been no share options exercised.

DIRECTORS' REPORT – Statutory Matters (continued)

Performance rights

At the date of this report, there are 3,264,541 performance rights issued in respect of ordinary shares of Infomedia Ltd.

Shares issued on the exercise of performance rights

There were no ordinary shares of Infomedia Ltd issued on the exercise of performance rights during the year ended 30 June 2018 and up to the date of this report. All performance rights vested and exercised during the reporting period were satisfied by the transfer of Infomedia's ordinary shares purchased on market.

Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 19 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 19 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Bart Vogel

Chairman

15 August 2018

The Board of Directors
Infomedia Ltd
3 Minna Close
Belrose NSW 2085

15 August 2018

Dear Board Members

Infomedia Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Infomedia Ltd.

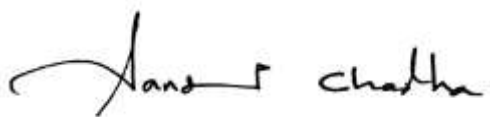
As lead audit partner for the audit of the financial statements of Infomedia Ltd for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely,



DELOITTE TOUCHE TOHMATSU



Sandeep Chadha
Partner
Chartered Accountants

FINANCIAL REPORT

Introduction

This is the financial report of Infomedia Ltd (the 'Company') and its subsidiaries (together referred to as 'Infomedia' or the 'Group').

This financial report was authorised for issue, in accordance with a resolution of Directors on 15 August 2018.

The Directors have the power to amend and reissue the financial report.

About this report

Disclosures are split into five distinct groups to enable a better understanding of how the Group has performed. We have included key notes next to each group of notes to explain its purpose and content. Accounting policies and critical accounting judgements applied to the preparation of the financial statements are shown where the related accounting balance or financial statement matter is discussed.

Key performance metrics		Key note
42	Note 1. Operating segments	FY18 performance overview: <ul style="list-style-type: none"> • FY18 segment results by regions – no change in segments • NPAT - \$12.897 million – a 7.9% increase pcpc • Basic earnings per share – 4.16 cents, an 8.1% increase • Final dividends per share – 1.70 cents, a 41.7% increase
43	Note 2. Earnings per share	
44	Note 3. Equity - dividends	
45	Note 4. Income and expenses	
47	Note 5. Income tax	
Significant operating assets and liabilities		Key note
49	Note 6. Intangibles	FY18 intangibles : <ul style="list-style-type: none"> • Capitalised development costs – continued investment in product development – \$18.463 million (FY17: 13.715 million); • Amortisation expense increased in line with new revenue stream – \$11.234 million (FY17: 8.474 million) FY18 trade and other receivables overview: <ul style="list-style-type: none"> • Minimal recoverability issues on receivables with immaterial provision for impairment of receivables (\$0.414 million), similar level to prior period
52	Note 7. Trade and other receivables	
Group's capital and risks		Key note
53	Note 8. Issued capital and treasury shares held in trust	<ul style="list-style-type: none"> • The Group has no debt • Issued capital – no change • Foreign currency risks are managed through hedging contracts to minimise the exposure to significant exchange rate fluctuations • No subsequent events after the year end other than the declaration of FY18 final dividend – 1.70 cents
54	Note 9. Financial instruments	
55	Note 10. Contingencies	
56	Note 11. Commitments	
56	Note 12. Events after reporting date	

FINANCIAL REPORT

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Business portfolio

56	Note 13. Business combinations
59	Note 14. Interests in subsidiaries

Key note

The Group acquired the Microcat CRM™ business in August 2017

No change in subsidiaries and location of operations

Other disclosures

59	Note 15. Share-based remuneration
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65	Note 19. Remuneration of auditors
65	Note 20. Basis of preparation and other accounting policies

Key note

This group of disclosures is required by the accounting standards and the Corporations Act 2001.

Infomedia Ltd
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

	Note	Consolidated 2018 \$'000	2017 \$'000
Revenue		72,935	70,474
Expenses			
Research and development expenses	4	(14,587)	(13,980)
Sales and marketing expenses		(24,777)	(22,846)
General and administration expenses		(18,135)	(18,002)
Total expenses		<u>(57,499)</u>	<u>(54,828)</u>
Operating profit		15,436	15,646
Other income	4	717	-
Net finance income/(costs)	4	(564)	36
Net foreign currency translation gains/(losses)		<u>73</u>	<u>(144)</u>
Profit before income tax expense		15,662	15,538
Income tax expense	5	<u>(2,765)</u>	<u>(3,585)</u>
Profit after income tax expense for the year attributable to the owners of Infomedia Ltd		12,897	11,953
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Net change in the fair value of cash flow hedges taken to equity, net of tax		10	(158)
Foreign currency translation		<u>186</u>	<u>(367)</u>
Other comprehensive income/(loss) for the year, net of tax		<u>196</u>	<u>(525)</u>
Total comprehensive income for the year attributable to the owners of Infomedia Ltd		<u>13,093</u>	<u>11,428</u>
		Cents	Cents
Basic earnings per share	2	4.16	3.85
Diluted earnings per share	2	4.15	3.83

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Infomedia Ltd
Consolidated statement of financial position
As at 30 June 2018

	Note	Consolidated	
		2018 \$'000	2017 \$'000
Assets			
Current assets			
Cash and cash equivalents		13,282	13,313
Trade and other receivables	7	7,603	7,826
Income tax refund due	5	1,733	2,175
Prepayments		1,583	1,529
Total current assets		24,201	24,843
Non-current assets			
Property, plant and equipment		1,717	1,911
Intangibles	6	53,693	40,253
Total non-current assets		55,410	42,164
Total assets		79,611	67,007
Liabilities			
Current liabilities			
Trade payables		1,942	2,150
Other payables		5,534	4,820
Provisions		216	216
Employee benefits		3,013	3,146
Contingent consideration	13	870	-
Deferred revenue		1,131	992
Total current liabilities		12,706	11,324
Non-current liabilities			
Deferred tax	5	7,088	4,415
Provisions		1,073	989
Employee benefits		445	423
Contingent consideration	13	4,071	-
Total non-current liabilities		12,677	5,827
Total liabilities		25,383	17,151
Net assets		54,228	49,856
Equity			
Issued capital	8	12,923	12,923
Treasury shares held in trust	8	(978)	(602)
Foreign currency reserve		1,665	905
Share-based payments reserve		3,328	3,499
Cash flow hedge reserve		-	(10)
Retained profits		37,290	33,141
Total equity		54,228	49,856

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Infomedia Ltd
Consolidated statement of changes in equity
For the year ended 30 June 2018

Consolidated	Share capital \$'000	Treasury shares held in trust \$'000	Foreign currency reserve \$'000	Share-based payments reserve \$'000	Cash flow hedge reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2016	12,449	-	1,272	711	148	29,578	44,158
Profit after income tax expense for the year	-	-	-	-	-	11,953	11,953
Other comprehensive loss for the year, net of tax	-	-	(367)	-	(158)	-	(525)
Total comprehensive income/(loss) for the year	-	-	(367)	-	(158)	11,953	11,428
Transactions with owners in their capacity as owners:							
Share-based payments	-	-	-	812	-	-	812
Tax effect related to share-based payments	-	-	-	1,976	-	-	1,976
Share options exercised	474	-	-	-	-	-	474
Purchase of treasury shares	-	(602)	-	-	-	-	(602)
Dividends paid (note 3)	-	-	-	-	-	(8,390)	(8,390)
Balance at 30 June 2017	12,923	(602)	905	3,499	(10)	33,141	49,856
Consolidated	Share capital \$'000	Treasury shares held in trust \$'000	Foreign currency reserve \$'000	Share-based payments reserve \$'000	Cash flow hedge reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2017	12,923	(602)	905	3,499	(10)	33,141	49,856
Profit after income tax expense for the year	-	-	-	-	-	12,897	12,897
Other comprehensive income for the year, net of tax	-	-	186	-	10	-	196
Total comprehensive income for the year	-	-	186	-	10	12,897	13,093
Transactions with owners in their capacity as owners:							
Transfer to foreign currency translation reserve from retained earnings	-	-	574	-	-	(574)	-
Share-based payments	-	-	-	124	-	(111)	13
Tax effect related to share-based payments	-	-	-	222	-	-	222
Share allocated to employees on vesting of performance rights	-	517	-	(517)	-	-	-
Purchase of treasury shares	-	(893)	-	-	-	-	(893)
Dividends paid (note 3)	-	-	-	-	-	(8,063)	(8,063)
Balance at 30 June 2018	12,923	(978)	1,665	3,328	-	37,290	54,228

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Infomedia Ltd
Consolidated statement of cash flows
For the year ended 30 June 2018

		Consolidated	
	Note	2018	2017
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		74,129	70,048
Payments to suppliers and employees		(45,952)	(43,860)
		28,177	26,188
Interest received		60	36
Income taxes paid		(135)	(4,183)
Net cash from operating activities	16	28,102	22,041
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	13	(1,200)	-
Payments for property, plant and equipment		(118)	(1,768)
Payments for development costs capitalised		(18,276)	(13,146)
Proceeds from disposal of property, plant and equipment		-	135
Net cash used in investing activities		(19,594)	(14,779)
Cash flows from financing activities			
Proceeds from exercise of share options	8	-	474
Payments for purchase of treasury shares		(893)	(602)
Dividends paid	3	(8,063)	(8,390)
Net cash used in financing activities		(8,956)	(8,518)
Net decrease in cash and cash equivalents		(448)	(1,256)
Cash and cash equivalents at the beginning of the financial year		13,313	14,748
Effects of exchange rate changes on balances of cash held in foreign currencies		417	(179)
Cash and cash equivalents at the end of the financial year		13,282	13,313

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Infomedia Ltd
Notes to the consolidated financial statements
30 June 2018

Note 1. Operating segments

Identification of reportable segments

The Group is organised into three reportable segments:

- Asia Pacific;
- Europe, Middle East and Africa ('EMEA'); and
- Americas, representing the combined North America and Latin and South America regions.

These reportable segments are based on the internal reports that are reviewed and used by the Chief Executive Officer & Managing Director (who is identified as the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of reportable segments.

The reportable segments are identified by management based on the region in which the product is sold. Discrete financial information about each of these operating segments is reported to the Board of Directors regularly.

The CODM reviews earnings before interest and tax ('EBIT'). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Major customers

The Group has many customers to which it provides products. There is no significant reliance on any single customer.

Reportable segment information

	Asia Pacific \$'000	EMEA \$'000	Americas \$'000	Unallocated \$'000	Total \$'000
Consolidated - 2018					
Revenue					
Revenue from external customers	18,259	28,235	25,163	1,278	72,935
Other income	-	-	-	717	717
Finance income	-	-	-	60	60
Total revenue	18,259	28,235	25,163	2,055	73,712
EBIT	14,911	22,056	9,577	(30,318)	16,226
Net finance costs	-	-	-	(564)	(564)
Profit/(loss) before income tax expense	14,911	22,056	9,577	(30,882)	15,662
Income tax expense					(2,765)
Profit after income tax expense					12,897
Consolidated - 2017					
Revenue					
Revenue from external customers	17,054	29,649	23,771	-	70,474
Finance income	-	-	-	36	36
Total revenue	17,054	29,649	23,771	36	70,510
EBIT	13,661	22,749	9,071	(29,979)	15,502
Net finance income	-	-	-	36	36
Profit/(loss) before income tax expense	13,661	22,749	9,071	(29,943)	15,538
Income tax expense					(3,585)
Profit after income tax expense					11,953

Infomedia Ltd
Notes to the consolidated financial statements
30 June 2018

Note 1. Operating segments (continued)

Unallocated EBIT

Unallocated EBIT is represented by the following costs:

	2018 \$'000	2017 \$'000
Research and development expenses	14,587	13,980
General and administration expenses	15,731	15,999
	<u>30,318</u>	<u>29,979</u>

Note 2. Earnings per share

	Consolidated 2018 \$'000	2017 \$'000
Profit after income tax attributable to the owners of Infomedia Ltd	<u>12,897</u>	<u>11,953</u>
	Cents	Cents
Basic earnings per share	4.16	3.85
Diluted earnings per share	4.15	3.83
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share:		
Weighted average number of ordinary shares issued	310,824,000	310,531,000
Weighted average number of treasury shares held in trust	<u>(1,037,000)</u>	<u>(136,000)</u>
	<u>309,787,000</u>	<u>310,395,000</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	309,787,000	310,395,000
Adjustments for calculation of diluted earnings per share:		
Share options and performance rights ^(a)	<u>1,242,000</u>	<u>1,573,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>311,029,000</u>	<u>311,968,000</u>

The weighted average number of ordinary shares or dilutive potential ordinary shares is calculated by taking into account the period from the issue date of the shares to the reporting date unless otherwise stated as below.

- (a) Infomedia operates share-based payments arrangements (in the form of a long term incentive plan) where eligible employees may receive performance rights. One performance right will convert to one Infomedia ordinary share subject to vesting conditions being met. These share-based payments arrangements are granted to employees free of costs and no consideration is paid on conversion to Infomedia ordinary shares upon vesting. These arrangements have a dilutive effect to the basic earnings per share.
- (b) During the financial year ended 30 June 2018, Infomedia acquired Microcat CRM™ business, any potential contingent consideration to be settled in the future will be partly in the form of Infomedia ordinary shares. As at 30 June 2018, the contingent consideration recognised on the statement of financial position has not been included as dilutive potential ordinary shares in the diluted earnings per share calculation.

Accounting policy for earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Infomedia Ltd by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

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Note 2. Earnings per share (continued)

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued at no consideration received in relation to dilutive potential ordinary shares.

Note 3. Equity - dividends

Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	2018	2017
	\$'000	\$'000
Interim dividend for the year ended 30 June 2018 (2017: 30 June 2017) of 1.40 cents fully franked (2017: 1.70 cents fully franked) per ordinary share	4,343	5,287
Final dividend for the year ended 30 June 2017 (2017: 30 June 2016) of 1.20 cents fully franked (2017: 1.00 cents fully franked) per ordinary share	3,720	3,103
	<u>8,063</u>	<u>8,390</u>

During the financial year ended 30 June 2018, total dividends paid in relation to treasury shares held in trust controlled by the Group was \$0.030 million (2017: Nil).

On 15 August 2018, the directors declared a final dividend of 1.70 cents per share, fully franked, to be paid on 10 September 2018. As this occurred after the reporting date, the dividends declared have not been recognised in these financial statements and will be recognised in future financial statements.

The Company has a Dividend Reinvestment Plan ("DRP") that allows equity holders to elect to receive their dividend entitlement in the form of the Company's ordinary shares. The price of DRP shares is the average share market price, less a discount if any (determined by the directors) calculated over the pricing period (which is at least five trading days) as determined by the directors for each dividend payment date.

The Company's DRP operates by purchasing shares on market. No discount has been applied. Election notices for participation in the DRP in relation to this final dividend must be received by 23 August 2018.

Franking credits

	Consolidated	
	2018	2017
	\$'000	\$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	<u>347</u>	<u>4,350</u>

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

Accounting policy for dividends

Dividends are recognised when declared during the financial year.

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Note 4. Income and expenses

	Consolidated	
	2018	2017
	\$'000	\$'000
Profit before income tax includes the following specific expenses:		
Other income		
Revaluation of contingent consideration	717	-
Net finance (costs)/income		
Finance income	60	36
Finance costs	(624)	-
	(564)	36
Depreciation, amortisation and impairment		
Depreciation	560	635
Amortisation	12,166	8,718
Impairment	98	364
Total depreciation, amortisation and impairment	12,824	9,717
Net foreign exchange loss		
Cash flow hedges loss/(gain)	59	(346)
Realised foreign exchange losses/(gains)	37	(4)
Unrealised foreign currency translation (gains)/losses	(110)	148
Net foreign exchange (gains)/losses	(73)	144
	(14)	(202)
Rental expense relating to operating leases		
Minimum lease payments	2,114	2,066
Superannuation expense		
Defined contribution superannuation expense	2,186	1,888
Share-based payments expense		
Share-based payments expense	13	812
Employee benefits expense excluding superannuation		
Employee benefits expense excluding superannuation	34,164	30,959
Research and development expenses		
Total research and development costs incurred during the financial year	21,718	18,857
Amortisation of deferred development costs	11,234	8,474
Impairment on capitalised development costs	98	364
Less: development costs capitalised	(18,463)	(13,715)
Net research and development costs expensed	14,587	13,980

Critical accounting judgements, estimates and assumptions - research and development

Research and development expenses incurred relate to works provided by third parties and internal salaries and on-costs of employees.

Research costs are expensed in the period in which they are incurred.

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Note 4. Income and expenses (continued)

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility, and the costs can be measured reliably.

The key judgements relate to:

- determining the portion of the internal salary and on-costs that are directly attributable to development of the Group's product suite and software; and
- identifying and assessing the technical feasibility of completing the intangible asset and generating future economic benefits.

An impairment loss is recognised if the carrying amount of the development asset exceeds its recoverable amount.

The Group determines the estimated useful lives for the capitalised development costs. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or items no longer in use will be written off or written down.

Accounting policies

Foreign currency translation

The financial statements are presented in Australian dollars, which is Infomedia Ltd's functional and presentation currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenue and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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Note 5. Income tax

	Consolidated	
	2018	2017
	\$'000	\$'000
Income tax expense		
Current tax	814	2,837
Deferred tax - current year	2,469	695
Prior year (overs)/unders - current and deferred tax	(518)	53
Aggregate income tax expense	2,765	3,585
Deferred tax included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	71	(803)
Increase in deferred tax liabilities	2,398	1,498
Deferred tax - current year	2,469	695
Deferred tax - prior year overs	(582)	-
Net movement in deferred tax	1,887	695
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	15,662	15,538
Tax at the statutory tax rate of 30%	4,699	4,661
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Additional research and development deduction	(1,464)	(1,196)
Effects of foreign tax rates difference	14	5
Share-based payments trust contributions	-	(308)
Non-deductible expenses	34	370
	3,283	3,532
Current tax - prior year unders	64	53
Deferred tax - prior year overs	(582)	-
Income tax expense	2,765	3,585
	Consolidated	
	2018	2017
	\$'000	\$'000
Amounts charged/(credited) directly to equity		
Deferred tax assets	(222)	(1,976)
Deferred tax liabilities	-	12
	(222)	(1,964)

Infomedia Ltd
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Note 5. Income tax (continued)

	Consolidated	
	2018	2017
	\$'000	\$'000
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Provisions	2,042	1,951
Share-based payments	2,198	1,976
Other payables	(6)	(4)
Foreign currency exchange	(156)	4
Offset against deferred tax liabilities	(4,078)	(3,927)
	<u>-</u>	<u>-</u>
Movements:		
(Charged)/credited to profit or loss	(71)	803
Credited to equity	222	1,976
Reversal of offset against deferred tax liabilities	3,927	1,148
Offset against deferred tax liabilities	(4,078)	(3,927)
	<u>-</u>	<u>-</u>
Closing balance	<u>-</u>	<u>-</u>
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Deferred development costs	10,308	8,169
Share-based payment trust contributions	50	173
Intangible assets	808	-
Offset against deferred tax assets	(4,078)	(3,927)
	<u>7,088</u>	<u>4,415</u>
Deferred tax liability	<u>7,088</u>	<u>4,415</u>
Movements:		
Opening balance	4,415	5,684
Charged to profit or loss	1,816	1,498
Charged to equity	-	12
Additions through business combinations	1,008	-
Reversal of offset against deferred tax assets	3,927	1,148
Offset against deferred tax assets	(4,078)	(3,927)
	<u>7,088</u>	<u>4,415</u>
Closing balance	<u>7,088</u>	<u>4,415</u>
Income tax refund due		
Income tax refund due	<u>1,733</u>	<u>2,175</u>

Infomedia Ltd
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Note 5. Income tax (continued)

Critical accounting judgements, estimates and assumptions

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain, for example, research and development claims. The Group recognises liabilities for anticipated tax based on the Group's current understanding of the relevant tax regulations. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 6. Non-current assets - intangibles

	Consolidated	
	2018	2017
	\$'000	\$'000
Goodwill	15,604	12,237
Capitalised development costs	62,203	43,837
Less: Accumulated amortisation	(27,779)	(16,544)
	34,424	27,293
Software systems - at valuation	4,332	2,604
Less: Accumulated amortisation	(1,022)	(1,881)
	3,310	723
Customer relationships - at valuation	492	-
Less: Accumulated amortisation	(137)	-
	355	-
	53,693	40,253

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Note 6. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill \$'000	Capitalised development costs \$'000	Software systems \$'000	Customer relationships \$'000	Total \$'000
Balance at 1 July 2016	12,367	22,416	547	-	35,330
Additions	-	13,715	378	-	14,093
Revaluation on cost (foreign exchange movements)	(65)	-	-	-	(65)
Revaluation on amortisation	(22)	-	-	-	(22)
Disposal - cost	-	(6,174)	-	-	(6,174)
Disposal - accumulated amortisation	-	6,174	-	-	6,174
Impairment of assets - cost	-	(553)	-	-	(553)
Impairment of assets - accumulated amortisation	-	189	-	-	189
Amortisation expense	(43)	(8,474)	(202)	-	(8,719)
Balance at 30 June 2017	12,237	27,293	723	-	40,253
Additions through business combinations (note 13)	3,367	-	3,382	492	7,241
Additions	-	18,463	-	-	18,463
Disposal - cost	-	-	(1,654)	-	(1,654)
Disposal - accumulated amortisation	-	-	1,654	-	1,654
Impairment of assets - cost	-	(98)	-	-	(98)
Amortisation expense	-	(11,234)	(795)	(137)	(12,166)
Balance at 30 June 2018	<u>15,604</u>	<u>34,424</u>	<u>3,310</u>	<u>355</u>	<u>53,693</u>

Impairment testing

The Group performed impairment testing for goodwill on an annual basis and other intangibles where there are indicators of impairment.

Goodwill

Goodwill acquired through business combinations or territory acquisition has been allocated to a reportable segment (refer note 1) for impairment testing as follows:

	Consolidated	
	2018 \$'000	2017 \$'000
Asia Pacific	6,144	2,777
EMEA	5,837	5,837
Americas	3,623	3,623
	<u>15,604</u>	<u>12,237</u>

Impairment assessment

The methodology used in the impairment testing is value-in-use, a discounted cash flow model, based on a five year projection from the approved budget for the year ending 30 June 2019 ('FY19') of the tested segments and a terminal value.

Key assumptions are those to which the recoverable amount of reportable segment is most sensitive.

The following key assumptions were used in the discounted cash flow model for the different reportable segments:

- growth rates applied based on the FY19 budget applied are 5% to 10% (2017: 5% to 10%) for Asia Pacific, 0% to 5% (2017: 1% to 5%) for EMEA and 5% to 10% (2017: 5% to 10%) for Americas;
- terminal growth rates applied are 2.5% (2017: 2.5%) for Asia Pacific and Americas and 2.5% (2017: 1.0%) for EMEA;
- post-tax weighted average cost of capital applied is 10.0% (2017: 11.5%) for Asia Pacific, 10.5% (2017: 10.5%) for EMEA and 10.5% (2017: 10.8%) for Americas; and
- exchange rates used in the cash flow projections for foreign operations are: AUD/USD exchange rate - \$0.74 (2017: \$0.75) and AUD/EUR exchange rate - \$0.63 (2017: \$0.67).

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Note 6. Non-current assets - intangibles (continued)

As at 30 June 2018, the recoverable amount of net assets of the Group is greater than the carrying value of the assets and therefore goodwill is not considered to be impaired.

The following describes each key assumption on which management has based its cash flow projections when determining the value-in-use of its reportable segments:

- the Group will continue to have access to the data supply from automakers over the projection period;
- the Group will not experience any substantial adverse movements in currency exchange rates;
- the Group's research and development program will ensure that the current suite of products remains competitive; and
- the Group is able to maintain its current gross margins.

No reasonable possible change in assumptions would result in the recoverable amount of a reportable segment being materially less than the carrying value.

Intangible assets other than goodwill

Capitalised development costs - An impairment loss of \$0.098 million was recognised for the year ended 30 June 2018 (2017: impairment loss of \$0.364 million). The impairment loss arose from the regular review of capitalised development costs. Management determined to write-off all items with net written down value below \$1,000 and any projects which were cancelled during the relevant financial year ended.

Software systems - There were no indicators of impairment.

Customer relationships - There were no indicators of impairment.

Critical accounting judgements, estimates and assumptions - goodwill

The recoverable amounts of goodwill of the relevant reportable segments have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Accounting policy for intangible assets

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed if the related asset subsequently increases in value.

Capitalised development costs

Research costs are expensed in the period in which they are incurred. Capitalised development costs represent the up-front costs of developing new products or enhancing existing products to meet customer needs. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of four to five years.

Software systems

Software systems acquired in a business combination and are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of four to five years.

Customer relationships

Customer relationships acquired in a business combination and are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of three years.

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Note 7. Current assets - trade and other receivables

	Consolidated	
	2018	2017
	\$'000	\$'000
Trade receivables	7,771	7,880
Less: Provision for impairment of receivables	(414)	(396)
	<u>7,357</u>	<u>7,484</u>
Other receivables	246	342
	<u>7,603</u>	<u>7,826</u>

Impairment of receivables

The ageing of the impaired receivables provided for above are as follows.

	Consolidated	
	2018	2017
	\$'000	\$'000
Over 60 days overdue	<u>414</u>	<u>396</u>

Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to \$1.436 million as at 30 June 2018 (2017: \$1.764 million).

The Group did not consider credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

	Consolidated	
	2018	2017
	\$'000	\$'000
0 to 60 days overdue	782	1,108
Over 60 days overdue	<u>654</u>	<u>656</u>
	<u>1,436</u>	<u>1,764</u>

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 to 60 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted as the effect of discounting is immaterial.

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Note 8. Equity - issued capital and treasury shares held in trust

	2018 Shares	Consolidated 2017 Shares	2018 \$'000	2017 \$'000
Ordinary shares - fully paid	310,824,000	310,824,000	12,923	12,923
Treasury shares held in trust - fully paid	(1,254,000)	(841,000)	(978)	(602)
	<u>309,570,000</u>	<u>309,983,000</u>	<u>11,945</u>	<u>12,321</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2016	309,987,000		12,449
Share options exercised		837,000	\$0.57	474
Balance	30 June 2017	<u>310,824,000</u>		<u>12,923</u>
Balance	30 June 2018	<u>310,824,000</u>		<u>12,923</u>

Movements in treasury shares held in trust

Details	Date	Shares	Acquisition price	\$'000
Balance	1 July 2016	-		-
Purchase of treasury shares		(841,000)	\$0.72	(602)
Balance	30 June 2017	<u>(841,000)</u>		<u>(602)</u>
Purchase of treasury shares		(1,138,000)	\$0.79	(893)
Disposal of treasury shares		725,000	\$0.71	517
Balance	30 June 2018	<u>(1,254,000)</u>		<u>(978)</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of shares held, taking into account amounts paid on those shares. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Treasury shares held in trust

Treasury shares are ordinary shares of the Company bought on market by the trustee (a wholly owned subsidiary of the Group) for the Employee Performance Rights and Option Plan (the 'plan') to meet future obligations under that plan when performance rights and share options vest and shares are allocated to participants.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue its listing on the Australian Securities Exchange, provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and take on borrowings.

The capital risk management policy remains unchanged from the 2017 Annual Report.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Infomedia Ltd
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Note 8. Equity - issued capital and treasury shares held in trust (continued)

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 9. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include the identification and analysis of both the risk exposure of the Group as well as the appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks where appropriate. Finance reports to the Board on a regular basis.

The Group uses derivative financial instruments, zero cost collar contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange, aging analysis for credit risk.

Market risk

Foreign currency risk

The Group operates and trades in three major economic currency regions (Asia Pacific; Europe, Middle East and Africa; and Americas, including North America and Latin and South Americas); and as a result, exposures to exchange rate fluctuations arise. These exposures mainly arise from the subscriptions of the Group's products and to a lesser extent the associated cost relating to these products. As the Group's product offerings are typically made on a recurring monthly subscription basis, there is a relatively high degree of reliability in estimating a proportion of future net cash flow exposures. The Group seeks to mitigate exposure to movements in these currencies in extreme situations by entering into zero cost collar contracts under an approved hedging policy.

In addition to the transactional sale of products, the Group's investment in both its European and United States subsidiaries, the Group's statement of financial position can be affected by movements in both the Euro ('EUR') and United States dollar ('USD') against the Australian dollar ('AUD'), with a corresponding impact to the foreign currency reserve in equity.

As at 30 June 2018, there are no outstanding derivative financial instruments in place.

At 30 June 2018, the carrying value of foreign currency denominated cash and cash equivalents are as follows.

	Consolidated	
	2018	2017
	\$'000	\$'000
US Dollar	4,177	5,831
Euro	2,518	2,896
	<u>6,695</u>	<u>8,727</u>

The Group had cash denominated in foreign currencies of \$6.695 million as at 30 June 2018 (2017: \$8.727 million). Based on this exposure, had the Australian dollar weakened by 15%/strengthened by 10% (2017: weakened by 15%/strengthened by 10%) against these foreign currencies with all other variables held constant, the Group's profit after tax for the year would have been \$0.703 million higher/\$0.469 million lower (2017: \$0.916 million higher/\$0.611 million lower) and equity would have been \$0.703 million higher/\$0.469 million lower (2017: \$0.916 million higher/\$0.611 million lower). The percentage change is the expected overall volatility of the significant currencies, based on management's assessment of reasonable possible fluctuations. The actual foreign exchange gain for the year ended 30 June 2018 was \$0.073 million (30 June 2017: loss of \$0.144 million).

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Note 9. Financial instruments (continued)

Interest rate risk

The Group is not exposed to any significant interest rate risk. As at the reporting date, the Group had the following variable rate cash and cash equivalents:

Consolidated	2018		2017	
	Weighted average interest rate %	Balance \$'000	Weighted average interest rate %	Balance \$'000
Cash at bank	-	7,285	-	9,919
Cash on deposit	1.36%	5,997	0.82%	3,394
		<u>13,282</u>		<u>13,313</u>

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk of the Group mainly arises from cash and cash equivalents and trade and other receivables.

The cash and cash equivalents are placed with major banks in those countries where the Group operates and therefore the credit risk is minimal.

The Group's credit risk with regard to trade receivables is spread broadly across three automotive groups - manufacturers, distributors and dealerships. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. As the products typically have a monthly life cycle and are priced on a relatively low subscription price, the concentration of credit risk is relatively low with automotive manufacturers being the exception.

Since the Group trades only with recognised third parties, collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. The ageing analysis as disclosed in note 7 shows that majority of the Group's trade receivables are within the normal credit term and the receivables impairment loss is immaterial.

Liquidity risk

The Group's exposure to liquidity risk is minimal given the relative strength of the statement of financial position and cash flows from operations.

Given the nature of the Group's operations and no borrowings, the Group does not have fixed or contractual payments at the reporting date other than operating leases and contingent consideration. Contingent consideration may be payable over the next three years with 50% in cash and 50% in Infomedia Ltd's ordinary shares. The amount to be paid is determined by the net profit after tax of the Microcat CRM™ over the three year period from date of acquisition. Consequently the remaining contractual maturity of the Group's other financial liabilities are as stated in the statement of financial position and are less than 60 days.

The Group's financial instruments exposed to interest rate and liquidity risk are:

- cash and cash equivalents, minimal exposure to interest rate risk;
- trade and other receivables and trade and other payables are non-interest bearing and with credit terms of 30 to 60 days; and
- as at 30 June 2018, the Group has a total of cash and cash equivalents and trade and other receivables of \$20.885 million (2017: \$21.139 million) to meet its future cash outflows of trade and other payables of \$7.476 million (2017: \$6.970 million) when due for payment.

Note 10. Contingencies

There were no unrecognised contingent assets or contingent liabilities as at 30 June 2018 and 30 June 2017.

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Note 11. Commitments

Contracted non-cancellable leases for property committed at the reporting date but not recognised as liabilities or payables are provided below.

	Consolidated	
	2018	2017
	\$'000	\$'000
Lease commitments - operating		
Within one year	5,111	2,179
One to five years	8,712	7,026
More than five years	13	956
	<u>13,836</u>	<u>10,161</u>
Sublease income to be received	<u>(1,020)</u>	<u>(1,438)</u>

Operating lease commitments are for office accommodation both in Australia and abroad, IT support facilities and office equipment.

The Company has provided a bank performance guarantee to a maximum value of \$0.722 million (2017: \$1.231 million) relating to the lease commitments on its corporate headquarters.

Note 12. Events after the reporting period

Apart from the dividend declared as disclosed in note 3, no other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 13. Business combinations

Acquisition of Microcat CRM™

On 25 August 2017, the Group acquired the assets and business of FieldForce Auto CRM and affiliated clients and businesses (collectively renamed as 'Microcat CRM™'). Microcat CRM™ is a complementary product supporting original parts sales for both auto manufacturers and dealers worldwide. The business was acquired to access skilled employees and an industry leading technology platform in customer relationship management which will enhance the suite of the Group's products and improve the value proposition to its customers, dealers and manufacturers.

The goodwill of \$3.367 million represents the strategic drivers of the business as it integrates with the Group's systems and customers, increasing market penetration and growth. None of the goodwill is deductible for tax purposes.

The value attributed to the CRM software of \$3.382 million represents the replacement cost of this software.

The acquired business contributed revenue of \$0.957 million and net profit after tax ('NPAT') of \$0.417 million to the Group for the period from 25 August 2017 to 30 June 2018. If the acquisition occurred on 1 July 2017, the estimated contribution to the full year results to 30 June 2018 would have been revenue of \$1.149 million and NPAT of \$0.501 million.

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Note 13. Business combinations (continued)

The fair values (as determined at acquisition date using an independent expert) of identifiable assets and liabilities in relation to this acquisition are listed in the tables below and are final as at 30 June 2018.

	Fair value \$'000
Identifiable intangible assets – software systems	3,382
Identifiable intangible assets – customer relationships	492
Property, plant and equipment	1
Deferred tax	(1,008)
Net assets acquired	2,867
Goodwill	3,367
Acquisition-date fair value of the total consideration	<u>6,234</u>
Representing:	
Cash paid to vendor	1,200
Contingent consideration*	5,034
	<u>6,234</u>

* Pursuant to the Business Sale Agreement, some of the consideration will be settled based on future years' actual financial performance of the acquired business determined on contractual terms and thus was recognised as contingent consideration by the Group. Refer to fair value measurement section below for further details of fair value of the contingent consideration.

All acquisition costs (\$0.030 million) were expensed as incurred during the year ended 30 June 2017. No further acquisition costs were incurred during the year ended 30 June 2018.

Accounting policy for business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability are recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

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Note 13. Business combinations (continued)

Fair value measurement - contingent consideration

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability.

The Group's only financial instrument measured at fair value as at 30 June 2018 is contingent consideration (2017: None).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Consolidated - 2018			
Liabilities			
Contingent consideration - current	-	-	870
Contingent consideration - non-current	-	-	4,071
	<u>-</u>	<u>-</u>	<u>4,941</u>

Valuation techniques for fair value measurements categorised within level 2 and level 3

The contingent consideration arose on the business combination (Refer to earlier sections within this note). The fair value was determined using an independent expert and is estimated based on a multiple of forecast net profit after tax of the acquired business over a three year period, subject to clawback. Any settlement of contingent consideration will be in the form of cash and Infomedia Ltd's ordinary shares split 50:50. Any variation at the time of settlement will be recognised as income or expense in profit or loss.

Critical accounting judgements, estimates and assumptions - fair value of financial instruments

The Group's contingent consideration liability is measured at fair value at the end of each reporting period. The information provided below is about how the fair value of this financial liability is determined, including the valuation technique and inputs used.

- Fair value hierarchy: level 3;
- Valuation technique: the fair value is calculated based on a multiple of forecast net profit after tax of the business over a three year period, subject to clawback;
- Significant unobservable inputs: forecast net profit after tax of the business and the discount rate; and
- Relationship of unobservable inputs to fair value: the estimated fair value would increase/decrease if the forecast net profit after tax or discount rate were higher/lower.

Level 3 liabilities

Movements in level 3 liabilities during the current and previous financial year are set out below:

	2018 \$'000
Balance at 30 June 2017	-
Contingent consideration acquired in business combination	5,034
Release of finance costs during the financial year	624
Revaluation of contingent consideration through profit and loss	<u>(717)</u>
Balance at 30 June 2018	<u>4,941</u>

Sensitivity analysis on fair value of contingent consideration

The carrying value of contingent consideration might be impacted by the changes in discount rate or the forecast net profit before tax of the Microcat CRM™ business acquired during this financial year. The impact to the carrying value for the following unobservable inputs are as follows:

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Note 13. Business combinations (continued)

- Discount rate - a 100 basis points increase/decrease in the discount rate would decrease/increase the contingent consideration by \$0.044 million and \$0.045 million respectively.
- Profitability, adjustments on either revenue or net profit after tax - a 5% increase/decrease in the profitability per year over the three year period would increase/decrease the contingent consideration by \$0.287 million.

Note 14. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described at the end of each relevant notes and note 20:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2018 %	2017 %
IFM Europe Ltd	United Kingdom	100%	100%
IFM Americas Inc.	USA	100%	100%
IFM China (WFOE)	China	100%	100%

Infomedia Ltd is the parent entity of the Group.

Transactions with related parties

The were no transactions with related parties during the current or previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 15. Share-based remuneration

The ultimate objective of share-based remuneration is to align the participants with delivery of shareholder value. Long term incentives, with appropriate performance hurdles, align participants to the longer term strategies, goals and objectives of the Group, and provide greater incentive for senior employees to have broader involvement and participation in the Group beyond their immediate role. Equity participation also assists the Group to attract and retain skilled and experienced senior employees.

The obligations under share-based payment arrangements are settled by either issuing new ordinary shares in the Company or acquiring ordinary shares of the Company on market.

Trading in the Company's ordinary shares awarded under the share-based remuneration arrangements is governed by the Company's Share Trading Policy. The policy restricts employees from trading in the Company's shares when they are in a position to be aware, or are aware, of price sensitive information. The policy also implements blackout periods which prohibit trading in the Company's shares in the lead up to the Group's half-year and annual result announcements, unless Board express approval is obtained.

The arrangements are governed by the terms of the Company's Performance Rights and Option Plan Rules. The Executive Incentive Plan is also supplemented by the Executive Incentive Plan Rules.

In the prior financial years, the Group had an Employee Share Options Plan which provided eligible employees with the opportunity to subscribe for ordinary shares in the form of share options in the Company. All the share options in this plan outstanding at 1 July 2016 were exercised or lapsed during the year ended 30 June 2017.

Executive incentive plan

The Executive Incentive Plan ('the Plan') forms an integral part of the Group's remuneration policy.

The Group provides eligible employees (including the key management personnel but excluding non-executive directors) with the opportunity to receive short-term incentives in the form of annual cash bonuses and long-term incentives in the form of performance rights ('Rights') and/or share options ('Options'). The Board, based on recommendations from the Remuneration & Nominations Committee, approves the participation of each individual ('participant') in the Plan.

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Note 15. Share-based remuneration (continued)

Long term incentive – Performance rights

The Board approves the issue of Rights to eligible employees. The following general terms relate to all Rights currently on issue:

- Rights are granted for nil consideration;
- the vesting conditions of the Rights are not market related and are conditional on meeting the performance hurdles described below;
- participants must remain employed at any relevant vesting and/or exercise date, subject to limited exceptions contained in the plan rules;
- participants do not receive dividends and do not have voting rights until the rights are exercised and converted into shares;
- before vesting, the Board will determine the number of Rights to vest based on the outcome of the performance hurdles;
- when vesting, each Right converts into one Infomedia Ltd ordinary share for nil consideration upon exercise by the participants; and
- if the vesting conditions are not met then the Rights automatically lapse unless a retesting event was specified in the original grant.

The following performance hurdles and vesting scales apply to the outstanding Rights on issue during the financial year:

Rights granted on 1 October 2014

- Testing date: 1 August 2017;
- Rights tested on testing date: 100% - unvested. Rights lapsed as performance hurdle not met;
- Performance hurdle: Earnings per share ('EPS') target of 8.5 cents to be achieved in FY17; and
- Vesting scale: Maximum – 120% when EPS exceeds EPS target by 10%; Minimum – nil if EPS target is not met.

Rights granted on 13 October 2015

- Testing dates: 1 October 2016; 1 October 2017 and 1 October 2018;
- Rights tested on testing dates: 50% on 1 October 2016 and retest unvested Rights on 1 October 2017 and test remaining 50% plus any unvested Rights on 1 October 2018;
- Performance hurdle: EBIT growth target; and
- Vesting scale: Maximum – EBIT growth target of 5% for rights tested on 1 October 2016; EBIT growth target of 10% for rights tested on 1 October 2017; and EBIT growth target of 15% for rights tested on 1 October 2018; Minimum – nil if EBIT growth target is not met.

Rights granted on 1 July 2016 (CEO and CFO only)

- Grant dates: 29 January 2016 and 17 February 2016 (being signing dates of service agreements) are deemed grant date for CEO and CFO, respectively;
- Testing date: Tranche 1: 33% of Rights measured over 1 July 2016-30 June 2017; Tranche 2: 33% of Rights measured over 1 July 2017-30 June 2018; Tranche 3: 33% of Rights measured over 1 July 2018-30 June 2019;
- Rights retested on testing date: Tranche 1: Fully vested in FY18, no retesting is required; Tranche 2: Rights measured over 1 July 2017-30 June 2019 (final testing for unvested Rights);
- Performance hurdle: Company Annual Growth Rate ('CAGR') target: Compound EPS Growth percentage above FY16 EPS;
- Vesting scale: Below 10% CAGR: Nil; At 10% CAGR: 25%; Between 10% and 15% CAGR: straight line pro-rata vesting between 25%-100%; At or above 15% CAGR: 100%;
- Post vesting disposal restrictions: Shares acquired upon vesting of Rights can only be disposed following the announcement of the audited results for the financial year ending 2021; and
- When rights are exercised by participants, the Company has discretion to either transfer existing shares or issue new ordinary shares to satisfy the allocation. However, any issue of new shares to the CEO & Managing Director would require shareholders approval.

Rights granted on 1 July 2016 (other participants)

- Testing date: 1 October 2019;
- Rights tested on testing date: 100% - if unvested, Rights lapse;
- Performance hurdle: CAGR target: Compound EPS Growth percentage above FY16 EPS; and
- Vesting scale: Below 10% CAGR: Nil; At 10% CAGR: 25%; Between 10% and 15% CAGR: straight line pro-rata vesting between 25%-100%; At or above 15% CAGR: 100%.

Rights granted on 1 July 2017

- Testing date: 1 October 2020;
- Rights tested on testing date: 100% - if unvested, Rights lapse;
- Performance hurdle: CAGR target: Compound EPS Growth percentage above FY17 EPS; and
- Vesting scale: Below 10% CAGR: Nil; At 10% CAGR: 25%; Between 10% and 15% CAGR: straight line pro-rata vesting between 25%-100%; At or above 15% CAGR: 100%.

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Note 15. Share-based remuneration (continued)

The fair value of the Rights under the CEO and CFO only grant is estimated as at the grant date using a Monte-Carlo Simulation model taking into account the term until potential vesting and the conditions upon which the Rights were granted. The fair value of the Rights for all other grants is estimated as at the grant date by reference to the share price after taking off dividends forfeited during the performance period.

The following information relates to the Rights issued under the Plan.

2018

Grant date	Expiry date	Fair value at grant date	Balance at the start of the year	Granted	Exercised	Lapsed	Balance at the end of the year
01/10/2014	01/08/2017	\$1.15	424,184	-	-	(424,184)	-
13/10/2015	01/10/2018	\$0.75	635,000	-	-	(106,000)	529,000
29/01/2016	01/10/2019	\$0.53-\$0.57	1,418,067	-	(472,689)	-	945,378
17/02/2016	01/10/2019	\$0.53-\$0.57	756,302	-	(252,100)	-	504,202
01/07/2016	01/10/2019	\$0.48	716,766	-	-	(313,383)	403,383
04/10/2017	30/10/2020	\$0.67	-	1,170,015	-	(287,437)	882,578
			3,950,319	1,170,015	(724,789)	(1,131,004)	3,264,541

2017

Grant date	Expiry date	Fair value at grant date	Balance at the start of the year	Granted	Exercised	Lapsed	Balance at the end of the year
01/10/2014	01/08/2017	\$1.15	424,184	-	-	-	424,184
13/10/2015	01/10/2018	\$0.75	760,000	-	-	(125,000)	635,000
29/01/2016	01/10/2019	\$0.53-\$0.57	-	1,418,067	-	-	1,418,067
17/02/2016	01/10/2019	\$0.53-\$0.57	-	756,302	-	-	756,302
01/07/2016	01/10/2019	\$0.48	-	716,766	-	-	716,766
			1,184,184	2,891,135	-	(125,000)	3,950,319

During the year ended 30 June 2018, 724,789 Rights are vested and exercised (2017: None). The value attributable to these rights at vesting was 77.84 cents per Right. The value represents the variable weighted average price of Infomedia shares in the four weeks following the Company's FY17 results announcement.

Long term incentive – Share options (CEO and CFO only)

The Group provides the CEO and CFO with the opportunity to subscribe for ordinary shares in the form of Options in the Company through the Performance Rights and Option Plan.

The key terms of the Options are:

- Options issued during FY17: the grant dates of 29 January 2016 and 17 February 2016 are the deemed grant date for CEO and CFO, respectively, reflecting the dates of entering into their services agreements;
- granted for nil issue consideration;
- each Option entitles the participants to subscribe for one Infomedia Ltd ordinary share;
- Options will become exercisable when the Company's share price exceed the exercise price of 92.2 cents;
- Options may not be exercised prior to the release of the Company's audited results for the year ending 30 June 2019;
- participants must remain employed at any relevant vesting and/or exercise date, subject to limited exceptions contained in the Plan rules;
- when Options are exercised by participants, the Company has discretion to either transfer existing shares or issue new ordinary shares to satisfy the allocation. However, any issue of new shares to the CEO & Managing Director would require shareholder approval; and
- post vesting disposal restrictions: 50% of shares following the exercise of the Options subject to a disposal restriction until after the release of the Company's audited results for the year ending 30 June 2020 (Note the FY17 Annual Report contained a typographical error referencing a holding lock until release of audited accounts for the year ending 30 June 2021).

The fair value of the Options granted under the Plan is estimated as at the grant date using a Monte-Carlo Simulation model taking into account the term and conditions upon which the Options were granted.

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Note 15. Share-based remuneration (continued)

The following information relates to the Options issued under the Plan.

2018

Grant date	Expiry date	Fair value at grant date	Balance at the start of the year	Granted	Exercised	Lapsed	Balance at the end of the year
29/01/2016	01/10/2019	\$0.07	3,750,000	-	-	-	3,750,000
17/02/2016	01/10/2019	\$0.07	2,000,000	-	-	-	2,000,000
			5,750,000	-	-	-	5,750,000

2017

Grant date	Expiry date	Fair value at grant date	Balance at the start of the year	Granted	Exercised	Lapsed	Balance at the end of the year
29/01/2016	01/10/2019	\$0.07	-	3,750,000	-	-	3,750,000
17/02/2016	01/10/2019	\$0.07	-	2,000,000	-	-	2,000,000
			-	5,750,000	-	-	5,750,000

No Options are vested and exercisable as at 30 June 2018 (2017: None).

Accounting policy for share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, options over shares or rights that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using a pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

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Note 16. Cash flow information

Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2018	2017
	\$'000	\$'000
Profit after income tax expense for the year	12,897	11,953
Adjustments for:		
Depreciation and amortisation	12,726	9,353
Impairment of intangibles	98	364
Net loss on disposal of property, plant and equipment	-	4
Share-based payments	13	812
Foreign exchange differences	(231)	35
Capitalised development costs	(756)	(569)
Non-cash finance costs	624	-
Revaluation of contingent consideration	(717)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	223	(1,531)
Decrease in derivative assets	10	92
Increase in prepayments	(54)	(571)
Increase in trade payables	912	2,962
Increase/(decrease) in provision for income tax	442	(1,305)
Increase in deferred tax liabilities	1,887	707
Increase/(decrease) in employee benefits	(111)	104
Increase in deferred revenue	139	(369)
Net cash from operating activities	<u>28,102</u>	<u>22,041</u>

Changes in liabilities arising from financial activities

There were no liabilities arising from financial activities for cash flow purposes.

Note 17. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below.

	Consolidated	
	2018	2017
	\$	\$
Short-term employee benefits	1,728,982	1,742,156
Post-employment benefits	87,300	85,455
Long-term benefits	1,027	367
Share-based payments	129,246	631,791
	<u>1,946,555</u>	<u>2,459,769</u>

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Note 18. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2018	2017
	\$'000	\$'000
Profit after income tax	12,800	7,284
Total comprehensive income	12,800	7,284

Statement of financial position

	Parent	
	2018	2017
	\$'000	\$'000
Total current assets	20,705	21,674
Total assets	73,795	60,955
Total current liabilities	9,835	9,720
Total liabilities	22,500	14,546
Equity		
Issued capital and treasury shares held in trust	12,923	12,923
Cash flow hedge reserve	-	(10)
Share-based payments reserve	3,845	3,499
Retained profits	34,527	29,997
Total equity	51,295	46,409

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2018 and 30 June 2017.

Contingent liabilities

Other than the guarantee below, there were no unrecognised contingent liabilities as at 30 June 2018 and 30 June 2017.

The parent entity has provided a bank performance guarantee to a maximum value of \$0.722 million (2017: \$1.231 million) relating to the lease commitments on its corporate headquarters.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2018 and 30 June 2017.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 20, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

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Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company, and unrelated firms:

	Consolidated	
	2018	2017
	\$	\$
Audit services - Deloitte Touche Tohmatsu		
Audit or review of the financial statements	179,000	198,000
Other services - Deloitte Touche Tohmatsu		
Tax services	99,000	103,000
Other review services	20,000	-
	119,000	103,000
	<u>298,000</u>	<u>301,000</u>
Audit services - other auditors		
Audit or review of the financial statements	17,080	16,689
Other services - other auditors		
Tax services	1,182	1,148
	<u>18,262</u>	<u>17,837</u>

Note 20. Basis of preparation and other accounting policies

Infomedia Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

3 Minna Close
 Belrose, Sydney NSW 2085

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 August 2018. The directors have the power to amend and reissue the financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The accounting policies adopted in the preparation of the financial statements have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are presented in Australian dollars, which is Infomedia Ltd's functional and presentation currency.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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Note 20. Basis of preparation and other accounting policies (continued)

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets and liabilities at fair value through profit or loss.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Infomedia Ltd as at 30 June 2018 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Reclassification of comparatives

Prior period comparative information has been revised in these financial statements to conform with the current period's presentation. The reclassifications are:

- the splitting out of provisions from other payables;
- computer software is reclassified as intangibles from property, plant and equipment;
- the splitting out of the effect of exchange rate changes on balances of cash held in foreign currencies from payments to suppliers and employees; and
- the splitting out of the other services by the Group's auditor and audit and other services by the Group's other auditors from general and administration expenses.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Subscription revenue

The Group's recurring revenue is through subscription. Subscription revenue is recognised when customers are licensed to access the software and/or the database. Subscription revenue together with related support revenue, if any, is recognised over the service period.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Infomedia Ltd
Notes to the consolidated financial statements
30 June 2018

Note 20. Basis of preparation and other accounting policies (continued)

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Reserves

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees as part of their remuneration.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2018. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and introduces new classification and measurement models for financial assets.

A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and are solely payments of principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income.

New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures.

The Group will adopt this standard from 1 July 2018. As at 30 June 2018, the Group's financial assets and liabilities can be categorised as follows:

- the financial assets only consist of cash and cash equivalents and trade and other receivables;
- the financial liabilities only consist of trade and other payables (the contingent consideration liability arising from the business combination which occurred during the period, is not included in the definition of trade and other payables for the purposes of AASB 9);
- financial assets and liabilities do not carry any financing component as at 30 June 2018;
- all the financial assets and liabilities carrying values are close to fair value. This includes newly recognised contingent liabilities arising from the business combination which occurred during the financial year; and
- there are no other financial instruments at the end of the reporting period.

Management has assessed the implications of the new standard in particular the use of the 'simplified approach' to evaluate potential impairment of the Group's trade receivables. Based on management's assessment, implementation of AASB 9 on 1 July 2018 is not expected to have a significant financial impact on the Group.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018 and provides a single standard for all revenue recognition. The core principle of AASB15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Infomedia Ltd
Notes to the consolidated financial statements
30 June 2018

Note 20. Basis of preparation and other accounting policies (continued)

Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Standard also requires an assessment of whether the costs of acquisition and costs of fulfilment of contracts should be recorded as an asset and amortised on a systematic basis consistent with the Group's transfer of goods and services to its customer.

Current revenue recognition

The Group derives the majority of its revenue from recurring 'software as a service' subscriptions, where customers are licensed to access and use the software and associated support services. Related support revenue (if any) is recognised over the service period. Revenue from software installations for new customers, is recognised once installation is complete.

Revenue in the Group's respective segments (as reported in Note 1, Operating Segments) is generated through one or more of the following categories:

- recurring subscriptions to the Group's software products, comprising approximately 95% of total revenue;
- software development services to tailor off-the-shelf software solutions for specific use or functionality requirements; and
- ancillary services in the form of software installation and training.

Management considers that the economic factors affecting the nature, amount and timing of revenues and cash flows are consistent within each category.

Under the existing Standard AASB118, the Group recognises revenue when customers are licenced to access the software and/or the database. Related support revenue (if any) is recognised over the service period. Revenue from software installations for new customers, is recognised once installation is complete.

Application of the new standard AASB15

The nature of Infomedia's services is that it provides a consistent subscription based service with similar support services; however, its contracts are tailored to meet the specific needs of its customers.

The focus of management's assessment was to first to evaluate its standard licence to access subscription and support services against each of the 5-steps noted above, with regards to the licencing guidance in the standard. Secondly, management has additionally assessed any unique performance obligations and/or pricing arrangements within its material contracts to determine the appropriate treatment for these.

Management have completed their evaluation of Infomedia's material contracts against the 5-step approach noted above, and based on this evaluation have determined that, other than additional disclosures required, the implementation of AASB 15 on 1 July 2018 is not expected to have a significant financial impact on the Group.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. Under the new standard, a lessee is in essence required to: (a) recognise all right of use assets and lease liabilities, with the exception of short term (under 12 months) and low value leases, on the statement of financial position. The liability is initially measured at the present value of future lease payments for the lease term. This includes variable lease payments that depend on an index or rate but excludes other variable lease payments. The right of use asset reflects the lease liability, initial direct costs, any lease payments made before the commencement date of the lease, less any lease incentives and, where applicable, provision for dismantling and restoration; (b) recognise depreciation of right of use assets and interest on lease liabilities in profit or loss over the lease term; and (c) separate the total amount of cash paid into a principal portion (presented within financing activities) and interest portion (which the Group presents in operating activities) in the statement of cash flows.

This standard must be implemented retrospectively, either with the restatement of comparatives or with the cumulative impact of application recognised on the date of adoption (which for the group is 1 July 2019) under the modified retrospective approach. AASB 16 contains a number of practical expedients, one of which permits the classification of existing contracts as leases under current accounting standards to be carried over to AASB 16. Under the modified retrospective approach, on a lease-by-lease basis, the right of use asset may be deemed to be equivalent to the liability at transition or calculated retrospectively as at inception of the lease. The present value of the Group's operating lease commitments (such as those detailed in note 11), excluding low value leases and short term leases, will be shown as right of use assets and as lease liabilities on the statement of financial position.

Infomedia Ltd
Notes to the consolidated financial statements
30 June 2018

Note 20. Basis of preparation and other accounting policies (continued)

In preparation for the transition to the new standard, management is working to an implementation plan comprising five stages:

- Stage 1: High Level assessment of financial impact
- Stage 2: Readiness for lease data collection
- Stage 3: Transition plan
- Stage 4: Solution and recommendation
- Stage 5: Implementation by 1 July 2019

Management currently is in the process of reviewing the impact of this standard on the Group.

Revised Conceptual Framework for Financial Reporting

The revised Conceptual Framework has been issued by the International Accounting Standards Board ('IASB'), but the Australian equivalent has yet to be published. The revised framework is applicable for annual reporting periods beginning on or after 1 January 2020 and the application of the new definition and recognition criteria may result in future amendments to several accountings standards. Furthermore, entities who rely on the conceptual framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under Australian Accounting Standards may need to revisit such policies. The Group will apply the revised conceptual framework from 1 July 2020 and is yet to assess its impact.

Infomedia Ltd
Directors' declaration
30 June 2018

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 20 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Bart Vogel
Chairman

15 August 2018

Independent Auditor's Report to the members of Infomedia Ltd

Opinion

We have audited the financial report of Infomedia Ltd and its subsidiaries (the "Entity"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the director's declaration.

In our opinion the accompanying financial report of the Entity is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Entity's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter and why it was considered to be a matter of most significance in the audit	How the Key Audit Matter was addressed in the audit
<p>Capitalised labour development costs</p> <p>As at 30 June 2018, the Entity's carrying value of the product and software development costs capitalised as intangibles is \$34.4m of which \$18.5m is attributable to capitalisation in the current financial year as disclosed in Note 6 to the financial report.</p> <p>Judgment is involved in determining whether the labour costs are directly attributable to develop the Entity's product suite and new software and appropriate to capitalise.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Holding discussions with department heads involved in product development to understand the basis and rationale for capitalising labour costs; • Testing on a sample basis capitalised labour costs through reviewing timesheets and holding discussions with staff members outside the finance department; • Testing on a sample basis employees' timesheets to assess that all employees are included; • Challenging management's key assumptions in the labour capitalisation calculation including the treatment of employee on-costs and contractors; • Testing mathematical accuracy of management's labour capitalisation schedule; and <p>We also assessed the appropriateness of the disclosure in Note 4 and Note 6 to the financial report.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves a fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 31 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Infomedia Ltd, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of Infomedia Ltd are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

The logo for Deloitte Touche Tohmatsu, featuring the company name in a stylized, handwritten font.

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, reading "Sandeep Chadha".

Sandeep Chadha
Partner
Chartered Accountants
Sydney, 15 August 2018

SHAREHOLDER INFORMATION

As at 25 July 2018

The following information is presented in compliance with ASX Listing Rules 4.10 (as relevant). The information is current as at 25 July 2018.

1. Number of shareholders

As at 25 July 2018 there were 5,030 shareholders holding a total of 310,823,521 fully paid ordinary shares.

2. Distribution of quoted equity securities and small holdings

Range	Fully paid ordinary shares	%	No. of holders
100,001 and over	249,090,731	80.14	128
10,001 to 100,000	48,169,658	15.50	1,657
5,001 to 10,000	8,178,634	2.63	1,009
1,001 to 5,000	5,040,882	1.62	1,667
1 to 1,000	343,616	0.11	569
Total	310,823,521	100.00	5,030

The number of holders holding less than a marketable parcel is 198.

3. Top 20 registered shareholders

Name		%
J P Morgan Nominees Australia Limited	66,175,145	21.29
HSBC Custody Nominees (Australia) Limited	55,457,389	17.84
Citicorp Nominees Pty Limited	32,934,497	10.60
Bell Potter Nominees Ltd	28,526,238	9.18
BNP Paribas Noms Pty Ltd	13,459,773	4.33
BNP Paribas Nominees Pty Ltd	13,300,786	4.28
National Nominees Limited	6,867,333	2.21
Neweconomy Com Au Nominees Pty Limited	1,536,217	0.49
Mr Peter Alexander Brown	1,350,000	0.43
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd Drp	1,292,110	0.42
Pacific Custodians Pty Limited	1,254,142	0.40
UBS Nominees Pty Ltd	783,505	0.25
Pacific Custodians Pty Limited	724,789	0.23
Invia Custodian Pty Limited	654,431	0.21
Brispot Nominees Pty Ltd	650,785	0.21
Bond Street Custodians Ltd	580,000	0.19
CS Fourth Nominees Pty Limited	524,187	0.17
Zero Nominees Pty Ltd	516,071	0.17
Mojeli Pty Ltd	510,000	0.16
Bodyelectric Pty Ltd	500,000	0.16
Mr William John Laukka & Mrs Elizabeth Anne Laukka	500,000	0.16
Total	228,097,398	73.38

SHAREHOLDER INFORMATION

As at 25 July 2018 (continued)

4. Substantial shareholders

The following information is extracted from substantial shareholder notices received by the Company

Shareholder	Number of shares	Voting Power	Date of last notice
Viburnum Funds Pty Ltd ACN 126 348 990	45,647,879	14.69%	11 October 2017
BT Investment Management Limited	18,876,829	6.07%	26 February 2018
Yarra Funds Management Limited ACN 005 885 567; Yarra Capital Management Holdings Pty Ltd ACN 614 782 795; Yarra Management Nominees Pty Ltd ACN 616 681 068; AA Australia Finco Pty Ltd ACN 614 781 172; TA SP Australia TopCo Pty Ltd ACN 612 486 452; TA Universal Investment Holdings Ltd	17,349,049	5.58%	24 May 2018
Ellerston Capital Limited	16,671,918	5.36%	26 October 2017
Pinnacle Investment Management Group Limited	15,638,390	5.03%	20 June 2018

5. Unquoted equity securities

	Number on issue	Number of holders
Unquoted share options	5,750,000	2
Unquoted performance rights	3,264,541	32

6. Voting rights

Fully paid ordinary shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll shall have one vote for each share represented.

Unquoted share options and performance rights: No voting rights apply unless and until the unquoted securities are converted to fully paid ordinary shares.

7. Share buy-back

Infomedia Ltd does not have a current on-market buy-back in operation.

8. Shares purchased on-market

During the reporting period 1,137,528 shares were purchased on-market to satisfy share options or performance rights which may vest and be exercised in future periods, as granted under employee incentive schemes. The average purchase price was 79 cents per share.

9. Corporate Governance Statement

Infomedia's 2017 Corporate Governance Statement may be found by visiting <http://www.infomedia.com.au/investors/corporate-governance/>

CORPORATE DIRECTORY

INFOMEDIA LTD (ASX:IFM)

ABN 63 003 326 243

DIRECTORS

Bart Vogel – Non-Executive Chairman
Jonathan Rubinsztein – CEO & Managing Director
Paul Brandling
Clyde McConaghy
Anne O'Driscoll

COMPANY SECRETARIES

Daniel Wall
Mark Grodzicky

CHIEF FINANCIAL OFFICER

Richard Leon

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Sydney NSW 2000

All statements other than statements of historical fact included within this report, including statements regarding future goals and objectives of Infomedia, are forward-looking statements. Forward-looking statements can be identified by such words as 'looking forward', 'anticipate', 'believe', 'could', 'estimate', 'expect', 'future', 'intend', 'may', 'opportunity', 'plan', 'potential', 'project', 'seek', 'will' and other similar words. Future looking statements involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and based on assumptions and estimations regarding future conditions, events and actions. Such statements do not guarantee future performance, involve risk, and uncertainty. Factors such as these are beyond the control of the company, its directors and management and could cause Infomedia's actual results to differ materially from the results expressed in these statements. The Company does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this report will actually occur. Investors are cautioned not to place reliance on these forward-looking statements. Infomedia will where required by applicable law and stock exchange listing requirements, revise forward-looking statements or publish prospective financial information in the future. Whilst all care has been exercised in the preparation of these materials they are not warranted as free from error. Investors should rely on the Company's published statutory accounts when forming any investment decisions.



Global leaders in parts and service software