

ASX Company Announcement | Issue Date: 1 July 2015

NEWZULU EXPANDS MOBILE BUSINESS WITH PROPOSED ACQUISITION OF OCTIPLEX

Newzulu Limited (ASX: NWZ) is pleased to announce that it has entered a binding agreement to acquire a 100% interest in Octiplex, a leading mobile applications and solutions developer (the **Acquisition**), with mobile software engineering operations in France, Brazil and China. The Acquisition will establish Newzulu's Mobile division (newzululimited.com/mobile) as a world leader in mobile app development for the media and advertising industry, leveraging Newzulu's global sales and operations infrastructure.

The Consideration represents a valuation of the Acquisition at approximately 2.6 times (2.6x) twelve month historical EBITDA. Newzulu's business plan includes significant global expansion of Newzulu Mobile's operations, including sales to existing and prospective clients and partners worldwide.

Newzulu Executive Chairman Alexander Hartman said of the proposed Acquisition: "Mobile is key to the future of the media and advertising industries and Newzulu's acquisition of Octiplex positions Newzulu Mobile to capitalise on the huge global market for mobile application development. The acquisition of Octiplex presents significant synergistic benefits and strategic expansion opportunities for Newzulu. Newzulu Mobile will significantly increase its mobile software engineering capabilities and the depth of its relationship with both Apple and Google through the acquisition of Octiplex."

Acquisition highlights

- + The Acquisition has the potential to generate higher levels of earnings for Newzulu Mobile.
- + Newzulu is positioned to acquire Octiplex's extensive software library which allows rapid design, development and delivery of iOS and Android apps.
- + Octiplex is part of the Apple Consultant Network and is an Apple Authorised Training Center.
- + Newzulu will integrate the technical development resources of Octiplex and reduce the Company's previously outsourced mobile development costs.
- + Consideration for the Acquisition is up to €725,000 (approximately A\$1,055,000), to be settled as cash payment of €362,500 and fully paid ordinary shares in Newzulu up to the value of €362,500.

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The Octiplex business

Octiplex was founded in 2008 and is headquartered in Lyon, France, has offices in Sao Paolo, Brazil and also operates in Beijing, China. Octiplex is a software design and engineering company that develops mobile applications for the media and advertising industry. Octiplex has delivered mobile apps to major media companies and brands across the USA, Europe and South America, including the development of Newzulu's own apps and software development kits (SDKs) for Apple's iOS and Google's Android platforms.

Consideration for the Acquisition

Consideration for the Acquisition is up to €725,000 (approximately A\$1,055,000), to be settled as cash payment of €362,500 and fully paid ordinary shares in Newzulu up to the value of €362,500 (**Consideration Shares**).

The number of Consideration Shares to be issued will be calculated based upon:

- (a) the volume weighted average price of Shares over the five (5) days preceding the completion date of the Acquisition: and
- (b) the average exchange rate over the five (5) days preceding the completion date of the Acquisition as quoted by the Company's foreign exchange financial institution.

The Consideration Shares will be subject to a 12 month voluntary escrow period.

Reasons for the Acquisition

- + **Increased Revenues:** Newzulu Mobile, with the acquisition of Octiplex, will provide bespoke mobile software engineering services to Newzulu's existing partners and clients, including media outlets and brands.
- + **Intellectual Property:** Octiplex has developed an extensive software library allowing rapid design, development and delivery of iOS and Android apps for media companies and brands.
- + **Software Engineering Team:** The Octiplex team bring with them extensive skills and expertise in mobile app development.
- + **Cost Synergies:** The integration of Octiplex will reduce Newzulu's mobile development costs as previously outsourced software engineering is moved in-house.

Conditions Precedent

Completion of the Acquisition is conditional upon the satisfaction (or waiver) of a number of conditions precedent, including:

- (a) the Company successfully completing a capital raising of at least AU\$1,459,000;
- (b) Mr Damien Gosset remaining with Octiplex and, more broadly, with the Company group following completion of the Acquisition;
- (c) the Company obtaining all necessary shareholder, regulatory and third party approvals in relation to the Acquisition.

Upon completion of the acquisition, Newzulu will welcome the founder of Octiplex, Damien Gosset, as Senior Vice President of Newzulu Mobile. The addition of the Octiplex mobile applications and software engineering team will position Newzulu Mobile at the forefront of mobile design and development for the world's leading media companies and brands.

Newzulu is in the process of preparing a notice of meeting to refresh the Company's 15% capacity and to seek approval to issue the Consideration Shares for the Acquisition. It is anticipated that the general meeting will be held by the first week of August 2015.

- ENDS -

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About Newzulu

Newzulu is a crowd-sourced media company that allows anybody, anywhere, with a smart phone and a story, to share news, get published and get paid. Headquartered in Paris, Newzulu operates bureaus in London, New York, Los Angeles, Toronto, Montreal, Sydney and Perth. In February 2015 Newzulu completed the acquisition of leading Toronto based user-generated content marketing software company Filemobile Inc., Newzulu operates in partnership with Getty Images, Alamy, Agence France-Presse (AFP) in France, Press Association (PA) in the UK & Ireland, DDP in Germany, Canadian Press (CP) in Canada, Australian Associated Press (AAP) in Australia, Czech News Agency (CTK) in the Czech Republic and Aflo Co., Ltd in Japan. Further information can be found on www.newzululimited.com