

ASX RELEASE

29 JANUARY 2016

## QUARTERLY ACTIVITIES REPORT: PERIOD ENDED 31 DECEMBER 2015

### Highlights

- **Strong business growth continued in the December quarter with the achievement of a record \$10.1 million in revenue representing:**
  - an increase of 34% on the September 2015 quarter
  - an increase of 274% on the December 2014 quarter
- Revenue significantly outperformed prior guidance given during the December quarter of \$9.4 million
- Revenue of \$17.6 million for the half year, up 468% on previous corresponding period
- The business continued to trade profitably for the quarter. The Company's half year financial report is due to be released in February
- **Growth underpinned by continued expansion of advertiser client base and affiliate network:**
  - 165 Advertiser clients - an increase of 104% on December 2014 quarter
  - 403 active Affiliates - an increase of 229% on December 2014 quarter
- Continued high retention of Advertiser clients along with increased spend, demonstrating Tech Mpire's ability to deliver consistent tangible results
- Significant traction outside of North America, particularly across Asia with 27% of the Company's revenue coming from the region
- The Company enters the March 2016 quarter with a strong sales pipeline and significant funding to continue strategic business growth
- Company retains circa \$4.9m in cash and \$6.4m in net receivables at 31 December

Tech Mpire Limited (**Company** or **Tech Mpire**) (ASX: TMP) provides the following information and the attached Appendix 4C regarding the quarter ended 31 December 2015.

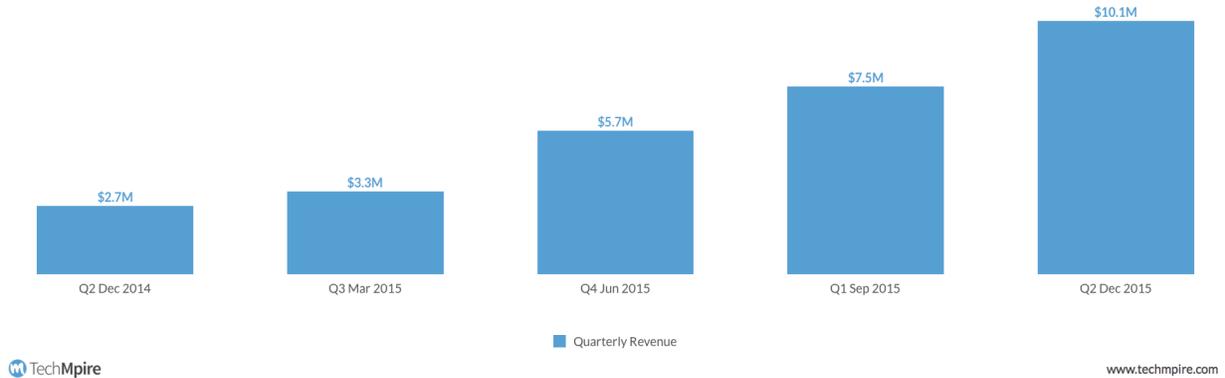
### OPERATIONS

#### SIGNIFICANT GROWTH ON THE BACK OF RECORD REVENUES

Revenue for the quarter totalled \$10.1 million, a 34% increase on the September 2015 quarter and a 274% increase on the corresponding quarter of the prior financial year. Revenue for the Half Year ending 31 December 2015 totalled a record \$17.6 million, demonstrating significant business growth.

Tech Mpire is also pleased to advise that the business continued to trade profitably for the December quarter, making it the second consecutive quarter in which the Company has traded profitably. Further details will be available in the half year financial report due to be released in February.

### Revenue

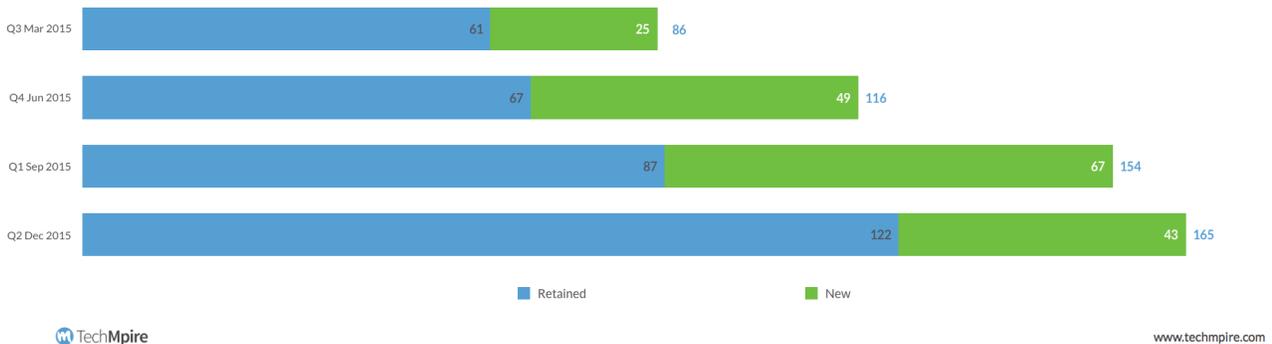


Revenue (FY 2016 unaudited)

### ADVERTISER CLIENTS AND AFFILIATE NETWORK

Revenue growth was driven by a combination of continued new client acquisition, a high client retention rate and increased spend per client.

### New & Retained Advertisers



The affiliate network continues to expand with a total of 2,861 Affiliates registered at the end of the December quarter. The Company’s successful marketing initiatives have been a key driver of this rapid increase in registrations.

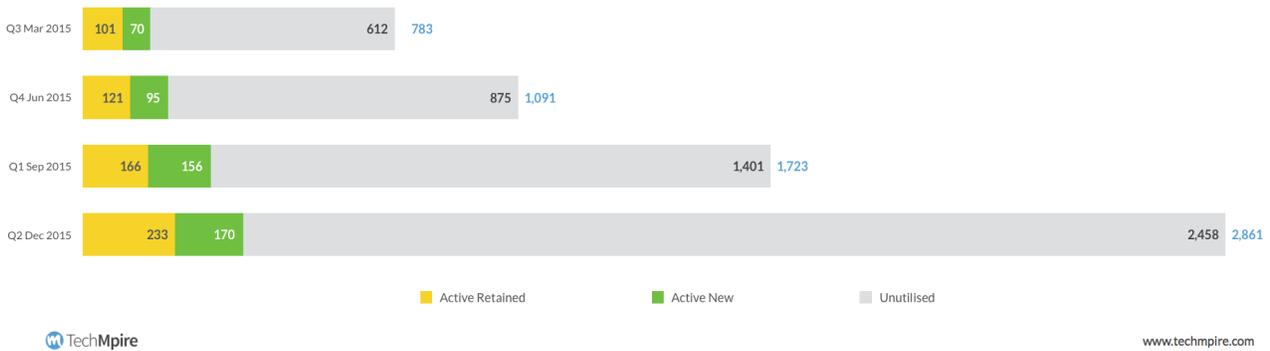
Tech Mpire continues to focus on activating the top affiliates across a number of industries. Affiliates undergo a rigorous screening and selection process that constantly evolves, reinforcing the Company’s commitment to performance.

The expanded network provides the client base with increased global advertising capabilities across the online and mobile market.

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## Registered Affiliates



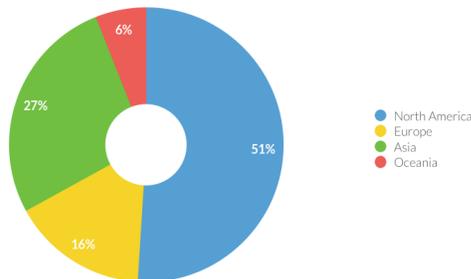
### GROWTH CONTINUES IN TARGET REGIONS

Successful business development initiatives in Asia have led to a significant increase in the Company's client base in this region. Shanghai's ChinaJoy conference, attended in July 2015, resulted in over 100 new advertiser prospects being added to the sales pipeline and 13 new brand clients engaged to use the Tech Mpire platform for performance based campaigns.

Building on the success of ChinaJoy, the Company took up gold sponsorship of the first Affiliate World Asia Conference hosted in Bangkok, in December. With over 1500 delegates, Tech Mpire was able to continue growing brand awareness in the region among both affiliates and advertiser clients.

In the December quarter, revenue from Asia increased 245% on the prior quarter, accounting for 27% of the Company's total revenue. This increase demonstrates the traction that Tech Mpire has achieved in the region. The Company continues to grow its advertiser client base across North America and has achieved an increase in revenue from North American clients of 65%.

### Revenue by Advertiser Region Q2 Dec 2015



## CAMPAIGN SUCCESS

During the quarter, the Company reported it had achieved over 10 million mobile app installs for its advertiser clients via its platform. This equates to over 3,000 mobile app campaigns across 200 countries demonstrating the global reach of the affiliate network and success of its campaigns.

During the December quarter alone, the Company reported over 5.5 million installs across its mobile campaigns, which are becoming a significant driver of revenue growth.

## CASH POSITION

As at 31 December 2015, the Company had cash and net receivables of \$11.3 million, comprising circa \$4.9 million of cash and \$6.4 million in net receivables. Other than a debt factoring facility current liability (\$0.3 million at 31 December) the Company has no debt and enters the March 2016 quarter well funded to enable it to continue implementing business development initiatives to drive ongoing growth and expansion.

As foreshadowed in the ASX announcement released on 16 December 2015, one client had exceeded the Company's internal aged debtor thresholds. In accordance with the Company's internal controls and debt recovery procedures, legal proceedings to recover the balance owing have commenced. There has been no material change to the status of the debtor and the company continues to pursue the matter legally. The Company may provide for the balance owing partially or in full as part of the completion of the half year reports.

## OUTLOOK

The March quarter is usually influenced by seasonality stemming from the January holiday period, and the reduced number of business days in February. Due to a strong December quarter, established sales pipeline and planned business development initiatives, Tech Mpire is optimistic of further business growth into the March quarter.

-Ends-

For more information, please contact:

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## Appendix 4C

### Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Tech Mpire Limited

ABN

88 156 377 141

Quarter ended ("current quarter")

December 2015

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	8,869	13,163
1.2 Payments for		
(a) staff costs	(1,433)	(2,470)
(b) advertising and marketing	(7,003)	(12,399)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(272)	(743)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	16	37
1.5 Interest and other costs of finance paid	(80)	(105)
1.6 Income taxes paid (payment plan: prior year liability)	(118)	(268)
1.7 Other (provide details if material)	21	35
<b>Net operating cash flows</b>	<b>-</b>	<b>(2,750)</b>

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**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	-	(2,750)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(12)	(38)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(12)</b>	<b>(38)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(12)</b>	<b>(2,788)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	20	20
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material):		
Payment of share issue costs	-	(377)
Advances received: debtor factoring facility	950	2,391
Repayments made: debtor factoring facility	(577)	(577)
<b>Net financing cash flows</b>	<b>393</b>	<b>1,457</b>
<b>Net increase (decrease) in cash held</b>	<b>381</b>	<b>(1,331)</b>
1.21 Cash at beginning of quarter/year to date	4,849	6,234
1.22 Exchange rate adjustments	(308)	19
<b>1.23 Cash at end of quarter</b>	<b>4,922</b>	<b>4,922</b>

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	83
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	<p>Explanation necessary for an understanding of the transactions</p> <div style="border: 1px solid black; padding: 5px;"> <p>Item 1.2(b), payments for advertising and marketing, includes payments relating to the cost of supplying advertising services to customers as well as payment of the Company's own advertising and marketing expenses.</p> </div>	

**Non-cash financing and investing activities**

2.1	<p>Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows</p> <div style="border: 1px solid black; padding: 5px;"> <p>Non-cash flow financing activity: Cash received from debtors by the debt factoring lender has the effect of reducing both the debtor balance and the Debtor Factoring Facility loan balance. This is a non-cash movement and so is not disclosed in the Consolidated Statement of Cash Flows. The amount was \$557,000 in the current quarter and \$2,114,000 in the year to date.</p> </div>
2.2	<p>Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest</p> <div style="border: 1px solid black; padding: 5px; height: 40px;"> <p>N/A</p> </div>

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		
3.3	Other: debtor factoring facility	1,011	331

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
4.1	Cash on hand and at bank	3,922	3,849
4.2	Deposits at call	1,000	1,000
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>		<b>4,922</b>	<b>4,849</b>

**Acquisitions and disposals of business entities**

	<b>Acquisitions (Item 1.9(a))</b>	<b>Disposals (Item 1.10(a))</b>
5.1	Name of entity	N/A
5.2	Place of incorporation or registration	N/A
5.3	Consideration for acquisition or disposal	N/A
5.4	Total net assets	N/A
5.5	Nature of business	N/A

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### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security	Amount paid up per security
6.1 <b>Preference <sup>+</sup>securities</b> <i>(description)</i>				
6.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
6.3 <b><sup>+</sup>Ordinary securities</b>	60,641,001	50,611,589		
6.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	100,000	100,000	\$0.20	\$0.20
6.5 <b><sup>+</sup>Convertible securities</b> Performance Rights #	12,500,000	-	Nil	Nil
6.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
6.7 <b>Options</b> <i>(description and conversion factor)</i>	6,900,000 7,000,000		<i>Exercise price</i> \$0.20 \$0.50	<i>Expiry date</i> 31/12/2016 29/06/2018
6.8 Issued during quarter				
6.9 Exercised during quarter	100,000		\$0.20	
6.10 Expired during quarter				
6.11 <b>Debentures</b> <i>(totals only)</i>				
6.12 <b>Unsecured notes</b> <i>(totals only)</i>				

# Performance rights comprise:

- 5,000,000 Class A Performance Rights vesting upon cumulative gross revenue of \$25,000,000 being achieved within 18 months from 29 June 2015.
- 7,500,000 Class B Performance Rights vesting upon cumulative net profit before tax of at least \$1,500,000 being achieved within 24 months from 29 June 2015.

No performance rights vested during the quarter.

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**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

..... Date: 29 Jan 2016  
(Company secretary)

Print name: CLARE MADELIN

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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