

ASX RELEASE

13 December 2017

## TECH MPIRE SECURES \$3 MILLION IN PLACEMENT

### Highlights

- Tech Mpire Limited successfully closes its \$3m placement oversubscribed. The Company has scaled back applications and accepted \$3m in new ordinary equity.
- The Company is pleased to welcome new institutional and high net worth investors to the register and thanks existing shareholders for their ongoing support.
- Tech Mpire Limited's strengthened cash balance is significant as the Company can better service Tier 1 clients, who have the capacity to contribute significant revenues.

### Oversubscribed Capital Raising

**Tech Mpire Limited Ltd** (ASX:TMP) ("Tech Mpire" or "the Company") is pleased to announce it has successfully raised \$3 million (before costs) via a placement to professional and sophisticated investors, demonstrating strong support for Tech Mpire.

The issue price was \$0.20 per share, representing a 12.5% discount to the 10-day volume weighted average price of \$0.23 per share. The shares are expected to be issued within the next week.

The Company will issue a total of 15 million new fully paid ordinary shares as follows:

- 7,350,433 Shares under the Company's placement capacity under ASX Listing Rules 7.1A; and
- the remainder will be placed under the Company's Listing Rule 7.1 capacity.

This level of investor interest indicates strong support for Tech Mpire's growth strategy of pursuing the high growth APAC market and global Tier 1 customers through lean business development.

### The Significance of Balance Sheet Strength

Tech Mpire's competitive advantages include:

- *Platforms* - proven, proprietary technology platforms - nxus<sup>®</sup> and TrafficGuard™.
- *"One-stop shop" solution* – the combination of the two technology platforms allows the Company to provide a complete client solution which includes sourcing mobile app installs (through nxus<sup>®</sup>) and ensuring that they are high quality users, free of fraudulent activity (through TrafficGuard™).

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- *Big data analytics* - the more campaigns and traffic sources TMP works with, the smarter nxus<sup>®</sup> becomes.
- *Pricing model* – TMP's clients only pay when a user installs their app, representing low risk and high return on investment (ROI) for the advertiser.
- Balance sheet strength is another competitive advantage.

The Company undertook the capital raising to strengthen its balance sheet for the following reasons:

1. Tier 1 Clients are looking for strong balance sheets from partners. Even with the above competitive advantages, longevity and stability are key.
2. A strong cash balance permits TMP to service higher customer volumes. The Company typically pays its suppliers in ~7 days and receives its cash payments in ~60 days, which creates a growing working capital balance as the Company grows. Over time, the Company expects it will be able to negotiate improved payment terms from its Tier 1 customers and eventually access senior bank debt, which will improve the working capital position.

**Mr Lee Hunter, Managing Director, Tech Mpire commented:** *"The strong support we have received for this capital raising demonstrates the high level of investor interest in the Company and their support for our APAC strategy. We look forward to informing the market when first revenues in APAC are generated".*

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For more information, please contact:

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