

ASX RELEASE

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TMP SELLS 90% SHARE OF MPIRE NETWORK AND MOVES TO SAAS FOCUS

Key Highlights

- Tech Mpire has sold a 90% interest in its Canadian subsidiary, Mpire Network Inc. to Canadian performance marketplace, ClearPier Inc. for a cash consideration of \$900,000
- Enters profit share agreement with maximum earn out of \$6,000,000 for the first 3 years
- Executes two software as a service (SaaS) agreements with ClearPier for both TrafficGuard® and nxus® which will result in a minimum of \$600,000 in revenue for a minimum term of 1 year from both products
- The Company will now focus its resources on the continued development and commercialisation of both its TrafficGuard® and nxus® products
- Customer pipeline for TrafficGuard® is in place and the Company will update the market as further significant agreements are executed
- nxus® identified as second SaaS commercialisation project

Tech Mpire Limited ("Company" or "Tech Mpire") (ASX: TMP) is pleased to announce that it has executed an agreement for the sale of the majority share (90%) of its performance marketing business, Mpire Network, to Canadian advertising company, ClearPier for consideration of \$900,000 in cash (\$400,000 deferred) plus a maximum of \$6,000,000 under a 3 year profit share agreement.

After a stringent review of business operations and sector outlook, Tech Mpire will now focus on monetising its core advertising technology and offer both its ad fraud mitigation platform, TrafficGuard® and its advertising management platform, nxus® as SaaS products.

"At the core of Tech Mpire is its people and its proprietary technology. We see a big recurring revenue opportunity in providing TrafficGuard® and nxus® as a service to established businesses in the rapidly growing advertising industry. We believe this is an attractive growth business which also has long-term growth potential given that fraud is increasing at a rate faster than advertising spend." says interim CEO Mathew Ratty.

As a premium performance marketplace, ClearPier's extensive supply of quality traffic makes it a strategic fit with Mpire Network. Existing operational and strategic synergies between the companies, position Mpire Network for faster growth than it could achieve independently.

As anticipated in the CEO Letter ([see announcement dated 30 April 2018](#)), Tech Mpire launched its TrafficGuard® SaaS for commercial use on July 2018. The sale of the majority share of Mpire Network will enable Tech Mpire to focus its efforts on the growth of the TrafficGuard® business and the development of TrafficGuard's patent-pending technology. ClearPier will be among the first companies to license both TrafficGuard® and Tech Mpire's proprietary mediation platform, nxus®.

Mr Ratty further commented, "Providing TrafficGuard® and nxus® as software as a service represents significant revenue potential for Tech Mpire. This transaction with ClearPier allows us to not only benefit from the upside of future revenue increases but also to optimise resources and efforts into our higher margin SaaS business."

Transaction Consideration

ClearPier has acquired a 90% interest in Mpire Network for a \$900,000 cash consideration, of which \$500,000 has already been received and \$400,000 is deferred and will be paid over the next 14 months.

Tech Mpire has retained a 10% equity interest in the operating business and is also entitled to a profit sharing arrangement, which, for the first 3 years is subject to a maximum amount of \$6,000,000 as follows:

- 25% if net profit exceeds US\$1 million
- 10% if net profit is under US\$1 million

From year 4 onwards, the Company is entitled to a 10% share in net profit in line with its retained equity interest.

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For more information, please contact:

Investor Enquiries

Mathew Ratty
Chief Executive Office
Tech Mpire Limited
08 9473 2500
investor.enquiry@techmpire.com