

ASX RELEASE

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ACQUISITION STRENGTHENS TMP'S TECHNOLOGY TEAM

- **Tech Mpire has completed negotiations to acquire 100% ownership of Croatian software development company, Appenture**
- **The acquisition will provide Tech Mpire with a permanent European based technology team**
- **Specialising in application and advertising technology development, the Appenture team strengthens Tech Mpire's engineering capabilities, enabling faster and greater product development, as well as extending technical support availability**
- **As an established company with existing infrastructure, Appenture is well placed to begin immediate operations as part of Tech Mpire and to source the best European talent to help grow the Croatian office as well as the Tech Mpire group**
- **The acquisition supports Tech Mpire's long term vision to license its highly sophisticated technology as a cloud service (SaaS)**

Tech Mpire Limited (ASX: TMP) (**Tech Mpire** or **Company**) is pleased to announce that it has entered into a conditional agreement to acquire Croatian software development company, Appenture d.o.o (**Appenture**). The Appenture team brings specialist experience in the development of web and mobile applications, and advertising technology. The name Appenture and all personnel will be retained, joining existing Croatia-based Tech Mpire employees to support the Company's strategic focus on advertising technology innovation.

Tech Mpire is rapidly becoming recognized as a leader in the Cost-Per-Install (CPI) advertising market, comprising mobile application and gaming advertisers. The Company was recently included in the mobyaffiliates global list of Top Mobile Affiliate Networks. Over the last year, Tech Mpire's revenue from the mobile CPI sector increased 151% to account for 57% of total revenue (March 2016). Global revenue for the mobile internet advertising industry is forecast to reach US\$63.9 billion by 2019¹. The mobile application development expertise that accompanies the Appenture acquisition, will enable Tech Mpire to continue to capitalise on the rapid growth of the sector.

Appenture designs and develops end to end, cloud and mobile application solutions, for a number of international clients including a major Australian owned, international communications service provider. The Croatian team's expertise in developing large scale solutions will complement and strengthen Tech

Mpire's overall engineering capabilities.

Acquiring Appenture will enable Tech Mpire to instantaneously establish experienced technical and leadership teams in Europe, to help drive the Company's global ambitions.

Completion of the acquisition is conditional upon the satisfaction (or waiver) of the following conditions:

- (a) Appenture co-founders, Željko Draščić and Marko Šekez, continuing in the roles of Chief Technology Officer and non-executive director, respectively;
- (b) Appenture's two largest clients providing certain written confirmations to Tech Mpire;
- (c) Provision of acceptable balance sheets, profit and loss statements, as well as certain bank statements on completion. Appenture is to provide Tech Mpire with confirmations that accounts provided have been prepared in accordance with generally accepted accounting principles;
- (d) Entry into necessary powers of attorney and appointment of nominees to Appenture;
- (e) Appenture obtaining all necessary third party consents and there being no material adverse change in the circumstances of Appenture prior to completion.

Željko Draščić will retain the role of Chief Technology Officer, overseeing strategy and operations for the European office, in conjunction with the Perth Office. Marko Šekez will continue to support the business as a non-executive director for the European Office.

In consideration for the acquisition of all Appenture shares, Tech Mpire will pay AUD\$20,000, together with additional cash payments totalling 100% of the value of Appenture's net tangible assets as determined on the day immediately preceding completion (estimated to be AUD \$53,000)

Subject to ASX approval of the terms, 66,666 performance rights, will be issued to Appenture shareholders with vesting terms based on performance milestones following completion, as well as 33,334 fully paid ordinary shares.

Tech Mpire's Australian engineering and innovation team has grown to account for 29% of all Tech Mpire employees. Working in parallel, the European and Australian teams will seek to grow the Company's intellectual property and technology stack, helping bring innovations to market faster.

Tech Mpire's Managing Director, Mr Luke Taylor commented:

"Tech Mpire's long term strategy hinges on strong technology and innovation enabling us to scale, grow and adapt, faster than our competition. Appenture has developed extremely innovative, large scale

solutions for some impressive, global companies. We are extremely excited to strengthen our engineering capabilities with this acquisition, and the opportunities this presents for the future of the Company.

We have worked with Appenture in the past and they have demonstrated impressive work ethic and talent. They bring extensive experience in mobile software development that complements the expertise of our Australian team and I am looking forward to their valuable contribution. We are delighted to welcome the Appenture team to Mpire, and to continue strengthening our technology platform.”

Appenture’s co-founders, Mr Željko Draščić and Marko Šekez commented:

“The Appenture team is very excited to be joining Tech Mpire – their vision and values are perfectly aligned with those that we have fostered at Appenture. We are looking forward to playing an instrumental role in the development and implementation of long term strategy at Appenture as part of Tech Mpire, as well as being a part of the Company’s great culture and industry reputation. The entire team is looking forward to working with their new colleagues to deliver innovative ad tech solutions to drive Tech Mpire’s growth.”

¹ PWC: Global entertainment and media outlook 2015-2019

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