

ASX RELEASE

28 JULY 2016

QUARTERLY ACTIVITIES REPORT: PERIOD ENDED 30 JUNE 2016

Highlights

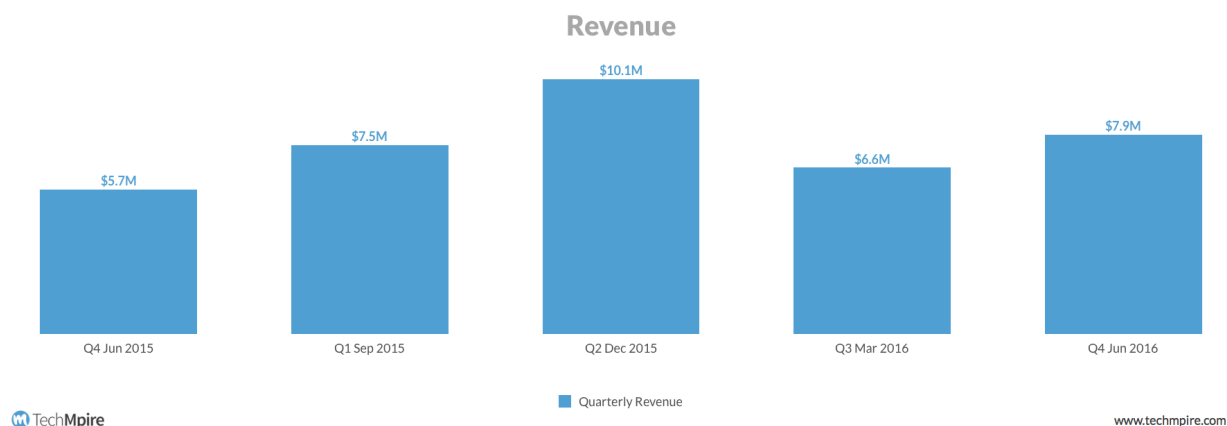
- **Revenue of \$7.9 million in the June 2016 quarter, representing:**
 - an increase of 20% on the March 2016 quarter
 - an increase of 39% on the June 2015 quarter
- **Record revenue of \$32.1 million achieved for the financial year 2016**
- **The business traded profitably before tax and before expenses relating to performance shares and rights**
- **Acquisition of Croatian software developer, Appenture d.o.o., bolstered the Company's technical expertise accelerating development of its proprietary technology platform, nxus®**
- **Performance milestone of \$25 million in cumulative revenue reached in April 2016 (since 29 June 2015), eight months ahead of schedule**
- **Tech Mpire's advertiser client base and affiliate network continued to expand in the June 2016 quarter:**
 - **Active advertiser clients grew by 9% on previous quarter**
 - **Network of active affiliates expanded by 9% on the previous quarter**
- **The Company enters the September 2016 quarter with a strong pipeline and is well funded to continue strategic business growth**
- **The Company has \$5.6 million in cash and \$4.7 million in net receivables at 30 June**

Tech Mpire Limited (**Company** or **Tech Mpire**) (**ASX: TMP**) provides the following information and the attached Appendix 4C regarding the quarter ended 30 June 2016.

OPERATIONS

REVENUE

Revenue for the June quarter grew by 19.7% on the March 2016 quarter to reach, \$7.9 million. Annual revenue for the 2016 financial year totalled \$32.1 million. Throughout the year, revenue growth has been driven by the expanding client base as well as the Company's increasing ability to satisfy larger clients and campaigns.

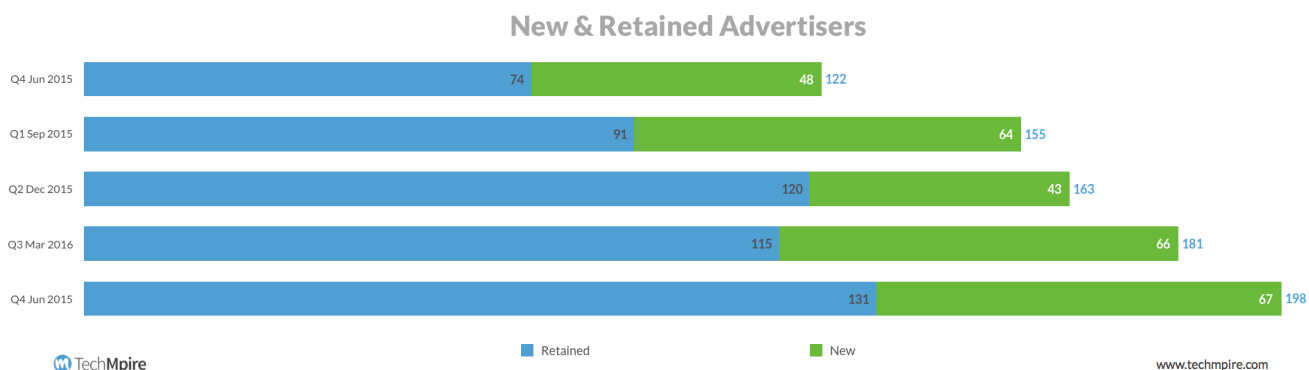


Tech Mpire’s expedited revenue growth throughout the 2016 financial year saw the Company achieve a significant performance milestone in April, when it reached \$25 million cumulative revenue (since 29 June 2015). This milestone, realised eight months ahead of internal expectations, triggered 5,000,000 performance rights to vest and convert into ordinary shares.

The business traded profitably over the quarter, and the 2016 financial year, before tax and before expenses due to performance shares and rights.

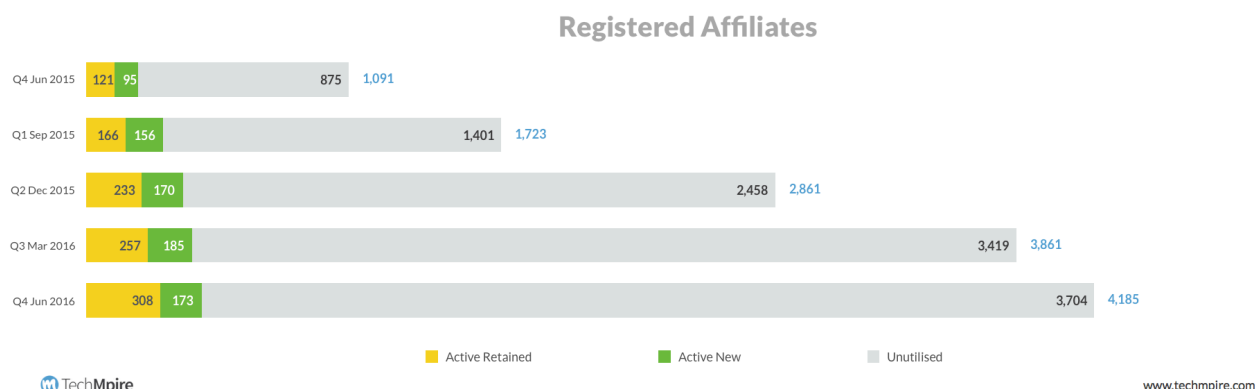
ADVERTISER CLIENTS

Tech Mpire’s active advertiser client base expanded over the June quarter by 9.4%. Pay per call campaigns were a particularly strong category, with 118% revenue growth on the previous quarter. Cost per install remained the dominant campaign type, accounting for over half of total revenue.



AFFILIATE NETWORK

Tech Mpire's network of active affiliates expanded by 8.8% on the March quarter, and by 122.7% on the June 2015 quarter. The Company's ability to draw larger clients, recognisable brands and campaigns, makes it more attractive for affiliates, driving growth of the affiliate network.



PRODUCT DEVELOPMENT

Through the acquisition of Croatian software developer, Appenture d.o.o. (announcement 14 June 2016), Tech Mpire was able to benefit from an immediate and substantial increase in technical expertise. This has begun to translate into accelerated development of its proprietary platform, nxus®.

Priorities of the product team included automation enhancements working towards the development of an advertiser self-serve portal, as well as analytical improvements to drive optimisation and quality.

Currently under development, the advertiser self-serve portal will allow Tech Mpire to provide a low touch service offering to previously non-viable advertisers with lower volumes of activity. This positions Tech Mpire among few performance marketing companies that can feasibly serve this market. Due to the low-touch nature of the self-serve portal, this is a highly scalable opportunity for the Company. The self-serve client base also presents an opportunity as a pipeline for the fully-managed services of the network, as client activity volumes expand.

Tech Mpire continued to make improvements to its data analysis and machine learning capabilities. These capabilities support many aspects of the business, including the Company's network quality control and compliance functions. Comprehensive analysis of the billions of data points that feed into nxus® daily, enable Tech Mpire to benchmark network activity and identify abnormal behaviours or trends for further examination. This proactive approach to quality control helps Tech Mpire safeguard the quality of its network and performance standards.

CASH POSITION

As at 30 June 2016, the Company had cash and net receivables of \$10.3 million (up from \$8.9 million at March 31, 2016), comprising \$5.6 million cash and \$4.7 million in net receivables.

Legal proceedings to pursue non-payment from an individual client in the December quarter, reached a settlement in the June quarter (announcement 4 July 2016). Tech Mpire is pleased to advise the recovery of approximately 70% of the outstanding trade debtor amount with \$0.9 million received. The Company continues to strengthen its risk management and debtor collection procedures.

OUTLOOK

The commencement of the September quarter has seen continued strong demand from new and existing advertiser clients. The Company enters the quarter well funded to continue further product and business development initiatives to grow demand and awareness in the lead up to the North American holiday season.

Further development of the advertiser self-serve portal will be a priority over the September quarter with anticipation of launching the new portal in the beginning of the December quarter. Exhibiting at international tradeshows, along with other business development initiatives, will help build the sales pipeline for the new service offering, as well as sustaining the pipeline for the Company's full service offering.

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

"Over the last year, we have been targeting high volume clients, and providing full campaign management with dedicated client account managers. Record revenue for the year reflects our success in pursuing this market and these high volume advertisers will remain a target as we move forward. With the development of self-serve functionality, we are broadening our target audience to cater to lower volume clients, and strengthening our position as a performance marketing innovator in the process."

"The achievement of significant revenue growth on the June 2015 quarter, increases our confidence in future performance for the more robust September and December quarters."

-Ends-

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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")

June 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from customers	7,980	28,661
1.2	Payments for		
	(a) staff costs #	(1,282)	(4,723)
	(b) advertising and marketing #	(5,803)	(23,437)
	(c) research and development #	(99)	(420)
	(d) leased assets	-	-
	(e) other working capital	(397)	(1,488)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	61
1.5	Interest and other costs of finance paid	(102)	(229)
1.6	Income taxes paid (payment plan: prior year liability)	(270)	(671)
1.7	Other (provide details if material)	24	139
Net operating cash flows		58	(2,107)

See "Additional notes to this report" page 6.

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

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	58	(2,107)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	(12)	(12)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(59)	(104)
(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)	-	-
Net investing cash flows	(71)	(116)
1.14 Total operating and investing cash flows	(13)	(2,223)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	40
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	-	2,476
Repayments made: debtor factoring facility	-	(577)
Net financing cash flows	-	1,562
Net increase (decrease) in cash held	(13)	(661)
1.21 Cash at beginning of quarter/year to date	5,572	6,234
1.22 Exchange rate adjustments	47	33
1.23 Cash at end of quarter	5,606	5,606

+ 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	61
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Non-cash flow financing activity: Payments by customers made directly to the debtor factoring agent have the effect of reducing both the debtor balance owed to the Company and the amount owing by the Company to the debtor factoring agent. Given the amounts paid by these customers are not received directly by the Company, they are treated as non-cash flow movements and are excluded from the cash flow movements shown in the Consolidated Statement of Cash Flows. The customer payments made directly to the debtor factoring agent totalled \$0 in the current quarter and \$2,527,000 in the year to date.

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

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	1,371

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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.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	5,606	5,572
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		5,606	5,572

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a)) \$A'000	Disposals (Item 1.10(a)) \$A'000
5.1	Name of entity	Appenture d.o.o
5.2	Place of incorporation or registration	Croatia
5.3	Consideration for acquisition or disposal	46 *
5.4	Total net assets	51 **
5.5	Nature of business	Development services

*\$46k is the cash component paid in the quarter out of the total consideration of \$85k.

** Subject to finalisation under the provisions of AASB 3: Business Combinations.

+ See chapter 19 for defined terms.

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	Preference ⁺securities (description)	-	-	-	-
6.2	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
6.3	⁺Ordinary securities	65,741,001	53,041,001	-	-
6.4	Changes during quarter				
	(a) Increases through issues	5,000,000	1,300,000	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
	(c) Increases through release from escrow	-	73,530	-	-
6.5	⁺Convertible securities				
	Performance Rights #	7,500,000	-	-	-
6.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	(5,000,000)	-	-	-
6.7	Options (description and conversion factor)	6,800,000	-	Exercise price \$0.20	Expiry date 31/12/2016
		7,000,000	-	\$0.50	29/06/2018
6.8	Issued during quarter	-	-	-	-
6.9	Exercised during quarter	-	-	-	-
6.10	Expired during quarter	-	-	-	-
6.11	Debentures (totals only)	-	-	-	-
6.12	Unsecured notes (totals only)	-	-	-	-

Performance rights comprise 7,500,000 Class B Performance Rights vesting upon cumulative net profit before tax of at least \$1,500,000 being achieved by Livelynk Group [^] within 24 months from 29 June 2015.

[^] "Livelynk Group" means Livelynk Group Pty Ltd and its subsidiaries, Mpire Media Pty Ltd and Mpire Network Inc.

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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: 27/7/16
(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.

Additional Notes

Item 1.2(a), payments for staff costs, excludes those costs relating to on-going technology development work which are included instead at item 1.2(c) – see (3) below.

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.

Item 1.2(c), payments for research and development, comprises primarily payroll costs and contractor costs relating to on-going technology development work.

+ See chapter 19 for defined terms.