



# DRIVING GLOBAL GROWTH THROUGH TECHNOLOGY

STRATEGY UPDATE - APRIL 2017

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# EXECUTIVE SUMMARY

Tech Mpire provides performance-based advertising solutions (also known as cost-per-action or CPA) to help advertisers acquire their new consumers wherever they are in the digital world. Our proprietary platform, nxus<sup>®</sup>, mediates and optimises the supply of traffic to our clients' online ad campaigns to maximise performance.

CPA means that an advertiser only pays when their specified action is completed, such as an install of an app, or a sale. Demand within this performance-based marketing sector is growing rapidly, especially with mobile advertisers.

While demand is growing, access to quality CPA supply of advertising inventory has been limited. There is a significant opportunity around growing this supply and finding efficient, scalable ways to meet this booming global demand.

## The 4 pillars of our technology-first strategy

To accelerate the development of nxus to meet the market opportunity, Tech Mpire continues to invest in technology around these key areas:

# 1.

Investment in **big data** analytics and automation to improve the efficiency, quality and profitability of our advertiser campaigns. This is the foundation for all of our technology.

# 2.

Accessing **higher-volume sources of supply**, allowing us to better satisfy the significant global demand.

# 3.

**Strengthening our mobile business**, by providing better audience data and easier engagement for mobile advertisers.

# 4.

The continued evolution of our **quality assurance measures** to eliminate invalid traffic and improve the ROI for our clients and partners.

## OUR MISSION

To maximise the impact and reach of every dollar invested in digital advertising.

## WHAT WE DO

Tech Mpire provides **performance-based advertising** (also known as cost-per-action or CPA) to help advertisers reach their target audiences wherever they are in the digital world. Our proprietary platform **nxus**<sup>®</sup>, mediates and optimises the supply of traffic to our clients' online ad campaigns.

## How CPA works



We leverage our network of supply partners to help advertisers reach their target audience online.



nxus uses proprietary algorithms to determine the best place to display the ads. It then tracks the entire consumer journey from when they first click on an ad...



...through to the achievement of a conversion such as a sale or an app install.



Advertisers only pay for conversions. This payment model is known as performance-based or CPA (cost-per-action).

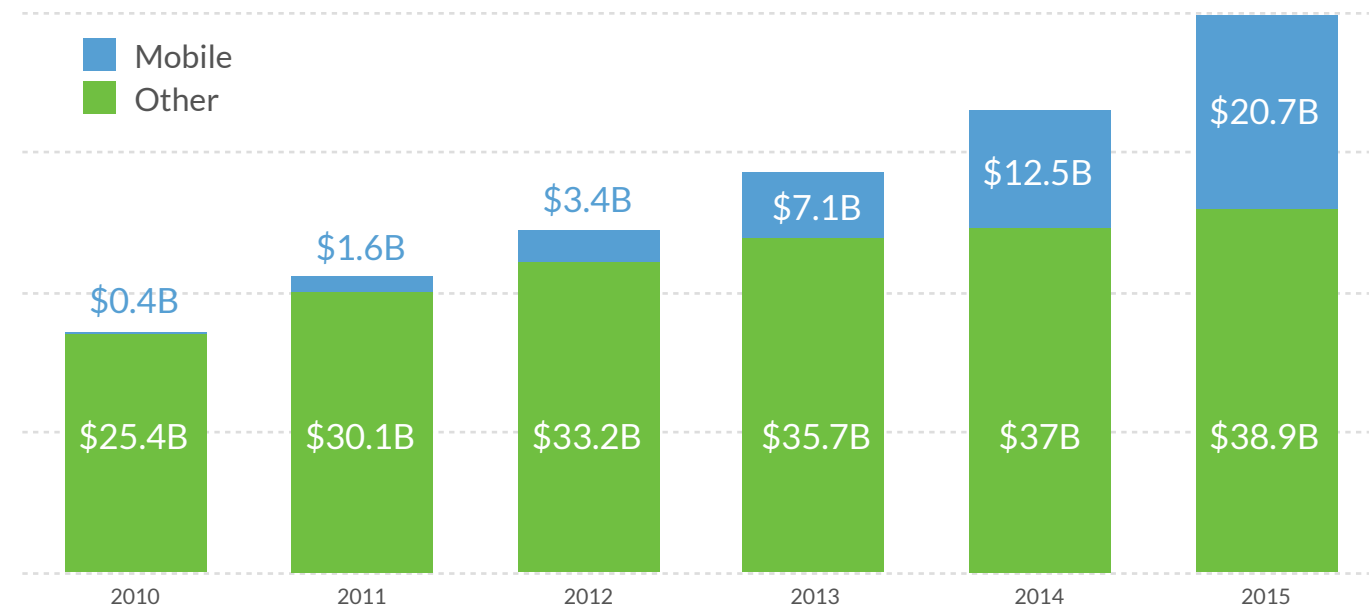
# WE OPERATE IN A RAPIDLY GROWING MARKET

Recognising the importance of mobile early, Tech Mpire has developed the functionality of nxus with mobile advertising front and centre. Performance-based mobile advertising remains a focal point of the Company’s business development efforts and technology strategy, positioning us well to take advantage of booming demand.

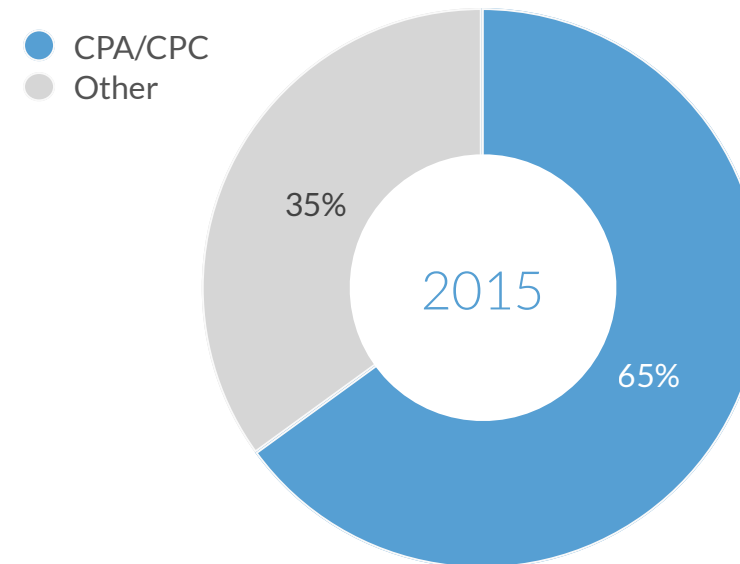
Since 2010, internet advertising growth in the US has been boosted by a 100% CAGR in Mobile, compared to 9% CAGR for non-mobile internet advertising over the same period. In just six years, mobile has grown to account for 35% of the \$60 billion US internet advertising market.

In the last ten years, performance-based pricing has also grown in demand to account for approximately 65% of US advertising revenue (up from 41%).

## US internet advertising revenue (\$US billions)



## US internet advertising revenue by pricing model



Source: IAB/PwC Internet Ad Revenue Report, FY 2015

# CAPITALISING ON A LARGE GROWTH OPPORTUNITY

Growth in CPA advertising demand is outpacing other pricing models because of its ability to provide superior ROI and performance visibility. However, a majority of the online advertising supply is sold on per-view basis (CPM) and access to quality CPA supply partners is limited, as the market is fragmented, complex and inefficient. A key challenge facing CPA ad networks is obtaining adequate volumes of supply to satisfy demand.

*There is a significant growth opportunity for Tech Mpire in developing **efficient, scalable methods to grow the volume of CPA supply** and capitalise on booming demand.*

Tech Mpire is perfectly positioned to capitalise on the opportunity created by growing, global CPA and mobile advertising demand.

Our technology-first strategy is built around **improving volume and utilisation of supply**, while also **delivering value and quality to mobile advertisers**. The continued execution of our strategy helps us satisfy growing demand and builds our competitive advantage.

At the core of Tech Mpire is nxus, our comprehensive ad network platform which connects the global demand from advertisers to the most effective sources of supply, using proprietary recommendation algorithms. Components of supply and demand mediation are automated by nxus for maximum performance and efficiency.

## The 4 pillars of our technology-first strategy

To accelerate the development of nxus to meet the market opportunity, Tech Mpire continues to invest in technology supporting our 4 pillars.

# 1.

Investment in **big data** analytics and automation to improve the efficiency, quality and profitability of our advertiser campaigns. This is the foundation for all of our technology.

# 2.

Accessing **higher-volume sources of supply**, allowing us to better satisfy the significant global demand.

# 3.

**Strengthening our mobile business**, by providing better audience data and easier engagement for mobile advertisers.

# 4.

The continued evolution of our **quality assurance measures** to eliminate invalid traffic and improve the ROI for our clients and partners.

# INVESTING IN BIG DATA ANALYTICS AND AUTOMATION

## 1.

Tech Mpire's big data initiative has focused on building the technology and expertise to extract opportunities from our large and growing data asset.

Tech Mpire processes in excess of 6 billion data points on a single day. This has enabled us to draw from insights only detectable on a big-data scale, to inform decision making and fuel automation across all areas of the business.

Big data and automation outcomes:

- **Innovation:** Foundation for future innovation and source of further opportunity.
- **Efficiency, quality & profitability:** Data is the fuel for all of our automation initiatives, driving quality and performance.
- **Sustainable competitive advantage:** Time, infrastructure, accumulated data store and expertise required to build big data capability make big data a sustainable competitive advantage for the Company.
- **Data-driven operations:** Market intelligence derived from big data guides sales decision making and opportunity identification.

# ACCESSING SUPPLY TO SATISFY SIGNIFICANT DEMAND

## 2.

Tech Mpire's supply volume initiatives address the challenge of finding adequate volumes of CPA supply to satisfy demand.

This challenge is being addressed in three ways. The first is by **streamlining the process of supply partner engagement** in order to realise each partner's full supply potential<sup>2.1</sup>. The second method involves **gaining access to high-volume supply sources via direct integration**<sup>2.2</sup>. Lastly, we will be **introducing new supply sources** through Mpire owned media and integration with monetisation partners<sup>2.3</sup>.

Outcomes of increased supply:

- **Scalability:** Ability to scale campaigns faster, resulting in increased client satisfaction.
- **Revenue:** Satisfaction and full utilisation of campaign budgets leading to increased revenue and client retention.
- **Margins:** Programmatic media buying removes the arbitrage partner from our supply chain, improving Tech Mpire's margin.
- **Partner satisfaction:** Full utilisation of supply sources increasing supply partner satisfaction. Streamlined engagement also appeals to supply partners.
- **Reduced risk:** Leveraging technology for optimisation is not only faster and more effective than relying on manual processes, it also limits loss of embedded knowledge through employee turnover.

# ACCESSING SUPPLY TO SATISFY SIGNIFICANT DEMAND

## 2.1. Scaling existing supply sources

Tech Mpire currently has a large, yet under-utilised, network of supply partners that deliver traffic to its campaign inventory. The **recommendation engine** and **Partner API** are initiatives to help Tech Mpire realise the full potential of its supply partners.

The recommendation engine allows Tech Mpire's team to take a data-driven approach to supply and demand mediation. This maximises the utility of our existing supply network by recommending the most suitable supply partner.

The efficiency enabled by the Partner API attracts higher-volume supply partners, and enables them to scale activity with ease.

### Recommendation Engine

A set of sophisticated algorithms designed to identify the most suitable supply partners for each campaign in order to maximise campaign performance.

### Partner API

Using the Partner API, supply partners will be able to integrate directly with nexus. This simplifies and streamlines the partner's process of discovering, and supplying traffic to, Tech Mpire's campaigns.

# ACCESSING SUPPLY TO SATISFY SIGNIFICANT DEMAND

## 2.2. High-volume supply partners

Leveraging high-volume supply sources helps Tech Mpire gain tighter control of supply quality, while also reducing the the time and effort involved in manual partner account management.

Engaging in programmatic media buying enables Tech Mpire to arbitrage cost-per-view (CPM) inventory from high-volume suppliers to satisfy growing performance-based (CPA) demand.

Manual media buying tends to be high-risk and difficult to scale. Conversely, our programmatic media buying process is comparatively low risk due to reliance on data and automation. It also removes a partner from the supply chain, improving margins and quality, while increasing scalability.

### Supply API

A tool that allows Tech Mpire to integrate directly with high volume supply partners such as ad exchanges who typically trade on a CPM basis.

### Programmatic Media Buying

In online advertising, arbitrage is the process of buying traffic, or ad space on a CPM basis and selling it on a CPA basis. Programmatic media buying uses algorithms to automate this process and reduce the inherent risk.

# ACCESSING SUPPLY TO SATISFY SIGNIFICANT DEMAND

## 2.3. Alternative supply sources

Tech Mpire's **App Wall** and **App Discovery Platform** broaden our supply network without ongoing manual maintenance.

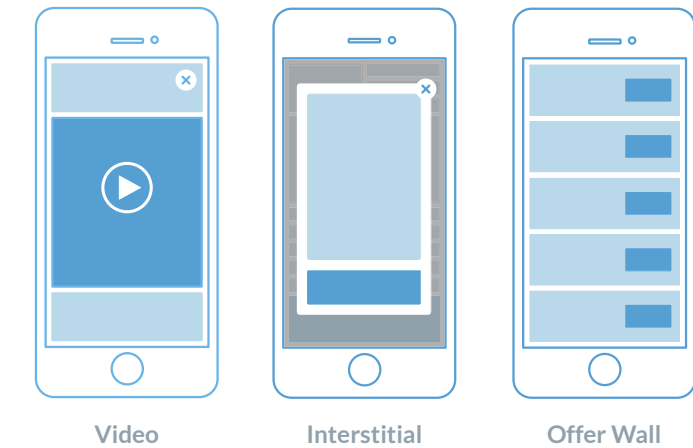
Tech Mpire's App Wall enables app developers to deliver tailored advertising inside their apps. In what is essentially a set-and-forget process, the developer inserts a piece of code into their app allowing Tech Mpire to programmatically place advertisements within it. The app developer becomes a supply partner who generates revenue when their users convert on campaigns displayed to them.

The App Discovery Platform is a Tech Mpire owned app that helps users discover other mobile apps that will appeal to them.

Users download discovery apps to receive app recommendations tailored to them. This allows Tech Mpire to build a highly engaged audience to advertise to, without having to engage any supply partners. Conversions driven by the discovery app would theoretically maintain a 100% margin.

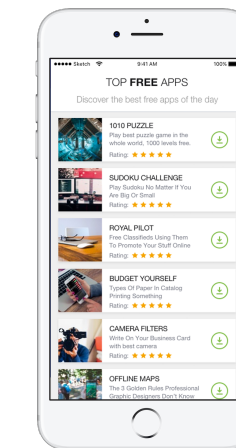
### App Wall

An ad unit helping app owners become supply partners to monetise their apps. The app wall displays personalised ads to each app user.



### App Discovery App

A mobile app that helps users discover other apps that appeal to them.



\* Both initiatives leverage Tech Mpire's recommendation engine to serve the most relevant app ads to users resulting in more conversions, and better quality users for apps advertised.

# STRENGTHENING OUR MOBILE BUSINESS

## 3.

Recognising the importance of mobile early, Tech Mpire has developed the functionality of nexus with mobile advertising front and centre. Our business strategy will see the continued development of tools to service app advertisers at all budget levels, and provide greater insight at both the campaign and industry levels.

Outcomes impacting advertiser demand:

- **Awareness:** Positioning as a leader in the growing mobile advertising market helps Tech Mpire increase awareness and continue to build its reputation.
- **Efficiency:** Business and market intelligence solutions will drive strategic business development in the mobile advertising market.
- **New revenue streams:** Offering market intelligence to app advertisers on a subscription basis may evolve as a separate product offering or value-add.
- **New market segment:** Offering self-service for advertisers enables us to extend our offering to advertisers with budgets at the lower end of the scale.
- **Value:** New functionality will enhance the value of our offering to all advertiser clients.

# STRENGTHENING OUR MOBILE BUSINESS

## 3.1. Low-budget app developers

The self-serve portal has made it feasible for Tech Mpire to serve low-budget advertisers in addition to our high-budget managed clients.

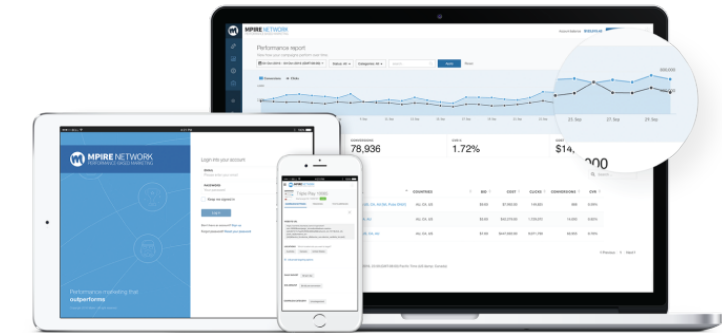
Self-serve app advertisers can onboard their advertising campaigns with minimal manual support and start driving traffic to their mobile apps on a cost-per-install (CPI) basis. These advertisers get access to our extensive supply network and optimisation technology to drive new user acquisition.

All app advertisers need to incorporate a tracking solution into their app for CPI measurement. The cost of a tracking solution usually comes out of the app's advertising budget. Tech Mpire's advertisers will gain complimentary access to nxusSDK for attribution tracking, freeing the advertiser to invest their full budget in advertising and maximise their ROI.

nxusSDK will provide additional value in the form of performance analytics and reporting, providing full transparency into campaign results.

### Advertiser self-serve portal

A web based portal where advertisers can control campaign set up, budgeting and targeting. In the past, set-up and maintenance of campaign characteristics was a managed process, prohibitively inefficient to offer to low-budget clients.



### nxusSDK

nxusSDK integrates with an app advertiser's app to enable tracking and attribution of conversions. nxusSDK functionality is evolving to also offer campaign analytics via the self-serve portal, and app monetisation tools.



# STRENGTHENING OUR MOBILE BUSINESS

## 3.2. Intelligent performance

Tech Mpire currently uses owned and third-party market intelligence to identify opportunities, guide business development and inform campaign decisions. To augment Tech Mpire's internal business intelligence capabilities, the Company is developing an app market intelligence solution focused on app store analytics.

Market intelligence is also useful to app advertisers and presents a new potential revenue stream. App store analytics helps advertisers gain a more thorough, real-time understanding of the app marketplace and their competitors.

### nexus App Store Analytics

Market intelligence used to guide decision making and identify opportunities. App store analytics will provide a thorough, real-time understanding of the app market place.

### Business Intelligence

Applications, infrastructure and tools that enable Tech Mpire's teams to improve and optimise decisions and performance.

# CONTINUED EVOLUTION OF OUR QUALITY ASSURANCE

## 4.

As part of Tech Mpire's dedication to quality, we have been developing technology, teams, and processes that work together to detect and mitigate invalid traffic (IVT).

Outcomes of supply quality improvements:

- **Revenue:** Both the number and quality of conversions will improve utilising data-driven recommendations resulting in increased revenue per client.
- **Efficiency:** Ensuring that automation initiatives are driven by clean data.
- **Differentiation:** Advertisers are increasingly concerned with how IVT impacts their return on investment. Tech Mpire's proactive approach to quality is a basis for competitive differentiation.
- **Improved ROI:** Visibility into an improved return on investment with IVT filtered out.
- **New market opportunities:** Having the ability to remove IVT in near-real time allows us to confidently enter new countries and verticals that have previously been susceptible to invalid traffic.

# PROACTIVELY SAFEGUARDING SUPPLY QUALITY

## 4.1. On-going supply quality action plan

Quality is a key component to Tech Mpire's competitive advantage. Every member of the Tech Mpire team is responsible for quality and compliance. Manual processes and monitoring are complemented by industry collaboration and technology to help Tech Mpire maintain the highest level of quality.

Due to the explosive growth of online advertising, IVT including ad fraud, is a prominent industry-wide concern. The types, exploits, and identifiers of IVT are ever-evolving meaning that Tech Mpire's quality measures must also continuously evolve in order to stay ahead.

Our newly appointed compliance officer works closely with our data science team to drive Tech Mpire's quality initiatives and operations. TrafficGuard continues to evolve to stay ahead of unknown threats to quality.

Overall quality is enhanced by mediation leveraging Tech Mpire's recommendation engine, as well as through insights extracted from big data.

### Invalid Traffic (IVT)

Non-human (bot) traffic, fraudulent traffic, and non-malicious traffic that falls outside of campaign criteria.

### TrafficGuard™

Tech Mpire's proprietary quality safeguard designed to detect and intercept IVT in real time, before any impact is realised. Utilising machine learning, TrafficGuard is able to mitigate evolving, unknown threats to quality as well as existing, known threats.

### Compliance Officer

The compliance officer oversees internal processes and procedures; coordinates IVT enquiries between stakeholders and Tech Mpire's data team; and leverages monitoring tools to ensure supply partner compliance.

### Recommendation Engine

A set of sophisticated algorithms designed to identify the most suitable supply partners for each campaign in order to maximise campaign performance.

# KEY OUTCOMES

# 1.

## Big Data analytics and automation

# 2.

## Higher quality, higher volume sources of supply

# 3.

## Strengthening our mobile business

# 4.

## The continued evolution of our quality assurance tools

Measure	Expected Outcomes	Delivery
Big Data	Facilitation of all other initiatives Foundation for data-driven innovation and sustainable competitive advantage Performance and quality improvements driven by data	Stage 1 - Complete Stage 2 - Jun 2017
Quality Measures	Improved client and partner retention New market opportunities Basis for differentiation	Stage 1, 2 & 3 - Complete Stage 4 - Jun 2017 Perpetual initiative
Recommendation Engine	More efficient utilisation of supply sources Higher quality conversions leading to increase client satisfaction	Stage 1 - Complete Stage 2 - Apr 2017 Stage 3 - May 2017
Partner API	Increased revenues from more efficient use of supply Additional revenue generated by new partners Less time spent on boarding partners to campaigns	Stage 1 - Complete Stage 2 - Jun 2017
Supply API	Improved client satisfaction and revenue Quality improvements	Stage 1 - May 2017
Programmatic Arbitrage	Ability to scale campaigns faster Increase in revenue and gross margins Improved client satisfaction	Stage 1 - Jul 2017
Advertiser Self-Serve Portal	Increased revenue through access to a new segment of the market Increased margins achieved from shifting campaign set up to the advertiser Ability to use self-serve as a pipeline for other areas of the business including monetisation tools and managed services as clients grow	Complete
App Wall and App Discovery	Additional conversions and additional revenue from new traffic sources Direct access to app users through app discovery app and integration into partner apps	Stage 1 - Complete Stage 2 - May 2017
nxusSDK	Increased conversion rates for app advertisers Increased supply of in-app inventory Incentive to drive demand for self-serve portal	Stage 1 - Complete Stage 2 - Jun 2017
nASA	Increase in client accounts through more intelligent prospecting Client satisfaction through more intelligent campaign planning Potential subscription revenue to advertisers that subscribe to market intelligence	Stage 1 & 2 - Complete Stage 3 - Oct 2017 Perpetual initiative

Tech Mpire is perfectly positioned at the meeting point of two major growth areas - mobile and performance-based advertising. We have already begun to take advantage of the opportunities this presents by growing supply and developing efficient, scalable ways to access it.

*Tech Mpire is perfectly positioned at the meeting point of two major growth areas - mobile and performance-based advertising.*

Our proprietary platform nxus<sup>®</sup> and its recommendation algorithms, are at the core of our competitive advantage. Strengthening the functionality of nxus, our technology-first strategy is built on four pillars that will enable us to capitalise on both current and future opportunities to .



 TechMpire  
**THANK YOU**