



EXPANSION CAPITAL RAISING

Working capital balance for expected APAC revenue growth

Lee Hunter

Managing Director & Chief Executive Officer

ASX:TMP

e investor.enquiry@techmpire.com

p +61 8 9473 2500

w www.techmpire.com

11 December 2017

TABLE OF CONTENTS

Executive Summary	3	APAC Expansion Overview	10
What We Do	4	High Growth APAC Markets	11
Financial Overview	5	APAC Market Entry Strategy	12
Stock Overview	6	Board	13
Multiple Sources of Competitive Advantage	7	Management	14
Competitive Advantage - nxus [®]	8	Capital Raising	15
Competitive Advantage – TrafficGuard [™]	9	Key Investment Considerations	16

For personal use only

EXECUTIVE SUMMARY

For personal use only

PROVEN BUSINESS MODEL



- TMP has proven technology which helps the world's biggest brands acquire new users for their mobile apps.
- **Well established technology platforms** (nxus® and TrafficGuard™) generated \$37m revenue in FY17.
- No new tech build is required. TMP is **driving revenue growth through high-growth APAC region and Tier 1 clients.**
- New CEO, APAC MD and NEDs bring global Tier 1 client relationships.

PROFITABLE, HIGH REVENUE GROWTH



- **Cashflow positive** - FY17 EBITDA of \$779k.
- **Revenues have more than tripled** from FY15 \$11m to FY17 \$37m.

GLOBALLY SCALABLE



- Almost all revenues are currently generated through our North American sales operation.
- Asia Pacific (APAC) is a high growth market which TMP is now targeting.
- **Multiple revenue growth options are not currently priced in TMP stock** – APAC growth and high revenue Tier 1 clients.
- Multiple high growth verticals provide growth options in APAC – gaming, utilities, transportation and entertainment.

MULTIPLE COMPETITIVE ADVANTAGES



- **“One-stop shop” offering** - TMP finds mobile phone app installs (through **nxus®**) and then ensures they are high quality (through **TrafficGuard™**). This combined capability is unique within the sector and appealing to clients.
- **Big data solutions** – TMP knows where to find app users in the online world, with proprietary data growing after each campaign.
- **“Success fee” model** – TMP gets paid on success only (ie. “cost per install model”), so the offering is low risk for clients.

FINANCIAL SUMMARY



- **Well capitalised** - \$6.8m cash as at Sept 2017 and FY17 EBITDA of \$779k. Zero debt. \$17.6m market capitalisation.
- **Attractive valuation** - 0.3 x EV/FY17 revenue, 13.9x EV/FY17 EBITDA, 13.3 cps cash backing (post \$3m raising).

WORKING CAPITAL FUNDING



- **Working capital balance required** – cash payment cycle involves payment of ~70% of the per unit install price to suppliers within 7 days and cash received within 45-60 days.
- **Capital raising** – Accordingly, TMP is seeking to raise between \$2m (minimum) and \$3m (maximum) to finance growth of its working capital balance in anticipation of expected APAC revenues.

WHAT WE DO

We find mobile app users for global clients on a cost-per-install pricing model.

MOBILE APP INSTALLS

- Proven technology platforms (nxus® and TrafficGuard™), helps the world's biggest brands acquire new users for their mobile apps.
- nxus® finds potential app users by aggregating thousands of sources of web traffic, all working to find new users and generate installs.
- TrafficGuard™ is our fraud prevention tool which protects our advertisers from wasting their budgets on low quality or fraudulent traffic. In real time, we block invalid traffic or non-compliant campaign activity at the source, leaving only trusted, genuine installs.

SUCCESS FEE PRICING MODEL

- Cost-per-install pricing model - advertiser only pays when a user installs their app, so the offering is low risk to clients. We only pay suppliers when they generate a successful install, eliminating inventory risk for TMP.
- Advertisers are attracted to this success-based pricing model as it represents low risk and high return on investment (ROI).

FINANCIAL OVERVIEW

High revenue growth, operating cash positive, growing margins.

- **Profitable: EBITDA \$779,881** for FY17.
- **High revenue growth:**
 - >3x revenue growth from FY15 \$11.8m to \$37.0m.
 - FY17 revenue \$37.0m, ~16% increase on \$32.1m FY16.
- **Improving margins:**
 - Margins increased as revenue grew over a fixed cost base.
 - Increased by 1.8% from 22.5% in FY16 to 24.3% in FY17.
- **Strong balance sheet:**
 - \$6.8m cash at 30 Sep 2017, up from \$5.6m at 30 June 2016.
 - Cash funds working capital balance (paying suppliers in 7 days and receiving cash in 45-60 days).

	FY15	FY16	FY17
Revenue	11,849,518	32,123,476	37,025,141
Cost of Services	(9,890,720)	(24,895,438)	(28,014,267)
Gross Profit	1,958,798	7,228,038	9,010,874
Gross Margin %	16.5%	22.5%	24.3%
Other Income	151,555	359,585	208,484
Overheads	(3,910,285)	(6,695,194)	(8,224,106)
Operating Profit	(1,799,932)	892,429	995,252
Other Expenses	(8,473,365)	(4,280,938)	(215,441)
Pre-tax profit/loss	(10,273,297)	(3,388,509)	779,881

STOCK OVERVIEW

For personal use only

TMP trades with strong cash backing of ~13.3 cps (post-raising) and undemanding valuation.

Stock overview

Shares on issue (m):	73.5m
Share price (A\$) ⁽¹⁾ :	\$0.24
Market capitalisation A(\$m):	\$17.6m
Bank debt:	nil
Cash (30 Sept 2017) (A\$m):	\$6.8m

Share price performance



Valuation overview

Enterprise value ⁽²⁾ :	\$10.8m
FY17 EBITDA:	\$779k
EV/EBITDA:	13.9x
EV/revenue:	0.3x
Cash per share (pre raise):	9.3cps
Cash per share (post \$3m raise):	13.3cps

Notes:

(1) Closing share price as at 8 December 2017.

(2) Enterprise value (EV) = market capitalisation + net debt.

COMPETITIVE ADVANTAGES

Multiple sources of sustainable competitive advantage

PROPRIETARY TECHNOLOGY

- **Proprietary technology platforms nxus[®] and TrafficGuard[™] provide multiple competitive advantages – “one-stop shop”, big data, cost-per-install pricing, globally scalable, high client ROI.**

“ONE-STOP SHOP” SOLUTION

- Combination of **nxus[®]** and **TrafficGuard[™]** means **clients do not need to engage third parties to independently check the quality of app user installs.**
- **TrafficGuard[™] stops fraudulent or low quality traffic reaching our clients. This is critical in a sector where our clients focus on measuring their return on investment (ROI).**

BIG DATA

- **nxus[®]** has tracked more than 14 billion transactions across 1.5 trillion data points.
- Thousands of campaigns have been completed.
- Big data analytics mean the more campaigns and traffic sources we work with, the smarter **nxus[®]** becomes.

PRICING MODEL

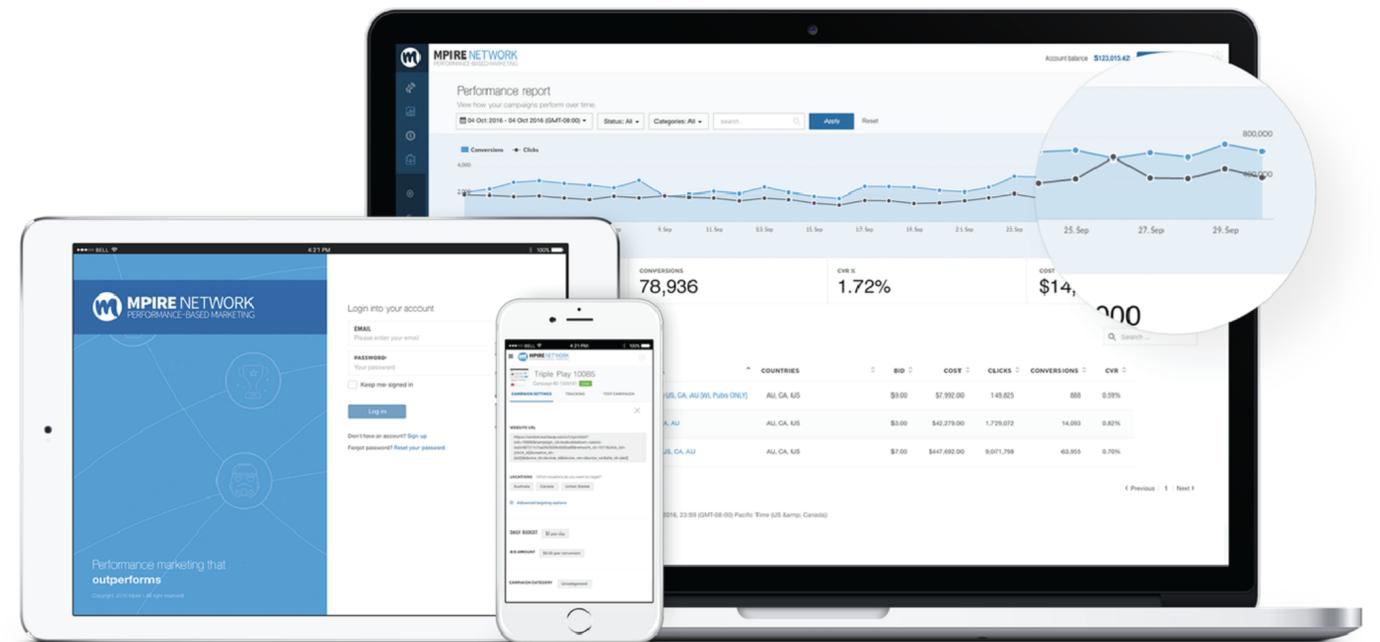
- Cost-per-install pricing model - advertiser only pays when a user installs their app.
- We only pay suppliers when they generate a successful install, eliminating inventory risk for TMP.
- Our pricing model is low risk and high return on investment (ROI) for our clients.

OUR COMPETITIVE ADVANTAGE: nxus®

nxus® automates the previously manual process of finding high quality digital marketing leads.

nxus® finds potential app users by aggregating thousands of sources of web traffic, all working to find new users and generate installs.

nxus® optimises and scales the performance of these traffic sources to deliver the highest quality traffic and generate ROI, for both the advertiser and Tech Mpire.



OUR COMPETITIVE ADVANTAGE: TRAFFICGUARD

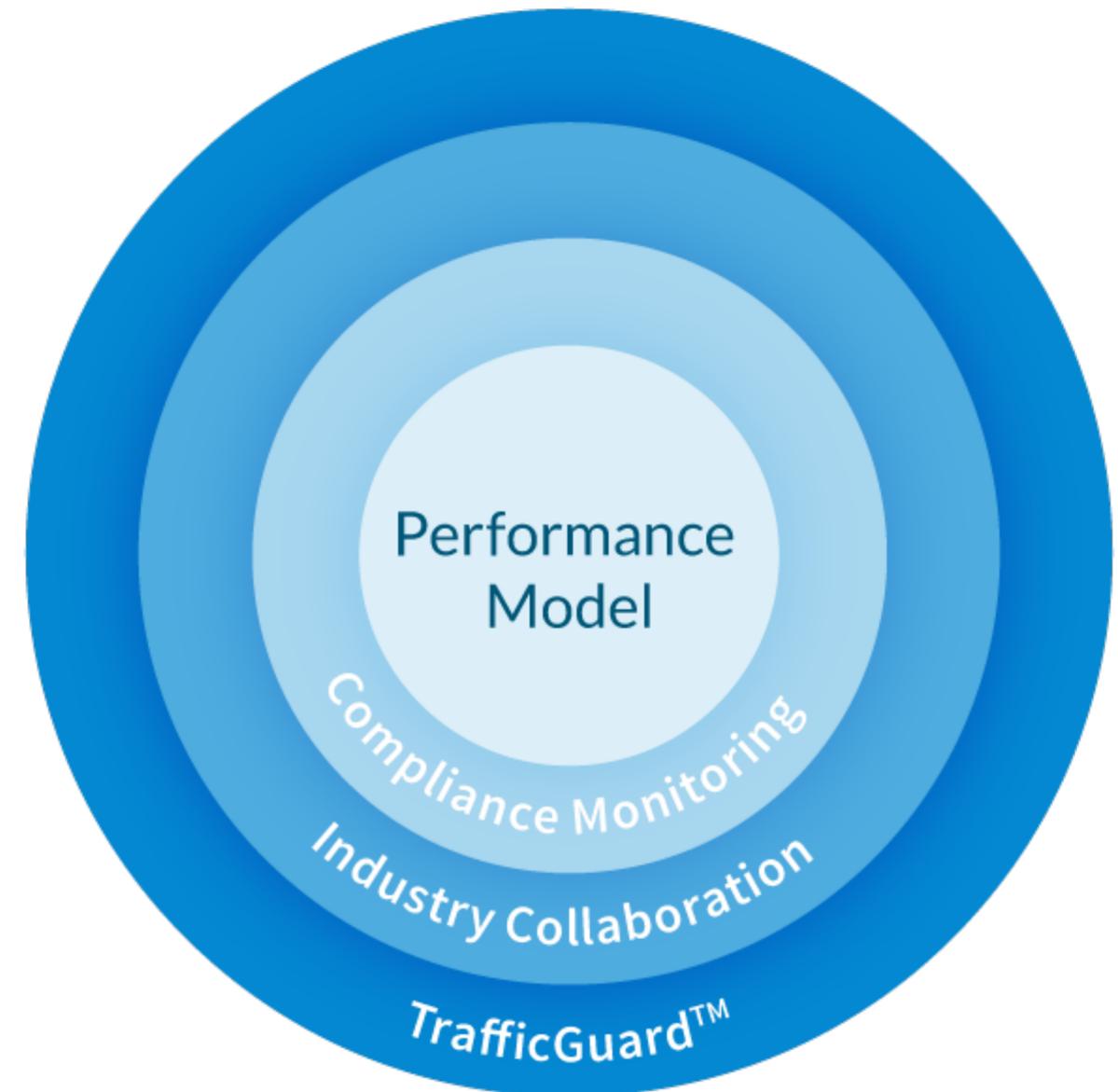
TrafficGuard™ is a significant source of competitive advantage, protecting our advertisers from low quality or fraudulent traffic.

Protecting advertisers from fraud is a powerful differentiator in the mobile marketing space.

TMP's fraud prevention tool, **TrafficGuard™**, protects our advertisers from wasting their budgets on low quality or fraudulent traffic.

In real time, we block invalid traffic or non-compliant campaign activity at the source, leaving only trusted, genuine installs.

This step is critical in being able to satisfy sustained, long-term demand from Tier 1 advertisers.



APAC EXPANSION OVERVIEW

Low cost business development to target the US\$54.4bn APAC market. Expect first revenues 1Q calendar 2018.

WORLD'S LARGEST MARKET

- 2017 mobile advertising spending in Asia Pacific (APAC) has grown to over US\$54.4bn, with the region leading global ad spend growth (source: eMarketer, 2017).

MULTIPLE HIGH GROWTH VERTICALS

- Multiple high growth verticals including gaming, utilities, transportation and entertainment.

LEAN BUSINESS DEVELOPMENT

- Focus initially on leveraging existing senior TMP executive/Board networks and existing TMP global clients.
- Our new APAC MD James Dutton brings existing APAC relationships.
- NED Renaud Besnard is Global Director of Marketing for Asia-Pacific (excl. India) at Uber Technologies Inc.
- CEO Lee Hunter is former global senior marketing executive for Google and YouTube.



33% of the world's app developers are from Asia, with the region also reporting the highest rate of growth (Statista, 2017).



Mobile Internet advertising is **forecast to grow in Asia Pacific at a 22.2% CAGR** in the next five years (PWC, 2016).



60% of mobile game spending in 2016 occurred in Asia Pacific (IDC, 2017).



China accounted for nearly half of the iOS App Store's annual growth in 2016 (AppAnnie, 2017).

APAC IS THE FASTEST GROWING MOBILE AD SPEND REGION

Our APAC sales focus will target the world's fastest growing mobile advertising market, with the region set to grow at 25.7% CAGR from 2017-2021.

For personal use only

REVENUE DIVERSIFICATION

- APAC provides TMP with geographic revenue diversification.
- Currently, almost all TMP revenues are generated in North America, through our regional sales office.

LARGE ADDRESSABLE MARKETS

- eMarketer forecasts 2018 APAC mobile advertising spend will reach US\$72.52bn (40% of global spend).
- Furthermore by 2019, mobile ad spend is set to rise to 35.7% of total APAC ad spend.

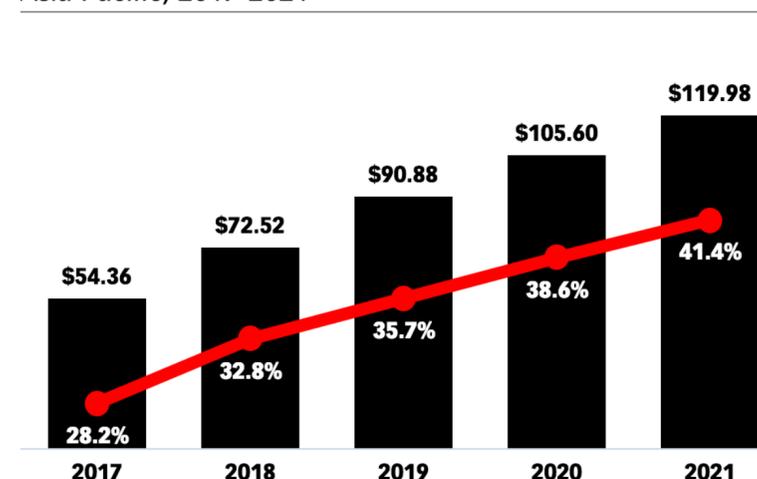
HIGH GROWTH APAC MARKETS

- Mobile advertising spend in APAC set to grow at 25.7% (CAGR).
- Many APAC countries set to be the fastest growing in the world.

APAC Mobile advertising spend - forecast CAGR 2017-21

Market	CAGR 2017-21	Market	CAGR 2017-21	Market	CAGR 2017-21
US	17.0%	South Korea	14.2%	Indonesia	38.7%
Asia-Pacific	25.7%	Singapore	30.0%	India	47.4%
Vietnam	43.2%	Philippines	37.6%	Hong Kong	27.4%
Thailand	34.5%	Malaysia	31.8%	China	24.7%
Taiwan	14.8%	Japan	17.0%	Australia	17.5%

Mobile Ad Spend
Asia-Pacific, 2017-2021

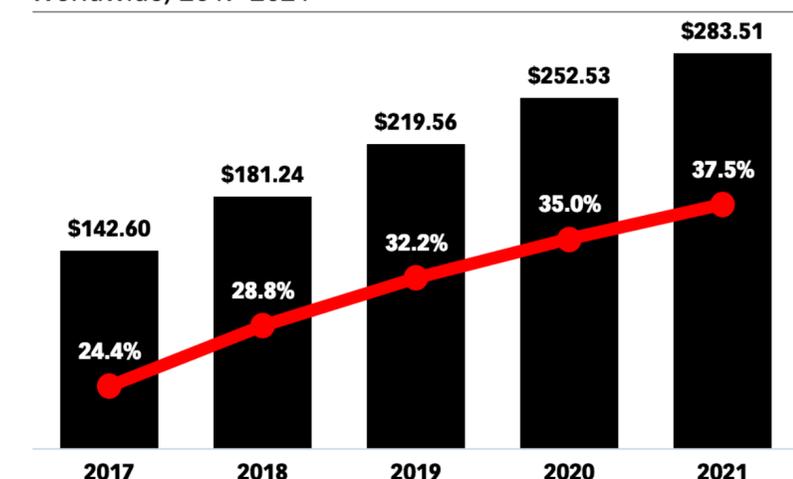


● Mobile ad spending (billions)
● Mobile ad spending (% of total media ad spending)

Source: eMarketer, Sep 2017

www.eMarketer.com

Mobile Ad Spend
Worldwide, 2017-2021



● Mobile ad spending (billions)
● Mobile ad spending (% of total media ad spending)

Source: eMarketer, Sep 2017

www.eMarketer.com

APAC MARKET ENTRY STRATEGY

New APAC MD brings established client relationships and a strong track record of driving revenue growth in digital marketing.

Our approach:

- Driving awareness of the competitive advantage of TMP's combined **nxus**[®] and **TrafficGuard**[™] technologies.
- Lean business development strategies, with revenue-generating staff directly incentivised to drive new sales growth. Sales and technology operations supported out of Australia and North America.
- Targeting a mix of existing client networks and high revenue Tier 1 clients in key markets.

Immediate Opportunities

- Reactivate legacy clients, highlighting technology advancements.
- Leverage existing senior executive networks (CEO, NEDs and APAC MD)

Targeting High-Value Clients

- Focus on building relationships inside Tier 1 mobile gaming and utilities companies
- Combined TrafficGuard[™] and nxus technologies provide competitive advantage

Lean Business Development

- Growth achieved through scalable technology; not by adding more people
- Focus on revenue generation and growth reinvestment, not on high cost rollout

BOARD

For personal use only

TMP's Board brings strong governance and capital markets skills with global Tier 1 digital marketing networks.

STEPHEN
BELBEN,
CHAIRMAN

- Mr Belben has 17 years' experience in both executive and non-executive director roles, at a number of public and private companies.
- This experience follows 9 years as a senior partner at Ernst and Young, specialising in corporate and assurance work in Australia.



RENAUD
BESNARD,
NED

- Mr Besnard is currently the Director of Marketing for Asia-Pacific (excl. India) at Uber Technologies Inc.
- Mr Besnard has been instrumental in the growth of some of the most prominent technology companies in the world, such as Uber, Google and Microsoft.
- As Non-Executive Director of the Board of Tech Mpire, Mr Besnard's experience will help to guide the Company's expansion into APAC.
- Here he is responsible for the development of Uber's marketing strategy and its execution across the region. Previous to his current role, Mr Besnard was a long-standing Google executive, having spent almost 10 years in senior positions in Europe and Asia.



MATHEW
RATTY,
NED

- Mr Ratty is an experienced investor focused on Australian and US equity and debt markets.
- He has extensive experience across venture capital, capital raising and corporate strategy.
- He is the co-founder of MC Management Group Pty Ltd, a venture capital firm operating in domestic and international debt and equity markets, who are a substantial shareholder the Company.
- At MC Management, Mr Ratty also holds the role of Head of Investment and is responsible for negotiating deal structures and asset pricing for companies in the healthcare, financials and technology space. Prior to this, Mr Ratty was a director and analyst at property development and equity company, Gladstone Bridge. He is also a Non-Executive Director at listed medical technology company, Admedus Limited (ASX: AHZ).



MANAGEMENT

For personal use only

Management bring global digital marketing experience and networks, with strong technology skills.

LEE HUNTER,
CEO

- Mr Hunter has helped grow some of the biggest technology companies in the world. As Tech Mpire Chief Executive Officer, Mr Hunter leads the Company's ambitious plans for global growth. Mr Hunter is a former senior Google executive, most recently serving as the Head of Marketing Strategy & Innovation for Google Asia-Pacific.
- Here he was responsible for incubating and launching innovative strategies for the company's key business priorities across the APAC region. He also served as Head of Advertiser Acquisition & Growth Marketing for Google UK and Ireland, where his advertiser acquisition strategies consistently exceeded targets in Google's largest European market.
- Mr Hunter spent several years at YouTube, most recently as Global Head of Brand & Creative, where he led many of the online video channel's biggest entertainment initiatives. These included the YouTube Music Awards and the YouTube Rewind campaigns. Prior to taking that role, Mr Hunter was Head of Consumer Marketing across EMEA for YouTube. He has also held senior roles at Deutsche Bank and AMP Financial Services. Mr Hunter brings to Tech Mpire extensive experience in the global online advertising industry from working with leading ad-tech innovators in Sydney, London, and Silicon Valley.



JAMES
DUTTON,
APAC MD

- Mr Dutton has a strong track record of building high performance digital businesses and growing revenues across Asia Pacific.
- As APAC Managing Director of Tech Mpire, Mr Dutton brings 20 years' of global experience in performance marketing, with 14 years in the APAC region.
- Mr Dutton is a senior member of several global and APAC digital marketing organisations, including I-Com; a blockchain advisory committee and MeasureMatch; a global marketplace of independent consultants focused on advancing the client experience through smart and agile applications of data and technology. Mr Dutton's experience brings our APAC expansion plans to reality.



LUKE
TAYLOR,
CTO

- As a founding member of Tech Mpire, Mr Taylor has been involved in all aspects of the Company's global operations.
- In his current role as Tech Mpire Chief Technology Officer, Mr Taylor leverages almost 20 years of experience in building and growing technology companies, to guide the evolution of Tech Mpire's nexus platform and overall technology strategy.



CAPITAL RAISING

This capital raising is to support the expected growth in the working capital balance which will be required to support revenue growth.

WORKING CAPITAL CYCLE

- Typically, TMP pays suppliers (indicatively) ~70% of its expected revenue per install and then TMP receives its revenue in 45-60 days, creating a working capital balance.
- Over time, as receivables terms improve, there is an opportunity for working capital release to shareholders.
- The working capital cycle is “risk free” to TMP, as we only pay suppliers when they generate a successful install, eliminating inventory risk for TMP.

CAPITAL RAISING

- TMP is raising a minimum of \$2m and maximum of \$3m for the purposes of financing the expected increase in the working capital balance as revenues grow.
- As the Company grows its operating free cash flow, senior bank debt (at a lower cost than ordinary equity) will be pursued for working capital purposes.

KEY INVESTMENT CONSIDERATIONS

1. High growth addressable markets:

- The global mobile advertising market has grown at 16% compound annual growth rate (CAGR) from 2006-2016 and is forecast to be \$215 billion by 2021, which is 72% of total online marketing budgets.
- Performance advertising (incorporating TMP's cost-per-install model) is a high growth segment of mobile advertising.
- APAC presents a significant growth option across multiple verticals – gaming, utilities, transportation and entertainment.

2. Proprietary technologies provide highly scalable competitive advantages such as automation of previously manual processes and big data analytics to provide high quality results at scale.

- **nxus**[®], our proprietary technology marketing platform, has been developed over ~9 years, with the cumulative big data of trillions of campaign data points providing proprietary insights into optimal sources of online traffic supply.
- **TrafficGuard**[™], launched in early FY17, blocks fraudulent traffic and ensures app installs for our clients are real, revenue generating users. This is a significant competitive advantage, able to provide our premium clients with confidence in the quality of our results.

3. Profitable, with FY17 EBITDA \$779k.

4. Strong organic revenue growth. TMP has now more than tripled its revenue organically from \$11.8m in FY15 to \$37.0m in FY17.

5. Premium global client base includes some of the world's biggest brands.

6. Attractive relative valuation.

7. Adtech sector consolidation expected to continue. TMP is potentially both an acquirer and a target.

- **Acquirer:** TMP has identified potential targets within its commercial networks. The Board's policy is that any acquisition must be EPS accretive in Year 1, with clearly defined (cost-out and revenue-accretive) synergy benefits.
- **Target:** The intrinsic value of TMP's technology, client networks and proprietary data appeals to many global organisations.

8. Strong organic growth outlook driven by focused growth strategies to monetise competitive advantages in high growth markets.

9. Strong board and management with recent Board skills upgrade combined with new CEO bringing 10 years of global adtech experience at Google and YouTube.

DISCLAIMER

This presentation contains summary information about Tech Mpire Limited (Tech Mpire) and is current as at 11 December 2017. The information in this presentation is of general background and does not purport to be complete.

This presentation is not investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision.

This document has been prepared based on information available at the time of preparation. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in this presentation.

Some of the statements appearing in this presentation are in the nature of forward looking statements. You should be aware that such statements are only predictions based on assumptions, and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Tech Mpire operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. Neither Tech Mpire, or their officers or any person involved in the preparation of this presentation makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this presentation reflect Tech Mpire's views as at the date of this presentation.

To the maximum extent permitted by law, Tech Mpire and its related bodies corporate (as that term is defined in the Corporations Act) and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of the presentation or its contents or otherwise arising in connection with it.

For personal use only