

ASX Company Announcement | Issue Date: 4 November 2016

## CHAIRMAN'S AGM ADDRESS

**Newzulu Limited (ASX: NWZ, Newzulu, Company)**, a global crowd-sourced technology and media company, is pleased to present a copy of the Chairman's Address to be made at the Annual General Meeting commencing at 9:00 am today.

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### About Newzulu

Newzulu is a crowd-sourced technology and media company which facilitates the use of professional and user-generated content to allow broadcasters, publishers and brands to create a deeper engagement with their audiences. Newzulu's Platform is a web-based and mobile software that enables businesses to gather, organize, publish and amplify user-generated content at scale. Newzulu's Creative division provides crowd-sourced, creative film and video production for the digital age. Newzulu's Content division allows anybody, anywhere, with a mobile device and a story, to share news, get published and get paid. Headquartered in New York, Newzulu operates bureaus in Toronto, London, Paris and Lyon. Newzulu operates in partnership with Associated Press (AP), Getty Images, Tribune Content Agency and Alamy in the United States, Agence France-Presse (AFP) in France, Press Association (PA) and Videoplugger in the UK & Ireland, Belga News Agency in Belgium, Canadian Press (CP) in Canada, Australian Associated Press (AAP) in Australia and other news agencies around the world. Further information can be found on [www.newzulu.com](http://www.newzulu.com).

## 2016 Annual General Meeting

### Chairman's Address

Put simply the 2016 financial year can be divided into two distinct groups. One group was populated with partnerships and agreements with a number of media organisations including Agence France-Presse (AFP) the third largest news agency globally; Getty Images, the global stock image library; Associated Press, the United States' primary news service; and more locally ABC News.

These agreements and partnerships helped establish our technology as best in class, providing us with a clear competitive advantage. In particular, the agreements with AFP, Getty Images and AP all focus on video distribution, which is consistent with our increased focus on video content.

We also made several strategic enhancements to strengthen our product offerings, including:

- + enhanced mobile applications for iOS and Android supported by the acquisition in September 2015 of Octiplex – which is now known as Newzulu Mobile;
- + the release of the first phase of our Social Hub product, providing clients with an easy way to gather, manage and publish content from popular social networks using hashtags; and
- + an updated, internally developed, mobile Live Streaming solution for reporters to live stream and upload videos and photos from their mobile devices directly into the Newzulu Platform, where they can be pushed direct to broadcast and the web.

The other part of FY2016 was defined by a substantial period of restructuring and reorganisation, which has continued for the first 3 months of FY2017. This was critical for the company as it was clear that Newzulu needed to consolidate its position, substantially reduce overheads and restructure the business.

This restructuring can be characterised by:

- + a shift in emphasis to the software as a service (SaaS) technology solutions for clients (leveraging the Newzulu Platform product);
- + a clearly defined sales focus aimed at the large North American market;
- + changes to the management and the Board of Directors; and
- + an on-going reduction in costs to right-size the business.

Marc will talk about some of these initiatives in a moment but I would like to stress a couple of points here. During the year there have been a number of changes to the Board and management team.

In addition to my joining Newzulu, in February, as non-executive Chairman, Clive Dickens was appointed as a non-executive director in June. And in August, so subsequent to the year end, Ed Wilson was appointed as an independent non-executive director.

These appointments significantly expand Newzulu's network in the USA, Europe, the UK and Australia, and provide a wealth of media industry experience that will support the Company.

We also refreshed the management team, appointing a new CEO, Marc Milgrom, and CFO, Tom Lieu, toward the end of the year, and a Senior Vice President, Global Sales, David Klinghoffer, after the year end. These hires, their experience and location (Toronto and New York) are consistent with a shift in focus to growing the Newzulu Platform in the large North American markets.

Just quickly, while on the topic of Newzulu's sales channel, I am pleased to report that since David's appointment in July we have experienced encouraging developments in our sales pipeline including a number of new client wins which are directly in keeping with our strategic commitment.

The on-going cost restructuring and right-sizing of Newzulu began during the year and has been continued under Marc's leadership into FY2017. Together, your new management team have underpinned the Newzulu business model with tight cost control, consolidation of operations and a renewed focus on revenue generating activities.

These steps have delivered over AUD \$4.5 million dollars in annual cost savings, and brought our cash burn down from a level of AUD \$1.1 million in March this year to the current monthly cash burn rate of approximately AUD \$550,000 going forward.

These efforts are ongoing and management continue to identify further cost savings opportunities.

We continue to monitor the cash requirements of the business and, as you can all appreciate, we are always looking for ways through which we can meet the capital needs of the company. This is particularly important when it comes to improving our technology and re-positioning Newzulu for sustained future growth. While the Board has not made any firm decisions as to the structure of a capital raising we will, of course, be cognisant of all stakeholders' positions and opinions and look to raise capital in the most appropriate manner, from the most appropriate sources at the most appropriate time.

The focus for us going forward is two-fold. One is the focus on further enhancing our technology offering and capitalising on the need for publishers, broadcasters and brands to connect with their audience through content in North America. Second is the ongoing focus on cost management and meeting the capital needs of the Company.

With that now let me hand over to Marc Milgrom who will provide us with more details and context on the developments at Newzulu.