31 December 2016

HALF-YEAR FINANCIAL REPORT

TECH MPIRE LIMITED
ABN 88 156 377 141

TechMpire

CORPORATE DIRECTORY

Directors

Non-Executive Chairman	Mr Stephen Belben
Managing Director	Mr Luke Taylor
Non-Executive Director	Mr Patrick O'Connor
Non-Executive Director	Mr Mathew Ratty
Non-Executive Director	Mr Lee Hunter

Company Secretaries

Ms Clare Madelin
Ms Fiona Muir

Registered and Principal Office

Suite 10, 16 Brodie Hall Drive
Bentley WA 6102

Telephone: +61 8 9473 2500
Facsimile: +61 8 9473 2501

Share Registry

Security Transfer Australia Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

Securities Exchange Listing

Tech Mpire Limited shares are listed on the Australian Securities Exchange (ASX: TMP)

Solicitors

Steinepreis Paganin
Level 4, The Read Building
16 Milligan Street
Perth WA 6000

Bankers

Commonwealth Bank of Australia Limited
150 St Georges Terrace
Perth WA 6000

Auditors

Ernst & Young
The EY Building
11 Mounts Bay Road
Perth WA 6000

TABLE OF CONTENTS

REPORTING PERIOD

Current period:	Half-year ended 31 December 2016
Previous corresponding period:	Half-year ended 31 December 2015

RESULTS FOR ANNOUNCEMENT TO MARKET

Revenue from ordinary activities	down	14%	to	$15,191,303	from	$ 17,646,088
Loss from ordinary activities after tax attributable to members	down	46%	to	($761,534)	from	($ 1,422,212)
Net loss for the period attributable to members	down	46%	to	($761,534)	from	($ 1,422,212)

Dividends

	Amount per share	Franked amount per share
Final	$ nil	n/a
Interim	$ nil	n/a

Record date for determining entitlements to dividends: n/a

Brief explanation necessary to enable the figures above to be understood

Refer to Directors' Report.

NET TANGIBLE ASSETS

31 December 2016:	Net tangible asset backing:	10.88 cents per share
31 December 2015:	Net tangible asset backing:	11.50 cents per share

OTHER

The Group has not gained or lost control over any of its entities during the period. There are no associates or joint ventures held by the Group.

For foreign entities the set of accounting standards used in compiling the report is the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The directors present their report together with the financial report of Tech Mpire Limited (**Tech Mpire** or **Company**) and its controlled entities (collectively referred to as **the Group**) for the half-year ended 31 December 2016 and the independent auditor's review thereon.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Executive Director	
Mr Luke Taylor	(Managing Director)
Non-executive Directors (NEDs)	
Mr Stephen Belben	(Non-Executive Chairman)
Mr Patrick O'Connor	(Non-Executive Director) (Appointed on 26 July 2016)
Mr Zhenya Tsvetnenko	(Non-Executive Director) (Resigned on 25 July 2016)
Mr Mathew Ratty	(Non-Executive Director) (Appointed on 16 February 2017)
Mr Lee Hunter	(Non-Executive Director) (Appointed on 16 February 2017)

PRINCIPAL ACTIVITIES

Tech Mpire is a performance-based advertising company that helps its advertiser clients reach their future consumers via its global network of online traffic supply partners. Its principal activity is the provision of online performance-based advertising services.
Tech Mpire's mission is to maximise the impact and reach of every dollar invested in online advertising. Performance-based advertising means that clients pay for predefined conversions, such as a sale or app install, as opposed to traditional cost structures such as cost per click. This reduces the risk typically associated with ad spend. As an advertising technology innovator, Tech Mpire's advertising services are provided utilising its proprietary platform, nxus®.

Tech Mpire continues to build its strategy around growing the business in three key areas:

- Increasing the spend of existing advertiser clients and recruit additional clients;
- Recruit new quality supply partners; and
- Actively seek ways to increase gross margins.

There were no significant changes to the nature of the consolidated Group's principal activities during the period.

REVIEW OF OPERATING RESULTS

Net loss after tax attributable to the members of Tech Mpire Limited was $761,534, down 46% from the loss in the corresponding prior period of $1,422,212.

During the half-year ended 31 December 2016, Tech Mpire reported revenue from ordinary activities of $15,191,303, down 14% on the corresponding prior period of $17,646,088.

Revenue was lower as a result of continued consolidation across the business to address the challenges of achieving sustainable, long-term growth. The consolidation included process and technology initiatives to support campaign diversification, supply quality and traffic mediation.

Expenses increased during the half year as Tech Mpire boosted investment in its technology and business. Revenue for the second half of the financial year is expected to exceed the first half, as this investment in technology leads to greater efficiencies and economies of scale.

A number of sales operations initiatives implemented during the first half, including improvements to the network team structure, further diversification in business development and enhancements to the positioning of the brand, led to an uplift in revenue at the end of the period and are expected to result in record revenue in the March quarter.

CASH POSITION

The Company's cash at bank was $5,206,899 as at 31 December 2016.

ROUNDING OF AMOUNTS

Amounts in this report and the financial report have been rounded to the nearest dollar, unless otherwise indicated.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included following the Directors' Report and forms part of the Directors' Report.

DIRECTORS' AUTHORISATION

This report is made in accordance with a resolution by the Board of Directors and is signed by authority for and behalf of the directors.

Luke Taylor
Managing Director

Perth, Western Australia
21 February 2017

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's Independence Declaration to the Directors of Tech Mpire Limited

As lead auditor for the review of Tech Mpire Limited for the half-year ended 31 December 2016, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Tech Mpire Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

G Lotter
Partner
21 February 2017

GL:EH:TMP:022

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	For the six months ended 31 December 2016 $	31 December 2015 $
Continuing Operations			
REVENUE	4	**15,191,303**	17,646,088
Cost of services rendered		**(11,903,603)**	(13,283,551)
GROSS PROFIT		**3,287,700**	4,362,537
Other income	5(a)	**75,906**	89,904
OVERHEADS			
Administration costs	5(e)	**(420,507)**	(211,369)
Compliance costs	5(f)	**(104,848)**	(59,417)
Consultancy costs	5(d)	**(103,935)**	(118,842)
Employment costs	5(b)	**(2,547,721)**	(1,813,783)
Occupancy costs	5(c)	**(115,668)**	(110,075)
Marketing costs		**(257,714)**	(92,976)
Bad and doubtful debts expense	5(g)	**(344,080)**	(1,739,125)
Finance costs		-	(101,987)
Foreign exchange differences		**(21,660)**	(24,570)
Depreciation		**(35,479)**	(18,525)
		(3,951,612)	(4,290,669)
OTHER EXPENSES			
Share based payments	9	**(9,998)**	(1,200,559)
		(9,998)	(1,200,559)
Loss before income tax		**(598,004)**	(1,038,787)
Income tax expense	7	**(163,530)**	(383,425)
Loss for the period attributable to the members of Tech Mpire Limited		**(761,534)**	(1,422,212)
Other comprehensive income net of tax			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(93,386)**	50,764
Total comprehensive loss for the period attributable to the members of Tech Mpire Limited		**(854,920)**	(1,371,448)
Loss per share attributable to the members of Tech Mpire Limited		**Cents**	**Cents**
Basic and diluted loss per share (cents)		**(1.16)**	(2.35)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	As at 31 December 2016 $	As at 30 June 2016 $
Assets			
Current assets			
Cash and cash equivalents		**5,206,899**	5,601,353
Trade and other receivables	8	**5,123,154**	4,528,735
Total current assets		**10,330,053**	10,130,088
Non-current assets			
Goodwill	14	**34,000**	41,455
Plant and equipment		**152,952**	175,235
Total non-current assets		**186,952**	216,690
Total assets		**10,517,005**	10,346,778
Liabilities			
Current liabilities			
Trade and other payables		**2,643,024**	1,835,520
Provisions		**592,405**	400,423
Total current liabilities		**3,235,429**	2,235,943
Non-current liabilities			
Provisions		**90,957**	75,294
Total non-current liabilities		**90,957**	75,294
Total liabilities		**3,326,386**	2,311,237
Net assets		**7,190,619**	8,035,541
Equity			
Contributed equity		**17,143,905**	17,143,905
Share based payment reserve		**4,903,991**	4,893,993
Foreign currency translation reserve		**303,463**	396,849
Accumulated losses		**(15,160,740)**	(14,399,206)
Total equity		**7,190,619**	8,035,541

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	For the six months ended 31 December 2016 $	31 December 2015 $
Cash flows from operating activities			
Receipts from customers		**14,130,806**	13,156,350
Payments to suppliers and employees		**(14,504,108)**	(15,606,007)
Other income received		**36,906**	35,094
Interest received		**8,293**	36,987
Interest paid		-	(104,899)
Income tax paid		**(11,384)**	(267,537)
Net cash flows used by operating activities		**(339,487)**	(2,750,012)
Cash flows from investing activities			
Purchase of plant and equipment		**(50,157)**	(37,535)
Acquisition of subsidiary	14	**(30,073)**	-
Deposits paid for leased premises		**(34,432)**	-
Net cash flows used by investing activities		**(114,662)**	(37,535)
Cash flows from financing activities			
Proceeds from issues of shares, options, etc.		-	20,000
Share issue costs paid		-	(377,304)
Advances received under debtor factoring facility		-	2,391,381
Repayment of debtor factoring advances		-	(577,122)
Net cash flows provided by financing activities		-	1,456,955
Net decrease in cash and cash equivalents		**(454,149)**	(1,330,592)
Cash and cash equivalents at the beginning of the period		**5,601,353**	6,234,159
Effect of exchange rate changes on cash and cash equivalents		**59,695**	18,629
Cash and cash equivalents at the end of the period		**5,206,899**	4,922,196

Non-cash financing activities

The following financing transactions have had a material effect on consolidated assets and liabilities but did not involve cash flows:

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 Interim Consolidated Statement of Cash Flows. The customer payments made directly to the debtor factoring agent total $0 in the current period (2015: $2,158,203).

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Contributed equity	Accumulated losses	Share based payments reserve	Foreign currency translation reserve	Total equity
	$	$	$	$	$
Balance at 1 July 2016	**17,143,905**	**(14,399,206)**	**4,893,993**	**396,849**	**8,035,541**
Loss for the half-year	**-**	**(761,534)**	**-**	**-**	**(761,534)**
Other comprehensive income					
Net foreign exchange differences arising on translation of foreign operations	**-**	**-**	**-**	**(93,386)**	**(93,386)**
Total comprehensive loss for the half-year	**-**	**(761,534)**	**-**	**(93,386)**	**(854,920)**
Share-based payments expense	**-**	**-**	**9,998**	**-**	**9,998**
Transactions with equity holders in their capacity as owners	**-**	**-**	**9,998**	**-**	**9,998**
Balance at 31 December 2016	**17,143,905**	**(15,160,740)**	**4,903,991**	**303,463**	**7,190,619**
Balance at 1 July 2015	15,390,390	(10,752,641)	2,343,054	143,678	7,124,481
Loss for the half-year	-	(1,422,212)	-	-	(1,422,212)
Other comprehensive income					
Net foreign exchange differences arising on translation of foreign operations	-	-	-	50,764	50,764
Total comprehensive loss for the half-year	-	(1,422,212)	-	50,764	(1,371,448)
Shares issued on conversion of options	20,000	-	-	-	20,000
Share-based payments expense	-	-	1,200,559	-	1,200,559
Transactions with equity holders in their capacity as owners	20,000	-	1,200,559	-	1,220,559
Balance at 31 December 2015	15,410,390	(12,174,853)	3,543,613	194,442	6,973,592

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

1. CORPORATE INFORMATION

The interim consolidated financial statements of Tech Mpire Limited and its subsidiaries (collectively, **the Group**) for the six months ended 31 December 2016 were authorised for issue in accordance with a resolution of the directors on 21 February 2017.

Tech Mpire Limited (**the Company**) is a for-profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded. The principal activities of the Group are described in the Director's report.

2. BASIS OF PREPARATION

General information

The interim consolidated financial statements for the six months ended 31 December 2016 have been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2016.

The half-year financial statements are presented in Australian dollars.

Accounting policies, disclosures, standards and interpretations

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2016.

The Group has not early adopted any of the accounting standards that have been issued but are not yet effective as of balance date. The Group will assess the impact of these new standards during the reporting period to which they are applicable.

Significant estimates and judgments

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Refer to the most recent annual financial report for the year ended 30 June 2016 for a discussion of the significant estimates and judgments.

3. SEGMENT INFORMATION

The Group has two operating segments based on the internal reports that are reviewed and used by the executive management team in assessing performance and in determining the allocation of resources.

The Group's key operating segments are as follows and are linked to the Group's geographic dispersion:

- Technology: responsible for the development and maintenance of the Group's proprietary software platform nxus®. These activities are conducted primarily at the Group's Australian head office and its office in Croatia.
- Performance Marketing: responsible for generating the Group's main revenue stream. These activities are driven out of the Group's office in Toronto, Canada.

The board of directors review internal management reports on a monthly basis that are consistent with the information provided in the interim consolidated statement of profit or loss and other comprehensive income, the interim consolidated statement of financial position and the interim consolidated statement of cash flows. As a result no reconciliation is required because, in aggregate, the information as presented is what is used by the board to make strategic decisions.

The following tables present revenue and profit information for the Group's operating segments for the six months ended 31 December 2016 and 2015, respectively.

3. SEGMENT INFORMATION (CONTINUED)

For the six months ended 31 December 2016	Technology	Performance Marketing	Other	Elimination of inter-segment transactions	Consolidated
	$	$	$	$	$
Revenue	2,291,192	15,191,303	-	(2,291,192)	15,191,303
Other income	8,324	47,908	32,895	(21,514)	67,613
Cost of services rendered	(164,093)	(14,013,183)	-	2,273,673	(11,903,603)
Overheads	(1,085,580)	(1,888,915)	(980,671)	39,033	(3,916,133)
Other expenses	-	-	(9,998)	-	(9,998)
EBITDA	1,049,843	(662,887)	(957,774)	-	(570,818)
Reconciliation of reportable segment profit/(loss)					
EBITDA	1,049,843	(662,887)	(957,774)	-	(570,818)
Interest income	-	-	8,293	-	8,293
Interest expense	-	-	-	-	-
Depreciation	(29,078)	(6,104)	(297)	-	(35,479)
Income tax expense	(18,893)	-	(144,637)	-	(163,530)
Profit/(loss) after income tax	1,001,872	(668,991)	(1,094,415)	-	(761,534)

For the six months ended 31 December 2015	Technology	Performance Marketing	Other	Elimination of inter-segment transactions	Consolidated
	$	$	$	$	$
Revenue	1,753,549	17,646,088	-	(1,753,549)	17,646,088
Other income	-	5,349	38,307	-	43,656
Cost of services rendered	-	(15,029,513)	-	1,745,962	(13,283,551)
Overheads	(390,136)	(2,766,984)	(1,093,060)	7,587	(4,242,593)
Other expenses	-	-	(1,200,559)	-	(1,200,559)
EBITDA	1,363,413	(145,060)	(2,255,312)	-	(1,036,959)
Reconciliation of reportable segment profit/(loss)					
EBITDA	1,363,413	(145,060)	(2,255,312)	-	(1,036,959)
Interest Income			46,248		46,248
Interest expense	-	-	(29,551)	-	(29,551)
Depreciation	-	(10,487)	(8,038)	-	(18,525)
Income tax expense	-	-	(383,425)	-	(383,425)
Profit/(loss) after income tax	1,363,413	(155,547)	(2,630,078)	-	(1,422,212)

3. SEGMENT INFORMATION (CONTINUED)

The following tables present assets and liabilities information for the Group's operating segments as at 31 December 2016 and 30 June 2016, respectively.

As at 31 December 2016	Technology $	Performance Marketing $	Other $	Elimination of inter- segment transactions $	Consolidated $
Assets	**6,307,018**	**6,400,484**	**3,700,496**	**(5,890,993)**	**10,517,005**
Liabilities	**367,353**	**8,160,011**	**690,015**	**(5,890,993)**	**3,326,386**

As at 30 June 2016	Technology $	Performance Marketing $	Other $	Elimination of inter-segment transactions $	Consolidated $
Assets	5,073,826	5,474,411	4,477,959	(4,679,418)	10,346,778
Liabilities	237,673	6,129,929	623,053	(4,679,418)	2,311,237

4. REVENUE

	Consolidated for the six months ended	
	31 December 2016 $	31 December 2015 $
From continuing operations		
Revenue from advertising services	**15,191,303**	17,646,088

Revenue from advertising services is recognised in the accounting period in which the services are rendered.

Revenue is based on the price specified in the sale contract, net of any discounts at the time of sale. No element of financing is deemed present as the sales are made with a credit term of up to 45 days, which is consistent with market practice.

5. OTHER INCOME AND EXPENSE ITEMS

This note provides a breakdown of the items included in 'other income' and an analysis of material expenses by nature.

		Consolidated for the six months ended	
		31 December 2016 $	31 December 2015 $
(a)	**Other income**		
	Rental income	2,803	12,487
	Recoveries	40,774	15,319
	Miscellaneous income	32,329	62,098
		75,906	89,904
(b)	**Employment costs**		
	Salaries and wages	2,111,725	1,534,991
	Ancillary employment costs	335,192	187,774
	Other	100,804	91,018
		2,547,721	1,813,783
(c)	**Occupancy costs**		
	Rent and variable outgoings	94,502	98,931
	Other	21,166	11,144
		115,668	110,075
(d)	**Consultancy costs**		
	Legal	55,484	37,660
	Investor relations	48,451	60,765
	Other	-	20,417
		103,935	118,842
(e)	**Administration costs**		
	IT costs	91,217	56,223
	Office and general administration costs	233,228	130,395
	Travel	96,062	24,751
		420,507	211,369
(f)	**Compliance costs**		
	Accounting fees	9,772	22,843
	ASX compliance fees	38,076	27,887
	Tax advice and compliance fees	56,350	8,194
	Regulatory body fees	650	493
		104,848	59,417
(g)	**Bad and doubtful debts**		
	Trade receivables doubtful debts provision	(153,784)	1,348,697
	Trade receivables bad debt expense	497,864	195,914
	Other	-	194,514
		344,080	1,739,125

6. INTEREST-BEARING LOANS AND BORROWINGS

Debtor factoring facility

The Group's debtor factoring agreement with an unrelated party enables the Group to receive cash receipts in advance on certain of its customer invoices which are purchased by the debtor factoring agent. A fixed fee of 1.5% of the customer invoice purchased is charged by the debtor factoring agent. In addition, where the customer invoice remains unpaid after 30 days, an additional fee of 1.5% of the invoice value is charged on a pro-rata basis for every 30 days the invoice remains unpaid.

In the event the customer invoice remains unpaid for 90 days, the Group is required to repay to the debtor factoring agent all advances received from the debtor factoring agent for that invoice plus all fees associated with that invoice.

At 31 December 2016, the debtor factoring facility had a credit limit of US$1,000,000 (A$1,387,600). The Group is not obligated to factor a minimum value of customer invoices over the life of the facility.

As of the date of this report this facility has terminated and the Group is investigating options for an expanded facility.

7. INCOME TAX EXPENSE

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings.

A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for the period is as follows:

	Consolidated for the six months ended	
	31 December 2016 $	31 December 2015 $
Accounting loss before income tax	**(598,004)**	(1,038,787)
Income tax benefit at the statutory income tax rate of 30% (2015: 30%)	**179,401**	311,636
Adjusted for:		
Non-deductible share-based payments	**(2,999)**	(360,168)
Other non-deductible amounts	**(111,941)**	(29,500)
Tax losses and temporary differences not recognised as a deferred tax asset	**(237,547)**	(447,067)
Difference between the Australian statutory income tax rate and the statutory income tax rate applicable to foreign operations	**9,556**	(459)
Current Income Tax Expense	**(163,530)**	(525,558)
Recoupment of prior year tax losses not previously recognised	**-**	142,133
Income tax expense reported in the statement of profit or loss and other comprehensive income	**(163,530)**	(383,425)

8. TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 December 2016 $	30 June 2016 $
Trade receivables	**4,187,911**	3,709,477
Accrued revenue	**537,177**	427,246
Prepayments	**128,981**	122,388
Deposits	**42,397**	7,871
Research and development grant receivable	**187,954**	187,954
Other receivables	**4,587**	7,562
GST receivables	**34,147**	66,237
	5,123,154	4,528,735

As at 31 December 2016 (30 June 2016), the ageing analysis of trade receivables, net of impairment loss, is as follows:

			Past due but not impaired			
	Total $	Current $	1- 30 days $	30-60 days $	61-90 days $	> 90 days $
31 December 2016	**4,187,911**	**3,150,252**	**988,051**	**25,693**	**8,593**	**15,322**
30 June 2016	3,709,477	2,893,557	355,835	292,466	129,956	37,663

The balance of trade and other receivables is after provision for doubtful debts. The movement in the balance of the provision is as follows:

	Consolidated	
	31 December 2016 $	30 June 2016 $
Provision for doubtful debts		
Balance at the beginning of the period / year	**515,784**	229,698
Net movement for during the period / year	**(153,784)**	280,355
Net impact of foreign exchange	**(2,558)**	5,731
Balance at the end of the period / year	**359,442**	515,784

9. SHARE BASED PAYMENTS

No share based payment arrangements were granted during the period. The following table outlines the share based payment arrangements granted in the full year ended 30 June 2016:

Security	Number	Grant Date	Expiry Date	Exercise Price (cents)	Fair Value at Grant Date (cents)
Class C Performance Rights	33,334	1 June 2016	1 June 2017	N/A	39.99
Class D Performance Rights	33,332	1 June 2016	1 June 2018	N/A	39.99

Options

All options have vested. Holders of options do not have any voting or dividend rights in relation to the options.

The following table illustrates the movement of options during the period:

	31 December 2016 Number	30 June 2016 Number
Balance at the beginning of the period / year	**13,800,000**	14,000,000
Exercised during the period / year	-	(200,000)
Expired during the period / year	**(6,800,000)**	-
Balance at the end of the period / year	**7,000,000**	13,800,000

No options were exercised during the period (year ended 30 June 2016: 200,000).

The weighted average remaining contractual life for the share based payment options outstanding as at 31 December 2016 was 1.5 years (30 June 2016: 1.26 years).

The exercise price for share based payment options outstanding as at the end of the period was $0.50 (30 June 2016: range of $0.20 to $0.50).

No options were issued to directors or other key management personnel during the current period.

Performance Rights

Holders of performance rights do not have any voting or dividend rights in relation to the performance rights.

During the current period, no performance rights were exercised or forfeited.

Class B Performance Rights
The Class B performance rights vest upon the *Livelynk Group* achieving cumulative net profit before tax of at least A$1,500,000 during the period from *Completion* until the date that is 24 months after *Completion*. Vesting will be determined on the date 24 months after *Completion*, but a share based payments expense for the full value of the Class B performance rights was recognised at 30 June 2016 upon *Livelynk Group* achieving cumulative net profit of at least A$1,500,000.

Livelynk Group comprises Livelynk Group Pty Ltd, Mpire Media Pty Ltd and Mpire Network Inc.
Completion occurred on 29 June 2015.

9. SHARE BASED PAYMENTS (CONTINUED)

Class C and Class D Performance Rights
The Class C and Class D performance rights were issued to incentivise management of Appenture d.o.o which was acquired during the year ended 30 June 2016.

The Class C performance rights vest on 1 June 2017 provided that, on or before that date, the holder has neither been summarily terminated by, nor has resigned as a full time employee or a non-executive director (as applicable) from, Appenture d.o.o.

The Class D performance rights vest on 1 June 2018 provided that, on or before that date, the holder has neither been summarily terminated by, nor has resigned as a full time employee or a non-executive director (as applicable) from, Appenture d.o.o.

As a result the share based payment expense relating to Class C and Class D performance rights recognised in the period is $9,998 (2015: $nil).

10. FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise receivables, payables and cash and cash equivalents which arise directly from its operations.

Fair values
Fair values of financial assets and liabilities approximate to carrying values due to their short terms to maturity.

11. RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of Tech Mpire Limited and the entities listed in the following table.

	Country of incorporation	% Equity interest	
		31 December 2016	31 December 2015
Livelynk Group Pty Ltd[1]	Australia	100	100
Mpire Media Pty Ltd[2]	Australia	100	100
Mpire Network Inc.[2]	Canada	100	100
Appenture d.o.o[2]	Croatia	100	-

[1] equity interest is held directly by Tech Mpire Limited.
[2] equity interest is held directly by Livelynk Group Pty Ltd.

Transactions with related parties

The Company's wholly owned subsidiary, Mpire Media Pty Ltd, transacted with the following entities which are associated with Mr Tsvetnenko. Mr Tsvetnenko was a director of the Company until his resignation on 25 July 2016.

			Revenue for the six months ended	
Name of entity	Mr Tsvetnenko's relationship	Nature of transaction	31 December 2016 $	31 December 2015 $
Digital X Limited	Director	Administration Services	**323**	19,533
Velebit Digital Pty Ltd	Director	Administration Services	-	2,404
Zhenya Holdings Pty Ltd	Director	Administration Services	-	8,593
			323	30,530

11. RELATED PARTY DISCLOSURE (CONTINUED)

Terms and conditions of transactions with related parties

Outstanding balances at reporting date are unsecured. There have been no guarantees provided or received for any related party receivables and there are no formal agreements. Balances owing to the Group do not attract interest and are repaid within 30 days.

12. COMMITMENTS AND CONTINGENCIES

(a) Operating Lease Commitments

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Consolidated	
	31 December 2016 $	30 June 2016 $
Within one year	**174,820**	192,529
After one year but not more than five years	**441,246**	519,694
More than five years	**-**	-
	616,066	712,223

(b) Property, Plant and Equipment Commitments

At balance date the Group had no contractual obligations to purchase plant and equipment (30 June 2016: nil).

(c) Contingent Liabilities

At balance date the Group had no pending legal claims or other contingent liabilities (30 June 2016: nil).

13. EVENTS AFTER THE BALANCE SHEET DATE

No event has arisen since 31 December 2016 that would be likely to materially affect the operations of the Group or its state of affairs which has not otherwise been disclosed in this financial report.

14. CORPORATE TRANSACTION

On 1 June 2016, the Company, through its wholly owned subsidiary Livelynk Group Pty Ltd, acquired 100% of the voting shares of Appenture d.o.o., a company registered and operating in Croatia as a software development company.

The primary reason for the acquisition is the expertise acquired which will help further drive the Group's technology based competitive advantage, resulting in the ability to attract more advertising clients and partners. The goodwill arising on this acquisition reflects the fact that the Group will be able to benefit from an immediate and substantial increase in technical expertise which will accelerate the development of its technology platform, nxus®

The provisional cost of the acquisition comprised:
Cash of $75,680.
33,334 fully paid ordinary shares in the Company, which were issued 4 July 2016, valued at market value of $14,000 on grant date.

The acquisition has been prepared on a provisional basis. The provisional figures have been updated at 31 December 2016.

14. CORPORATE TRANSACTION (CONTINUED)

Acquisition date fair value consideration transferred:

	Fair value at acquisition date Restated at 31 December 2016 $	Fair value at acquisition date Reported at 30 June 2016 $
Cash paid	**75,680**	45,607
Cash payment accrued	**-**	27,279
Shares issued/to be issued	**14,000**	14,000
Consideration transferred	**89,680**	86,886

The consideration includes an element equal to the fair value of net tangible assets acquired.

The cash flow on acquisition is as follows:

	$	$
Net cash acquired with the subsidiary	**34,609**	33,531
Cash paid in year ended 30 June 2016	**(45,607)**	(45,607)
Cash paid in half-year ended 31 December 2016	**(30,073)**	-
Net consolidated cash outflow	**(41,071)**	(12,076)

	6 months ended 31 December 2016 $	6 months ended 31 December 2015 $
Net consolidated cash outflow	**(30,073)**	-

The provisional fair values of the identifiable assets and liabilities of Appenture d.o.o. as at the date of acquisition were as follows:

	Provisional fair value at acquisition date restated at 31 December 2016 $	Provisional fair value at acquisition date reported at 30 June 2016 $
Cash and cash equivalents	**34,609**	33,531
Trade and other receivables	**23,787**	19,304
Plant and equipment	**12,686**	8,044
Total assets	**71,082**	60,879
Trade and other payables	**(6,159)**	(3,568)
Employee benefits	**(9,243)**	(11,880)
Total liabilities	**(15,402)**	(15,448)
Provisional fair value of identifiable net assets	**55,680**	45,431
Goodwill arising on acquisition	**34,000**	41,455
Acquisition date fair value consideration transferred	**89,680**	86,886

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Tech Mpire Limited, I state that:

In the opinion of the directors:

(a) The financial statements and notes of Tech Mpire Limited for the half-year ended 31 December 2016 are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

   (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board.

Luke Taylor
Director

Perth, Western Australia
21 February 2017

Building a better working world

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

To the members of Tech Mpire Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Tech Mpire Limited (the company), which comprises the interim statement of financial position as at 31 December 2016, the interim statement of profit or loss and other comprehensive income, interim statement of changes in equity and interim statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, other information as set out in Appendix 4D to the Australian Stock Exchange (ASX) Listing Rules and the directors' declaration of the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and complies with the ASX Listing Rules as they relate to Appendix 4D. The directors are also responsible for such internal controls that the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and the ASX Listing Rules as they relate to Appendix 4D. As the auditor of Tech Mpire Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Tech Mpire Limited is not in accordance with:

a. the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

   ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

b. the ASX Listing Rules as they relate to Appendix 4D.

Ernst & Young

Ernst & Young

G Lotter
Partner
Perth
21 February 2017

GL:EH:TMP:023