

ASX Company Announcement | Issue Date: 19 April 2017

NEWZULU UNDERWRITTEN RIGHTS ISSUE AND PLACEMENT

- + Fully underwritten rights issue to be offered to eligible shareholders to raise \$4.93 million.
- + Placement to sophisticated investors to raise \$0.90 million.

Newzulu Limited (ASX: NWZ) (**Newzulu**) is pleased to announce its proposal to undertake a fully underwritten non-renounceable pro rata entitlement offer of approximately 4,111,335,644 new Newzulu shares (**Shares**) to raise approximately \$4.93 million on the basis of 17 new Newzulu shares for every 6 existing Newzulu shares held at an issue price of \$0.0012 per new Share (**Entitlement Offer**). The Entitlement Offer is conditionally underwritten by Gleneagle Securities (Aust) Pty Limited.

It is currently intended that the Entitlement Offer will be made to all eligible shareholders who are registered as a holder of Shares as at 7pm (Sydney time) on 3 May 2017 (**Record Date**) (**Eligible Shareholders**).

Eligible Shareholders will be entitled to subscribe for an additional 17 Shares per 6 existing Shares held on the Record Date under the Entitlement Offer, at a subscription price of \$0.0012 per Share. The Entitlement Offer price represents:

- a 70% discount to Newzulu's closing share price on Wednesday, 12 April 2017, the last trading day immediately prior to this announcement;
- a 50% discount to the 30-trading day VWAP of Newzulu's shares ending on Wednesday, 12 April 2017.

Net proceeds of the Entitlement Offer will be used to fund the expansion of the Newzulu sales team, to repay Newzulu's loan of approximately \$670,000 (once the proceeds of the rights issue and placement have been received) and for working capital and general corporate purposes.

Seven West Media Investments Pty Limited, a shareholder represented by Clive Dickens, a director of Newzulu, will act as one of the sub-underwriters of the Entitlement Offer.

Tiga Trading Pty Ltd, an existing significant shareholder of the Company, will also act as a sub-underwriter of the Entitlement Offer.

Blueroom Capital Pty Ltd, a shareholder represented by James Bodel, a director of Newzulu, will act as one of the sub-underwriters of the Entitlement Offer.

TMT Partners Pty Ltd is acting as Newzulu's corporate adviser in relation to the Entitlement Offer. TMT Partners will also act as one of the sub-underwriters of the Entitlement Offer.

In addition to the rights issue, Newzulu has received binding commitments for 750,000,000 shares at \$0.0012 per share to raise \$900,000 from sophisticated investors (**Placement Shares**). The Placement Shares will be issued in two tranches, as follows:

1. Tranche 1: to issue approximately 208,333,333 Placement Shares to raise \$0.25 million to be completed on or around 4 May 2017 under Newzulu's available placement capacity under ASX Listing Rule 7.1; and
2. Tranche 2: to issue approximately 541,666,667 Placement Shares to raise \$0.65 million, to be issued following completion of the Entitlement Offer under Newzulu's available placement capacity at that time under ASX Listing Rule 7.1.

Charles Koonen, the Chairman of Newzulu, said "This capital raising puts Newzulu on a strong footing to build on the significant momentum that we are seeing across the business. I would like to thank our shareholders who have stood by Newzulu in challenging times and are now in a position to share the much better future Newzulu sees ahead".

Newzulu's CEO, Marc Milgrom, said "I'm tremendously excited about the company we have today, the new sales we're winning and the significant opportunities we see ahead. I am proud of the amazing team around me that has helped us reshape Newzulu and support our clients through this period of growth in our business".

- ENDS -

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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 for 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.