

ASX Company Announcement | Issue Date: 17 October 2017

## **PROPOSED NAME CHANGE AND CONSOLIDATION OF CAPITAL FOLLOWING COMPLETION OF BUSINESS TRANSFORMATION**

Newzulu Limited (ASX: NWZ) (**Newzulu** or the **Company**) is pleased to announce that it intends to change the Company's name to CrowdSpark Ltd and consolidate the Company's issued capital, both proposals of which are subject to shareholder approval at its Annual General Meeting on 16 November 2017 (**AGM**).

The new capital structure and name change are the final steps in the complete transformation of the Company that has taken place under CEO, Marc Milgrom. Over the 16-month period since his appointment, Mr Milgrom has made significant achievements in rebuilding a solid foundation from which to grow long-term value for shareholders. During FY17, Mr Milgrom and his management team focused on resetting the cost base of the group, completing a restructure of operations which included a reduction in headcount (from a high of 84 employees in 2015 to 27 employees today), closure of a number of offices and consolidation of the technical and development teams to North America. These measures provided annual cost savings of \$5.50 million, exceeding management's target of \$4.50 million of savings announced in 2016 and deliver a sustainable and scalable cost structure for the group.

Continued investment in product development and strategic updates have been made to the market leading software-as-a-service (**SaaS**) user-generated content (**UGC**) platform with the addition of key features and tools and the launch of an iOS and Android mobile software development kit for clients to increase engagement, expand community and grow revenue by "connecting through content" with their target audience. The migration of the original Content business across to the leading global technology platform positions the Company at the forefront of the growing market for original content and, in particular, curated content. Further advancements are being made in product development and are planned for release together with the rebrand of the business.

The Company has also been placed on a strong financial footing having raised \$5.84 million during the June 2017 quarter which included a fully underwritten entitlement issue to shareholders which was

backed by the Company's key shareholders, including Seven West Media and Tiga Trading Pty Ltd (Thorney).

Following completion of this capital raising, the Company made additional investment in its sales team in North America. Led by US Sales Director, Anthony Ruggiero and based out of the Company's New York office, the sales team is building out the sales pipeline in depth and breadth with opportunities at all stages and across media companies, brands and enterprises.

Most importantly, this strong and growing pipeline is resulting in key deals being signed with major and global clients. During FY17, the Company signed a number of Platform clients including leading media companies such as: West Australian Newspapers Limited (a major Australian newspaper), Archant Regional Limited (a major UK based magazine and newspaper publishing company) and RTL (a major European TV, Radio and Newspaper publishing company). The Company also signed Creative deals with major brands including: Roche Diabetes (a major international healthcare company), Societe General (a major international banking group), and MACSF (a major insurance professional insurance company). More recently and as announced on 9 October 2017, the Company signed a one-year deal with Ontario Centres of Excellence to power the organisation's 2017/2018 Young Entrepreneurs digital program "Make Your Pitch".

At a Board level, the Company is pleased to have made high calibre director appointments during Mr Milgrom's term in Mr Ed Wilson, who has served as CEO of Tribune Broadcasting, President of FOX Television Network, NBC Enterprises and CBS Enterprises, Mr Chris Adams, who has worked with Facebook, Amazon, Participant Media, Comcast Cable and Interactive as well Mr Clive Dickens, Chief Digital Officer for Seven West Media and non-executive director of Yahoo 7 and who represents Seven West Media on the Board of Directors.

The proposed change of name and consolidation of capital are the culmination of over a year of significant change and renewal to the structure and operations of the Company, its products, Board and team under the leadership of Mr Milgrom, which the Board feels is deserving of a holistic transformation of the organisation for the benefit of all shareholders.

### **Name Change**

In July 2017, the Company commenced a corporate rebranding strategy, logo development and implementation plan. Following this extensive process, the Company proposes to change its name to "CrowdSpark Ltd", subject to approval by a special resolution of shareholders at the AGM.

**CROWD SPARK<sup>®</sup>**

The Board believes this new name more accurately reflects the core values and attributes of the business. The new name should enhance the link between the core operations of the business and the Company's identity.

The Board also proposes to change the Company's ASX listing code to "CSK". Subject to shareholder approval being granted, the change of name and ASX code is expected to take effect on or around 1 December 2017.

"The new name strongly aligns our three service offerings, Platform, Content and Creative", said Marc Milgrom, Company CEO. "CrowdSpark® represents both the crowdsourced nature of each service, giving everyone a "voice", and the innovativeness of the crowd and our services, enabling our clients to connect through content with their target audience to spark a dialogue and build community. CrowdSpark® embodies the transformational change going on regarding content for all businesses, change that the Company is positioned to capitalise on."

### **Consolidation of Capital**

The Board also proposes to seek approval of an ordinary resolution of shareholders at the AGM for a consolidation of the issued capital of the Company through the conversion of every two hundred (200) existing securities into one (1) security (**Consolidation**).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward. The Company has a large number of shares on issue due to historical equity-based capital raisings that have provided working capital to develop that Company's leading-edge technology, grow the Platform, Creative and Content businesses and build a first-class sales team. The Board considers that the Consolidation is important and necessary to provide the best platform for growth, with a capital structure that is more reflective of the Company's size and a share price level that is more attractive to investors.

The Board will seek approval at the AGM under Section 254H of the Corporations Act and for all other purposes to consolidate the Company's issued capital on the following basis:

- (a) every 200 fully paid ordinary shares in the capital of the Company (individually, a **Share**) be consolidated into 1 Share;
- (b) every 200 options to acquire Shares (individually, an **Option**) be consolidated into 1 Option and the exercise price of each Option to be amended in inverse proportion to this ratio in accordance with ASX Listing Rule 7.22.1; and
- (c) every 200 performance rights for Shares (individually, a **Performance Right**) be consolidated into 1 Performance Right.

The Consolidation applies equally to all security holders and each security holding will be reduced in the same ratio as the total number of securities (subject only to rounding down of fractions to the nearest whole Share, Option or Performance Right).

Furthermore, the aggregate value of each security holder's holding (and the Company's market capitalisation) should not materially change as a result of the Consolidation, assuming no other market movements or impacts occur. The price per Share should logically increase in proportion to reflect the reduced number of Shares on issue but no definitive forecast can be provided.

Subject to shareholder approval being granted, the Consolidation is expected to take effect on or around 30 November 2017.

The indicative timetable for the Consolidation is set out below.

Key Event	Indicative Date
Annual General Meeting	16 November 2017
Notification to the ASX that the Consolidation is approved	16 November 2017
Last day for trading in pre-consolidated securities	20 November 2017
Trading in the consolidated securities on a deferred settlement basis commences	21 November 2017
Last day to register transfers on a pre-Consolidation basis	22 November 2017
Registration of securities on a post-Consolidation basis	23 November 2017
Despatch of new holding statements	30 November 2017
Deferred settlement trading ends	
Normal trading starts	1 December 2017
Change of Company name and ASX code	1 December 2017

Further details of the proposed change of name and consolidation of capital will be set out in the Notice of Annual General Meeting to be dispatched to shareholders on 17 October 2017.

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**About Newzulu**

Newzulu is a crowdsourced 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 also operates in Toronto, London, and Paris. 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).