



## ASX Announcement

16 February 2015

### **APD TO ACQUIRE @CCOMPLICE AND ENTER NEW ECOMMERCE VENTURE WITH SUPPS R US**

#### **Summary**

- Acquisition of @ccompliance to strengthen APD's presence in Singapore
- New eCommerce venture with Australian sports supplements online retailer, Supps R Us

#### **@ccompliance**

APD has agreed to acquire the business and assets of Accompliance Pte Ltd (@ccompliance), an innovative digital agency based in Singapore led by Tobias Wilson. Formed in 2010, @ccompliance has worked with some of the biggest brands in Asia: Panasonic, Toyota, Lexus, Suzuki, Singpost, DBS and Standard Chartered. @ccompliance has historically delivered annual revenues of SG1-2m per annum and expects to enter a period of significant growth as part of APD.

This acquisition will provide APD with an improved on-the-ground presence in Singapore, serving local Singaporean clients and regional multinationals.

@ccompliance will join the rest of the Asia Pacific Digital group in adopting APD as its operating brand at the end of April. @ccompliance staff will be retained and Tobias Wilson, CEO of @ccompliance and vice chair of the IAB in Singapore, will become Country CEO of APD in Singapore.

Completion of the purchase of the business of @ccompliance and transition of its personnel to APD is expected to occur within the next few weeks upon satisfaction of a range of pre-conditions. The business will become part of the Strategies & Solutions division of APD.

The purchase price will be SG\$1.0m comprising \$0.4m in cash and \$0.6m in shares issued at 42 cents per share with an incentive payment estimated at up to \$0.5m. APD expects the merger with @ccompliance will move its combined Singapore business into profitability in calendar 2015 and for the acquisition to be accretive in FY16.

#### **New eCommerce Venture with Supps R Us**

APD today announces an eCommerce venture with Supps R Us, a leading Australian B2C online sports supplements retailer. Supps R Us brings nutrition, training and supplements together and serves a broad market of consumers including athletes, body-builders, amateur sportsmen and health-conscious people seeking to supplement healthy lifestyles.

The sports nutrition industry in Australia is a \$530m retail market that is estimated to grow to \$700m in annual sales by 2019. The market is growing at around 8% pa in Australia with online sales growing at around 25% pa. A 2014 BRW Fast Starter, Supps has a current revenue run rate of ~\$10m and has delivered 100% compound growth over the past two financial years.

Supps R Us has partnered with APD to materially increase the size of its business over the next five years. APD will provide A\$4.5m of digital services over the life of the agreement and will in return be remunerated, under a Master Services arrangement, via a fixed retainer, a tiered share of revenues above an agreed hurdle and a convertible note(s) equivalent to a 30% opening equity interest. The venture is subject to completion of a range of preconditions which are expected to be met shortly.

APD and Supps R Us are developing a business plan to take the Supps R Us brand into South East Asia as a separate venture.

**For more information:**

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