

ASX Company Announcement | Issue Date: 18 September 2015

## **NEWZULU COMPLETES ACQUISITION OF OCTIPLEX & SIGNS FIRST NEWZULU MOBILE CLIENT**

- + Establishes Newzulu Mobile as a global leader in mobile applications development.
- + Acquisition of key mobile and mobile video intellectual property.
- + Delivers new revenue stream and earnings for Newzulu.
- + Signs first client to Newzulu Mobile valued at A\$200k +
- + Positions Newzulu to capitalize on client demand for mobile application development services and solutions, particularly from media companies and brands.
- + Enables the rapid design, development and deployment of custom mobile applications for Newzulu itself and clients of Newzulu Editorial, Platform, Live and Prime.
- + Reduces Newzulu's previously outsourced mobile development costs.

Newzulu Limited (ASX: **NWZ**) is pleased to announce that it has completed the acquisition of Octiplex and launch of Newzulu Mobile ([www.newzulumobile.com](http://www.newzulumobile.com)). Octiplex is a global leader in mobile application and solution development, with operations in France, Brazil and China, which will become the business operations of Newzulu's specialist mobile application development business, Newzulu Mobile.

The acquisition of Octiplex boosts Newzulu's in-house technological capabilities focused on mobile applications development expanding its offering to clients seeking to source and deliver content in a mobile environment. In parallel to the acquisition, Newzulu Mobile has signed its first mobile application development contract, which is set to earn revenues of approximately A\$225,000 over a four month period.

Technological innovation, increasing device ownership and evolutions in the media distribution landscape have changed the way that consumers access media, shifting the emphasis of the internet

to mobile and video. Newzulu believes that innovation in mobile applications development is key to capitalizing on the increasing demand for content through a variety of platforms, networks and devices. With networked and mobile devices estimated to reach 24.4 billion by 2019, the market demand for app development services is ever increasing.

According to the Cisco Visual Networking Index™, device ownership, content delivery and demand for content are forecast to grow at astronomical rates:

- + the number of devices connected to IP networks will be 3 times as high as the global population in 2019;
- + mobile content delivery networks will carry 62% of Internet traffic globally by 2019;
- + traffic from wireless and mobile devices will account for 66% of IP traffic by 2019;
- + global mobile data traffic will increase 10-fold between 2014 and 2019;
- + globally, mobile video traffic will grow 13-fold from 2014 to 2019, representing a compound annual growth rate of 66%

Newzulu Mobile is delighted to announce the appointment of Damien Gosset, founder of Octiplex, as Senior Vice President of its new mobile services division. Newzulu also welcomes the Octiplex team whose extensive mobile applications development expertise immediately position Newzulu Mobile as a world leader in mobile applications design, development and deployment.

The consideration for the acquisition of Octiplex represents a valuation at approximately 2.6 times (2.6x) twelve month historical EBITDA. The acquisition of Octiplex has the potential to generate significant revenues and earnings for Newzulu Mobile, demonstrated by the recent signing of a A\$200k+ mobile application development project for a US-based media and technology company.

“We are delighted to launch Newzulu Mobile with the acquisition of Octiplex, which establishes Newzulu as a comprehensive solutions provider for companies with requirements for exceptional mobile applications development. Newzulu Mobile is positioned to deliver rapid design, development and deployment of iOS and Android apps on a custom basis with particular expertise in rich media applications such as video and mobile live video. Newzulu expects to report significant revenues as clients seek mobile application development solutions and services from Newzulu Mobile.”

Consideration for the acquisition is €725,000, settled via a cash payment of €362,500 and the issue of 19,920,327 fully paid ordinary shares (**Consideration Shares**) in Newzulu with a value of €362,500, calculated pursuant to the terms of the agreement.

Shareholder approval for the issue of Consideration Shares was obtained at the EGM held on 31 July 2015. A 12 month restriction period applies to the Consideration Shares.

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## About Newzulu

Newzulu is a crowd-sourced media company that allows anybody, anywhere, with a mobile device and a story, to share news, get published and get paid. Headquartered in Paris, Newzulu operates bureaus in London, New York, Los Angeles, Toronto and Sydney. In February 2015 Newzulu completed the acquisition of leading Toronto based user-generated content marketing software company Filemobile Inc. Newzulu operates in partnership with Getty Images, Tribune Content Agency, Alamy, Agence France-Presse (AFP) in France, Press Association (PA) in the UK & Ireland, ddp images in Germany, Belga News Agency in Belgium, Canadian Press (CP) in Canada, Australian Associated Press (AAP) in Australia, Czech News Agency (CTK) in the Czech Republic, ITAR TASS in Russia, Mahatta Multimedia in India and Aflo Co., Ltd in Japan. Further information can be found on [www.newzululimited.com](http://www.newzululimited.com).