

Newzulu Limited

(AU: NWZ, Target Price: \$0.25)

We initiate coverage on Newzulu Limited with a price target of \$0.25 per share. Newzulu is an Australian-based corporation that operates a news platform with a community of professional and citizen journalists. The Company's platform publishes photos, videos, and articles from around the world, and allows users to sell their photos, videos, and articles to media buyers. Its platform also enables newspapers, magazines, and broadcasters to select validated submissions from professional and citizen journalists for licensing and use in broadcast, online, or print media.

INVESTMENT HIGHLIGHTS

Thriving news-gathering community and strong partnerships

Newzulu is very committed to engaging both local communities and journalists in the news-gathering process. The Company boasts a consistently thriving network of over 150,000 citizen journalists in over 150 countries. Newzulu's reports span the entire globe and at the same time, have bolstered professional relationships and agreements with major media outlets across the world. Newzulu has formed strategic regional partnerships with some of the most prestigious associations, such as Getty Images, Canada Press, Press Association and the AAP. These global partnerships can attest to Newzulu's world-encompassing goals and expansion to help fuel the demand for eyewitness information and original content from all areas of the globe.

Filemobile acquisition showing promise as well as planned Octiplex acquisition

Newzulu acquired Filemobile in 2015, which is a leading Toronto-based user-generated content marketing software company. Filemobile has a significant footprint of professional clients and partnerships with big-name global media brands like USA Today, Wall Street Journal and CBC. The acquisition allows Newzulu to gain complete access to a highly scalable software as a service business model and a well established network of strategic partnerships. Newzulu has also set its sights on the acquisition of Octiplex, a mobile applications and solutions developing company that has the potential to propel Newzulu's mobile division to new heights. Newzulu has an active interest in considering acquisitions that can be synergized with their current operations and have the capability to improve its competitive advantages

Significant Revenue Generated from Newzulu's Technology Business Segment

Technology business is comprised of Newzulu Platform and Newzulu Live. Newzulu Platform (formerly Filemobile Inc.) is the engine room of Newzulu. Founded in 2006 Newzulu Platform builds custom UGC experiences for some of the world's biggest publishers and brands to create compelling interactive online experiences. The client roster includes; Gannett, Fox News, and The Wall Street Journal. Newzulu Live allows news organizations to plug into verified, produced, secure live streams from citizen reporters, worldwide and 24/7. Newzulu is focusing its efforts to bring and Platform and Live businesses into the U.S.

Newzulu is part of a prospering industry

Newzulu is part of a growing online and digital news industry that has been surpassing its TV, radio and newspaper counterparts over the past few years since its inception in the early 2000s. The recent trend has been that people are consistently turning to their mobile devices and online websites to get their news and Newzulu's positioning in the marketplace has let them take advantage of this ongoing trend, especially with their planned acquisition of Octiplex, which will enhance their strategic positioning in the mobile digital news marketplace.

Newzulu Prime Platform to Provide Crowdsourced Content

Prime is Newzulu's storytelling and film production arm. Today's branded content production model is outdated. The boundaries between brands, publishers and broadcasters are increasingly blurring. What they all have in common is the need for a simplified way to source, manage and optimise video productions. We help you thrive in this new digital, video and story-centric world. With Newzulu Prime, brands and publishers can have hundreds of filmmakers or brand ambassadors iterating for them, providing exceptionally creative content.

Initiate coverage with a price target of \$0.25

Our analysis indicates a fair value estimate of \$0.25 per share, implying an upside of about 726% from the recent price of \$0.03. We view Newzulu as a speculative investment in the media space. We see material growth for Newzulu in the upcoming years.

Stock Details (09/11/2015)

AU:	NWZ
Sector / Industry	Communications / Media
Price target	\$0.25
Recent share price	\$0.03
Shares o/s (mn)	617
Market cap (in \$mn)	18.5
52-week high/low	\$0.22 / 0.03

Source: Bloomberg, SeeThruEquity Research

Key Financials (\$mn unless specified)

	FY14	FY15	FY16E
Revenues	0.7	1.5	2.6
EBITDA	(1.2)	(29.1)	(2.2)
EBIT	(1.2)	(29.1)	(2.2)
Net income	(1.2)	(29.1)	(2.2)
EPS (\$)	(0.70)	(7.30)	(0.55)

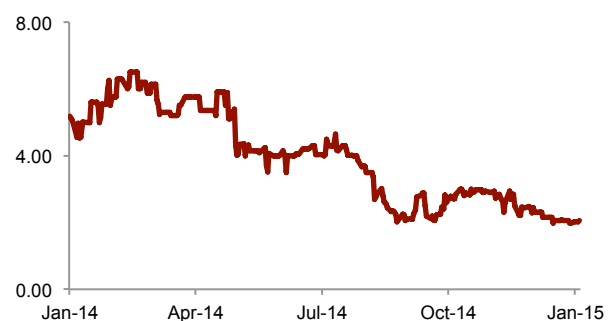
Source: SeeThruEquity Research

Key Ratios

	FY14	FY15	FY16E
Gross margin (%)	73.9	63.7	65.0
Operating margin (%)	(176.7)	(1,982.4)	(85.0)
EBITDA margin (%)	(176.7)	(1,982.4)	(85.0)
Net margin (%)	(176.4)	(1,974.9)	(85.0)
P/Revenue (x)	28.3	12.6	7.0
EV/EBITDA (x)	(12.7)	(0.5)	(6.6)
EV/Revenue (x)	22.5	10.0	5.6

Source: SeeThruEquity Research

Share Price Performance (\$, LTM)



Source: Bloomberg

SUMMARY TABLE

Figure 1. Summary Table (As of September 11, 2015)

Share data		B/S data (As of 2Q15)		Key personnel:	
Recent price:	\$0.03	Total assets:	14.3mn	Executive Chairman:	Alexander Hartman
Price target:	\$0.25	Total debt:	0.0mn	Chief Operating Officer:	Marc Milgrom
52-week range:	0.22 / 0.03	Equity:	0.0mn		
Average volume:*	234,884	W/C:	0.0mn		
Market cap:	\$18.5mn	ROE '14:	-267%		
Book value/share:	\$2.73	ROA '14:	-201%		
Cash/share	\$0.96	Current ratio:	2.7		
Dividend yield:	0%	Asset turnover:	0.1		
Risk profile:	High / Speculative	Debt/Cap:	0.0		

* three month average volume (number of shares)

FY December	Estimates				Valuation	
	Rev (\$mn)	EBITDA (\$mn)	EPS (\$)	P/Rev (x)	EV/Rev (x)	P/E (x)
2013A	0.7	(1.2)	(0.70)	7.1	5.6	NM
1Q14A	0.1	0.1	0.06	46.3	36.8	0.5
2Q14A	0.2	0.2	0.09	30.2	24.0	0.3
3Q14A	0.5	0.5	0.30	9.3	7.4	0.1
4Q14A	0.7	0.7	0.43	26.4	5.3	0.1
2014A	1.5	(29.1)	(7.30)	12.6	10.0	NM
2015E	2.6	(2.2)	(0.55)	7.0	5.6	NM

Source: SeeThruEquity Research

INVESTMENT THESIS

Newzulu Limited (ASX: NWZ) is an innovative crowd-sourced videos and photos agency that is primarily based on freelance journalism, as well as eyewitness news. The Company operates a news platform consisting of a community of professional and citizen journalists that contribute all sorts of media, which they can share with the public or sell their content to media buyers. The platform that Newzulu has implemented allows magazines, newspapers and broadcasters to select validated submission from journalists that they can choose to license or use in their media.

The Company was incorporated in 2013 and is based in Edgecliff, Australia with established operations in Sydney, Paris, London, New York, Los Angeles, Toronto and New Delhi. Newzulu stands for revolutionary content gathering, editorial validation and verification, powerful digital technology and connecting broadcasters, publishers and brands with the general populace. Newzulu also has a mobile application that iPhone and Android users can now file content and broadcast live, similar to professional TV reporters and photographers. The mobile application has become a key ingredient in the Newzulu crowd reporting process and developments are being researched to further enhance the platform.

Thriving news-gathering community

Newzulu is very committed to engaging local communities and journalists in the news-gathering process. Newzulu boasts a constantly thriving network of over 150,000 citizen journalists in over 150 countries. The

Company's reporters span the entire globe and work together to report news and communicate scoops in real time. They are essentially breaking news to the world as it is happening. Newzulu also offers its clients a flexible and cost effective method of getting their hands on content while democratizing the way news is being conveyed. Through Newzulu's platform, publishers can strengthen their relationship with the general public by opening a two-way channel of communication and storytelling.

Strong and growing relationships with established news agencies

Newzulu has managed to form regional strategic partnerships and similar agreements with some of the world's most established and prestigious media associations across the globe. The Company has strategic alliances with leading news agencies, such as Getty Images, Agence France Press in France, Press Association in the United Kingdom, Canada Press in Canada, Aflo and Nippon News in Japan, CTK in the Czech Republic and the AAP in Australia. These global partnerships attest to Newzulu's belief that citizen journalism represents a crucial part of the future of news and these agreements can help fuel the demand for instant eyewitness information and original content from all areas of the world.

Filemobile acquisition showing promise

Newzulu acquired Filemobile Inc. in February 2015, which is a leading Toronto-based user-generated content marketing software company. The acquisition of Filemobile allows Newzulu to gain complete access to a well-established market-leading global media and brand software business with a significant footprint of clients in Canada and the U.S., such as USA Today, Wall Street Journal, Hearst TV, iTV, CTV, CBC, The Weather Network and global brands such as Under Armour, Cisco and JC Penney. In addition to this plethora of professional relationships, the acquisition provides Newzulu with a highly scalable software as a service (SaaS) business model that has relatively low capital expenditures, as well as a robust line of product offerings that can be customized for clients around the globe. Newzulu has an active interest in considering acquisitions that can be synergized with Newzulu's operations or have the capability to improve the Company's competitive advantages.

Planned Octiplex acquisition will promote even further growth and development

Newzulu has its sights set on acquiring Octiplex, a mobile applications and solutions developing company that is part of Apple's Consultant Network and also an Apple Authorized Training Center. Octiplex has delivered mobile applications to major media companies and brands across the United States, Europe and South America. The acquisition has the potential to propel Newzulu's mobile division as a world leader in mobile app development for the media and advertising industry, which would leverage Newzulu's global sales and operations infrastructure. The acquisition will also allow the Company to gain complete access to Octiplex's rich and extensive software library, which would promote rapid design, development and delivery of iOS and Android applications. The deal is contingent upon Newzulu successfully raising A\$1.46mn and obtaining all necessary shareholder, regulatory and third party approvals related to the acquisition. Upon successful completion, this move will enhance the Company's position in the global market for mobile application development and simultaneously reduce its previously outsourced mobile development costs.

Aggressive expansion strategies

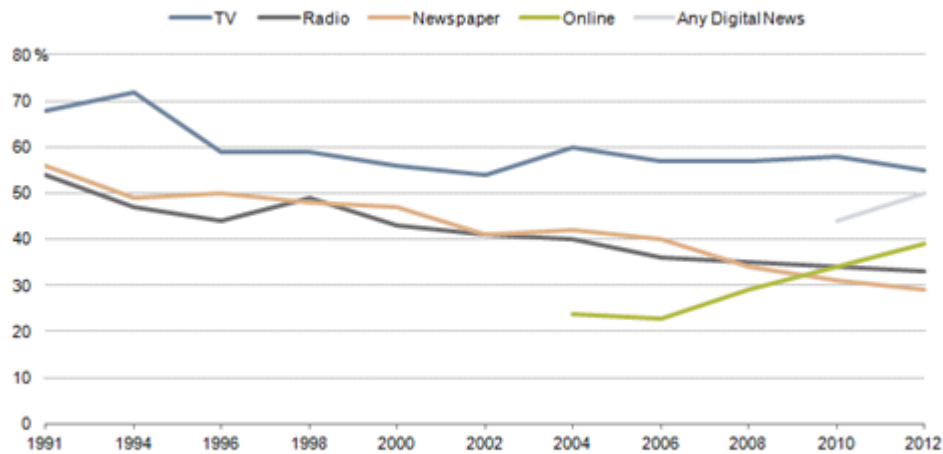
On August 18th, 2015, Newzulu announced that it will raise \$5 million to fund global sales and client support infrastructure to underpin recent client signings and pursue aggressive expansion tactics into the United States and European markets. Historically, Newzulu has made significant and impressive strides in the research and technological development of their signature platform and other product offerings. The Company has and will continue to pursue investments to help strengthen their global infrastructure to support major media outlets, broadcasters and brands. This is a safe and sure indication that Newzulu is placing a significant amount of emphasis and pressure on solidifying themselves as a global brand.

At the right place, at the right time

Newzulu is part of a growing industry that has seen steady online and digital news consumption rising sharply since the trend began in the early 2000s. Meanwhile, other sources of news such as TV, radio and newspaper, have seen steady declines over the past several years as more and more people are turning to the digital era to get their news. Newzulu has positioned themselves strongly to match the pace of the online news industry and has begun to strategically position themselves with the digital industry as well with their Octiplex acquisition plans, which will boost their mobile division immensely.

Digital Grows Again as a Source for News

Percentage of Respondents Who Got News "Yesterday" From Each Platform



Source: Pew Research Center
 PEW RESEARCH CENTER
 2013 STATE OF THE NEWS MEDIA

The audience for news

Online news consumption has been rapidly rising over the last 2 years and has been followed by the rapid spread of digital platforms. Out of all the media categories, online was the only category that showed growth in Pew Research Center's 2012 News Media Consumption survey. 39% of respondents in the survey said they got their news online or from a mobile device in 2012, which was up from 34% in 2010. When other online and digital news sources are included, the amount of people who got news from one or more digital forms on an average day becomes 50%, which is just below the audience for television news (a combination of cable, local and network). Print newspapers only made up 29% while radio made up 33%. People from all ages are moving away from traditional delivery systems altogether and transitioning to the digital area at rapid speeds. For many publications, they have seen a rapid shifting of the balance of readership towards mobile devices. In 2015, it was reported in the Wall Street Journal that 44% of their traffic came from mobile devices, up 20% from 2012 and is expected to reach 50% in the upcoming years.

For Many, Mobile Means More News

News users who said that since getting their tablet they...



Based on weekly tablet news (N=810) users. Icons from the Noun Project.

Pew Research Center's Project for Excellence in Journalism in collaboration with The Economist Group

In addition to a rise in mobile traffic, users who get their news through mobile are being more engaged with the news they consume. Over 31% of users in a survey said that they were spending more time with the news and 43% are adding to the news they consume with mobile mediums. Newzulu recognizes that the mobile industry is one of the fastest growing areas in the news industry and has paced themselves accordingly by making development strides and eyeing important companies for potential acquisition, such as Octiplex.

News-gathering is evolving

Through Newzulu's platform, photos and videos captured by freelancers and ordinary citizens can be purchased and shared with millions of people across the world. Media outlets are increasingly interested in securing this type of content that can range from eyewitness news, lifestyle, entertainment, and especially any content that has the potential to reach viral status. For example, News Corp purchased images of a fist fight between James Packer and David Gynell for up to \$250,000 from a bystander who happened to be at the scene. One of Newzulu's recent transactions involved a selling of a 16-second iPhone video of a helicopter evacuating Michael Schumacher after his skiing accident, which sold in excess of \$50,000 within hours and is continuing to sell. In the past, it hasn't been easy to submit to news organizations, and companies like Newzulu are changing the way that news is gathered and are promoting the active engagement of getting the crowd to work on their behalf. Newzulu connects visual journalists and content creators with over 7,000 media outlets worldwide, and offers a reliable platform that can get their content to the general audience, pursuant to getting published and paid.

Newzulu making strides in the international arena

Newzulu has been focused on expanding its international relationships and on August 2015, announced that they had signed two new international partners to its Newzulu content syndication platform, with partners in both India and Belgium. Newzulu entered into an agreement in India with Mahatta Multimedia, a leading content agency that operates online platforms in India, such as indiapicture.com and ibudgetphoto.com and is also a representative of Shutterstock in India. Newzulu has entered into a partnership in Belgium with Belga News Agency, Belgium's national news agency and primary supplier of news content in the country. These newfound relationships deliver Newzulu market access, sales and distribution capabilities, especially in India, where the mobile news sector is growing significantly compared to other countries. Newzulu expects the strategic partnerships to generate content sales revenue after a short integration period and to make significant contributions to the global establishment of Newzulu's Content division across the globe. Newzulu has existing partnerships with multiple areas across the world, including, but not limited to, France,

Germany, Australia, Russia, Japan, UK, Ireland, United States, Czech Republic and many more. Newzulu's focus on the international arena will help propel their brand name and image to staggering heights if they keep up the pace.

Experienced management team

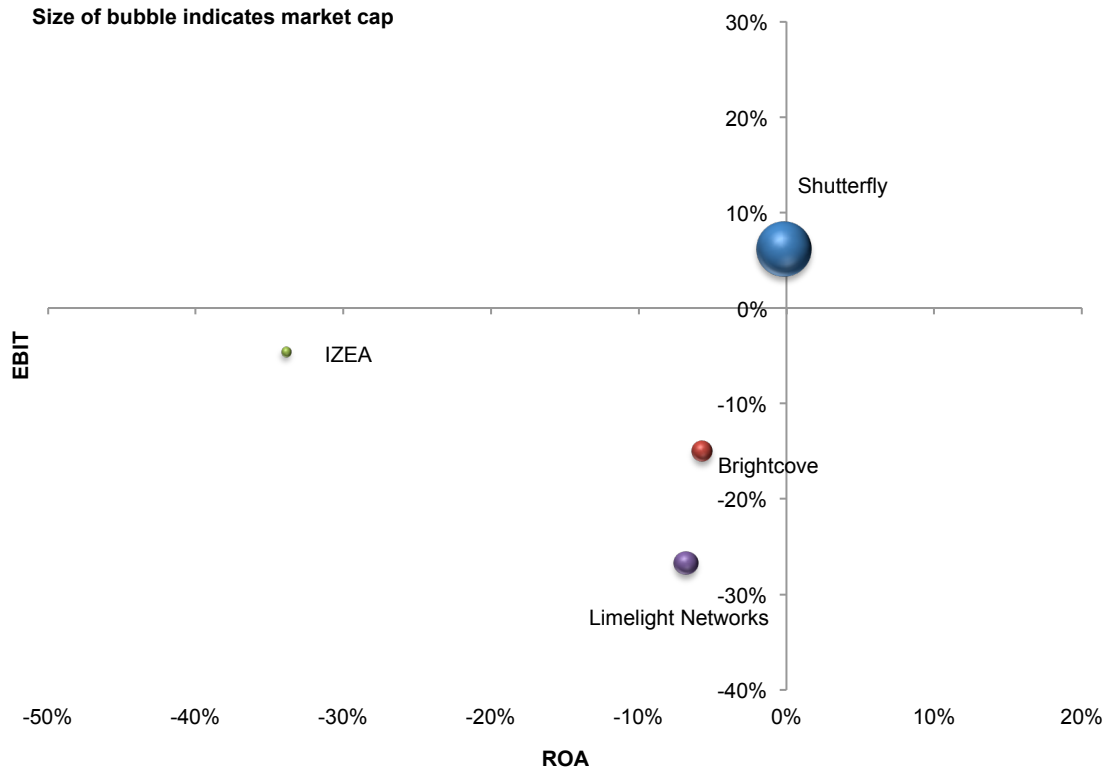
Newzulu has an experienced management team behind its operations, starting with Alexander James Hartman, who is the Executive Chairman, Managing Director and Member of the Audit & Compliance Committee. Alexander Hartman is the co-founder of Newzulu and has been a substantial and paramount member of multiple organizations, including, but not limited to, the Commonwealth Bank of Australia, FilmOn, Gresham Advisory Partners, Telstra, The National Youth Mental Health Foundation and more.

Marc Milgrom serves as the Global Chief Operating Officer and Managing Director of Canada, since February 2015. Marc Milgrom is a dynamic senior executive with a proven track record of driving profitable revenue growth through strategic vision, leadership and execution. He is an innovative, lateral thinker who delivers real value through a broad understanding of business, technology, and the marketplace and how these components are impacted by change. He is successful in building and maintaining strong relationships as a trusted business advisor with superior analytical, problem solving, negotiation and communication skills. He is a team builder and coach, who excels at motivating people to hold themselves accountable to achieve agreed-upon results. Milgrom has had extensive experience through his partner status at PwC and serving on the board of directors of Arthritis Research. Milgrom was also the President and eventually CEO of Filemobile Inc before its acquisition by Newzulu.

COMPETITIVE LANDSCAPE

Newzulu operates in the internet media space, which is largely characterized by innovation and a frequently changing landscape. Finding direct competitors proved difficult, and that bodes well for the Company's competitive moat. In the following graphic we examined key size and profitability metrics for a group of publicly traded companies with similar business operations and similar market capitalizations.

Figure 2. ROA vs. EBIT– TICKER Peers



Source: Company filings, SeeThruEquity Research

FINANCIALS AND FUTURE OUTLOOK

Revenue/Drivers

Newzulu will look to increase revenues for its editorial business after reaching a key content syndication agreement with UK-based video news agency Videoplugger. Newzulu has grown a global community of reporters, photographers, and videographers in 198 countries over the last eight years. This Agreement further positions the Company to capitalize on the growing trend for video content gathering and gaining editorial story validation. A revenue boost will come from Newzulu's crowd-sourced video content being distributed to Videoplugger's extensive international client network.

Videoplugger specializes in the syndication of much watched celebrity, showbiz and sports-related online video content for media and commercial use worldwide. It will distribute content from Boomzulu (Newzulu’s celebrity and showbiz vertical) and Sportszulu (Newzulu’s sports news vertical), along with Newzulu’s crowd-sourced post-live video news content. The Agreement covers terms for distribution and licensing of Newzulu content by Videoplugger on a non-exclusive basis, with a focus on high-quality, validated crowd-sourced video.

Newzulu signed a long-term strategic partnership agreement for news and multimedia distribution, syndication and sales with Tribune Content Agency, part of the long established media company Tribune Publishing. Tribune’s network of 2,000 contributors should maximize audience reach, advertising revenues and content license fees. The content syndication deal with Videoplugger is significant given that it gathers and distributes the latest video news to media professionals every day in the high demand areas of red carpet footage, paparazzi clips, and fashion and sport related content and interviews.

In terms of the broader market, networking giant Cisco has forecast that consumer internet video traffic will make up 80% of all consumer internet traffic in 2019, up from 64% in 2014. A significant part of this is expected to include news content. Software developer Adobe has also noted that 38.2 billion free videos were watched online in the second quarter of 2014, up 43% over the same quarter the previous year.

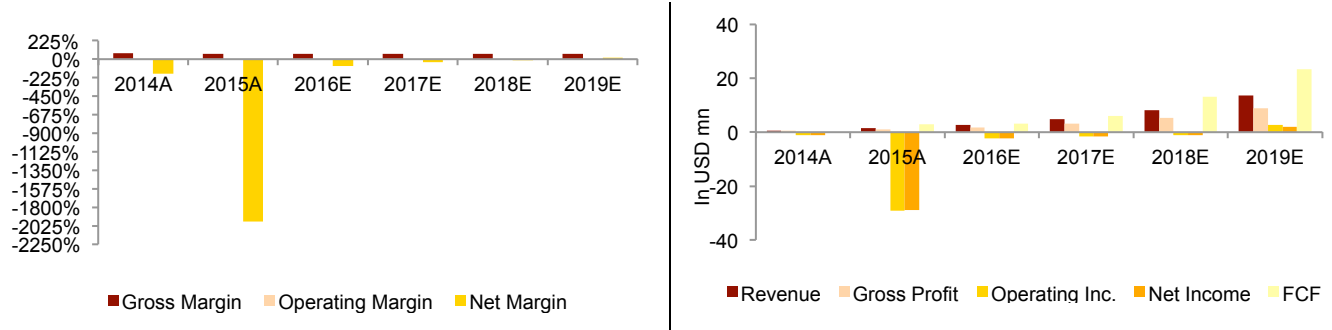
Margins/Expenses

Newzulu has had negative margins in 2014 and thus far in 2015. Since inception, the business has not achieved to receive a net cash inflow from its operations. The operating activities of this business are negative. This is a concern as cash flow is the lifeblood of a business, and without stable cash inflow from the main operations the business is at risk of running out of cash.

Balance Sheet & Financial Liquidity

At 2014 yearend, Newzulu had \$75K in cash and \$1,953K in current liabilities. In 2014, PieNetworks acquires Newzulu. Newzulu has a healthy balance sheet and ample room to incur debt, if needed. The Company’s assets have grown rapidly with their M+A transactions.

Figure 3. Key Performance Indicators of TICKER, FY13–18E



Source: Company filings, SeeThruEquity Research

VALUATION

We utilized discounted cash flow analysis (DCF) and peer group multiples to value Newzulu. Newzulu is in the early stages of operations, and we see significant growth in the future as the Company’s M+A transactions integrate with their international expansion and organically growing market presence.

DCF

We modeled negative free cash flow from FY16 to FY18 as the Company's growth initiatives take time to integrate and ramp up. We do not expect Newzulu to achieve profitable net income until FY2019.

We discounted cash flows at a weighted average cost of capital of 15.8% and assumed a terminal growth rate of 6% at the end of FY19 to arrive at an enterprise value of \$152mn. We adjusted for the Company's cash of \$3.8mn to arrive at an equity value of \$156mn.

Figure 4. Discounted Cash Flow Analysis

\$' 000	FY16E	FY17E	FY18E	FY19E	FY20E
EBIT	(2,242.8)	(1,662.3)	(1,211.1)	2,745.2	9,333.5
Less: Tax	0.0	0.0	0.0	686.3	2,333.4
NOPLAT	(2,242.8)	(1,662.3)	(1,211.1)	2,058.9	7,000.2
Changes in working capital	5,277.1	4,749.4	7,266.6	10,980.6	16,333.7
Depreciation & Amortization	0	0	0	0	0
Capex	0	0	0	0	0
FCFF	3,034.3	3,087.1	6,055.5	13,039.5	23,333.9
Discount factor	0.89	0.77	0.66	0.57	0.49
PV of FCFE	2,699.4	2,370.7	4,015.7	7,467.4	11,539.5
Sum of PV of FCFE					28,092.7
Terminal cash flow					252,386.7
PV of terminal cash flow					124,814.6
Enterprise value					152,907.3
Less: Debt					0
Add: Cash					3,807
Equity value					156,715
Outstanding shares (mn)					617.0
Fair value per share (\$)					0.25

Summary conclusions		Key assumptions	
DCF FV (\$ per share)	0.25	Beta	1.9
Recent price (\$ per share)	0.03	Cost of equity	15.8%
Upside (downside)	726%	Cost of debt (post tax)	7.2%
WACC	15.8%	Terminal Growth Rate	6.0%

Source: SeeThruEquity Research

Figure 5. Sensitivity of Valuation – WACC vs. Terminal Growth Rate

		WACC (%)				
		14.8%	15.3%	15.8%	16.3%	16.8%
Terminal growth rate (%)	5.00%	0.26	0.24	0.23	0.22	0.20
	5.50%	0.27	0.25	0.24	0.22	0.21
	6.00%	0.28	0.26	0.25	0.23	0.22
	6.50%	0.30	0.28	0.26	0.24	0.23
	7.00%	0.31	0.29	0.27	0.26	0.24
	7.50%	0.33	0.31	0.29	0.27	0.25

Source: SeeThruEquity Research

Peer Group Valuation

We also valued Newzulu using a peer group valuation. Our peer group examines the Company relative to a group of peer companies on the basis of similar market value and business operations. We selected a peer group of companies who operate in the same industry.

Figure 6. Comparable Valuation (Data as of 09/11/15)

Company	Mkt cap (\$ mn)	EV/Revenue(x)		Price/Revenue(x)	
		FY15E	FY16E	FY15E	FY16E
Shutterfly	1,390	1.5	1.3	1.3	1.2
IZEA	41	0.9	0.5	1.8	1.1
Brightcove	172	1.1	1.1	1.3	1.2
Limelight Networks	245	1.0	0.9	1.4	1.3
Akamai	13,340	6.0	5.2	6.0	5.2
Average		2.1	1.8	2.4	2.0
Newzulu Limited	19	N/A	N/A	N/A	N/A
Premium (discount)		N/A	N/A	N/A	N/A

Source: Bloomberg, SeeThruEquity Research

RISK CONSIDERATIONS

Operation Risk

Newzulu has not been able to achieve positive cash flow from operations. This is typical of many early stage businesses; however, if this does not reverse course in the coming periods, then that could prove detrimental to business as a going concern. Capital can be raised to offset the negative cash flow, but that's only a temporary solution as it dilutes shareholders.

Competition

The market for social media web sites and applications is very competitive. This market is characterized by rapid change due to changes in the technology used for social media communications, changes in consumer preferences, and competitive innovation. The market is also characterized by numerous and ever-emerging competitors, of which some have longer operating histories, greater brand recognition and greater access to funding than Newzulu.

Valuation Compression

Market valuations for social media companies are generally well above the market multiples for other industries, reflecting growth expectations that may or may not be realized. The value of companies in the space has been affected, in our view, by an influx of growth venture capital and other institutional funding, as well as merger and acquisition activity in the space.

Management Team

Alexander Hartman - Executive Chairman

Alex Hartman is the Co-founder of Newzulu, Matilda Media Group and Rightstrade. Mr. Hartman Received the Young Australian of the Year Award for Career Achievement in 2001 and the Pearcey Medal from the Australian Computer Society. Mr. Hartman was a pioneer of broadband Internet services in Australia with Telstra. The Australian Government appointed Mr. Hartman as a Director of the Industry Research & Development Board, as Chairman of the Youth IT Skills Hub and as a founding Director of Headspace, the National Youth Mental Health Foundation.

Marc Milgrom - Global Chief Operating Officer and Managing Director of Canada

Marc Milgrom has been the Global Chief Operating Officer and Managing Director of Canada since February 2015. Marc Milgrom is a dynamic senior executive with a proven track record of driving profitable revenue growth through strategic vision, leadership and execution. He is an innovative, lateral thinker who delivers real value through a broad understanding of business, technology, and the marketplace and how these components are impacted by change. He is successful in building and maintaining strong relationships as a trusted business advisor with superior analytical, problem solving, negotiation and communication skills. Mr. Milgrom had been partner of PricewaterhouseCoopers from January 1990 to June 2008 to provide business advice to senior management of companies. He also managed a practice of diverse companies, primarily in the technology, entertainment and life sciences industries, which were specialized in intellectual property matters. After that, Mr. Milgrom served on the board of directors of Arthritis Research, a company that manages and invests funds for arthritis and related autoimmune disease research taking place in labs and clinics across UHN. From July 2008 to February 2015, Mr. Milgrom was the President of Filemobile Inc. and became in April 2014.

FINANCIAL SUMMARY

Figure 7. Income Statement

Figures in \$mn unless specified	FY14A	FY15A	FY16E	FY17E	FY18E
Revenue	0.7	1.5	2.6	4.7	8.1
YoY growth		124.4%	80%	80%	70%
Cost of sales	0.2	0.5	0.9	1.7	2.8
Gross Profit	0.5	0.9	1.7	3.1	5.2
Margin	73.9%	63.7%	65.0%	65.0%	65.0%
Operating expenses	1.6	30.0	4.0	4.7	6.5
EBIT	(1.2)	(29.1)	(2.2)	(1.7)	(1.2)
Margin	(176.7%)	(1982.4%)	(85%)	(35%)	(15%)
EBITDA	(1.2)	(29.1)	(2.2)	(1.7)	(1.2)
Margin	(176.7%)	(1982.4%)	(85%)	(35%)	(15%)
Other income/ (expense)	0.0	0.5	0.0	0.0	0.0
Profit before tax	(1.2)	(28.6)	(2.2)	(1.7)	(1.2)
Tax	0.0	(0.1)	0.0	0.0	0.0
Net income	(1.2)	28.9	(2.2)	(1.7)	(1.2)
Margin	(176.4%)	(1974.9%)	(85%)	(35%)	(15%)
EPS (per share)	(0.70)	(7.30)	(0.55)	(0.39)	(0.28)

Source: SeeThruEquity Research

Figure 8. Balance Sheet

Figures in \$mn, unless specified	FY14A	FY15A	FY16E	FY17E	FY18E
Current assets	0.4	5.4	5.7	6.1	6.4
Intangibles	0.8	3.1	3.3	3.5	3.7
Other assets	0.2	5.8	6.2	6.6	7.0
Total assets	1.4	14.3	15.2	16.1	17.1
Current liabilities	2.0	2.0	2.1	2.2	2.4
Other liabilities	0.5	1.5	1.6	1.7	1.8
Shareholders' equity	(1.1)	10.8	11.5	12.2	12.9
Total liab and shareholder equity	1.4	14.3	15.2	16.1	17.1

Source: SeeThruEquity Research

Figure 9. Cash Flow Statement

Figures in \$mn, unless specified	FY14A	FY15A	FY16E	FY17E	FY18E
Cash from operating activities	(0.7)	(10)	(2)	(1.4)	(1)
Cash from investing activities	0.0	(4)	0.0	0.0	0.0
Cash from financing activities	0.8	17.7	31.9	57.4	97.7
Net inc/(dec) in cash	0.1	3.7	29.9	56	96.7
Cash at beginning of the year	0.0	0.1	3.8	33.7	89.7
Cash at the end of the year	0.1	3.8	33.7	89.7	186.4

Source: SeeThruEquity Research



About Newzulu Limited

Newzulu Limited operates a news platform with a community of professional and citizen journalists. The Company's platform publishes photos, videos, and articles from around the world, and allows users to sell their photos, videos, and articles to media buyers. Its platform also enables newspapers, magazines, and broadcasters to access wire to select validated submissions from professional and citizen journalists for licensing and use in broadcast, online, or print media. The Company was incorporated in 2013 and is based in Edgecliff, Australia.

For more information, visit www.newzululimited.com.



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