



15 March 2019

Australian Stock Exchange Limited,
Level 4, North Tower, Rialto
525 Collins Street
Melbourne 3000

Authorised Investment Fund enters into non-binding term sheet to acquire 30% of a joint venture between Asian Integrated Media and Ambient Digital Group

By way of update to AIY's announcement of 14 March 2019, AIY is pleased to announce that it has signed a non-binding term sheet to acquire a 30% equity stake in a new joint venture between Asian Integrated Media Pty Ltd (**AIM**) and Ambient Digital Group Pte Ltd (**ADG**). The joint venture will be conducted through a proprietary limited company that will soon be incorporated. (**Venture**).

The purpose of the Venture will be to provide global highly targeted, data-driven programmatic online advertising campaigns, with emphasis (though not exclusively) in the travel, luxury goods and private wealth sectors. (**Venture Purpose**)

ADG has extensive experience in running very sharply focused online campaigns using proprietary technology supported by beneficial third-party trading relationships. The collection, analysis and dissemination of specific, relevant data is key to this process. It allows for the correct target audience to be built and ensures that an on-point pool of 'lookalike' recipients of the ads is grown exponentially through the duration of the campaign.

AIM has long-established experience in the business sectors that the Venture will concentrate on and brings both a highly valuable client list and very strong account management infrastructure.

The agreement is subject to a number of conditions precedents (waivable at the discretion of AIY) including the Board of the Pooled Development Fund (**PDF Board**) providing its approval to allow AIY to issue AIY shares to the Venture company under the proposed transaction. AIY notes that it has not yet made its application to the PDF Board and in any event does not make any representation as to the likelihood of success in seeking PDF Board approval.

Other conditions precedents include:

- AIY undertaking and completing due diligence on AIM and ADG and the Venture company (once incorporated);
- Certain key transaction documents are entered into, which include:
 - a shareholders agreement between the Venture company, AIY, AIM and ADG; and
 - service agreements (for an initial term of 15 years) are entered into between each of AIM and the Venture company and ADG and the Venture company for the purpose of AIM and ADG providing their respective services to the Venture to facilitate the generation of revenue by the Venture in accordance with the Venture Purpose.



Authorised Investment Fund Ltd.

The conditions precedents can be waived by AIY in its sole and absolute discretion, except that AIY cannot waive a condition if that waiver would result in a breach of law.

Subject to satisfaction of the conditions precedent, the Venture company will issue to AIY fully paid ordinary shares equal to 30% of the Venture company's issued capital in consideration for:

- (a) AIY issuing to the Venture company 5,200,000 fully paid ordinary shares in AIY (**AIY Shares**) at \$0.30 per share; and
- (b) AIY granting a further 5,200,000 options with an expiry date of 1 March 2021 and an exercise price of \$0.40 per option (**AIY Options**). Upon exercise of each AIY Option, AIY will issue one AIY Share to the option holder. The AIY Options will not be quoted on the ASX.

Upon AIY subscribing for its 30% equity interest in the Venture, ADG will hold 55% and AIM will hold 15% equity interest in the Venture.

About the Venture

The Venture is intended to provide global highly targeted, data-driven programmatic online advertising campaigns, with emphasis (though not exclusively) in the travel, luxury goods and private wealth sectors.

ADG has extensive experience in running very sharply focused online campaigns using proprietary technology supported by beneficial third-party trading relationships. The collection, analysis and dissemination of specific, relevant data is key to this process. It allows for the correct target audience to be built and ensures that an on-point pool of 'lookalike' recipients of the ads is grown exponentially through the duration of the campaign.

AIM has long-established experience in the business sectors that the JV will concentrate on and brings both a highly valuable client list and very strong account management infrastructure.

There are several unique elements to this venture:

Proprietary Technology

ADG has invested over USD 2m in proprietary programmatic technology and its inhouse, data-driven programmatic trading desk is connected to multiple sources of Asian and Global inventory.

Travel Elite

ADG has created a bespoke method of tracking demographic, class of travel, departure and destination data of visitors to airline and hotel booking sites, enabling incredibly focused targeting for advertisers.

China

ADG (technology) and AIM (relationships) are able to focus on the extremely lucrative Chinese market of global travelers with high disposable income in a way that nobody else is currently doing.

The new venture has projected pretax revenue of USD 2.7m in 2019-20, USD 5.3m in 2020-21 and USD 7.1m in 2021-22.



Authorised Investment Fund Ltd.

For further investment information regarding this Announcement

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By order of the Board

Cathy Lin

Company Secretary

- Ends -