

4 April 2013

**TMT INVESTMENTS PLC**  
("TMT" or the "Company")

Investment in Graphicly, Inc.

TMT Investments PLC, which invests in high-growth, internet-based companies across a variety of sectors, is pleased to announce the completion of an investment in Graphicly, Inc. ("Graphicly").

Incorporated in Delaware and headquartered in Palo Alto, California, Graphicly ([www.graphicly.com](http://www.graphicly.com)) aims at dramatically reducing publishers' and self-published authors' go-to-market and ongoing costs. Once uploaded, Graphicly distributes the publications on Kindle, iOS, NOOK, Facebook, the Web and other platforms. Publishers and self-published authors benefit from Graphicly's simple, self-service online toolset to convert, manage, distribute, promote and track text and image-based content on all major digital publishing platforms. Graphicly is currently focused on visual-centred publications such as comic books, children's books, art books and magazines.

To date, Graphicly has attracted over 6,000 publishers and raised capital from such recognized venture capitalists as TechStars, 500Startups, Mercury Fund, Tim Draper, Dundee Venture Capital and Lowercase Capital.

TMT's investment consists of a US\$350,000 subordinated secured convertible promissory note in Graphicly ("Note") on the following terms:

- Interest rate – 6% per annum.
- Term – unless previously converted, the Note will be repayable in whole or in part at par at TMT's option on any date after 31 December 2013.
- Conversion –
  - *Automatic conversion:* any outstanding principal and unpaid accrued interest on the Note will be automatically converted into Graphicly's equity securities upon closing of the next equity financing of at least US\$2,000,000, at an equity valuation equal to the lower of (a) 90% of the equity valuation of Graphicly applicable to the next equity financing, or (b) 90% of US\$8,000,000 for the whole of Graphicly's fully diluted common stock.
  - *Optional conversion:* prior to a change of control of Graphicly or after 31 December 2013, any outstanding principal and unpaid accrued interest on the Note may be converted at TMT's option at an equity valuation equal to US\$8,000,000 for the whole of Graphicly's fully diluted common stock.

Micah Baldwin, co-founder and CEO of Graphicly, commented: "As one of the very few platforms that enable seamless digitization and distribution of content, Graphicly is uniquely poised to take advantage of the US\$25 billion global publishing market,

including more than 500,000 self-published authors expected to produce graphical work in 2013. With major publishers already generating 20-25% of sales through digital channels, Graphicly is strongly positioned to be a key enabler of this transition and continues to expand relationships with top publishing houses.”

Alexander Selegenev, Executive Director of TMT Investments PLC, commented: “With PWC projecting that e-books will make up 50 percent of the U.S. trade book market by 2016 (2012 Global Entertainment and Media Outlook report), and other segments of the publishing sector ripe for the digital opportunity, TMT believes that Graphicly’s innovative solutions provide it with a competitive advantage in capturing a significant share of the digital publishing market.”

Definitive agreements for the transaction were entered into, and the transaction was completed, yesterday. In respect of the year ended 31 December 2012, Graphicly’s unaudited net loss amounted to US\$1,683,347, and unaudited net liabilities as at that date amounted to US\$759,260.

For further information contact:

TMT Investments Plc	+44 1534 281 843
Mr. Alexander Selegenev	alexander.selegenev@tmtinvestments.com
<a href="http://www.tmtinvestments.com">www.tmtinvestments.com</a>	

ZAI Corporate Finance Ltd.	+44 20 7060 2220
NOMAD and Broker	
Marc Cramsie/Irina Lomova	

Kinlan Communications	Tel. +44 20 7638 3435
David Hothersall	davidh@kinlan.net

### **About TMT Investments**

TMT Investments PLC invests in high-growth, internet-based companies across a variety of sectors and has a significant number of Silicon Valley investments in its portfolio. Founded in 2010, TMT has raised USD28m and invested in 25 companies to date. The company's objective is to generate an attractive rate of return for shareholders, predominantly through capital appreciation. The company is traded on the AIM market of the London Stock Exchange.  
[www.tmtinvestments.com](http://www.tmtinvestments.com)