



**Investor Presentation November 2017.**

# DRIVING DEVELOPMENT AND GROWTH.

MBE is well positioned in a growing industry.

MBE is a technology led Digital Performance Marketing company.

**3M**

Monthly marketing transactions

**3**

Offices in Australia, New Zealand and UK

**200+**

Simultaneous campaigns

Approx.

**90%**

Client retention

**Tech**

Powerful proprietary technology platforms

**Team**

Mobile / Digital & Performance Marketing specialists

**Leadership**

Led by highly experienced management team holding substantial equity in MBE

**Experience**

Leaders have decades of expertise across online and mobile digital marketing industries

# DELIVERING RESULTS.

Some of the leading brands our Digital Performance Marketing operations have delivered quality consumer leads.



# CORPORATE SNAPSHOT.

As at 21 November 2017.

## CORPORATE OVERVIEW:

ASX CODE MBE

SHARES ON ISSUE ~443M

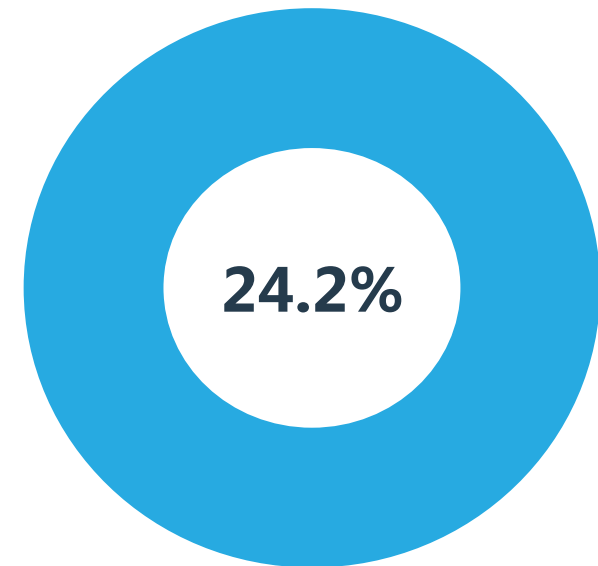
OPTIONS ON ISSUE ~9M

MARKET CAP (at 5.7 cents per share) ~\$25.25M

52 WEEK HIGH (\$/share) \$0.19

52 WEEK LOW (\$/share) \$0.045

CASH & RECEIVABLES ~\$4M & ~8.5M ~\$12M  
PAYABLES ~\$3.1M



**TOP 20  
SHAREHOLDERS**

# FY 2017 FINANCIAL PERFORMANCE.

## Highlights.

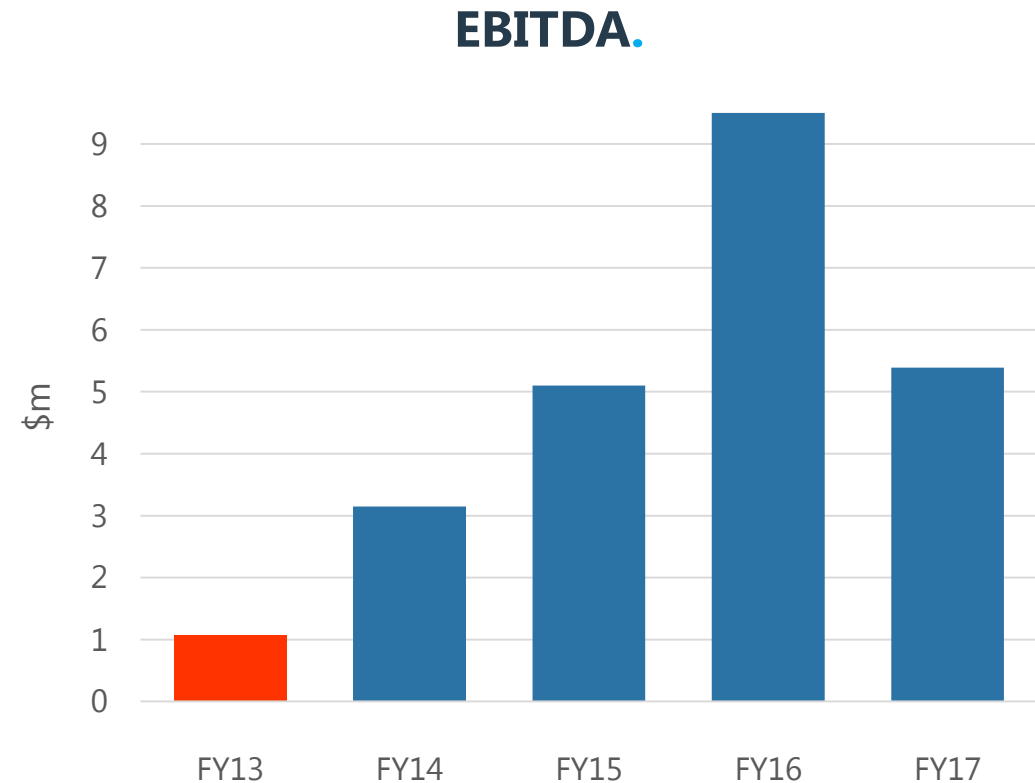
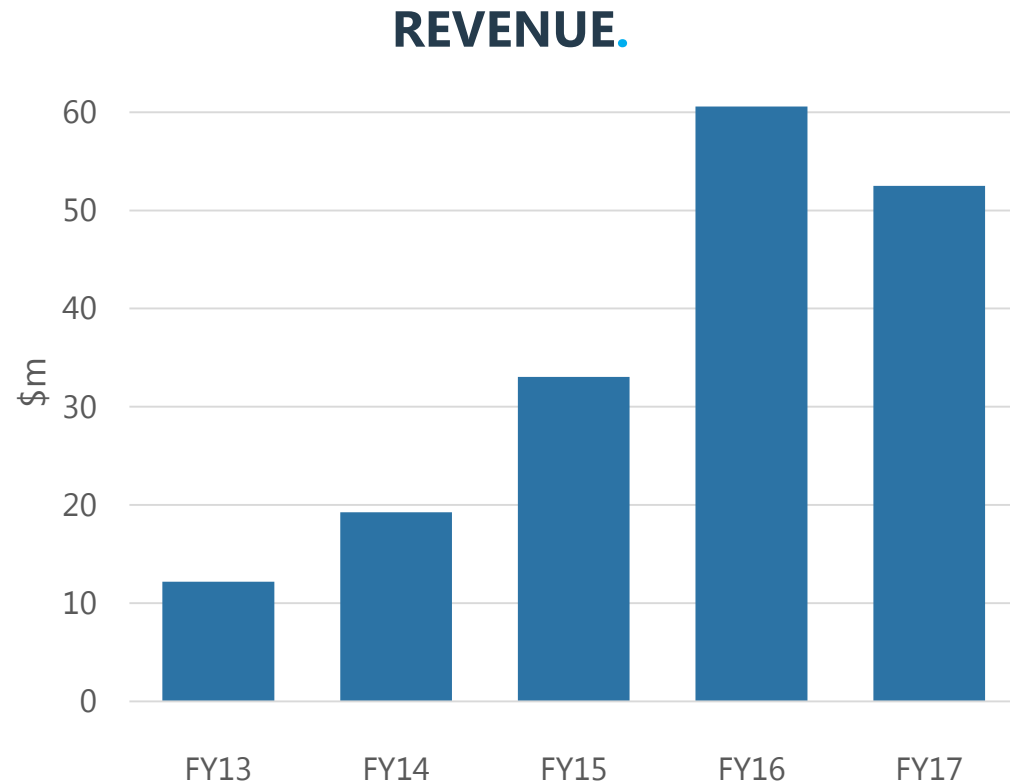
**\$52.5m**  
**Revenue**

**\$5.4m**  
**EBITDA**

**\$1.59m**  
**NPAT**

# FY 2017 FINANCIAL PERFORMANCE.

Five year historical revenue and EBITDA.

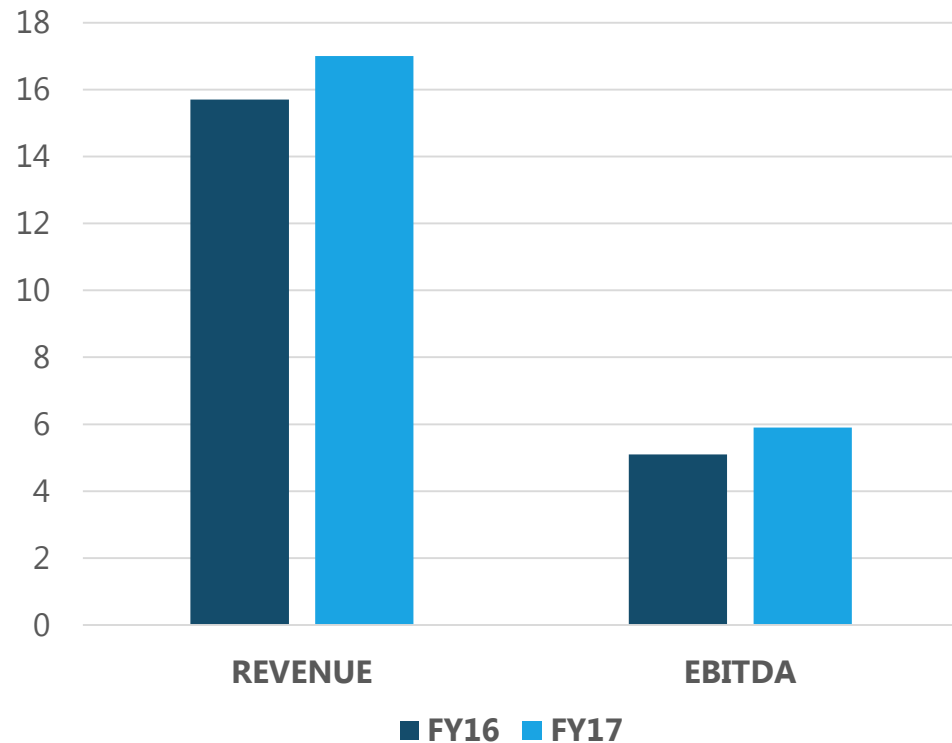


- **FY 2017 group revenue and EBITDA lower due to:** impact to Carrier Billing division by external factors, Carrier Billing restructuring costs, consolidation and lower performance of 1<sup>st</sup> Screen and Eggmobi.

# FY 2017 FINANCIAL PERFORMANCE.

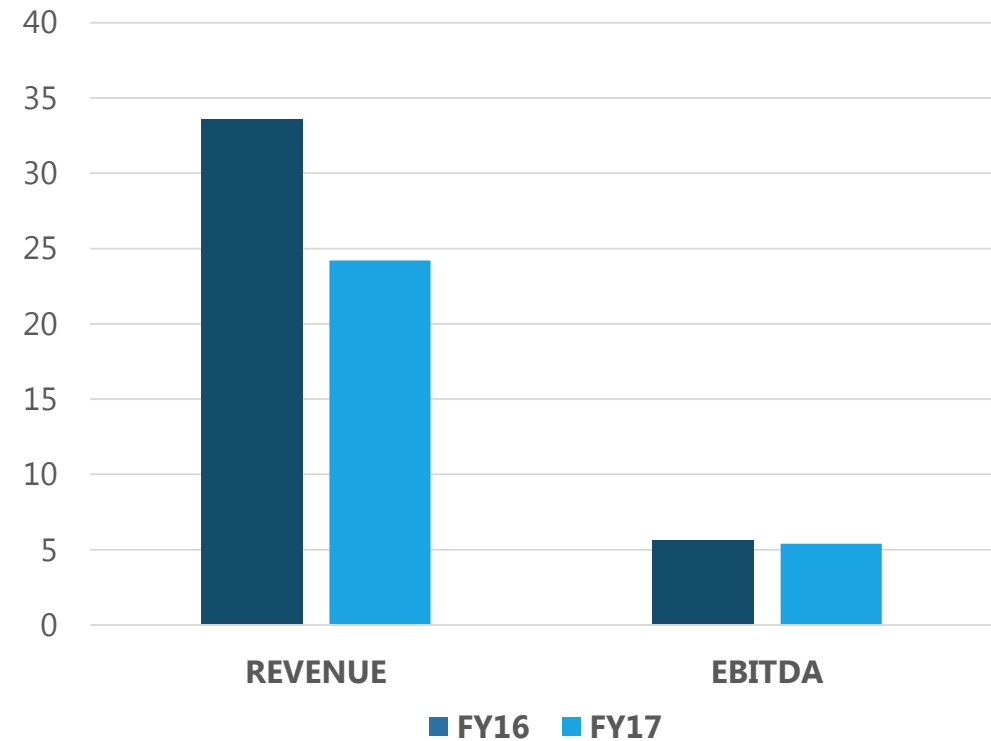
Performance Marketing and Carrier Billing businesses revenue and EBITDA .

## PERFORMANCE MARKETING.\*



\* Performance Marketing excludes 1<sup>st</sup> Screen and Eggmobi

## CARRIER BILLING.\*\*



\*\* Although the Carrier Billing business was impacted by external factors the EBITDA result was assisted by ceasing marketing and the substantial operational restructure

# FY 2017 A TRANSITIONAL YEAR.

MBE well positioned following substantial reorganisation of global business.




- ✓ **Carrier Billing operations were put on hold due to the impact of external factors**  
Carrier Billing business was impacted by external factors beyond its control.
- ✓ **Focus shifted to the existing and growing Digital Performance Marketing business**  
Profitable Performance Marketing business has become the dominant revenue and earnings driver.
- ✓ **Group operations were restructured with focus on cash accumulation and strategic risk mitigation**
  - ✓ Operating costs reduced by 25%.
  - ✓ Total employment related expenditure reduced by 34%.
  - ✓ Global corporate structure and HR were rationalised down to Australia, UK and New Zealand.
  - ✓ Investment and development of proprietary Performance Marketing technology increased.
- ✓ **Non-core assets were reviewed**
  - ✓ Consolidation of 1<sup>st</sup> Screen Advertising.
  - ✓ Divestment of Eggmobi.



# FY 2017 A TRANSITIONAL YEAR.

MBE is well positioned with focus shift to Digital Performance Marketing business.

**At balance date, 30 June FY 2017, MBE was substantially de-risked with a strong financial position.**

-  **Strong balance sheet\***
-  **Strong cash reserves\*\***
-  **Positive operating cashflow**

**\*Future consolidation or divestment of non-core assets and the associated goodwill may or may not impact balance sheet.**

**\*\*Since balance date cash reserves have reduced following restructure costs and acquisition earnout payments. Current cash reserves are sufficient with monthly cash generation comfortably meeting expectations (refer Corporate Snapshot slide).**

# FY 2018 PROGRESS.

Continued transition and strengthening of business.

- ✓ **Continuing to scale up the Digital Performance Marketing (DPM) business**  
Operations in three key markets – Australia, New Zealand and UK. EBITDA margin is improving off a lower revenue base.
- ✓ **Revenue-generating transactions are predominantly DPM and driving group earnings**  
Cost reduction continues across the Carrier Billing business optimising returns as Carrier Billing transactions decrease.
- ✓ **Developing and deploying proprietary online and mobile technology platforms and infrastructure**  
AddGlu platform launched and is performing above expectations with new enhancements in development.
- ✓ **C2B acquired and fully integrated. DPM infrastructure has been strengthened**
  - ✓ Investment has strengthened MBE senior and specialist team.
  - ✓ Supply and sales channels expanded.
  - ✓ New products launched.

# PROVIDING SOLUTIONS.

That solve the digital marketing challenge for businesses.

✓ **Businesses are seeking to alleviate the growing digital marketing challenge**

Difficult to navigate complex challenges include ad fraud, viewability, brand safety, transparency and marketing wastage.



✓ **MBE enables businesses to attain measurable return on investment (ROI) on every marketing dollar spent**

Through the combination of our proprietary machine learning technology, data assets and engagement mechanics.



# DIGITAL CUSTOMER ACQUISITION, A GLOBAL CHALLENGE.

The move of consumer eyeballs to digital is increasing rapidly, as is the complexity of the digital marketing landscape.

## Marketers main challenges



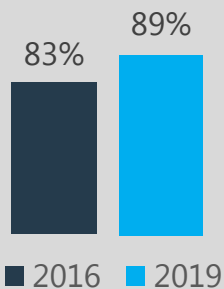
Generating traffic and leads is the top marketing challenge for 63% of all businesses.



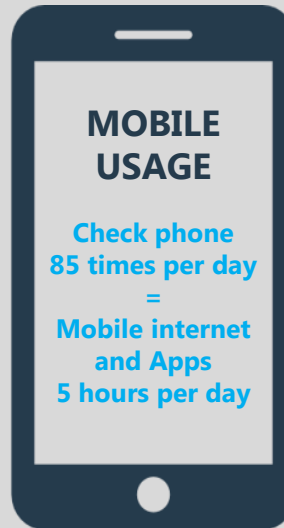
Converting leads to customers is the key marketing priority for 70% of all businesses.

## Where the eyeballs are

Australian Smartphone Penetration



In Australia, nearly everyone under 50 uses mobile to go online with a 90% penetration rate.

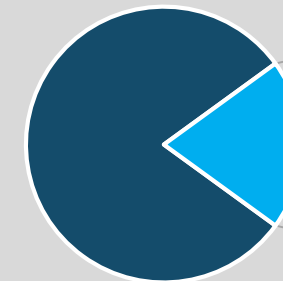


## Marketers concerns

Ad fraud damage  
\$16.4 billion in 2017



Average digital ad is viewed for 1.7 seconds



■ Under 2 secs ■ 2 secs

Only 20% of ads are viewed for 2 seconds, the minimum standard for viewability

72% of organisations that calculate ROI say their marketing strategy is **effective**.

\*See Appendix for sources

# HOW WE DO IT. PROPRIETARY VALUE CHAIN.

People Based Digital Performance Marketing Intellectual Property (IP).



**PROPRIETARY TECHNOLOGY PLATFORMS**

**CONSENTED PEOPLE BASED DATA ASSETS**

*Optimised presentation of products of personal value and relevance to consumers, leads to higher customer conversion.*

# DIGITAL CUSTOMER ACQUISITION, A GLOBAL OPPORTUNITY.

Across territories and business verticals.



## Generating traffic and leads is the top marketing challenge of 63% of businesses across 141 countries\*

A large global addressable market. MBE is currently generating approximately 3 million marketing transactions per month across only three countries.



## 80% of businesses use outsourced lead generation\*

Currently MBE Digital Performance Marketing has approximately 200 simultaneous campaigns live. A minor fraction of the addressable business market.



\*See Appendix for sources

# BUSINESS SENSITIVITIES.

## MARKET

Fluctuation in digital marketing spend, effective access to inventory, business spend on mobile / digital or consumer sentiment

Lumpiness that can come from campaign sales or change in spending patterns, changing market conditions or technologies that may impact access

## TECHNOLOGY

Competitive technologies  
Risk that new technologies emerge that impact competitive advantage or market environment

Carrier support of billing platforms

Carriers changing their support for carrier billing of mobile products and services

Programmatic platforms

Use of platforms for purchase / pricing of ad inventory negatively impacting demand or access for digital marketing

## COMPETITORS

New competitive market entrants

Risk that new competitors enter market with a similar business

Marketing channels

New product and billing channel performance

Non-performance of marketing channels or disinterest in products by consumers

## REGULATION

Changes in rules around the regulation of mobile products and services

Changes in rules around regulation of digital marketing

Restrictions in handset platform access – e.g. Apple's current ecosystem

Handset manufacturers or mobile platform developers restricting consumer access to products and services

# FY 2018 STRATEGIC OBJECTIVES.

Strategic focus to drive performance and shareholder value.

- ✓ **Complete group Digital Performance Marketing transition**, reposition and rebrand. Continued consolidation or divestment of non-core assets and associated costs.
- ✓ **Grow Performance Marketing transaction volumes** through expanded sales, technology, products & data IP. Increase EBITDA margin off lower revenue base.
- ✓ **Grow, diversify and optimise supply channels** and expand and grow market share across business demand verticals to drive earnings growth.



# 3 YEAR GROWTH STRATEGY.

Driving financial performance and shareholder value.



## INTERNATIONAL GROWTH

Grow market share and broaden business verticals in existing territories and multi-territory. Replicate into new markets building expansive MBE global operational footprint and financial performance.



## PROPRIETARY DATA ASSETS

Grow and consistently increase granularity of data assets and product depth to enable greater people based targeted acquisition of valuable customers at massive scale via online and mobile devices.

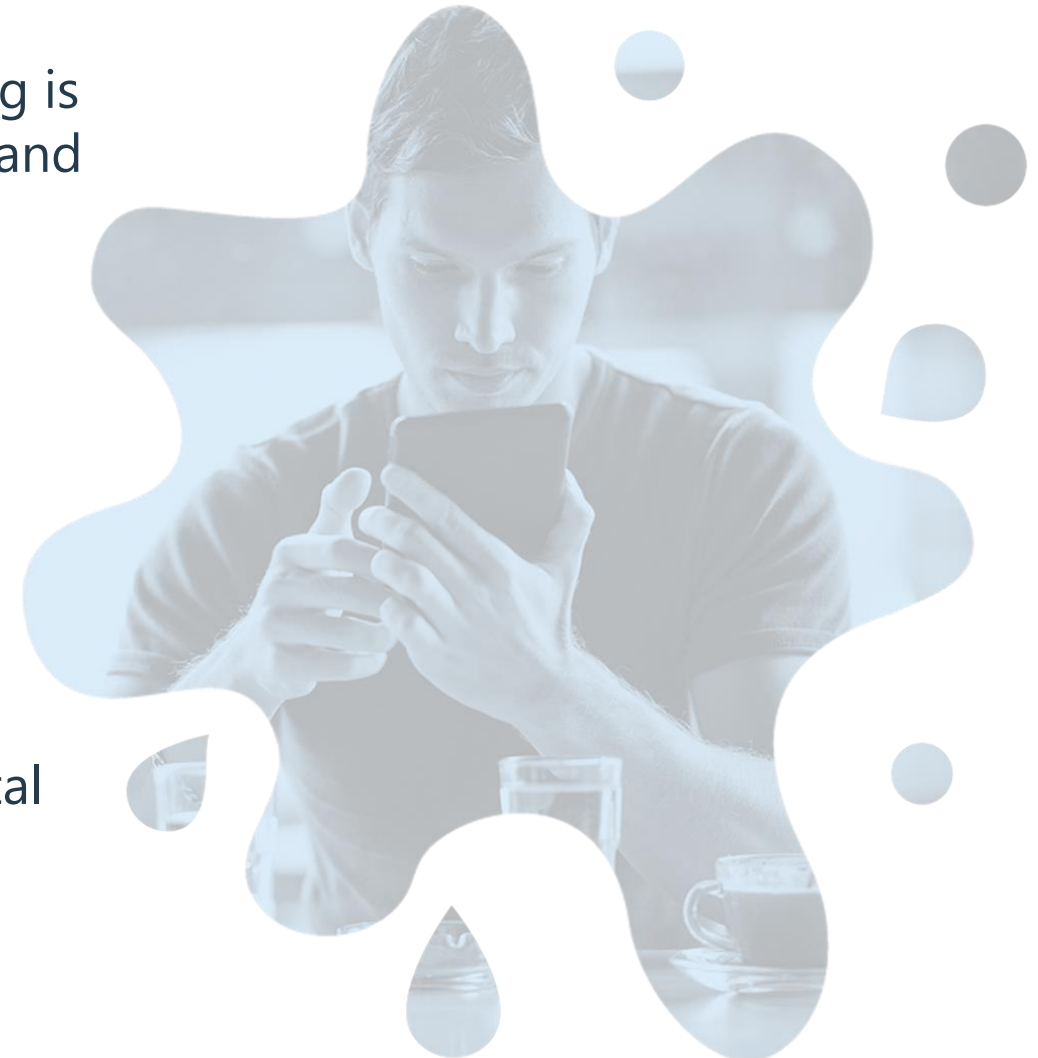


## TECHNOLOGY

Continued innovation and enhancement of technology platform assets to further strengthen competitive advantage, operational efficiency, consumer and business partner value, and global scalability.

# SUMMARY.

- ✔ Group transition to Digital Performance Marketing is nearing completion. Our infrastructure is robust, and EBITDA margin is improving.
- ✔ The continued investment in developing our proprietary technology is increasing competitive strength and enabling growth and scale.
- ✔ We are well placed to access new global growth opportunities in the expanding and exciting Digital Performance Marketing industry.



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# APPENDIX.

# WHAT WE DO.

Through proprietary technology, products and data assets.

## People Based Digital Performance Marketing

- ✓ MBE enables businesses to generate customers at scale and pay only for results.
- ✓ Businesses can acquire quality customers through digital channels, and most importantly on the devices where consumers are choosing to spend more and more of their time.

# WHAT WE DO.

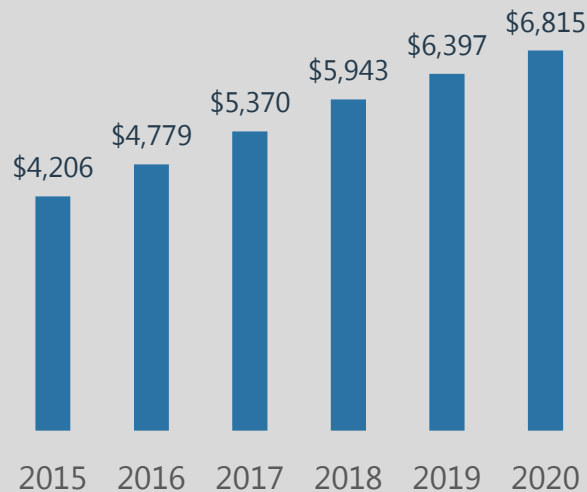
**“Delivering measurable ROI for every digital marketing dollar spent.”**

- ✔ People Based Digital Performance Marketing (PBDPM)
- ✔ Proprietary PBDPM infrastructure optimises presentation to consumers of offers of the highest personal value through online and mobile devices and;
- ✔ Enables consumers a seamless engagement experience within the “mobile attention timeframe” and;
- ✔ Delivers the surety of a scalable, “pay on results”, ROI solution to business.

# ENABLING DIGITAL CUSTOMER ACQUISITION, A GLOBAL OPPORTUNITY.

Engaging consumers through digital channels to drive customer conversion at scale, a global necessity.

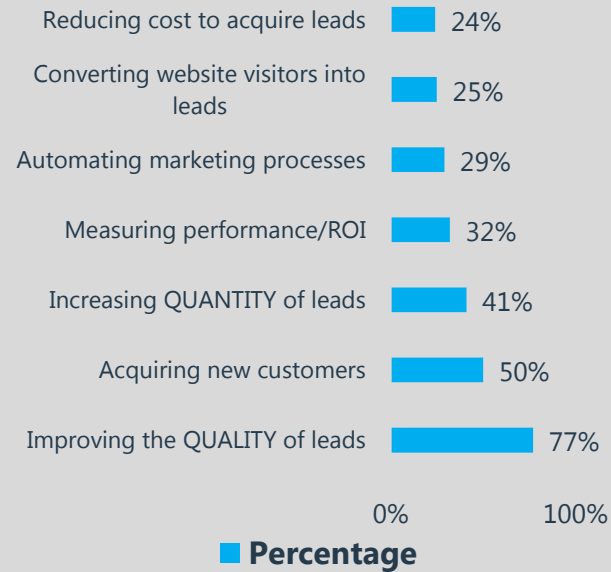
## Total affiliate marketing spend



### Total affiliate marketing spend

Marketing spend between 2015 and 2020 will increase by a compound annual growth rate (CAGR) of 10%

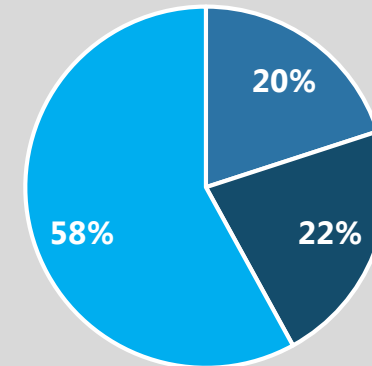
## Most important lead gen goals



### Percentage

Improving the quality of leads generated is a top priority for 77% of marketing influencers. The quality of leads handed-off to sales significantly impacts an organisation's ability to achieve the next most important goal of acquiring new customers.

## Resources used to execute lead generation tactics



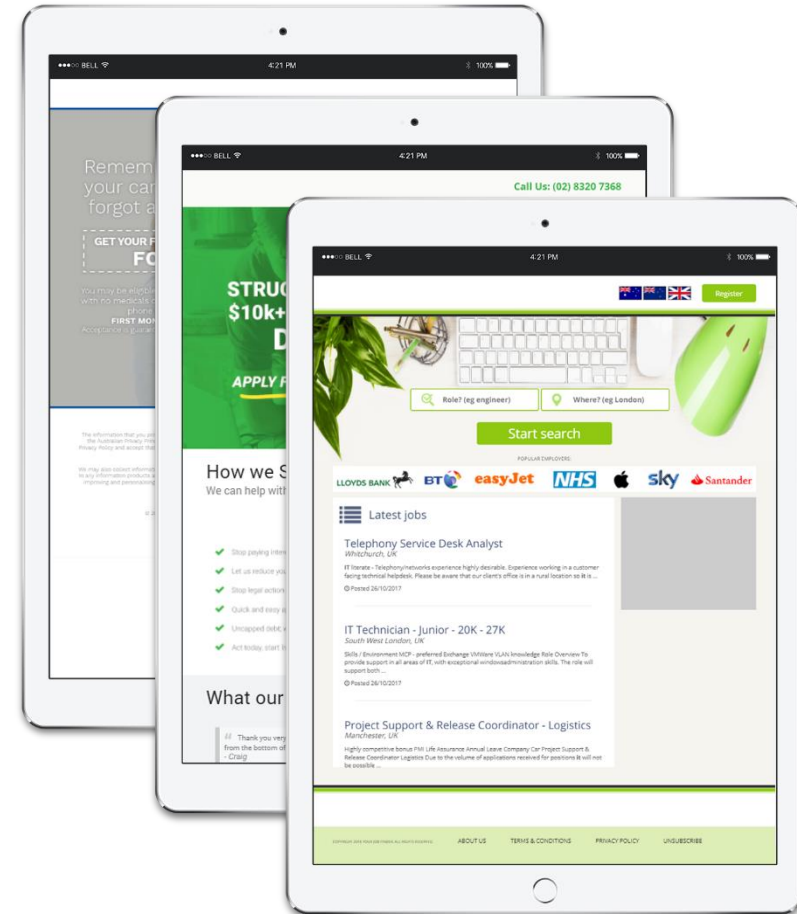
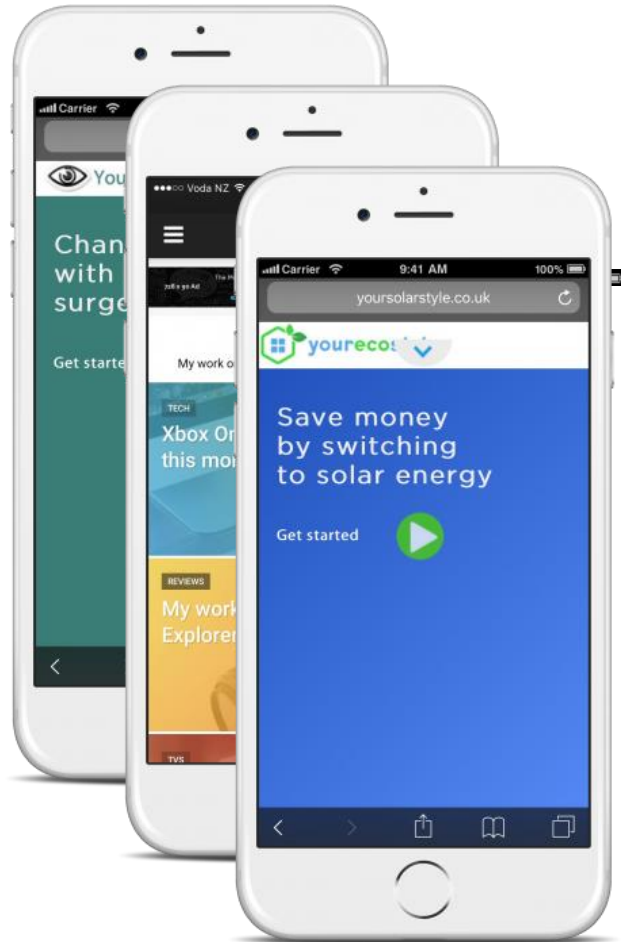
- In-house resources only
- Outsourced to a specialist
- Combo of outsourced and in-house

80% of organisations outsource all or part of their lead generation tactics. The more time and resource intensive a tactic is – such as social media and content marketing – the more likely an organisation is to require outside assistance.

\*See Appendix for sources

# HOW WE DO IT. PROPRIETARY VALUE CHAIN.

Owned publishing and data assets.

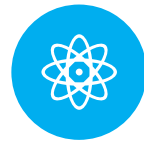




# HOW WE DO IT. PROPRIETARY VALUE CHAIN.

Engagement optimisation.

## Integrating internal and \*BIM engagement optimisation tools:



### Heat mapping technology

Analyses how consumers interact with marketing content so it can be optimised to achieve the best results; higher conversions of quality, engaged consumers.



### A/B testing technology

Continuous optimisation of the user experience to deliver seamless engagement within the consumers "mobile attention timeframe".



### Decade of experience

Consumers are time poor and impatient, however with over a decade of experience in mobile, we know how best to engage with them.

\* Best in market

# HOW WE DO IT. PROPRIETARY VALUE CHAIN.

Technology platforms - AddGlu.



## Predictive acquisition platform

delivering consumers offers of the highest personal value via their online and mobile devices, with seamless engagement that enables high quality "sticky" customer acquisitions at scale



## Serving the most relevant offers

and promotions based on the consumer's needs and interests automatically and in real time



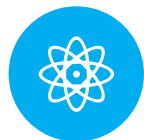
## Automated optimisation

utilising permissioned first party data to ensure relevance and quality results



## Driving increased revenue for marketers

through personally connected consumers that convert to sticky customers



## Underpinned by proprietary technology

with performance algorithms and real time machine learning putting the right offer in front of the right consumer, in the right place, at the right time, via online and mobile devices

# ADDGLU - HOW IT WORKS.

Predictive Digital Performance Marketing technology.



01

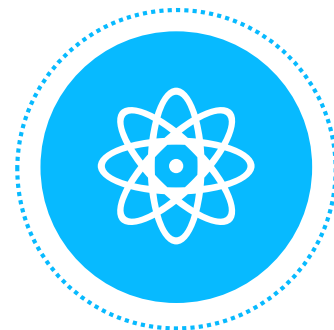
Identify core audience.

Customer profiling and  
segmentation.

02



Tech and  
people based.



03

Machine learning  
optimisation.

**Presentation of offers of high personal value that engage.**

**04**



**05**

**Collect and collate interested and consenting consumers.**

**Validation:**

- Email
- Phone
- SMS
- Database

**06**





07

Interested and consenting consumers delivered to clients digitally.

Improved contact rate,  
sales conversion and  
ROI.

08



09

Loyal, happy and more  
valuable customers.

# ADDGLU – HOW IT WORKS.

Dynamic real time reporting.

The screenshot shows a web dashboard with a left-hand navigation menu and a main content area. The navigation menu includes: Dashboard, Management, Reporting, Monitors (highlighted), Data Validation, Notifications, Configuration, and Tools. The main content area is titled 'Alarms > Monitors in realtime all system alarms'. A yellow banner at the top of the main area displays 'Last Update XX/XX/XXXX XX:XX:XX Refreshing in XX seconds'. Below this is a 'Summary' section with a grid of 12 items, each with a colored square icon and a text description. The items are: 'Clicks activity on the last 30 minutes' (green), 'Leads activity on the last 30 minutes' (green), 'Coregs activity on the last 30 minutes' (green), 'Caches activity on the last 10 minutes' (green), 'Coreg not inserted on the queue' (green), 'Coreg inserted on the queue but not processed' (green), 'Exception while posting coreg' (red), 'Sensis (phones) received an error while trying to connect' (red), 'Lead / Attempts Efficiency for today higher than average' (green), and 'Lead / Clicks Efficiency for today lower than average' (red). To the right of each item are small colored squares representing time intervals: 30 minutes, 10 minutes, Last hour, Last 24 hours, and Last 72 hours. Below the summary is a 'Logs' section with two lines of text: 'Lead / Clicks efficiency for path named AU Path for today is XX.XX% higher than average. Leads: XX / Clicks: XX' and 'Lead / Clicks efficiency for survey named MS Page 1 for today is XX.XX% lower than average. Leads: XX / Clicks: XX'.

Alerting and Auto-  
Managing Demand and  
Supply Sources  
Optimising Performance.

Auto-Optimising  
System-Wide Financial  
Performance.



# GLOSSARY OF TERMS.

**A/B Testing** (sometimes called split testing) is when two versions of a web page/landing page/email are compared to see which one performs better. You compare two pages/emails by showing the two variants (let's call them A and B) to similar visitors at the same time.

**Advertising Fraud (Ad Fraud)** is when an advertiser is misled into paying for something that is worthless to them, such as fake traffic, fake leads or misrepresented and ineffective ad placement.

**Brand Safety** refers to the tools and strategies that ensure an online ad does not appear in a context that could potentially damage the advertiser's brand. Advertiser's want to ensure their ads don't end up next to offensive, inappropriate, or contextually negative information that could negatively impact on sales and the reputation of the brand.

**Carrier Billing** a mobile payment method that allows a consumer to purchase a product from a third-party vendor via their mobile phone bill.

**Consumer Consent / Opt-in** when a consumer is given the choice to decide whether or not they wish to receive marketing communications such as email or SMS or be contacted via telephone or give and allow use of their personal information.

**Engagement Mechanics** relates to the appliance of different engagement tools used by a platform or business to optimise the experience a consumer has when interacting with a platform and encourage the consumer to continue to participate.

**First Party Data** is data collected directly from the source. This includes information that consumers volunteer about themselves via surveys and social media profiles. This data is easily resolved to an individual verifiable identity making it key to a successful people based campaign.

**Heat Map** is a graphical representation of data in which the data values are represented by colours to indicate the level of activity.

**Lead** a qualified prospect that is starting to exhibit buying behaviour. There are a number of definitions of a lead and companies may have their own definition of what is a "good lead" that corresponds to their business model.

**Machine Learning** is a method of data analysis that automates analytical model building. Using algorithms that iteratively learn from data, machine learning allows computers to find hidden insights without being explicitly programmed where to look.

# GLOSSARY OF TERMS.

**Marketing Wastage** is when advertisers spend marketing budget targeting the wrong people. Ideally, advertisers want to spend the least amount of money to acquire a customer and so aim to target people they think could be potential customers. Marketing wastage therefore is when an advertiser's online ad is not seen by people who may be interested in the ad or anyone at all.

**Mobile Attention Timeframe** is the amount of time an advertiser has to engage with a consumer on mobile. Since the mobile revolution the average attention span has dropped significantly and so advertisers need to be able to engage with consumers within this timeframe or otherwise lose their attention as a potential customer.

**People Based Marketing** enables brands to create a cohesive marketing system, centred around the individual consumer and anchored by the collection of real time behavioural data combined with first party data. With People Based Marketing, marketers can ingest and respond strategically to consumers in real time across devices and channels, unifying the customer journey, unlocking a new source of revenue and achieving a truly omnichannel business.

**Performance Marketing** is a comprehensive term that refers to online marketing and advertising programs in which advertisers (a.k.a., "retailers" or "merchants") and marketing companies (a.k.a., "affiliates" or "publishers") are paid when a specific action is completed; such as a sale, lead, install or click.

**Permissioned Consumer or Customer Leads** when a prospect explicitly agrees in advance to receive marketing information about a certain product or offer they express their permission for their information to be handed over to an interested party to contact them about that particular product/offer.

**Predictive Analytics** is the practice of extracting information from existing data sets in order to determine patterns and predict future outcomes and trends and initiate actions.

**ROI (Return on Investment)** is a measure of the profit earned from each investment. Like the "return" (or profit) that you earn on your portfolio or bank account, it's calculated as a percentage.

**Transparency** due to issues such as brand safety, ad fraud and viewability (see relating glossary terms for definitions) the advertising industry is under scrutiny to provide clear and accessible information to advertisers about their online ad campaigns.

**Viewability** is an online advertising metric that aims to track only impressions that can actually be seen by users. For example, if an ad is loaded at the bottom of a webpage but a user doesn't scroll down far enough to see it, that impression would not be deemed viewable.



# STATISTICS SOURCES.

**Generating traffic is a top marketing challenge, converting leads is a key marketing priority & calculating ROI**

**Source: Hubspot, [The Ultimate List of Marketing Statistics, 2017](#)**

**Australian smartphone penetration & under 50 smartphone penetration**

**Source: Zenith Mobile Advertising Forecasts, 2017**

**Mobile usage**

**Source: Nottingham Trent University Study, 2015**

**Ad fraud**

**Source: <https://www.cnbc.com/2017/03/15/businesses-could-lose-164-billion-to-online-advert-fraud-in-2017.html>**

**Average digital ad & viewability**

**Source: <http://www.adweek.com/digital/these-8-new-digital-stats-show-social-networks-growing-pains-as-the-industry-booms/>**

**Traffic and leads is top marketing challenge of 63% of businesses across 141 countries**

**Source: Hubspot, [State of Inbound Report, 2017](#)**

**Outsourced lead generation, lead generation goals & lead generation tactics**

**Source: Ascend2, [State of Lead Generation Report, 2016](#)**

**Affiliate marketing spend shows compound annual growth rate (CAGR) of 10%**

**Source: Forrester, [Networks Help Drive Affiliate Marketing into the Mainstream, 2016](#)**