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# MOBILE EMBRACE

ASX: First Half 2016 Results  
MBE Chris Thorpe, CEO

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REACH



ENGAGE



TRANSACT

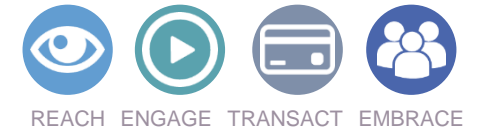


EMBRACE



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WE ARE

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**PROVEN  
PROFITABLE &  
GROWING**

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# FIRST HALF COMPARISON

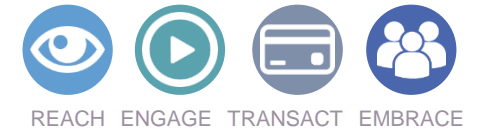


	1H13 \$M	1H14 \$M	1H15 \$M	1H16 \$M	Growth 1H15 - 1H16
Revenue	5.8	9.5	14.1	<b>28</b>	<b>99%</b>
EBITDA	0.3	1.8	1.7	<b>4.1*</b>	<b>141%</b>
EBITDA Margin	5%	19%	12%	<b>15%</b>	<b>25%</b>
NPAT*	0.2	1.6	1.5	<b>2.6*</b>	<b>73%</b>

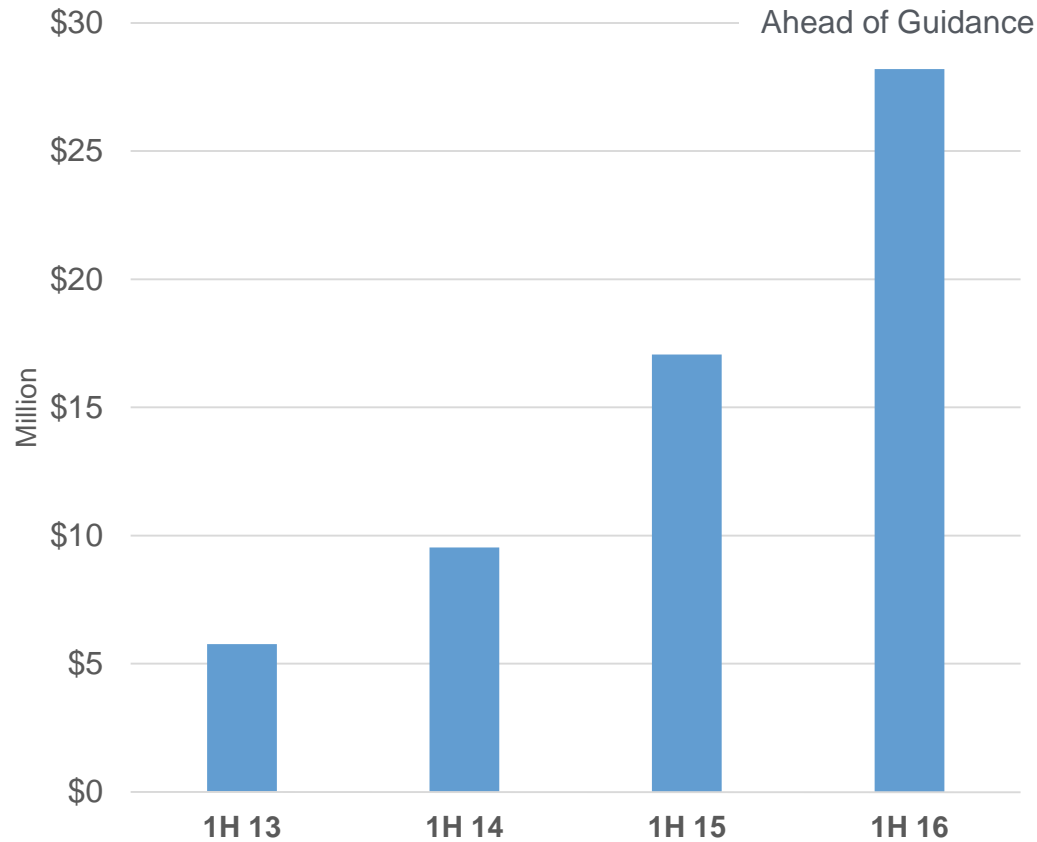
MBE invested an additional \$4.2m OPEX in global customer acquisition 1H16 over 1H15 which is already delivering significant incremental revenue for FY16 and FY17

\* Unaudited financial results for the half year period ending 31 December 2015. No changes are anticipated.

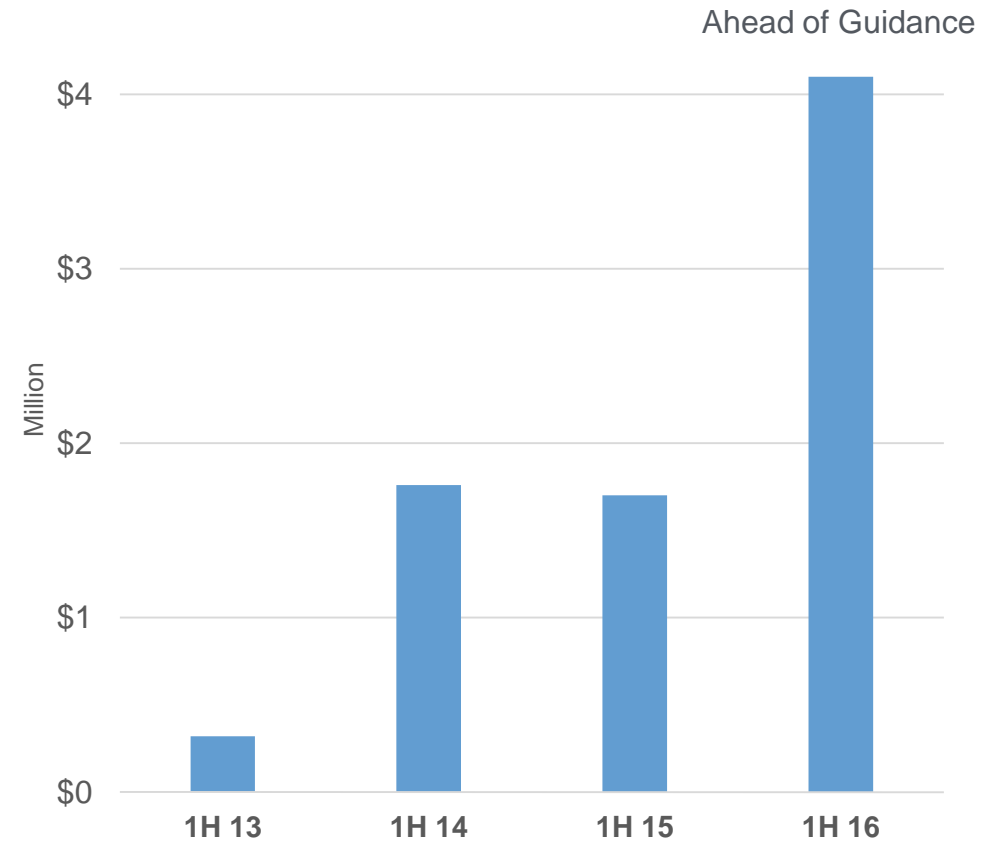
# FINANCIAL RESULTS FIRST HALF FY16



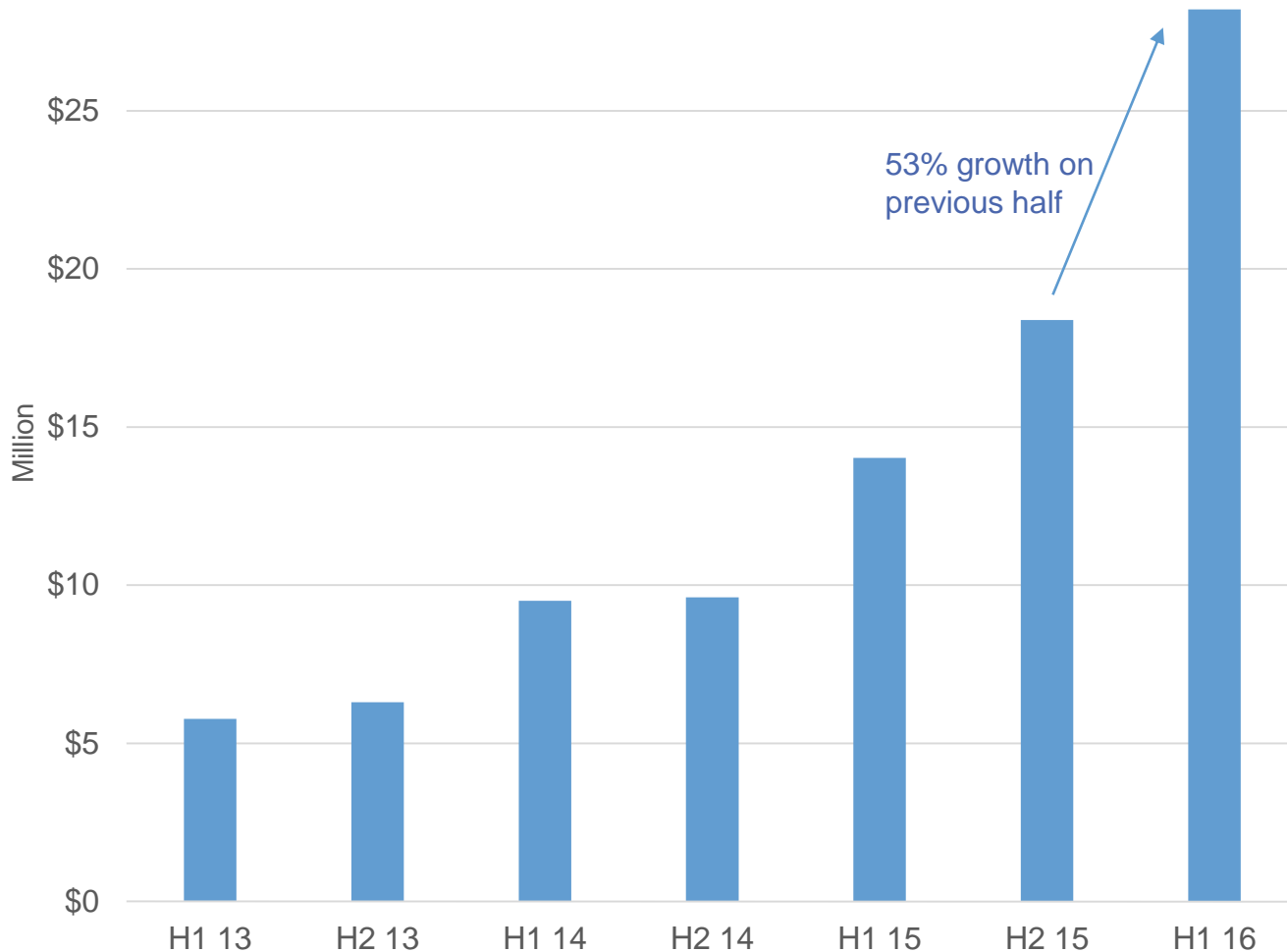
## REVENUE



## EBITDA



# RECORD HALF YEAR REVENUE GROWTH

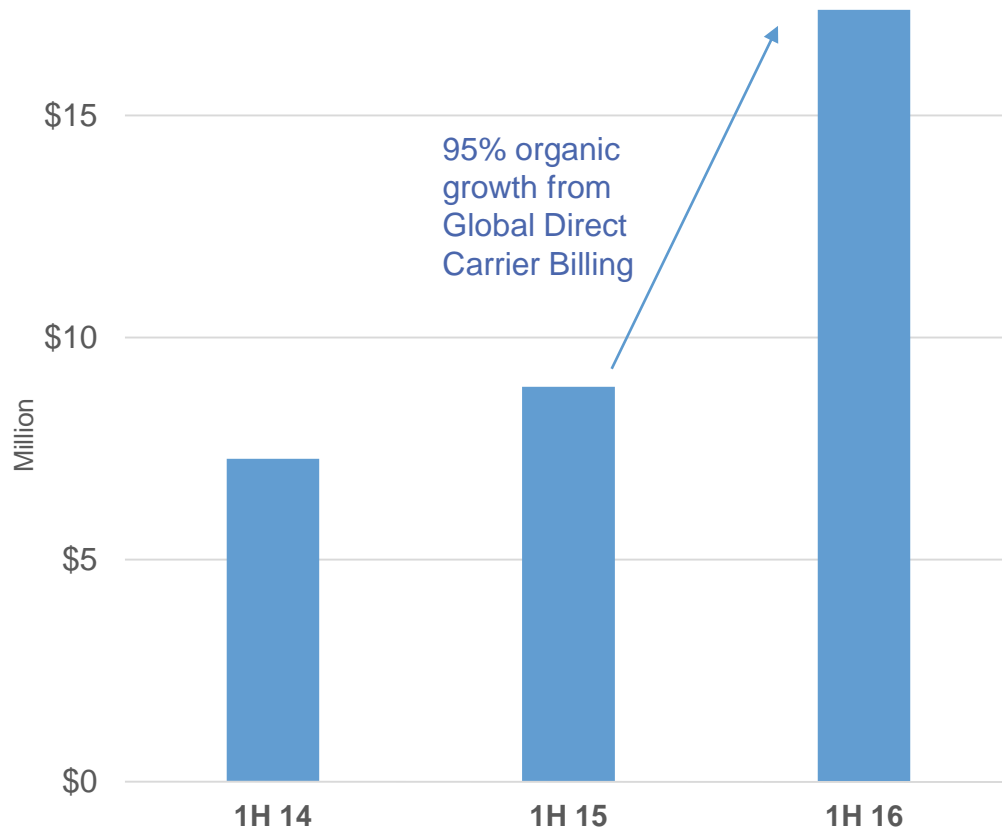


- RECORD REVENUE GROWTH**  
\$28m up 99% 1H15 to 1H16
- Q2 REVENUE**  
\$16m up 33% on Q116
- STRONG ORGANIC GROWTH**  
Globally across the business
- DELIVERING GLOBAL SCALE**  
Leveraging technology to drive scalable revenue

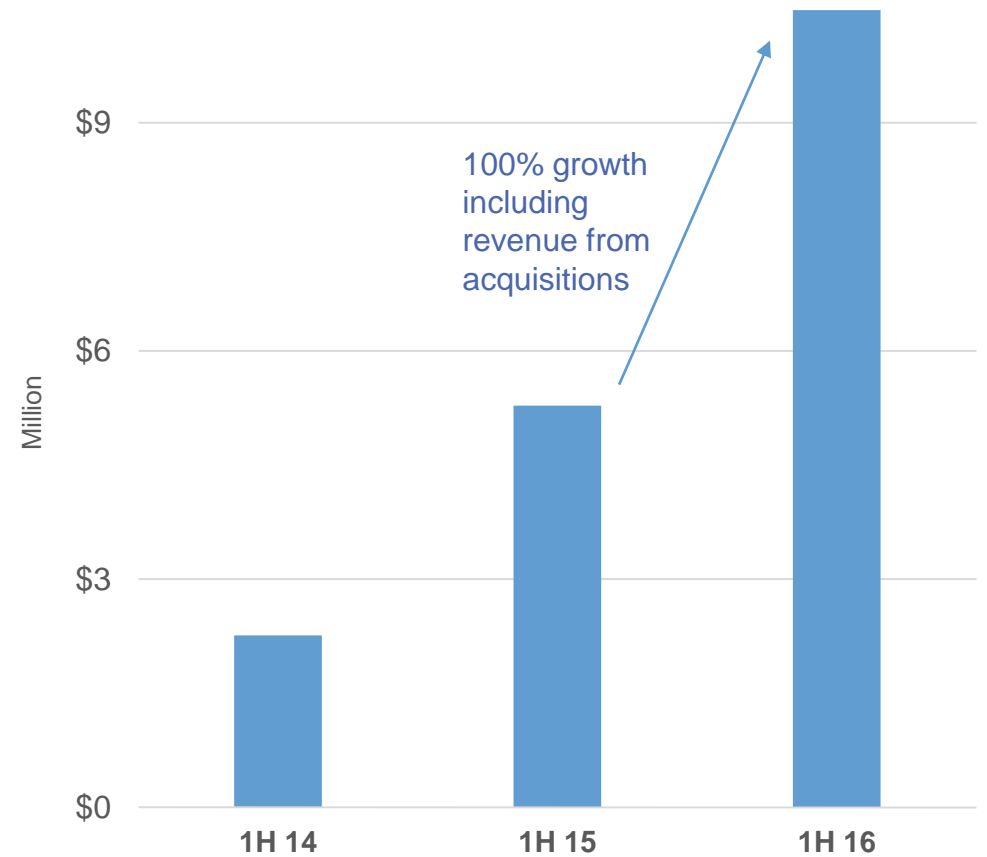
# REVENUE BREAKDOWN BY BUSINESS



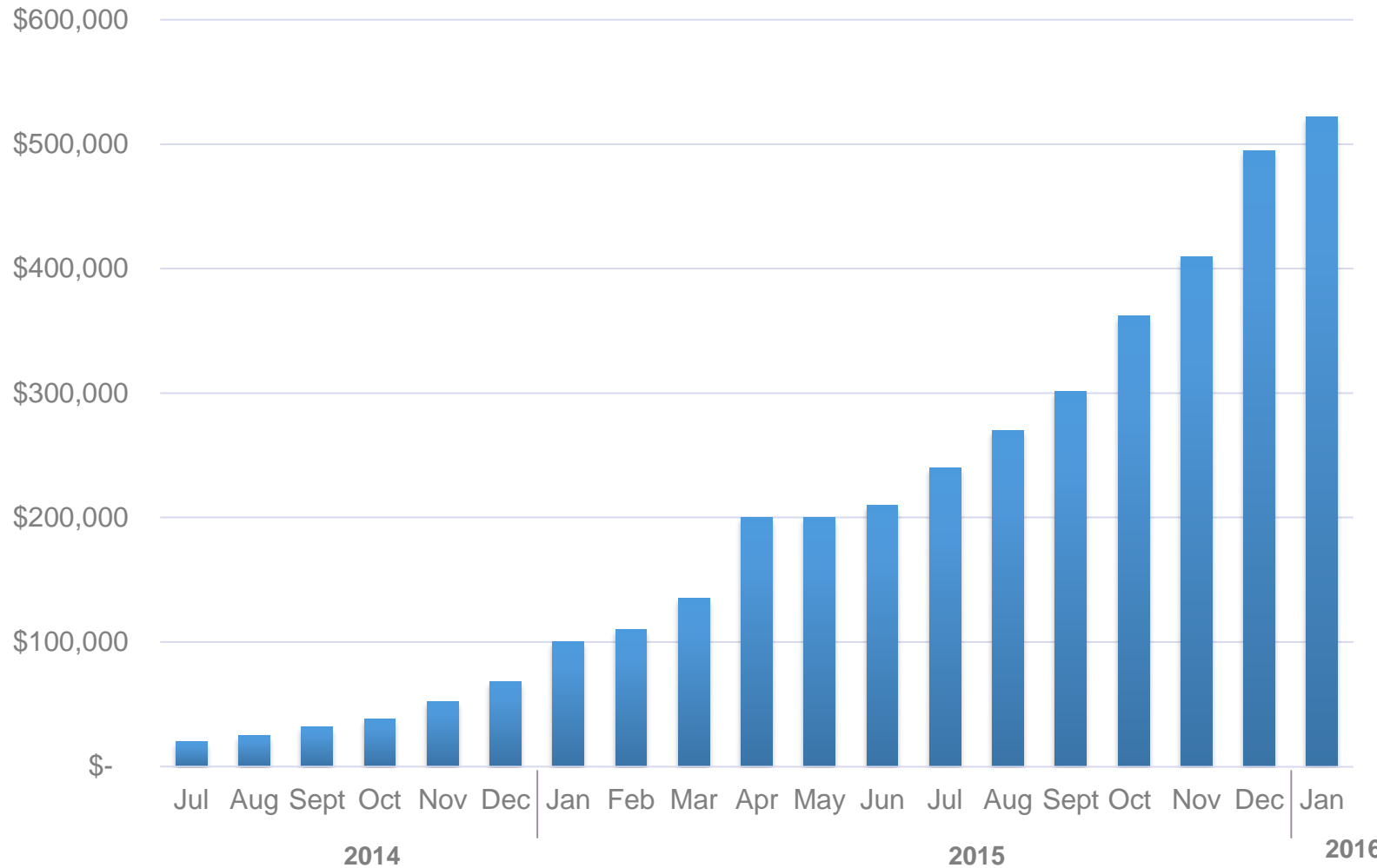
## CARRIER BILLING



## M-MARKETING



# INTERNATIONAL DIRECT CARRIER BILLING REVENUE GROWTH



**GLOBAL CUSTOMER ACQUISITION**  
Model proven in multiple territories in line with stated strategy

**INTERNATIONAL TERRITORIES**  
Existing agreements provide scope for expansion of carrier billing operations into a further 15 countries – new agreements in the pipeline

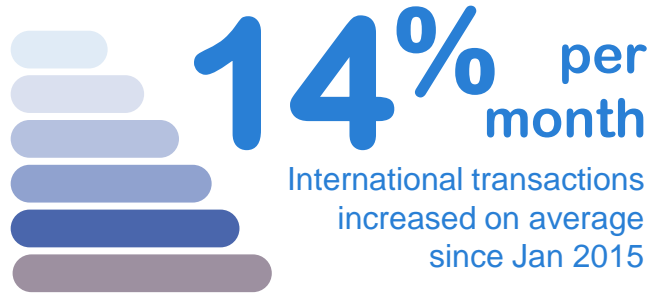


# GROWTH HIGHLIGHTS

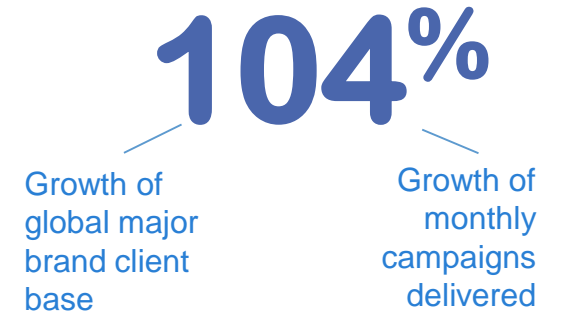
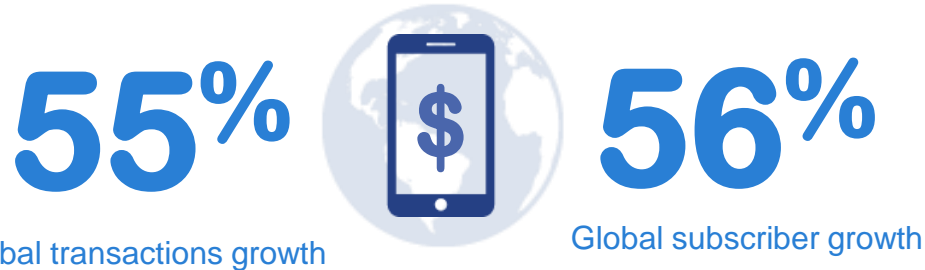
Half year comparison  
1H15 to 1H16

## CARRIER BILLING

## M-MARKETING



Growth in quality customer leads delivered to our major brand clients



Annual target **\$2.1m**

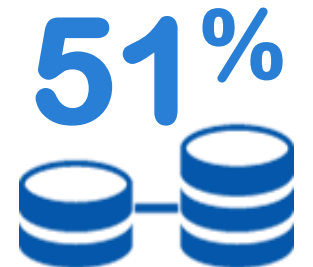
Delivered **\$1.8m**

**5 months**

### PERFORMANCE MARKETING

Delivered \$1.8m of \$2.1m annual contract (ASX 19 Aug) in just 5 months, demonstrating ability to deliver quality performance campaigns at scale

Growth in proprietary and partnered databases, delivering the ability to scale



# CASH AT A GLANCE



	Amount \$M
<b>Cash at 08/02/16</b>	<b>\$6.5</b>
<b>CBA UK Debt Facility (Available)</b>	<b>\$8.1</b>
Drawn Down from Facility	\$5
<b>Investment In Growth 1H FY2016</b>	<b>\$14.3</b>
Acquisition Payments	\$8.9
Accelerated Global Subscriber Growth	\$4.2
Clipp Drawdown	\$1.2

## STRONG CASH POSITION AFTER GROWTH INVESTMENT

141% Revenue Growth and 111% EBITDA growth from the two acquisitions made in 1H FY2015



WE ARE

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**SET UP FOR  
SUCCESS**

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# SOME OF MOBILE EMBRACE'S PARTNERS

## MOBILE OPERATORS



## BRANDS



## PUBLISHERS



# BUSINESS SENSITIVITIES



MARKET	TECHNOLOGY	COMPETITORS	REGULATION
<p><b>Fluctuation in mobile advertising spend, Effective access to inventory, business spend on mobile / digital or consumer sentiment</b> Lumpiness that can come from campaign sales or change in spending patterns, changing market conditions or technologies that may impact access</p> <p><b>Forex Hedging Strategies</b> in place</p> <p><b>Cash conservatively</b> managed</p>	<p><b>Competitive technologies</b> Risk that new technologies emerge that impact competitive advantage or market environment</p> <p><b>Carrier support of billing platforms</b> Carriers changing their support for carrier billing of mobile products and services</p> <p><b>Programmatic Platforms</b> Use of platforms for purchase/pricing of ad inventory negatively impacting demand or access for mobile advertising</p>	<p><b>New competitive market entrants</b> Risk that new competitors enter market with a similar business</p> <p><b>Marketing channels, New Product and Billing channel performance</b> Non-performance of marketing channels or disinterest in products by consumers</p>	<p><b>Regulation</b> Changes in rules around the regulation of mobile products and services and digital marketing</p> <p><b>Restrictions in handset platform access</b> – e.g. Apple’s current ecosystem Handset manufacturers or mobile platform developers restricting consumer access to products and services</p>

# THREE YEAR STRATEGY

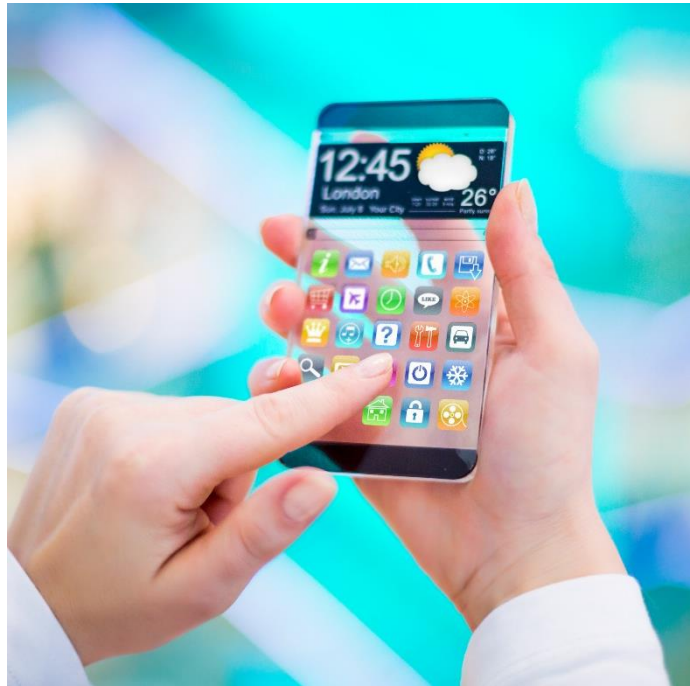


## DIRECT CARRIER BILLING

Launch DCB to addressable markets in SE Asia, Europe plus other target markets (>1bn) with a simple, seamless customer engagement and transaction experience

## MARKETING CHANNELS

Increasing ownership and diversity of marketing channels, expanding customer reach and scale



## PERFORMANCE MARKETING

Launch MBE's Performance Marketing business into new markets to target, measure and grow large customer databases

## TECHNOLOGY

Enhance our technology assets to further strengthen MBE's competitive advantage and drive scalable revenue

# LEVERAGING TECHNOLOGY FOR GROWTH



## NEW PROPRIETARY BILLING PLATFORM



- **FASTER CARRIER INTEGRATION**  
From 8 weeks to a few days
- **SCALES RAPIDLY WITH INCREASED SPEED**  
Amazon Web Services  
Better customer conversion rates  
Greater customer satisfaction
- **INCREASES COMMERCIAL ROBUSTNESS**  
Enhances quality assurance
- **LAUNCHES FEBRUARY FY16**

# GROWTH DRIVERS



## SCALABLE

Highly scalable business requiring low CAPEX with significant margin and free cash flow potential



## CUSTOMER-CENTRIC

Capitalising on the massive consumer shift to mobile devices



## TECHNOLOGY

Rapidly increasing number of businesses needing to leverage mobile for their customers



## GLOBAL

Exporting our Australian proprietary technology globally; Opening the door to over 1 billion mobile consumers in SE Asia



## PARTNERSHIPS

Perfectly positioned to support carriers' need to increase ARPU





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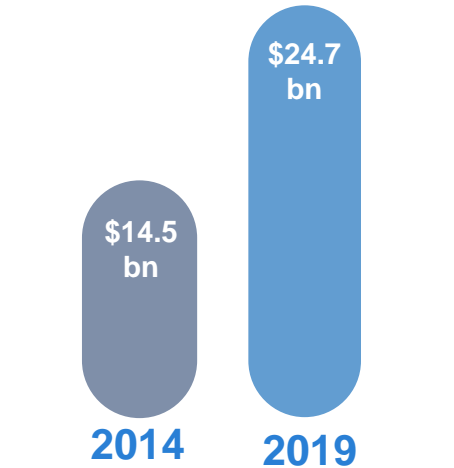
# APPENDIX



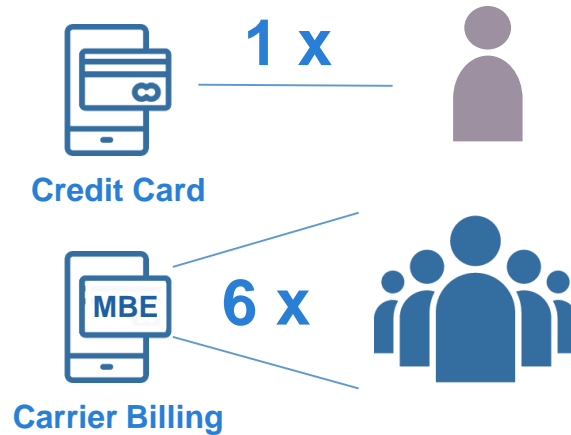
# THE RAPID SHIFT TO MOBILE

## The Challenge for Global Business

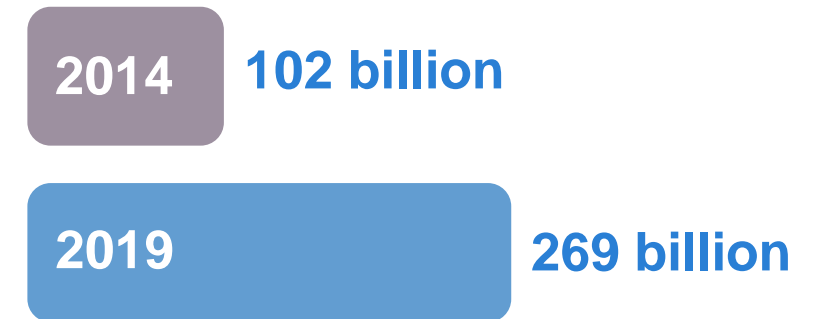
### GLOBAL DIRECT CARRIER BILLING\*



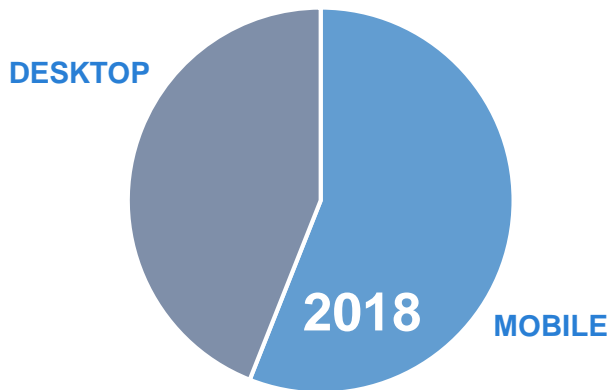
### CUSTOMER CONVERSION



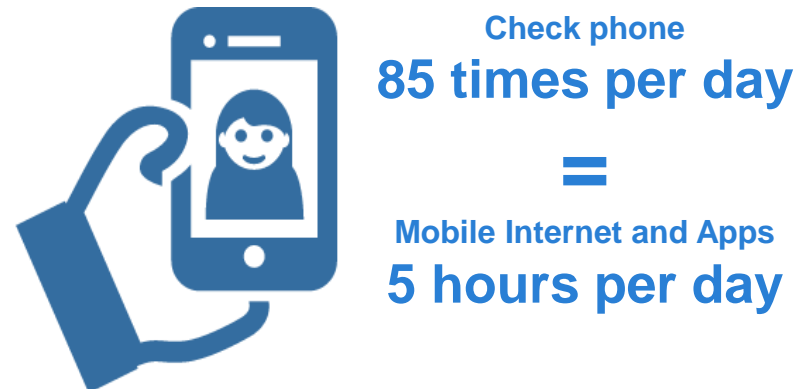
### APP DOWNLOADS\*



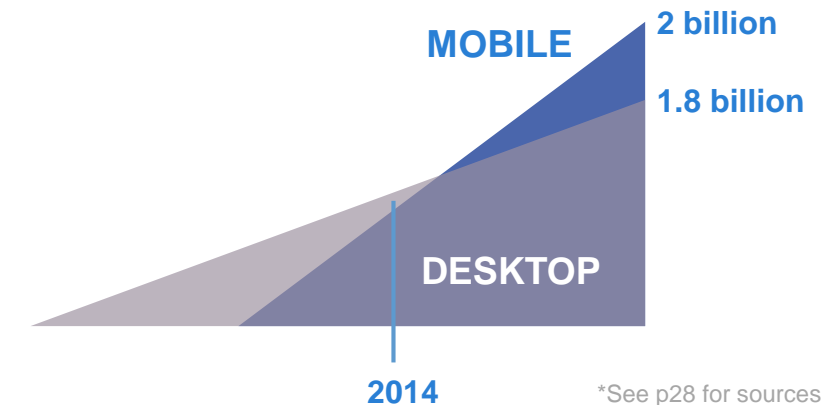
### ONLINE SALES\*



### MOBILE USAGE\*



### INTERNET ACCESS\*



\*See p28 for sources



## MOBILE EMBRACE HAS THE SOLUTION

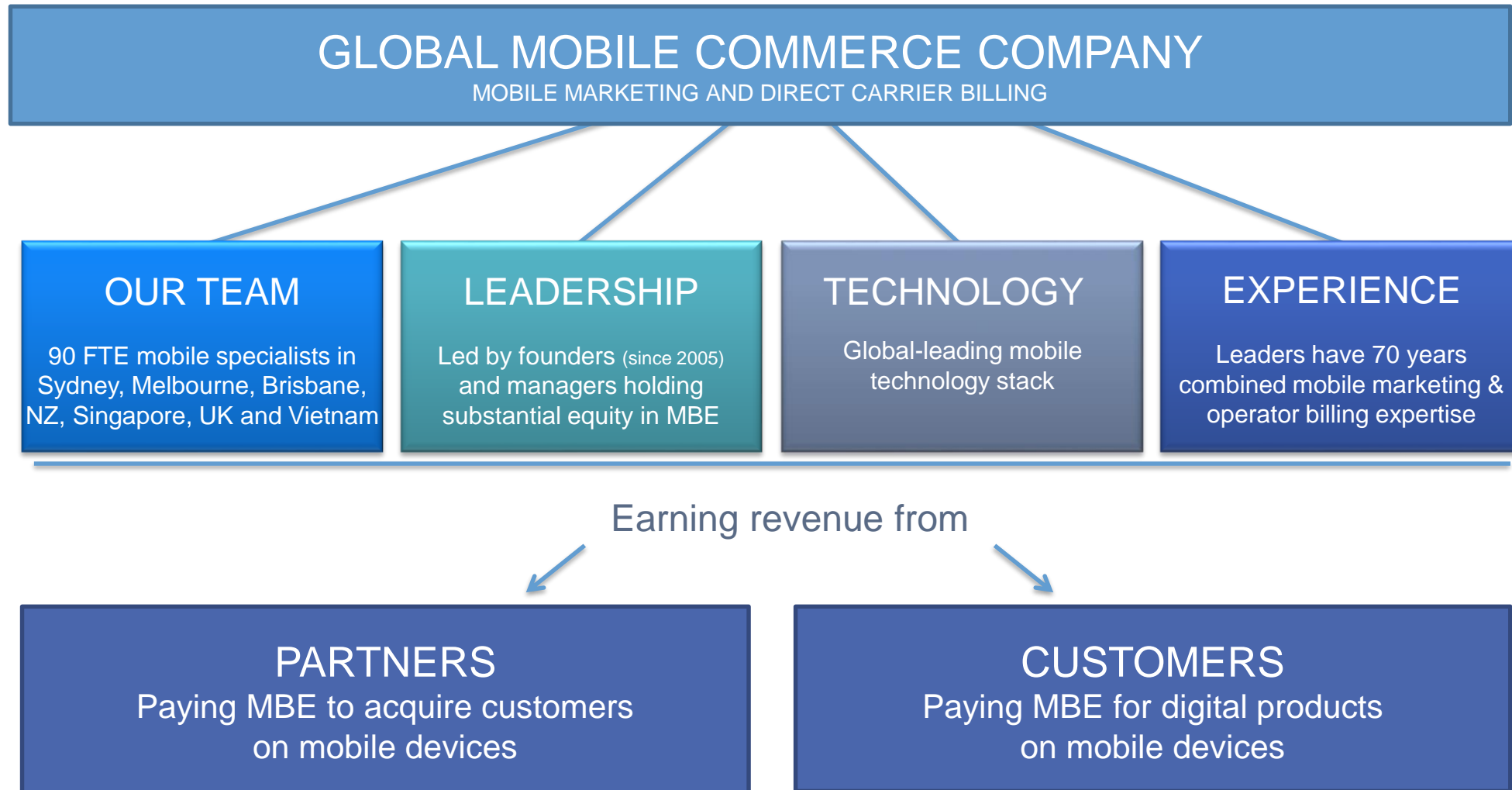
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We deliver an easy and seamless consumer engagement and transaction experience on any mobile device;

enabling ourselves and our partners to reach and acquire customers at scale

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# WHAT IS MOBILE EMBRACE? (ASX:MBE)



# WHO ARE OUR PARTNERS?

- **Businesses** who want to



REACH



ENGAGE



TRANSACT



EMBRACE

high volumes of customers on any mobile device

- **Mobile Operators** wanting to increase their average revenue per user (ARPU)



# WE ARE DIFFERENT

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**We have built a unique world-class  
integrated digital marketing and  
direct carrier billing infrastructure**

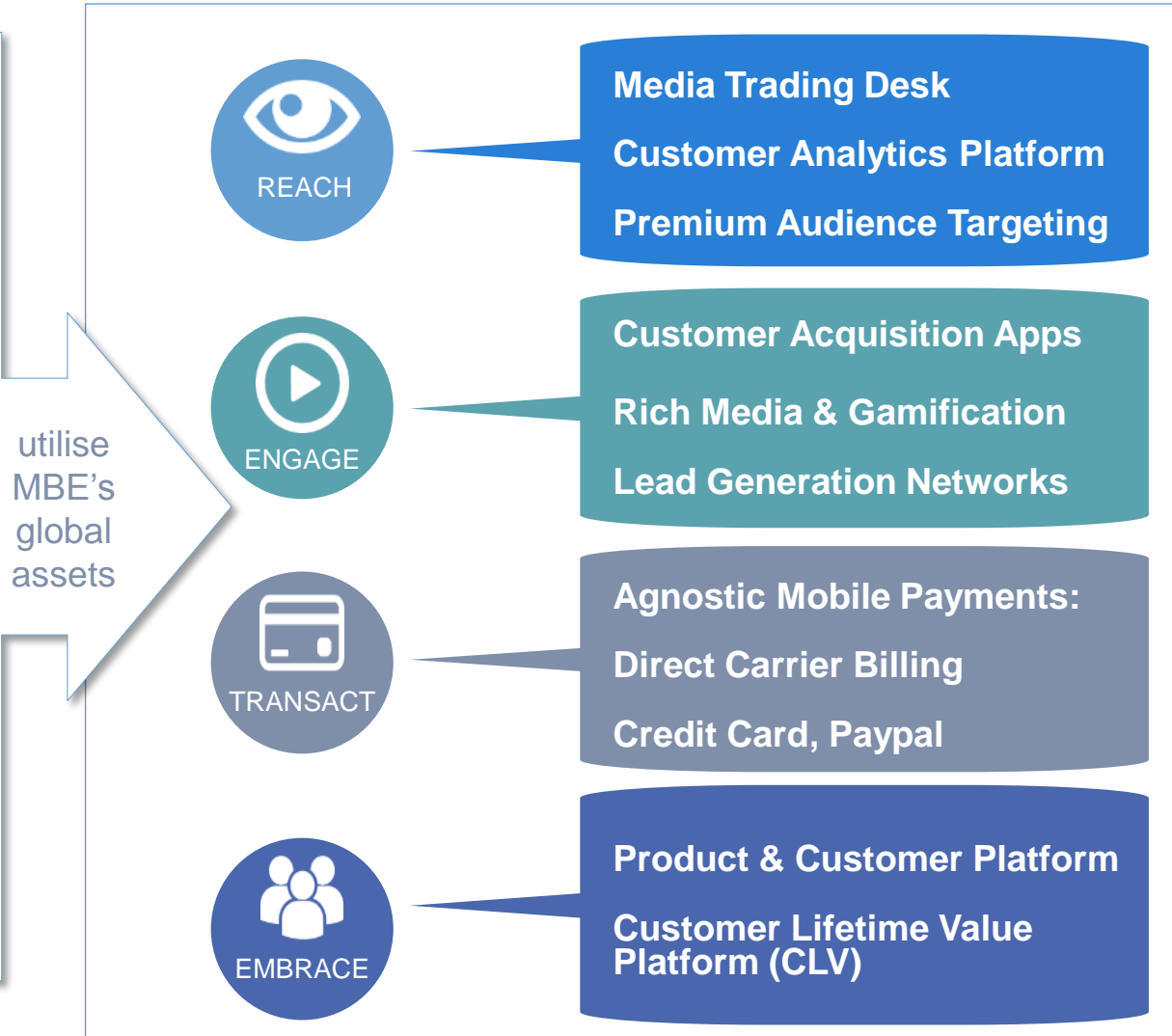
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# MBE INTEGRATED MARKETING AND BILLING INFRASTRUCTURE



**Partners**  
Pay MBE to reach, engage & transact with Consumers

Brands  
Products  
Corporates  
Publishers  
Telcos

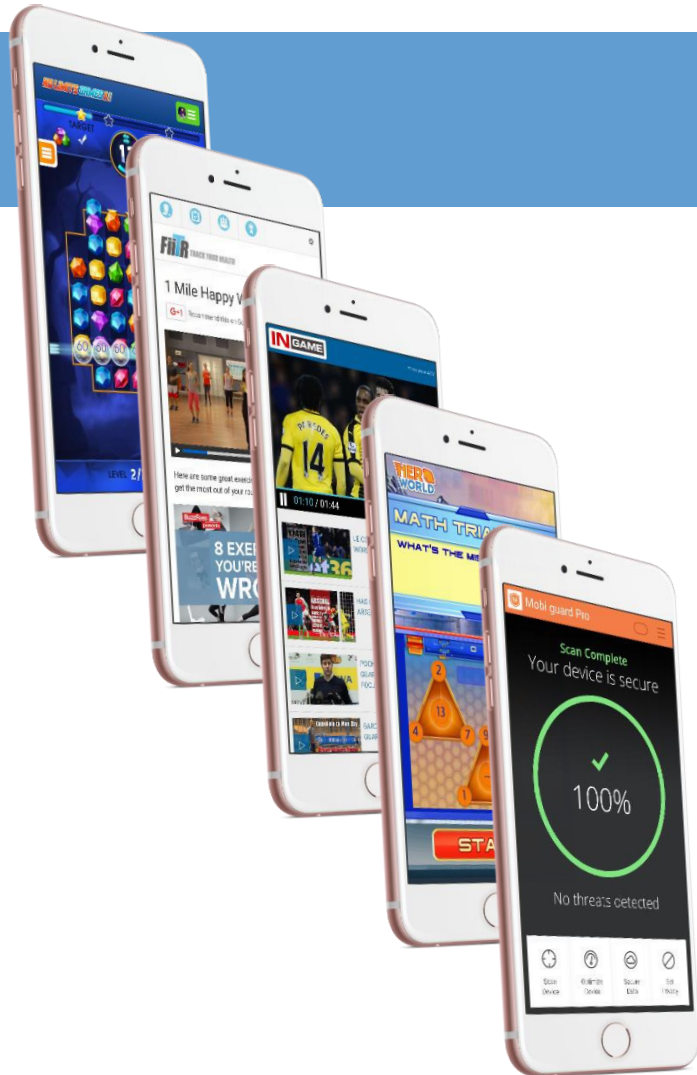


**Customers**  
Pay MBE for digital products

to connect with



# QUALITY PRODUCTS



## A SELECTION OF OUR PRODUCTS

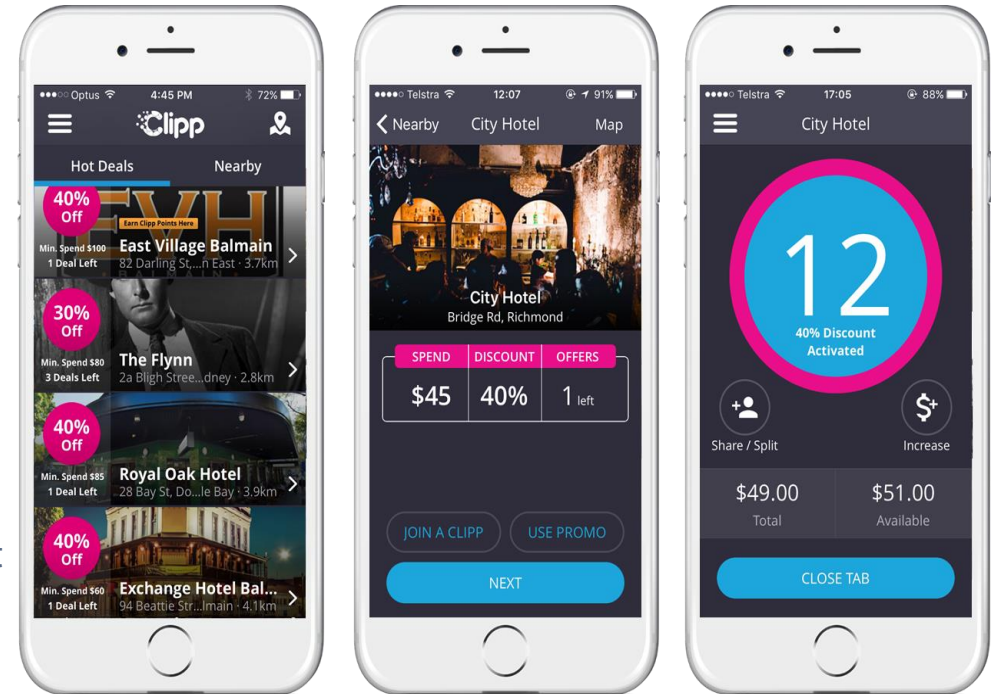
Subscription services driving strong annuity revenue

- MOBILE SECURITY**  
Virus and malware protection on your mobile devices
- FITNESS**  
Manage your health and fitness with our fitness tracker
- GAMES**  
Huge selection of quality games
- EDUCATION**  
Educational games for students
- SPORTS**  
Watch your favourite sport at anytime

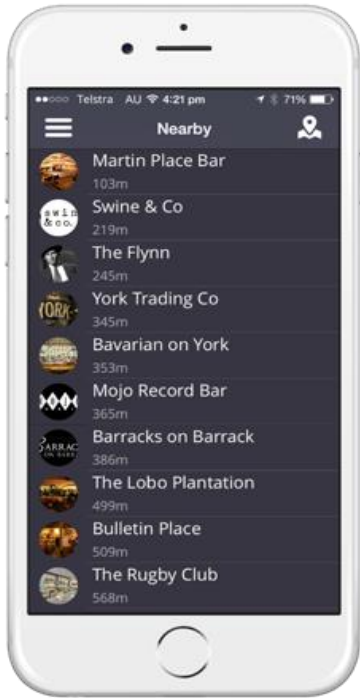
# INVESTMENT IN CLIPP



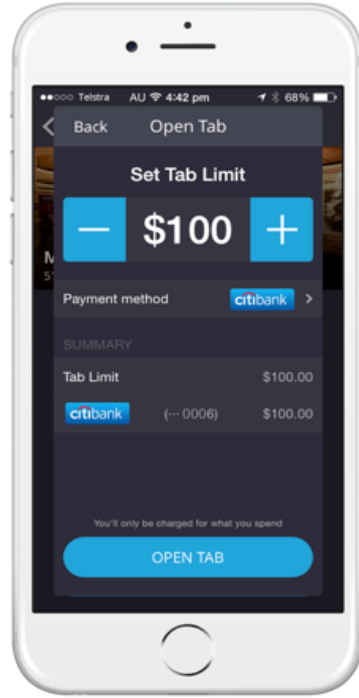
- MBE'S INVESTMENT VALUE**  
Registered users have grown 350% since June 2015
- CASHLESS MOBILE PAYMENTS**  
Available in 630 pubs, bars and restaurants with 150 already offering amazing dynamic pricing deals
- ENABLING MASS VENUE SCALE**  
Fully integrated with 19 POS systems incl a large Restaurant specialist
- ON-PREMISE CONSUMER PURCHASE DATA**  
Captures data previously unavailable for the hospitality industry
- SIMPLE**  
"Uber like" customer experience for the \$42 billion hospitality industry



# HOW CLIPP WORKS



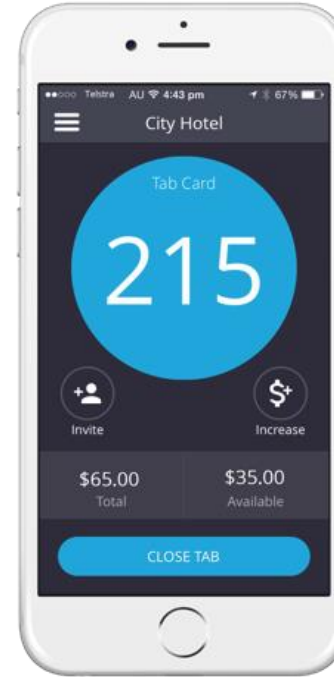
find a venue



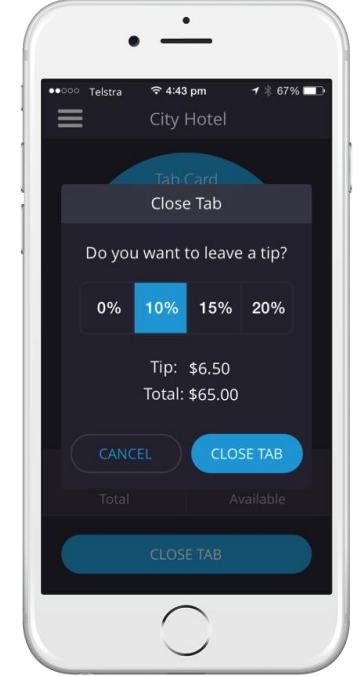
set your limit



Point-of-Sale



flash your phone



leave like you own the place

Let us buy you a drink!  
Here's \$10 off your first tab  
at a Clipp Venue:

Use Promo Code  
**XTN73**  
when opening your first tab

Download **Clipp** from



## STATISTICS SOURCES



- The global mobile carrier billing market will grow to \$24.7bn by 2019 (was worth just over \$14.5bn in 2014)  
Source: Ovum Report, Carrier Billing: Global Market Trends and Forecasts
- App download growth from 102 billion times in 2013 to 269 billion times in 2017  
Source: BCG Perspectives Report, The Growth of the Global Mobile Internet Economy
- M-commerce to account for more than half of online sales by 2018  
Source: Goldman Sachs
- Mobile usage - 85 times a day/5 hours a day: Nottingham Trent University ([https://www.ntu.ac.uk/apps/news/180892-15/People\\_check\\_their\\_smartphones\\_85\\_times\\_a\\_day\\_\(and\\_they\\_dont\\_even\\_know\\_theyre\\_doing\\_it\).aspx](https://www.ntu.ac.uk/apps/news/180892-15/People_check_their_smartphones_85_times_a_day_(and_they_dont_even_know_theyre_doing_it).aspx))
- More information and numbers on the m-commerce stat from Goldman Sachs: \$204 billion in 2014 to \$626 billion in 2018 (<https://www.internetretailer.com/2014/03/10/mobile-commerce-will-be-nearly-half-e-commerce-2018>)
- There are now more mobile internet users than desktop/laptop (approx. 2 billion)  
Source: Mary Meeker 2015 Report