



ASX:MIG

AGM Presentation

May, 2016

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Corporate Overview



migme Overview

- **We are on a mission to build the next > \$100bn Internet platform company.**
- **migme is a Social Entertainment Platform** (Social and Messaging) focused on the fastest growing markets for Internet usage, with a priority on India (through to the Middle East and Africa), South East Asia (special focus on Indonesia and the Philippines).
- **First wave of Internet success stories** grew substantially out of Silicon Valley (Google, Ebay, Facebook, etc.), **Second wave of internet ecosystem success** out of East Asia (Tencent, Alibaba, Daum, etc.). **The next wave** of internet growth is in India and the Middle East, South East Asia (e.g. Indonesia, Philippines, etc.), and Africa. **migme is positioned and aims to become a successful platform company in this next wave of Internet usage.**
- **Freemium business model.** Engagement on Platform (Social + Messaging). Monetising through the provision of valuable activities (virtual gifts, games, ecommerce, and other premium services). Unlocking and sharing value with regional ecosystem players: content creators, media, telecoms, payments, etc.. Parallel model to Tencent, Facebook, Line, Kakao and many others.
- **Results:** Q4 2014 to Q4 2015. Monthly Active Users grew from >14m to >39m (>180%), and Cash Receipts grew from \$1.1m to \$7.3m (>550%).
- Supported by an experienced management team, aligned organisational footprint, board and shareholders, with FIH Mobile Ltd (subsidiary of Foxconn) as 19.1% shareholder.

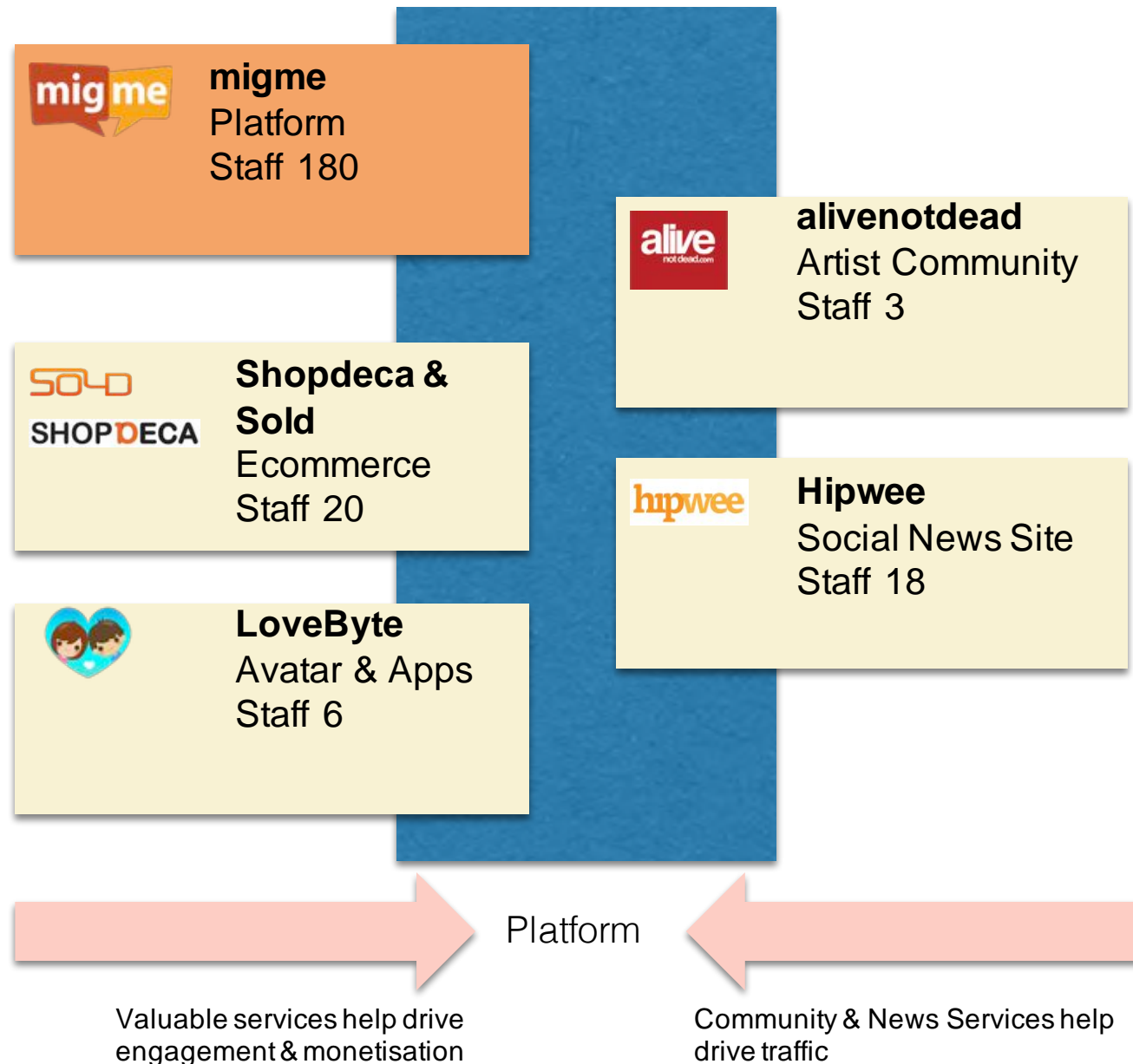
From 2002 to 2016, Tencent (China) grew from millions to hundreds of millions of users, by building an audience primarily around messaging (QQ), then later WeChat (mobile messaging), worked with existing media and games and is now a USD\$220bn company

From 2006 to 2016, Facebook (Silicon Valley) grew from millions to over 1bn users, by building a social (sharing) and then messaging business and through games, and later working with media with likes (but has disenfranchised both with its algorithm). Makes money through advertising primarily in first world markets and is now a USD\$350bn company

From 2013, mig33 became migme (Singapore) and has grown from 5m to over 39m users, and is building an audience through social and messaging, will deliver games in Q2 2016 (with a viral loop), and has an aligned business model, aligned partnerships, and aligned organisation, and is focused on markets stemming from India (to Nepal and the Middle East and Africa), and South East Asia (primarily Indonesia / Philippines), and is a USD\$125m company.

Group Overview

migme is a platform business (social and messaging) focused on next Internet frontier, with priority countries in South and South East Asia (esp. in Indonesia, South Asia and Philippines). **Engages** unique communities and content (its own, alivenotdead, Hipwee, etc.). **Monetises** through premium interactions, applications and games, and ecommerce.



Company: migme Ltd

Listed: ASX:MIG, August 2014

Registered Office: Melbourne

Board: Howard Dawson (Chairman), Steven Goh (CEO & Cofounder, Charles Pan (Exec Director), John Lee, Dmitry Levitt, Andy Zain, Stephen Llanwarne, Yichin Lee

Capital Structure

Shares on issue	287.5m
Unlisted options	19.4m
Last price (ASX)*	A\$0.57
Market capitalisation*	A\$164m
Working capital**	A\$8.3m

Top Shareholders

FIH (Mobile) ***	18.5%
Founders, Board & Management	20.0%
Meitu Inc.	4.0%
Top 20*	76.0%

*As at 17 February, 2016

** As at March 2016

*** Held through Big Build Enterprises Limited and Novel Set Limited





The Opportunity

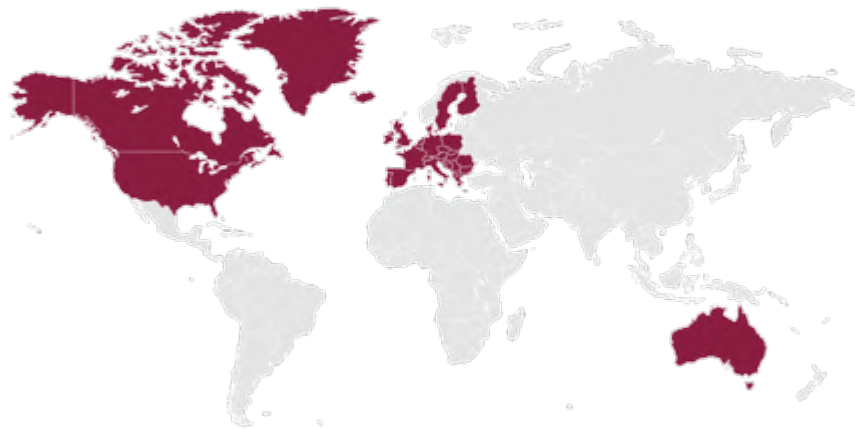
The Opportunity

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The rise of the rest of the world:

- Low cost Android phones drive the experience for the next 2 billion Internet users
- What the Internet will mean for these users is materially different to the first two generations of Internet users
- Difference in engagement and monetisation models creates opportunity for competitive advantage
- As a first mover, migme has established a critical foothold and is now positioned to be a winner in this fundamental shift

Developed Western Markets



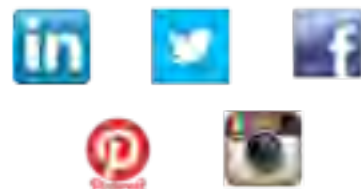
1999

~700m people

Access: mobile + broadband

\$: advertising markets

Identity: the person you are



Developed East Asia



2003

~1.5bn people

Access: mobile + broadband

\$: premium / gaming

Identity: the person you want to be



Rest of the world



2010

~3.5bn people

Access: Mobile

\$: premium / gaming

Identity: the person you want to be



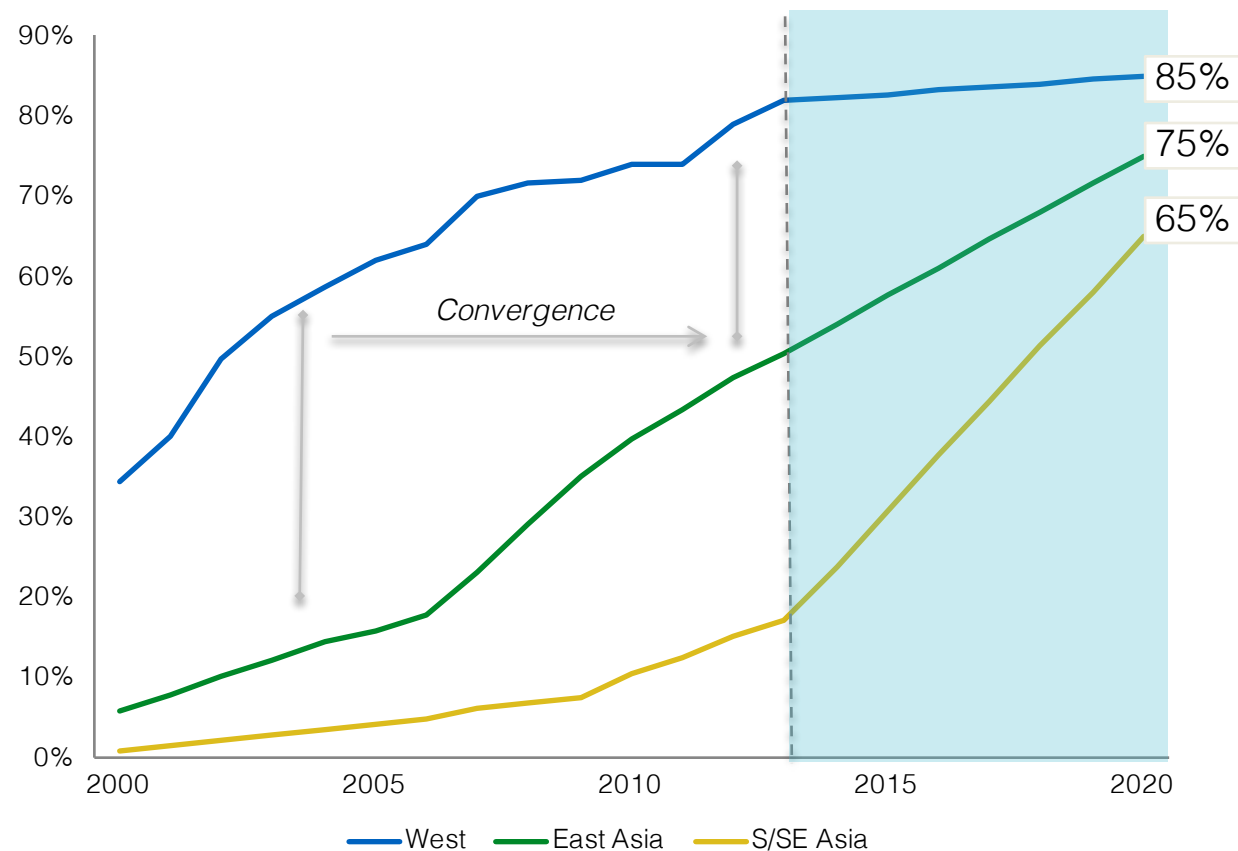
Convergence in digital access will see global Internet use shift to Emerging Markets

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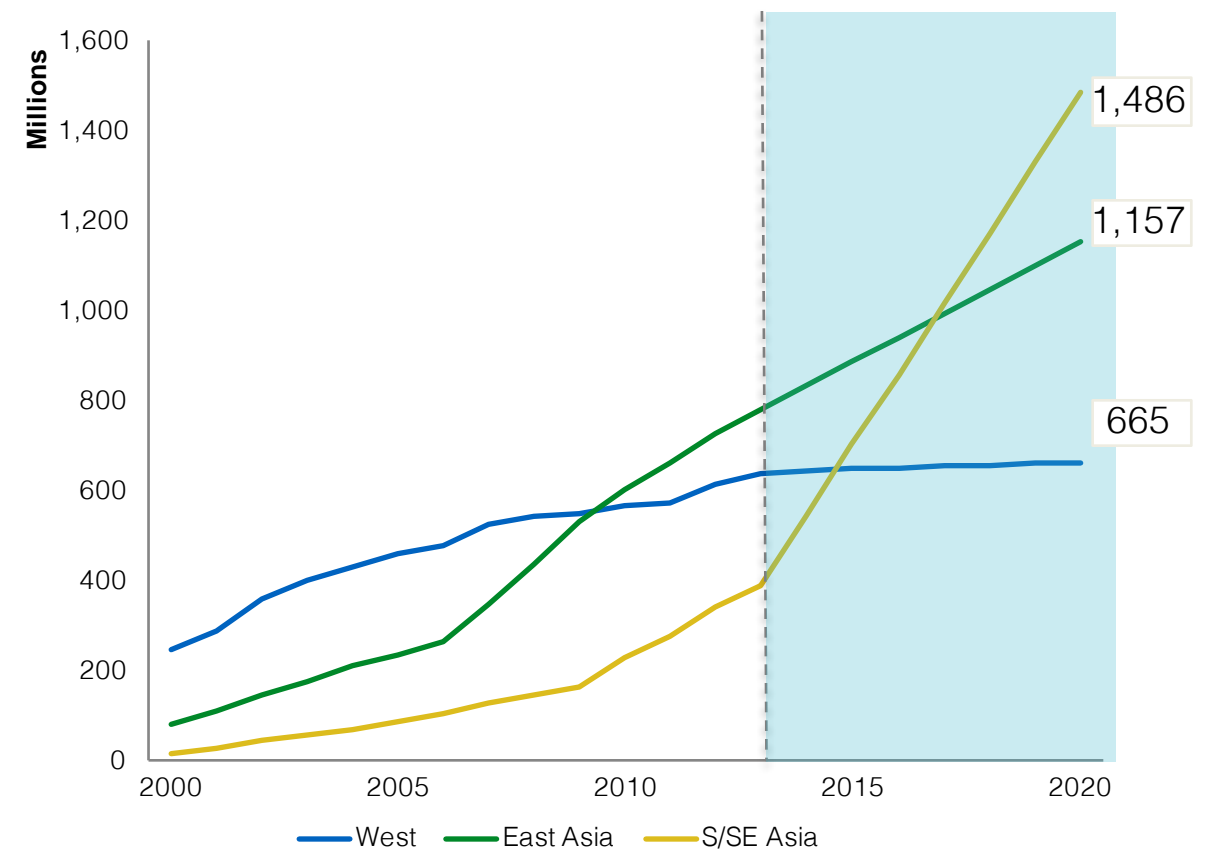
As rates of Internet penetration converge toward the rates seen in mature Internet markets...

The emerging markets of South and Southeast Asia will grow to a ~1.5 billion Internet user base

Actual/forecast Internet penetration, by region (2010-2020F)






Projected number of Internet users by region (2010-2020F)



Forecast

Source: World Bank, migme analysis. Notes: assumes East Asia reaches 75% penetration and S / SE Asia 65% penetration by 2020. The West includes advanced (OECD) countries of N. America, W. Europe and Aust./NZ. East Asia composite excludes Taiwan data which was unavailable. S / SE Asia includes all countries of the World Bank's South Asian region, and all countries of ASEAN.

migme is pioneering social media / entertainment services for Emerging Market users

	Established North American	Established East Asian	New regional challengers
Major networks			
The Hook	Social + Messaging	Messaging & Games	Social + Messaging + Games
Business model	Advertising	OS business (TBC)	Premium interactions
Partnership with eco-system	Free for users, connects advertisers with consumers	Free for users, connects advertisers, services to consumers	Connects digital creators with users, through a virtual goods economy
Optimal internet terrain	Broadband / Mobile broadband / high-end mobile	Mobile broadband / high-end mobile	Mobile broadband / Low-end mobile and feature phone
API interface	Platform API subsumes traffic of game / app partners (e.g.. FB Connect)	Games / apps are siloed from the social platform	Deep-linking of apps within platform provides composite experience
Organisational footprint	North America	China / Japan	Headquartered in Singapore, South / SE Asia footprint

migme has the right competitive positioning to attract and engage the next major wave of Internet users in the world





The Group

migme is building the next great digital platform company.

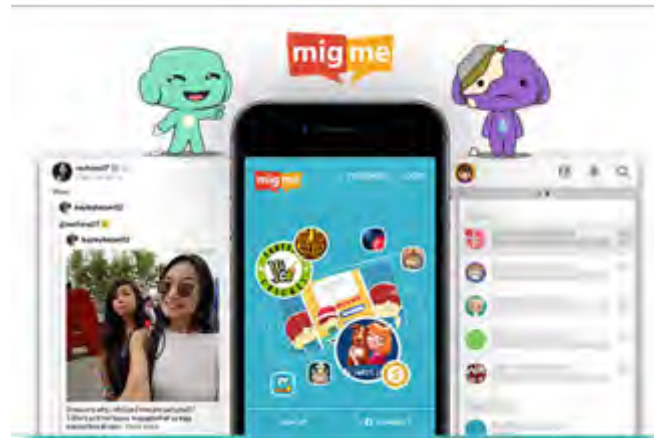
migme is creating a social and messaging platform...

...that engages an active and vibrant user base in key regions (India, Indonesia, / Philippines...)

...and works with users, creators, developers and merchants, in a pioneering new way...

...with a localised, in-market and diverse, organisational footprint

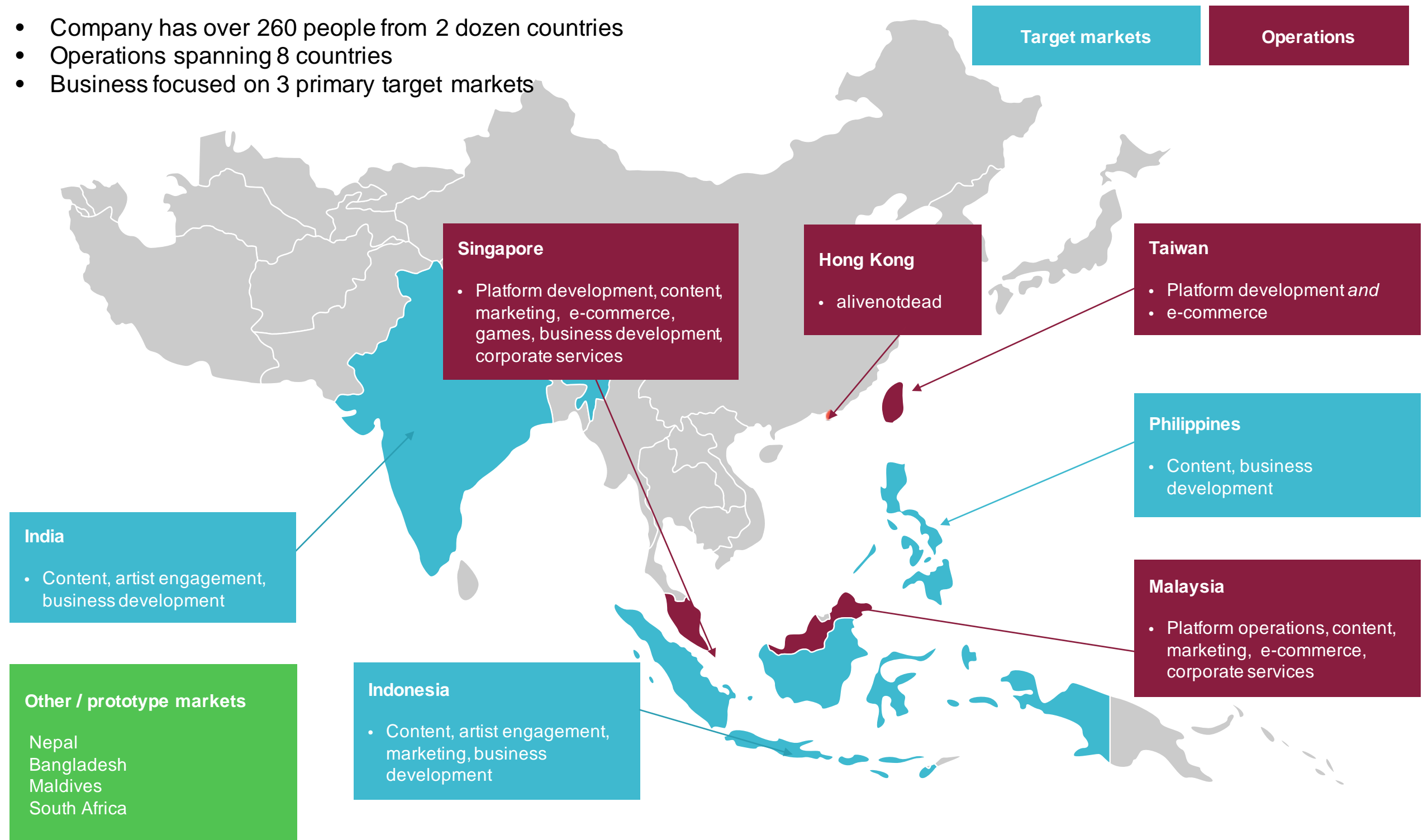
...to build the platform business for the next 2 billion Internet users



People

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- Company has over 260 people from 2 dozen countries
- Operations spanning 8 countries
- Business focused on 3 primary target markets



This is migme

migme is a social entertainment platform creating valued interactions for users

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The place where users can *be* special...

migme is the place where you can be special, be with special people and meet other special people;

migme allows users to communicate and entertain each other, form friends and communities, progressively interact with the vista of services

migme is the place where the world comes to play

...among millions of users across emerging markets, accessing...

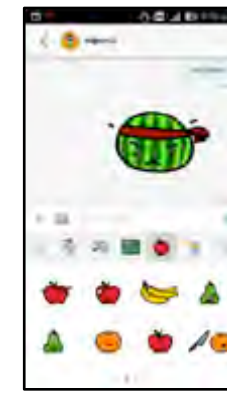
Users: >39 million Monthly Active Users (MAUs)* and growing

Countries:

Emerging markets with large populations outside of East Asia, particularly:

- India
- Indonesia
- Philippines

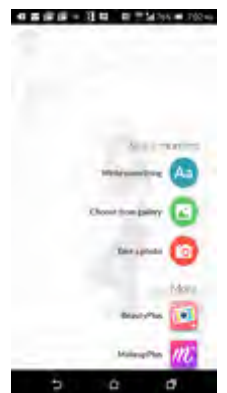
...a vista of communication and entertainment services in one place



Chat



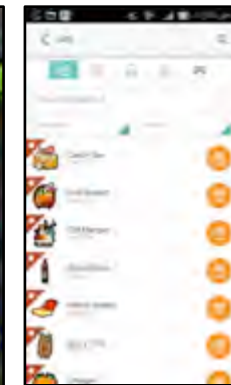
Miniblog



Apps



E-commerce



Virtual Goods



Games

Platform draws on learnings from other platforms in East Asia and Western developed models and is applied in a fashion to make it our own.

* Consistent with industry practice, Monthly Active Users (MAU's) are independently provided by Google Analytics and are a measure of unique visitors to the company's properties migme, Sold, LoveByte, alivenotdead, Hipwee and other assets over the relevant period

Scalable Platform Business Model

Competitive User Experience

migme is a place, supported by a family of services and a vibrant community in key markets (and beyond)

Users are engaged with Social and Messaging, with unique local execution (content, app size, etc.)

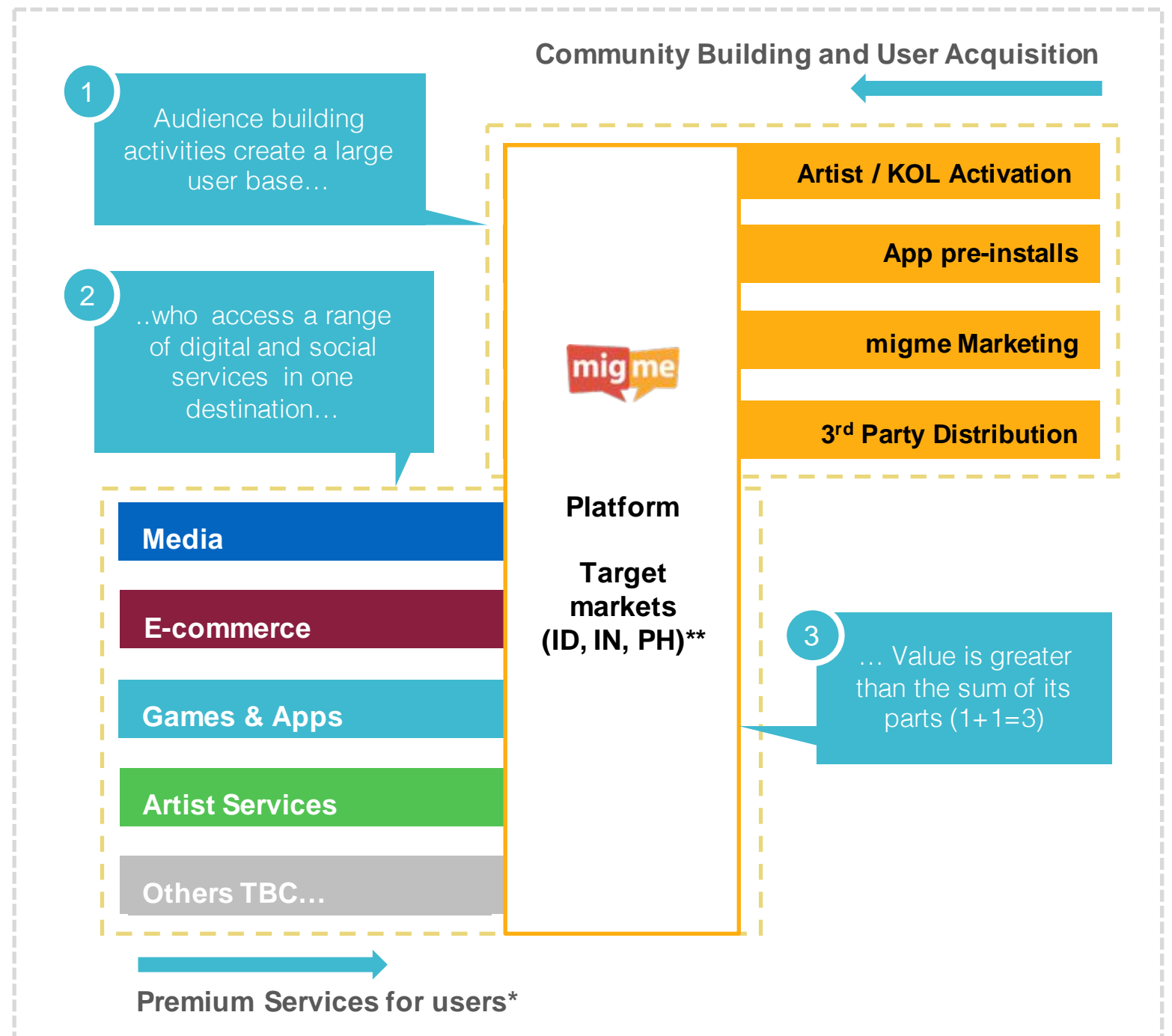
Drivers to growth include:

- Content Creators (bloggers, artists, celebrities, etc.). Helped by alivenotdead, etc.
- Content creation (social news including Hipwee)

Drivers to engagement and monetisation include:

- Premium interactions: virtual gifts, etc.
- Applications and Games
- Ecommerce




NB: similar businesses include Tencent, Line, Kakao, Facebook, Momo, YY.com and many others



Platform business model can be massively scalable: costs are relatively fixed, engagement and monetisation relies on the freemium model, and as new services are added to the family of services, they create virtuous circles that may lead to network effects in creating shareholder value.

migme companies aligned to delivery of the platform strategy

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	Chat	Miniblog	News	E-commerce	Apps & Games	Artists
Description	 <ul style="list-style-type: none"> Social entertainment service targeting emerging South / Southeast Asian markets 		 <ul style="list-style-type: none"> Social news site distributing digital content for young Indonesian urbanites 	 <ul style="list-style-type: none"> Gamified B2C e-commerce platform Curated lifestyle / sporting goods e-commerce platform 	 <ul style="list-style-type: none"> Private social network for romantic couples 	 <ul style="list-style-type: none"> Fosters formation of online communities between artists and their fans
	<ul style="list-style-type: none"> Significant existing user base High degree of localisation to target markets Compelling artist / key-opinion-leader proposition. Able to integrate full suite of connected social media services 		<ul style="list-style-type: none"> Adds enhanced digital media content creation, curation and management, that can be leveraged to enhancing group media offering in other target markets 	<ul style="list-style-type: none"> Capability to create social and gamified C2C ecommerce / marketplace on migme Social media and social affiliate marketing channel 	<ul style="list-style-type: none"> Avatar customisation and virtual goods development Allows 3rd party digital goods to be gifted, creating user engagement and monetisation 	<ul style="list-style-type: none"> Digital user / audience development capability Potential to expand to regional markets and support artists / verified users community building
Similar businesses	<ul style="list-style-type: none"> Facebook, Line, Sina Weibo 		<ul style="list-style-type: none"> Buzzfeed, Mashable 	<ul style="list-style-type: none"> Taobao, Mogujie 	<ul style="list-style-type: none"> Facebook (API), Line, Tencent 	

Case study: Cinta shares personal loss



Cinta Ramlan @cintaramlan

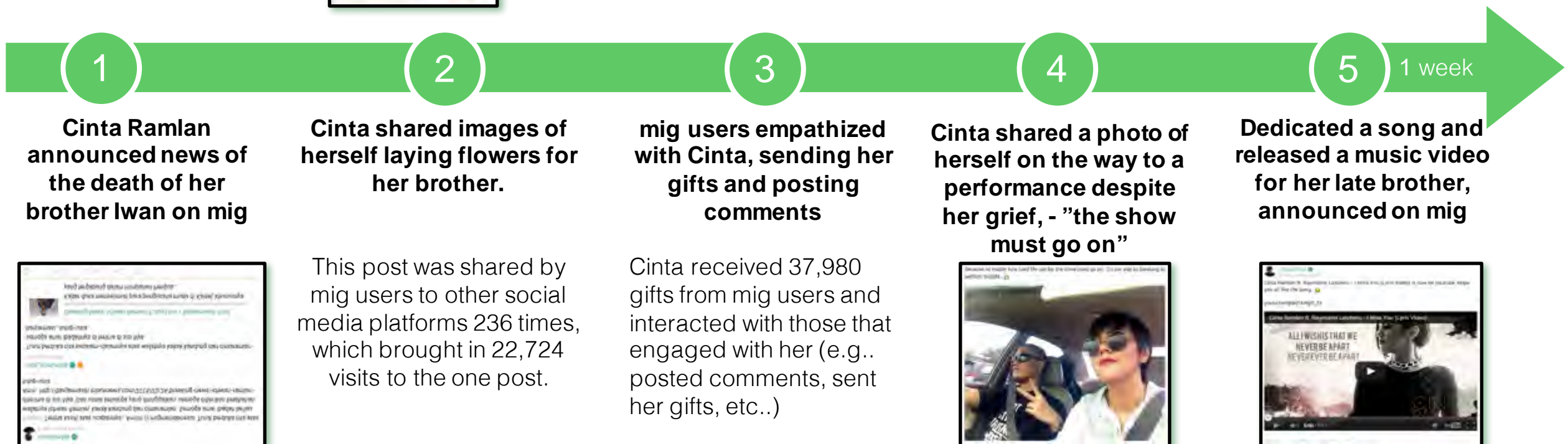
mig me 59,900+

f 500+

Instagram 90+

Twitter 22,600+

In March, popular singer Cinta Ramlan's brother died. She announced it on mig where she is a verified artist - and not directly on any other social media. Over the subsequent fortnight, she also wrote a song in dedication, interacted with the fanbase that she's built and drawn to mig, and exchanged tens of thousands of virtual gifts too. Her posts on mig were subsequently shared to other social media by her fans, and drew tens of thousands of users from other platforms onto mig.





Creating Shareholder Value

Prioritisation of results to maximise shareholder value creation

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Our approach to creating shareholder value...

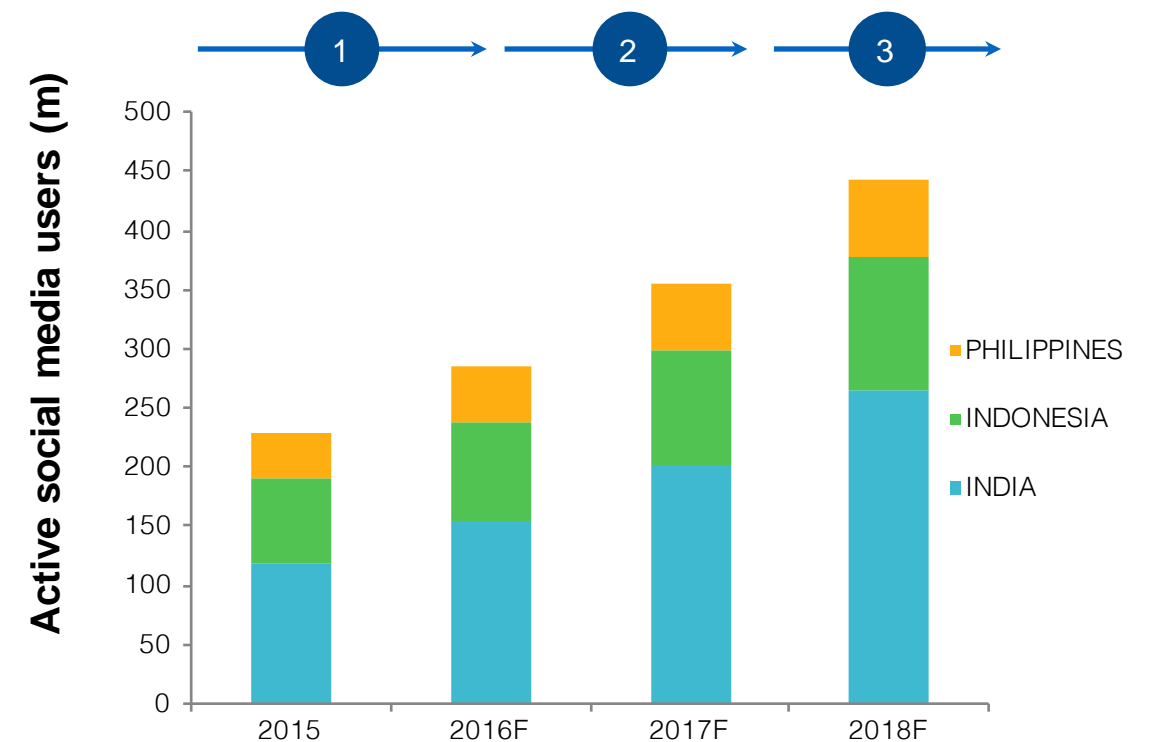
1 Build large user base in strategic emerging markets with fast growing Internet / social media user populations (Indonesia, India, and the Philippines)

2 Monetise the platform via virtual goods, games/apps and ecommerce from 2H 2016

3 Focus on expansion of gross margin, expected to deliver business profitability from 2017

...in a rapidly growing total addressable market

Growth of social media users, 2015-18F



TAM (M)¹

230

285

355

443

MIGME (M)

>32

*

*

*

migme is focussed on building a business with a possible user base of hundreds of millions of users over the next 3 years*

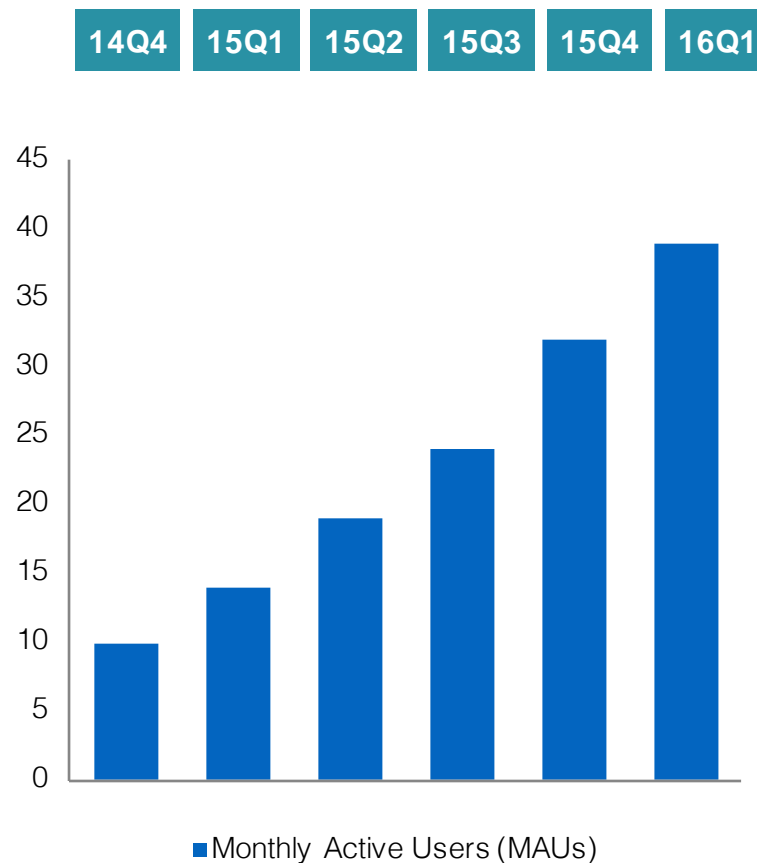
1. Forecast Total Addressable Market (TAM) for migme's target markets of India, Indonesia and Philippines. Source: WeAreSocial, migme analysis

* subject to commercial and market risks

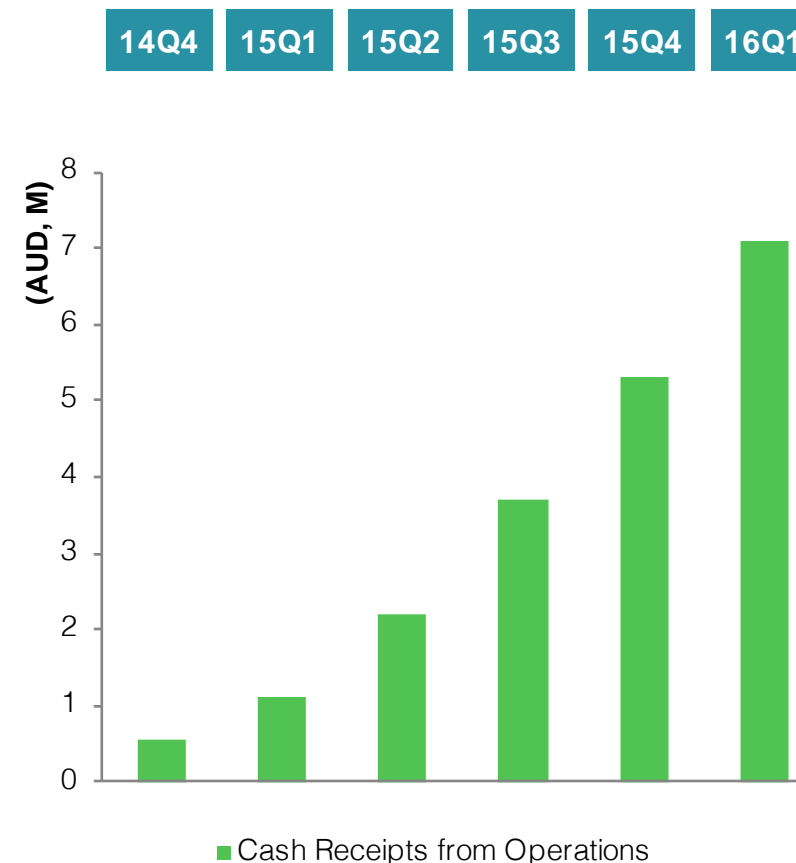
Delivering operating and financial results to plan, with a view of building a group of substantial shareholder value

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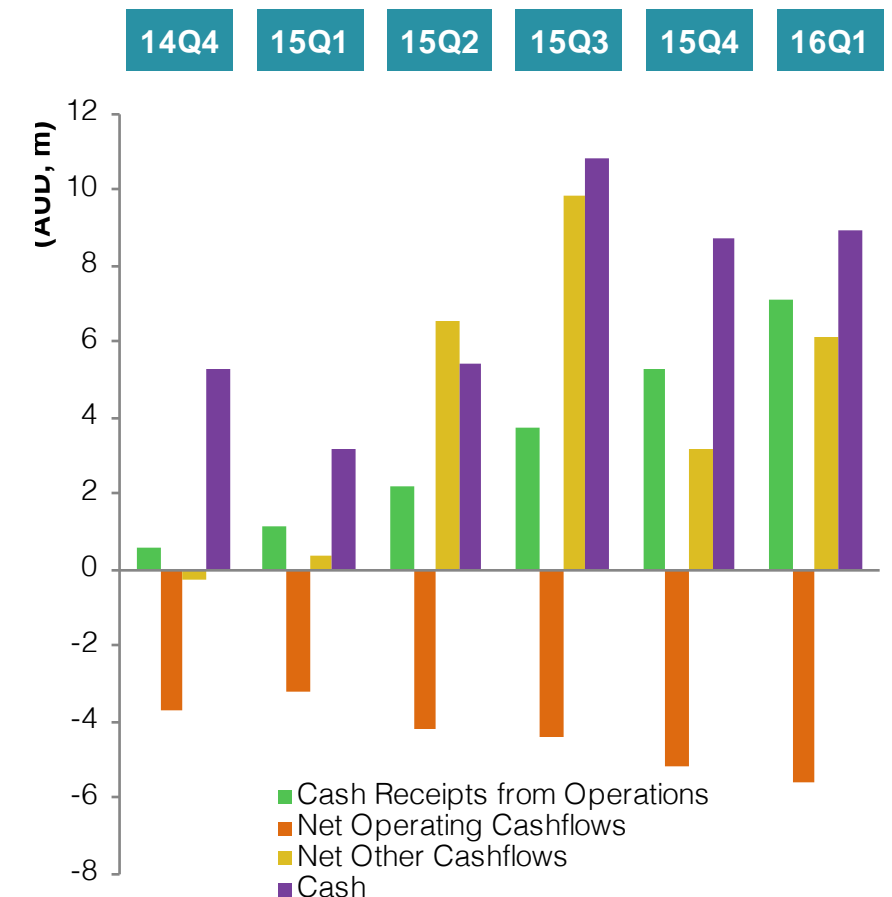
**migme Group Monthly Active Users
(2014Q4 – 2016Q1)**



**migme Group Cash Receipts from Ops.
(2014Q4 – 2016Q1)**



**migme Group Operating/Financial metrics
(2014Q4 – 2016Q1)**



We have delivered user base momentum (~180% year on year to Q1 2016), followed by revenue (~550% year on year to Q1 2016) as planned. In 2016, we aim to deliver operating margin, build substantial value and critical mass for the business - globally*

Deals accelerate / milestone growth and translate to shareholder value

Type	Objective	What does it mean?	Examples
Digital creators and media	Bring unique stories and relationships onto the platform to drive audience and premium activities. Access and revenues shares. May involve cross marketing and minimum guarantees.	Extends the reach of the company and may accelerate monthly active users (MAUs) and monetisation.	<ul style="list-style-type: none"> • 12/15 Hipwee • 2/14 alivenotdead • 6/15 CAA • 7/15 Sony India • 11/14 Sony Indonesia • 9/14 Universal Indonesia
Applications and Games	Accelerate available activities to do on the platform, drive friend get friend (grow the userbase), and drive monetisation events.	Increases our competitiveness in countries, increases engagement (DAU to MAU ratio), and drives monetisation events.	<ul style="list-style-type: none"> • 2/16 Meitu • 10/14 LoveByte • 12/14 MatchMe • 4/15 Deezer
E-commerce	Objective to provide on-platform commercial activity between users, and affiliate marketing opportunities for influencers.	Further enhances offering for migme users as a full-suite digital/social platform. Drives referral traffic and sales flow may be monetised.	<ul style="list-style-type: none"> • 1/15 Sold.sg • 1/16 Shopdeca
Telecoms and Handsets	Objective is to increase the number of people trialing the service - or if they become aware of the service, to lower the barriers to usage.	Substantially influences growth in monthly active users and facilitates growth in engagement. May help with acquisition when mixed with cross marketing arrangements.	<ul style="list-style-type: none"> • 4/14 Foxconn (FIH) • 9/15 MoMagic
Payments	Objective is to be able to transform demand for on platform services to cash.	Markets are substantially prepaid markets, so % monetising reach is limited by payment reach.	<ul style="list-style-type: none"> • 10/14 Doku (Indonesia) • 12/15 Paytm (India) • 12/15 Peppermint (Philippines)

***Acquisitions**

Progress with Community Events



A few a week
with small
attendances
(2014)



Several dozen
a week
(2015)



Several dozen
with some
events over a
few thousand
(2016)

Progress with Artist / Content Creator Stories



Several a week
(2014)



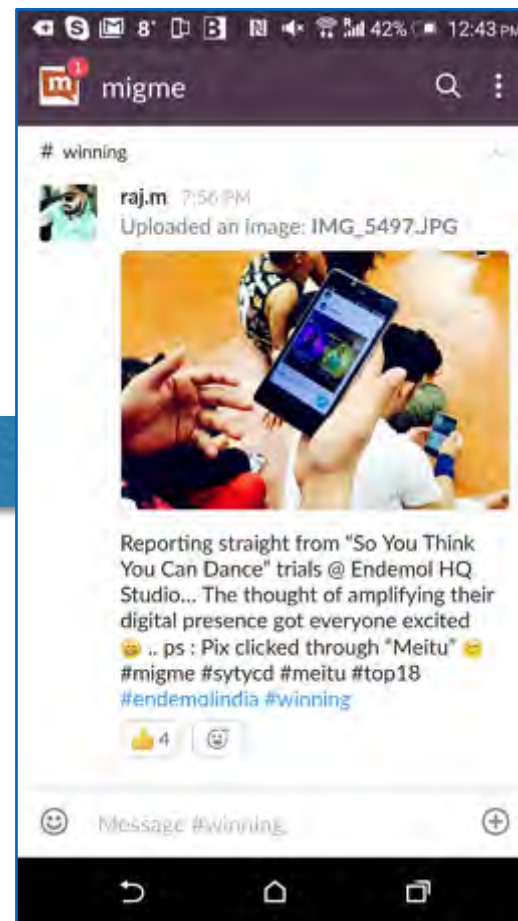
Several dozen
a week
(2015)

Future

Progress with Large Format Programs



MegaModel
(Nepal, '15)



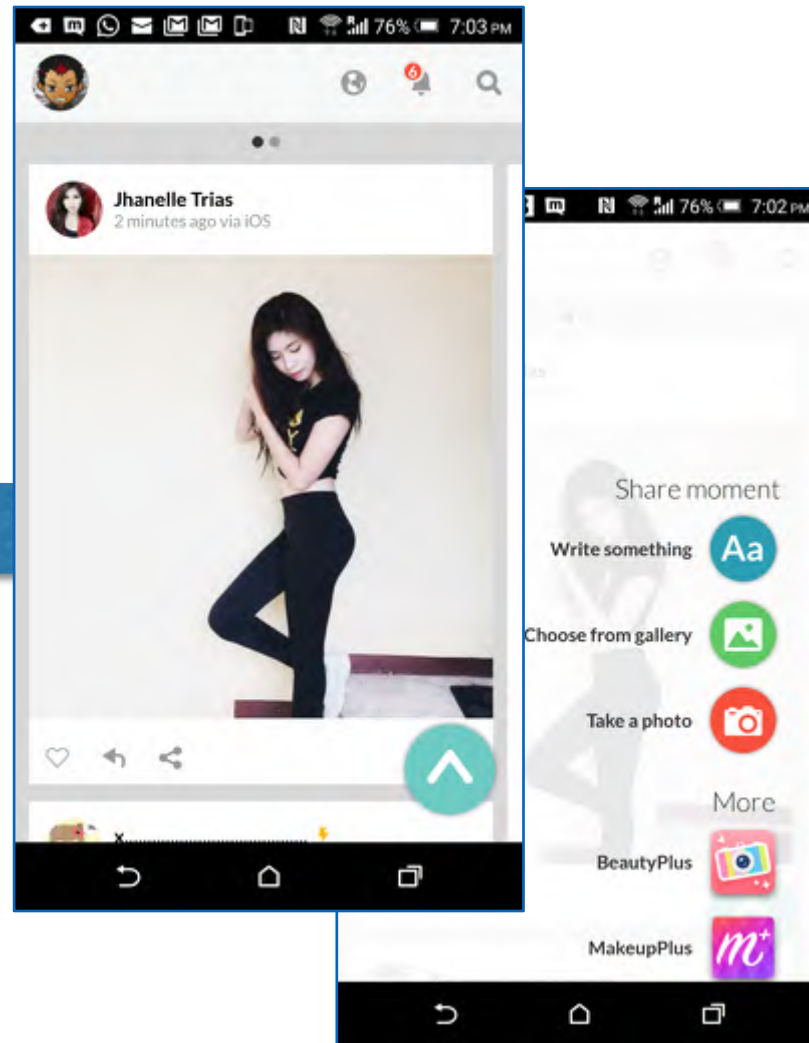
India
(2016)

Future

Games & Apps

HTML
Games

2014/15



‘Fun Key’
(May, 2016)

Apps &
Games
Platform

Future

Summary

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- **Large scale, strategically differentiated opportunity** in digital media
- Path to revenues and shareholder value is:
 - Through building the user base / audience (MAUs)
 - By creating valuable services and interactions that result in monetizing users (MPU) and sales per user (ARPU)
 - Range of services include virtual gifts, games, e-commerce and other premium activities.
- **Experienced team:** executive team, management, board, shareholders
- **Building a focused relevant corporate track record** with both corporate milestones and operational results (Q1 2015 to Q1 2016: 180% MAU growth and 550% growth on quarterly cash receipts).
- **Track record in MAU and Revenue growth. Next 3 quarters, focus on engagement + margin.**



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