



minds + machines

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2015 H1 unaudited interims presentation
22 September 2015

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DEPLOYMENT OF CASH RESERVES

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GUIDANCE

- H2 2015



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+ Stages of Growth

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MMX is a new gTLD registry operator

Every registry operator has two phases of growth:

- Phase 1: Acquire and deploy top-level domains
- Phase 2: Operating and managing top-level domain

Each phase is unique (almost 2 different companies)

- Phase 1: Raise capital, build infrastructure, apply to ICANN for TLDs, win TLDs at auction or through deals
- Phase 2: Market and sell second-level domain names via ICANN registrars, market-specific distributors, premium name sales

MMX is near the end of Phase 1 and starting Phase 2

+ Stages of Growth: Phase 1

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Acquire and deploy new top-level domains

Applied to ICANN during application window (early 2012)

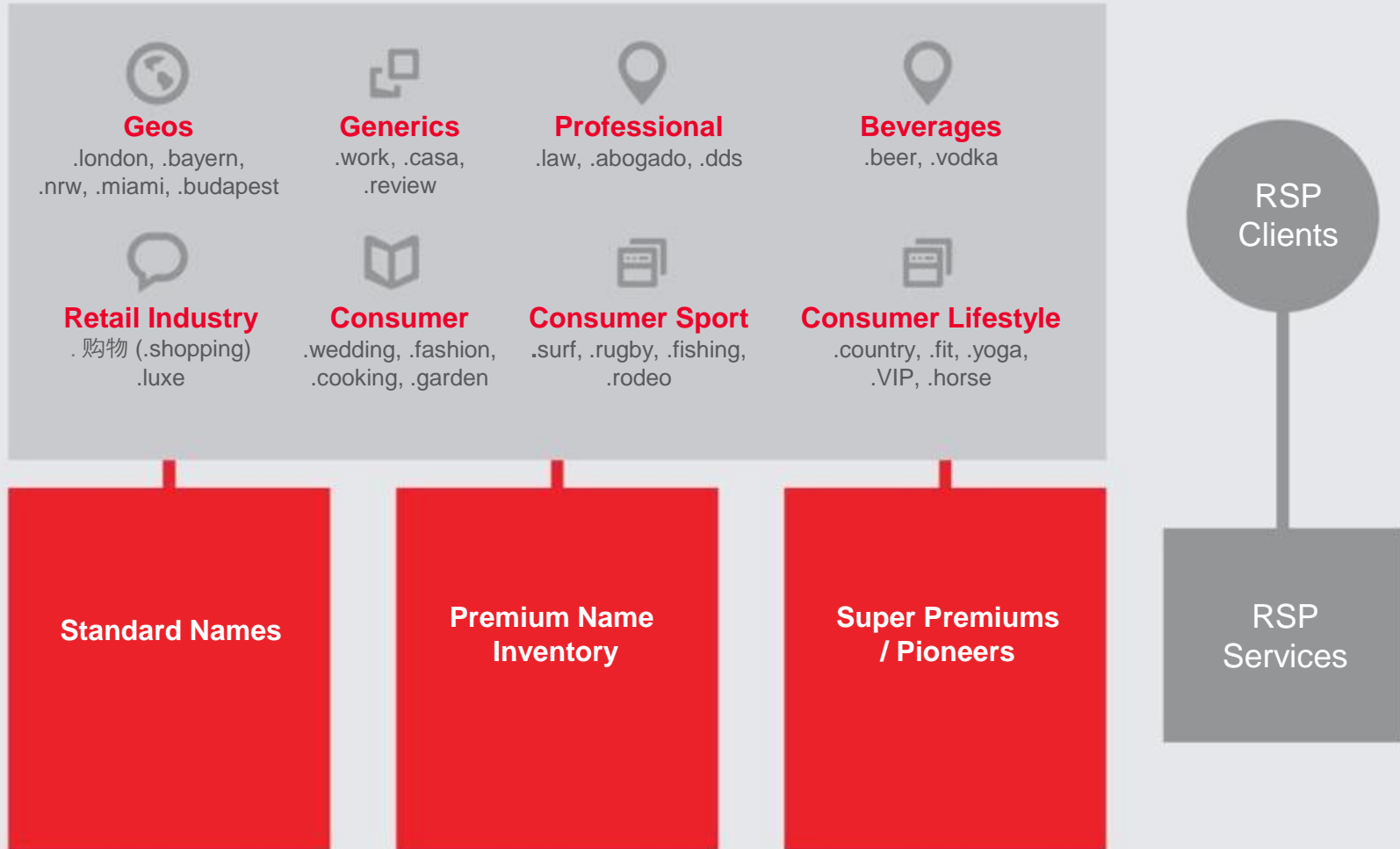
- Some applications were uncontested – no auction
- Others had more than one applicant – auction
- Long evaluation process by ICANN (~2 yrs)

Raised \$33M in January 2014 to participate in auctions

- Added \$23M to cash reserves, won 9 great TLDs
- Private auction dynamic where winners pay losers
- Tech-heavy process to build registry and pass ICANN testing

+ MMX's portfolio structure

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+ Stages of Growth: Phase 2

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Operate and manage top-level domains

Move from tech-heavy (Phase 1) to sales-and-marketing led

- Engage ICANN registrar channel (GoDaddy, etc.)
- Engage communities targeted by relevant top-level domain
- Develop TLD-specific distribution channels

New personnel, new expertise for Phase 2

- Restructuring for greater emphasis on sales and marketing
- Phase 1 nearly over; Phase 2 ramping up

Current situation: great TLD portfolio, great cash reserves



Transition: Phase 1 to Phase 2

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H1 2015 mostly Phase 1; H2 more Phase 2

- H2 expected to show more revenue and organic growth

Launched 18 TLDs in 2014 and 2015

- Renewal income from 2014 launches expected H2 2015
- Early indications of renewal rates in .london (our first) above published industry rates of 50 – 75%.

More TLDs to be launched

- .miami October 2, 2015
- .law, .abogado October 12, 2015
- .budapest, .vip, .lux, .dds, .shopping (Chinese) H1 2016



2015/2016: Launches/Renewals

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RENEWALS

.vodka
.rodeo
.horse
.fishing
.country
.cooking
.london
.bayern
.surf
.beer

.yoga
.work
.casa

.nrw

.wedding
.garden
.fashion
.fit

Jul-15

Aug-15

Sep-15

Oct-15

Nov-15

Dec-15

Jan-16

Feb-16

Mar-16

Apr-16

TBD

.law
.abogado
.miami

.dds
.lux
.vip
.budapest
.shopping - CN

TO BE LAUNCHED

+ Phase 2 Restructure

Historic Structure (as of 26.5.15)

Registry	RSP	Registrar	Premium Name Sales
Headcount 20	Headcount 12	Headcount 26	Headcount 2
<hr/> Wholly/majority owns TLDs Wholesaler of domains to registrars Marketing support for TLDs <hr/>	<hr/> Provides the infrastructure services for registries Manages company owned TLDs/cost centre for registry Derives revenue from client TLDs <hr/>	<hr/> In-house distribution channel for MMX owned/operated TLDs Enables affiliates for key verticals Delivers higher margin for MMX's premium domain names <hr/>	<hr/> High margin product line In-house distribution channel for MMX owned/operated TLDs <hr/>

New Structure

Combined registry RSP Headcount 24	Premium Name Sales Headcount 10	Standard Name Sales Headcount 2	Registrar Headcount 8
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Phase 2 benefits

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Improved operating efficiencies

- Registry / registrar tech team substantially reduced
- Reduced involvement in ICANN regulatory issues
- New focused sales and marketing group

Cost reductions

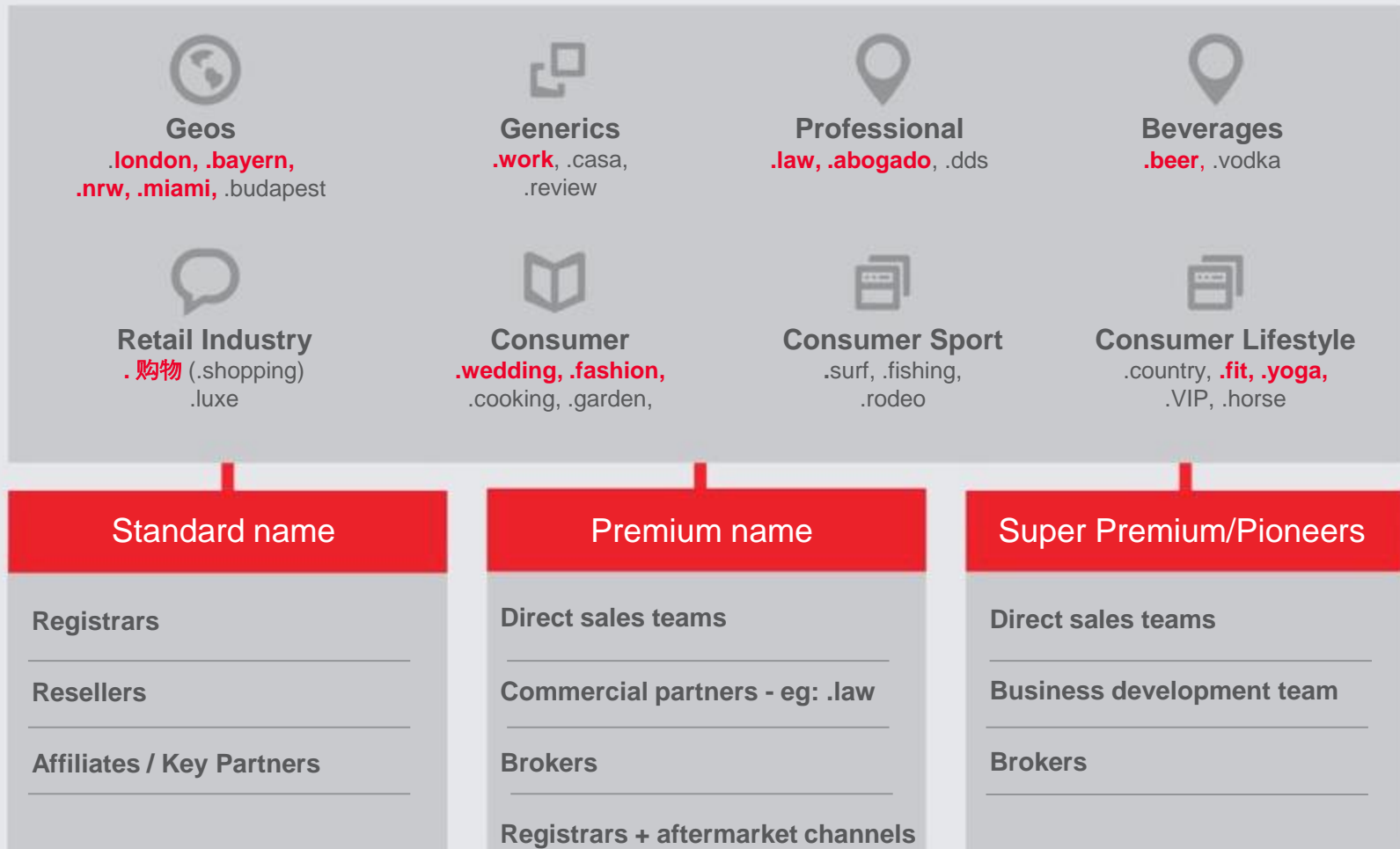
- Headcount reductions: annualized savings of \$2.24M
- Further \$0.7M in cuts identified

Focused re-investment

- \$550k in new sales / marketing personnel
- Further investment as per plan now being formalized

+ Channels to market

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Standard vs premium names

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Standard Names

- Sold primarily through ICANN registrar channel
- Channel responds mostly to price
- Deals / engagement with larger registrars moves the needle

Premium Names

- Sold by sales teams directly to key clients via in-house registrar
 - Single names as well as portfolio sales
- Emerald Names: wholly-owned; large portfolio of names
 - Provides access to domain aftermarket
 - Provides pricing flexibility



The new gTLD market

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New gTLD growth rate outpacing legacy TLDs

- Q-on-Q new gTLD growth much higher than legacy TLDs

Room for growth

- Despite growth rate, new gTLDs just 2% of market

Focused re-investment

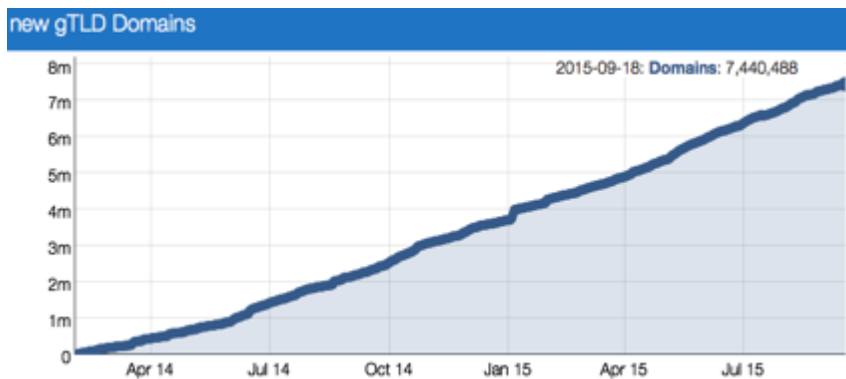
- \$550k in new sales / marketing personnel
- Further investment as per plan now being formalized
- MMX has prime “vertical” TLDs; each TLD needs a different approach and team



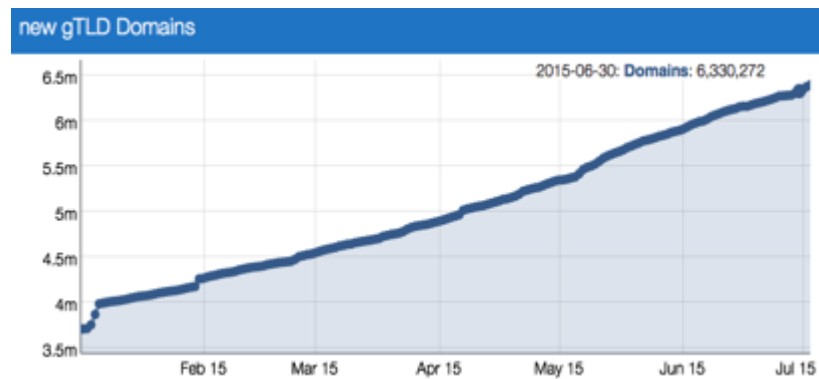
Progress of gTLD market

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New gTLD registrations since launch



2015 new gTLD registrations



2015: .com base registration levels compared to new gTLDs

Period	.com registrations ¹	.com Q on Q % growth	New gTLD registrations ²	New gTLD Q on Q % growth
31.12.14	115.6m	n/a	3.7m	n/a
31.03.15	117.8m	1.9%	4.5m	21.6%
30.06.15	118.5m	0.6%	6.3m	40%
18.09.15			7.4m	

MMX NEW gTLD MARKET SHARE
3.4%

BASE NUMBER OF NEW gTLDs v .COM

- 2015: new gTLDs **on par** with .com
- Q2 2015: new gTLDs **ahead** of .com

Sources:

1. Verisign – base .com registrations
2. ntldstats.com



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FINANCIALS



Financials – Adjusted EBITDA

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	H1 2015 \$'000	H1 2014 \$'000	Percentage change
Billings ⁽¹⁾	1,974	449	340%
Cost of sales	(2,129)	-	N/A
Gross cash (loss) / profit	(155)	449	(135%)
Cash expenditure			
Operating expenditure			
Fixed	(3,033)	(4,142)	(27%)
Variable	(2,488)	(2,449)	2%
Profit on withdrawal of gTLD	4,460	11,864	(62%)
Adjusted EBITDA ⁽²⁾	(1,216)	5,722	(121%)

(1) Billings refer to total sales generated during the year (not deferred for accounting purposes)

(2) Earnings before interest, tax, depreciation & amortisation and other non-cash charges where earnings are calculated on the basis of billings as opposed to accounting revenue

- + H1 billings increased 340% to \$1.97 million (2014 H1: \$0.45 million)
- + Fixed Op Ex decreased to in H1 2015 due to a decrease in committed advertising and marketing spend. However, overall decrease was partially offset by expansion of sales teams

+ Financials – Balance Sheet

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	30 June 2015 \$'000	31 December 2014 \$'000	Percentage change
Intangible assets	41,434	40,597	2%
Other Long Term Assets	4,230	5,982	(29%)
Cash & Cash Equivalents	46,891	45,796	2%
Net Assets	94,346	94,685	(0.36%)

- + Intangible assets rose by 2% primarily as a result of acquiring a Top Level Domain via the private auction process: .dds
- + Other Long Term assets decreased by 29% as a direct result of settling several contended applications in the first half of the year
- + Cash rose 2% primarily as a result of private auctions settled in H1 2015 as well as cash collections from outstanding registry receivables
- + Post period, the Company gained a further \$3.5m for the withdrawal of applications for .art and .dds

As of 31 August 2015 Cash stands at: \$48.1 million

+ H1 KPI's

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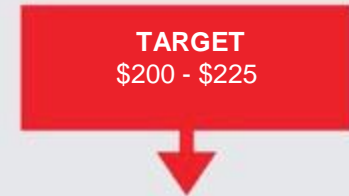
**MMX domains
Under management**
Current 3.4%



**Premium Names
Sales Growth**
Current 1.83% annualised



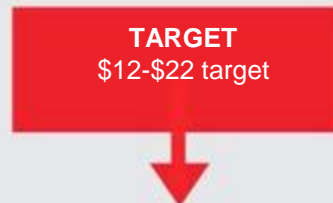
**Average Revenue Per
Premium Name**
Current \$184



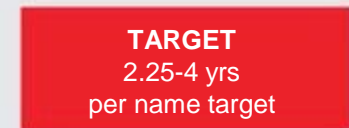
**Standard Name Sales
Growth**
Current 2.2x annualised



**Average Revenue Per
Standard Name**
Current \$10



**Average Life Per
Domain Name**





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DEPLOYMENT OF CASH RESERVES



+ Share buy-back

Company outperformed expectations in Phase 1

- **Cash reserves strengthened**
 - \$33.6M raised in January 2014
 - \$23M gained from 40 private auctions through 31 August 2015
- **9 TLDs gained**

Time to reward long-term shareholders

- Phase 2 of Company's life
- Directors feel share price does not reflect value
- Board authorizes up to £15M for open-market purchases over next 12 months
- Initial step in increasing shareholder value



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Significant improvement in operating result expected H2 2015

- **Renewal registrations**

- Early signs point to strong renewals in .london. Rates for other 2014-launched TLDs will come in November.

- **Launches of .law, .miami, and .abogado**

- .law and .abogado have significant marketing push (ALM)
- .miami has GoDaddy as premier partner, strong backing of City and business elements

- **Sales team ramp-up**

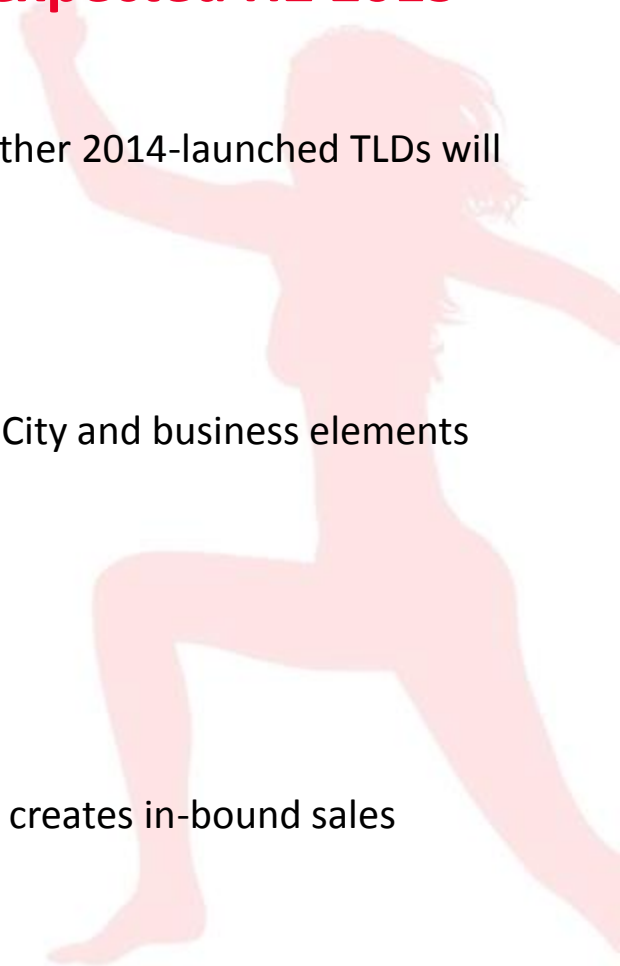
- Teams in London, Seattle

- **Emerald Names**

- >29,000 premium names moved into Emerald Names
- Provides direct channel to customers, feeds into registrars, creates in-bound sales

- **Cost reduction**

- Effect of of \$2.24 annualised cost reduction





QUESTIONS

Keith Teare – Chairman
Antony Van Couvering – CEO
Michael Salazar - CFO
David Weill – non-executive director