mmx.co

Minds + Machines Group Limited

Audited Full Year Results to 31 December 2015

Investor Presentation

27 April 2016

Disclaimer

The following is a presentation (the "Presentation") relating to Minds + Machines Limited ("MMX"). The Presentation is being communicated by MMX. It is confidential. Recipients may not provide, or otherwise make available, this Presentation to any person whatsoever and no part of it may be reproduced in any manner without the written permission of MMX. The information in the Presentation is subject to updating, revision and amendment. The Presentation does not constitute or form part of any offer or invitation to sell or any solicitation of any offer to purchase or subscribe for any shares in MMX. No reliance may be placed for any purpose whatsoever on the information contained in the Presentation or any assumptions made as to its completeness.

No representation or warranty expressed or implied is given by MMX or any of their officers, employees or agents as to the accuracy of the information or opinions contained in the Presentation and no liability is accepted for any such information or opinions (which should not be relied upon) or for any loss howsoever arising directly or indirectly from any use of the Presentation or its contents. The actual results, performance or achievements of MMX may be materially different from the future results, performance or achievements expressed or implied by any opinions, estimates and projections included in the Presentation. This Presentation is exempt from the general restriction on communications contained in section 21 of the Financial Services and Markets Act 2000 ("FSMA") on the grounds that it is being provided only to persons of a kind described in Regulation 19 (being persons with professional experience in matters relating to investments), Regulation 48 (being a certified high net worth individual), Regulation 49 (being high net worth companies, trustees of high net worth trusts or unincorporated associations), Regulation 50 (being a sophisticated investor) or Regulation 50A (being a self-certified sophisticated investor) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order") or to persons who are otherwise permitted by law to receive it.

Any recipient of this Presentation who does not fall within Regulations 19, 48, 49, 50 or 50A of the Financial Promotion Order or as described above; or to whom distribution is otherwise not lawful may not rely on it, and should return the Presentation to MMX immediately. Neither any company nor any person involved in the preparation of the Presentation owes a duty of care to any person or any recipient. Each person or company must undertake such investigations as they see fit before entering into any contract of any kind. If you are in any doubt as to what action to take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorized under the FSMA immediately. Presentation to MMX immediately. Neither any company nor any person involved in the preparation of the Presentation owes a duty of care to any person or any recipient. Each person or company must undertake such investigations as they see fit before entering into any contract of any kind. If you are in any doubt as to what action to take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorized under the FSMA immediately.

Presenting team

Guy Elliott – Non-executive Chairman

Toby Hall – Chief Executive

Michael Salazar – COO/CFO

2015 – key financials

	FY 2015 $'000	FY2014 $'000	Percentage change
Billings (1)	7,922	5,028	
Cost of sales	(6,223)	(4,659)	34%
Gross cash profit	1,699	369	360%
Cash expenditure			
Operating expenditure	(12,156)	(13,142)	(8%)
Profit on gTLD auctions	7,943	33,721	(76%)
Adjusted EBITDA (2)	(2,514)	20,948	(112%)

As reported in the Group Statement of Comprehensive Income	FY 2015 $'000	FY 2014 $'000	Percentage change
Operating EBITDA	(5,500)	23,167	(124%)
Total (loss) / profit	(9,997)	22,057	(145%)
Basic (loss) / earnings per share	(1.20) cents	2.73 cents	(144%)
Diluted (loss) / earnings per share	(1.20) cents	2.67 cents	(145%)

As reported in the Group Statement of Financial Position	31/12/2015 $'000	31/12/2014 $'000	Percentage change
Intangible assets	41,291	40,597	2%
Other Long Term Assets	3,448	5,982	(42%)
Cash & Cash Equivalents	34,651	45,796	(24%)
Net Assets	79,027	94,685	(17%)

(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

mmx.co

Business observations

Historic issues

- High operational costs ($12.2m) and cost of sales ($6.2m) due to vertically-integrated/in-house development approach
- Historic cost-restructuring purely re-active – no cohesive underlying plan
- No tangible strategy for driving billings or asset monetization
    - Build and it will come resulted in cost inflation far outstripping revenues and DUMs

Strong foundations

- Excellent portfolio of assets refocused towards revenue generation
    - 25 wholly/majority owned TLDs, 5 in partnership
    - 8 contested applications remaining
- Billings growth of 58% with high levels of renewal and recurring income
- Strong balance sheet with no debt and cash of $34.6m
- Clear market pull with China key driver of industry growth
    - .VIP launch in China on May 18th 2016

mmx.co

Way forward

Costs contained

- Board restructured: reduced from 7 to 4
- Major restructuring of business already underway: vertically-integrated model ended
- Operating costs post re-structure: targeting $6m (2015: $12.2m)

Sales-led strategy implemented

- Distribution channels and partnership programmes refocused
- Major business development initiatives now implemented focused on key markets: China, US and UK
- Resources being aligned to allow MMX to operate efficiently in its three major time zones

Historic contractual commitments being addressed

- Positive headway being made on resolving historically burdensome contracts

mmx.co

Business restructuring

- **Vertically integrated business structure ended**
  - Technical back-end now being outsourced to Nominet including majority of customer service requirements
  - Consumer retail arm (registrar) now being closed and customers migrated
  - ZDNS appointed as Chinese compliant gateway into China
- **MMX now a pure-play owner of TLDs – 25 domains majority/wholly owned; 5 in partnership**
- **Business to have three key business development hubs to cover major time zones/markets**
  - US
  - Europe
  - Asia
- **Hubs to service in-region business development teams/partners focused on expanding sales through:**
  - in-country registrars
  - In-country distribution partners – “glocal”
- **Operating costs of new business structure – approximately $6m annualised, beginning Q4 2016**
- **Central databases core to operating success of business moving forward**

mmx.co

US

Key assets

- .work, .law, .miami, .boston, .beer, .wedding, .fashion, .fit, .yoga

Market dynamics

- consumer awareness low but major registrar groups now stepping up their marketing of new gTLDs + active domainer community

MMX status

- expanded sales team now marketing .law
- dedicated sales team now focused on sourcing distribution partners for key verticals
- registrar team being expanded
- central databases being implemented
- COO to provide oversight on US efforts in addition to operational oversight of wider group

Europe

Key assets

- .london, .bayern, .nrw + lead US properties

Market dynamics

- geo's have generated genuine traction; UK a key market to develop across portfolio

Status

- UK office re-established
- Outsourced RSP operations for Group to be based in Oxford
- Cornerstone agreements in place through which to drive registrations in H2 2016 in UK and Germany
- CEO to provide oversight on European business in addition to group business development

China

Key assets

- .vip, .law

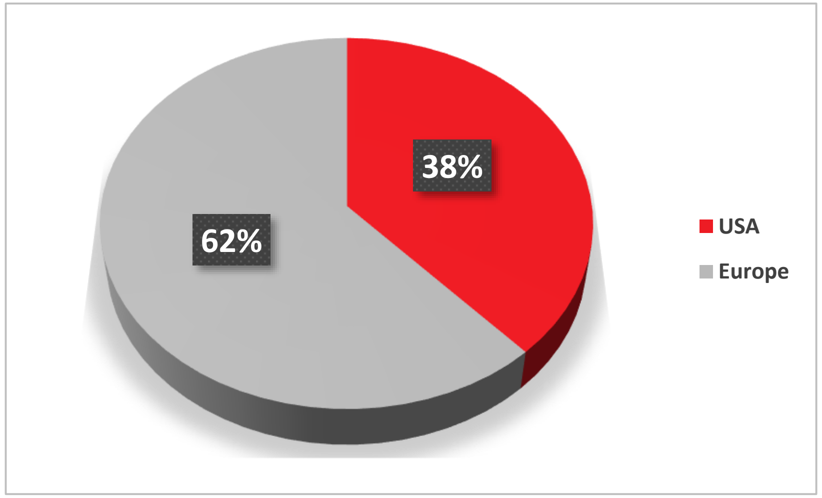
Market dynamics

- China accounts for over 50% of all new gTLD registrations (circa 9m); currently domain investor driven

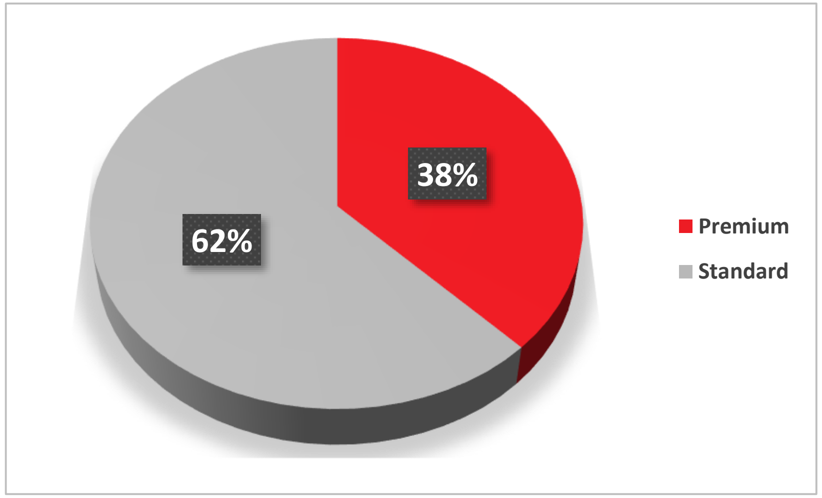
MMX status

- ZDNS appointed as technical gateway
- 9 MIIT applications submitted
- 19 Chinese registrars on-boarded
- Outsourced marketing partner appointed
- Singapore to serve as operational centre for MMX's Asia activity
- Chairman to provide oversight on Asia operations in addition to oversight across the Group
- .vip to launch 18th May 2016

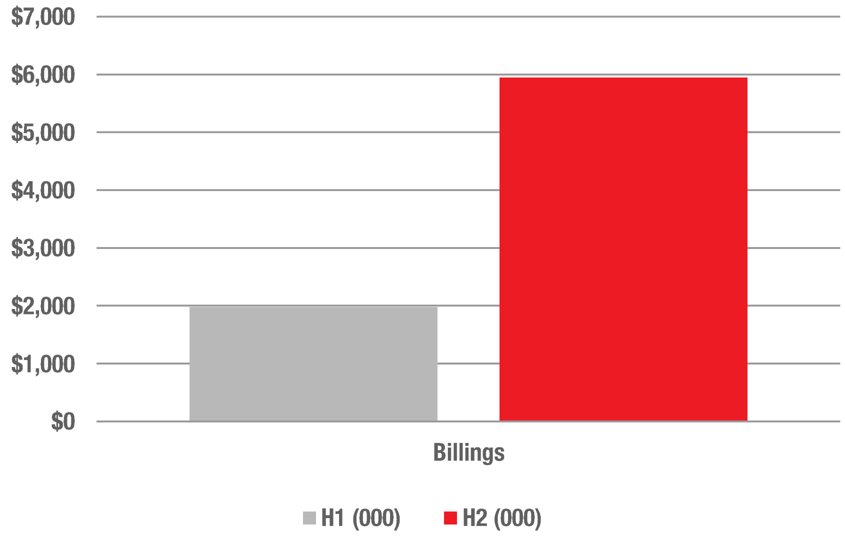
2015 performance



Regional billings split



Standard v premium billing



H1 v H2 billings

mmx.co

Guidance on current trading

- New executive team appointed February 22 2016
- Launch of first TLD in China on track for May 18 2016
- Outsourcing agreements now in place to facilitate H2 2016 restructuring
- Key agreements now in place through which DUMs growth can be driven in US and Europe H2
- Operating costs already reduced by $2.5m on an annualized basis since Jan 30 2016
- Post-restructure annualised operating expenses approximately $6 million
- Positive headway being made on resolving historically burdensome contracts
- Further launches in the pipe-line for H2 2016

+ Buy-back programme to continue

…plenty of work still to be done but ship being turned in right direction…

Q&A

Guy Elliott – Non-executive Chairman

Toby Hall – Chief Executive

Michael Salazar – COO/CFO