



## Annual Results for year ended 30 June 2009

**monitise**<sup>TM</sup>

Leading the world of Mobile Money

# Introduction

- A milestone year
- Our marketplace
- Our unique role
- Our users
- Financial review
- Outlook, strategy and focus
- Q&A



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**mobile money**<sup>™</sup>

A milestone year

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# H&R Block - Emerald Product Suite



**Borrow**

**H&R Block Emerald Advance™ Line of Credit**



**Save**

**H&R Block Emerald Savings™ Account**

## The Paperless, Plastic Wallet



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# Monitise becomes a global mobile development partner for VISA



- Connecting Visa payments infrastructure to Monitise mobile money platform
  - Visa sell existing Monitise products
  - Monitise develop products for Visa to sell
  - Monitise ecosystems benefit from Visa connection
- Minimum contract value \$13m
  - development and service fees
- Initial services to be unveiled shortly
- Visa take 14.4% new-money stake in Monitise



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# Monilink Acquisition

- Monitise takes 100% ownership
- Commercial rationale:
  - full control of business in home market
  - 100% of future revenues
  - streamlines group structure as the global mobile money industry shows signs of acceleration.
  - Opens up UK platform for payments and merchant growth
- Initial Cash Consideration £1.5m, potential additional £1.5m



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Our marketplace

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# Mobile Money will be a massive market

Mobile payments market.... is predicted could be worth as much as £365 billion by 2013, with 110 million users in Europe alone by 2014  
***O2 in The Times, Jul 09***

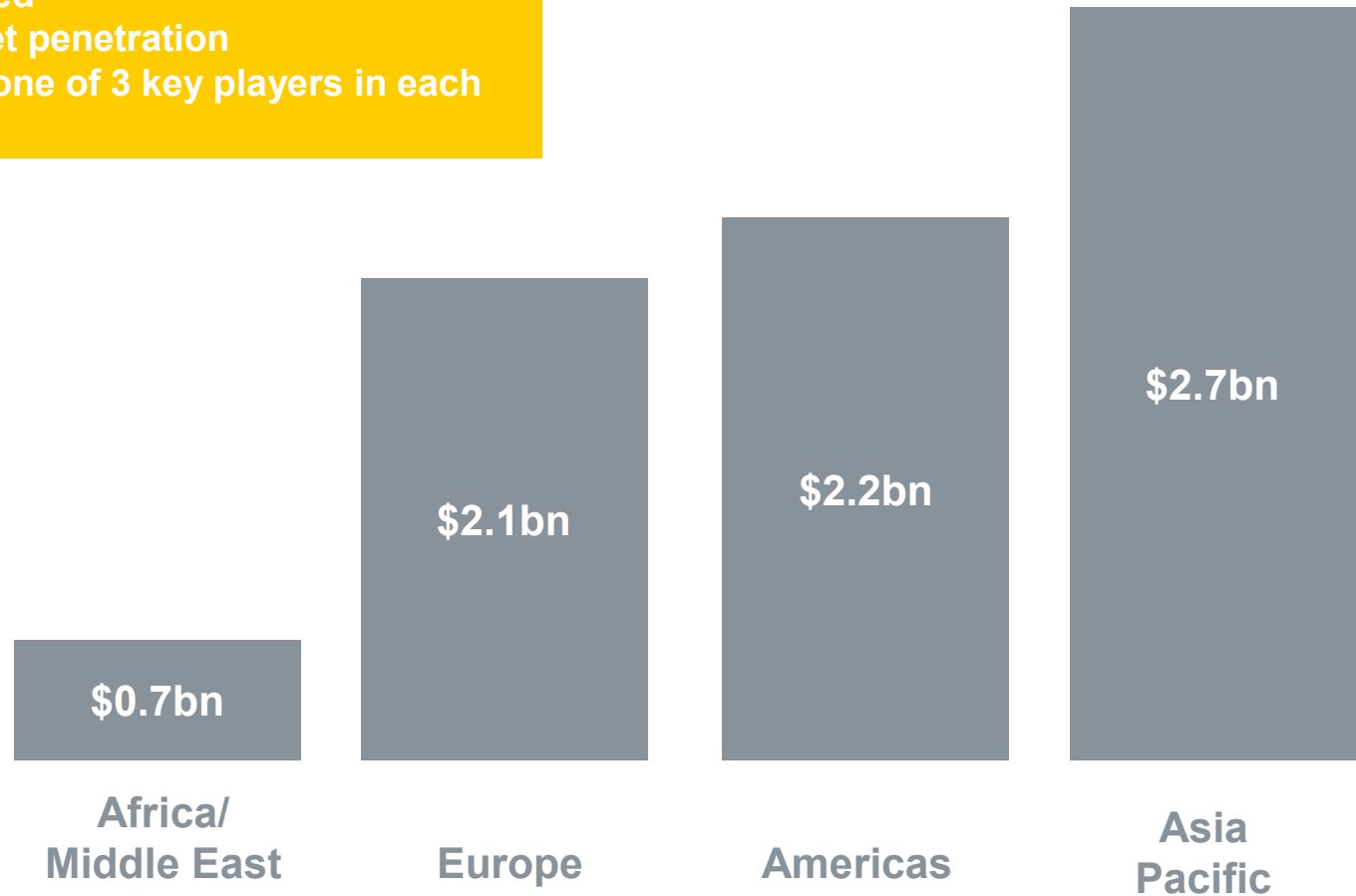
Over 400 million mobile subscribers worldwide will use their mobile phones for ticketing by 2013. Total gross mobile ticketing transaction value will reach \$92bn by 2013. ***Juniper, Nov 2008***



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# Regional Market Opportunities — Monitise assessment

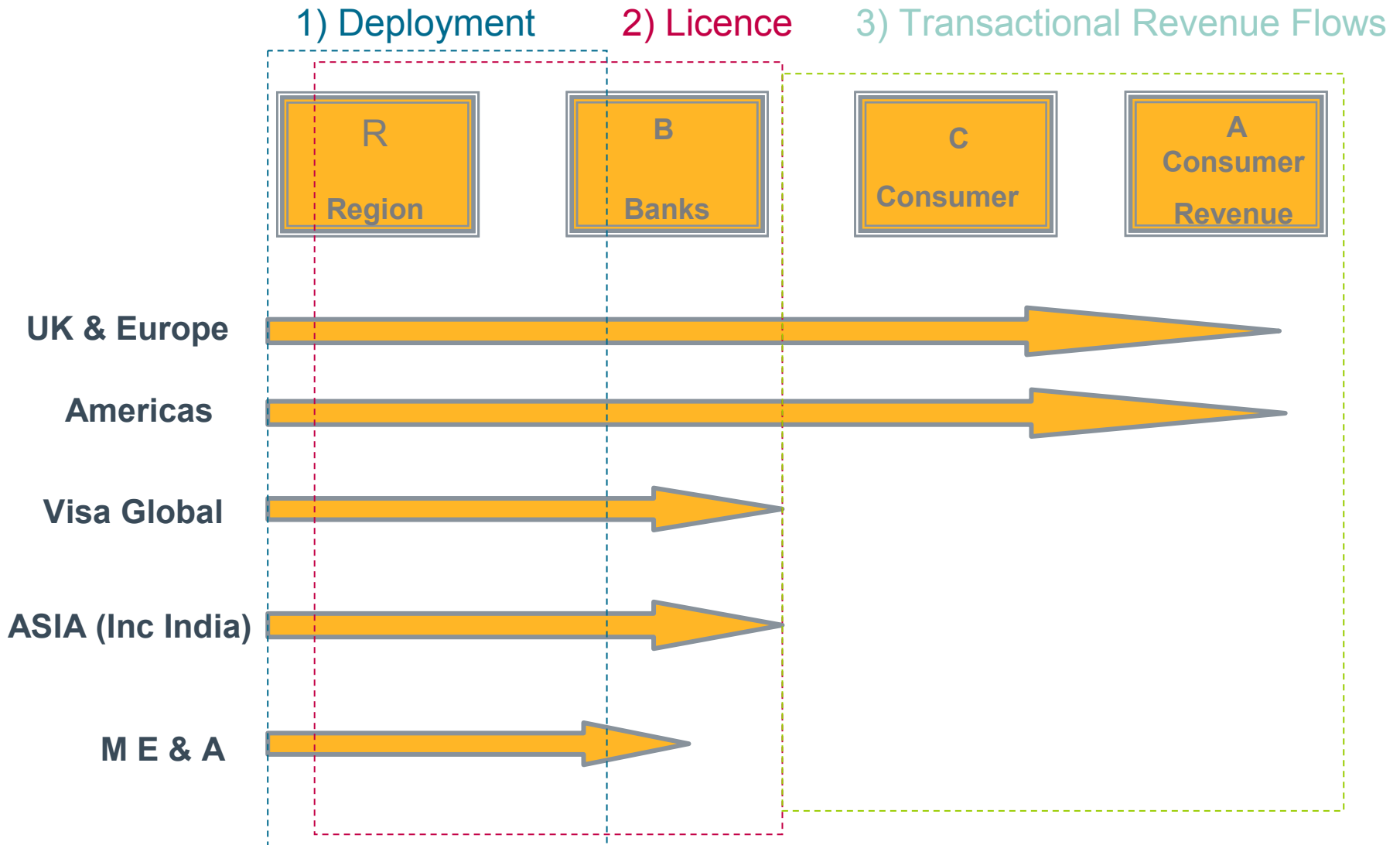
- Projected Revenue in Year 5
- Banked and Unbanked
- Assumes 15% market penetration
- Monitise aims to be one of 3 key players in each region



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# Strategy



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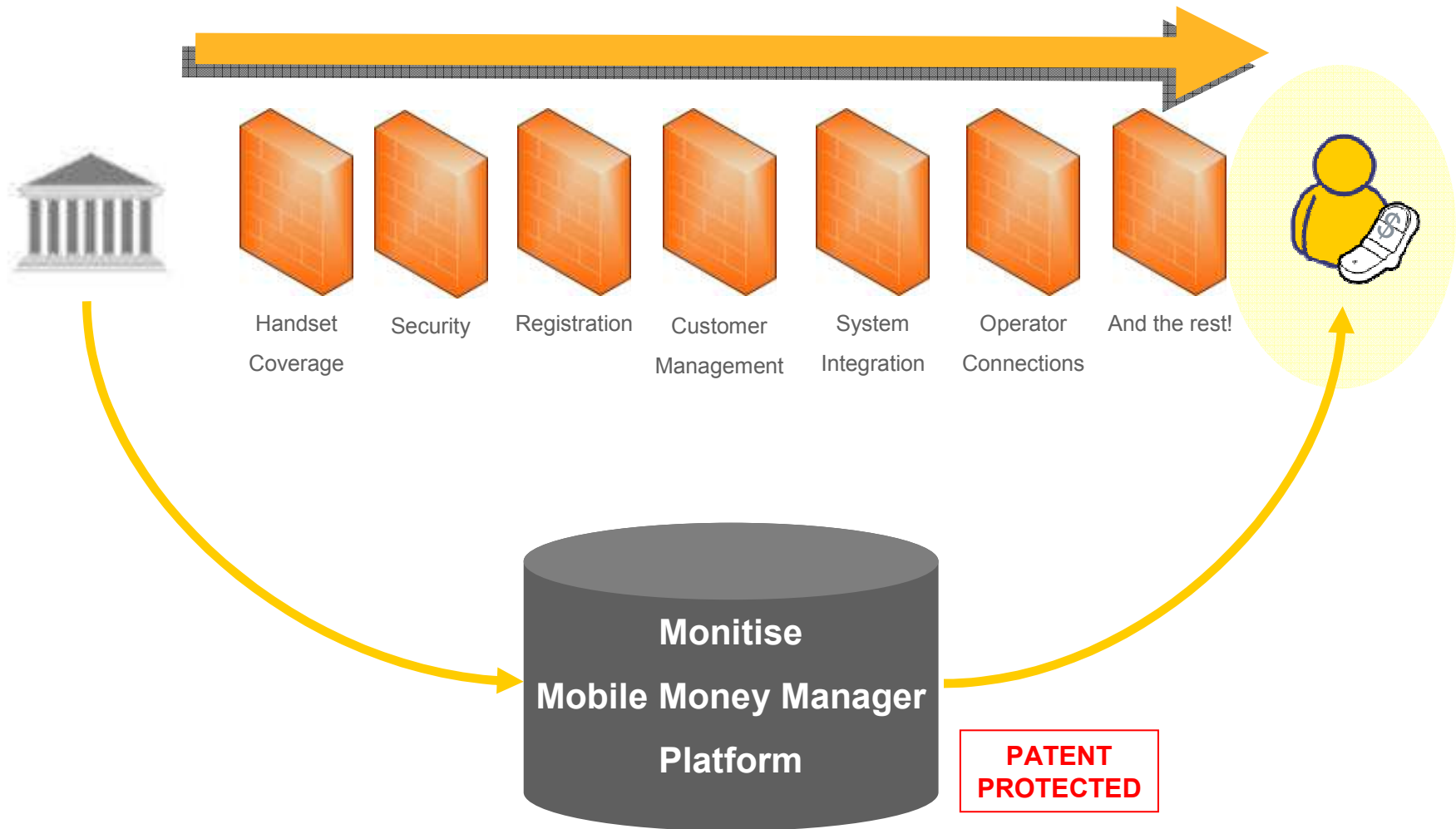


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Our unique role

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# The Monitise Mobile Money Manager Platform enables banks, operators, processors and merchants to overcome the many barriers to successful, sustainable deployment



# The Monitise Ecosystem



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# Our proposition

“ I get a text when I get near to my overdraft limit in a few clicks I can get some money transferred”

“ To get a balance by text every Monday morning before I start my week really sets me up”



“ At the end of the night when it comes to splitting the bill sending a text to pay friends would make it so much easier ”

“ I know where my finances are all the time now, I never used to, anything major happens I just get a text letting me know”

“ Topping up the mobile phone actually on my mobile phone makes so much more sense than having to go into a shop to do it ”



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Our users

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# Our average user

Age  
27

Location  
Urban areas throughout the UK

Interests  
Time with friends Index 129  
Clubs and Dancing Index 164

Money  
Spend not thinking Index 125

More aware Index 122

Shopping  
Splashes out Index 181

Sociable  
Going out Index 252

A 100 score is “average”



Key services cross over

21% use text and our app

ARPU essentials - text

£2+ per year

ARPU active - app

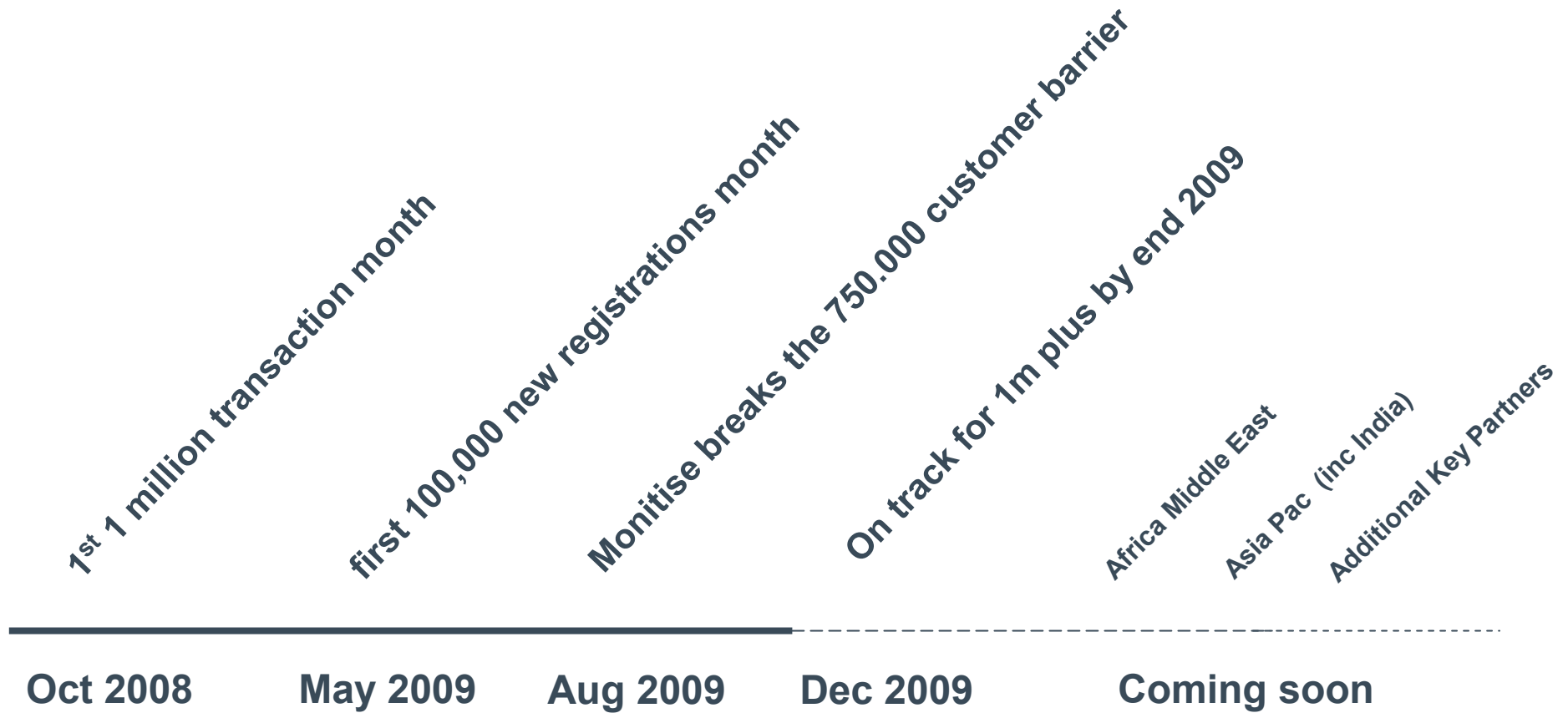
£6+ per year

Monthly mobile  
banking app usage

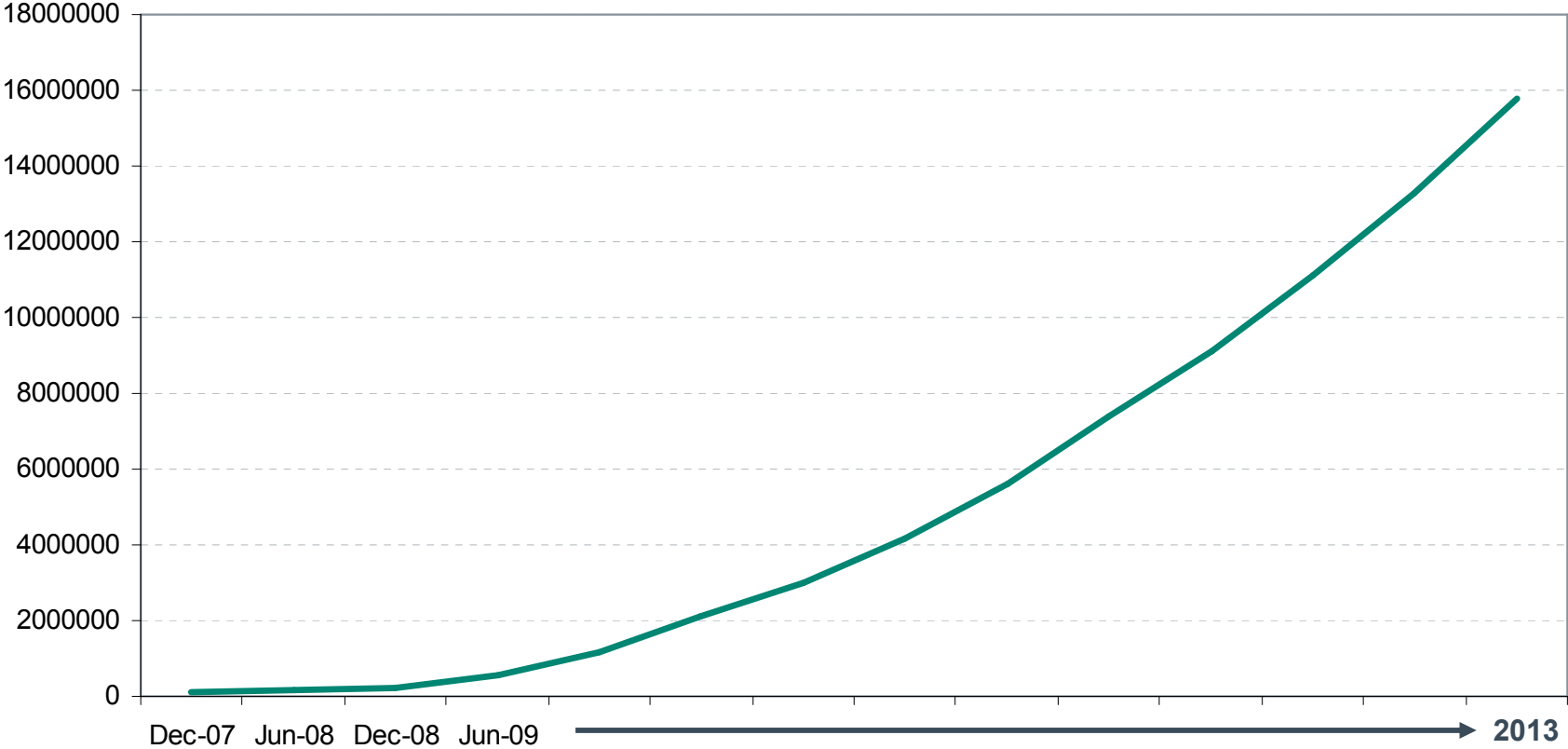
Av. 7 transactions per month



# Recent Adoption Milestones

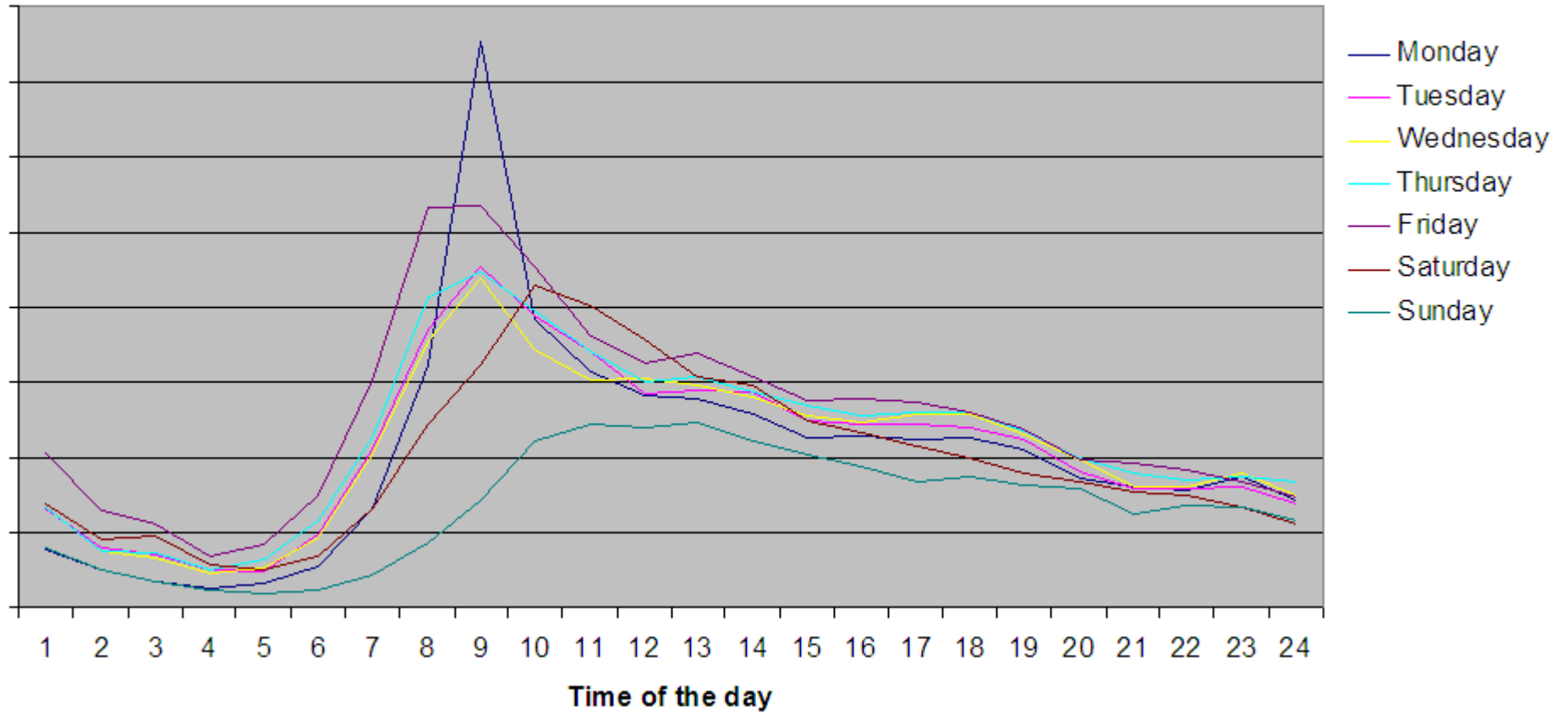


# Customer Growth Aspiration / Trend



# Understanding their finances sets them up for the day

## Weekly peak times





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# Financial Performance

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# Overview

## Financial Highlights

- Revenues of £2.7m (2008: £1.5m)
- Anticipate substantial revenue growth in FY10, more than doubling performance of FY09, underpinned by Visa Alliance
- Operating Loss, excluding share based payments, reduced to £12.0m (2008: £12.8m loss)
- Two rounds of funding achieved
  - July 2008 £11.8m gross subscriptions
  - July 2009 £5.1m gross subscriptions
- Core development costs stabilised, investment in international expansion continues, opportunity taken for Monilink acquisition
- Cash balance of circa £15m post Visa investment



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# Consolidated P&L

£'m	Year ended		Mvmt
	30 June 2008	30 June 2009	
<b>Revenue</b>	<b>1.5</b>	<b>2.7</b>	<b>1.2</b>
Gross Profit	0.9	1.5	0.6
Overheads	(13.7)	(13.5)	0.2
Share Based Payments	(2.1)	(1.7)	0.4
<b>Operating Loss</b>	<b>(14.9)</b>	<b>(13.7)</b>	<b>1.2</b>
Interest	0.9	0.6	(0.3)
<b>Loss Before Tax</b>	<b>(14.0)</b>	<b>(13.1)</b>	<b>0.9</b>
<b>EPS - Basic</b>	<b>(5.5p)</b>	<b>(4.0p)</b>	

Note: Joint ventures consolidated on proportional basis



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# Revenue trend analysis

£'m

	Six months to				
	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun
	2007	2007	2008	2008	2009
Deployment / Integration	0.1 100%	0.2 50%	0.8 73%	0.7 64%	0.4 26%
License Fees / Royalties	-	0.2 50%	0.2 18%	0.2 18%	0.9 56%
JV's: Per User / Transaction Fees	-	-	0.1 9%	0.2 18%	0.3 18%
<b>Total</b>	<b>0.1</b>	<b>0.4</b>	<b>1.1</b>	<b>1.1</b>	<b>1.6</b>

Note: Joint ventures consolidated on proportional basis



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# Cost Summary

- FY09 overhead spend £13.5m
- Technology costs stable – platform highly scalable and redeployable
- Investment in selected regional growth continues
- Acquisition of Monilink
- Four key cost components for FY10:

	Annualised
– Technology costs (retain and enhance)	£5m
– Live regional costs (operate and grow)	£4m (inc £2m acq'n)
– Group and central admin costs (protect assets)	£3m
– Territory development costs (establish and integrate)	Variable



# Summary Balance Sheet

£'m

	30 Jun 2008	30 Jun 2009
Fixed Assets	1.2	1.0
Current Assets (excl cash and JV loan)	1.4	2.6
Liabilities (excl JV loan)	(2.9)	(4.1)
UK JV partner loans (net)*	(0.3)	(0.3)
<b>Cash</b>	<b>9.7</b>	<b>10.1</b>
<b>Net Assets</b>	<b>9.1</b>	<b>9.3</b>

**£15m cash**  
(July 2009)  
post  
subscription

\* UK JV partner loans are shown gross within Assets and Liabilities for the statutory accounts



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# Cashflow

£'m

	Year to June 2008	Year to June 2009
<b>Cash utilised in operations</b>	(11.0)	(11.4)
Interest	0.8	0.6
Capital Expenditure	(0.5)	(0.3)
<b>Cashflow pre financing</b>	<b>(10.7)</b>	<b>(11.1)</b>
Net proceeds from placing	-	11.5
Other	-	0.1
<b>Increase / (Decrease) in cash</b>	<b>(10.7)</b>	<b>0.5</b>



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# Summary

- A Milestone year – established for success
- Key market drivers and indicators now viable
- Structures in place for continuing momentum

Thanks for your interest and time



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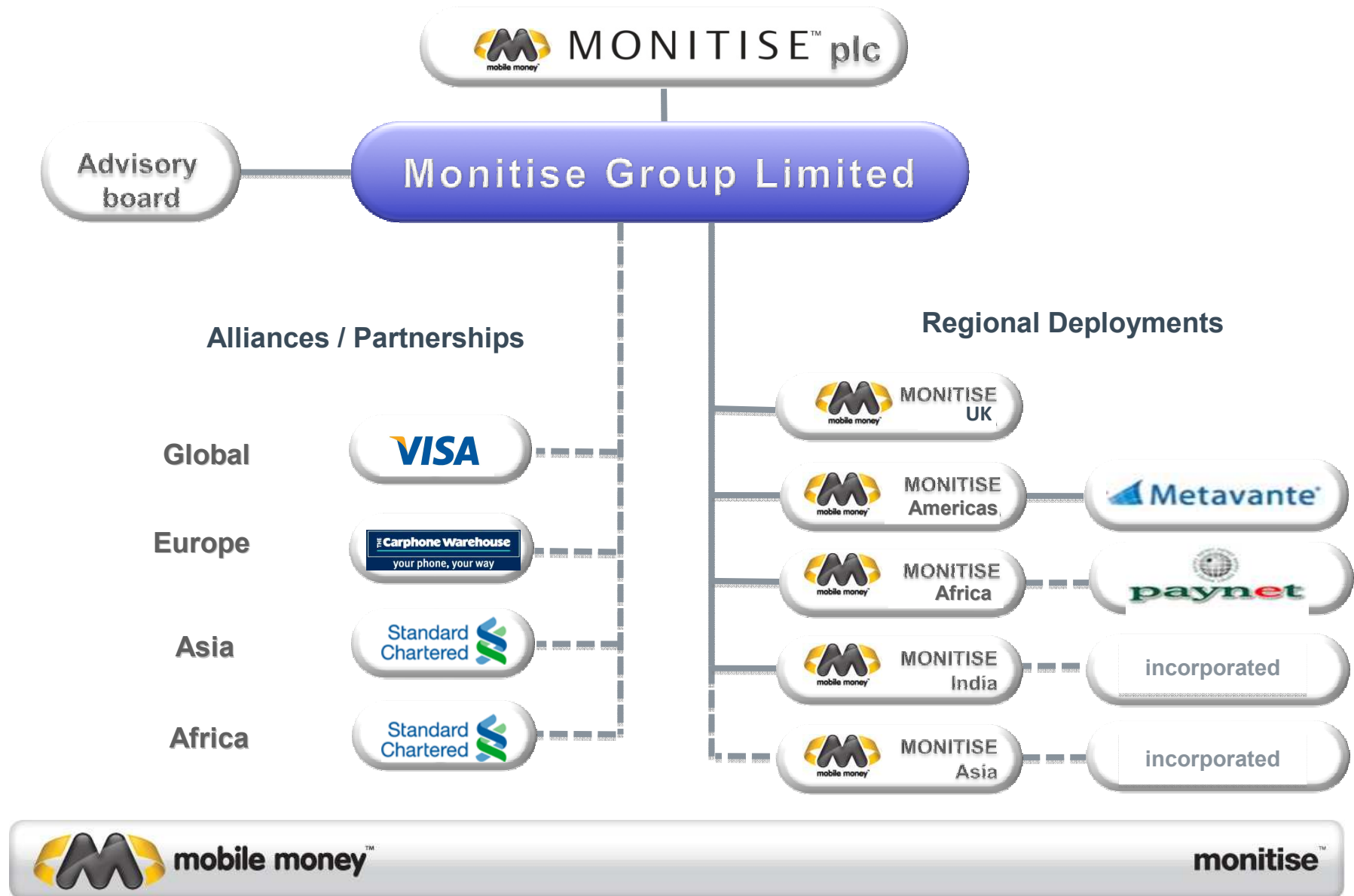


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# Appendix 1

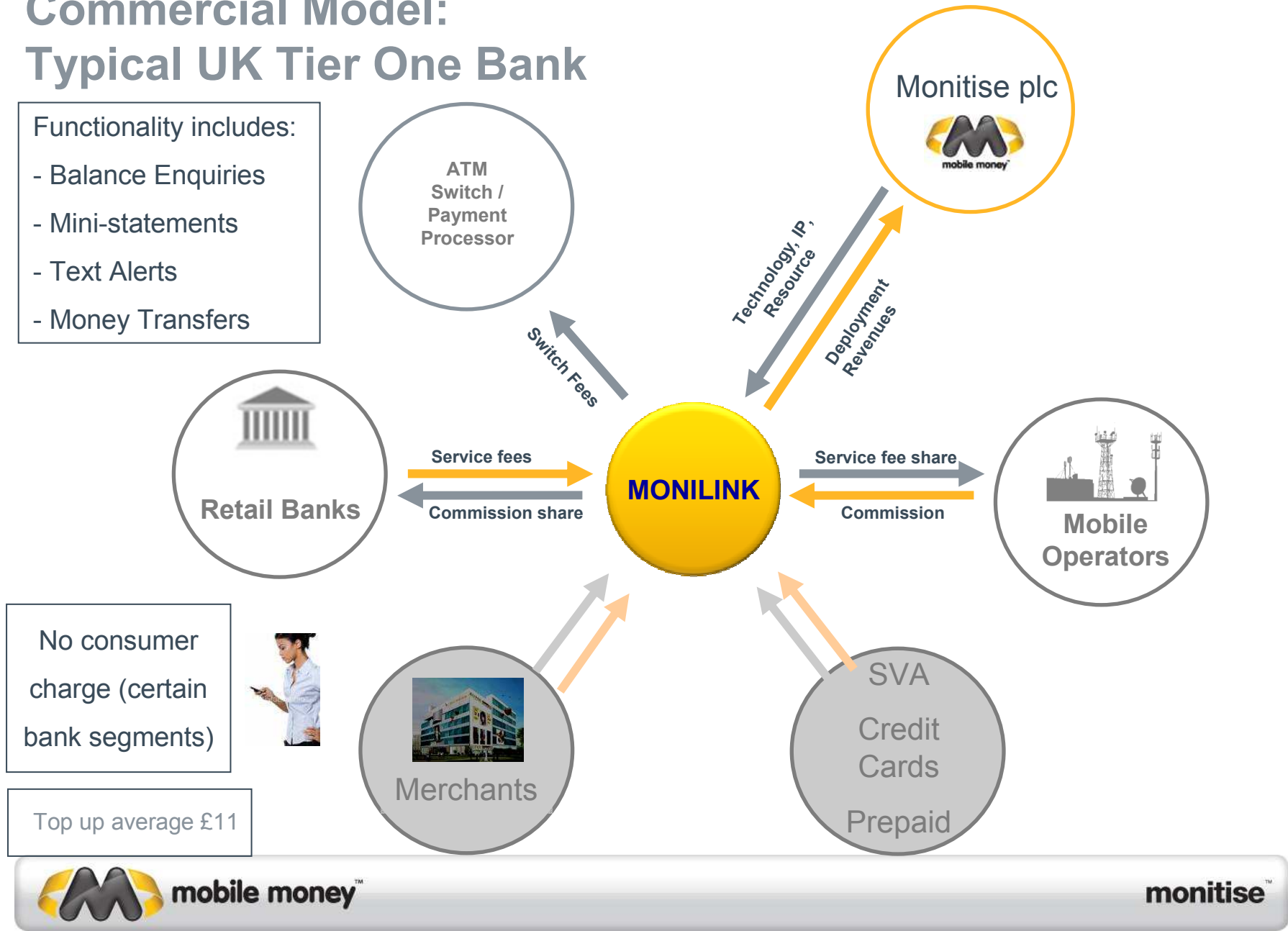
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# Corporate Structure Overview

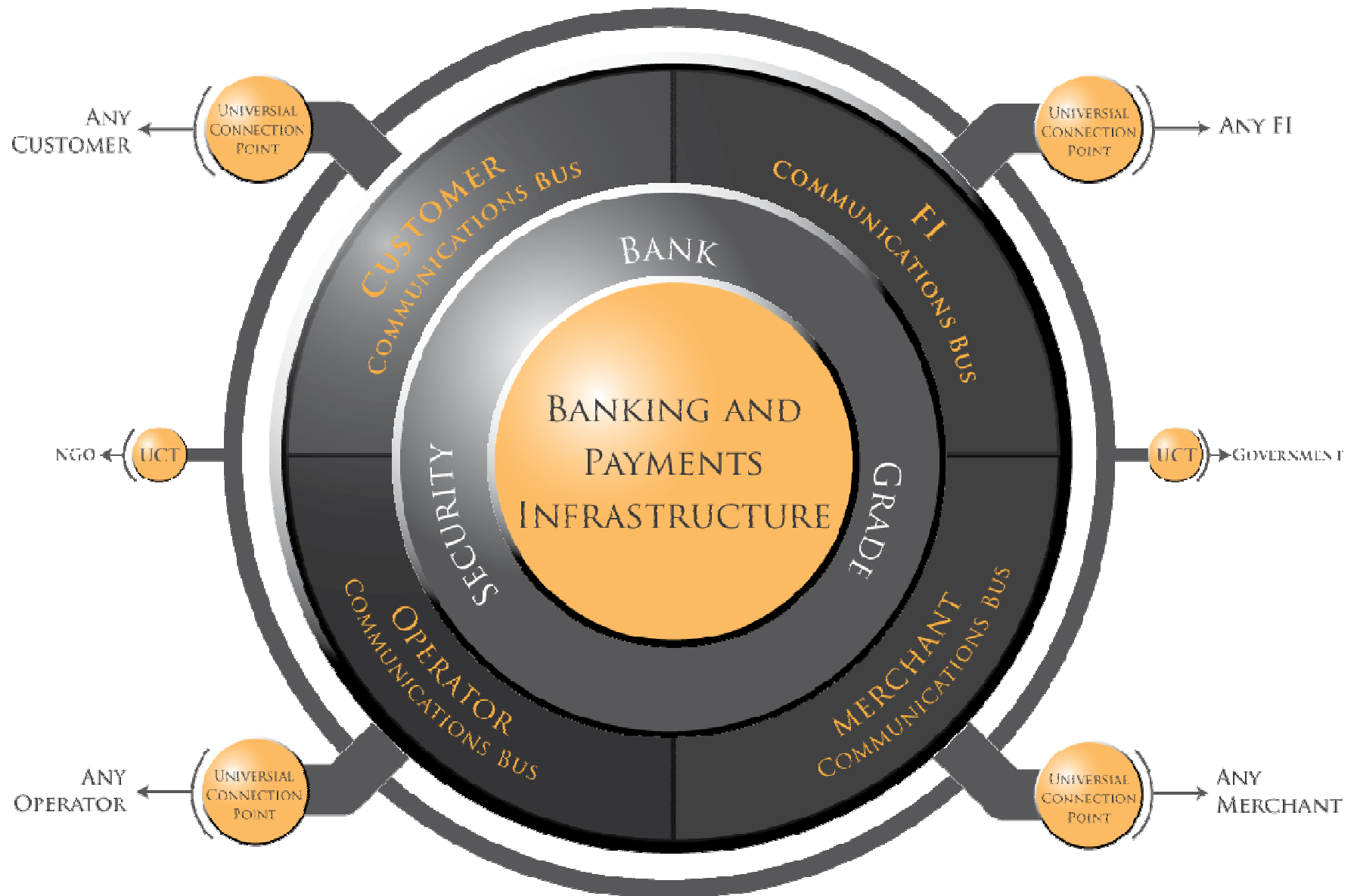


# Commercial Model: Typical UK Tier One Bank

- Functionality includes:
- Balance Enquiries
  - Mini-statements
  - Text Alerts
  - Money Transfers

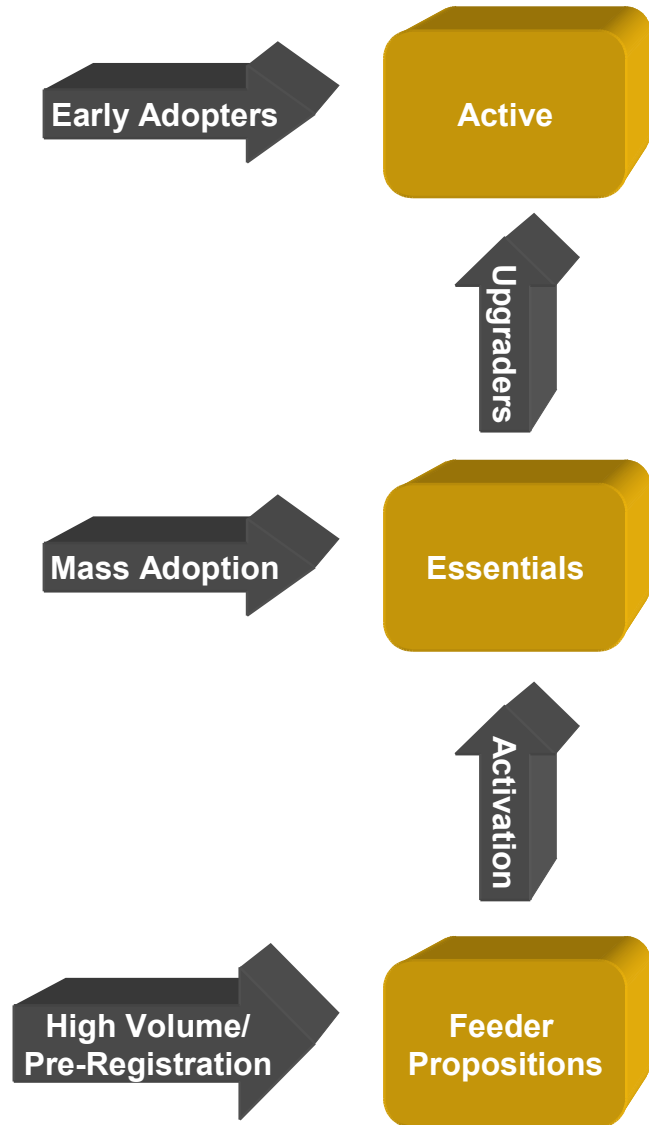


# Critical Success Factors for Mobile Money



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# Vertically Integrating Propositions



## UK Live



# Mobile Money will be a massive market

- Global mobile banking take up is set to soar over the next five years, with the number of people using the technology growing from 20 million in 2008 to 913 million in 2014, a CAGR of 89% **Berg Insight, Mar 09**
- Mobile payments market... is predicted could be worth as much as £365 billion by 2013, with 110 million users in Europe alone by 2014 **O2 in The Times, Jul 09**
- m-payment transaction volume will reach almost \$250bn in 2012 growing at 68% pa **Arthur D Little, Apr 09**
- The global m-commerce market is estimated to be a US\$88 billion industry by 2009 **Juniper, Apr 2008**
- Over 400 million mobile subscribers worldwide will use their mobile phones for ticketing by 2013. Total gross mobile ticketing transaction value will reach \$92bn by 2013. **Juniper, Nov 2008**
- For financial institutions, m-banking and related m-payment services can be a differentiating factor and a chance to tap into the trillion US\$ market of micro cash payments **Arthur D Little, Apr 09**



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# Revenue Streams

<b>Deployment Revenue</b> Thought Leadership/Prof Services	<b>License Revenue</b> Annuity & Royalty	<b>Transactional Revenue</b> JV Income – End User Driven
<ul style="list-style-type: none"> <li>• Deployment and integration work for joint ventures (Monilink &amp; Monitise Americas)</li> <li>• Deployment and integration for international customers (e.g. card schemes)</li> </ul>	<ul style="list-style-type: none"> <li>• US License (\$1.5m pa plus royalty)</li> <li>• Mobile Card Manager</li> </ul>	<ul style="list-style-type: none"> <li>• Monilink                             <ul style="list-style-type: none"> <li>• &gt;55% UK Retail Bank coverage</li> <li>• per user per month revenue model</li> </ul> </li> <li>• Monitise Americas                             <ul style="list-style-type: none"> <li>• &gt;100 FI's signed up</li> <li>• blended pricing</li> </ul> </li> <li>• Mobile Card Manager</li> </ul>





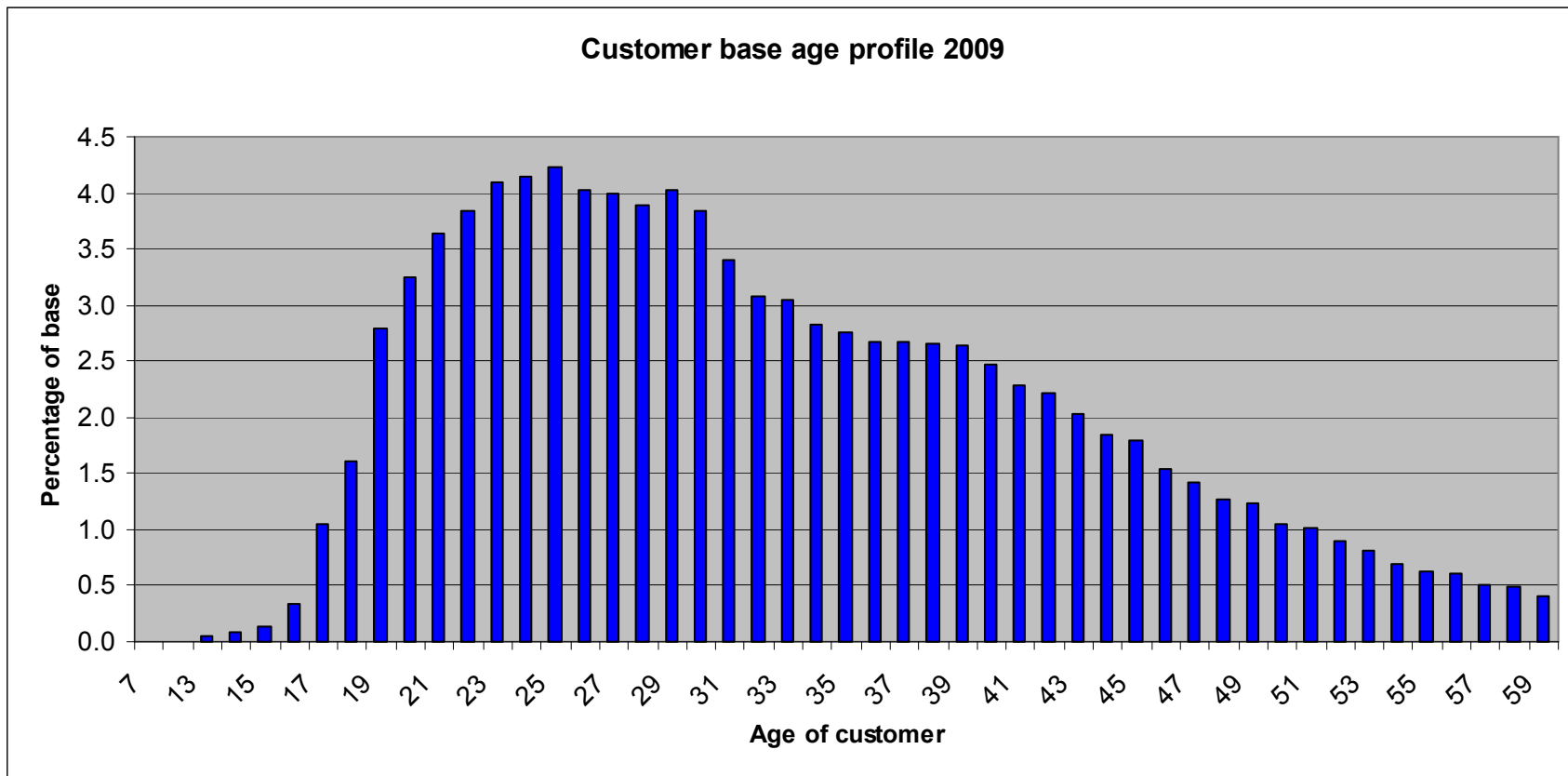
## Appendix 2

### Typical User Profiles

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# Appealing to a mass market

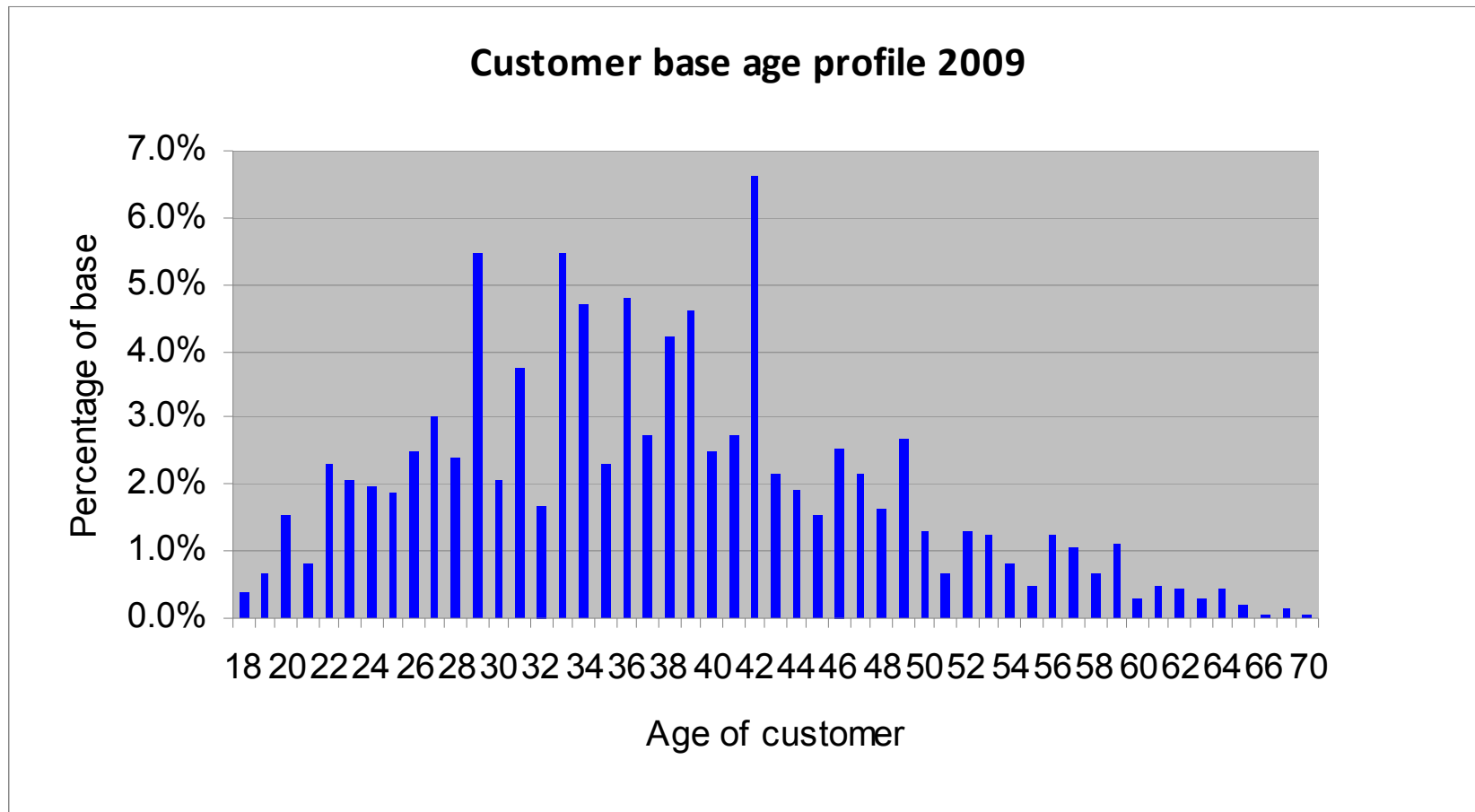
## - UK Customer Age Profile



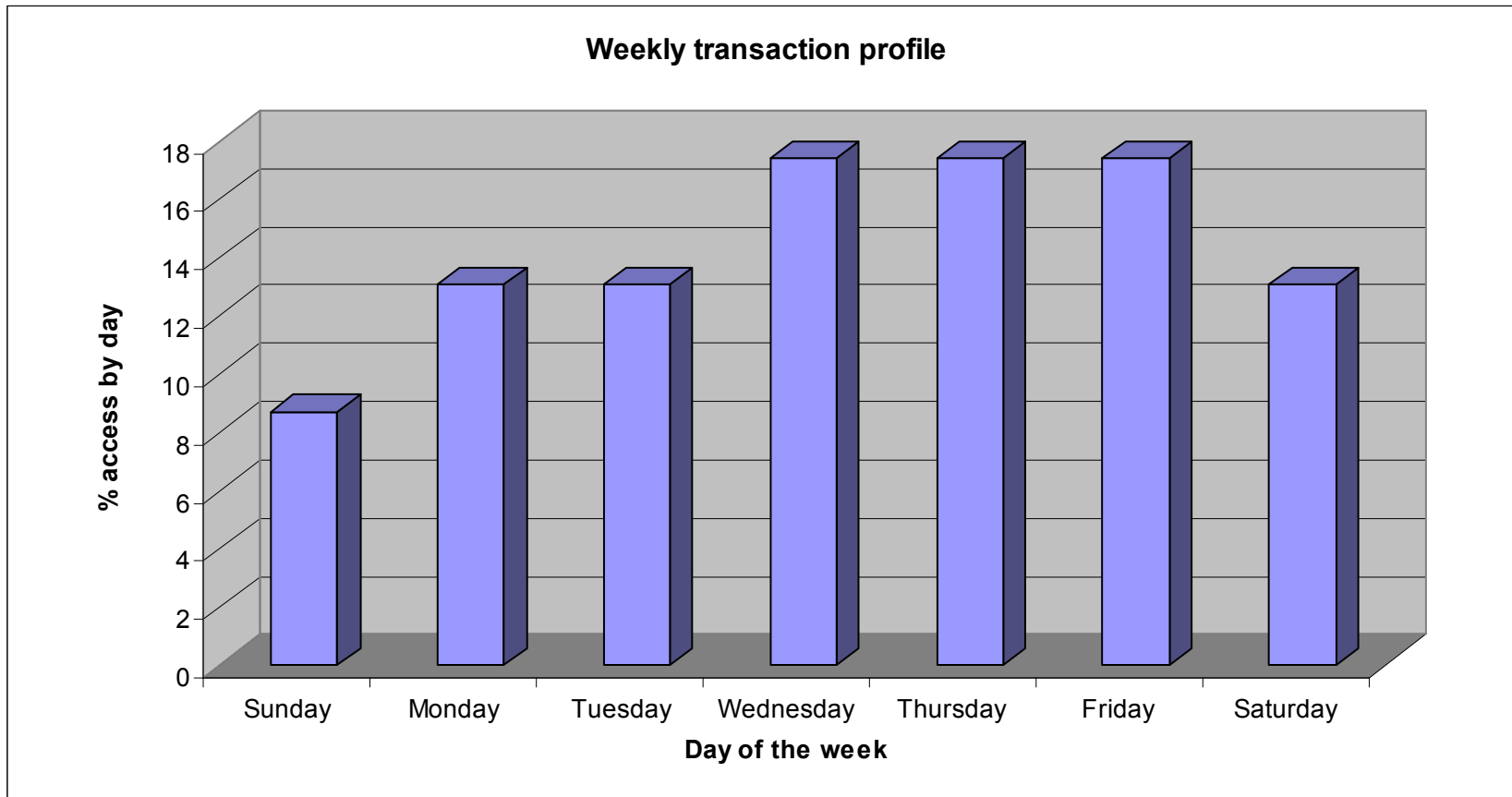
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# Appealing to a mass market

## - USA Customer Age Profile



# Weekend appeal



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# Digging deeper - Who is Katie?

18-25 years old, still living the student lifestyle and earns around 15-20k, she lives in a city and is financially unsophisticated, just starting to find her career feet.

She is constantly in and out of overdraft but lives for the now & loves her social networking on line, she has student loans and debts to manage, but very fashion conscious and has to have all the latest gadgets, not very keen on commitment and has a pre-pay mobile, uses telephone and internet banking.



*“I use Monilink to check if I can afford to go out with friends on the spur of the moment. Also topping up is miles easier than walking to the shop. Getting text messages updating me on my balance means I don’t have to give finance much thought”*



## Digging deeper - Who is Ben?

25 - 35 years old, income around 25-40k and has graduate type employment, career minded and is climbing the ladder, adopts new technologies but is not very brand loyal and looks for convenience and style when deciding what to buy, fashion conscious as image is everything, prefers telephone banking and internet very rarely visits the branch, has a phone on contract.

*“ I tend to check at the start of most days whilst I am getting the train into work, it helps to know where things are before the day starts. It will be great when I can top-up my Oyster card or pay my mates when we need to split the bill”*



WIKIPEDIA

lastminute.com



Aus Liebe zum Automobil

SELFRIDGES & CO

ebay.co.uk

IKEA®

THE INDEPENDENT



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## Digging deeper - Who is David?

45 years old, married with a young family, household income 25-50k, very time poor, loves value for money and uses the internet to compare and consider all purchases, uses technology but for function and seeks convenience. Juggles work, family and home commitments, use mobile technology and have a contract visits the branch but prefers not to use internet banking.



*“it’s a god send to be honest, I am out and about all day in the cab so never really get chance to know what’s going on otherwise. I can check what’s going in and out of the account and I can move money if I need to”*

**money**supermarket.com<sup>®</sup>  
the price comparison site



**Daily Mail**  
24 HOURS A DAY

**GEORGE**

sky



**TESCO**



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## Appendix 3

Latest Marketing collateral

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## Mobile phone banking

Stay in touch with your finances anytime, anywhere. Includes balance updates and text alerts

[Click to activate and use this control](#)

[Find out more ▶](#)

charges may apply



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## You have safely logged out of Digital Banking

Before you go - please check out these great offers and catch up on what's new

### Mobile phone banking

Stay in touch with your finances anytime, anywhere. Includes balance updates and text alerts



Charges may apply  
[Find out more](#)



### Student Credit Card

Great discounts plus a credit limit of up to £500

Typical **18.9%** APR (variable)

[Find out more](#)

## Mobile phone banking

Stay in touch with your finances anytime, anywhere. Includes balance updates and text alerts

Charges may apply

[Find out more](#)

### Mobile phone banking

Stay in touch with your finances anytime, anywhere.

Charges may apply

[Find out more](#)



### Student Credit Card

Typical **18.9%** APR (variable)

[Find out more](#)



### Help you find a better loan rate

**8.9%** APR typical for loans of £7,500 - £12,450

[Find out more](#)



### Mortgage deals

## Mobile phone banking

Get **balance updates** and **text alerts** to help you keep track of your account

Charges may apply



[Find out more »](#)



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## Mobile phone banking

Text alerts when  
your balance is low,  
and when it's up again



[Find out more »](#)



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## Mobile phone banking

Get balance updates and text alerts to help you keep track of your account

Charges may apply



[Find out more »](#)

Mobile phone banking

Weekly text alerts

[Find out more »](#)

## Mobile phone banking

Manage your money in a fast and easy way

Get balance updates and weekly text alerts to **keep track** of your account



[Find out more »](#)



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# Receive free Text Alerts to keep track of your money

Stay in touch with your  
finances on the go

[Find out more](#)



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Dear ##GREETING##,

We all like to keep an eye on our money, whether we're at home or abroad. So our free overseas transaction and balance alerts are sent direct to your phone – to help you do just that.

We'll send you a free text whenever your debit card is used abroad, including payments made on the Internet, by phone or mail order to companies overseas. We'll tell you which country the transaction was made in and whether it was a cash withdrawal or a purchase – say from a shop or restaurant. Then if you believe someone else made the transaction without your knowledge, you can call us for help.

What's more, we'll text you your account balance every week, together with details of the last six transactions, on a day and at a time that suits you.

Register now and get a clearer view of your finances.

Yours sincerely,

Ashley Machin  
Internet Director

[X No thanks](#)

[> Find out more](#)

[Go to Account Overview](#)

Text Alerts

## Get free overseas transaction alerts

And keep a close eye on your money



Dear ##GREETING##,

We all like to know where we are with our finances, but sometimes it's easy to lose track of what you've spent and when. That's why we offer free weekly balance texts.

Wherever you are and whatever you're doing, you can get up-to-date account information sent to your mobile, including details of your last six transactions. You can choose to receive your free alert on the day and time that suits you. And you can cancel, pause or re-register for the service at any time.

Register today so you'll always know where you stand.

Yours sincerely,

Ashley Machin  
Internet Director

[X No thanks](#)

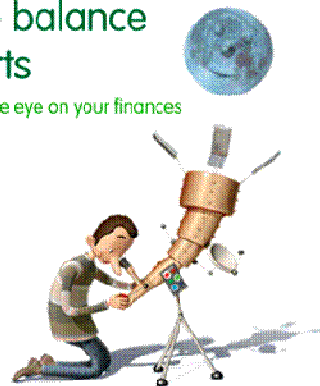
[> Find out more](#)

[Go to Account Overview](#)

Text Alerts

## Get free balance text alerts

And keep a close eye on your finances



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Pay monthly
Pay as you go
Upgrades
New and exclusive
Phone finder
Sim cards
Deal finder
Trade in your phone
Compare phones
<b>Mobile services</b>
Fitted car kits

## Mobile money



### Your bank account on your phone

Mobile Money experts, Monilink has teamed up with all the major banks and phone networks to offer you super - fast, super-secure banking in the palm of your hand.



### Control your money anytime, anywhere

**Mini statements**  
See your last 6 transactions wherever you are.

**Text alerts**  
We'll let you know if you're about to go overdrawn.

**Top-ups**  
Put credit on up to 5 mobiles

**Real-time balances**  
Up-to-the-minute balance checks.

**Move money**  
Transfer money between accounts

**Security**  
Bank-grade protection with totally secure encryption



**free delivery on all orders**

**widest range of phones and networks**

### How does it work?

You register for Mobile Money via your own banks secure website in 4 simple steps.



1 Choose your bank on the drop down box then click register



2 Add your mobile number and update your mobile GPRS settings



3 Enter the code Monilink send you plus your card details



4 Download the application and you are ready to go



# Market Leading Technology - Awards



v3

