

## 99 Wuxian US Roadshow Investor Presentation

Hong Kong, 27 January 2015:

The management team of 99 Wuxian is undertaking a 5 day investor roadshow to US based institutional investors in the week commencing 26 January 2015. A copy of the updated investor presentation that management will deliver is enclosed.

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Management Presentation / Q4 2014 Update

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# Agenda

## **1 99 Wuxian overview**

- 2. Investment highlights
- 3. 99 Wuxian in review
- 4. Appendix



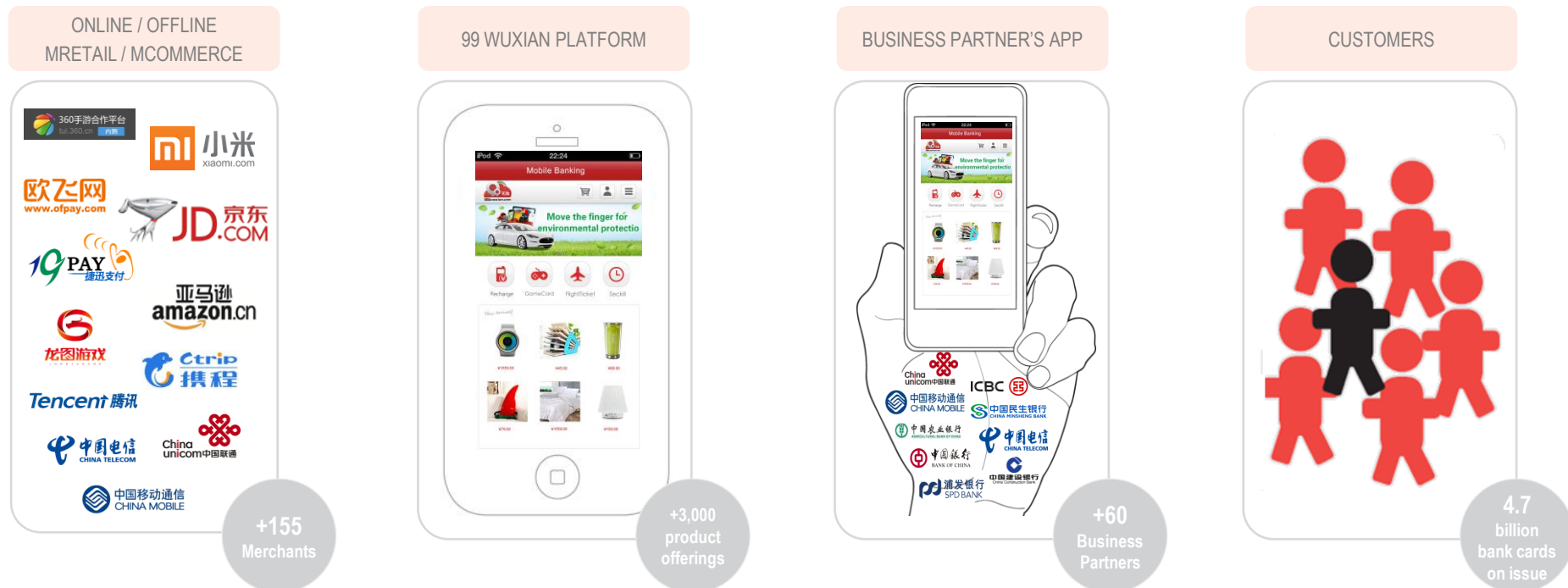
# 99 WUXIAN OVERVIEW

## 99 Wuxian at a glance

### A LEADING GATEWAY TO CHINESE MCOMMERCE

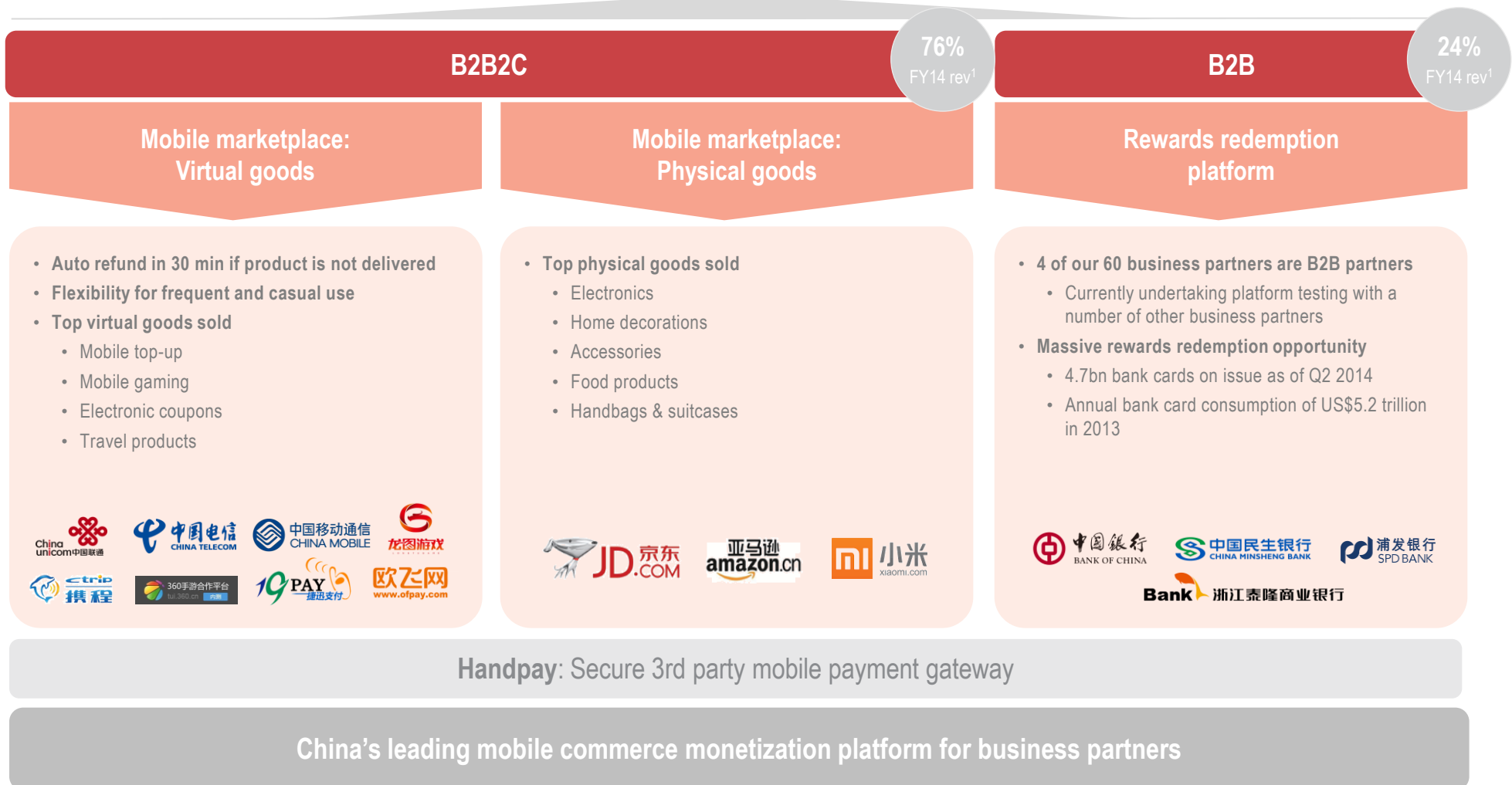
- 99 Wuxian is a unique B2B2C Chinese mCommerce platform linking consumers, merchants and business partners within a secure and trusted payment environment
  - 100% mobile-native platform—99 Wuxian's core technology platform is embedded within mobile apps of business partners
  - Platform offering includes mobile marketplaces for virtual and physical goods, mobile rewards redemption, mCommerce marketing and big data analytics
- Established by Handpay in 2011 to capture demand from bank partners
  - Exclusive 30 year partner agreement with Handpay, China's 3rd largest third party mobile payment gateway service provider
  - Established relationship with leading Chinese banks
- Listed on the ASX (ASX:NNW) on October 8, 2013

### ECOSYSTEM



# 99 WUXIAN OVERVIEW

## 99 Wuxian platform offerings

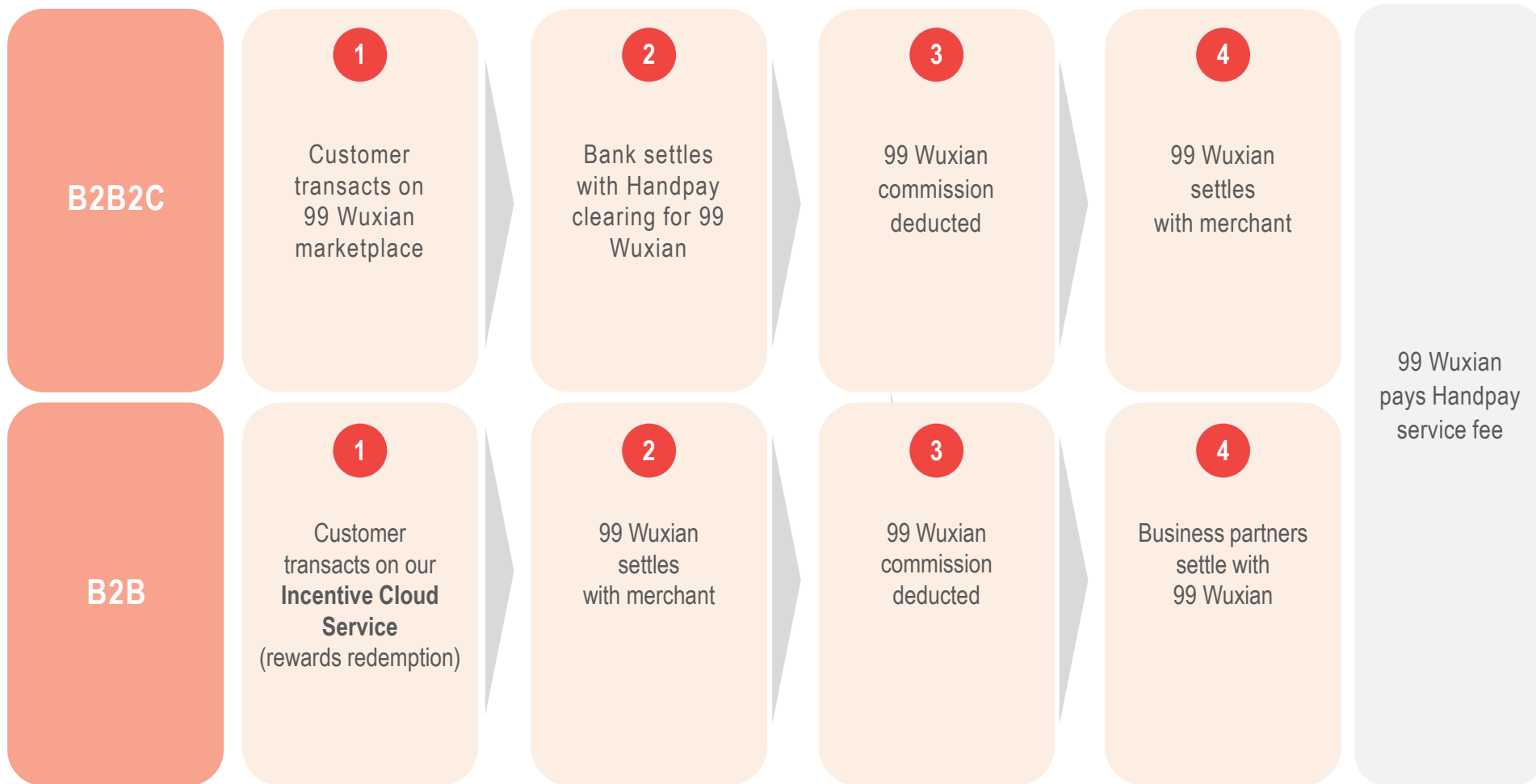


1. FY14 revenue based on unaudited quarterly management accounts

# 99 WUXIAN OVERVIEW

## 99 Wuxian revenue model

### Revenue flow



## We are a mobile-native platform

### OUR HERITAGE IS SECURE MOBILE PAYMENT FACILITATION

**First-mover advantage**  
A leader in mobile internet since 2006<sup>1</sup>

**Secure mobile payments**

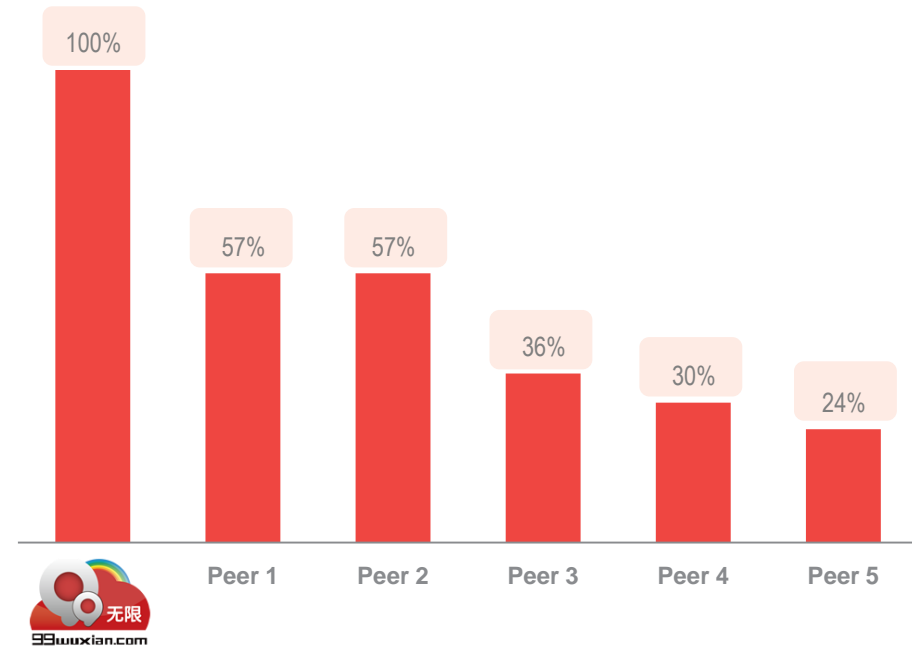
**Mobile-first end user experience and engagement**

**Flexible B2B2C infrastructure & product suite for business partners**

**Scalable, powerful and customisable platform**  
Supports diverse business offerings

### LISTED CHINA ECOMMERCE LEADERS <sup>2</sup>

Mobile as a percentage of total<sup>3</sup>



**99 WUXIAN IS A PURE-PLAY CHINESE MCOMMERCE PLATFORM**

<sup>1</sup> Given our parent company was Handpay

<sup>2</sup> Represents ASX, NASDAQ, NYSE

<sup>3</sup> From the respective companies' 14Q3 company filing



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**2 Investment highlights**

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4. Appendix

## INVESTMENT HIGHLIGHTS

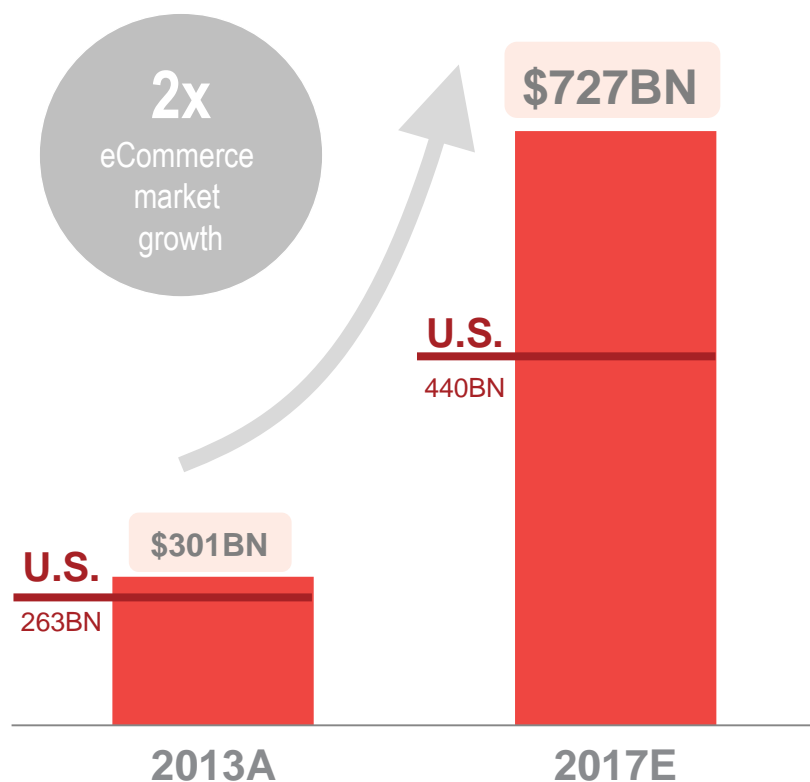
### Key investment highlights

- 1 Massive market opportunity
- 2 First mover advantage as pioneer of B2B2C mCommerce
- 3 Ecosystem offers value proposition attracting high-value consumers, business partners and merchants
- 4 Unique competitive position and mobile expertise create significant barriers to entry
- 5 Strong top-line growth driven by robust performance in key metrics
- 6 Compelling 5 point growth strategy
- 7 Experienced and visionary management team

# INVESTMENT HIGHLIGHTS

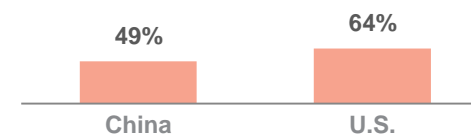
1 China eCommerce is a massive market opportunity driven by compounding secular trends...

## CHINESE ECOMMERCE MARKET GROWTH (\$BN)

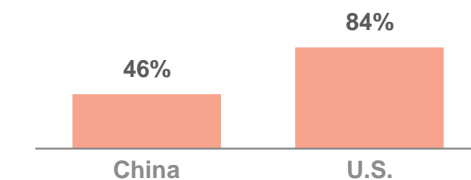


## SECULAR TRENDS IN CHINA

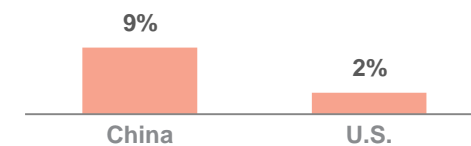
ONLINE  
SHOPPING  
PENETRATION  
2013 YE



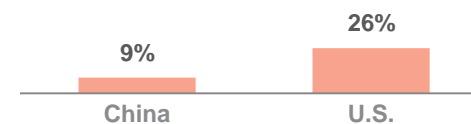
INTERNET  
PENETRATION  
2013 YE



RETAIL  
EXPENDITURE  
GROWTH  
'14 – '16 CAGR



MOBILE  
COMMERCE  
PENETRATION  
2013 YE



Note: Exchange rate of 6.14 RMB to US\$  
Source: iResearch, eMarketer, EIU, ystats, Wall Street research

# INVESTMENT HIGHLIGHTS

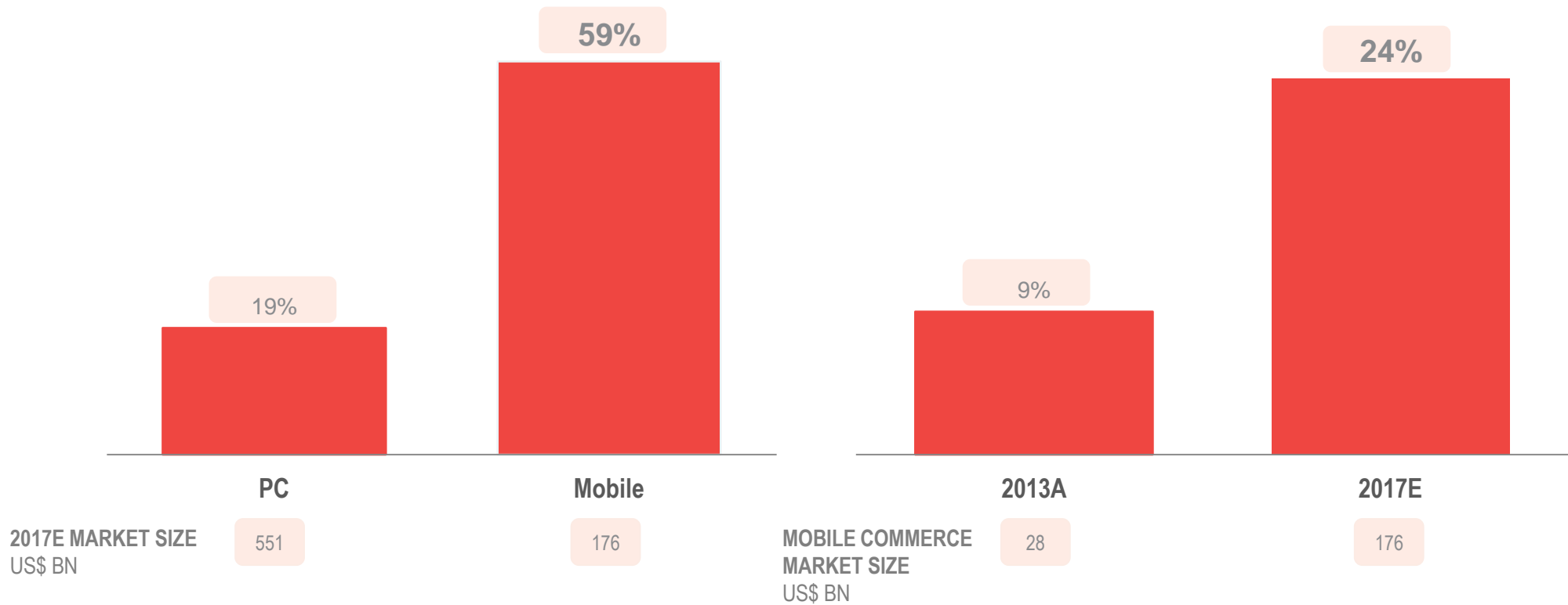
## 1 ...and mCommerce is the fastest growing segment

MOBILE IS EXPERIENCING OUTSIZED GROWTH...

...RESULTING IN ~25% OF OVERALL ECOMMERCE BY 2017

China eCommerce market size 2013-2017 CAGR

Mobile commerce % of total eCommerce



Source: iResearch

# INVESTMENT HIGHLIGHTS

## 1 99 Wuxian is uniquely positioned to capture several massive market opportunities

### GMV MARKET OPPORTUNITY (2017)

EXISTING MARKET	B2B2C	\$176bn	China mCommerce market	<ul style="list-style-type: none"> <li>• Secular shift from PC to mobile commerce</li> <li>• Massive growth in mCommerce market size, with +50% 2013 – 2017 CAGR</li> </ul>
	BANK B2B	\$30bn	China rewards redemption market	<ul style="list-style-type: none"> <li>• Only mobile marketplace enabling bank rewards redemption in China</li> <li>• 99 Wuxian provides an engaging channel for users to redeem points while minimizing cost</li> </ul>
	INSURANCE B2B	\$11bn	Rewards redemption market for insurers	<ul style="list-style-type: none"> <li>• Onboarded 4 leading insurance partners in China to the 99 Wuxian B2B platform to date</li> <li>• Only mobile marketplace enabling insurance rewards redemption in China</li> <li>• 99 Wuxian provides an engaging channel for users to redeem points while minimizing cost</li> </ul>
Total addressable market opportunity: <b>+\$200 billion</b>				
NEAR TERM OPPORTUNITY	EMPLOYEE BENEFITS	\$100bn	China employee benefits market	<ul style="list-style-type: none"> <li>• Mobile marketplace enables the redemption of employee benefits in China</li> <li>• Opportunity with human resource firms and corporations</li> </ul>
	O2O	\$4.4trn	China Cloud-POS market	<ul style="list-style-type: none"> <li>• Deep relationship and partnership with an O2O partner</li> <li>• Unique competitive position within the Cloud-POS market to capture the O2O opportunity</li> </ul>

Source: Management estimates

# INVESTMENT HIGHLIGHTS

## 1 Financial institutions are focused on how to win the digital battle

Banks' traditional strength in the payments market is being challenged by **third party providers**

Third parties are entering the payments market with **highly innovative offerings**

Banks **are focused on defending** their market position

**Digital is becoming the beachhead** for the banking relationship

Banks are determined **to engage the digital consumer and maintain market position**

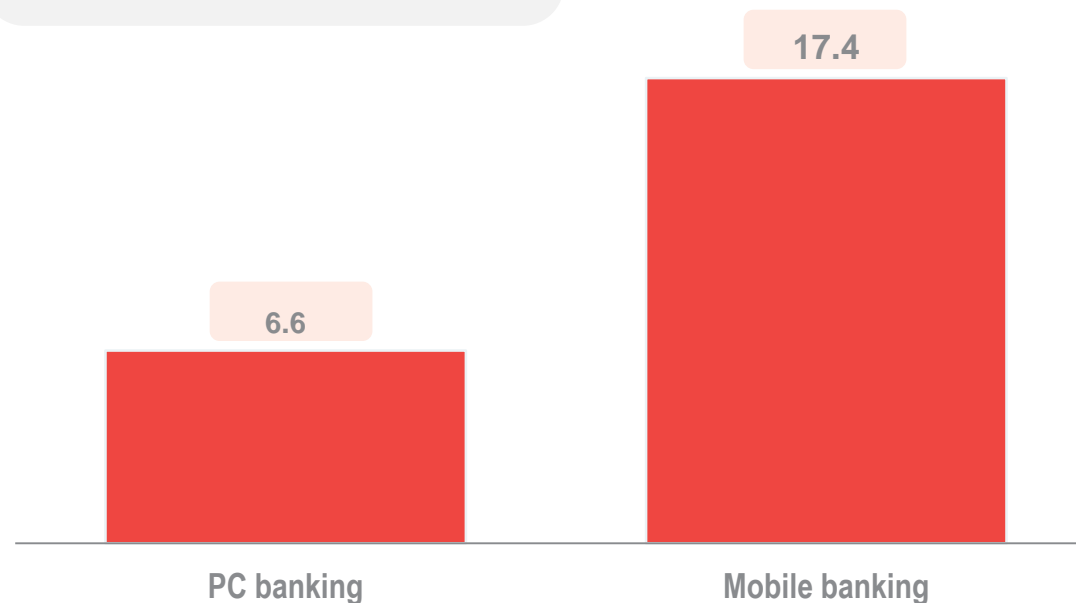
Source: iResearch, ystats, Wall Street research

**Mobile has become a key battleground** for banks to engage the digital consumer

**1 in 2** people in China carry a smartphone

**2 in 3** smartphone users use mobile phones to shop

Monthly mobile banking log-ins per user  
(average over CY2013)





# INVESTMENT HIGHLIGHTS

## 2 First mover advantage as pioneer of B2B2C mCommerce...

99 Wuxian was developed in response to bank demand for an mCommerce product suite...



Feb 2006

- Handpay starts working with China UnionPay



Apr 2011

- Bank of China starts using 99 Wuxian platform through Handpay



Jun 2012

- Handpay was granted a 3rd party payment license from the PBOC



2012

- PBOC regulated that payments must be a separate business
- 99 Wuxian spun off out of Handpay as an independent eCommerce platform



Oct 2013

- Listed on the ASX
- Executed a compliance listing to address bank partners' need for transparency



Oct 2014

- Launched new insurance vertical to develop new business area
- Announcement of O2O initiative

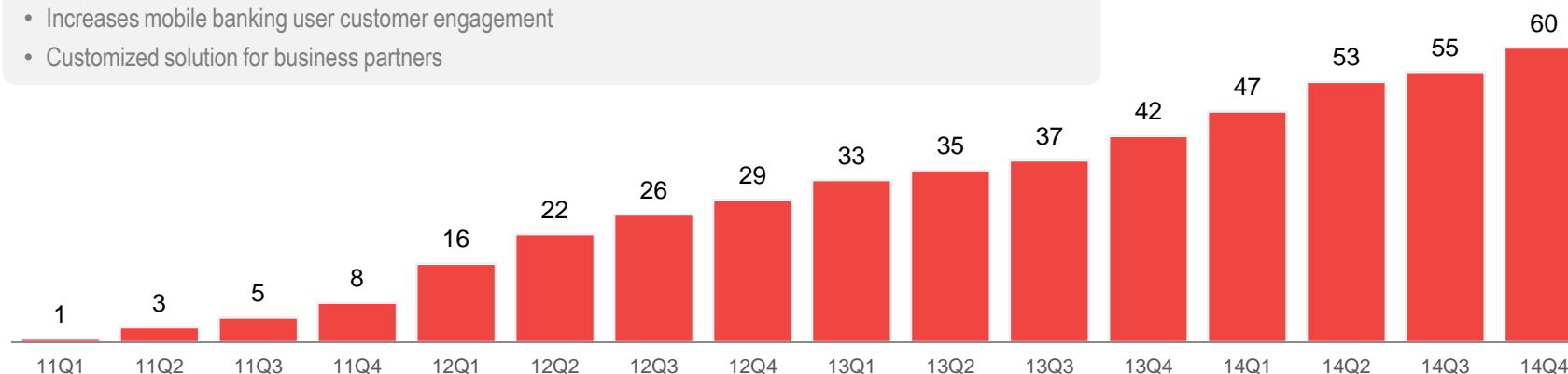
2006

Today

...driving continued adoption and success of the platform

Number of business partners (banks, telcos, insurance partners)

- Caters to mCommerce demands of mobile banking users
- Increases mobile banking user customer engagement
- Customized solution for business partners



## INVESTMENT HIGHLIGHTS

### 2 ...and B2B rewards redemption on a mobile marketplace

99 Wuxian is the only 3<sup>rd</sup> party mobile marketplace that allows users to convert online and offline bank and insurance loyalty points into online transactions



Offline  
transactions

Reward points

Online  
transactions

**\$5.2 trillion**

CY13 China bank card consumption volume

**\$0.3 trillion**

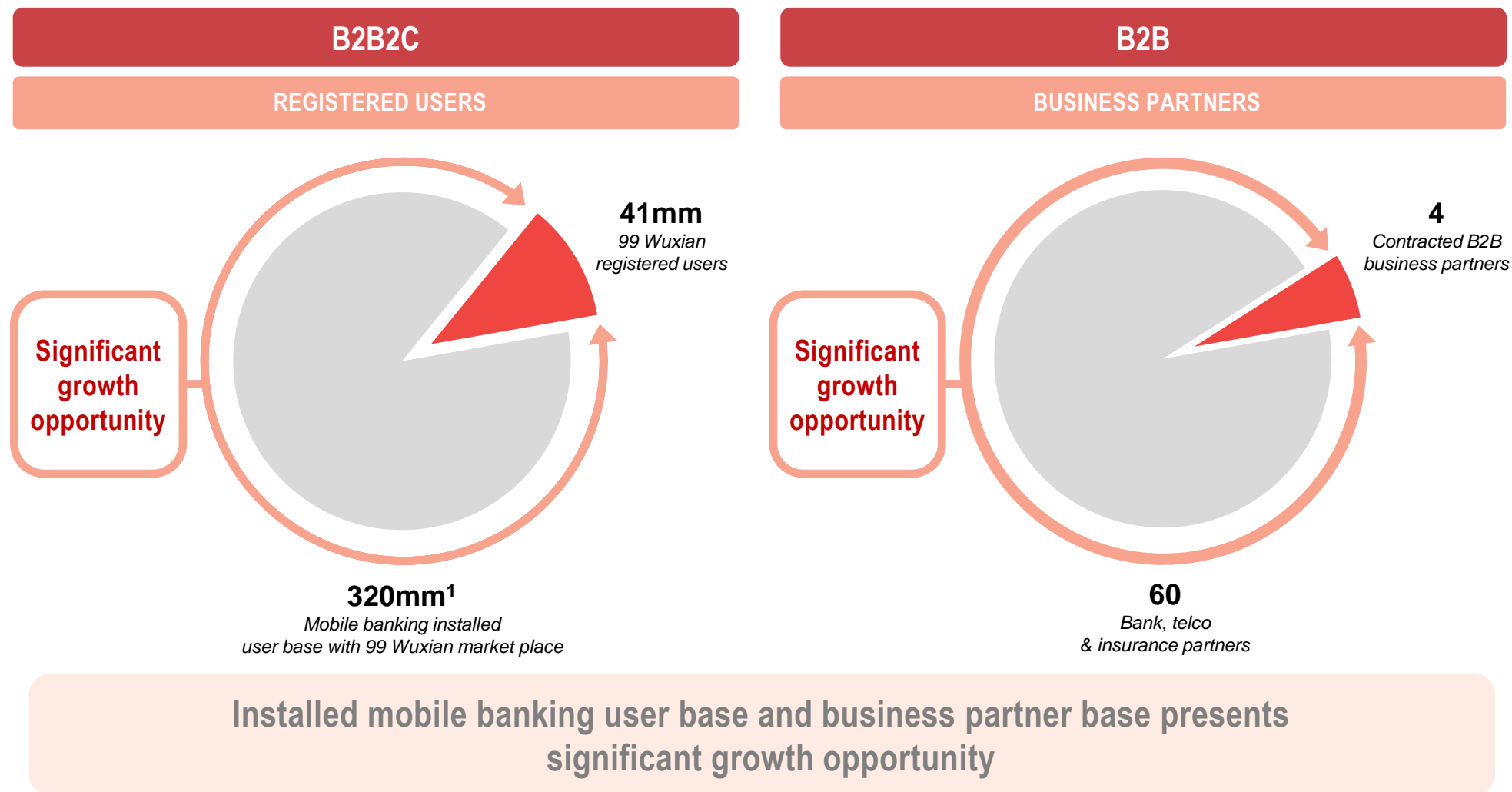
CY13 China insurance premiums

Note: Exchange rate of 6.14 RMB to US\$

Sources: iResearch, National Bureau of Statistics, PBOC, management estimates

## INVESTMENT HIGHLIGHTS

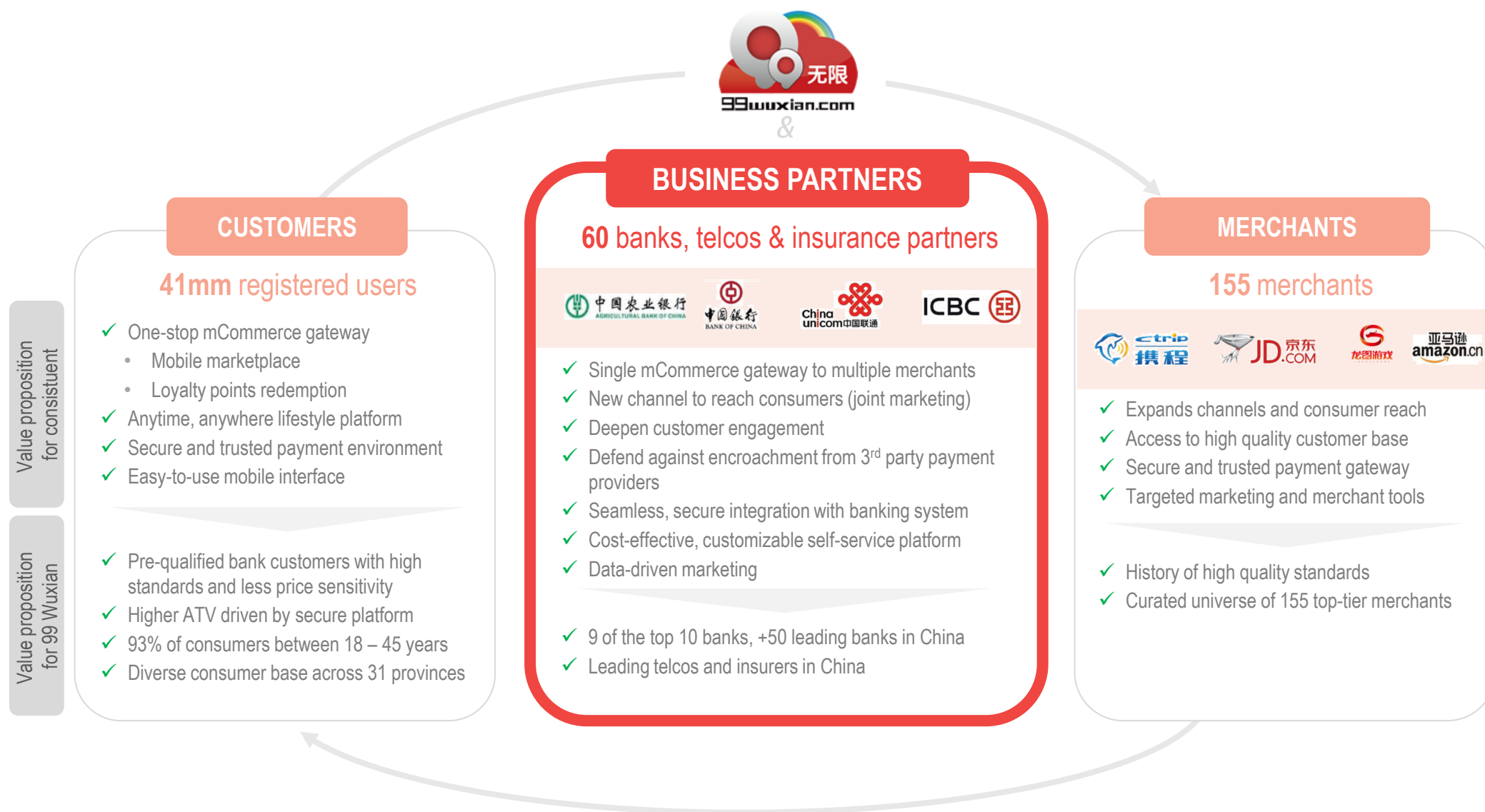
- 2 Significant opportunity to grow the business with existing business partners



1. Based on management estimates and industry research

# INVESTMENT HIGHLIGHTS

- 3 Ecosystem offers a value proposition that attracts high-value consumers, business partners and merchants



### 4 Unique competitive position creates significant barriers to entry

#### COMMERCIAL

- First to market and difficult to copy in its existing channels
- Strong relationships required for banking and financial services
- Banks require long time frame to integrate third party payment and services providers
- Lead-time for establishment of relationship with a O2O partner
- Deep execution history meeting best-in-class business partner standards

#### REGULATORY

- Handpay holds one of 269 3<sup>rd</sup> party payments licenses<sup>1</sup> in China, with only 42 providing mobile payments
- Strict financial requirements and regulatory standards
- Strong long-term relationship with domestic payments / financial services constituents
- Regulatory restrictions on foreign ownership of third party payment licenses

#### TECHNOLOGY

- Deep mobile application technology experience and IP portfolio
- High risk control systems and security standards given entrenchment with the financial system
- Advanced, flexible backend platform providing custom solutions to business partners
- Proprietary data mining systems

<sup>1</sup> Internet payments, mobile payments, prepaid cards, acquired services, digital payments

### 4 99 Wuxian's big data strategy

#### Current & near-term capabilities



**Deep data collection of user behavior**  
(transactions, search and traffic)



**Data analytics drive business decisions**



**User behavior analysis**



**Merchant supply & demand analysis**



**Cross bank data analysis**

#### Future initiatives & opportunities

- **Direct marketing**
  - Data-driven consumer targeting to drive improvements in customer engagement
- **Real-time data analysis**
  - Develop real-time data analytics
- **Cross-analysis of transaction, search and traffic data**
  - Create a comprehensive view of the consumer
  - Directly target users at each stage of the value chain to improve overall user experience
- **Integration with 3<sup>rd</sup> party credit and other data sources**
- **Offline data**
  - Leverage deep relationships with business partners to build understanding of consumer behavior

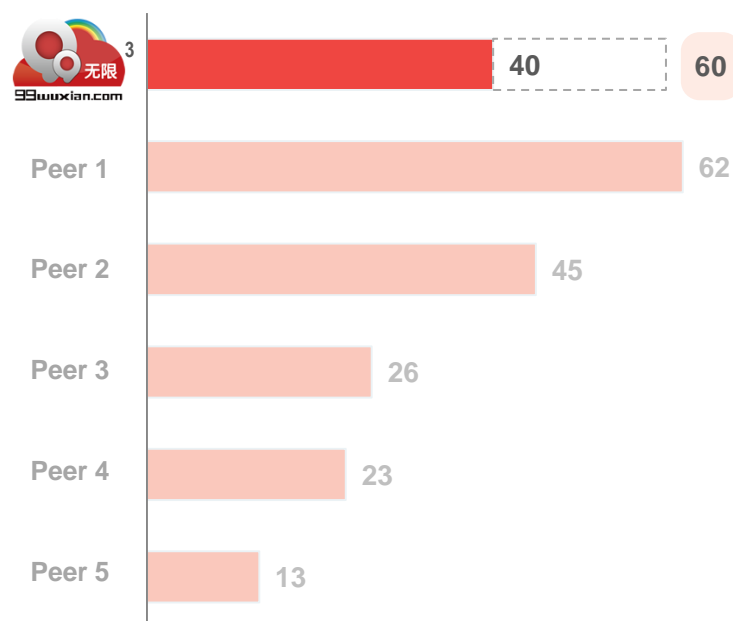


# INVESTMENT HIGHLIGHTS

## 4 Market position and technology platform drive high value consumers with differentiated user economics

### HIGHER AVERAGE TRANSACTION VALUE THAN MOST PEERS...

LTM ATV<sup>1</sup> (US\$)



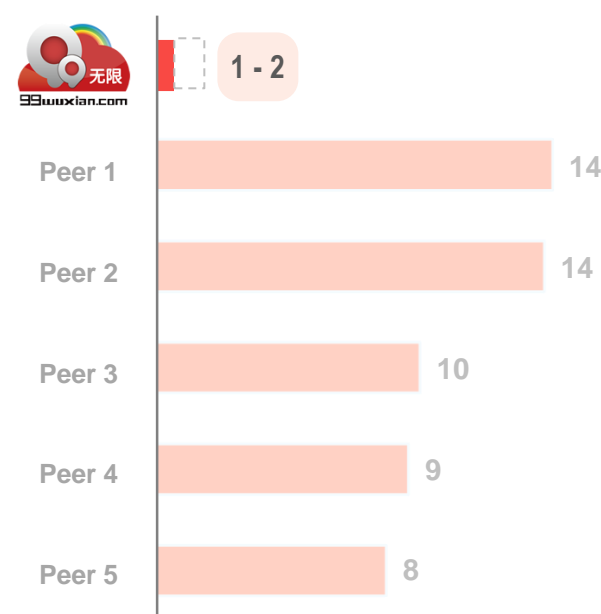
**Banking users** with higher disposable income

**Sophisticated consumers** drive higher quality standards

**Secure** platform creates trusted environment

### ...WITH THE LOWEST CUSTOMER ACQUISITION COST

LTM CAC<sup>2</sup> (US\$)



**Deep engagement** of mobile banking users

mCommerce enables **anytime, anywhere** transactions, complementary to PC

**Aligned incentives and joint marketing** with business partners

Note: Exchange rate of 6.14 RMB to US\$. LTM analysis based on management accounts which remain unaudited

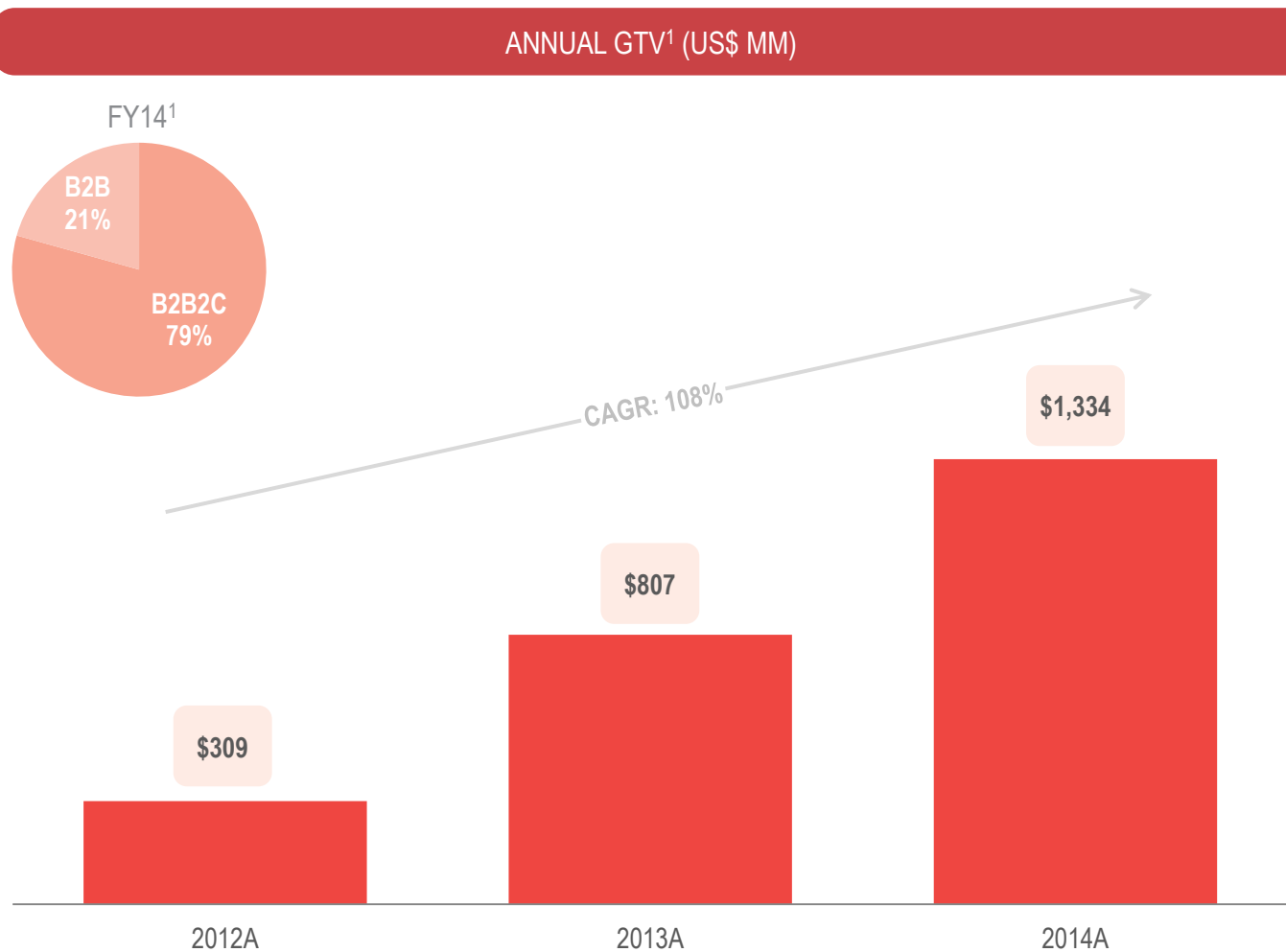
1 99 Wuxian metric based on LTM as of December 2014; Based on latest quarter for peer comparables

2 Represents marketing expense divided by new active buyers; Based on last available quarter for peer comparables

3 \$40 represents blended B2B2C and B2B ATV; \$60 represents B2B2C ATV

## INVESTMENT HIGHLIGHTS

### 5 99 Wuxian has achieved strong growth in GTV...



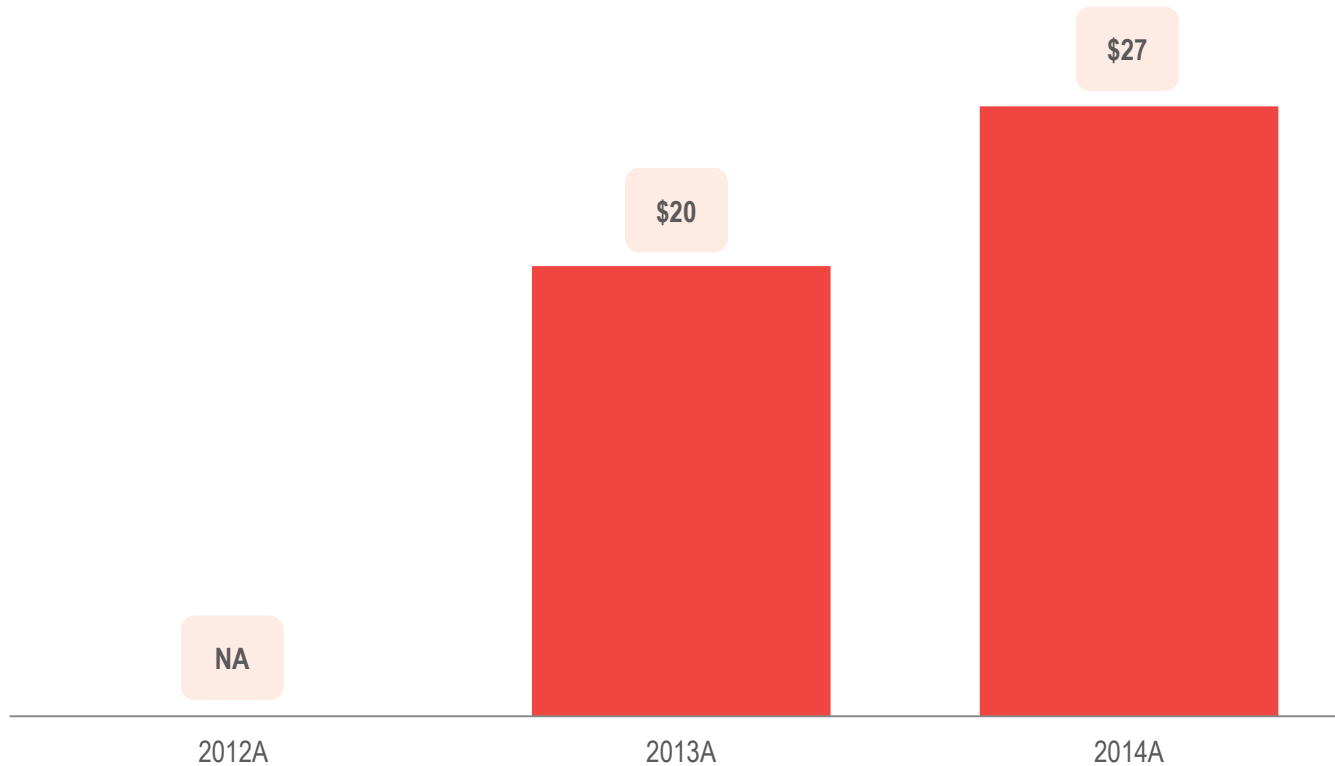
- GTV growth driven by increase in registered users and user engagement
- Successful launch of B2B business in the last year with 4 contracted B2B partners on our platform and testing being undertaken with a number of other parties
- Continued discussions with leading B2B2C partners to onboard to rewards redemption platform

1. 2012 and 2013 figures based on management accounts which have not been audited. 2014 analysis based on quarterly management accounts which have not yet been audited  
Note: Exchange rate of 6.14 RMB to US\$

## INVESTMENT HIGHLIGHTS

5 ... which has driven consistent growth in revenue

ANNUAL REVENUE<sup>1</sup> (US\$ MM)

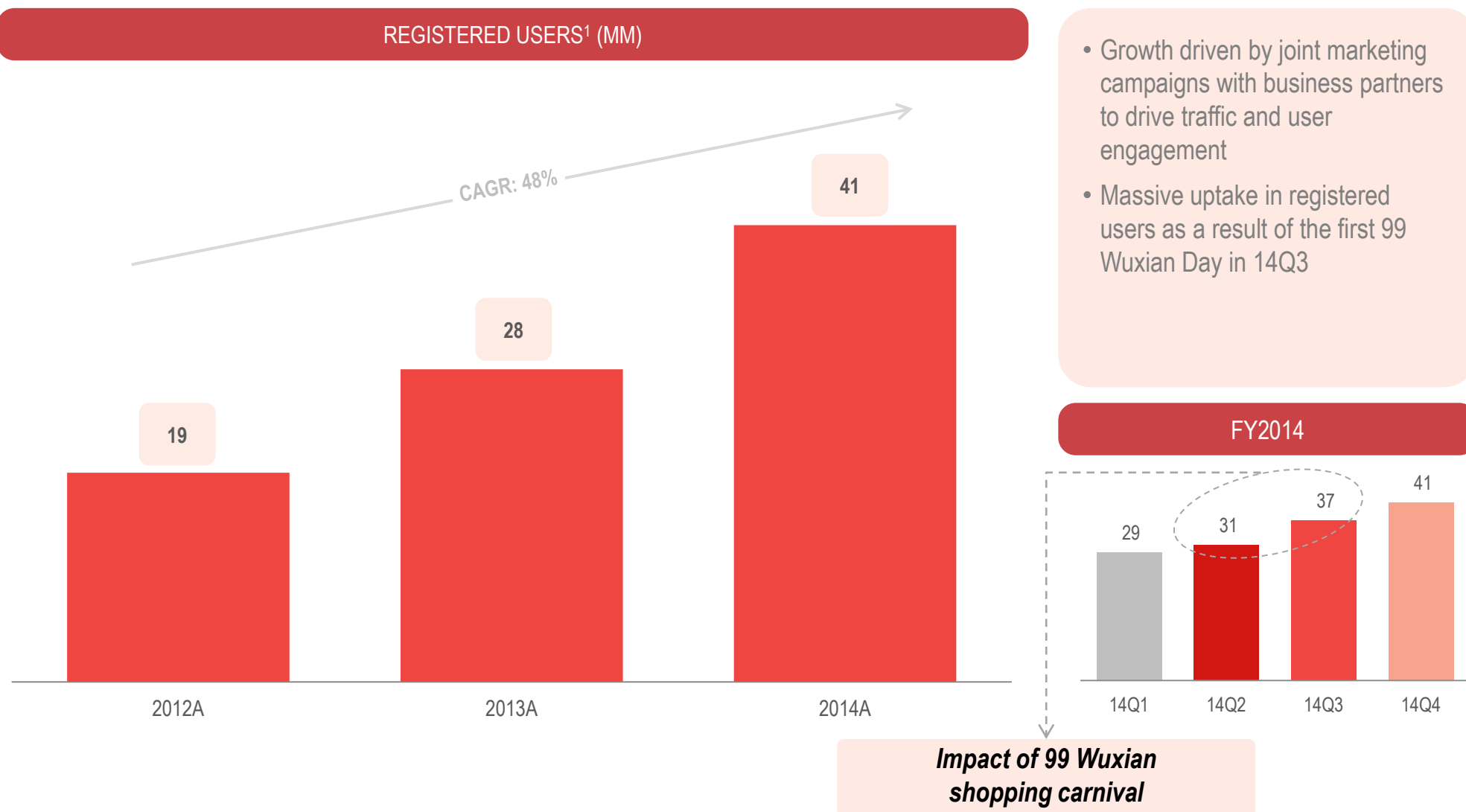


- Revenue growth has been driven by joint marketing campaigns with business partners
- Marketing campaigns have been focused on driving traffic and user engagement

1. 2012 and 2013 figures based on management accounts which have not been audited. 2014 analysis based on quarterly management accounts which have not yet been audited  
Note: Exchange rate of 6.14 RMB to US\$

## INVESTMENT HIGHLIGHTS

### 5 Significant growth in core B2B2C business with +45% annual registered user growth



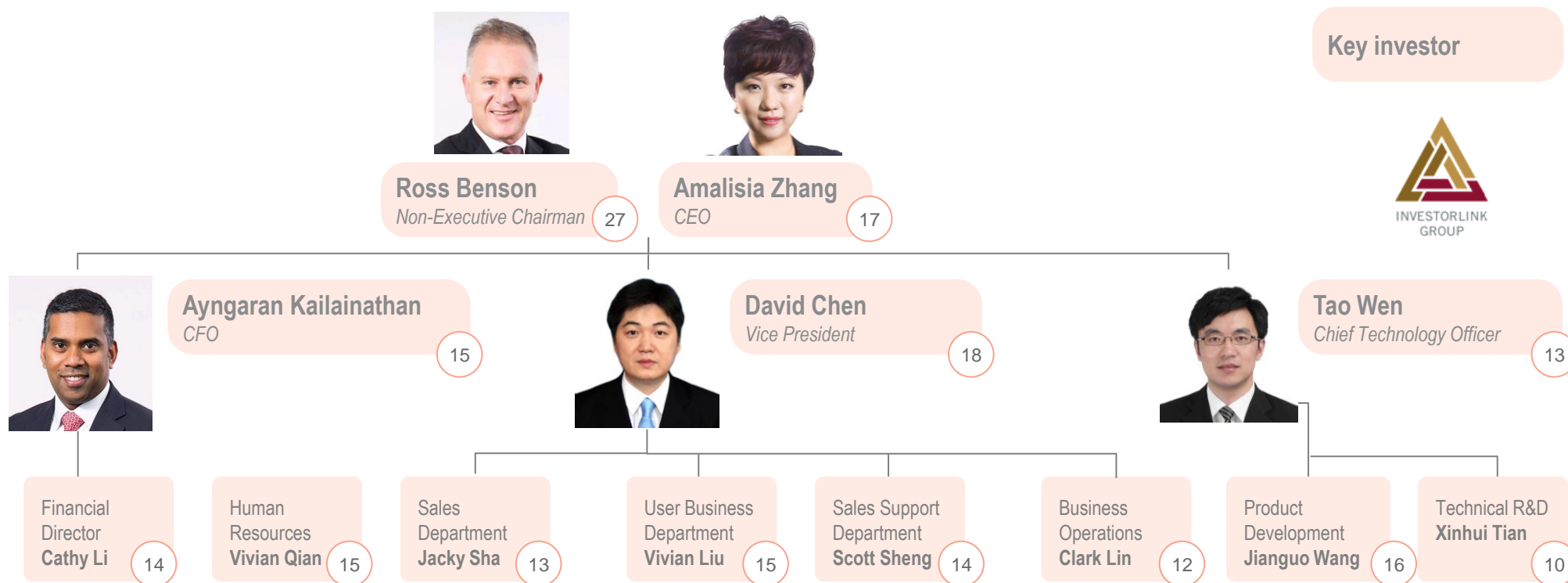
1. 2012 and 2013 figures based on management accounts which have not been audited. 2014 analysis based on quarterly management accounts which have not yet been audited

## 6 Compelling 5-point growth strategy



# INVESTMENT HIGHLIGHTS

## 7 Experienced and visionary management team



- Deep experience across industry leaders in eCommerce and payments
- Established corporate governance standards with a combination of Australian and Chinese Directors on the Board
- Proven compliance with ASX regulations and legal regime

The majority of the leadership team has been with 99 Wuxian since inception

○ Represents years of experience



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- 3 99 Wuxian in review**
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### 99 Wuxian in review



- ✓ Massive and highly attractive China mCommerce market opportunity
- ✓ First mover and pioneer of B2B2C mCommerce
- ✓ Created an ecosystem with compelling value proposition for consumers, business partners and merchants
- ✓ Unique mobile expertise as a publicly listed pure-play mCommerce platform
- ✓ Explosive operating and financial growth across metrics

99 Wuxian is uniquely positioned to execute on the massive mCommerce market opportunity in China

### 99 Wuxian in review (cont'd)

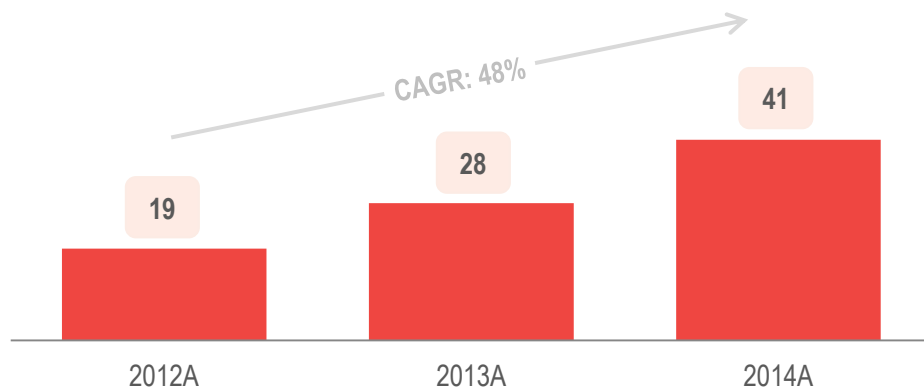
In the last 12 months we have delivered significant operational initiatives ...

- ✓ Added 13mm+ registered users and 18+ business partners
- ✓ Delivered strong growth in GTV driven by growing ATV and total transactions
- ✓ Successfully launched our first “99 Shopping Carnival” event
- ✓ Launched several highly successful joint marketing campaigns
- ✓ Entered the insurance sector as a new channel to market
- ✓ Launched two new O2O initiatives
- ✓ Successfully completed an AUD\$25mm equity placement
- ✓ Initiated a strategic review in order to improve access to global capital markets

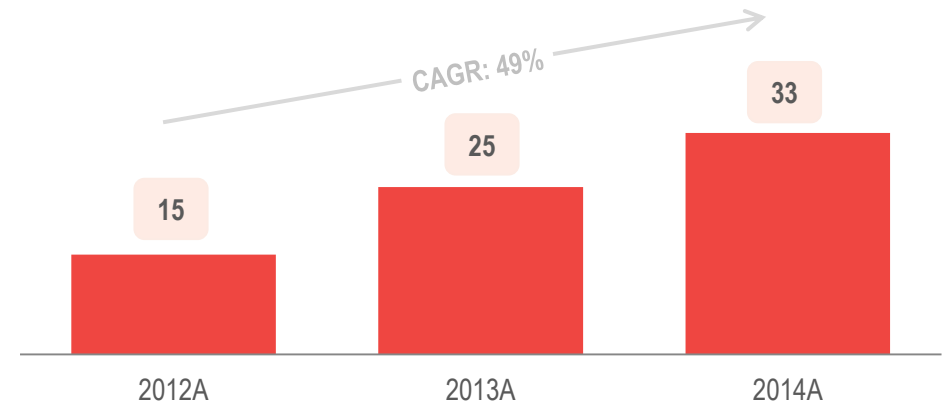
# 99 WUXIAN IN REVIEW

## 99 Wuxian historical financial and operational metrics

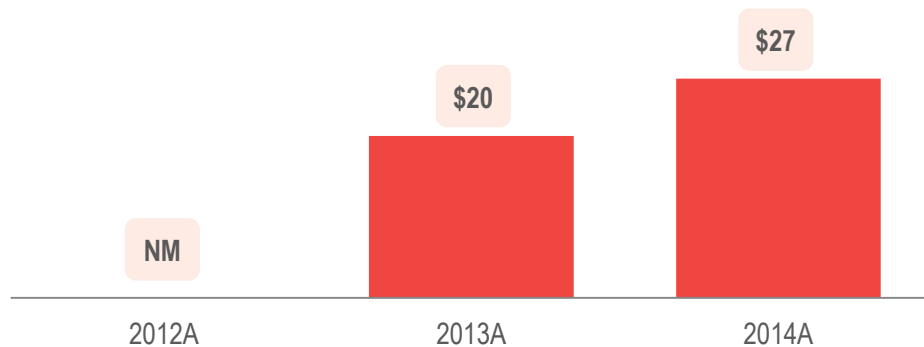
REGISTERED USERS<sup>1</sup> (MM)



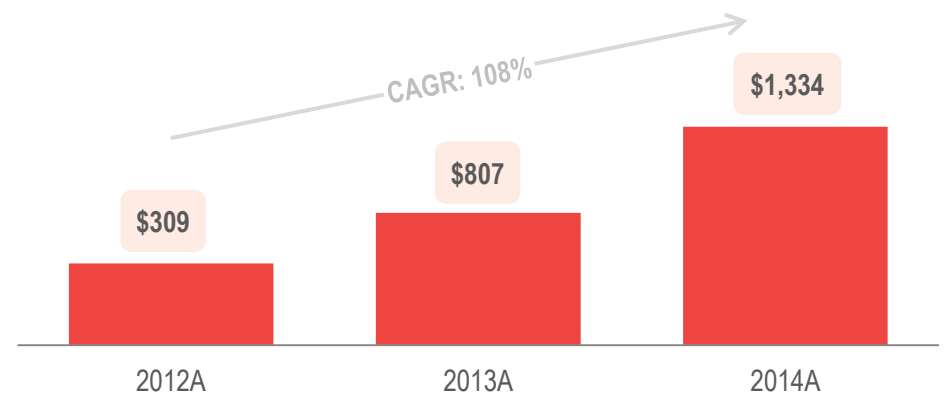
NUMBER OF TRANSACTIONS<sup>1</sup> (MM)



ANNUAL REVENUE<sup>1</sup> (US\$ MM)



GTV<sup>1</sup> (US\$ MM)



1. 2012 and 2013 figures based on management accounts which have not been audited. 2014 analysis based on quarterly management accounts which have not yet been audited  
Note: Exchange rate of 6.14 RMB to US\$.

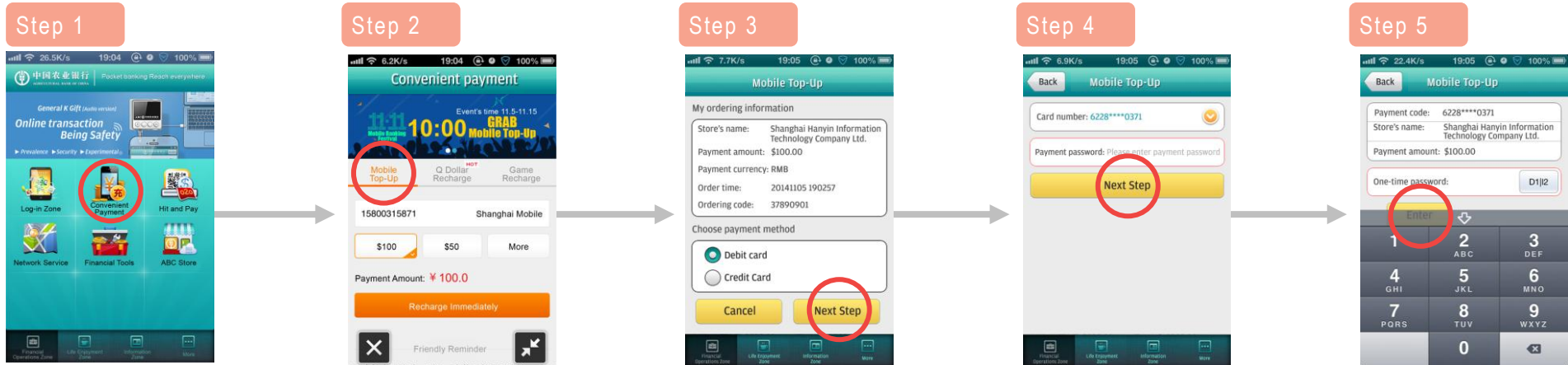
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## **4 Appendix**

## Agricultural Bank of China

### Mobile Top-up



### Gaming Recharge





## Proprietary technology and mobile expertise

### 99 WUXIAN TECHNOLOGY INFRASTRUCTURE

#### Commentary

- Fully independently developed and proprietary mCommerce platform
- Independently developed testing and distribution system, improved process efficiency and optimized distribution process
- System tested and operational to financial services system and security standards
- +7 years of development and track record
- Modular architecture allows:
  - Expansion to new products and services
  - Enables seamless customization for business partners
  - Flexible back-end connection with banks
- Layer model provides scalable architecture
- Open-source, cross-platform application

#### Applications

B2B2C

B2B

Mobile top-up

Gaming

Physical goods

Travel coupons

Rewards redemption

Employee benefits

Promotion marketing

...

#### Services

Billing and order

Marketing management

Product management

User management

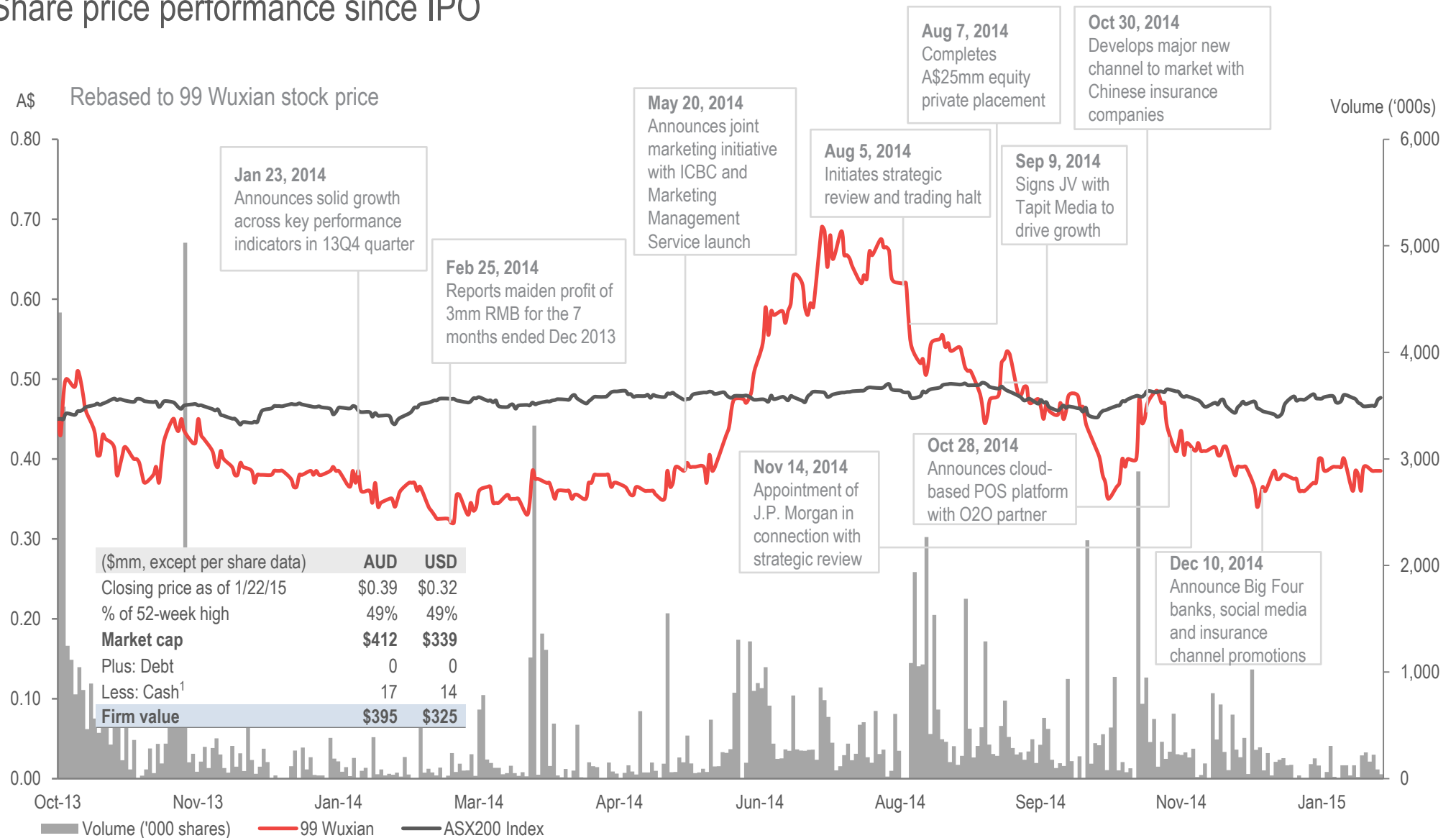
Clearance

Operational

#### Data

- Data collection across technology infrastructure
- Big Data analytics platform

## Share price performance since IPO



1. Based on cash as of September 2014

Source: Factset as of 22 January 2015

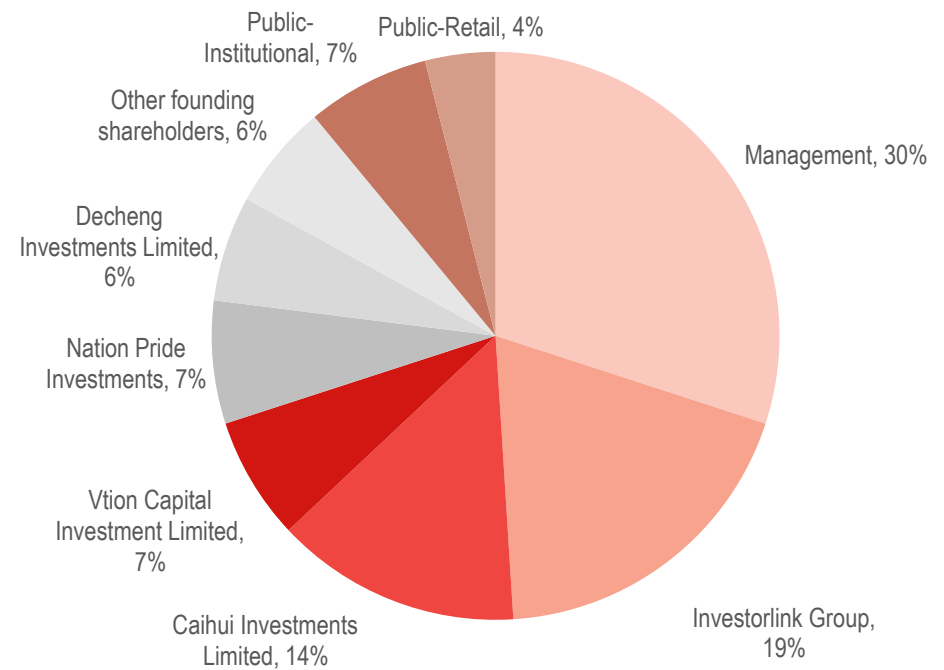
Note: Exchange rate of 6.14 RMB to US\$ and 5.10RMB to AU\$

## Ownership structure overview

### *Capital raisings*

Pre IPO round May 2013:	A\$7.0mm
IPO round October 2013:	A\$20.0mm
ASX Placement August 2014:	A\$25.0mm

### SHARE OWNERSHIP (%)



Note: Ownership as at 30 October 2014