



**KNeoMedia Limited (ASX:KNM)**  
**Annual General Meeting 2016 Presentation**



An aerial photograph of a city skyline, likely New York City, with numerous skyscrapers and buildings. The image is overlaid with a semi-transparent brown filter. The text is centered and written in a white, bold, italicized sans-serif font.

*Worldwide revenues for games-based learning reached \$2.6b in 2016.*

*The global CAGR is a robust 22.4%.  
Revenues will surge to 7.3b by 2021.*

*\*Ambient Insight*

## Games based learning provides significant revenue opportunities

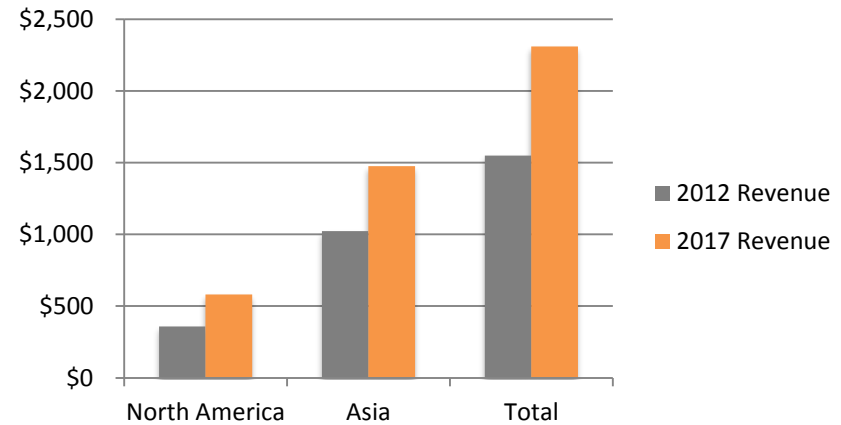
Worldwide game-based learning market reached \$1.5 billion in 2012 with a global growth rate of 8.3%\*

Estimated that revenues will reach US\$2.7 billion by 2017\*

Revenues for North American games based learning market in 2017 are forecasted to reach US\$582m\*

In contrast, revenues for PC, web and console games are in steep decline – 5-year CAGR 2011–2016 of -9.3%

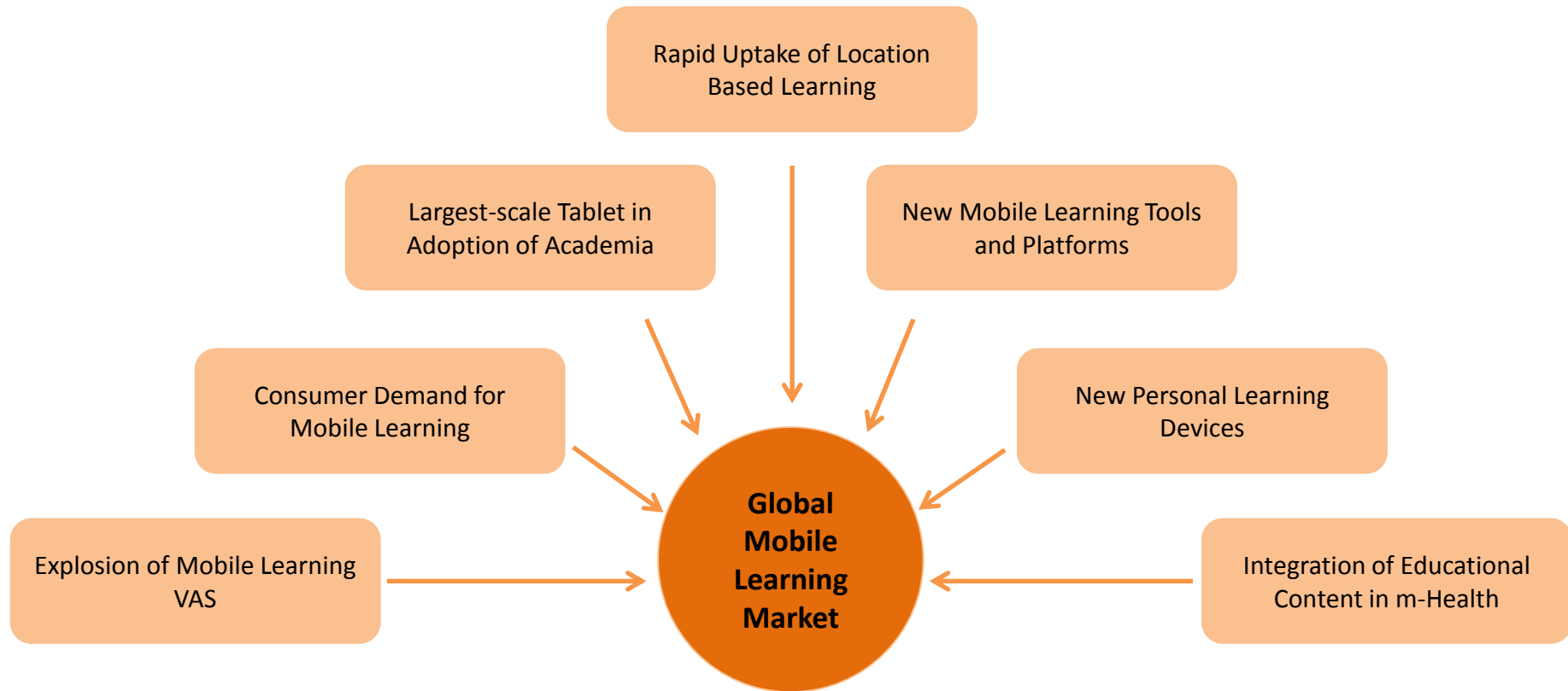
**2012 - 2017 Games Based Learning Revenues (\$US Millions)**



Game-based learning by region*	2012 Revenues (\$US Millions)	2017 Revenues (\$US Millions)	Five Year CAGR 2012 - 2017
North America	\$359.18	\$582.00	10.1%
Asia	\$1,029.43	\$1,475.10	7.5%
Global Total	\$1,548.44	\$2,309.60	8.3%

# All roads lead to digital learning

Technology's place in learning provides significant opportunities for KNM



**85% of students used a mobile device to study in 2015 - up from 40% in 2013\***

# Excellent Progress in FY2016

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**Strong support from existing and new sophisticated shareholders via capital raising activities in smaller tranches aimed at minimizing shareholder dilution under current share price regime.**

**Progressive development of products for each of the channels we are addressing to minimize development costs by establishing proof of product and efficacy prior to the next development.**

**Partnership secured with Mobile Embrace Limited (ASX:MBE) to distribute HeroWorld in Australia, UK, Norway and Switzerland via Direct Carrier Billing.**

**Continued development of KNeoWorld iOS and Android apps in English, Spanish and Mandarin plus KNeoESP for special needs students and KNeoEd for classroom participation.**

**Continued to pursue distribution across a number of platforms in China including with SmartTrans Holdings Limited (ASX:SMA) and direct carrier biller, China Mobile.**

**Ongoing seat licence sales of KNeoESP, the special education version of KNeoWorld - now live in 5 NYC public schools and generating revenue and growing.**

**Overall - commencement of revenue across School and Direct Carrier Billing channels.**



# Growing channels to market

## United States Public Schools Market



Attained NYC Dept. of Education Vendor Licence which has enabled the deployment of KNeoESP products in NYC schools - 1.25m students including .220m Spec Needs in NYC. 35m nationally.

Facilitated \$3m funding from Digital Promise Foundation by way of education grant to three NYC public schools.

As a result study programs using KNeoWorld program launched in September 2016 in beneficiary schools.



Our Fundraising collaboration with PTA extends to 50,000 middle & elementary & schools with 23m students. Also applies to other membership organizations - iOS App dependent In North America.



# Growing channels to market

**Via Direct Carrier Billing in Australia,  
UK, Norway, Switzerland and Asia**

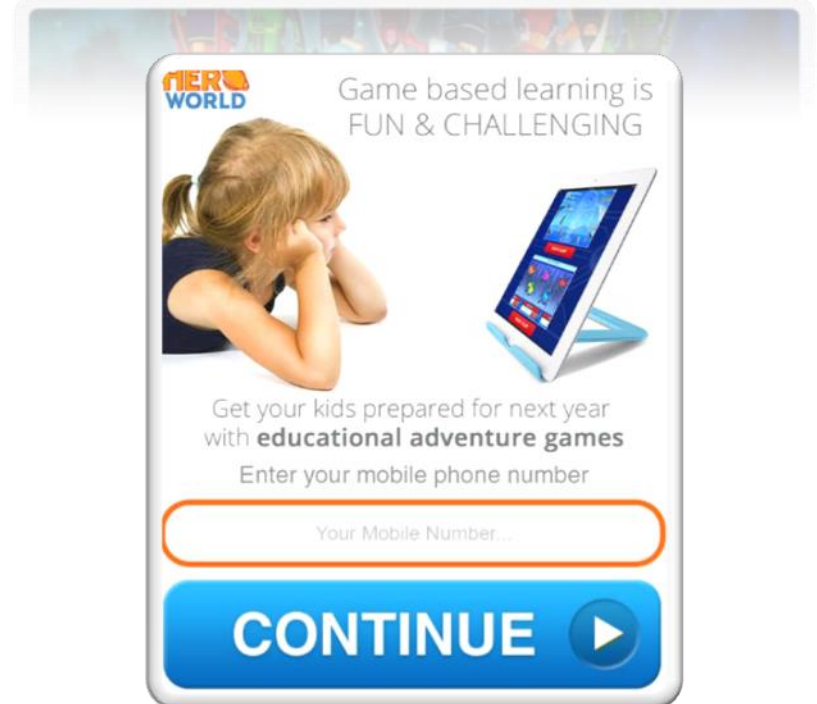
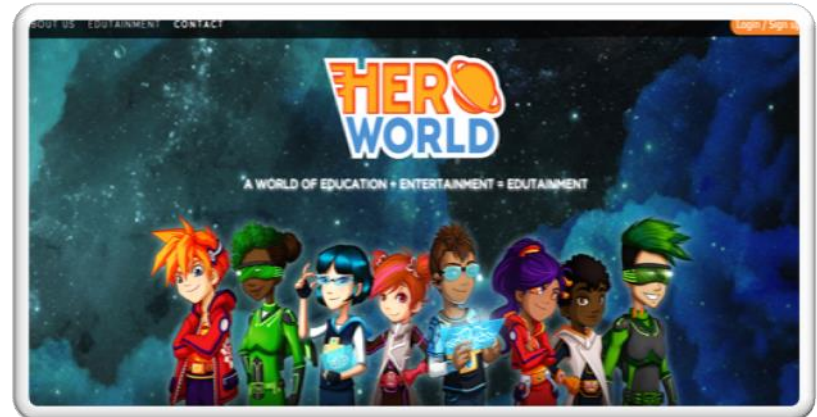


Distribution agreement and co-creation of HeroWORLD with Mobile Embrace Limited (ASX:MBE) for Australia, UK, Norway, Switzerland – further rollout imminent

Distribution agreement with SmartTrans Holdings Limited (ASX:SMA), into key Provinces via national carrier China Mobile



Actively seeking new distribution opportunities with existing distributors and emerging platforms and markets where DCB is dominant payment channel.



# Growing channels to market

## Consumers Globally



Google Play and Apple App Stores continue to grow.  
US\$1.7 billion iOS Apps sold in China during September quarter  
– 15% more than US and 75% entertainment.



Sophisticated SEO & SEM digital marketing campaign  
utilizing social media has been developed.

Will commence on the launch of the iOS App targeting  
consumers, PTA's and other member organizations by  
demographic, device, operating system, country, city, time  
and media.





# Poised for growth in FY2017

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**Convert growing pipeline of inquiry for KNeoESP & KNeoEd with Public Schools in Greater New York area into further sales.**

**Broaden KNeoWorld awareness and sales in other US markets beyond New York by representation to Education Depts. and Education Conferences e.g. successful attendance at 5<sup>th</sup> Nov Council of School Supervisors & Administrators Leadership Conference NYC.**

**Completion, rollout and aggressive marketing of iOS Apple KNeoWorld app as a catalyst for sales**

**Enhance portfolio of Edutainment products with new content that makes an immediate contribution to revenue.**

**Expand Direct Carrier Billing partnerships with Mobile Embrace and other partners into more international markets**

**STRIVE FOR PROFITABILITY AND POSITIVE CASH FLOW**

**Thank you for attending**

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**James Kellett  
Executive Chairman  
15<sup>th</sup> November 2016**

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\*Source: Ambient Insight: 2016 – 2021 Worldwide Games Based Learning Market Report

\*Source: McGraw-Hill Education's 2015 Digital Trends in Higher Ed