KNeoMedia Limited (ASX:KNM) AGM Presentation
19 November 2015

Education & Entertainment = Edutainment

The growth rate for the worldwide game-based learning market is 8.3% and revenues will increase to $2.3 billion by 2017*

Company Overview
Business Model Exec Summary

KNM's KNeoWorld is a publishing house whose business revolves around selling engaging educational games through its fun KNeoWorld Games Portal in the exciting education by entertainment games sector.

Games that have inherent educational value are licenced from independent developers world wide. A team of professional educators assess and approve the games for publishing.

In-game player achievement is measured via proprietary educational metrics with games efficacy and validation provided by teachers, educators and universities.

The primary market is parents of 5-12 year old children who by subscribing, give their children an educational advantage by playing fun and engaging games with validated educational content.

Marketing is directed to US schools and Parent Teacher Associations as a fund raising initiative together with retail direct carrier billing distribution in China,   S E Asia and Australia.

Market Overview
The Benefits of Game-based Learning

Better learning

It is quite simply easier to learn when you are having fun, immersed and focused.

Improved motivation and engagement

The best games capture and maintain your interest.

Instant feedback on performance

Immediate feedback on performance – and what you need to do next to improve.

Personalized learning

Games offer a highly personalized experience, which allows you to learn at your own pace.

Collaborative learning

Learning to share resources and to co-operate as well as compete individually.

Problem solving

Formulate and test different strategies and identify the most successful path.

Decision making

Quickly evaluate your options and make the right decisions – just like real life!

Building Resilience

Games are a safe environment to learn from mistakes and pick yourself up and try, try, try again.

Deep learning

Rather than just memorizing facts apply your creativity and explore your imagination.

Recognition of achievement

Leaderboards and scores map out your progress and highlight successes.

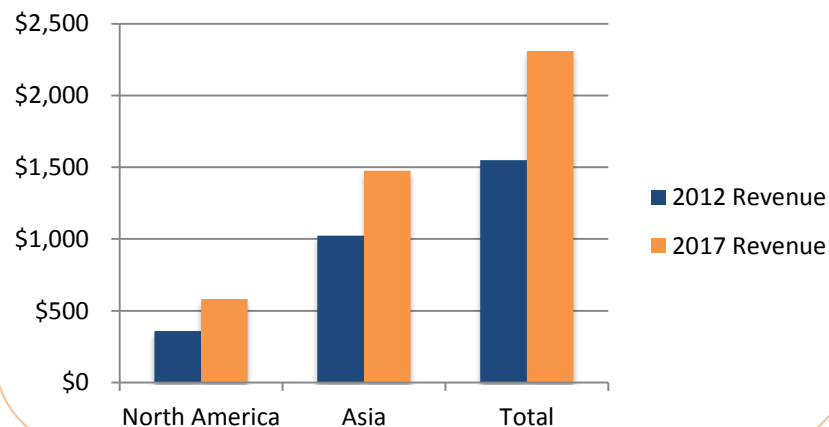# Market Overview
Game-based Learning is a Growth Market

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$2.3 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%**

Market Overview
All Roads Lead to Mobile Device Platforms
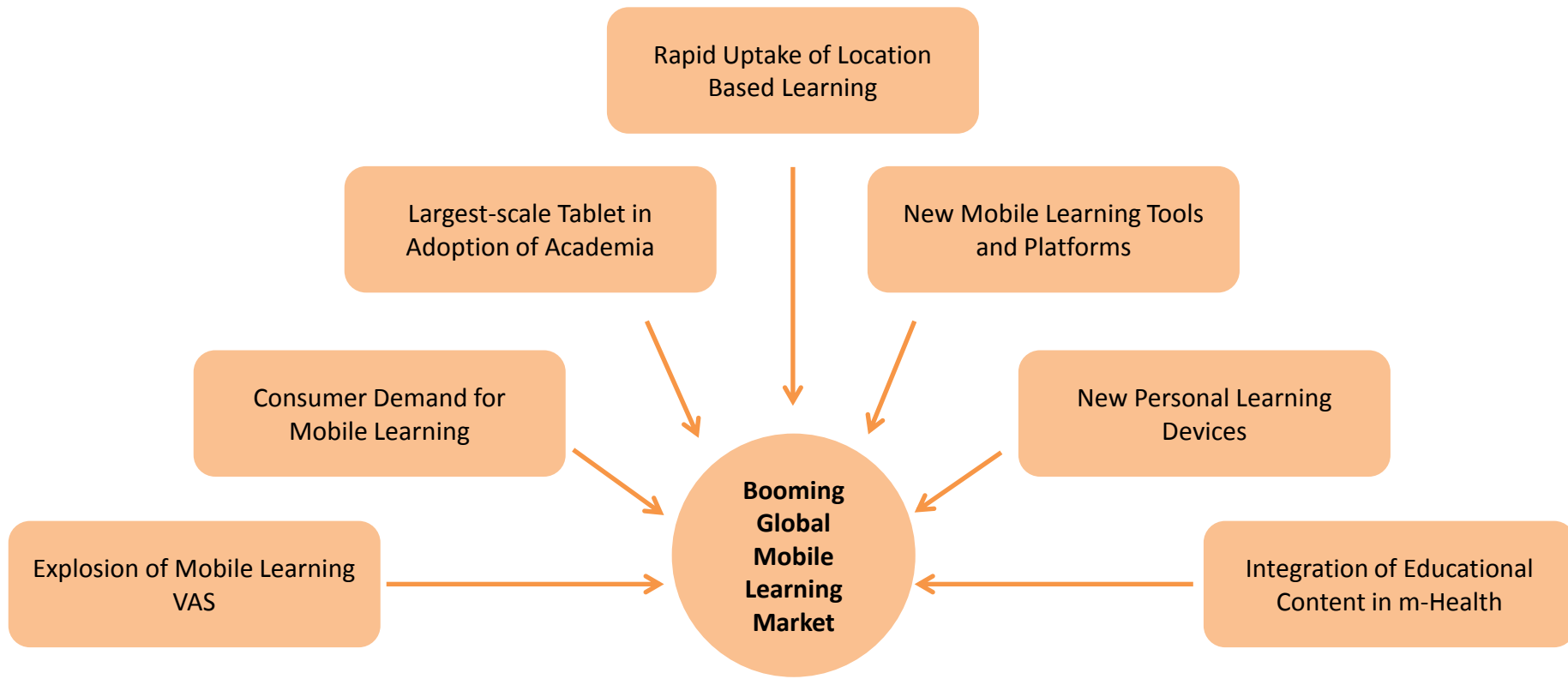
Market Overview
Worldwide Smartphone Usage

Mobile Phones per Country

China
India
USA
Brazil
Russia
Indonesia

0 | 500,000,000 | 1,000,000,000 | 1,500,000,000
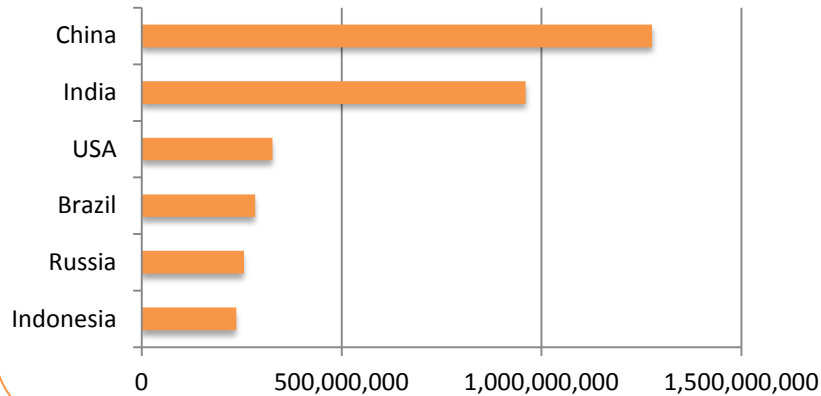
Internet Users per Country

700,000,000
600,000,000
500,000,000
400,000,000
300,000,000
200,000,000
100,000,000
0

Russia | Brazil | Japan | United States | India | China
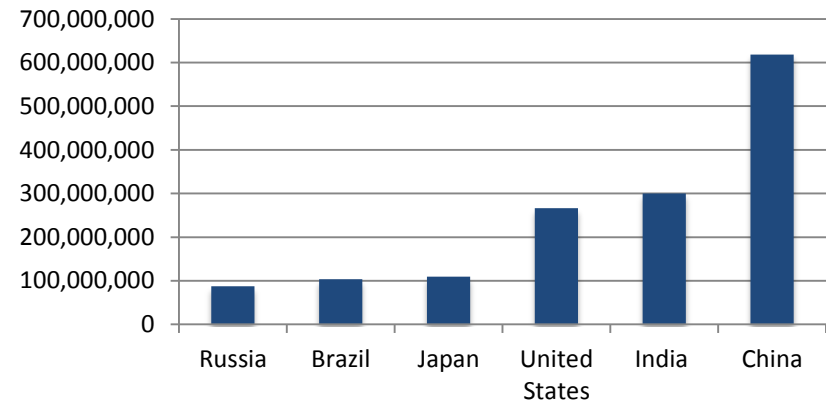
China has largest number of smartphones globally, with a recorded 1,276,660,000 handsets in Oct 2014.

US is the third largest owner of smartphone devices, with a recorded 327,577,529 handsets in 2014.

Market Overview
Educational Games Market has Changed

In the past traditional electronic educational games were overly complex and failed as they became too expensive to produce and sell.

- Game development costs went from $25-$50k to $15-$30m

- Games could not be evaluated until launched = too late

- There now are many independent developers of low cost quality games with an inability to publish

The growing market demand is for low cost games that can be played and discarded

- KNeoWorld sources, assembles, publishes and markets a library of games and apps while minimizing development cost and risk

KNeoWorld
Our Product

KNeoWorld.com is a fun education games portal where children play their way through a futuristic and epic world. They do this by playing compelling games that are subtly infused with validated educational content including numeracy, literacy, science and arts
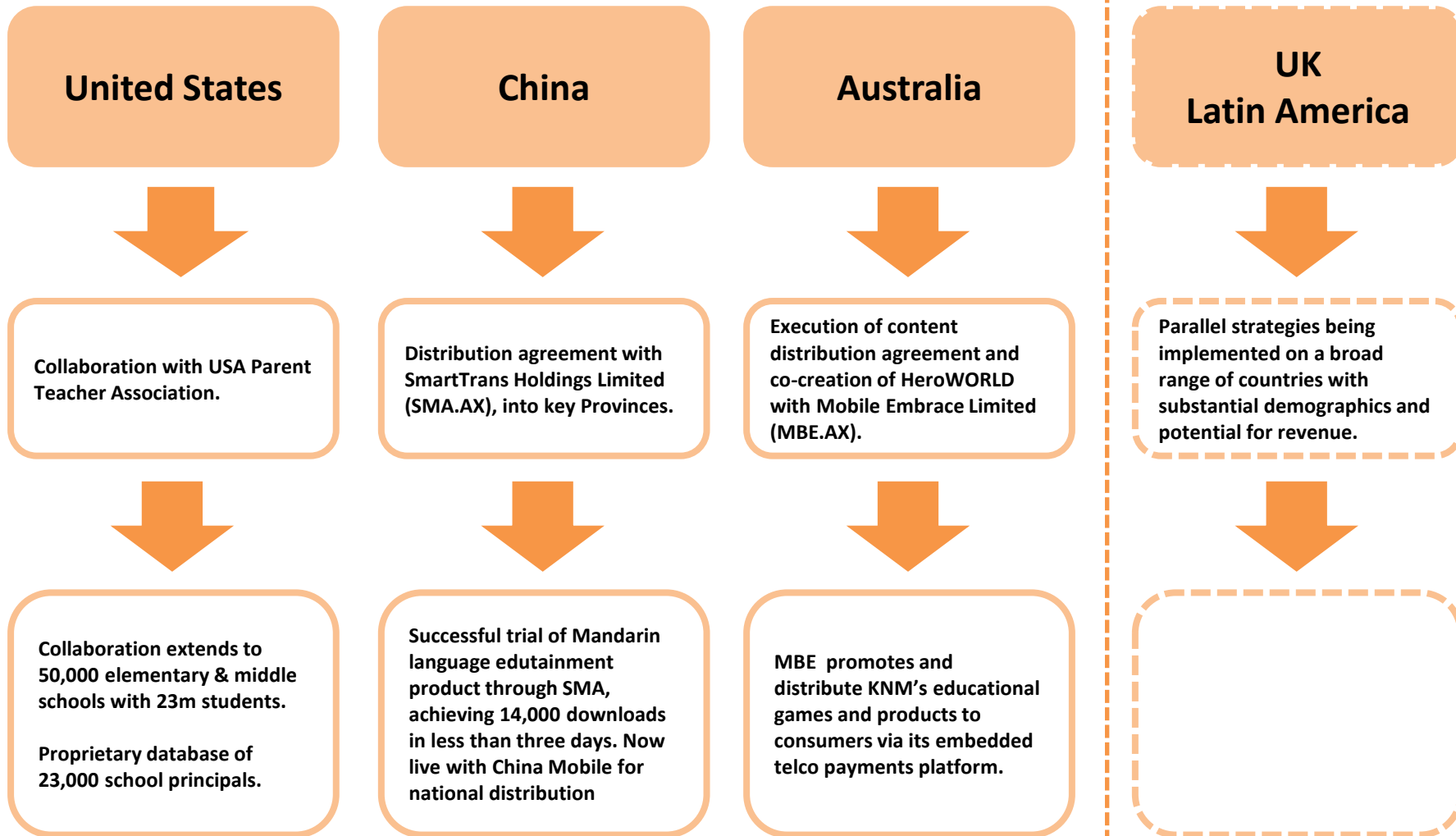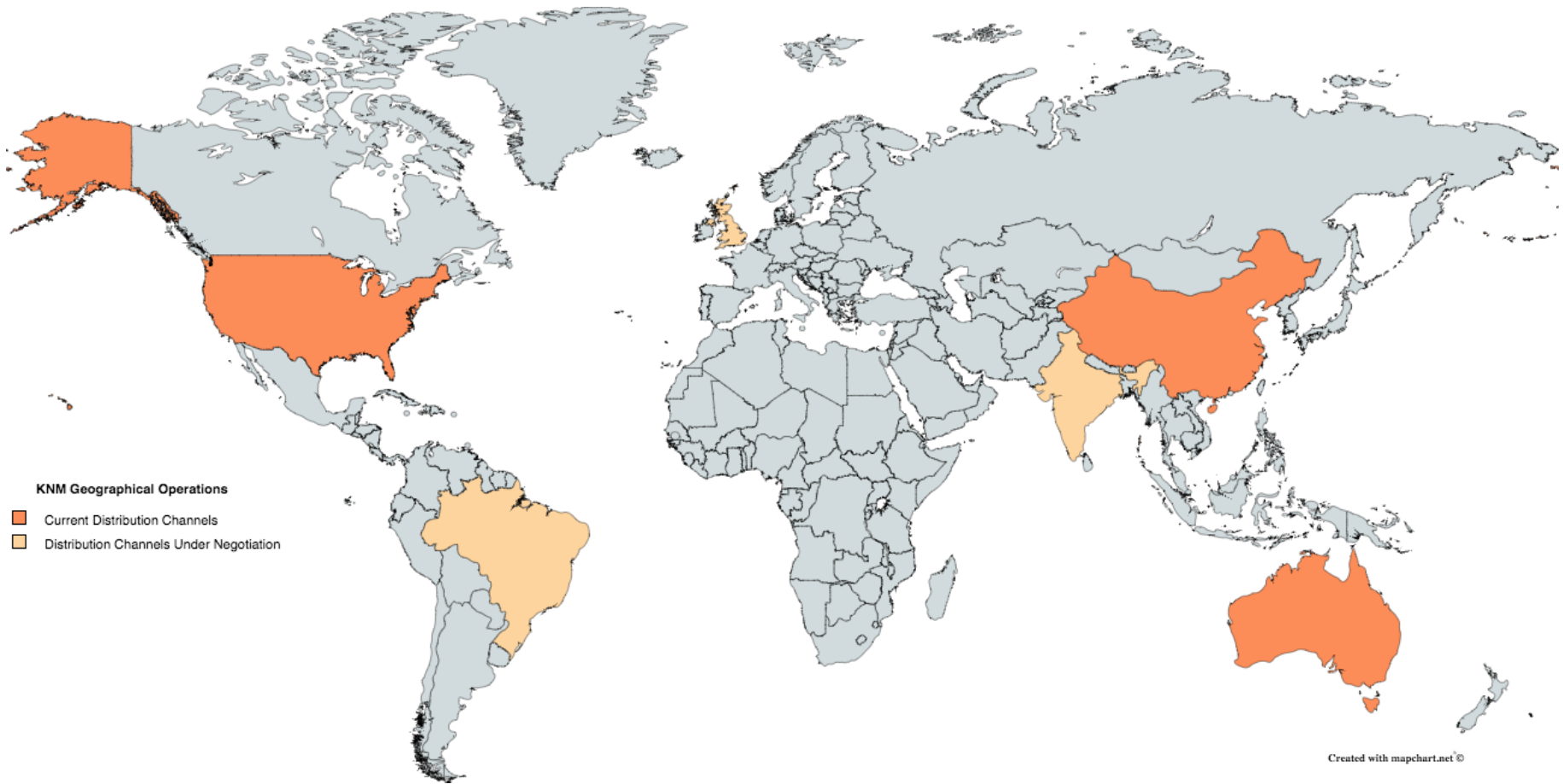
KNeoWorld
On All Platforms

KNeoWorld
Channels to Market

United States	China	Australia	UK Latin America
Collaboration with USA Parent Teacher Association.	Distribution agreement with SmartTrans Holdings Limited (SMA.AX), into key Provinces.	Execution of content distribution agreement and co-creation of HeroWORLD with Mobile Embrace Limited (MBE.AX).	Parallel strategies being implemented on a broad range of countries with substantial demographics and potential for revenue.
Collaboration extends to 50,000 elementary & middle schools with 23m students. Proprietary database of 23,000 school principals.	Successful trial of Mandarin language edutainment product through SMA, achieving 14,000 downloads in less than three days. Now live with China Mobile for national distribution	MBE promotes and distribute KNM's educational games and products to consumers via its embedded telco payments platform.	

Geographical Operations

KNM Geographical Operations

■ Current Distribution Channels
■ Distribution Channels Under Negotiation

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Near Term Revenue & Growth Drivers

Milestones	Q1 2016	Q2 2016	Q3 2016	Q4 2016
China Distribution KNeoJunior		███	███	███
Further Products in China			███	███
Australian Distribution HeroWorld		███	███	███
Additional Territories HeroWorld			███	███
Additional DCB partners		███	███	███
USA/PTA Rollout		███	███	███
Education Dept Sales NYC		███	███	███
Education Dept other US cities			███	███

Thank you for attending

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*Source: Ambient Insight: 2012 – 2017 Worldwide Games Based Learning Market Report