

entellect LIMITED

**Chief Executive Officer's Presentation
Annual General Meeting
15 December 2014**

**James Kellett
Chief Executive Officer**

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TODAY'S PRESENTATION

- Recent Milestones
- FY 14 In Summary
- KNeoWORLD – our product
- KNeoWORLD – market channels
- KNeoWORLD - monetisation
- Target Milestones for 2015

RECENT MILESTONES

MONTH	MILESTONE
June 2014	Unmarketable Share Parcel Reduction Facility underwritten reducing number of shareholders by approximately 3,000 thereby reducing administration costs.
September 2014	Signed agreement with SmartTrans Limited (ASX:SMA) for product distribution on their Direct Carrier Billing Platform which services 3 of the largest Telcos in China and 1.3b smart devices.
November 2014	Major product update completion to comply with Apple's new iOS8 operating system.
November 2014	Completion of successful in-school trials in New York City confirming educational efficacy and compelling play therein validating KNeoWORLD's PTA fundraising and foundation-funded revenue models.
November 2014	R & D Grants approved resulting in total cash grants of \$900k July to Nov 2014 with ongoing access for 2015.
December 2014	Announced first significant revenue in excess of US\$100,000, receivable in January 2015 and anticipated to be the commencement of further foundation-funding revenue as the model is deployed in additional New York City schools from January 2015 onwards with other US states anticipated to follow.

FY 2014/DECEMBER 2014 IN SUMMARY

- FY 2014 and the last 6 months has been a period of continued product development supported by further investor investment and R & D Grants recognising the product research and development undertaken in KNeoWORLD.
- KNeoWORLD Games Based Learning Portal is now available world wide on:
 -  in all browser formats.
 -  including iOS8.
 -  currently releasing Chinese, Spanish and Russian language versions on Android.
- January 2015 will see all emphasis on revenue generation across the market channels we have been building simultaneously with product development.

KNeoWORLD – OUR PRODUCT

KNeoWORLD.com is a fun education games portal where young students play their way through a futuristic and epic world and are introduced to the concept of career selection and progression. They do this by playing compelling games that are subtly infused with validated educational content including numeracy, literacy, science and arts. Kids are going to play games, GBL works, we provide safe, fun and compelling game play at a low subscription price.



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KNeoWORLD MARKET CHANNELS

KNeoWORLD GAMES BASED LEARNING PORTAL

SINGLE GAME
99c

KW ARCADE
\$2.99

KW STORY
\$4.99pm

CONSUMER

SCHOOL

Available on the
App Store

ANDROID APP ON
Google play

**TELCO PHONE
PAY**

**FOUNDATION
FUNDED**

**PTA
FUNDRAISING**

LICENCING

 **ONLINE**

China - other
countries soon to
follow inc Australia
& Singapore

USA

**USA/
MALAYSIA**

MALAYSIA

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KNeoWORLD MARKET CHANNELS

USA Parent Teacher Association

ESN has established a sales and marketing initiative with the USA Parent Teacher Association (PTA) as a fund raising sales initiative, www.PTA.org > fundraising.

This collaboration assists our access to at least 50,000 elementary and middle schools and 23 million students in our target market. Under the fundraising initiative 50% of net revenue from each subscription taken out by parents for family access is paid to their individual school PTA.

- US schools heavily reliant on PTA fundraising.
- Alternative products now limited due to health and safety and other restrictions.
- Our recently completed successful pilot program in NYC has facilitated access to 500,000 public, private and catholic school students in the greater New York area via the Parent Teacher Association (PTA) fundraising revenue model.
- Based on New York City success and implementation and other marketing initiatives, including National PTA Convention sponsorship, we expect to expand this revenue model to other states in the US in the coming months including Texas and California where we originally market tested.

KNeoWORLD MARKET CHANNELS

Education Departments Market - USA

- Also validated by the recent successful NYC pilot program, working with eminent New York educators, fund raisers and professionals, and leading US Search Engine and App and hardware companies, we are leading an initiative to embed our Educational Games Portal on 14,000 mobile devices and computers provided to underprivileged students in Harlem to assist their general education and break the “digital divide”
- A second larger district has been identified and is being pursued for a later roll-out.
- A successful deployment in New York will also provide the impetus to expansion of the program throughout USA together with the PTA fundraising revenue model.

KNeoWORLD MARKET CHANNELS

Education Departments Market - Malaysia

- Developing countries are rapidly deploying iPads and Google Chromebooks to students to fast track education by avoiding the cost of printing, distribution and materials obsolescence – Malaysia is leading this initiative in the region.
- KNeoWORLD continues to collaborate with the Universiti Pendidikan Sultan Idris under and MoU with the intention of distribution of the KNeoWORLD Games portal the commercial arm of the University for deployment by the Malaysian Education Department and to the independent Malay-Chinese schools under our PTA fundraising model.
- A successful deployment in Malaysia will provide the impetus for licensing to the Education Departments of other developing countries.

KNeoWORLD MARKET CHANNELS

Consumer Market

- Market virally using digitally optimised and analytical ecommerce platform in conjunction with social media including:
 - Facebook
 - twitter
 - Google display ads/iTunes promotions
 - Traditional PR
- Content provision to mobile payments and marketing companies who partner with major Telco for easy engagement and payment on smart phones and other devices – the 2 click phone payment strategy
 - Signed Distribution Agreement with Australian listed company SmartTrans for substantial penetration in China, and anticipate another similar Agreement for S.E. Asia and Australia.

KNEOWORLD MONETIZATION

- Child Online Privacy Protection Act, USA (COPPA) has restricted the content, external promotional links, use of personal data and any identifying data of children under 13 years
- Offices of Fair Trading in many jurisdictions are applying heavy penalties for misleading advertising and conduct
- iTunes' new curated store for children is not only applying the strictest application of COPPA but also stringent parent gates (approval) and bans on; in App purchases, pop-up advertising and external links
- **Effectively the 2 most common forms to monetize children's games are being shut down**
- **In this rapidly changing environment KNeoWORLD's Apps are fully compliant and our parent approved simple subscription model provides us with a great opportunity to quickly deploy in a product vacuum and become a market leader**

Target Milestones– 2015

- January 2015 will see all emphasis on revenue generation across the market channels we have been simultaneously building.
- Completion of the previously announced American Depository Receipt (**ADR**) Program to provide investment access to US investors who are becoming more aware of KNeoWORLD and Entellect.
- Principal objective is to achieve positive cash flow and earnings to dramatically increase shareholder value.

Thank you for attending

James Kellett
Chief Executive Officer
15 December 2014

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