



KNeoMedia Limited (ASX:KNM) Investor Presentation – Q1 FY2016

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



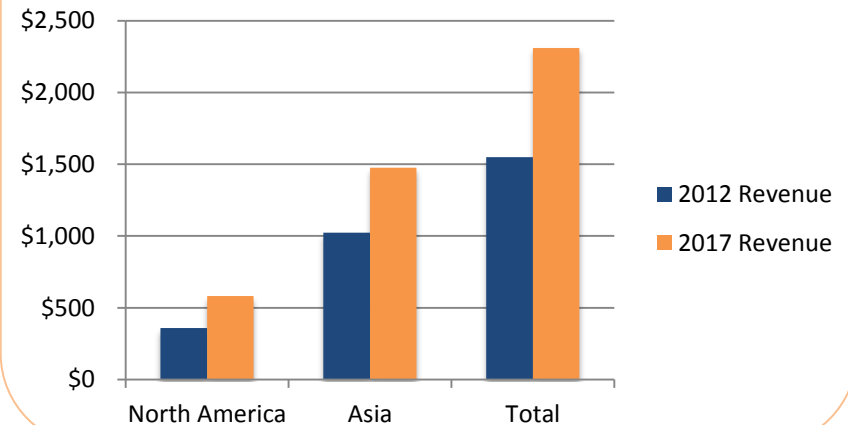
Worldwide game-based learning market reached \$1.5 billion in 2012 with a global growth rate of 8.3%*

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%

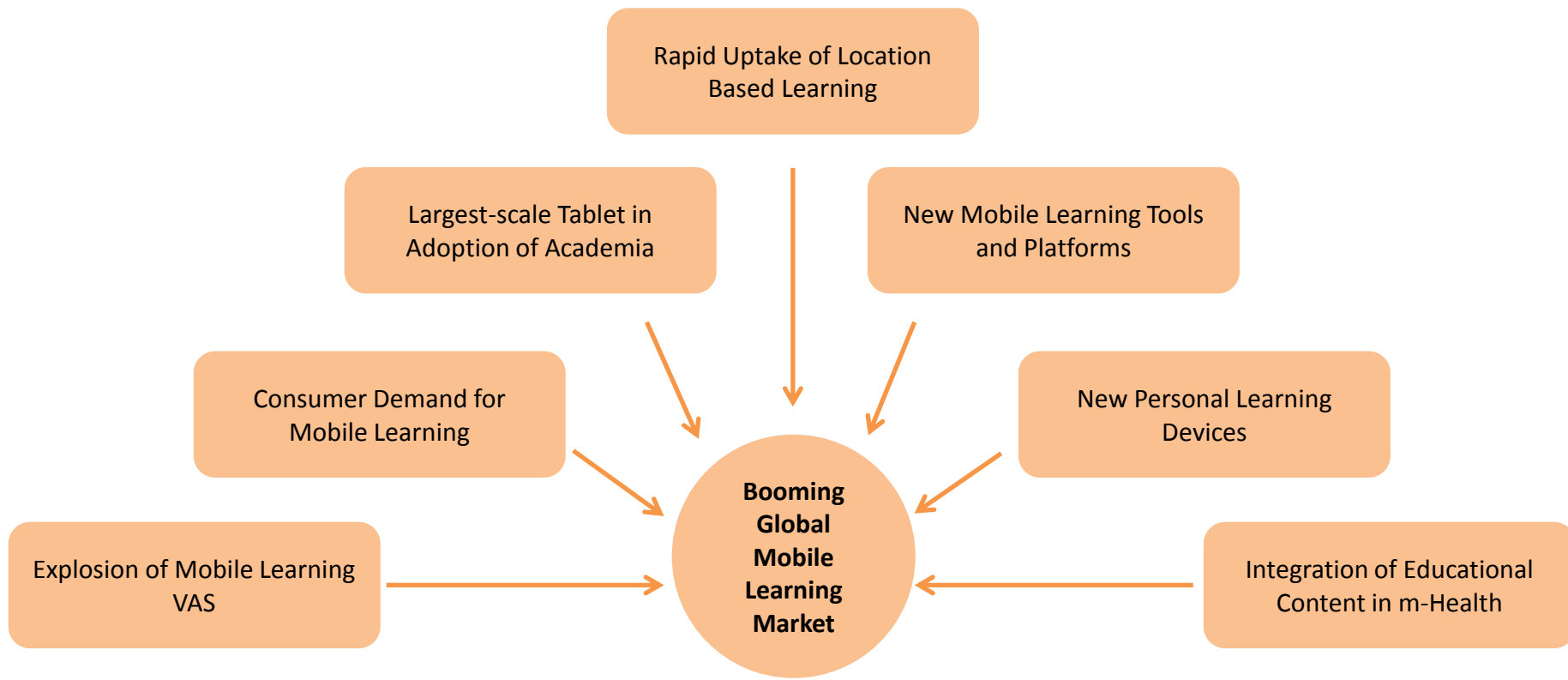
2012 - 2017 Games Based Learning Revenues (\$US Millions)



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%

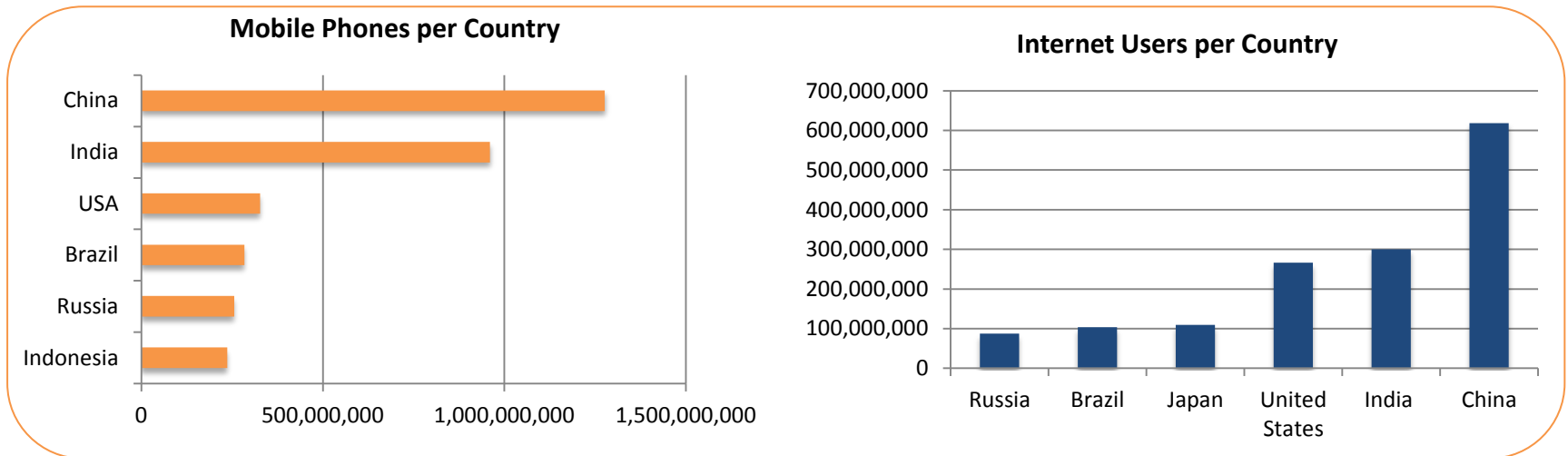
Market Overview

All Roads Lead to Mobile Device Platforms



Market Overview

Worldwide Smartphone Usage



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

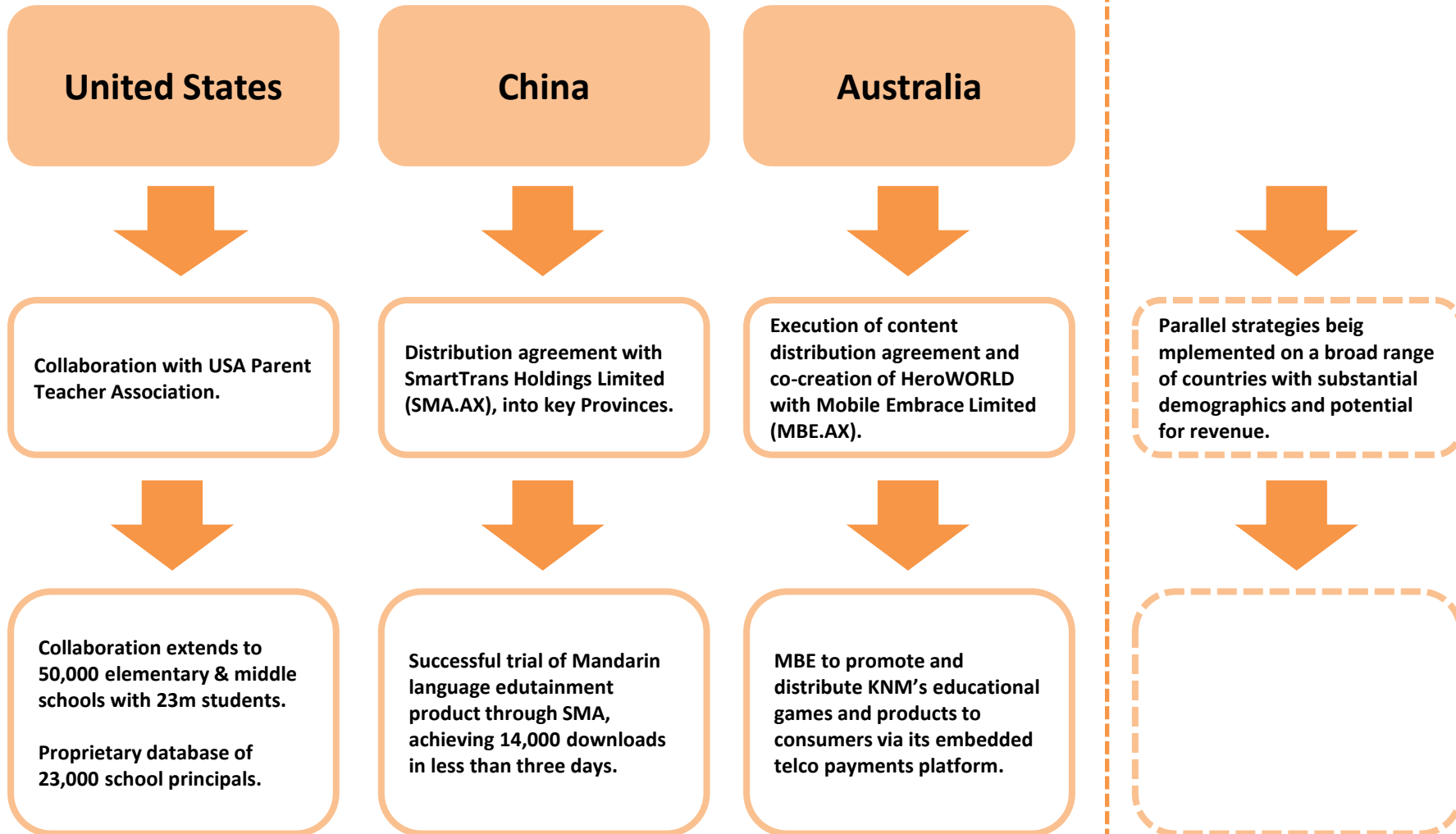


KNeoWorld On All Platforms



KNeoWorld

Channels to Market



Rapidly Changing Monetization



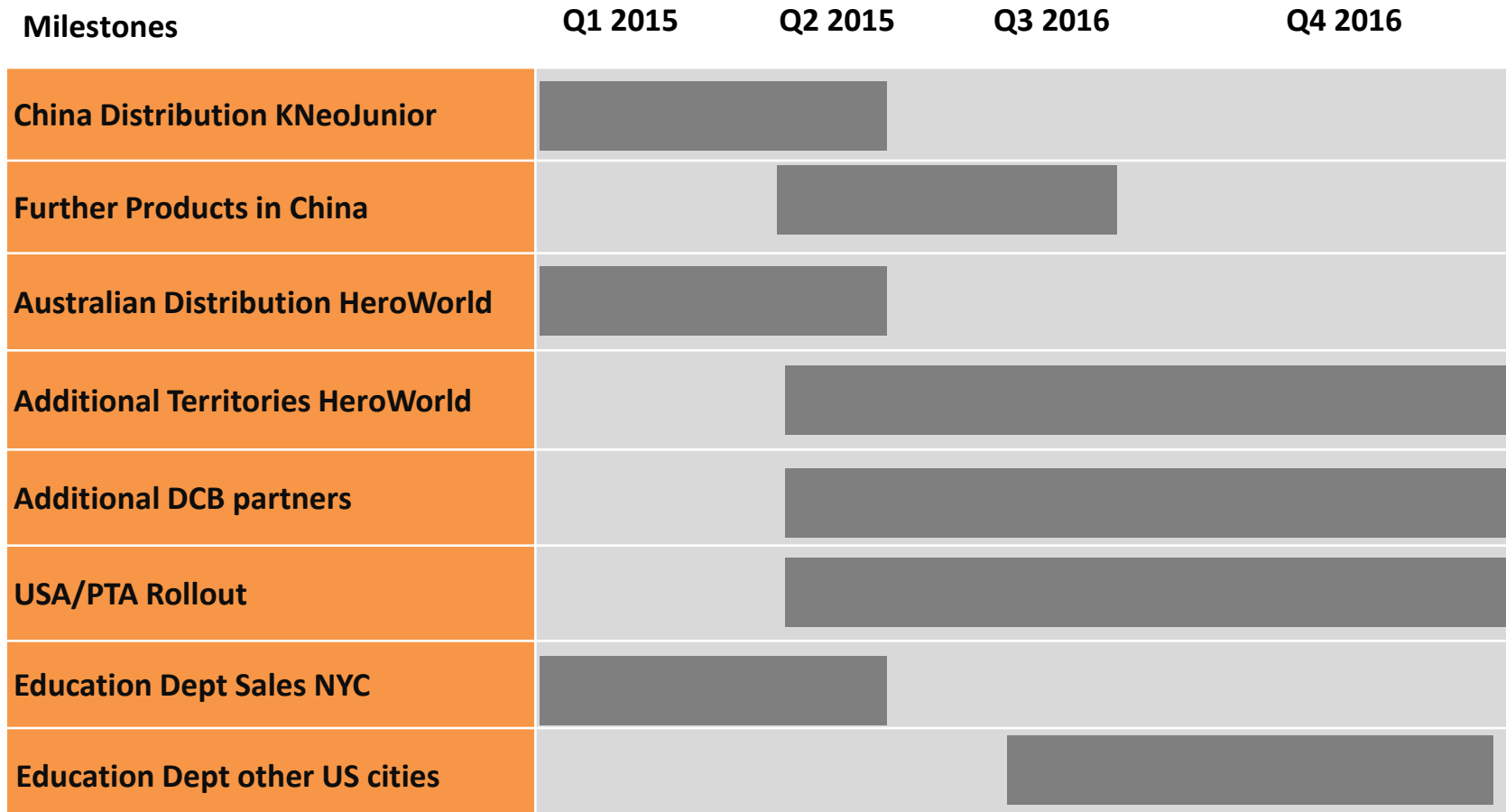
Child Online Privacy Protection Act, USA (COPPA) has restricted the content, external promotional links, use of personal data and any identifying data of children under 13 years

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

While the 2 most common forms to monetize children's games are being shut down, KNeoWORLD's products are fully compliant and our parent approved simple subscription model provides us with a strong market opportunity.

Near Term Revenue & Growth Drivers



Company Snapshot



Corporate Snapshot	
ASX Code:	KNM
Market Cap (@\$0.027/share)	\$4.64m
52 week high (\$/share)	\$0.075
52 week low (\$/share)	\$0.015
Shares on issue	171.85m

Board of Directors & Management:



CEO & Executive Director:
James Kellett



Executive Director:
Franklin B. Lieberman



Non Executive Director:
Jeff Bennett



Senior Producer:
Carlo Spic

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