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*
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)

<table>
<thead>
<tr>
<th>Region</th>
<th>2012 Revenue ($US Millions)</th>
<th>2017 Revenue ($US Millions)</th>
<th>Five Year CAGR 2012 - 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>$359.18</td>
<td>$582.00</td>
<td>10.1%</td>
</tr>
<tr>
<td>Asia</td>
<td>$1,029.43</td>
<td>$1,475.10</td>
<td>7.5%</td>
</tr>
<tr>
<td>Global Total</td>
<td>$1,548.44</td>
<td>$2,309.60</td>
<td>8.3%</td>
</tr>
</tbody>
</table>
Market Overview
All Roads Lead to Mobile Device Platforms

- Rapid Uptake of Location Based Learning
- Largest-scale Tablet in Adoption of Academia
- New Mobile Learning Tools and Platforms
- Consumer Demand for Mobile Learning
- New Personal Learning Devices
- Explosion of Mobile Learning VAS
- Integration of Educational Content in m-Health

Booming Global Mobile Learning Market
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 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**
- Collaboration with USA Parent Teacher Association.
- Collaboration extends to 50,000 elementary & middle schools with 23m students.
- Proprietary database of 23,000 school principals.

**China**
- Distribution agreement with SmartTrans Holdings Limited (SMA.AX), into key Provinces.
- Successful trial of Mandarin language edutainment product through SMA, achieving 14,000 downloads in less than three days.

**Australia**
- Execution of content distribution agreement and co-creation of HeroWORLD with Mobile Embrace Limited (MBE.AX).
- MBE to promote and distribute KNM’s educational games and products to consumers via its embedded telco payments platform.

Parallel strategies being implemented on a broad range of countries with substantial demographics and potential for revenue.
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.
<table>
<thead>
<tr>
<th>Milestones</th>
<th>Q1 2015</th>
<th>Q2 2015</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>China Distribution KNeoJunior</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Further Products in China</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Distribution HeroWorld</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional Territories HeroWorld</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional DCB partners</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA/PTA Rollout</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education Dept Sales NYC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education Dept other US cities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Company Snapshot

Corporate Snapshot

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ASX Code:</td>
<td>KNM</td>
</tr>
<tr>
<td>Market Cap (@$0.027/share)</td>
<td>$4.64m</td>
</tr>
<tr>
<td>52 week high ($/share)</td>
<td>$0.075</td>
</tr>
<tr>
<td>52 week low ($/share)</td>
<td>$0.015</td>
</tr>
<tr>
<td>Shares on issue</td>
<td>171.85m</td>
</tr>
</tbody>
</table>

Board of Directors & Management:

CEO & Executive Director:
James Kellett

Executive Director:
Franklin B. Lieberman

Non Executive Director:
Jeff Bennett

Senior Producer:
Carlo Spic
Contact Details

James Kellett
Chief Executive Officer
M +61 439805070
US +14156017421
JKellett@KNeoMedia.com

KNeoMedia Limited
Level 1, 61 Spring Street
Melbourne Vic 3191 Australia
(03) 9286 7500
www.KNeoMedia.com

KNeoWORLD Inc.
Level 12, 1501 Broadway
New York 10036 USA
+1 800 213 7456
www.KNeoWorldInc.com
www.twitter.com/KNeoMedia
Disclaimer

This document does not, and does not purport to, address any or all issues which are or may be material or of interest to the Recipient in connection with its own due diligence review of the Company, the Business or otherwise. The Recipient may not, and by receiving this document the Recipient acknowledges that it is not entitled to and agrees not to, rely on any part of this document (whether as to a matter of fact, forecast, opinion or belief) for any purpose whatsoever.

Certain statements in this document relate to the future. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of the Company and the Business to be materially different from future results, performance or achievements expressed or implied by such statements. Such forward looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future. No representation, assurance or guarantee is given that the occurrence of the events expressed or implied in any forward looking statements in this document will actually occur. The forward looking statements in this document reflect views held only at the date of this document.

Past performance information given in this document is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. By accepting this document, the Recipient agrees that it will make and rely solely upon its own due diligence investigations and enquiries and will not in any way rely upon any of the information in this document or use this document for any purpose other than as information to assist the Recipient and its advisers to undertake its own due diligence investigations and enquiries.

None of the statements, opinions, projections, forecasts or other forward-looking information contained in this document have been independently verified and no commitment, representation or warranty, express or implied, is made in relation to their accuracy, reasonableness or completeness. Furthermore, where statements in this document are taken from or attributed to sources created by third parties, the Recipient should have regard to those sources and rely on its own enquiries.

KNeoMedia has prepared this document based on information available to it at the time of preparation and subject to the qualifications in this document. To the maximum extent permitted by law, neither the Company nor any of its respective related bodies corporate or other affiliates, directors, officers, employees, representatives, agents, advisors or their respective advisors’ affiliates or partners, directors, officers, employees or contractors (each a Limited Party and together the Limited Parties) takes any responsibility for the contents of this document or any action taken by the Recipient or any other person on the basis of any information in the document. The Limited Parties disclaim any obligation or undertaking to disseminate after the date of this document any updates or revisions to any forward looking statements to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based. To the maximum extent permitted by law any and all liability in respect of this document and the information contained within it is expressly excluded including without limitation any direct, indirect or consequential liability, expenses, losses, damages or costs incurred by the Recipient or any other person as a result of their receipt or use of this information or arising from the information in this document being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. No Limited Party makes any representation or warranty, express or implied, as to the currency, accuracy, completeness, reliability, fairness or correctness of the information contained in this document or about KNeoMedia generally or any opportunity to invest in KNeoMedia in the future.

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