



Half Year 2016 Results Presentation



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1H 2016 Highlights

Operational



- **7.5m average monthly new downloads**, up 64% on 1H 2015
- **Monthly active users reached an average 11.8m**, a 64% increase on 1H 2015
- **1.2m daily active users**, an increase of 111% on 1H 2015
- **Total installations of apps reached 219.9m**, up 56% on 1H 2015
- Successfully launched **30 new games** - downloads and MAUs continued to climb representing the continued demand and long tail effect of the app portfolio
- **Further publishing agreements** signed **with Xiaomi**, China's largest smartphone maker and **Tencent**, China's largest internet service portal and provider of entertainment and mobile services
- **Continues to demonstrate ability to partner with leading brands** - Partnership **with Lionsgate** for Norm of the North and post the quarter a partnership **with DreamWorks Animation** to publish book apps based on 5 of its well-known film brands.

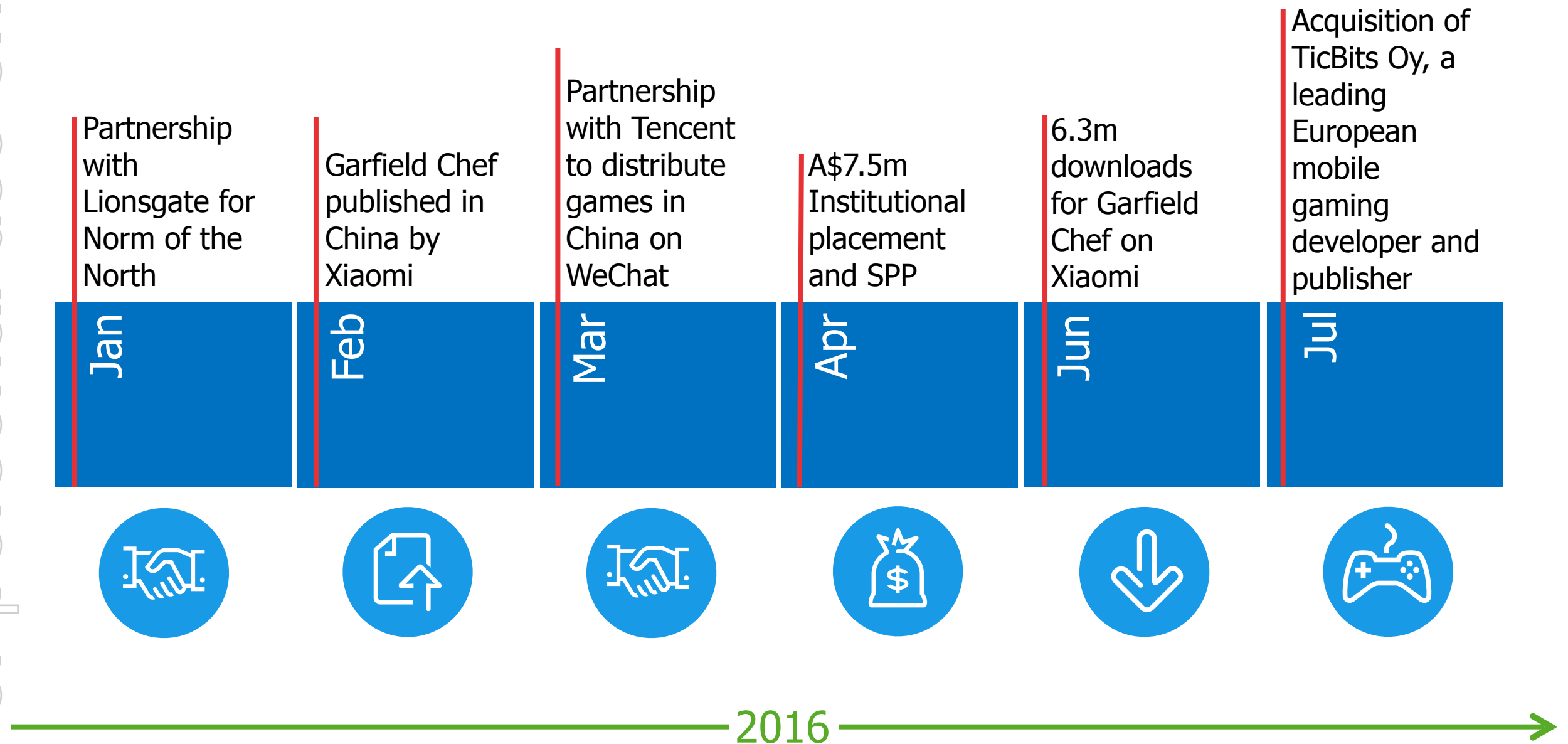
Financial



- **Total of A\$7.5m raised in 1H 2016**
 - A\$6.5m Institutional Placement that received considerable support from sophisticated investors
 - A\$1.0m Share Purchase Plan for existing shareholders that resulted in necessary scale backs
- **Record 1H revenue** of A\$4.0m (vs A\$3.1m for 1H 2015), a +29% growth
- **Net loss of A\$3.3m** primarily due to investment in new products, including e-books, diversifying product portfolio
- **Company remains well funded** to fuel further product development with a cash balance A\$6.2m at the end of 1H 2016
- **Acquisition of TicBits** (post 1H 2016 end) for A\$5.1m in total potential consideration (A\$1.7m in net cash at closing) expanding footprint into European market and providing significant opportunity to increase revenue derived from advertising and IAPs

Achievements – 1H 2016

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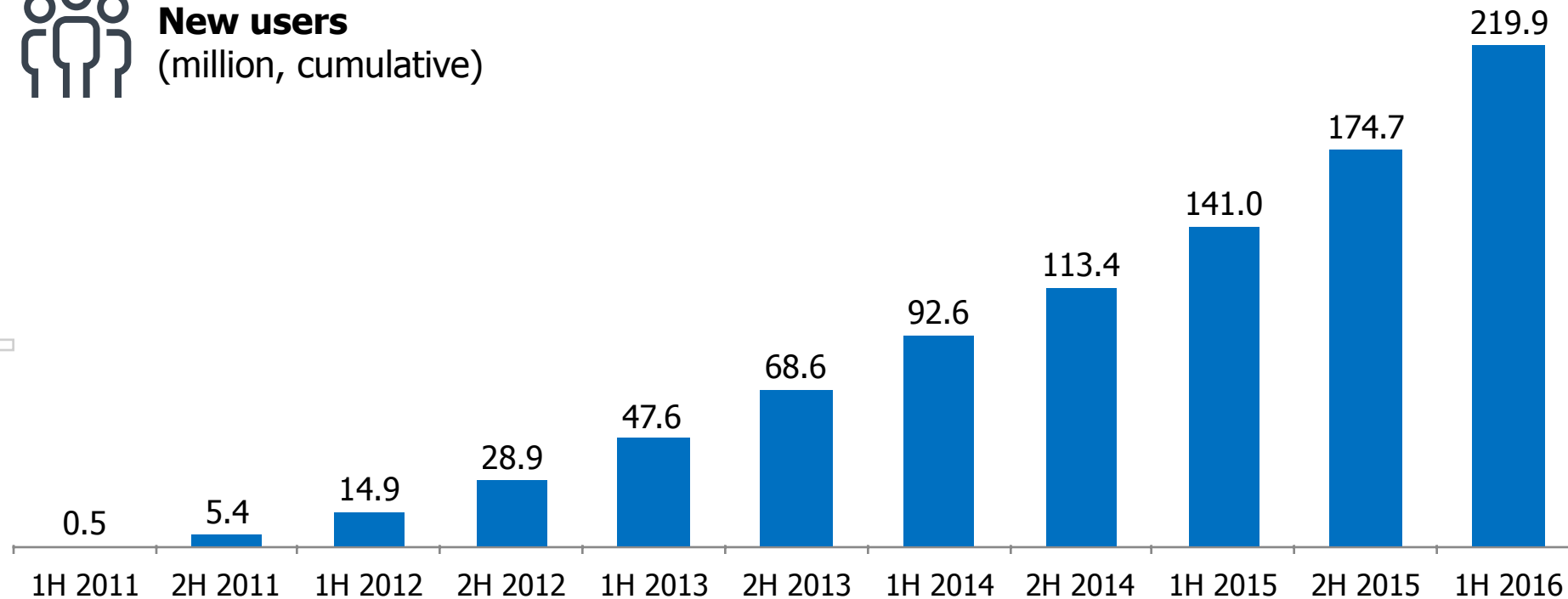


Operational Overview – User Growth and Engagement Continues to Increase

Operating Metrics - 1H 2016	1H 2016	1H 2015	% var
New installations/downloads (cumulative, millions)	219.9	141.0	+56%
Monthly average new installations/downloads (millions)	7.6	4.6	+64%
Average monthly active users ('000s)	11.8	7.2	+64%
Average daily active users ('000s)	1,228	581	+111%
Titles released	30	49	-39%
Total apps	441	385	15%



New users
(million, cumulative)

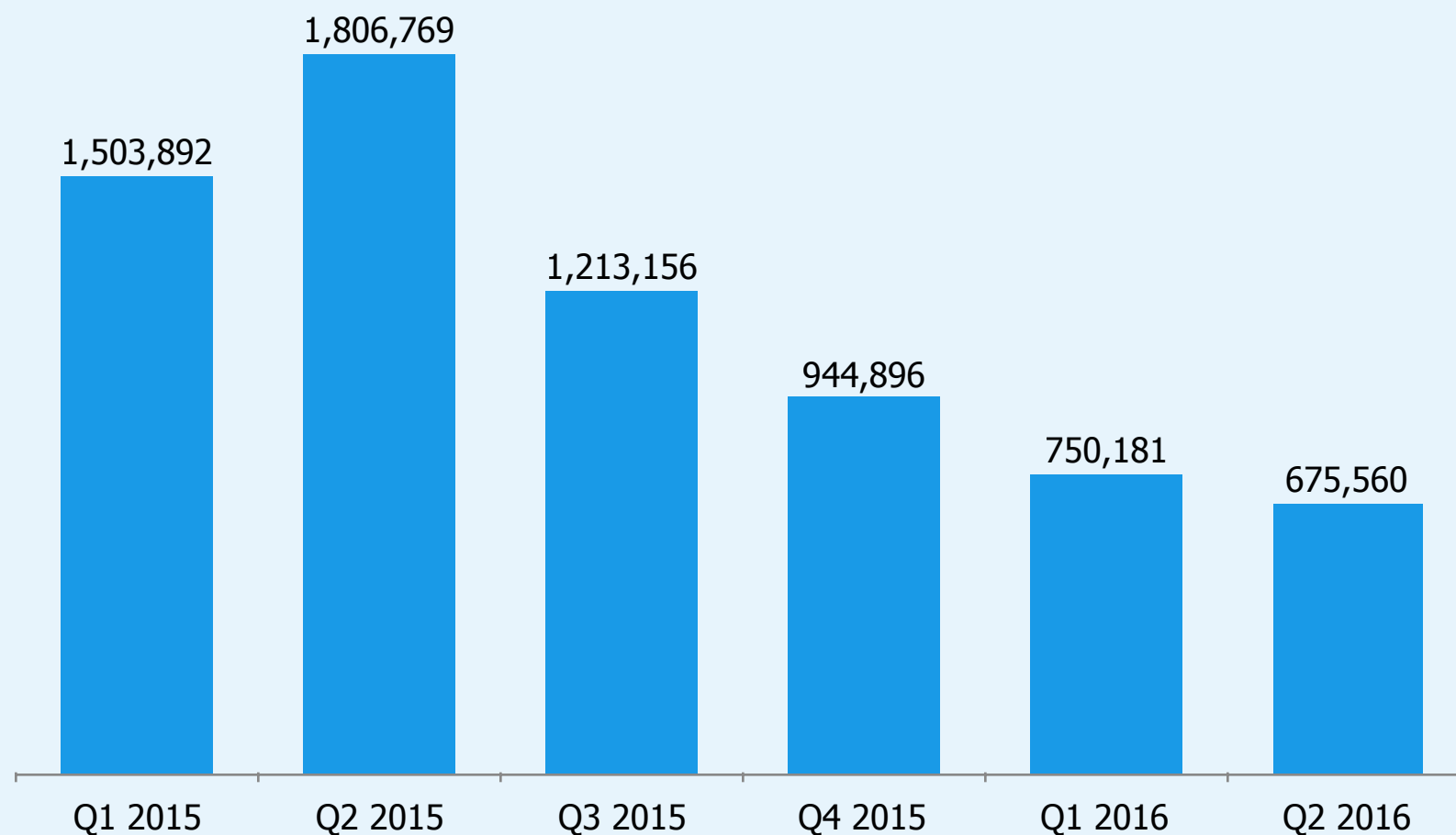


The numbers of average monthly and daily active users continue to increase dramatically. This represents the enthusiastic demand for our new games and the positive long-tail effect on mature games

+26%/+45.2m new users in 1H 2016, highest growth in value ever and in % since 1H 2014

Revenue by App Category – Long Tail Effect

Revenue by quarter from Apps launched before Q3 2015 (A\$)



Apps released prior to July 2015 still generated A\$1.4m in 1H 2016, so the “long tail” of revenues from the portfolio continues to provide a steady revenue base upon which new apps can build.



Note: at constant \$A1.3646 for \$US1.0

Distribution and Brand Portfolio Expands

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Solid Brand Portfolio of 20+ Renowned Brands

Added during and post 1H 2016



Existing brands through existing licensing partnerships



Financial Overview – Profit & Loss Statement



Revenue of A\$4.0m, up +29% on 1H 2015, driven by new app launches in the first quarter and the long-tail effect of existing mobile apps in the second quarter

Loss from continuing operations of A\$3.2 million, primarily attributable to increased investment in the development of new products, in particular, e-books

R&D expense (A\$1.6m) growth reflects the investment in developing e-books, which has all been expensed as incurred, not capitalised

	1H 2016 (A\$'000)	1H 2015 (A\$'000)
Revenue from operating activities	3,986	3,099
Cost of revenue from operating activities	(1,702)	(1,212)
Gross profit	2,284	1,887
Employee benefits expense	(677)	(651)
Marketing expenses	(1,586)	(1,775)
Occupancy expenses	(372)	(257)
Research and development expenses	(2,387)	(785)
Other Expenses	(628)	(558)
Total Expenses	(5,650)	(4,026)
Operational Loss Before Tax Expenses	(3,357)	(2,059)
Other income and gain on fair value adjustment	206	1,877
Income tax expense	(52)	(40)
Loss from continuing operations	(3,203)	(223)

Financial Overview – Balance Sheet



Cash held at the end of 1H 2016 totaled A\$6.2m

Trade and other receivables from Mattel, Apple, Google, and others totaled A\$3.3m at the end of June 2016, and approximately A\$1.6m have been collected

	1H 2016 (A\$'000)	2015 (A\$'000)
Cash and cash equivalents	6,165	4,936
Trade and other receivables	3,319	2,402
Financial assets	423	205
Other current assets	208	44
Plant and equipment	100	26
Total Assets	10,216	7,613
Trade and other payables	1,907	2,898
Short-term provisions	41	42
Other liabilities	2,700	2,906
Total Liabilities	4,649	5,847
Total Equity	5,567	1,766

Financial Overview – Cash Flow Statement



Cash held at the end of 1H 2016 totaled A\$6.2m following successful A\$7.5m Institutional Placement and Share Purchase Plan in 1H 2016

Sufficient capital to roll out new e-book products and expansion of product portfolio

	1H 2016 (A\$'000)	1H 2015 (A\$'000)
Receipts from customers	3,330	2,604
Interest received	9	5
Payments to suppliers and employees	(8,813)	(4,433)
Net cash provided by/(used in) operating activities	(5,474)	(1,824)
Purchase of property, plant and equipment	(83)	(5)
Purchase of financial assets	(218)	-
Net cash provided by/(used in) investing activities	(301)	(5)
Proceeds from issue of shares	7,500	-
Payment of transaction costs for issue of shares	(402)	-
Repayment of borrowings	-	(908)
Net cash provided by/(used in) financing activities	7,098	(908)
Net change in cash and cash equivalents	1,324	(2,737)
Exchange rate adjustments	(94)	99
Cash at the beginning of 1H 2016	4,936	2,855
Cash at the end of 1H 2016	6,165	217

Acquisition of TicBits

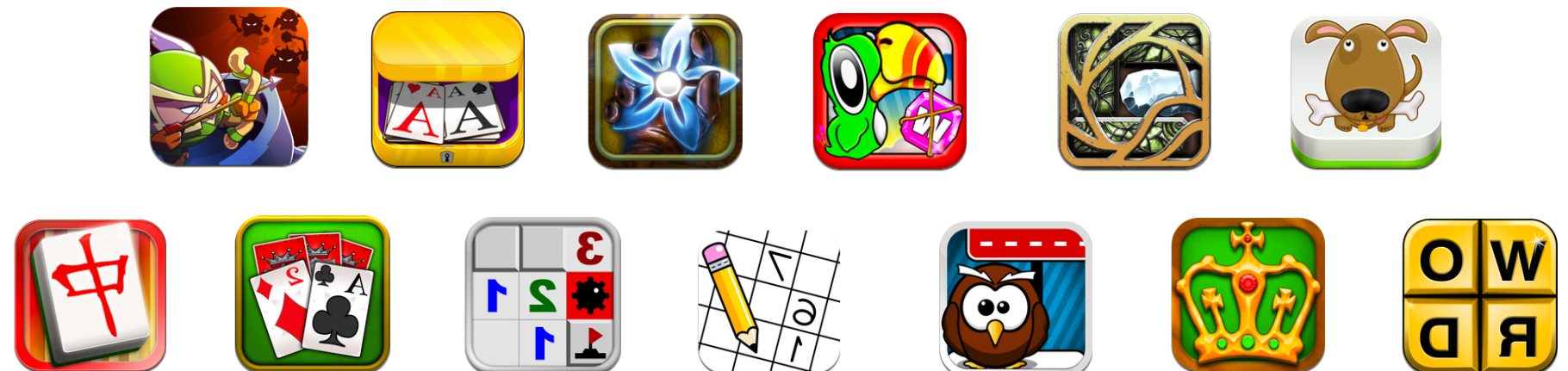
Post 1H 2016, the Company acquired Finnish mobile gaming developer TicBits Oy for a maximum consideration (cash & scrip) of A\$5.1m (of which A\$1.7m net cash was paid at closing with a further A\$1.5m due in 2019).

The acquisition has:

- Expanded user base and game portfolio
- Brought a strong team with expertise across the European gaming market
- Delivered additional opportunities for growth and revenue generation
- Diversified the app product portfolio and grown the brand portfolio further
- Provided for future uplift in revenue
- Solidified the Company's position in the global gaming market and provided a European operational base



Brings a portfolio of 13 games, 750,000 MAU's (March 2016) and revenue of A\$1.5m in FY15.



Outlook



Mobile Apps

- An increase in app launches on Q2, particularly those based on leading brands.
- Long-tail becoming increasingly important contributor to revenues.
- Incorporation of TicBits games and brands, expanding the user base and revenue.
- Planned distribution and marketing synergies with TicBits post-integration.



Expansion into subscription products (e-books)

- Upcoming launch of first subscription product: Thomas & Friends: Read & Play.
- Expansion of brand partners with the announcement to make book apps with DreamWorks Animation, post 1H 2016 end.

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Thank you

Appendix - Capital Structure

Key Shareholders (at close 30 June 2016)

Holder Name	Shares Held	% of total shares
HSBC Custody Nominees	24,834,789	12.11%
FingerFun HK Ltd ¹	14,785,714	7.21%
Asyla Investments Ltd ²	14,021,882	6.84%
Datahouse Investments Ltd ³	14,013,115	6.83%
Intel Capital Corporation	10,934,232	5.33%
Yong Hui Capital Holdings ⁴	10,934,232	5.33%
Hongkong Ledong Tech Ltd ⁵	4,687,103	2.29%
Others	92,766,438	45.25%
Total	205,020,708	100.00%



Performance shares

30 million Class A
15 million Class B

Based on fulfilment of conditions of the performance shares, no more than 13.5m ordinary shares will be issued from the conversion of the performance shares.⁶



Voluntary Escrow Securities

34,752,835 ordinary shares released from voluntary escrow on 18 August 2016

Notes:

1. FingerFun HK Ltd is a subsidiary of Ourpalm Co. Ltd (SHE:300315)
2. The ultimate beneficial owner of Asyla Investments Ltd is Mr. Yat Siu, a director of the Company
3. The ultimate beneficial owner of Datahouse Investments Ltd is Mr. Dennis Kim
4. Yong Hui Capital Holdings is a wholly-owned subsidiary of IDG-Accel China Growth Fund III L.P. and IDG-Accel China III Investors, L.P.
5. Hongkong Ledong Tech Ltd is a wholly owned subsidiary of Forgame Holdings Ltd (HK:0484)
6. The final number of ordinary shares to be issued is subject to determining the amount of revenue recognised in the year to 30 June 2016 that has been cash collected by 30 September 2016, and will be completed in October 2016.