

NetDragon Websoft Holdings Limited

Ticker: 777.HK

Investor Presentation

January 2023



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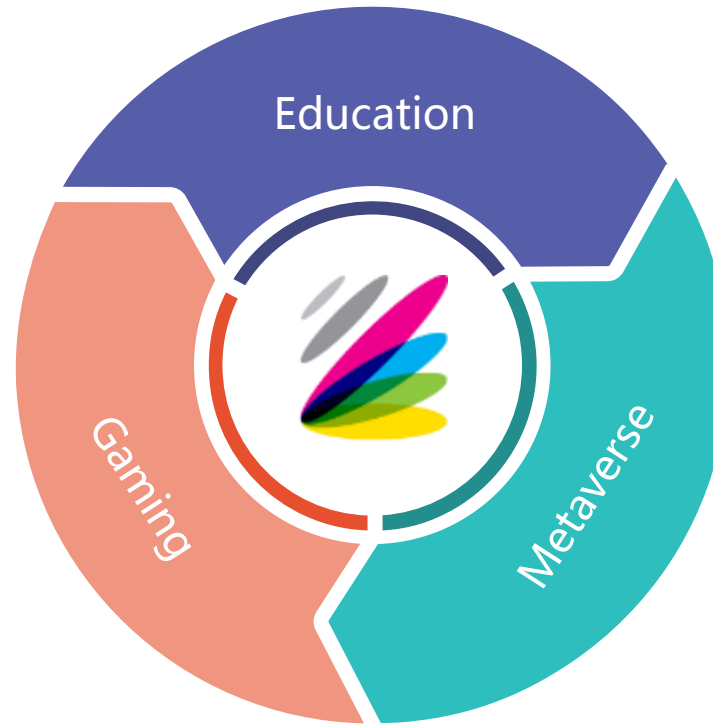
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NetDragon at a glance

- #1 global classroom technology brand* by shipment volume in 1H22
- Best-in-class hardware + software to enable blended learning globally
- Contributed more than 2/3 of topline growth since FY19

- Ranked amongst the TOP 15 gaming companies in China**
- 3.0x top + 5.7x bottom line growth from 2016 to 2021
- Generated ~RMB 8.3B of core segmental profit during the same period



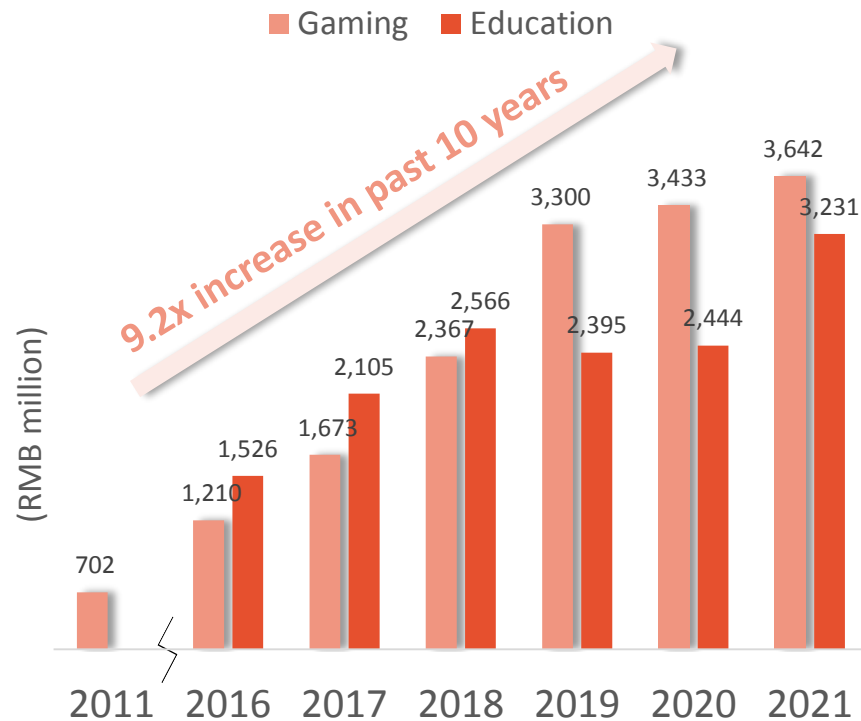
- Accumulated various fundamental technology capabilities for Metaverse, such as AI, VR, 3D modeling, TTS, Hologram, etc.
- Actively invest in frontier business opportunities to fuel the growth

* According to the Futuresource Consulting <Quarter 2 2022 World Interactive Displays> report, Aug 2022

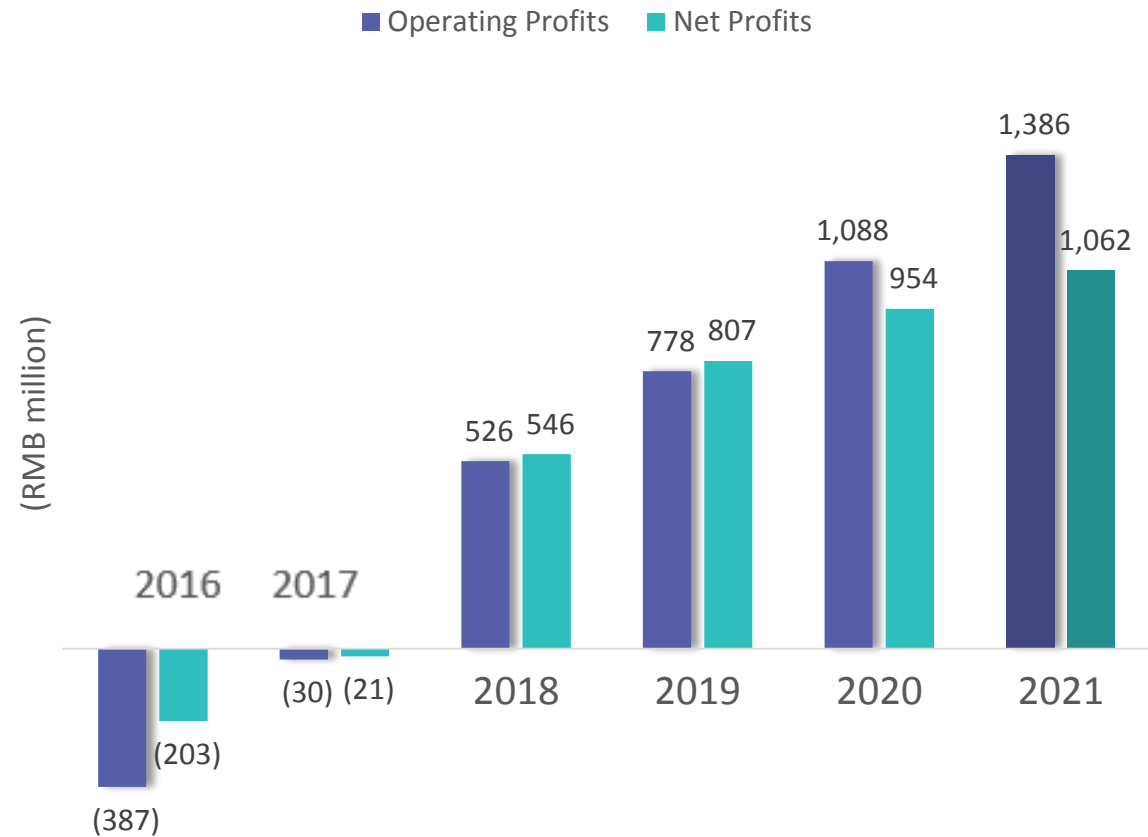
** Ranked by CGIGC "Competitive Report on Listed Gaming Enterprises in 2021"

Track record of growth

Revenue



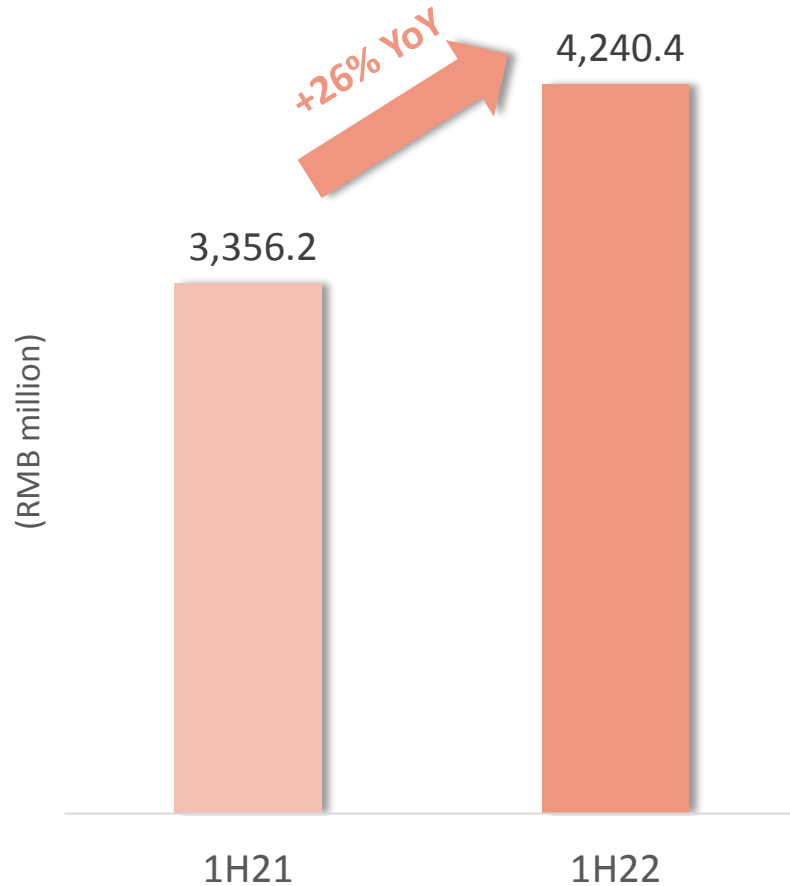
Operating Profits & Net Profits*



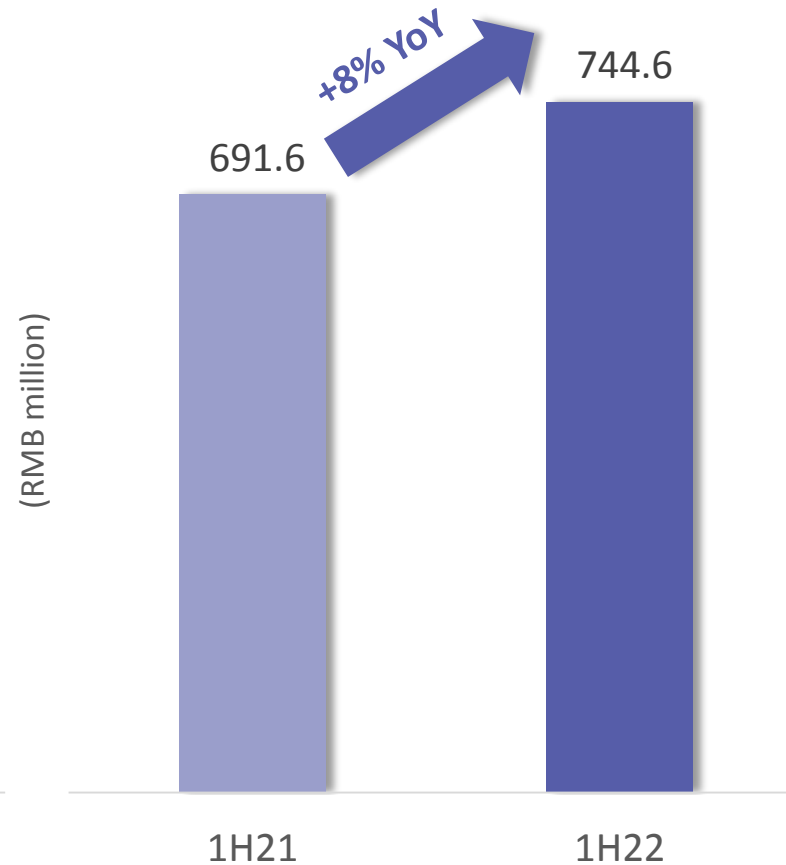
* Net profit attributable to owners of the company

1H22 financial highlights

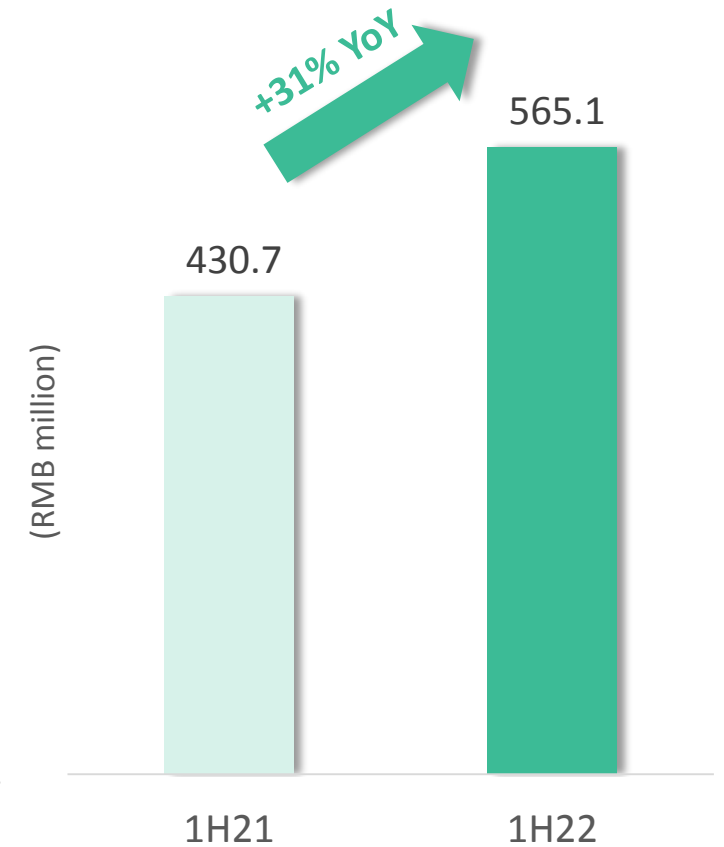
Revenue: RMB 4.2 billion



Operating Profit: RMB 745 million



Net Profit*: RMB 565 million



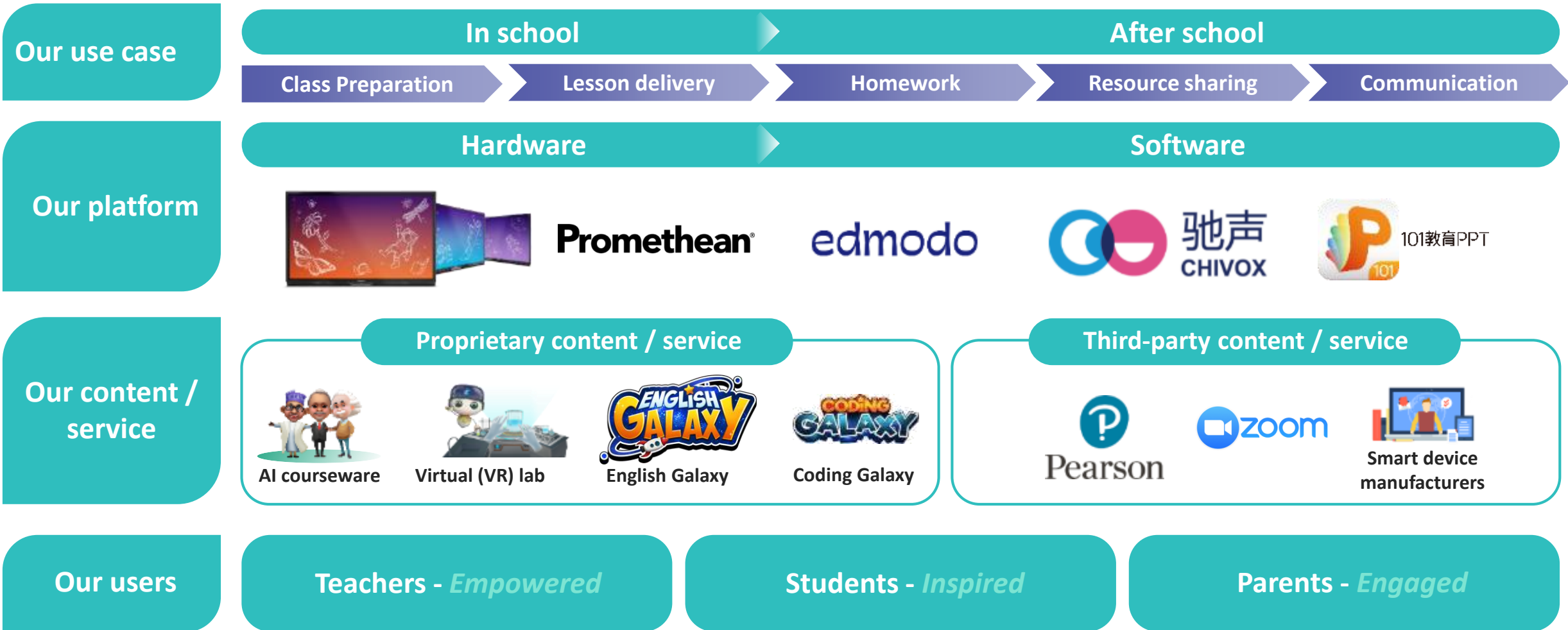
* Net profit attributable to owners of the company



Education Business

Building a Unique Blended Learning Business Model

We are the only global EdTech player with tools and contents covering the entire blended learning value chain



Investment highlights

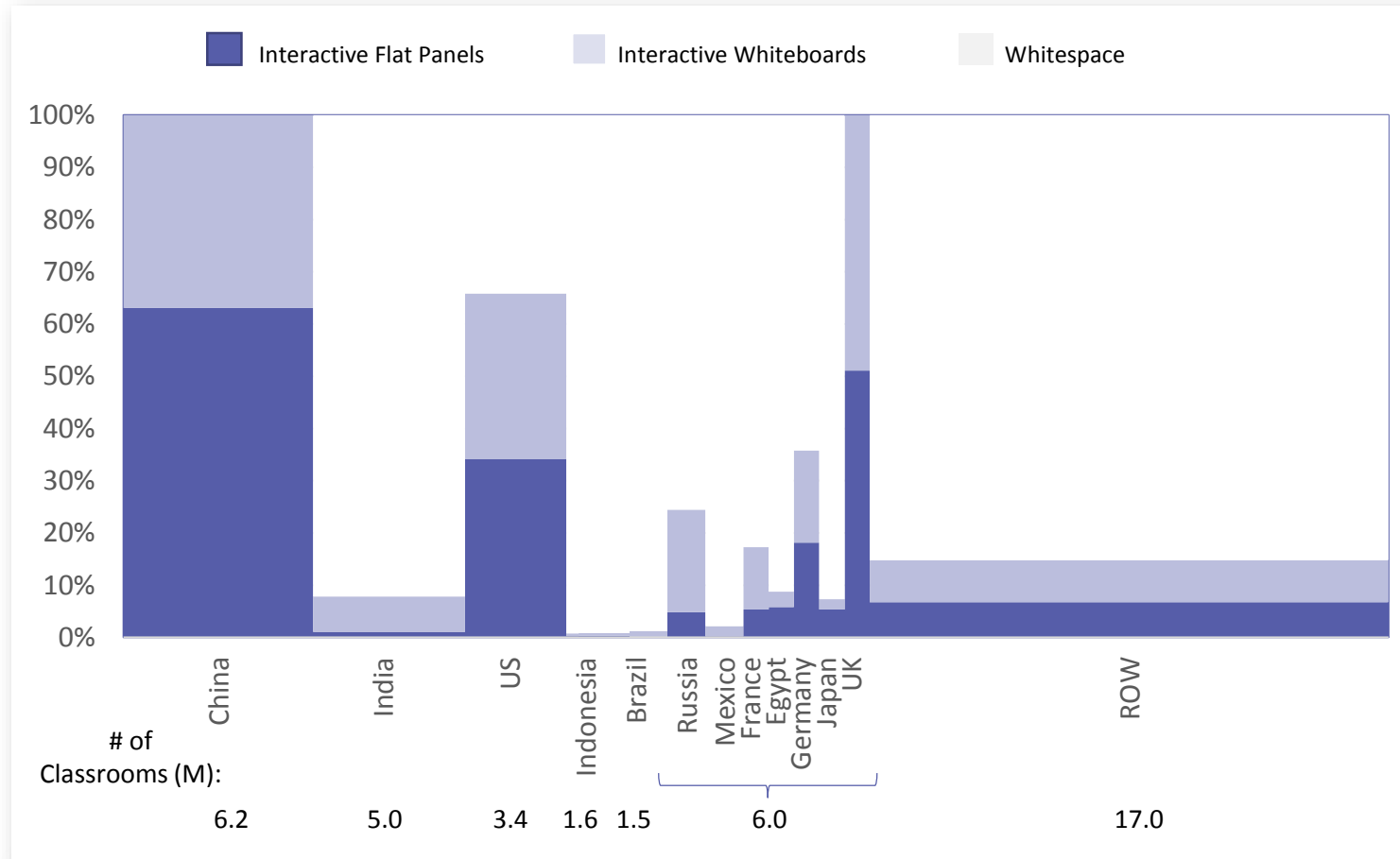
- 1 The #1 global market leader in a **US\$60B+ immediate addressable market**
- 2 Proprietary access to **extensive distribution channels** through **long-standing relationships** with local partners
- 3 Unrivalled **market-leading flagship products** with strong industry recognition and a sticky user base
- 4 **Pioneer in one-stop blended learning solutions** empowered by our technology and our ability to integrate products
- 5 Unique country deployment model results in **high scalability** and **operating leverage**
- 6 Optimal mix of **China and international R&D team** results in **scalable and cost effective product development** with understanding of user needs globally



01

The #1 global market leader* in a US\$60B+ immediate addressable market

Global K12 Classroom Penetration of Interactive Display



~42M global # of classrooms



~ 82% un-penetrated



~\$2,000 ASP** of Interactive Classroom Display per Classroom



Immediate Addressable Market of ~\$69B

+ Upside Addressable Market from software, services, and contents...

* Market share and penetration numbers based on Futuresource Consulting <Quarter 2 2022 World Interactive Displays> report, Aug 2022

** ASP is for illustrative purpose only (Our ASP in 1H22 was US\$ 2,186)

02

Proprietary access to extensive distribution channels through long-standing relationships with local partners



Deep channel network built over 20+ years to enable product reach into classrooms



Dedicated professional development and training team to ensure customized implementation on the ground



Global penetration supported by our local partner network to enable 2G (educational authorities) and 2B (schools) channel reach

Serving global markets for

20+ Years

with deep knowledge of educators' pain points

Cooperation with global partners

1,000+
Distributors/Resellers

Countries Covered Worldwide

100+

03

Unrivalled market-leading flagship products with strong industry recognition and a sticky user base

Successfully grew Promethean into a market leader in classroom technology

Promethean®

Interactive Classroom Technology



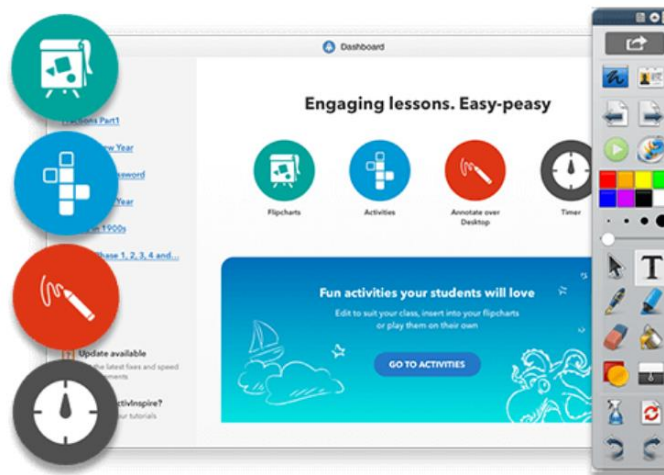
Global #1 Market Leader in K12 Classroom Interactive Display*



Hardware + Software integration
(display panel + lesson prep.
& delivery software)



Enable interactive teaching and collaboration



1.7 Million
Classrooms
(Installed base)

30+ Million
Students

150+
Countries

#1 Market Share*
Worldwide

* #1 market share globally by K12 classroom interactive display sales volume worldwide in 1H22 (Source: Futuresource 2022 Q2 report)

03

Unrivalled market-leading flagship products with strong industry recognition and a sticky user base



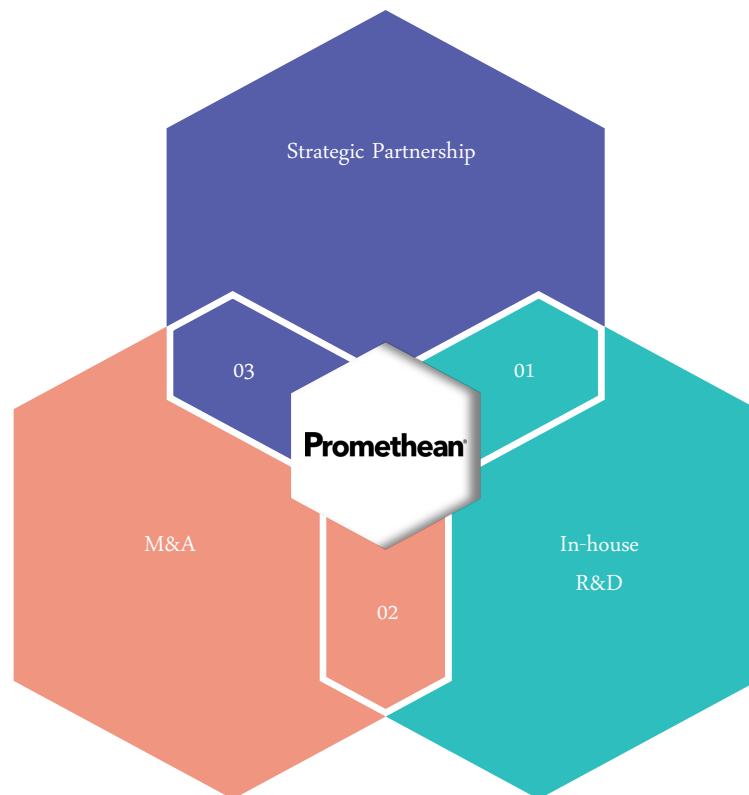
Leveraging our Promethean platform to add new revenue streams in software/content/SAAS



MERLYN MIND

- Leading SaaS-based voice-activated AI solution in the world targeted at K12 education
- Entered into a US-based exclusive partnership to sell via our channel network

- Actively pursuing M&A opportunities with intention to plug in ready-to-monetize content and software onto our Promethean platform



edmodo

- Started off as one of the most popular global learning platforms, well positioned to expand worldwide via B2G model



驰声
CHIVOX

- Top 2 educational voice AI solution provider in China





- Leading English and coding learning AI driven software for K12 students



Unrivalled market-leading flagship products with strong industry recognition and a sticky user base



Our Overall Competitive Edge Puts us in a Great Position to Win in the Market

Understanding of Educators' Needs Across Markets	Sales Network	Complex Implementation Capability	Existing Installed Base	Brand Recognition
<div>Promethean</div> <div>Deep understanding Knowledge gained from serving all major markets for 20 years+</div>	<div>Leading global sales network Over 1,000 Distributors and Resellers, covering 150+ countries</div>	<div>High Track record of multiple large school district rollout and country rollout</div>	<div>Largest globally (ex-China) Estimated 1.7M classroom installed based for future replacement sales</div>	<div>Top education brand As a market leader for >20 years and #1 in market share (ex-China)</div>
<div>Other IFPD Brands</div> <div>Major players are either not focused in education or entered edtech space only in recent years</div>	<div>Many new entrants are competing on pricing in setting up their sales network</div>	<div>Mostly Low to Medium</div>	<div>Mostly Low to Medium</div>	<div>Varies depending on the brand</div>

Pioneer in one-stop blended learning solutions empowered by our technology and our ability to integrate products



Egypt

- Delivered 30K+ *Promethean* panels since FY19, and signed definitive agreement in 1H22 for another 90k panels
- Roll out *Edmodo World* nationally as the customized learning platform with software revenue stream expected in 2023
- Aiming to distribute educational software, service and content via *Promethean + Edmodo* platforms

Pioneer in one-stop blended learning solutions empowered by our technology and our ability to integrate products



Thailand

- Positive results for the pilot program of English Smart Classroom Lab, powered by our *Chivox* and *English Galaxy* products to be operated on our *Edmodo* platform
- National roll-out of English Smart Classroom Lab expected in coming quarters
- Commercial-scale revenue expected in 2023

Pioneer in one-stop blended learning solutions empowered by our technology and our ability to integrate products



China

- NetDragon is the selected technology provider for NCET* (direct edtech unit of China MOE) in the development of the **National K-12 Smart Education Platform****, launched in March 2022
- *National K-12 Smart Education Platform* is the go-to learning management platform intended by MOE for top-down nationwide adoption by K12 students in China
- Average daily viewing reaching 40 million since March 2022
- Another nationwide 2G product – “**Virtual VR Lab*****” platform launched in partnership with NCET, with coverage of K12 schools in 31 provinces

* China National Centre for Education Technology

** The MOE of China held a dedicated press conference to show case the progress of this platform: <http://www.moe.gov.cn/fbh/live/2022/54324/>

*** For further details of this product, please refer to the product website: <https://ndepc.101.com/product/3>

05

Unique country deployment model results in high scalability and operating leverage

📝 Zero customer acquisition cost as a result of top down 2G adoption

One-stop Blended Learning Solutions

District / National level



One-stop blended learning offerings + ability to understand and meet bespoke requirements with “local” knowledge

= **Unique position to address government’s EdTech needs**



First mover to implement this model at scale, while enlarging our competitive lead with wins in multiple countries

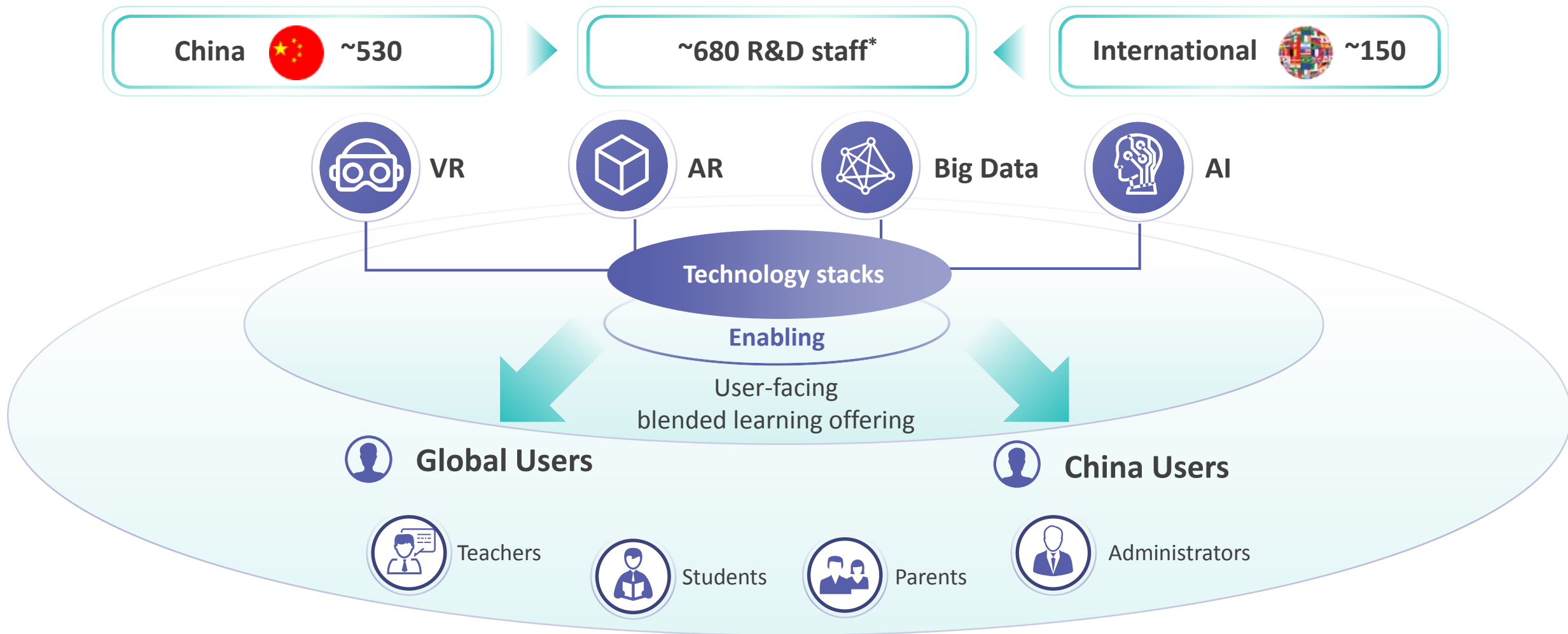


Top-down adoption results in **immediate acquisition of:**

- ✓ **millions of teachers; and**
- ✓ **tens of millions of students**

06

Optimal mix of China and international R&D team results in scalable and cost effective product development with understanding of user needs globally



* As of Jun 2022

Growth drivers into the future

Baseline Drivers

New Normal for Education



The pandemic has led to inelastic demand for blended learning globally

Growing Penetration



Interactive Classroom Display Penetration Globally (ex. China) is still less than 6%*

Continued Market Share Growth



- Expand beyond “premium market”, further opening ourselves up to 40%+ of the addressable market

Newly-created Drivers



Software/Content/SAAS



M&A and Partnerships



Country Roll-Out Opportunities

* Futuresource Consulting <Quarter 2 2022 World Interactive Displays> report, Aug 2022
Note: The area chart and trend lines are indicative of our base case and additional growth



Gaming Business

Well-established and emerging IPs to drive sustained profitability growth

Gaming IP overview



Eudemons: 1st generation IP with unique scarcity value



Conquer: One of the most popular “Wuxia” MMORPG in overseas



Heroes Evolved: 1st domestic MOBA game in China



Neopets: 150m+ global fans since the 90s



Under Oath: New ACGN game with best-in-class visual design

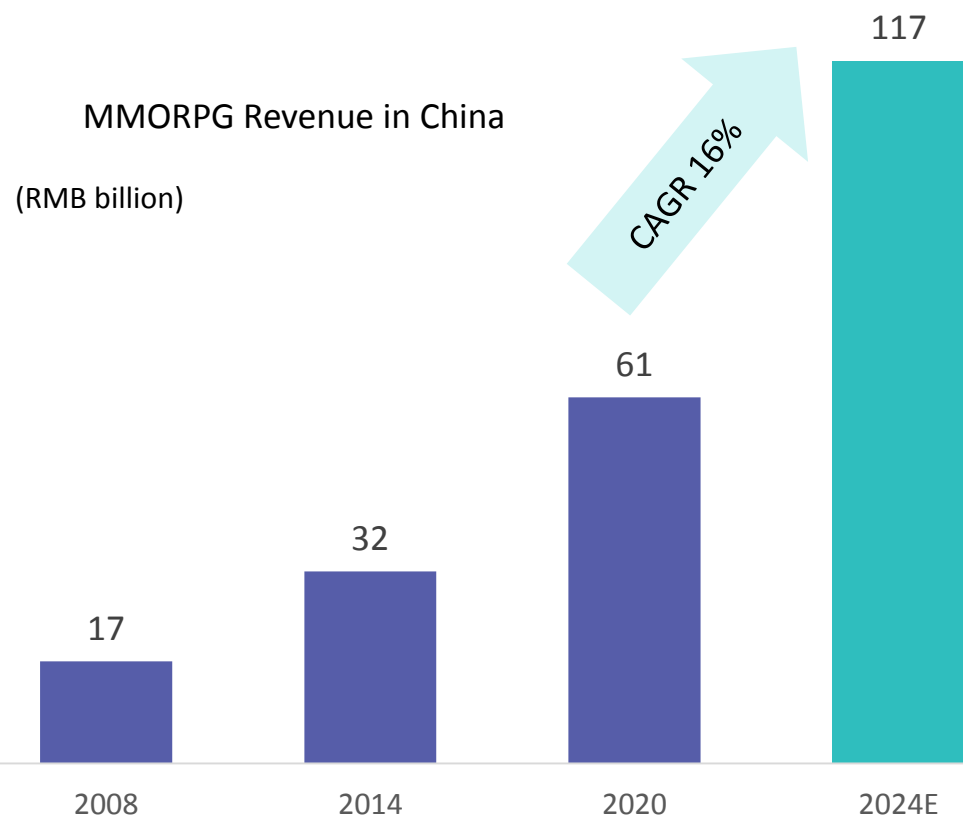
Investment highlights

- ① Our Core Market: MMORPG – fast growing genre with huge upside potential
- ② Flagship IP Eudemons - Iconic, non-replicable IP with unique scarcity value
- ③ Exceedingly high R&D barrier to produce MMORPG titles of similar scale
- ④ Strong profitability with high margin riding on strength of IPs and heavy organic traffic
- ⑤ Growth strategy leveraging sustained growth of existing games and strong pipeline
- ⑥ Well positioned to expand into overseas market with proven business model

01

Our Core Market: MMORPG – fast growing genre with huge upside potential

Strong growth trajectory for MMORPG market in China



1

Chinese gaming market was **dominated by MMORPG** prior to the mobile game era (post-2014), creating a deep, loyal base of players in this genre

2

Successful cross-platform evolution of MMORPG games leading to a **CAGR of 16% from 2020 to 2024**

3

Unique gameplay and virtual community continue to attract multi-generations of gamers

4

MMORPG is best-positioned for evolving into **metaverse** era given its strong user interaction, and comprehensive virtual economic / social system

5

MMORPG genre accounts for more than **90% of our 1H22 gaming revenue**

Flagship IP Eudemons - Iconic, non-replicable IP with unique scarcity value

First-mover and most influential western fantasy MMORPG in China



+20 Years

- Accumulated gross billings surpassed RMB 90 billion in China
- The IP is operated by Century Huatong in China, which is currently trading at **12.9x** PE(TTM), with FY17/21 revenue CAGR of 4%



+18 Years

- Continue to be a core revenue contributor to Activision Blizzard
- Microsoft announced in Jan 2022 to acquire Activision Blizzard for US\$68.7B by an all cash offer, at **18.3x** EV/EBITDA (2021)



+15 Years

- **Gross billing surpassed RMB 4 billion since 2019**
- **Robust pipeline of new games to drive revenue growth**

2000

2004

2006

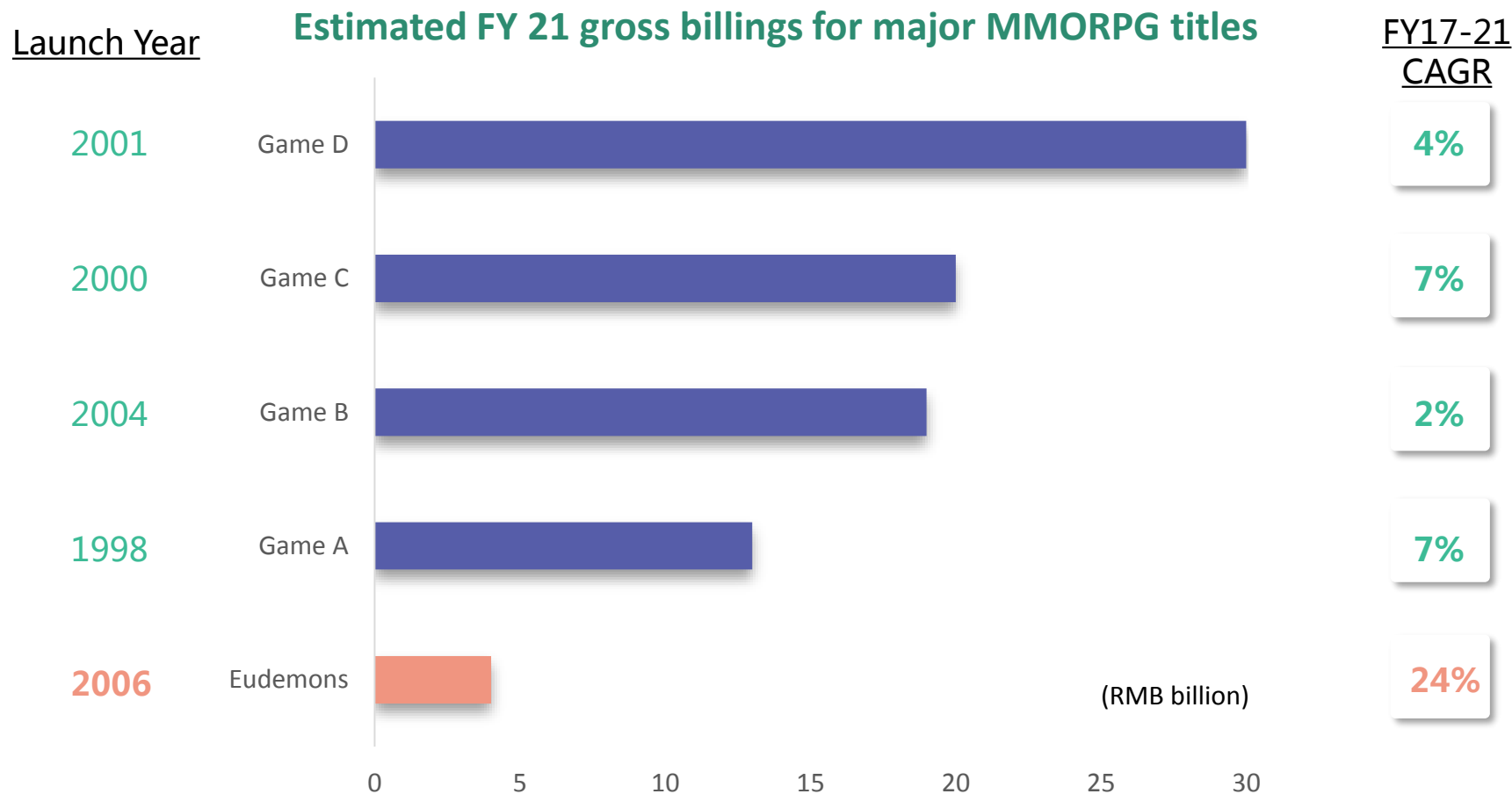
What We Have In Common...

- Iconic IP from early era of online games with **high scarcity value**
- Continuous growth from efforts in **expanding the IP Ecosystem** to other media forms
- **“Brotherhood”** culture icon with huge population of closely-bonded hardcore players
- Core players reaching the life stage with increased and **strong paying capabilities**

Flagship IP Eudemons - Iconic, non-replicable IP with unique scarcity value



Exceptional growth track record with massive room for future growth compared to other major titles



Along with a small group of iconic, non-replicable MMORPG IPs, our *Eudemons* IP demonstrated an exceptional track record of consistent historical revenue growth on the back of our innovation in content and gameplay enhancements that drove a **2.0x increase in MAU**, a **2.5x revenue increase** for our legacy Eudemons Online game (PC/Dual Platform), and a **2.1x revenue increase** for our *Eudemon* mobile games from 2017 to 2021.

Note: gross billings and growth are estimated in reference to relevant company filings and industry research

Flagship IP Eudemons - Iconic, non-replicable IP with unique scarcity value

Value of iconic IPs is further proven by the recent success of “Remake Versions”

	<u>Launch Year</u>	<u>“Remake Version” performance</u>
	1997	Final Fantasy VII Remake Version was released in April 2020, and became one of the best selling PS games historically with the first three days sales reached 3.5M copies, surpassing the IP’s most recent update (FF 15)
	2007	TLBB: Vintage Version (天龙八部：怀旧版) launched in 4Q20 boosted the gaming segment of SOHU significantly. For the seven quarters after the launch, average quarterly revenue was up ~50% .
	2002	JXQY I: Gui Lai (剑网I: 归来) was ranked 3 rd on IOS games board in the first week of its launch in 4Q21. For the three quarters since the launch, average quarterly revenue was up more than 1/3 .

The “Remake Version” bet on the nostalgia of gamers community by bringing back the original gameplay and artistic designs of the original IP title launched often more than one decade ago. The success of legacy MMORPG IPs’ “Remake Version” in recent years has reinforced the belief in IP longevity and user stickiness. **Our “Remake Version” of Eudemons IP is planned to be launched in 2H23.**

Exceedingly high R&D barrier to produce MMORPG titles of similar scale

 Long development cycle combined with low hit rate hinders R&D willingness for new titles

A successful MMORPG title requires multiple years of effort and hundreds of millions (in RMB) in R&D cost, yet with a very low hit rate – **only four** new titles in past 5 years have generated more than RMB 5 billion gross billings in China:

Blockbuster new titles*	Duration (years)	Cost (RMB million)
New Game 1	3	650
New Game 2	4.5	400+
New Game 3	5	600
New Game 4	2.5	270

Our R&D expense for gaming reached **RMB 657.5 million** in 2021, representing **18.1%** of our gaming revenue

* Best performing MMORPG/ARPG titles since 2017, R&D duration and cost are based on media reports/ developers' announcement

Strong profitability with high margin riding on strength of IPs and heavy organic traffic

Unique strength of Iconic IP enabling a highly profitable business model...

Strong IP Recognition



Huge Player Base

- 700 million+ of
registered players

Advertising / external CAC
representing less than 8% of OPEX

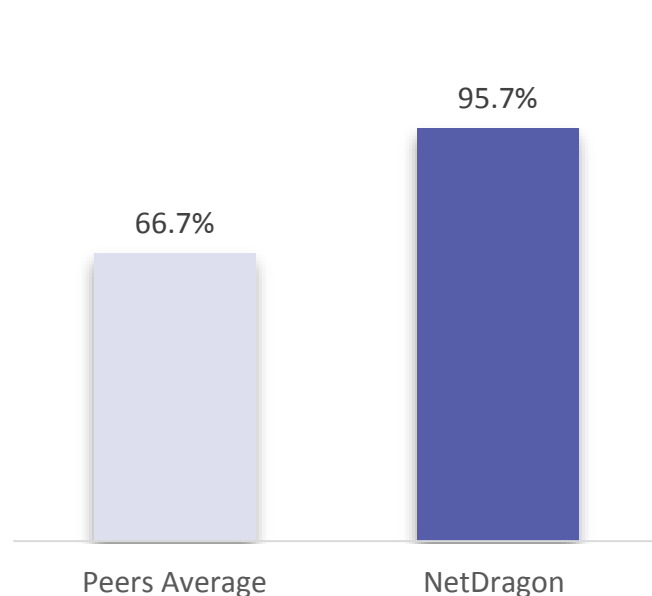
Self-publishing model accounts for
>80% of our gaming revenue

**High operating
leverage with 58%
operating margin**

Strong profitability with high margin riding on strength of IPs and heavy organic traffic

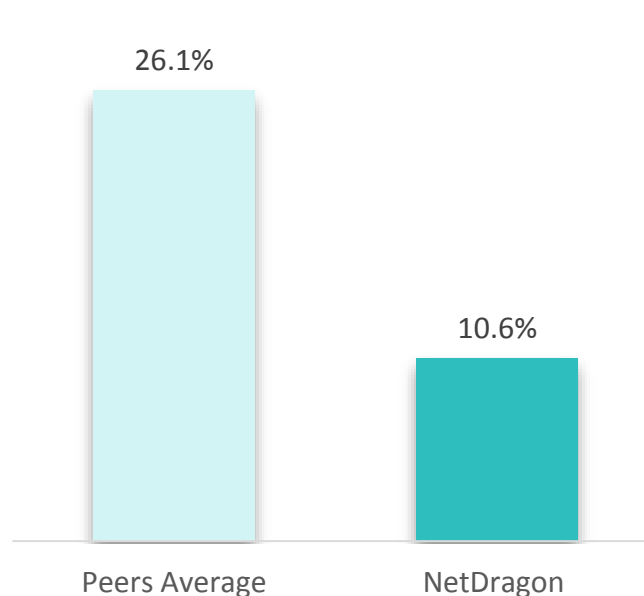
...putting us amongst the highest in terms of profitability compared to our peers

Gross Margin



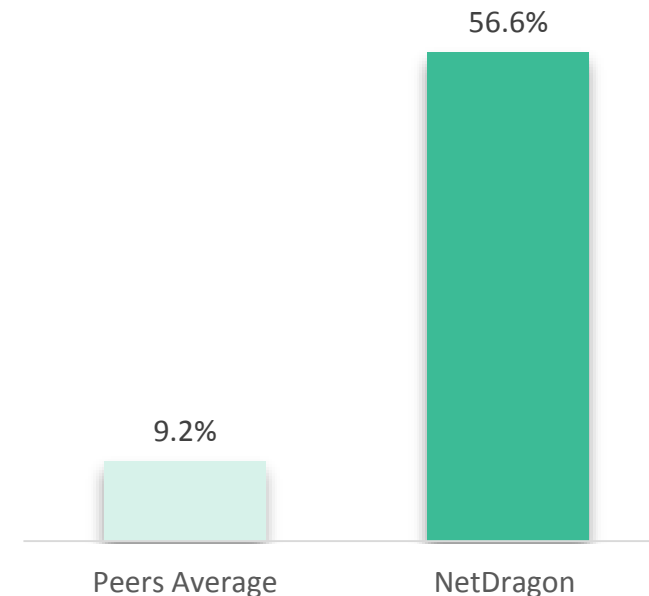
- 95% of our gaming revenue is from self-published titles
- 84% of our revenue is from PC games (ie. no 3rd party mobile platform revenue share)

Selling expense %



- We spent less than half of selling expenses per unit revenue of our peers on average, due to strong IP recognition and large user base

EBIT Margin



- We are significantly more profitable than our peers (with all loss-making peers excluded, the average EBIT margin of peers is still below 30%)

Source: 1H22 company filings

Note: Peers include Tencent, NetEase, 37 Interactive, Century Hua Tong, Perfect World, G-Bits, Giant Network, XD.com, CMGE, and IGG. Some of them only disclose gross margin for gaming segment

05

Growth strategy leveraging sustained growth of existing games and strong pipeline



Our top titles launched > 5 years ago will continue to drive our revenue growth...

Top titles aged 5+ Years by FY21 Revenue

FY18-21 Revenue CAGR%

Eudemons Online CN

↑ 13%



Eudemons (Mobile)

↑ 12%

Eudemons Online EN

↑ 105%



Conquer (Overseas)

↑ 10%

Conquer CN

↑ 48%

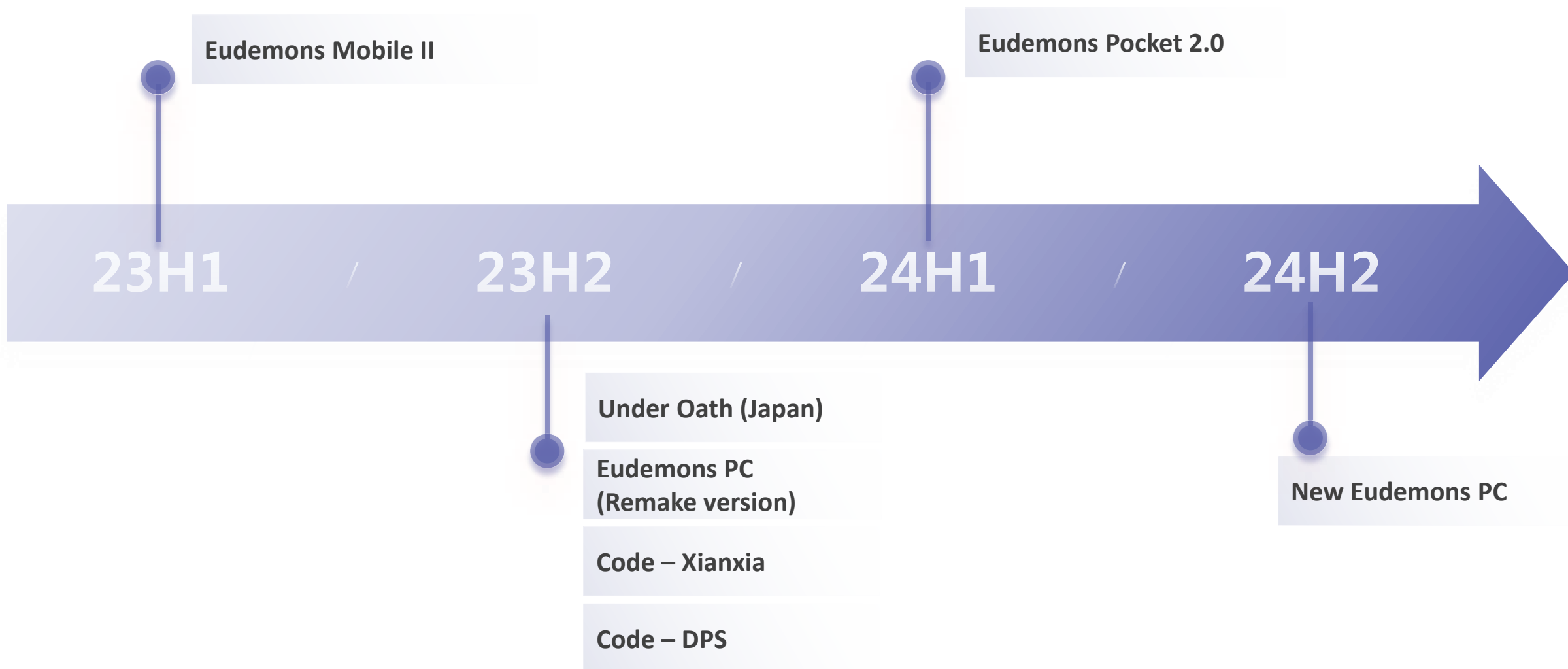
Collectively represented
93% of FY21 Revenue*

* 96% for 1H22

05

Growth strategy leveraging sustained growth of existing games and strong pipeline

... together with our diversified pipeline of new games





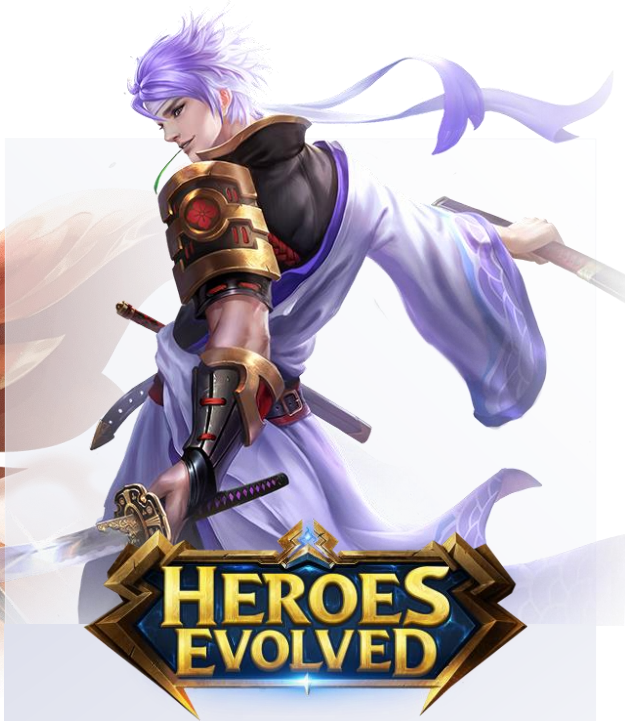
UNDEROATHX

- Reached agreement with a renowned global 3A game publisher to launch overseas versions
- First launch in Japan in 2023, reaching to global ACGN players



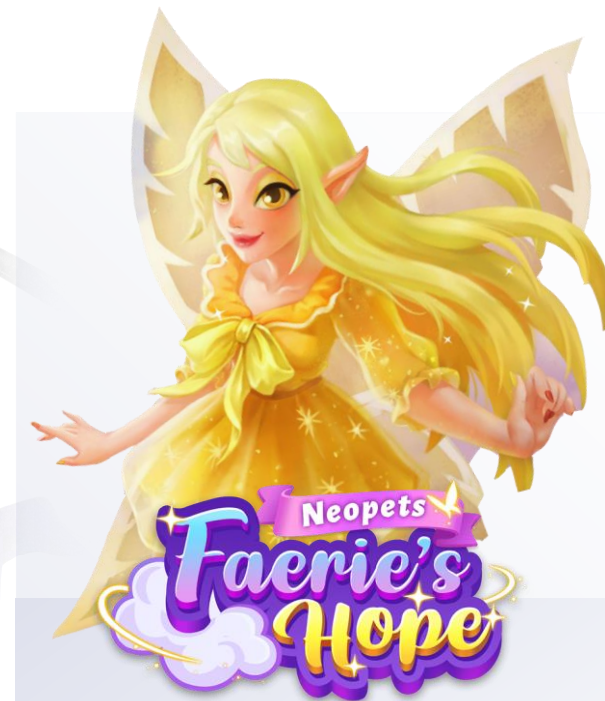
CONQUER

- Expansion into more countries via OMO model (achieved 58% YoY 1H revenue growth outside of core market of Egypt)
- “China expansion model” - replicate successful MMORPG genre into other emerging markets



HEROES EVOLVED

- Conducted first testing in Vietnam, lite version for Pakistan and Egypt market in 2H22
- Our focus is to become a more adaptive MOBA game with localized heroes and customized gameplay that cater to many niche (but large) geographical markets



Neopets Faerie's Hope

- Targeting 150M Neopets users around the globe
- Beta test completed in June - key metrics were inline with top 10-15 Match-3 games
- Positive feedback on art design, story and gameplay



Financials & Capital Return Measures

1H Income Statement Highlights

(RMB million)	1H22	1H21	YoY
Revenue	4,240.4	3,356.2	+26.3%
Gaming	1,775.7	1,847.5	-3.9%
Education	2,409.8	1,407.6	+71.2%
Gross Profit	2,322.8	2,233.9	+4.0%
Selling & Marketing Expenses	442.1	438.0	+0.9%
<i>as % of Revenue</i>	10.4%	13.1%	-2.7 ppts
Administrative Expenses	464.0	485.2	-4.4%
<i>as % of Revenue</i>	10.9%	14.5%	-3.6 ppts
R&D Expenses	585.7	594.9	-1.5%
<i>as % of Revenue</i>	13.8%	17.7%	-3.9 ppts
EBITDA	877.5	891.8	-1.6%
Operating Profit	744.6	691.6	+7.7%
Net Profit attributable to Shareholders	565.1	430.7	+31.2%
Non-GAAP EBITDA	1,025.7	922.3	+11.2%
Non-GAAP Operating Profit	854.4	753.9	+13.3%
Non-GAAP Net Profit	815.8	566.6	+44.0%

Segmental 1H Financial Highlights

(RMB million)	Education			Gaming		
	2022 1H	2021 1H	YoY	2022 1H	2021 1H	YoY
Revenue	2,409.8	1,407.6	+71.2%	1,775.7	1,847.5	-3.9%
Gross profit	609.7	431.1	+41.4%	1,699.1	1,765.9	-3.8%
Gross profit margin (%)	25.3%	30.6%	-5.3 <i>ppts</i>	95.7%	95.6%	+0.1 <i>ppts</i>
Core segmental profit (loss)	(35.7)	(256.3)	-86.1%	1,006.5	1,073.2	-6.2%
Segmental operating expenses						
- Research and Development	(225.7)	(272.1)	-17.1%	(353.3)	(322.6)	+9.5%
- Selling and Marketing	(252.2)	(235.2)	+7.2%	(187.5)	(200.1)	-6.3%
- Administrative	(177.0)	(172.2)	+2.8%	(152.4)	(170.9)	-10.8%

Education

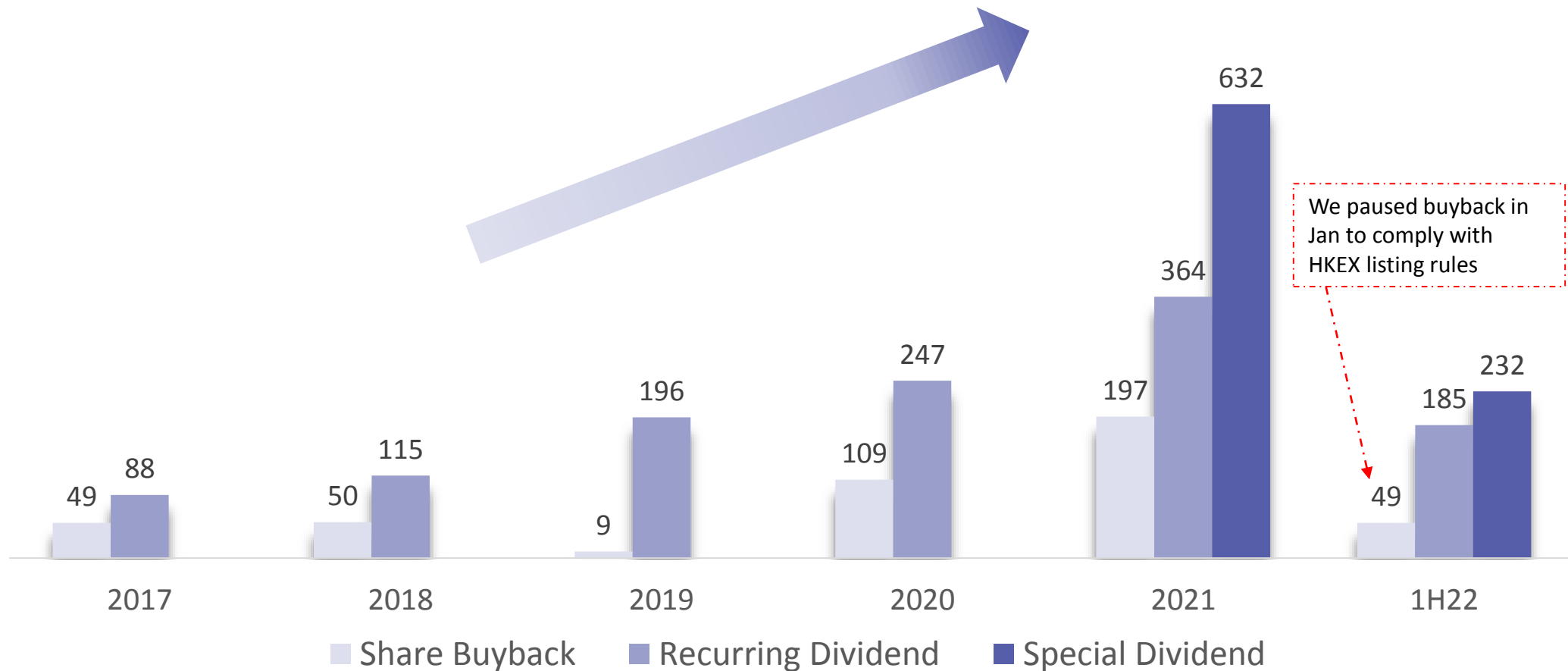
- **Revenue** up 71.2% YoY on the back of strong market demand growth and market share gain
- **Core Segmental Loss** down significantly due to cost management / restructuring measures and operating leverage

Gaming

- **Revenue** down 3.9% YoY due to macro headwind amidst COVID outbreak in China
- **Core Segmental Profit** down 6.2% YoY as we continued to invest in R&D to drive long term growth

Steady increase in dividends and share buybacks

(RMB million)



Achieving a balanced capital structure with considerable shareholder return



* With all dividends announced in our 2022 Interim Report considered as already paid out, net cash number also includes liquid investments

Efforts to unlock valuation



Gaming

- 2021 Gaming Net Profit¹ (RMB 1.8 billion) × Global Gaming Median P/E (20.3x²) = **USD 5.8 billion**



US\$ 5.8 billion



Education

- 3-6 x** TTM P/S for high growth EdTech comps (Our 2021 Education revenue is **USD 511 million** with 2017-2021 CAGR of 54%)
- Our last fundraising round at the education level was at USD **1.35 billion** post-money valuation (in Mar 20)³



US\$ 0.8 billion⁴

Net Cash



US\$ 0.4 billion⁵

Combined: US\$ 7.0 billion

Favorable Factors

Trending reduction in education segmental loss

- Gaming valuation currently dragged down by education's loss
- Education loss reduced by 86% YoY in 1H22

Education Spin-off to reduce conglomerate Discount

- Listing of education business provides clarity for education valuation
- Planning work for the listing is under way

Gravitating towards a rational EdTech valuation

- The trend of blended learning demand growth and increasing penetration has been widely accepted by the industry
- We are well positioned to benefit with our longstanding global market leadership position

¹ 2021 Gaming Net Income is pro forma number based on core segmental profit and an effective tax rate of 13.3%

² Bloomberg Average Estimate (Sep 28, 2022)

³ \$150M PE round led by Ascendent Capital Partners, a leading Asian PE firm

⁴ US\$ 0.8 billion = US\$ 1.35 billion × our fully diluted shareholding (61.8%)

Note: SOTP valuation above is for illustrative purpose based on stated assumptions. Numbers are based on FX rate of 1HKD = 0.91 RMB = 0.13 USD



Management Team

Visionary, multi-disciplinary leadership team with unparallel commitment to build our business with global impact

Dr. LIU Dejian

Founder and Chairman

- Top 10 China Business Figures, 2016*
- Entrepreneur of the Year, 2013**
- Co-Dean of the Smart Learning Institute of Beijing Normal University
- Doctorate in Education from Beijing Normal University
- Ahead-of-the-curve product designer
- Conceived, successfully scaled and commercialized “first-mover” ideas including:
 - ① 1st gaming portal (17173.com)
 - ② 1st “free-to-play” MMORPG (Eudemons Online)
 - ③ Largest smartphone appstore platform (91 Wireless)

* Awarded in award event hosted by ifeng.com & Phoenix TV

** Awarded in Cyzone Entrepreneur Conference in June 2013



Dr. Simon LEUNG

Vice Chairman, NetDragon
Chairman, Edmodo

- Former Chairman & CEO, Greater China, Microsoft
- Former President, Asia Pacific, Motorola
- Former CEO, Asia Pacific, Harrow International School
- Doctorate in business administration from Hong Kong Polytechnic University and honorary doctorate in laws from University of Western Ontario

A global executive management team with track record in execution



WANG Song
Chief Product Officer

Chief Designer of “Eudemons Online”,
NetDragon’s most popular and most
profitable MMORPG

Expert in gamification and user experience



Ben YAM
Chief Financial Officer

Former Senior Vice President,
SAIF Partners (Asian PE fund with US\$4B
AUM)

Sat on board of 7 TMT portfolio companies

MS from Columbia University

CFA, CA, CPA



Vin RIERA
CEO, Prometheus
& Edmodo

Former Director and CEO of Collegis
Education

Former Director and CEO of Edmentum

Served in executive leadership roles at
Gateway, Inc. and Orange Business Services



CHEN Hong
CTO,
Fujian Huayu (China)

Former CTO of SVMsoft (Joint Venture of
VMware and Sugon)

Former Director of VMware

10+ years of experience in software
engineering and development

MBA from Tsinghua University



CHEN Hongzhan
CTO
Executive Director

Head of game development & technical
support

Former CEO of 91 Wireless

20+ years experience in online game
development, management, & hardware
development



YU Biao
Chairman of Fujian
Huayu (China)

Head of planning, consolidation and
operation of Huayu Education (China)

20+ years of experience in education
management



LIN Wei
President of Fujian
Huayu (China)

Responsible for sales of the operation and
promotion educational products, research
and development and production of
hardware products

15+ years of experience in IT, mobile
Internet, and education industries



Garwin Chan
CSO, Edmodo

Strategic development of Edmodo and
Neopets Metaverse

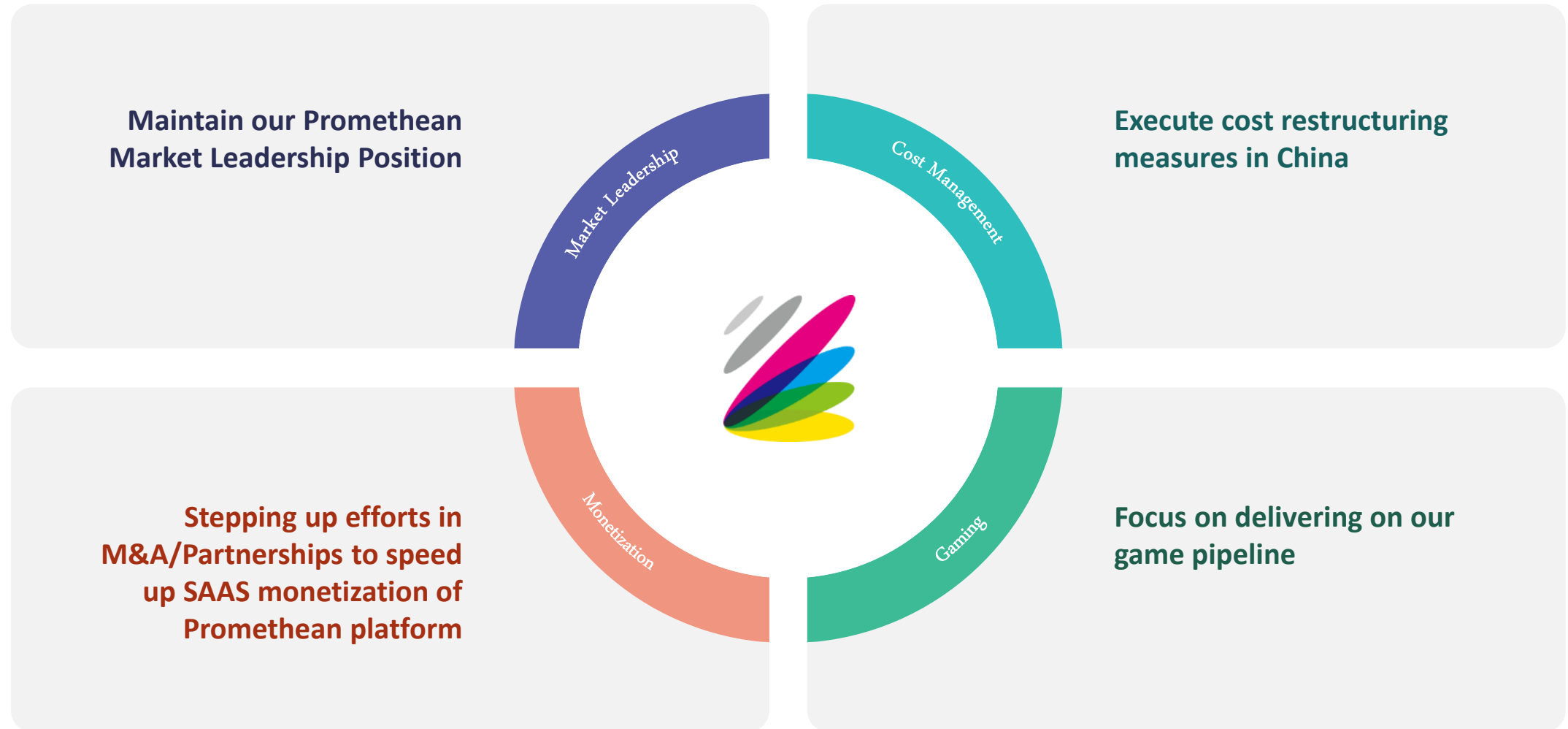
8 years with Bain Capital in the US and in
Asia. Led the private equity investment
branch of a Chinese conglomerate. CFO of
an e-commerce and blockchain startup

MBA from Harvard University

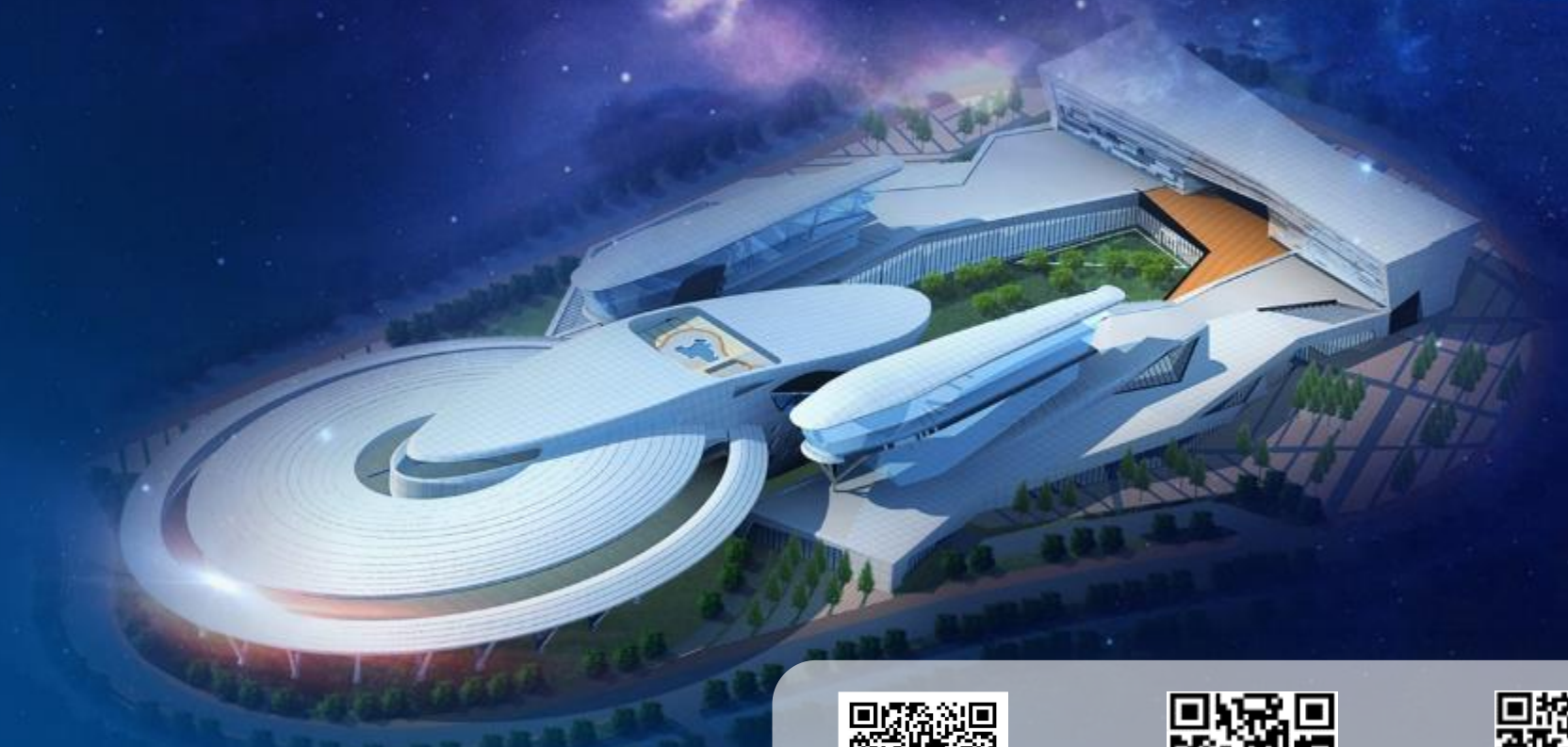


Outlook

Outlook for 2H22 and FY23



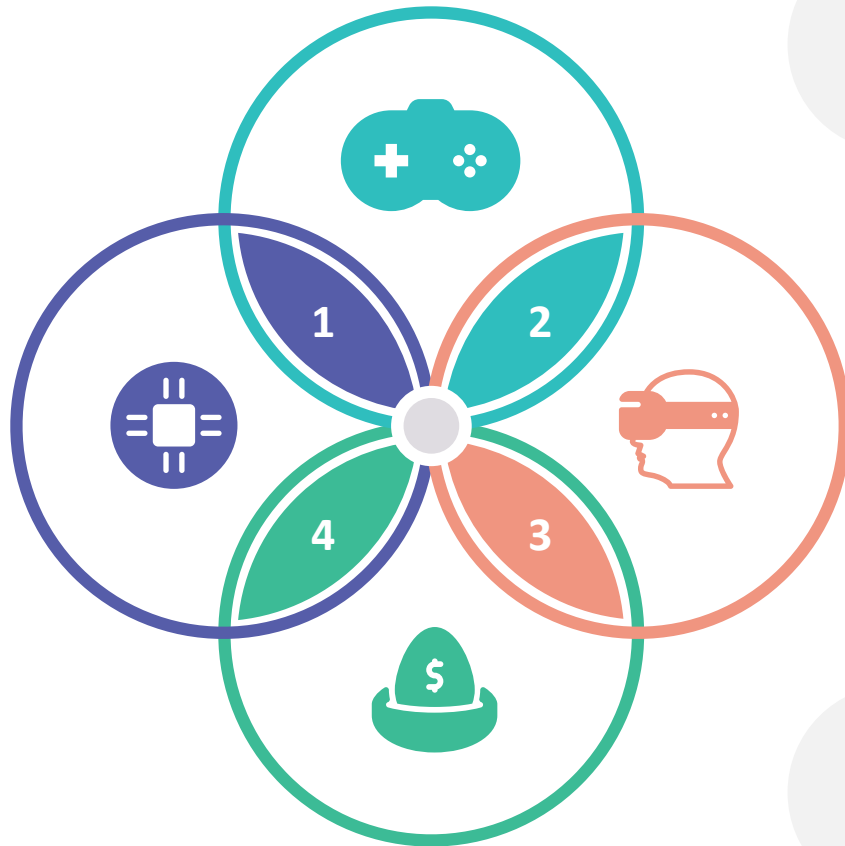
Q&A



Investor Relations Contact : ir@netdragon.com

Appendix I: Progress in Metaverse

Recent progress in Metaverse



1. AI CEO

Appointed TANG Yu (AI virtual robot) as new Rotating CEO for our key subsidiary, Fujian NetDragon

2. Neopets

Neopets Metaverse game development on track with alpha launch in Q3

3. Fantasy Game

Initiated development of a new blockchain game themed with traditional Asian fantasy stories

4. ROKID

Signed definitive agreements to invest US\$40M in ROKID, a market leader in AR technologies, with exclusive partnership



TANG Yu, our AI-based CEO

- Major milestone towards being a Metaverse organization
- To pioneer use of AI to transform corporate management and leapfrog operational efficiency to a new level
- Will streamline process flow and serve as analytical tool to support decision making in daily operations

Execution of Neopets Metaverse Roadmap On Track



Prior to 1Q22

Q2 2022

Q3 2022

Q4 2022

Planning Stage
NFT Issuance

Trailers Released
First Mini-Game
Turmac Roll

Litepaper
Alpha Launch

Token Issuance
Alpha 2
Game-Play Evolution



Q1 2023



Q2 2023



Q3 2023



Ongoing

Beta Launch
Desktop App

Land Sale
3X3 Battle
and Social-Fi

Mobile App
All Platform

Quarterly Updates
Tournaments

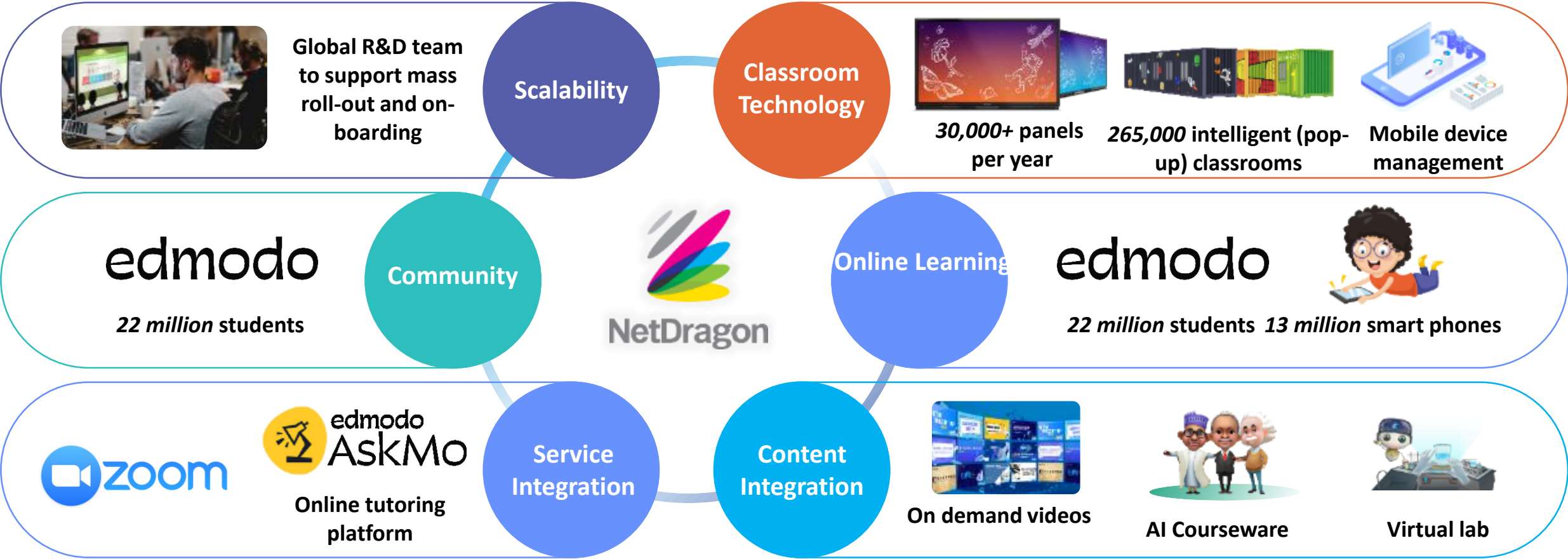


US\$ 40M Investment in ROKID



















- Market leader in AR technologies, backed by Temasek, IDG, SenseTime, Walden, etc.
- One of very few AR companies with proprietary full stack technology competencies in hardware, software, OS and solutions offerings
 - 5-year strategic partnership formed to co-develop metaverse applications

Appendix II: Additional Information for Education

Case Study: Nationwide Blended-Learning Roll-out in Egypt

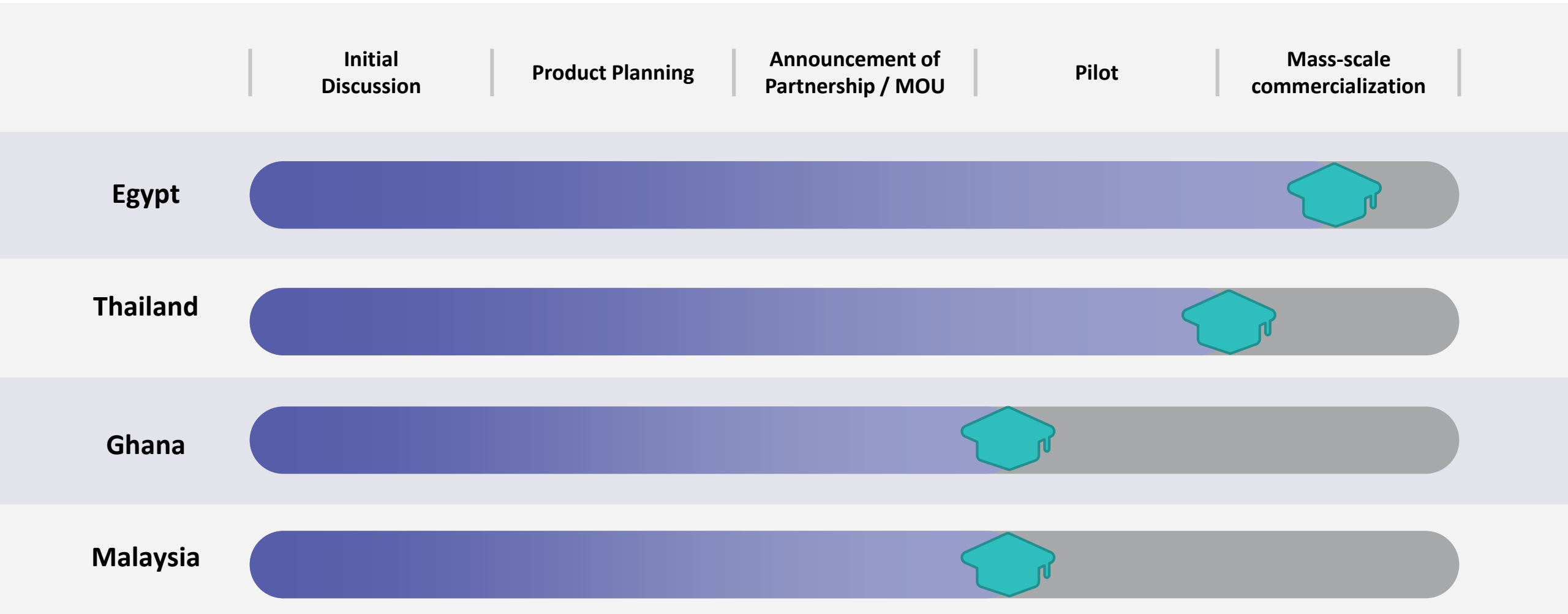


Country Deployment Model: Multi-pronged Revenue Model

	 To G/B	 To C	 Track-record*
Sale of Promethean classroom technology			 Egypt  Hawaii  Russia  Ghana
Online learning software SAAS / subscription / licensing			 Egypt  Thailand  Ghana  Vermont
Education content / service			 Egypt  Thailand  Ghana

* Including partnership announced and under planning / pilot stage

Country Deployment Model: Robust Pipeline



Appendix III: Shareholding Structure

Shareholding Structure



¹ Assuming full conversion of Series A, Series B Preferred Shares and Ascendant's Convertible Instrument