

# One Horizon Group, Inc. (NASDAQ: OHGI)

Revolutionizing the Mobile VoIP Industry

# Safe Harbor Statement

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This presentation contains forward-looking statements and management may make additional forward-looking statements in response to your questions. Such written and oral disclosures are made pursuant to the Safe Harbor provision of the Private Securities Litigation Reform Act of 1995.

Although we believe our expectations expressed in such forward looking statements are reasonable, we cannot assure you that they will be realized. Investors are cautioned that such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the anticipated results, and therefore we refer you to a more detailed discussion of the risks and uncertainties in the Company's filings with the Securities & Exchange Commission.

The forward-looking statements contained in this presentation are made only as of today, and One Horizon Group, Inc. is under no obligation to revise or update these forward-looking statements.

# One Horizon Group (NASDAQ: OHGI) <sup>1</sup>



Software company specializing in the R&D of optimized voice over IP technologies for smart mobile devices – LIVE in 7 emerging markets



Deployed \$22 million of investor funds since June 2012 to invent, patent<sup>2</sup> and deploy our SmartPacket™ VoIP solutions



License, host and sell our software products primarily to cellular operators in emerging markets having large pre-paid subscriber bases



Own Aishuo, the only SmartPacket™ based app in the Chinese market selling low cost voice minutes with over 43 million downloads



22 employees with core operations in Ireland (HQ), UK, China, and Switzerland with reseller subsidiaries in Latin America and Africa

(1) [NASDAQ: OHGI](https://www.nasdaq.com/quote/OHGI)

(2) [US.PTO.9,137,729](https://www.uspto.gov/patent/9137729)

# PROBLEM of the Operator

Cellular operators face **FINANCIAL** challenges due to explosion in smart devices



Increased network data load from smart devices forcing costly **infrastructure upgrades**

**SMS revenue** erosion from smart apps like Facebook, WhatsApp using operators cellular data network

**Call revenue** erosion from smart apps like Skype, Viber using Wi-Fi data on smartphones and tablets

Cellular operators face **TECHNICAL** challenges due to inefficient software



**Data hungry** mobile software not designed to work on cellular Internet devices so is very inefficient

New **messaging** smart apps keep appearing and operator cannot keep up with rapid **software evolution**

No operator benefits in offering a **mobile VoIP service** to compete with Wi-Fi dialers without Unique Selling Point

# SOLUTION for the Operator

## One Horizon delivers an operator branded mobile voice + messaging solution



Our smart app solution uses **10x less** mobile Internet **data** and **battery** compared to legacy VoIP apps

Lower data consumption means lower network data load per voice minute means **lower operator costs**

Retro-compatible voice over IP software means efficient calls on legacy networks such as 2G and 3G **deferring capex**

## Operator leverages its brand on cellular network and roaming relationships



Our operator deploys VoIP app in App Stores and offers **budget-calling**; using less cellular spectrum means lower call costs

Current VoIP app software cannot compete on **price** or on **quality** compared to an operator using a One Horizon service

Offering optimized VoIP to roaming subscribers dramatically reduces roaming call costs so can compete with Skype

# PRODUCT: Roam Like Home

DeliverED FIRST solution to Smart Communications in Q2 2016



Smart Comm. is a typical emerging market operator with **95%<sup>1</sup> pre-paid** accounts across its 65 million subscribers

Branded **Smart Roamer<sup>2</sup>** it attracts Migrant Workers wishing to call home at the best **price** and **quality** while abroad

App also attracts **tourist roamers** by giving free incoming calls to encourage users to keep their SIM card active

Operator leverages its ROAMING relationships to offer true innovation



C-level concept at Smart Comm. was to continue to **generate revenue from pre-paid** users when they traveled abroad

**Restricted roaming** calls using only its optimized VoIP app means roaming-call operator cost is < \$0.01/min

Where once there was **zero** revenue from pre-paid roamers, now there is **an increase** in home-network weekly voice RPU<sup>1</sup>

(1) [PLDT // Smart Communications SEC Filing](#)

(2) [Smart Roamer](#)



# MARKET by Numbers

**ALL mobile network operators can benefit especially in emerging markets**

In 2016 there are **7.32 billion** mobile subscriptions with 76% pre-paid<sup>1</sup>

In 2016 there are **3.9 billion** smart devices with 46% penetration in emerging markets<sup>2</sup>

In 2013 it was estimated that there were **150 million** Migrant Workers living abroad<sup>3</sup>

Mobile roaming is forecast to grow to **\$90 billion** by 2018 and One Horizon offers operators package-based roaming services where consumers are able to understand what they are paying for in a transparent and easier way<sup>5</sup>

In 2016 there were just **1 billion** smart devices with 4G access<sup>2</sup>; only SmartPackets™ were designed to work on 2G+3G

For Aishuo the market for an optimized VoIP service for tourists reached **120 million** outbound tourists in 2015<sup>4</sup>

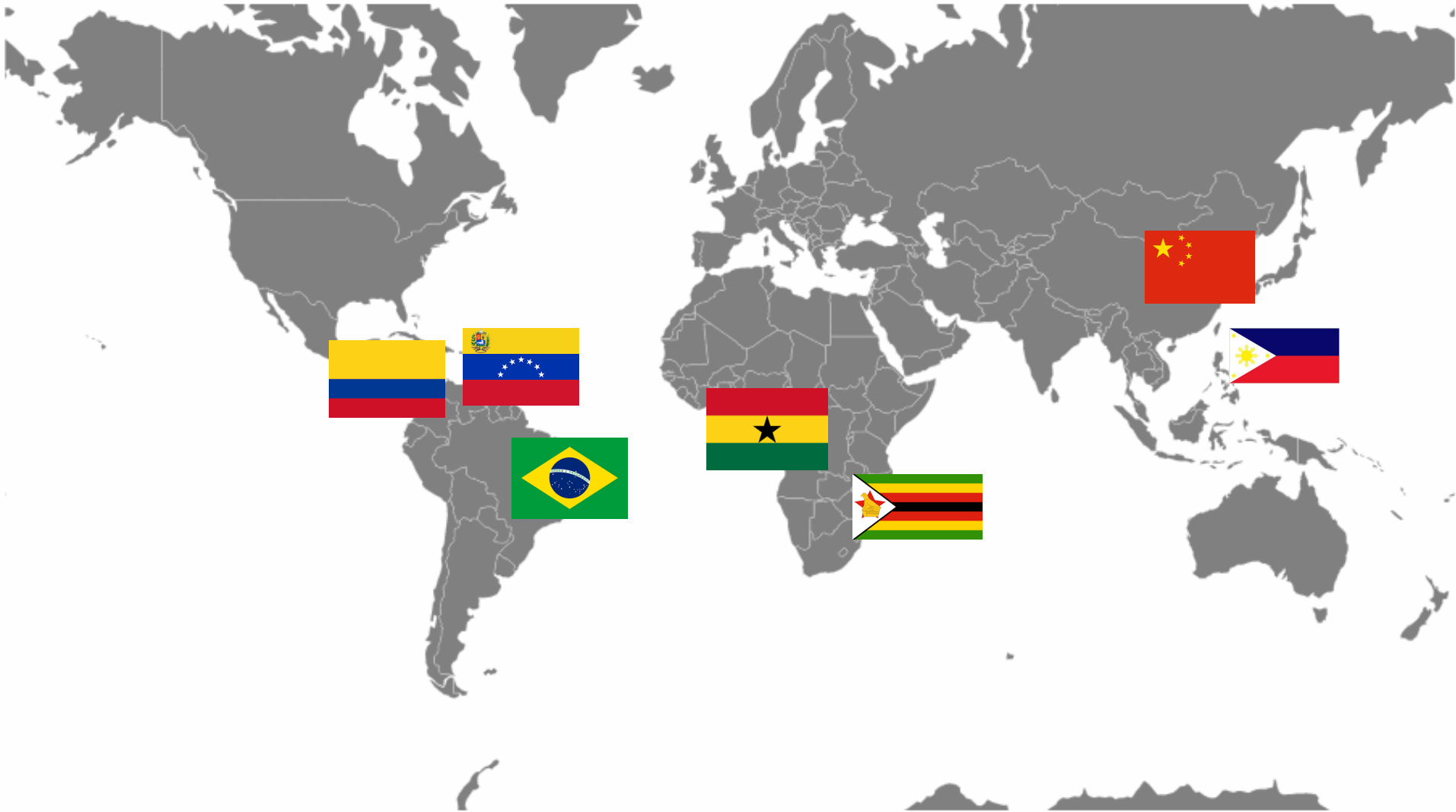
<sup>(1)</sup> <http://wearesocial.com/uk/special-reports/digital-in-2016>  
<sup>(2)</sup> [GSMA Mobile Economy 2016](#)

<sup>(3)</sup> [ILO global estimates on migrant workers](#)  
<sup>(4)</sup> [China Outbound Tourism in 2015](#)

<sup>(5)</sup> [Roaming to become 8% of the operator revenues by 2018](#)

# LIVE in Emerging Markets

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# Our Business Model

## Operate 2 licensing business models; capex & opex and Aishuo

### capex

- Operator pays \$500k per annum for 6 years
- Operator pays \$1-\$4 user license fee in 50,000 user license packs (*price reduces with volume*)
- Operator pays annual software maintenance fee of \$90k

### opex

- Operator pays \$50k branding fee
- Operator pays \$5 user license fee per user in 10,000 user license packs (*price reduces with volume over time*)
- Operator pays annual recurring user maint. fee of 15%

### Aishuo

- App is a free download
- User purchases **in-app credit** using AliPay, UnionPay, WeChat or PayPal
- User spends credit to place **calls**, send **SMS**, rent **travel-SIM** or rent **Direct Inward Dial no.**

- Operators can opt-in to pay 30% of PayPal top-ups in order to use the One Horizon payment solution
- Operators can avail of bespoke mobile software development at \$1000/day

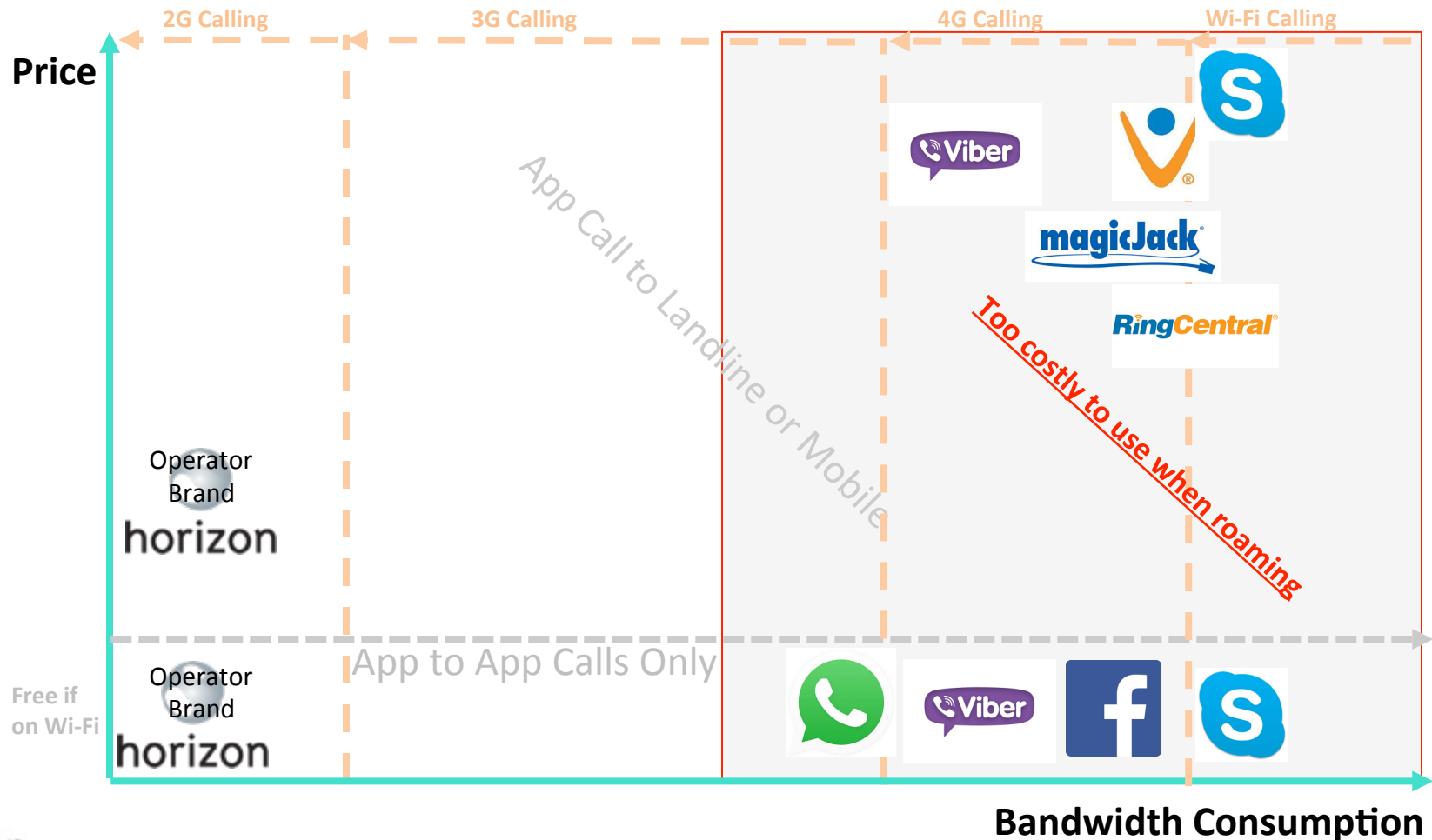
- Generated revenues:  
\$60k in Q1-2016  
\$74k in Q2-2016  
\$78k in Q3-2016



# Competition

Branded mobile VoIP apps for operators is a new market with few players

Operators must compete with existing VoIP apps such as Skype and Viber



# Competitive Advantage



First to offer own brand app to operators to **compete** with VoIP apps



**Proven** patented VoIP solutions with clear business model for our operators customers



**15 minutes of voice for 1MB** of data means low impact on core network



Low data consumption means **affordable data roaming** calls for operators roamers



Lowest data roaming VoIP app available to Chinese tourists traveling overseas



Highly competitive call prices for calling home to China from overseas



# Financial Overview & Recent News

## Quick Financial information:

|   |                 |
|---|-----------------|
| Symbol:                                     | OHGI            |
| Exchange:                                   | NASDAQ          |
| Current Price<br>(As of 2/6/2017):          | \$0.30          |
| 52-Week Trading Range:                      | \$0.22 - \$1.27 |
| Average Volume (50-day):                    | 110,000         |
| Common Shares Outstanding:                  | 35.8 million    |
| Shares in Public Float<br>(As of 11/17/16): | 6.75 million    |
| Market Cap:                                 | \$11 million    |
| Aishuo Downloads<br>(As of October 2016):   | 43 million      |

## Recent Events:

**February 13, 2017** – Secures License in Ghana Bringing the Benefits of Optimized VoIP to 18 Million Mobile Data Subscribers

**February 7, 2017** – University Research Proves One Horizon's VoIP Software is Significantly More Efficient than the World's Leading VoIP Applications

**February 2, 2017** – Enters 2017 \$2.6B Mobile Hotspot Market through License with Leading Pocket Wi-Fi Service Provider

**February 1, 2017** – to Participate at the Source Capital 2<sup>nd</sup> Annual Disruptive Growth & Healthcare Conference

**January 19, 2017** – Unveils Security Update of Optimized Mobile Platform for Enterprises and Government Agencies

**December 20, 2016** – Optimized VoIP Technology Goes Live with Second Operator in Zimbabwe

**November 30, 2016** – Granted Invention Patent in China for Mobile VoIP Software Solution

**November 16, 2016** – CEO Issues Letter to Shareholders

**November 10, 2016** – Announces Financial Results for the Third Quarter and Nine Month Period Ended September 30, 2016

**November 3, 2016** – Launches Proprietary VoIP Technology in Brazil and Colombia with Latin America's Leading Voice Services Provider



# Management Team

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## **Brian Collins, CEO and Founder**

- 5 years board of directors experience and led One Horizon to list on the NASDAQ Capital Market stock exchange in 2014.
- Founded with Abbey Technology in Switzerland in 1999, merged with OHGI in Nov. 2010 and assumed role of Group CTO
- Co-inventor of the Horizon Platform; has over 20 years experience in software engineering
- Previously worked at Credit Suisse, developing their trading desk technology; previously with IT co. Sybase

## **Martin Ward, CFO**

- Extensive Capital Market experience as CFO listing on London's AIM market in 2004 and NASDAQ in 2014.
- CFO of predecessor company since 2004; extensive experience in public company reporting
- Previously was a partner with Langdowns DFK, a UK-based accounting firm
- Prior to that, worked for PricewaterhouseCoopers

# Investment Highlights

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- \$22m invested since Jun-2012 in R&D to deliver the worlds most optimized smartphone VoIP solution
- USPTO patented software suite No.: US 9,137,729 B2
- Started in 2016 to license software suite to mobile operators in emerging markets for pre-paid subscribers
- LIVE in 7 emerging markets
- Reducing cellular Internet bandwidth is key to high quality VoIP on smartphones
- Low bandwidth voice calls alleviate network congestion from smartphones
- Lower cellular Internet bandwidth per voice minute reduces roaming costs on other operators' networks

# Contact Us

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## PRESENTATION BY:

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