

Business Update (January 2014) - Bubble Gum Interactive (BGI)

CAKE BAKE BLITZ MOBILE GAME

- The game continues to perform well, and is currently generating \$4,000 in revenue per month based on some 100,000 installs across iOS and Android.
- OTT partner Tango did a 5m user blast late December however we did not generate the install expected, based on previous test pushes. The push netted 14,000 installs, far less than the minimum expectation of 75,000+ installs.
- We are currently waiting for Tango to come back with feedback as to why the numbers were so low, as we work with them on a push plan for Q1 aimed at generating increased revenues.
- The team are also working on a version of the game with Facebook social integration, which should be ready by end of month.
- We will update investors on key metrics towards the end of next week, once more information is available.

ADDITIONAL MOBILE GAMES

Currently working on finishing new products including -

- Lilac and Lynx puzzler due for completion by end of month
- Battle Card game due for completion by end of May

SPACE HEROES UNIVERSE

- Sales increased slightly over the Holidays, currently generating \$10,000 per month
- Also generated \$10,000 in licensing revenue MG's in December
- Empire Licensing partners in Asia showcased Space Heroes at the recent HK Toy and Licensing show, will report on any developments in the next update.

BUSINESS DEVELOPMENT

- Key focus is consolidating a marketing and distribution plan for Cake Bake Blitz on Tango for Q1
- Also in early stage discussions with mobile marketing company in regards to a rev share agreement for the Facebook version of Cake Bake Blitz
- DeNA have confirmed the green light for a prototype co-production, just waiting on paperwork. This will bring in some revenue and represents a great relationship building opportunity with a company that could be a key strategic investor later in the year
- Tencent are currently assessing our games for distribution via their WeChat platform, another great opportunity, with a call scheduled for late next week to discuss next steps
- Spin Master are in the final stages of sign off for a co-production, based on licensing out battle card engine for their Redakai property... more on this deal as it evolves
- Wild Grinders deal is in the final term sheet phase, representing a great opportunity for the company to release a product based on an established audience, the TV series just ramping up for its second season on Nickelodeon.