

A world map composed of small, light blue dots on a dark blue background, spanning the width of the slide.

NQ Mobile Overview

NQmobile

Who is NQ Mobile today?

Recognized Global Leader in Mobile Security and Mobile Innovation

Leading global security, privacy and productivity solution provider focused on mobile innovation for consumers and enterprises.

- Validated by independent third parties to **detect highest numbers of malware in the industry first**. First to detect 90% of all threats on Android.
- **~38M** new users added in Q3 2012; **~242M registered users**, **~85M active users**. Adding 400,000 new registered users per day.
- **Broad portfolio of TRUST services:** security, privacy, and family protection building TRUST between consumers and their smartphones.
- Strong relationships with key mobile ecosystem participants
- Renowned global management team with strong industry track record



Key Milestones Since IPO

May 2011:
Successfully debuted on
the NYSE (NYSE: NQ)

June 2011:
Reached 100MM
registered users

Aug 2011:
Partnership with Spain-
based Telefonica, the 5th
largest telecom service
provider in the world

Sep 2011:
Global go-to-market
agreement with
BrightStar Corp.

Jan 2012:
Appointed Mr. Omar
Khan as Co-CEO

Apr 2012:
Partnership with
TCC, the largest
Verizon Premium
Wireless Retailer
in the US

Apr 2012:
Company brand
change to NQ Mobile

May 2012:
AWireless Retail
Partnership
announced

May 2012:
Expanded into the
enterprise market
through acquisition of
NationSky

June 2012:
Reached 200MM
registered users

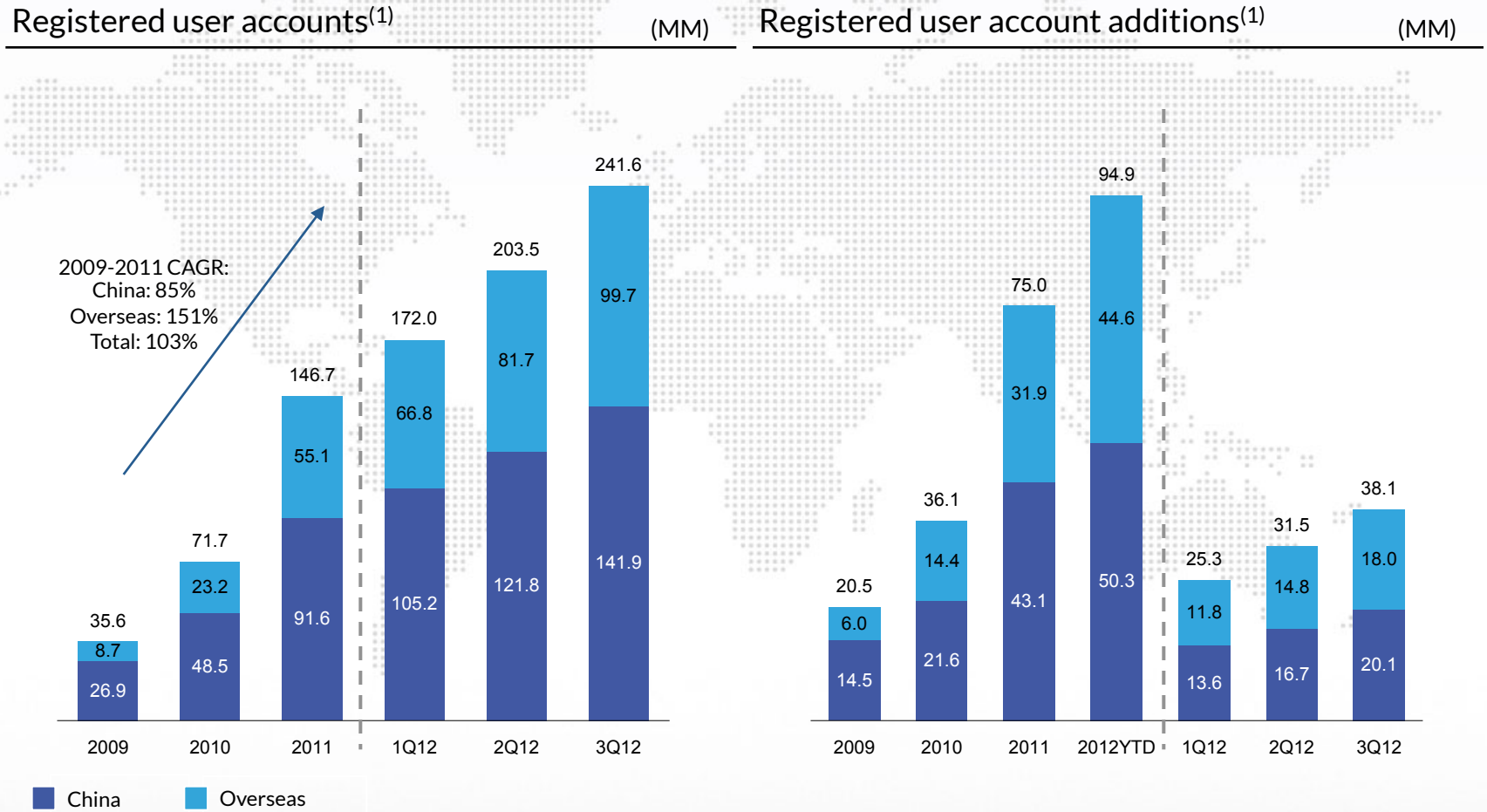
Aug 2012:
NQ Mobile and MediaTek
investment into Hissine
(Hissage)

Sep 2012:
Launched new Family
product line with NQ
Family Guardian.

Oct 2012:
Phones4U Retail
Partnership
announced

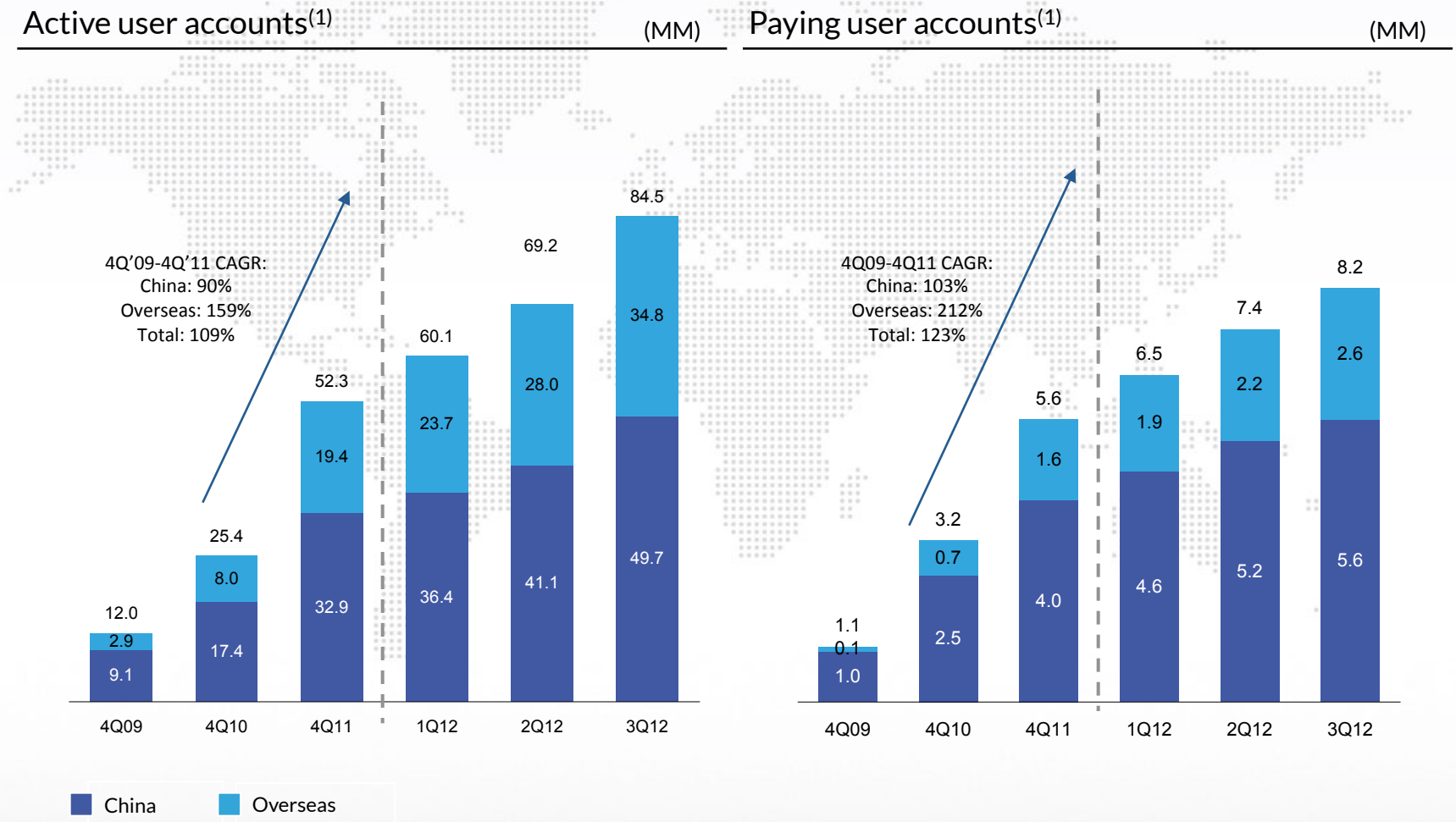
Oct 2012:
Acquired Beijing Feiliu
Jiutian Technology, a
leading mobile Internet
platform in China

Strong Underlying Operating Metrics



Strong Underlying Operating Metrics

(cont'd)

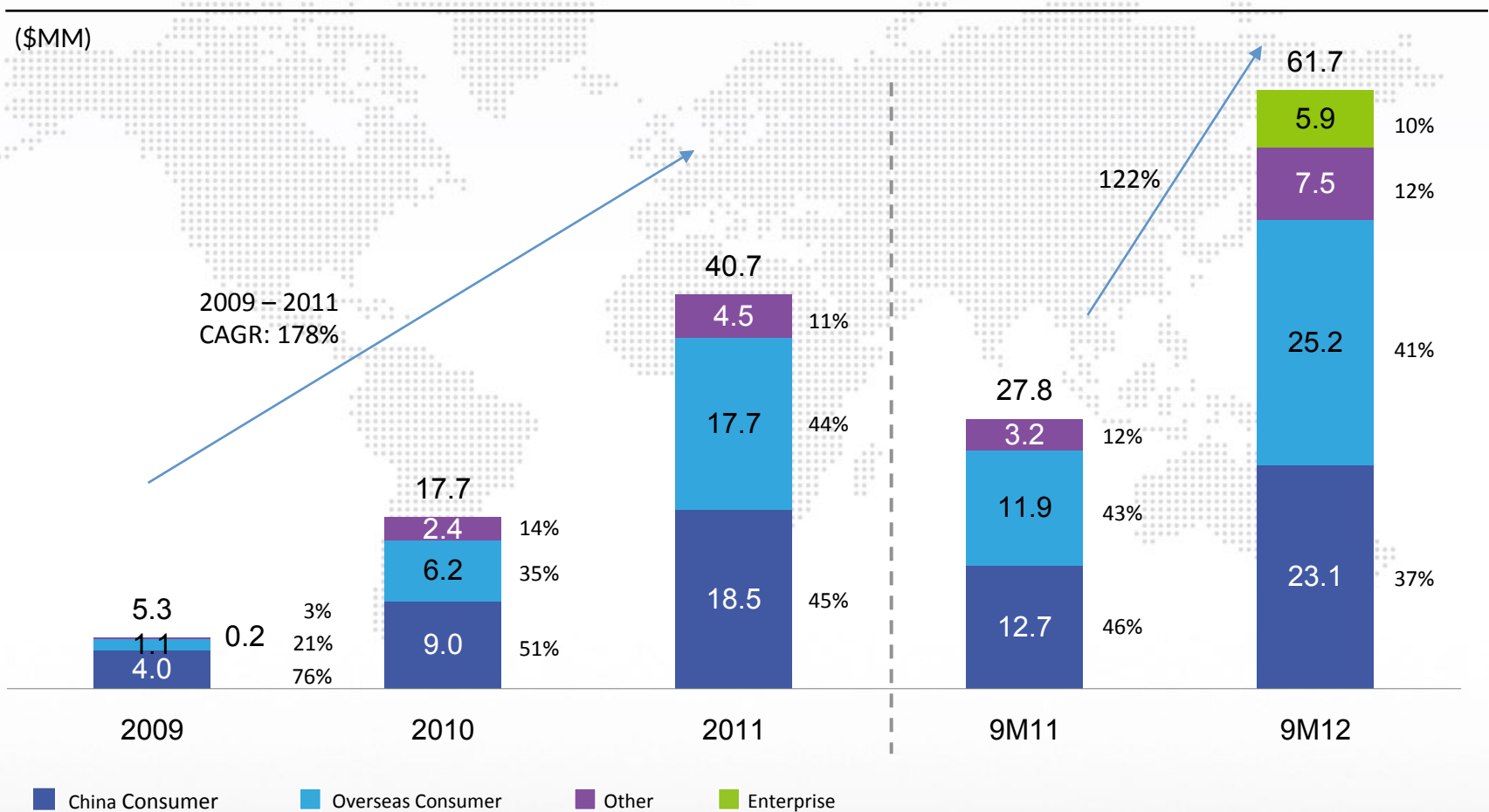


1. The active user accounts and paying user accounts are average monthly numbers for the specified quarter

Rapidly Growing Revenues

Revenue

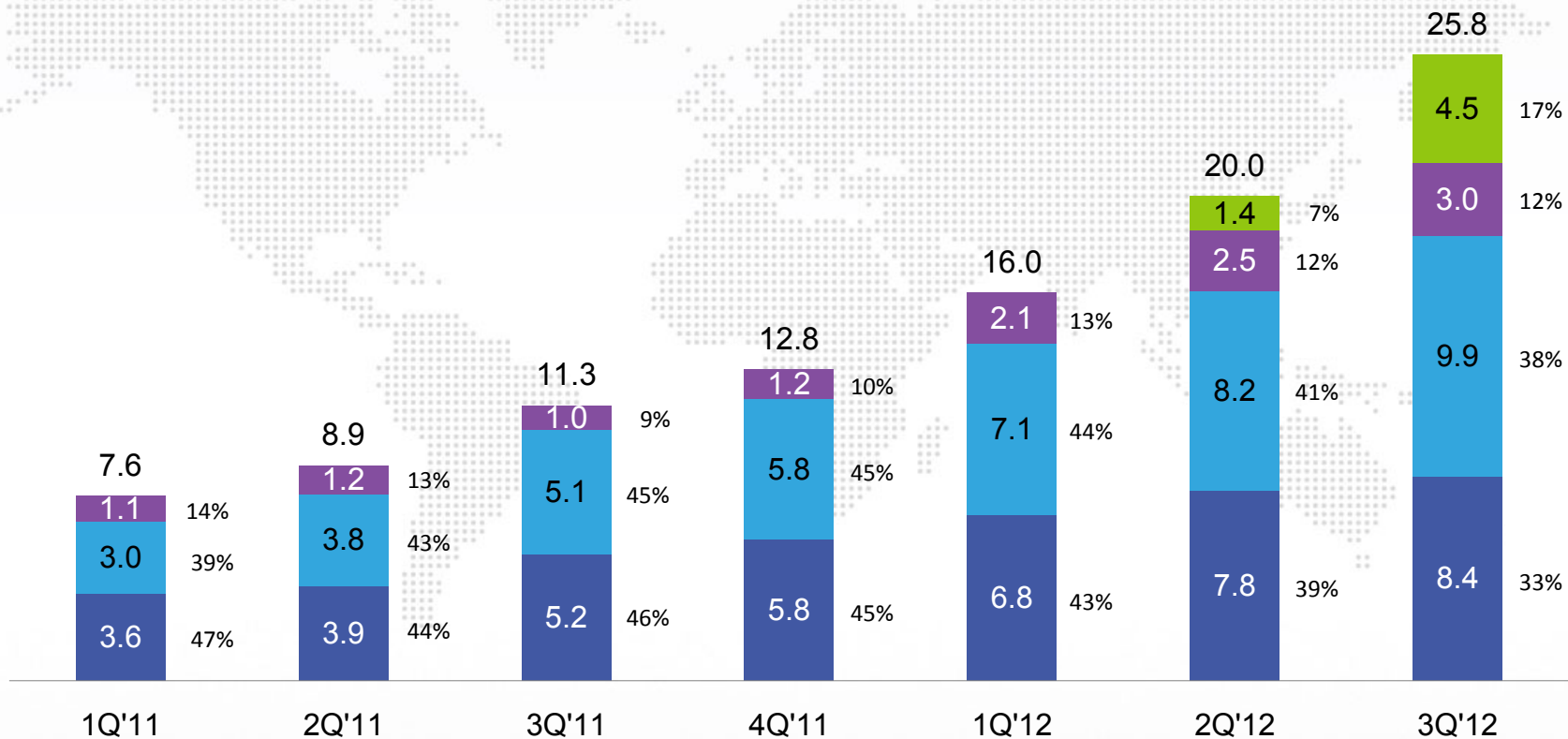
(\$MM)



Rapidly Growing Revenues (cont'd)

Quarterly Revenue

(\$MM)



China Consumer

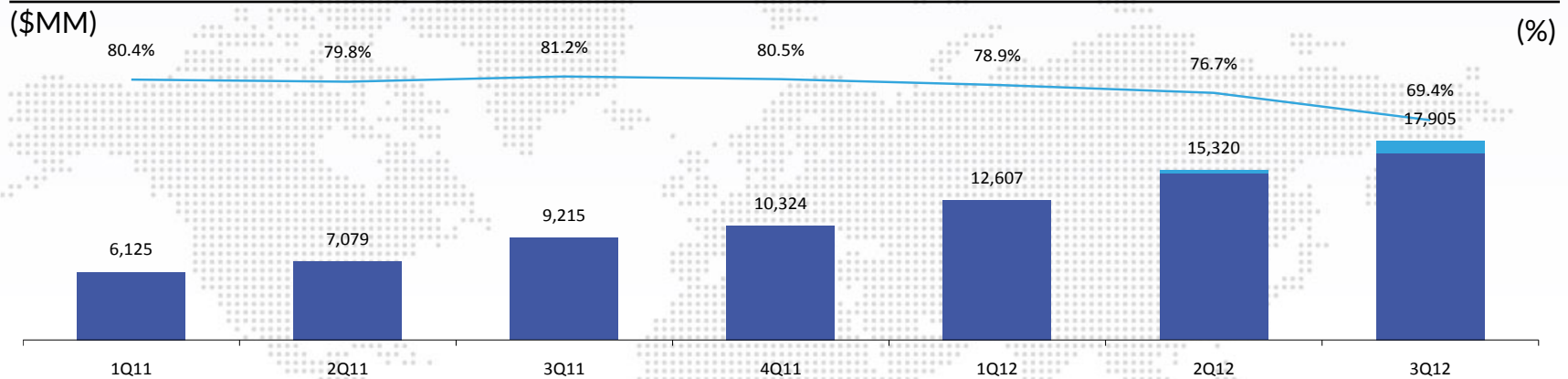
Overseas Consumer

Other

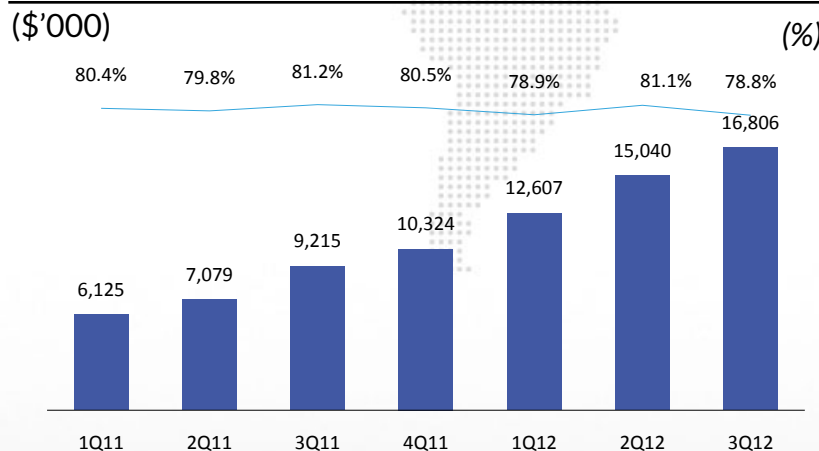
Enterprise

Healthy Gross and Operating Margins

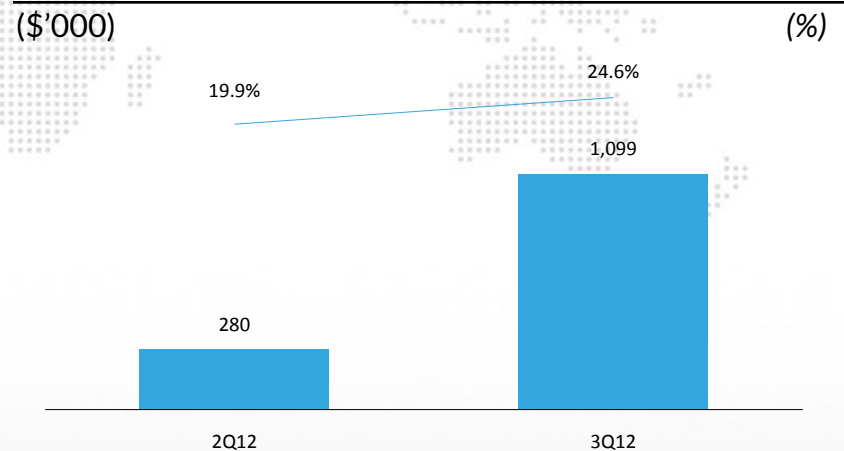
Total Gross Profit⁽¹⁾



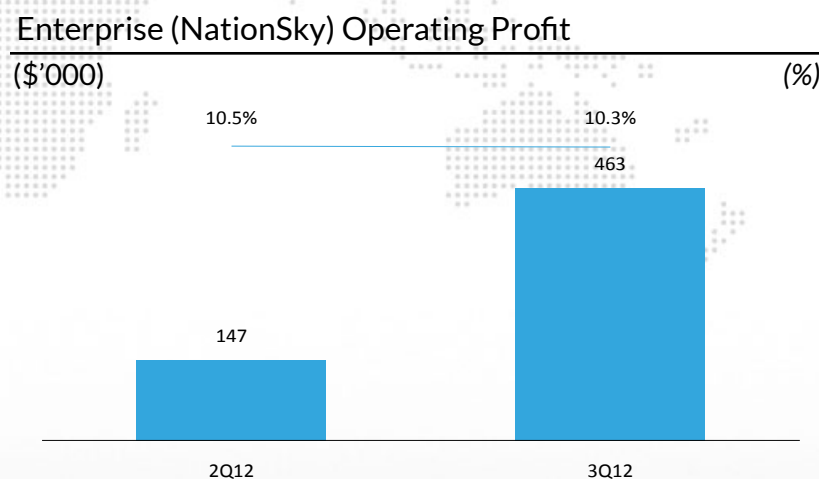
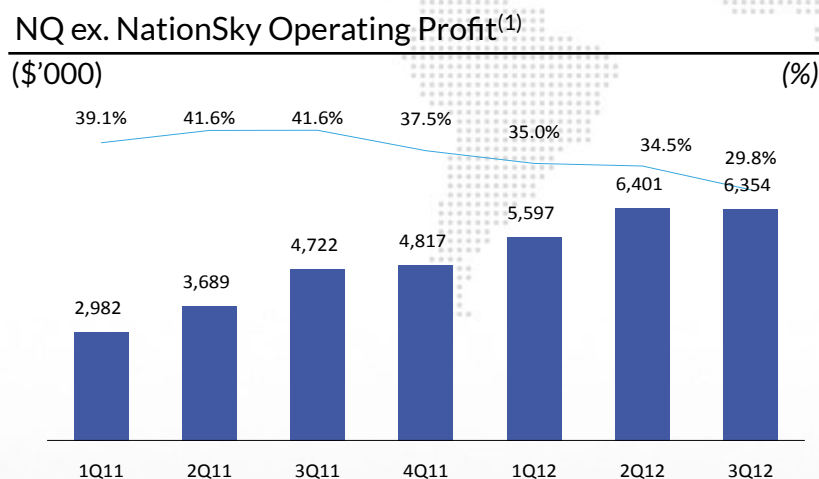
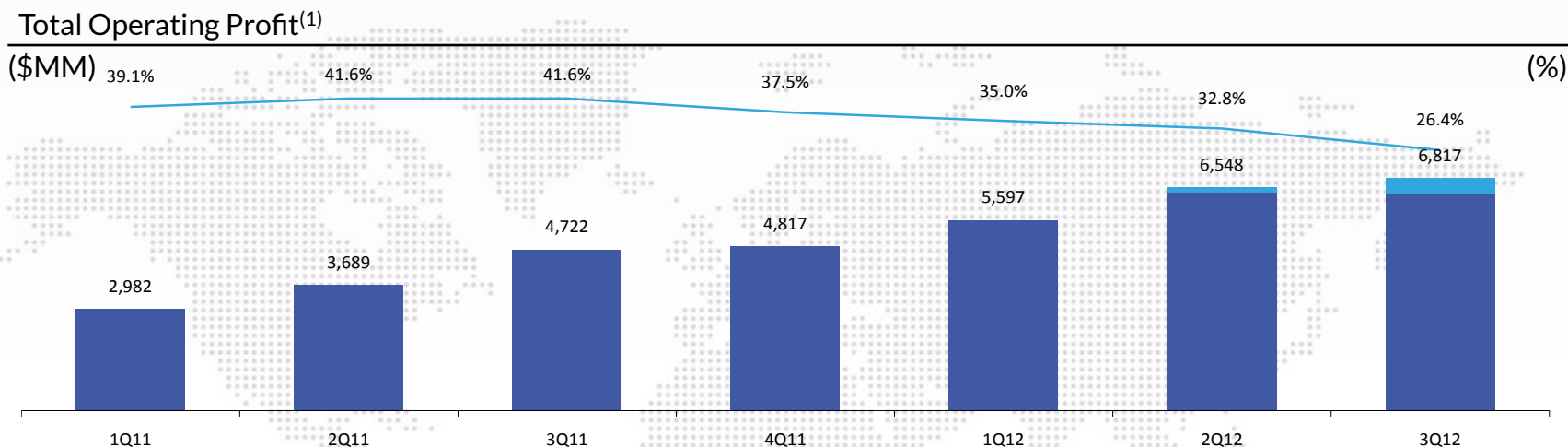
NQ ex. NationSky Gross Profit⁽¹⁾



Enterprise (NationSky) Gross Profit

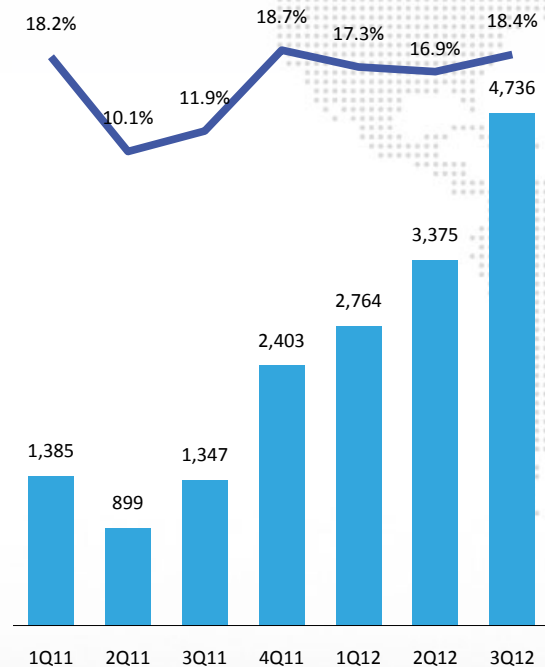


Healthy Gross and Operating Margins (cont'd)

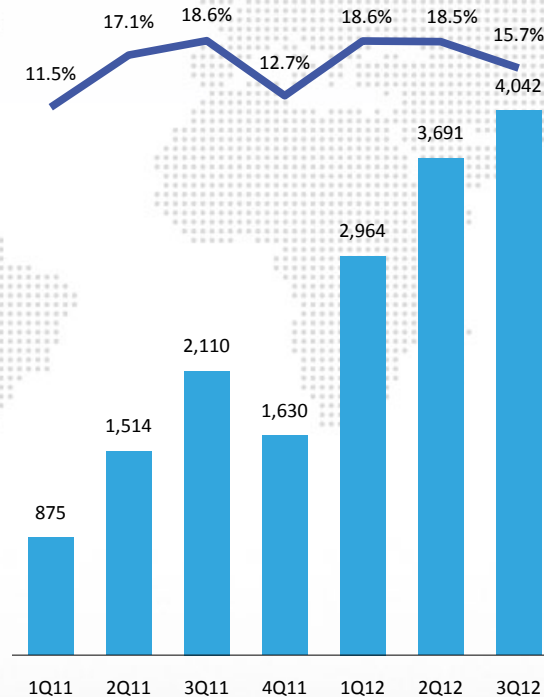


Healthy Gross and Operating Margins (cont'd)

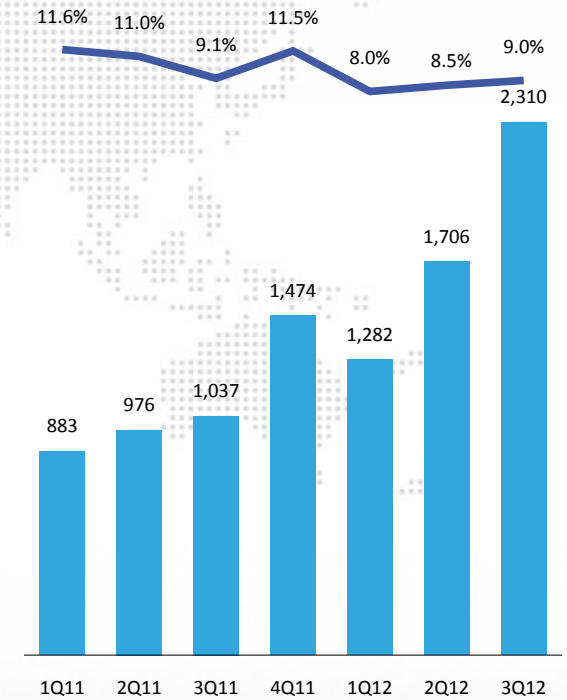
Selling & Marketing Costs⁽¹⁾
(\$'000) (%)



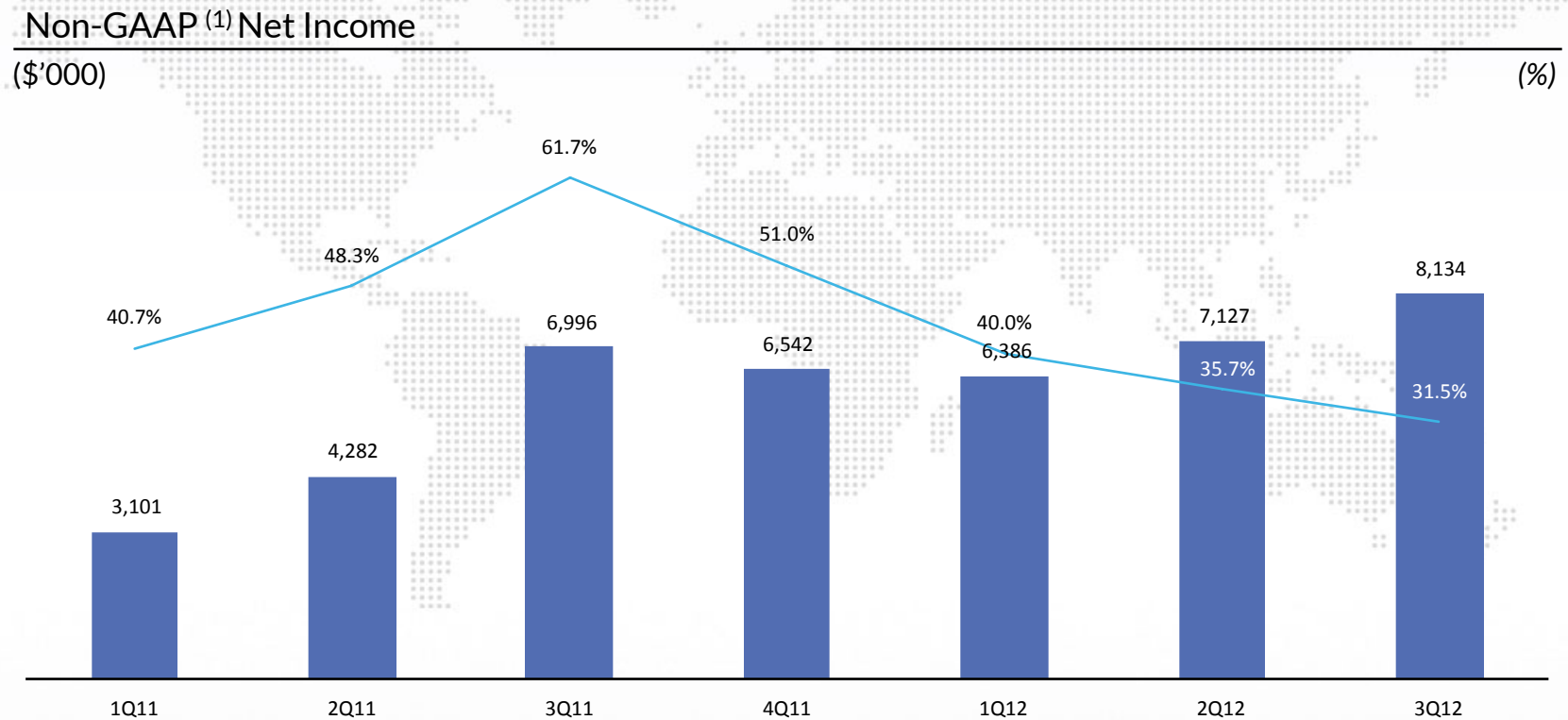
General & Administrative Costs⁽¹⁾
(\$'000) (%)



Research & Development Costs⁽¹⁾
(\$'000) (%)



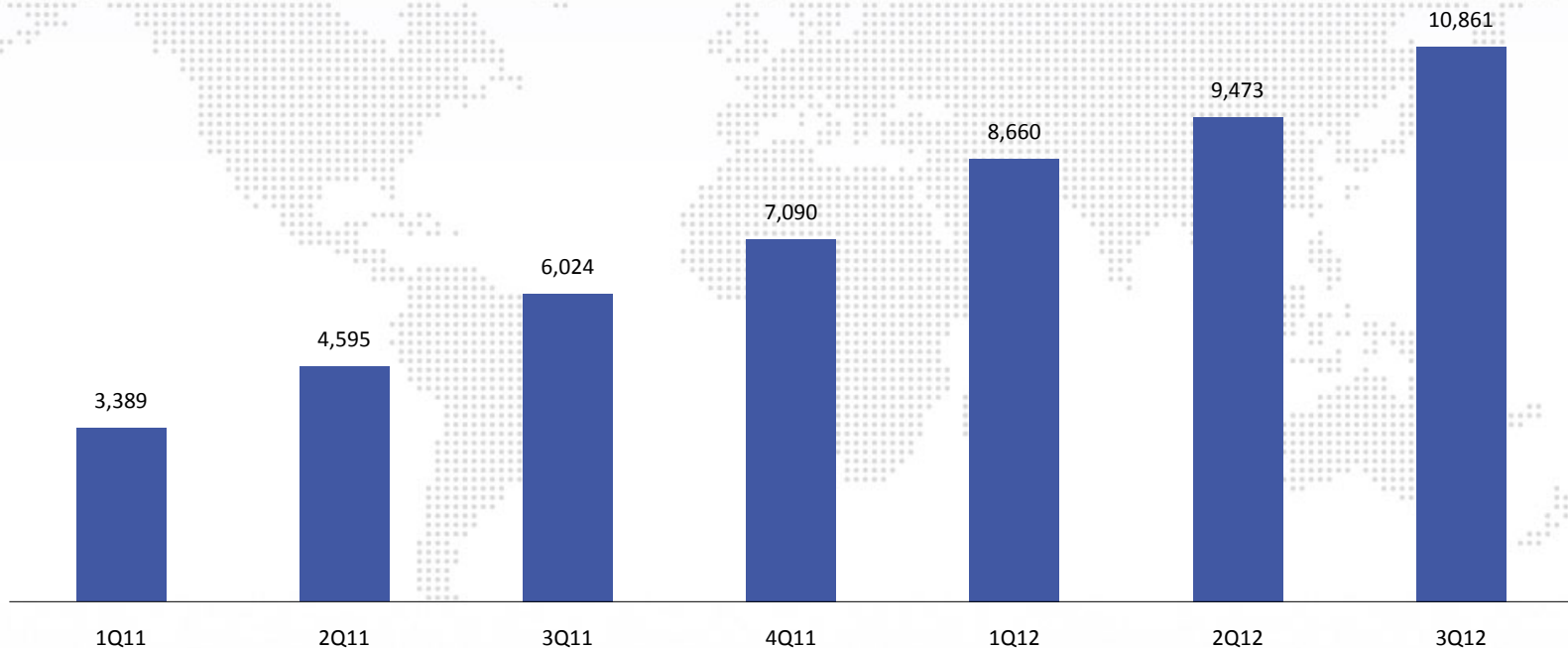
Healthy Profitability



High Visibility and Strong Cash Flow

Deferred Revenue

(\$'000)

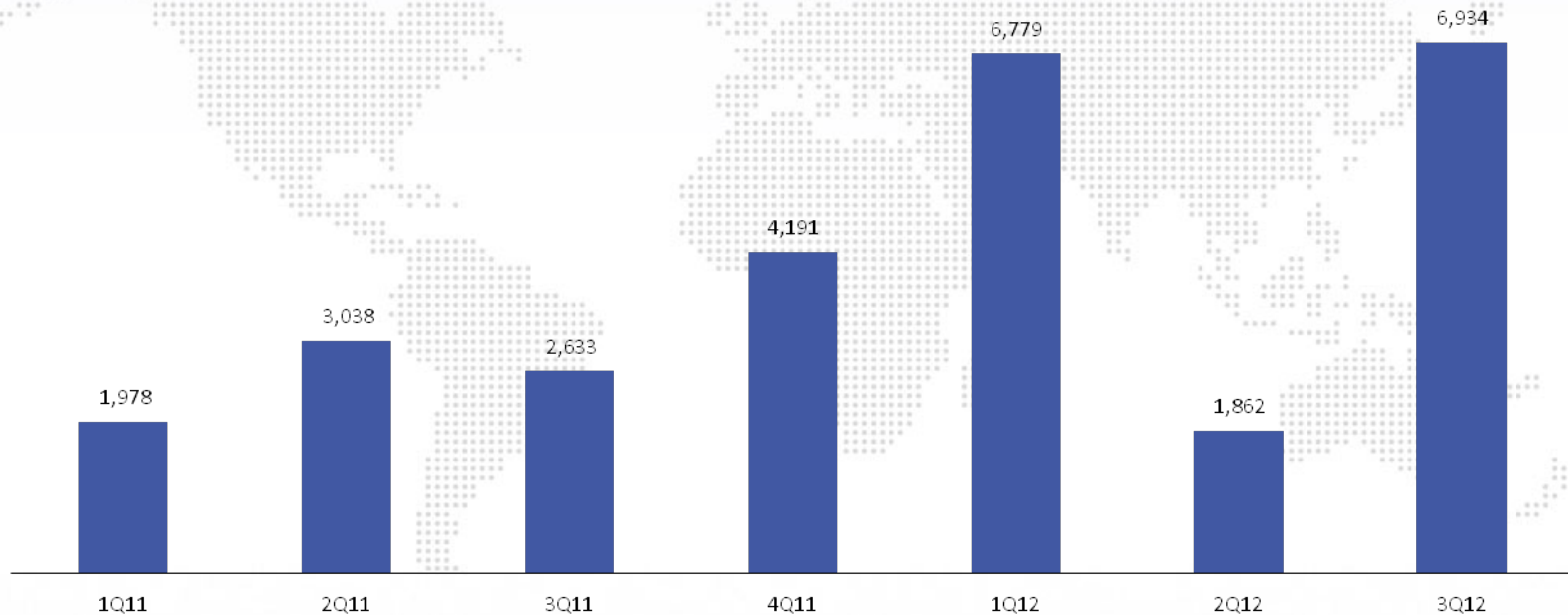


High Visibility and Strong Cash Flow

(Cont'd)

Operating Cash Flow

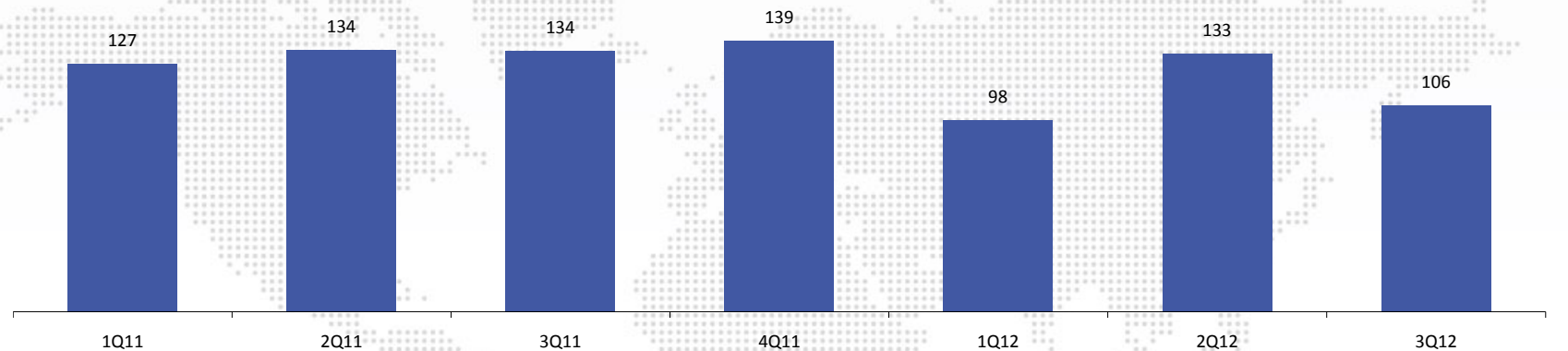
(\$'000)



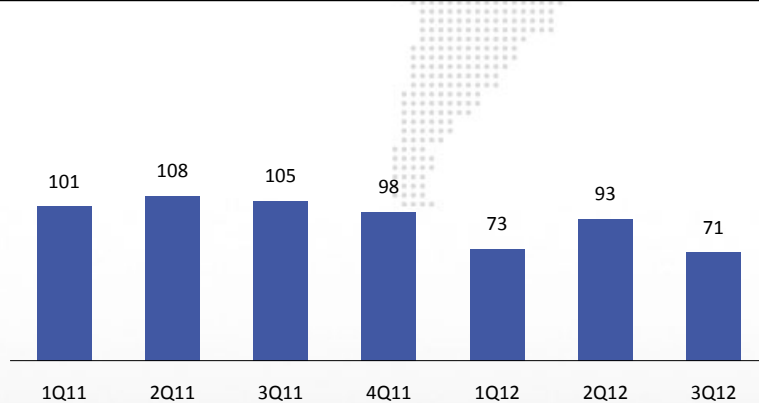
High Visibility and Strong Cash Flow

(Cont'd)

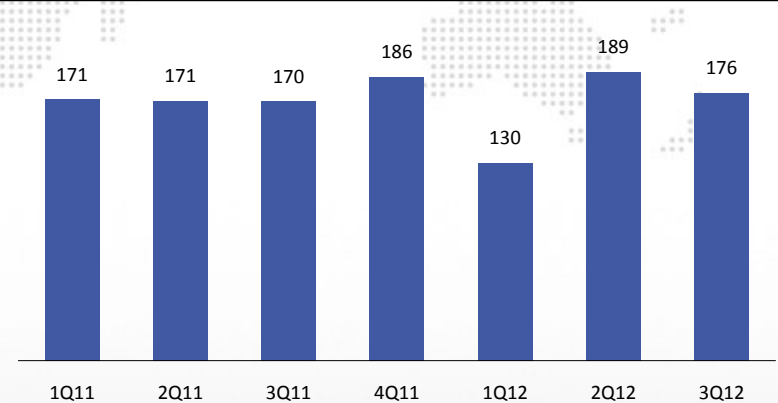
Total Receivable Days



Domestic Receivable Days



International Receivable Days



Architecting Our Future

You have all seen elements of our strategy in pieces.

- Bringing on new **Partners** like A Wireless , Phones4u, and Vox Mobile
- **Acquisition** of companies like NationSky and Feiliu
- **Product expansion** into new consumer products like Vault and Family Guardian
- **Joint Venture investment** with MediaTek
- **New monetization capabilities** like carrier billing and subscription billing.
- Even new service offerings such as **3rd party developer enablement**

But we haven't articulated for you our strategic blueprint by which these strategic investments fit and how they apply to our business.

The NQmobile logo is displayed in a light gray font. It features the letters 'NQ' in a bold, sans-serif font, followed by the word 'mobile' in a lighter, lowercase sans-serif font. The logo is positioned on the right side of the slide, partially overlapping a decorative graphic of small dots forming a map of the United States.

NQmobile

Introducing

NQmobile™
Safeguarding your mobile world

1.

2.

5.

Our Strategic Blueprint driving our annualized revenue run-rate from today at 100M, to 200M, to 500M.

Trusted Security Focus

While building a global business

How have we capitalized on the *growth of mobile security globally?*

What are the *dynamics* of our business?

What *products* have driven revenue and market growth?

What are the *key success factors* in our business?

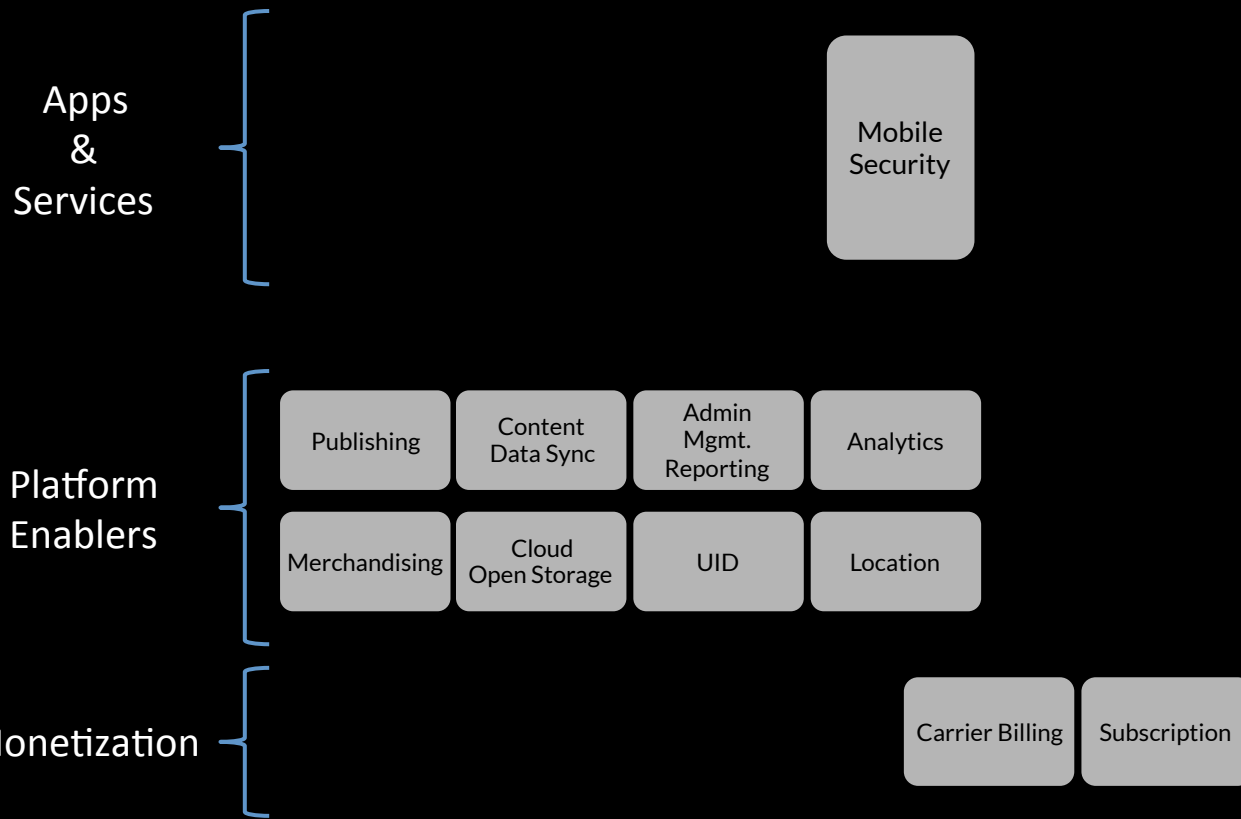
100.

2005 - 2012

Trusted Security to Trust Services

1: 100M Trusted Security

Consumer Services



Intellectual Property



Broad IP Patent Coverage

NQip

68 Applications

8 Registrations

Wide Range of Collaborations with Key Ecosystem Participants

User Acquisition Channels

Online download



Pre-installation



Viral marketing



Payment Channels

Wireless carriers and mobile payment service providers



Third party payment processors



Retail



From Trusted Security to Trust Services

Leveraging our strengths and doubling our revenue.

Broadening and deepening product categories in areas **TRUST** and introducing new services

Extending and optimizing **channels**

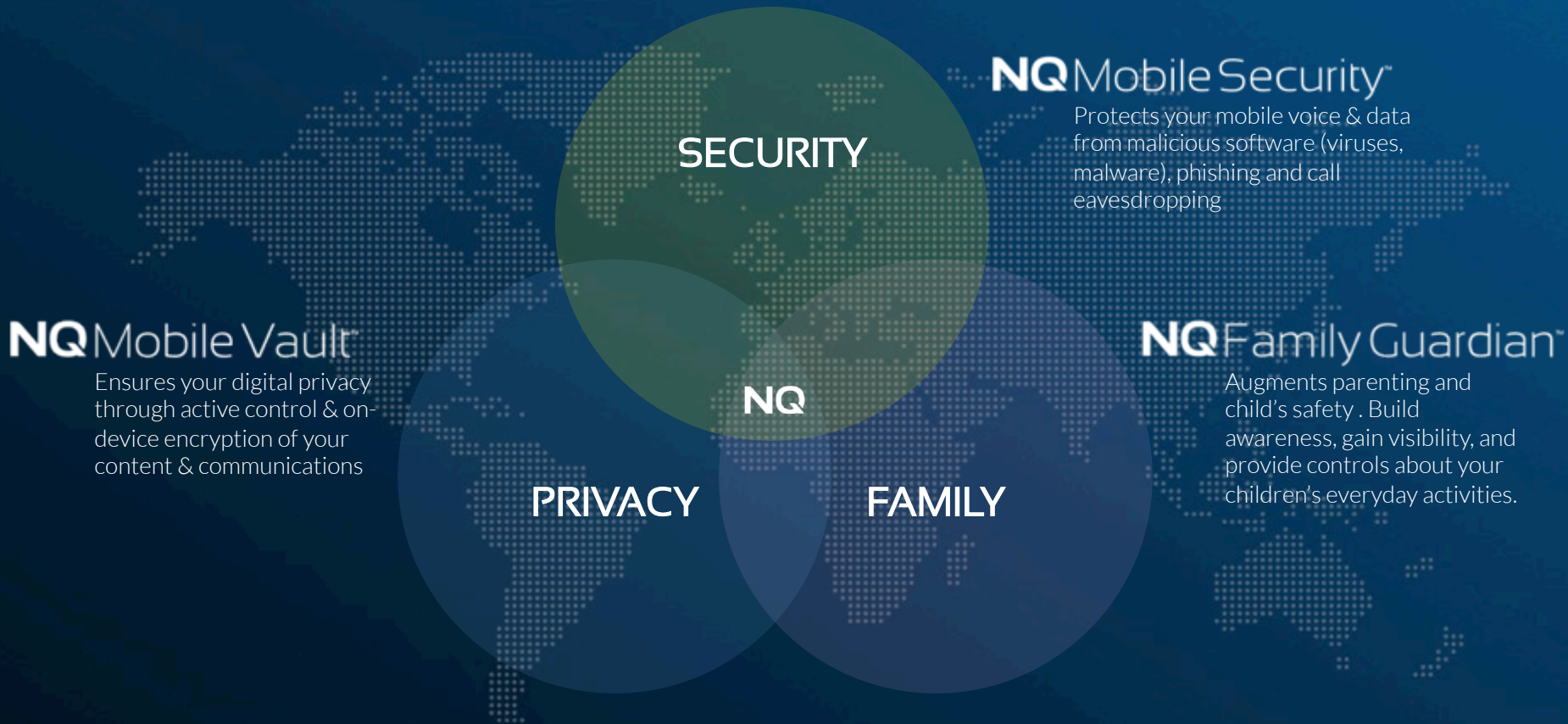
Turning the lights on globally – rolling payment out globally.

Secure enterprise's mobility evolution

200.

2013 Focus

Building Trust with Consumers



Trusted Security to Trust Services

- 1: 100M Trusted Security
- 2: 200M Trust Services

Enterprise

Consumer Services

Apps & Services

Device/
Content/
App
Mgmt.

Vertical
Solutions

Enterprise
Shield

MMS

Mobile
Security

Vault

Family
Guardian
Services

Platform Enablers

Publishing

Content
Data Sync

Admin
Mgmt.
Reporting

Analytics

Security
Module

Storefront
API

Licensing
Module

Merchandising

Cloud
Open Storage

UID

Location

Monetization

MDM
Interface

User Profile
(Hissage)

Monetization

Carrier Billing

Subscription

Retail
Checkout

Our Path from 1 to 2

Product Diversification

Expanding our product offerings horizontally

Channel Expansion

Broadening distribution through retail, carrier, OEM, and direct

Geographic Expansion

Scaling investments in US, Europe, and globally

Enterprise













BYOD drives opportunity

100.

200.

Consumer Channels and Reach

NQ Mobile consumer channels optimize both product discoverability and quality of exposure through the process of customer acquisition.

	Examples	Discoverability	Engagement	Acquisition
Preload	  	MED	LOW	LOW
Insurance Bundling		HIGH	HIGH	HIGH
Carrier VAS	 	MED	LOW/MED	MED
Retail	  	HIGH	HIGH	HIGH
Storefront Distribution	  	LOW	LOW	LOW

The Potential of our Retail Model

- 150M smartphones sold in the US each year
- 60M (~40%) from independent retail
- ~20-40% NQ retail coverage
- 20% attach rate yields 2.4M sold units
- \$24-\$48M annually

NQretail

Every 1% of the US Smartphone **retail** market at an attach rate of 20% drives \$1.2M in net revenue

Global Monetization

Expanding global billing footprint.



Messaging and Retail

Attract, engage, interact.

Attract.

May we have your attention?
We have something for you.

Engage.

Are you curious?
This is what it does, and why it's important to you.

Interact.

Are you interested?
Here's the next step.



NQretail



Enterprise

Overview of NationSky

Founded in 2005 by Charlie Hou

NQ Mobile acquired majority stake in May 2012

Leader in China enterprise mobility services

- Over 1000 large and medium enterprise customers

Strong industry alliance and partnerships

- Partners include Apple, RIM, China Mobile, Mobile Iron, GEMA etc.

Cross platform proprietary expertise and IP in mobile enterprise services and software

- Solutions for iOS, Android, BlackBerry
- Mobile device/application Management
- Enterprise app/content distribution



Over 50% of the Fortune 500 in China are NationSky customers

Banking



Brokerage



Insurance



Pharmaceutical



Manufacturing



Energy



Products and Services

Manageability Services

- Mobile data strategy consulting
- Architecture design and deployment
- Asset management
- Training

Security

- Mobile device management
- Mobile content management
- Mobile application management

Industry Solutions

- Insurance solution
- Banking solution
- Public service solution
- Logistic solution

Platform Integration Services

- Enterprise app store
- Enterprise content distribution
- Push integration
- Cross platform middleware

Devices



Mobility Application Enablement and Deployment



Legacy Enterprise IT



Integration Framework



Mobility Security Framework



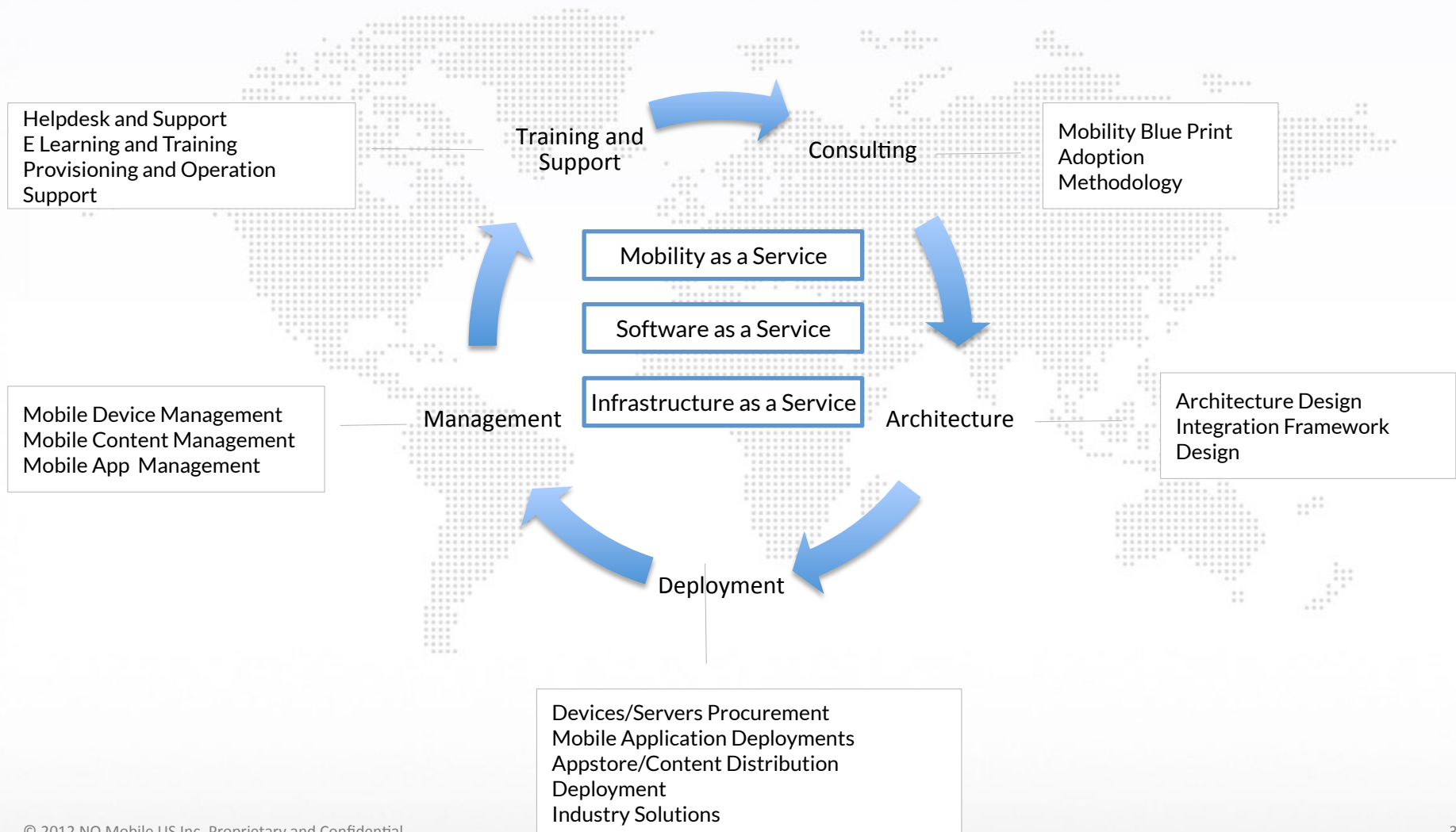
Mobility Infrastructure



Consulting and Management Services

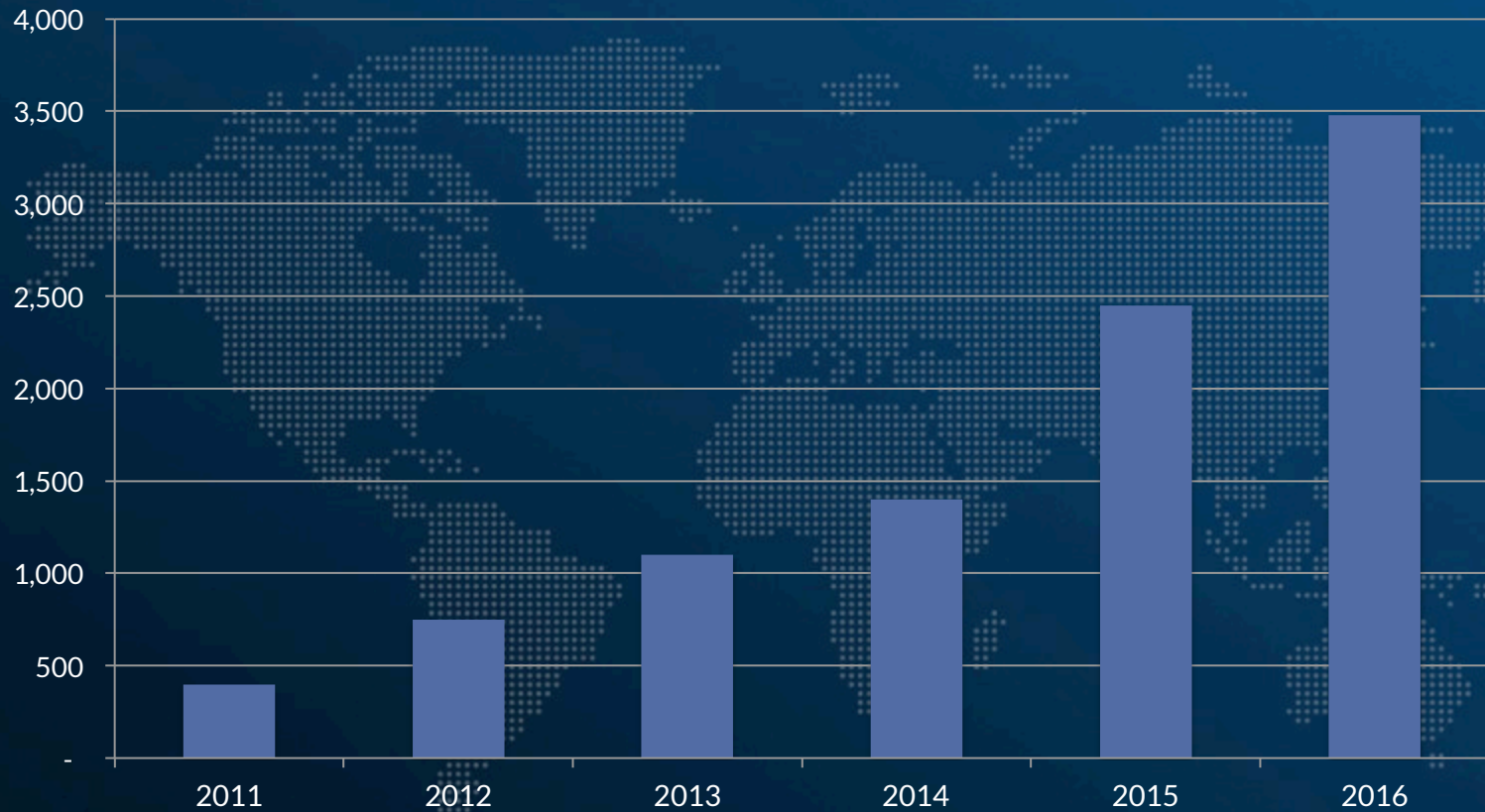


NationSky Customer Engagement Model



Managed Mobility Services Outlook

Forecast of Managed Mobility Services Market, Worldwide, 2011-2016 (M)



Trusted Mobile Platform

Institutionalizing our strengths and scaling our platform

Further *diversify TRUST* service offerings.

Scaling *globally*.

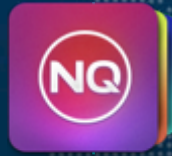
Enabling *3rd party developers*.

Leveraging NQ distribution to reach more customers, introduce *new services*, and *maximize conversion* at lowest customer acquisition costs.

500.
Future

Building from Trust Services to Trust Platform

- Mobile Security and Trust Services remains a hallmark of our core business with expectations of continuous growth globally.
- Scale and globalization has required a proven and powerful mobile engine to power our Trust Services globally.



Discovery

Broad reach through multiple channels of exposure and distribution

Acquisition

Low marginal costs to acquire customers

Innovation

Rapid introduction of new trust services – Low marginal costs of development

Engagement

New levels of customer engagement through community and social tools

Monetization

Various methods of monetization – Access and usage.

Why NQ Mobile

We have **proven** capabilities to **acquire** customers, **engage** them, and **monetize** services globally.

We also have significant opportunity to do for others what we do for ourselves:

Opening our platform to 3rd parties and help them leverage our core strengths.

Establishes a virtuous model that further improves our acquisition, engagement and monetization capabilities and further accelerates our growth.

OPEN


Trust Platform

Acquisition

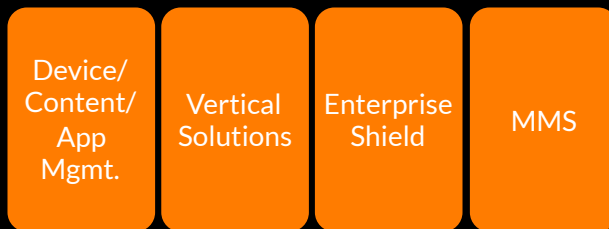
Engagement

Monetization

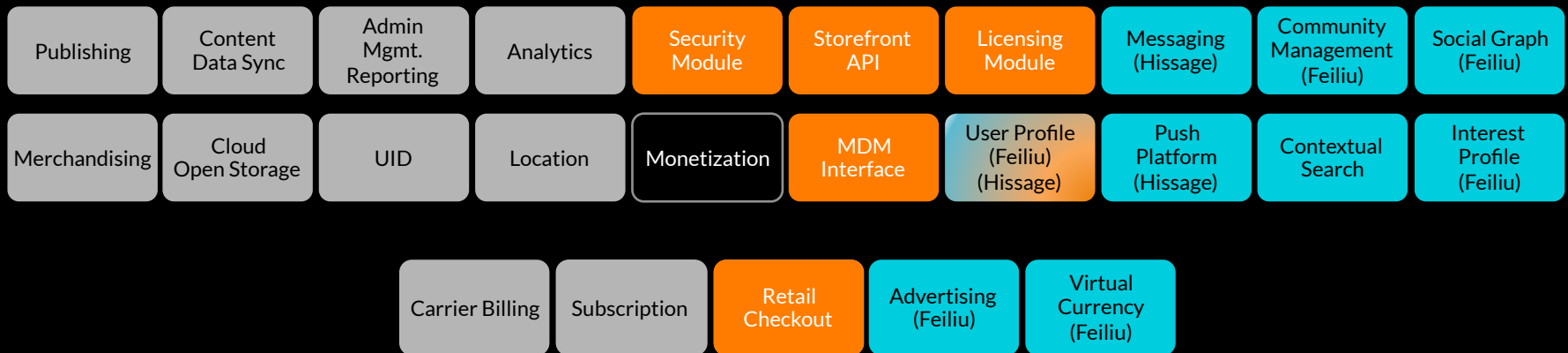
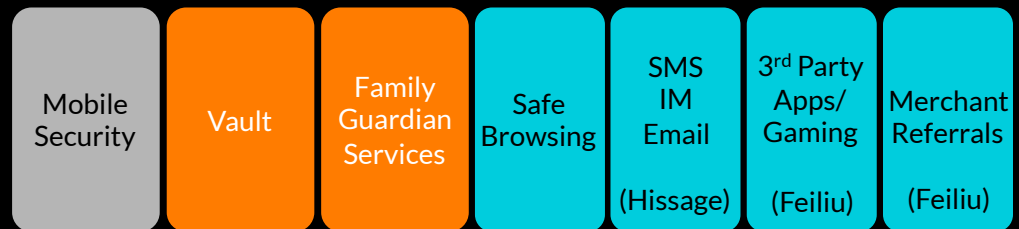
Trust Services to Trust Platform

-  1: 100M Trusted Security
-  2: 200M Trust Services
-  5: 500M Trust Platform

Enterprise



Consumer Services



Hissage Family

Full suite of messaging and push services across a broad range of devices.



HiMail

Push Email for POP

Exchange Document
Attachments



HiChat

IP Based chatting
and messaging

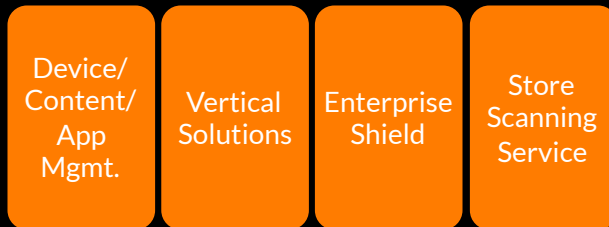


HiSNS

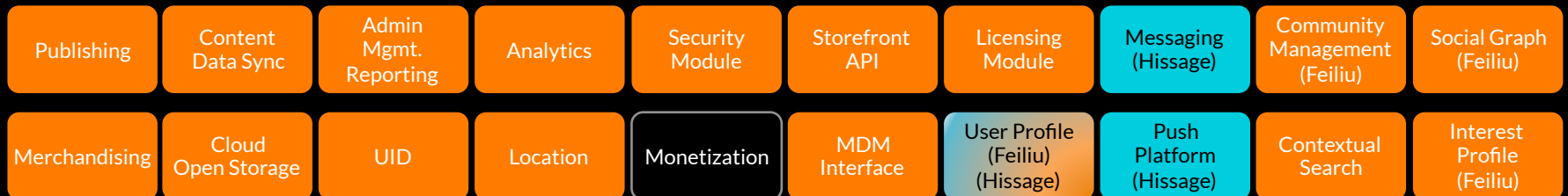
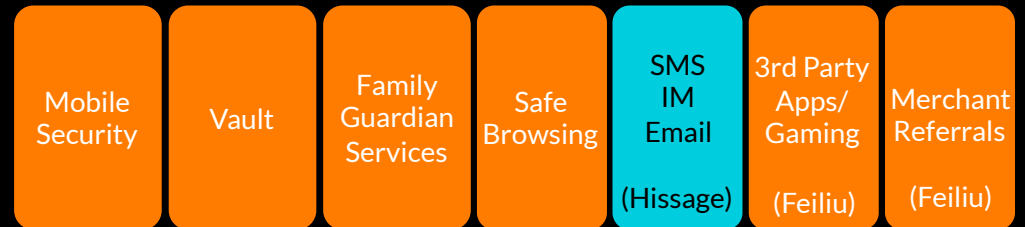
SNS Aggregation
and Multi-headed Client



Enterprise



Consumer Services



Overview

- Founded by Dr. Tony Ni in 2009
- NQ Mobile invested in Feiliu in Feb 2010
- NQ Mobile enters definitive agreement to purchase Feiliu on Nov. 13, 2012

Feiliu is a leading mobile social platform in China that engages user in real-time online group activities, built upon unique interest communities including mobile technology, automobile, health care, entertainment, books, games and others.



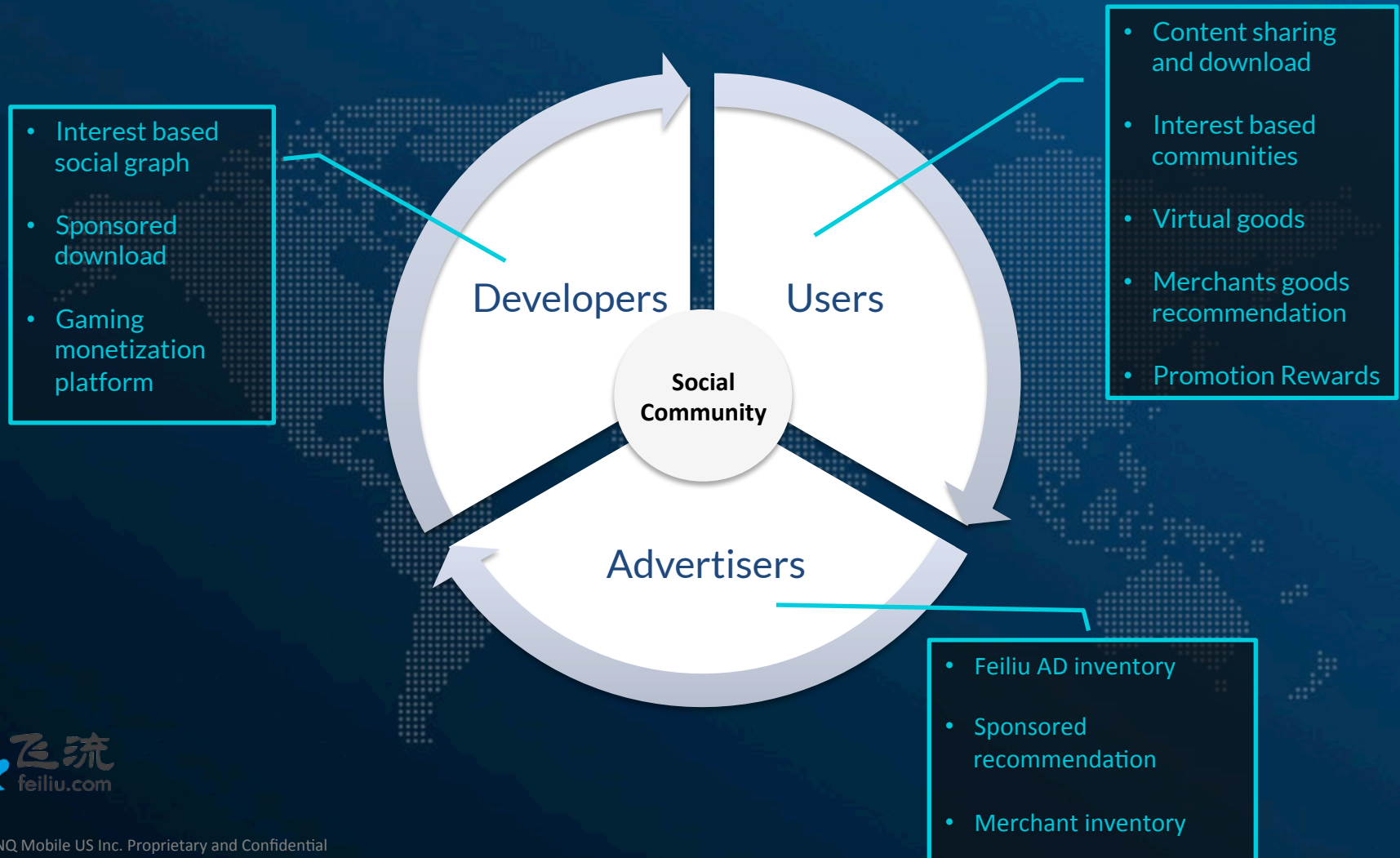
Market Leader in China

Mobile Social Platform

- Over 57M Registered Users
- Distribute over 400K Apps/games
- 12M Monthly Active Users
- #1 mobile online grossing distribution platform on iOS in China (SinoMR 2012)



Products and Services



Extended Partnerships

Ad Networks

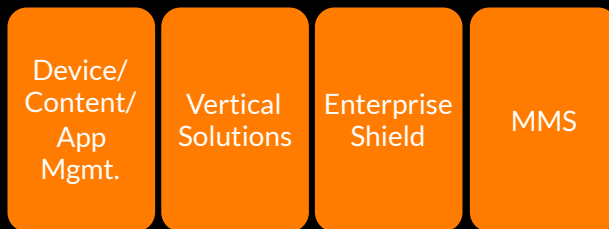


Developers

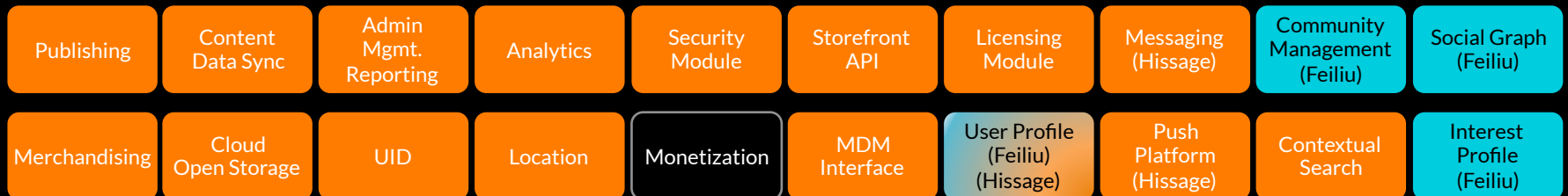
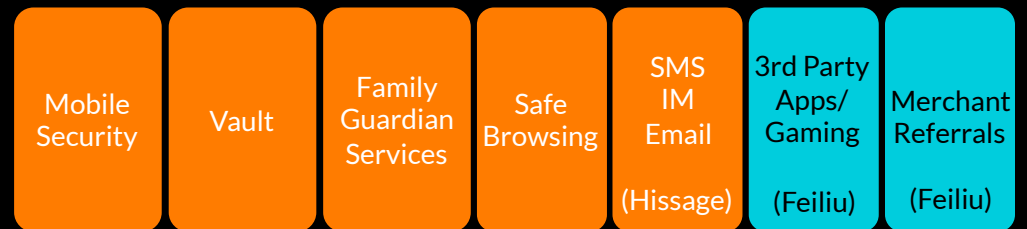




Enterprise



Consumer Services



Trust Platform

Recurrent Activation Cycle



Discovery to Monetization to Discovery

New Service
Discovery

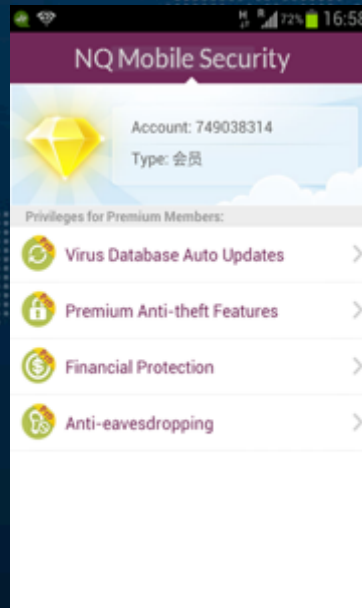
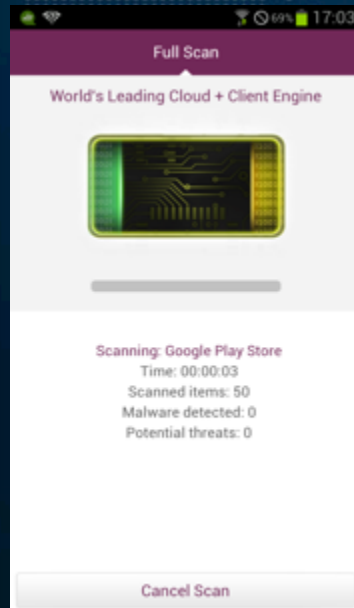
Customer
Activation

User
Engagement


Service
Monetization

Customer
Retention

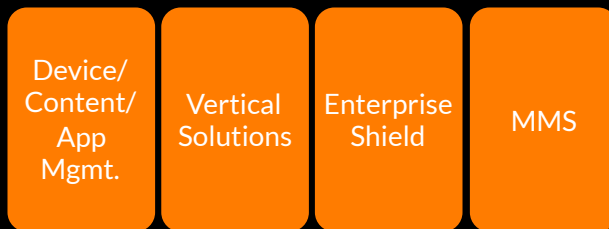
Service
Discovery



Trust Services to Trust Platform

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Enterprise



Consumer Services

