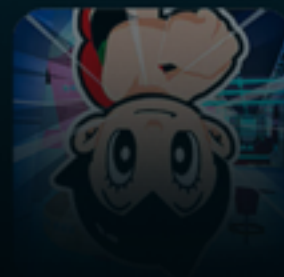
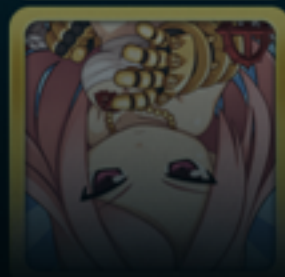
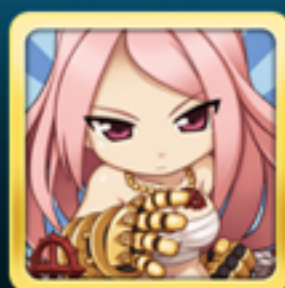


Animoca Brands (ASX:AB1)



Bell Potter Emerging Leaders Conference
23 March 2016 | Sydney



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Company Overview

Animoca Brands is a leading global developer and publisher of mobile games, with one of the largest licensed brand portfolios in the industry.



ASX	AB1
52 Week Share Price	A\$0.12 - A\$0.28
Shares on Issue	167,520,708
Share Price	A\$0.21 (as at 10 Mar 2016)
Market Cap (undiluted)	A\$35.2 million (as at 10 Mar 2016)
Cash at bank	A\$4.94 million (as at 31 Dec 2015)

Substantial Shareholders	ordinary shares	%
FingerFun (HK) Ltd.*	14,785,714	8.83%
Asyla Investments Limited	14,021,882	8.37%
Datahouse Investments Limited	14,013,115	8.37%
Intel Capital Corporation	10,934,232	6.53%
Yong Hui Capital Holdings I and II, IDG-Accel China entities, and Chi Sing Ho	10,934,231	6.53%

* Fingerfun (HK) Ltd. is a 100% subsidiary of Ourpalm.

Portfolio of globally recognised brands



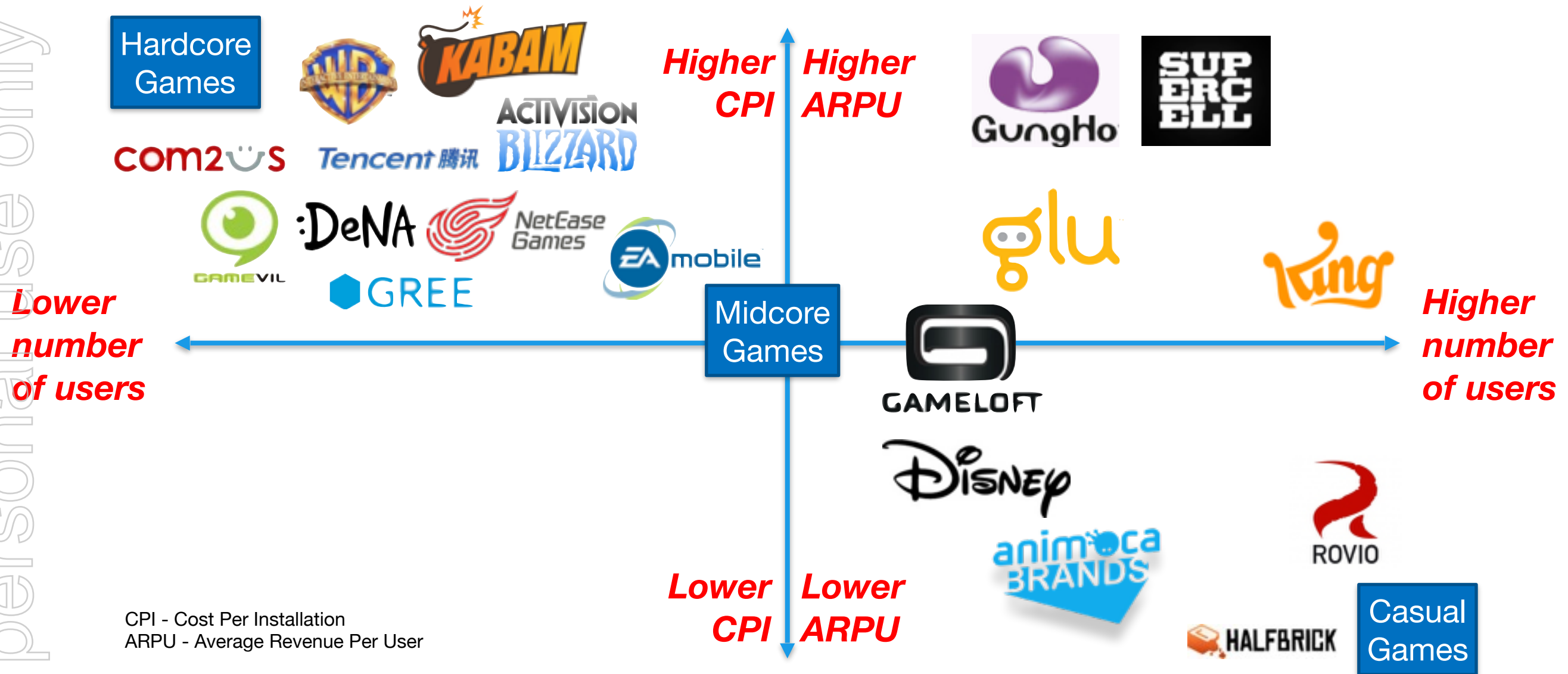
Established distribution channels with global publishers



Strong operating metrics

- 61m downloads in 2015
- over 174m lifetime downloads
- Average 8.6m monthly active users (MAUs) in 2015.

Business Strategy



- Game companies tend to be hit-driven, but no guaranteed formulae for making a successful game.
- Animoca Brands has a portfolio approach, launching many more games than a typical studio in an effort to achieve a greater overall return on investment and diversify risk.
- The more games the company launches, the more chances it has to have a hit.

Business Model

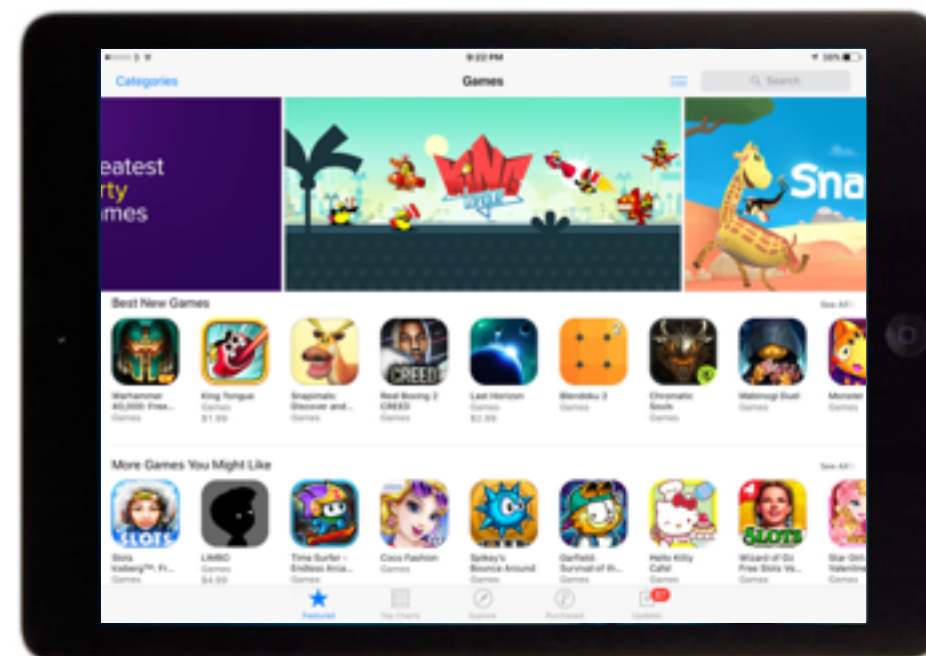
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- Specialist developer and publisher of games for iPhone and Android mobile operating systems
- Focused on *casual* games, targeted at 3 – 5 minutes of play
- **Revenue is made in two ways:**
 - freemium model – free download with in-app purchases
 - advertising, which is typically sold to other mobile companies (gaming, transport, platforms).
- **Advertising typically accounts for 20 - 30% of revenues**, the remainder is in-app purchases.
- The higher the MAU's, the bigger the audience, the stronger one's ability to attract advertisers.
- **New e-book products to be sold on a subscription basis** – i.e. paid in full at time of download
- Vast majority of games sold through Apple, Google, and Amazon app store platforms for a 30% share of revenue
 - Android platform fees in China are materially higher but audience is huge

Game Deployment Models

- Our games get to market in two ways:
 - Self-developed and self-published, usually with licensed characters
 - Developed by third parties and published by Animoca Brands
- Royalties of 25 - 40% of net revenues (i.e. post platform fees) are generally paid on licensed characters.



Three Development Models

Developer / Publisher Model

- Animoca develops and distributes games
- 100% of costs borne by company
- 100% of revenues (after platform fees) earned by company

Publisher Model

- 3rd party develops the game
- Animoca distributes the game and incurs marketing and distribution costs
- Net revenues (after platform and recovery of marketing costs) are typically shared equally with developer

Partnership Model

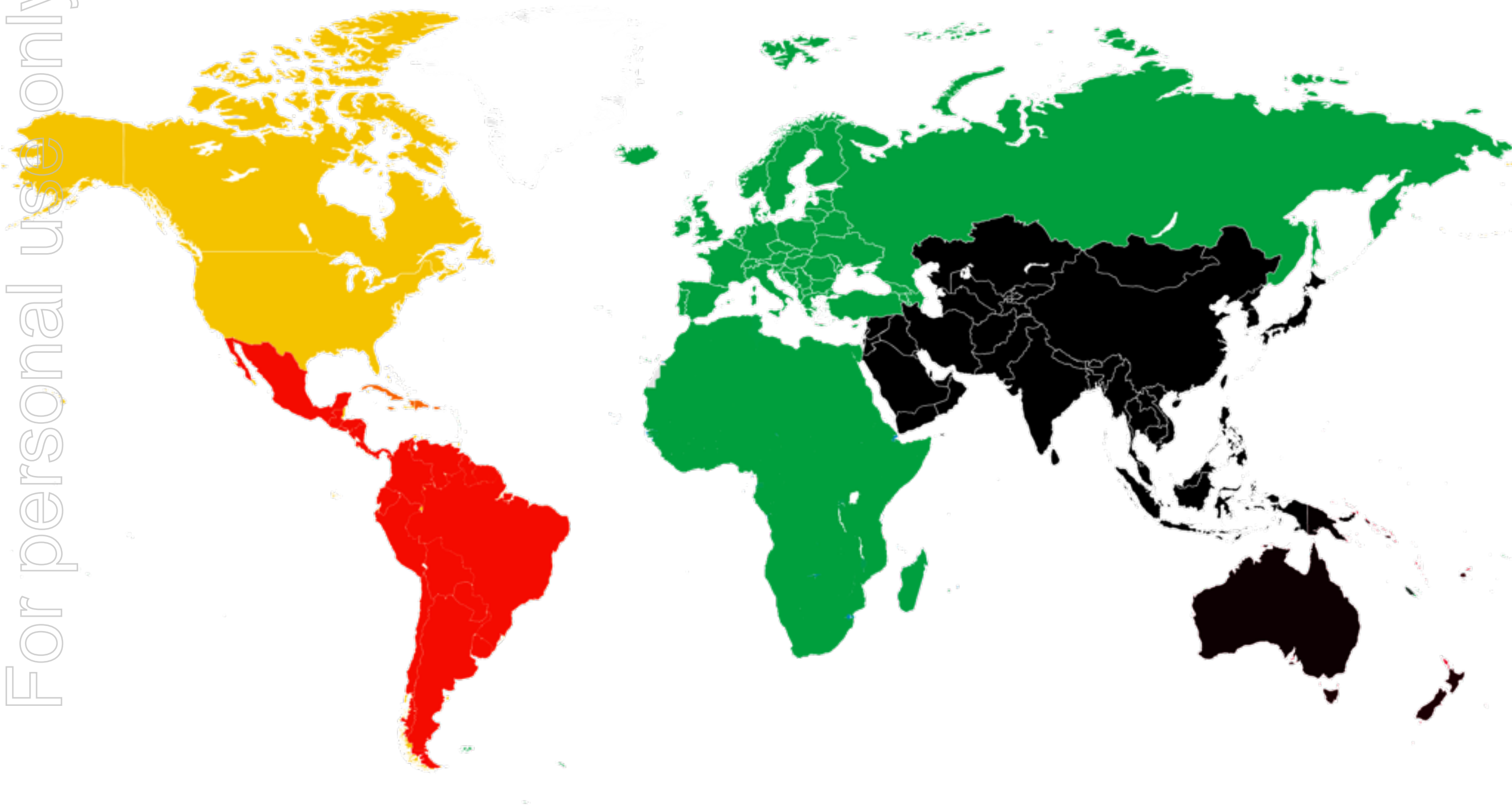
- Animoca Brands and partner co-develop the game and share distribution and marketing costs.
- Net revenues (after platform fees) are shared equally.

The Largest Brand Portfolio in Mobile Gaming

Animoca Brands is the licensee of some of the largest brands for use in mobile games, including:

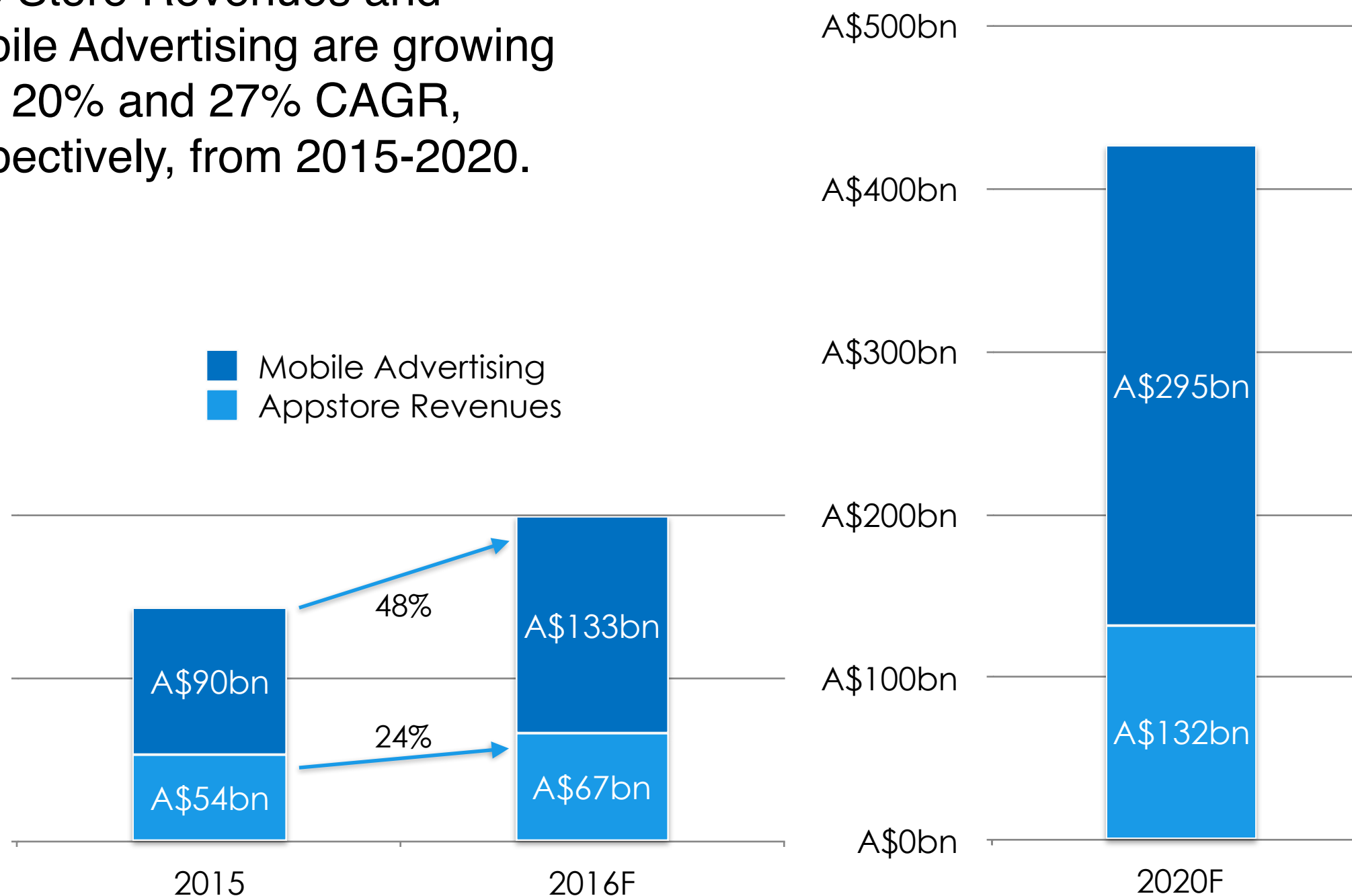


THE MARKET

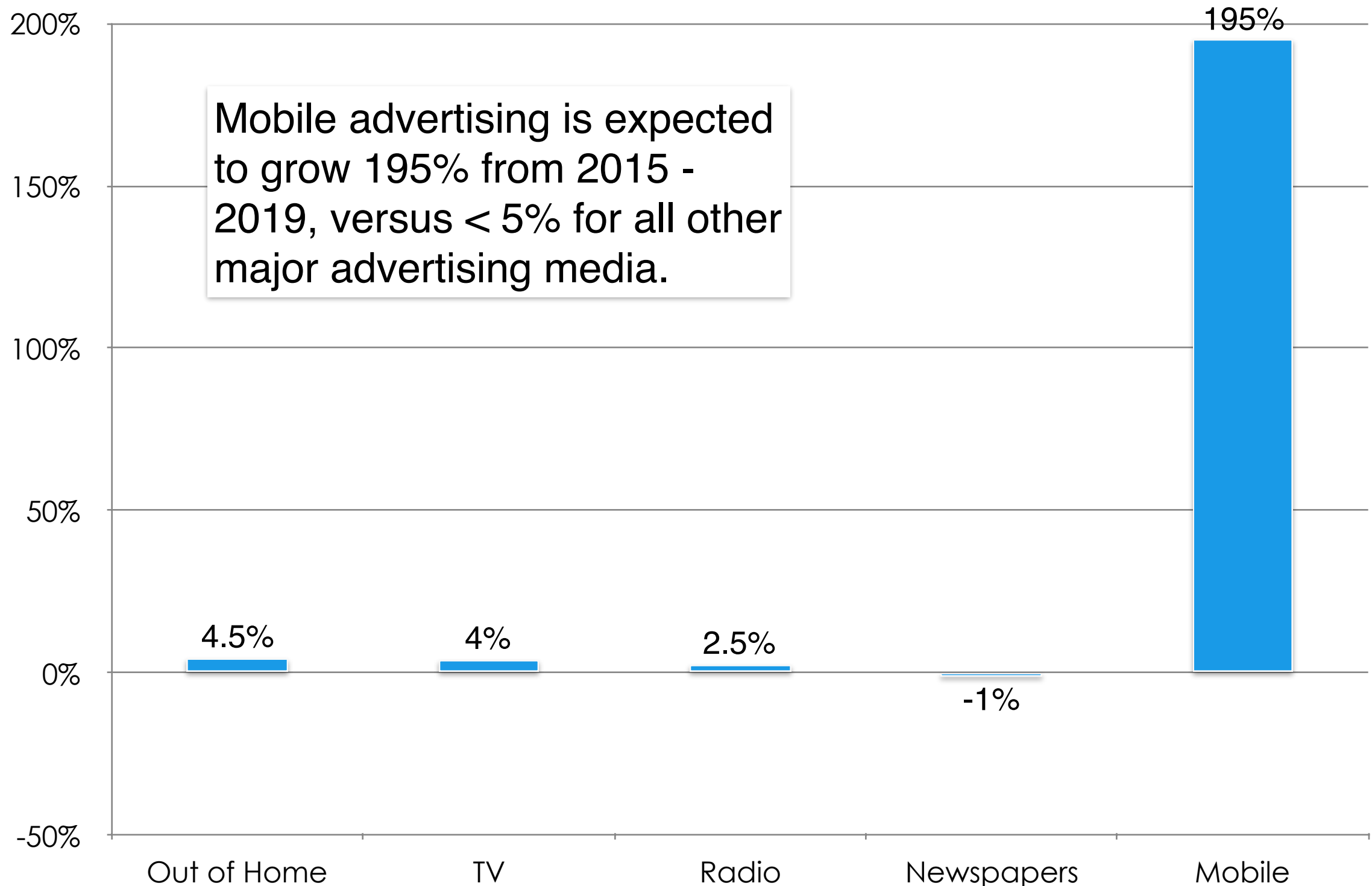


The Global Mobile Entertainment Market is Huge

App Store Revenues and Mobile Advertising are growing at a 20% and 27% CAGR, respectively, from 2015-2020.



Mobile is the fastest growing ad segment



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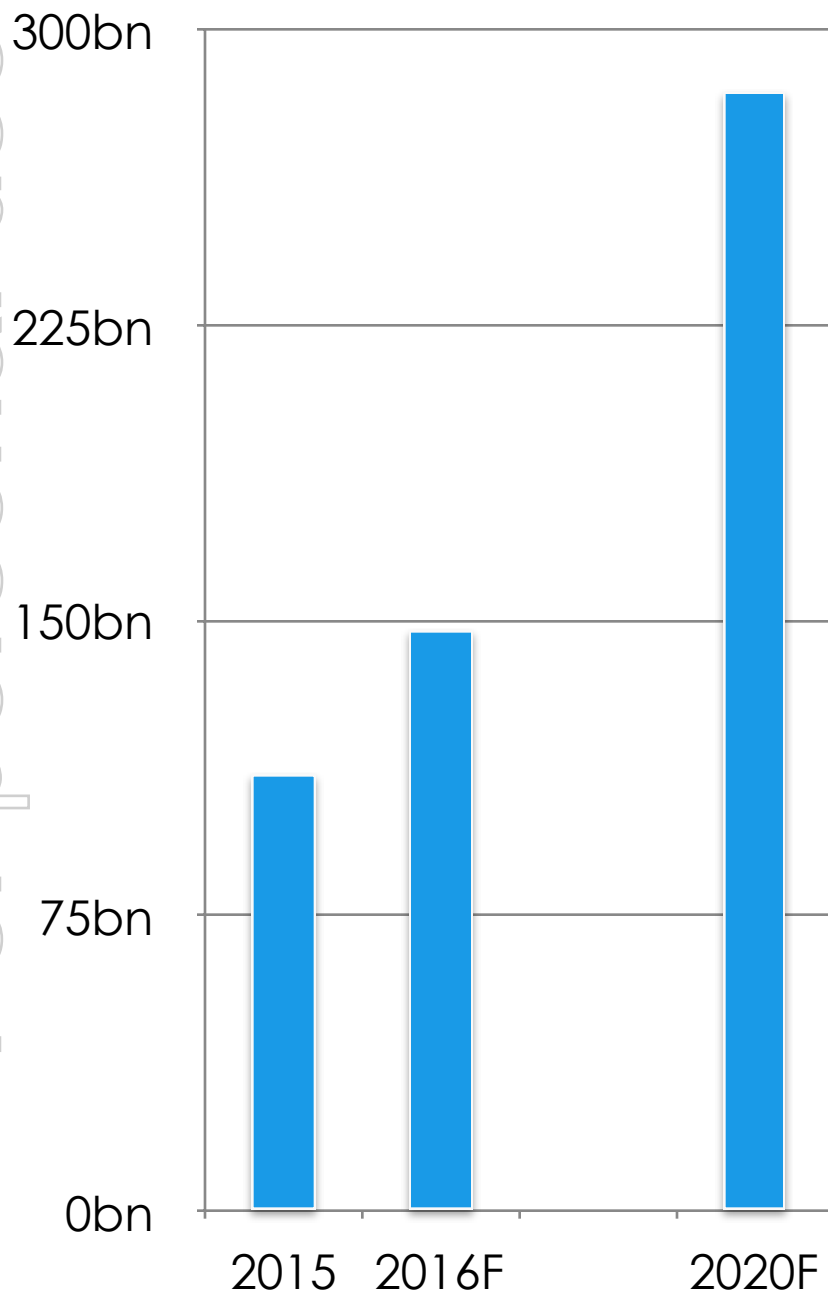
Global App Engagement Continues to Surge

Up 32.4%

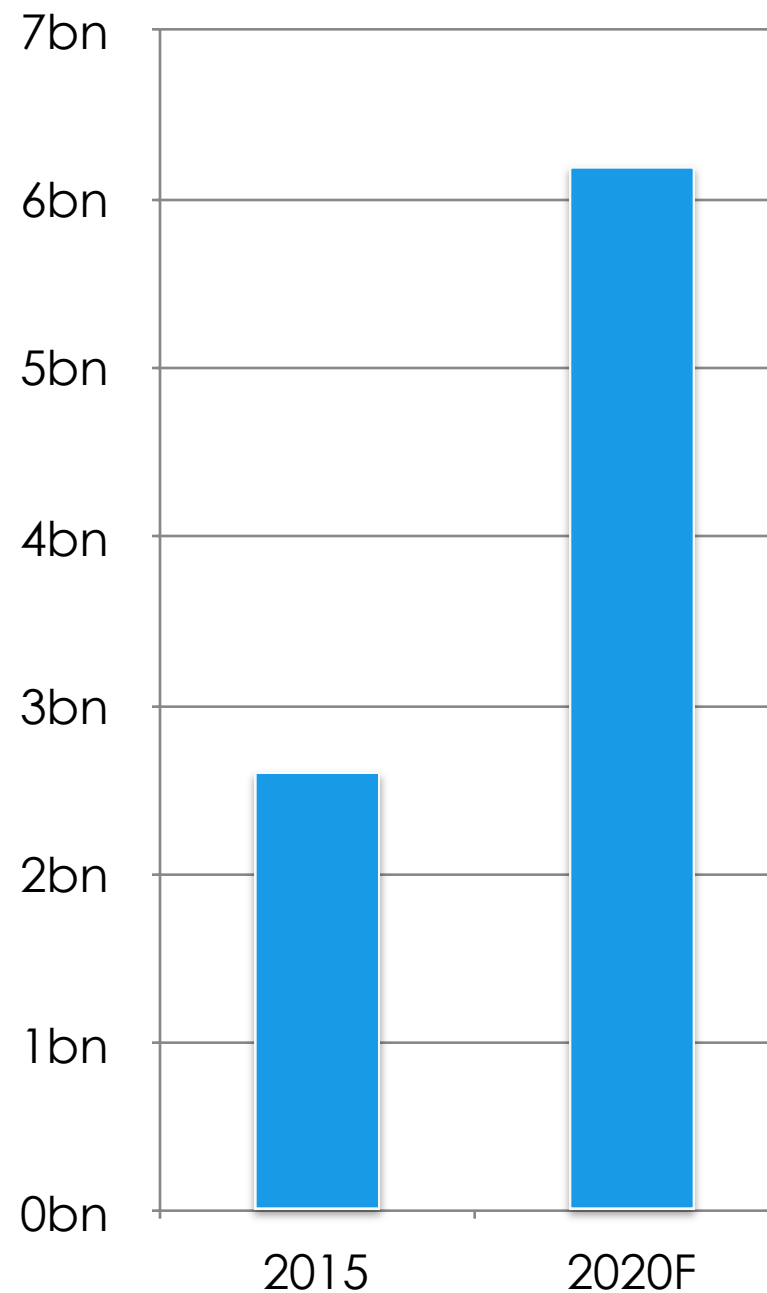
Up 138.5%

Up 63%

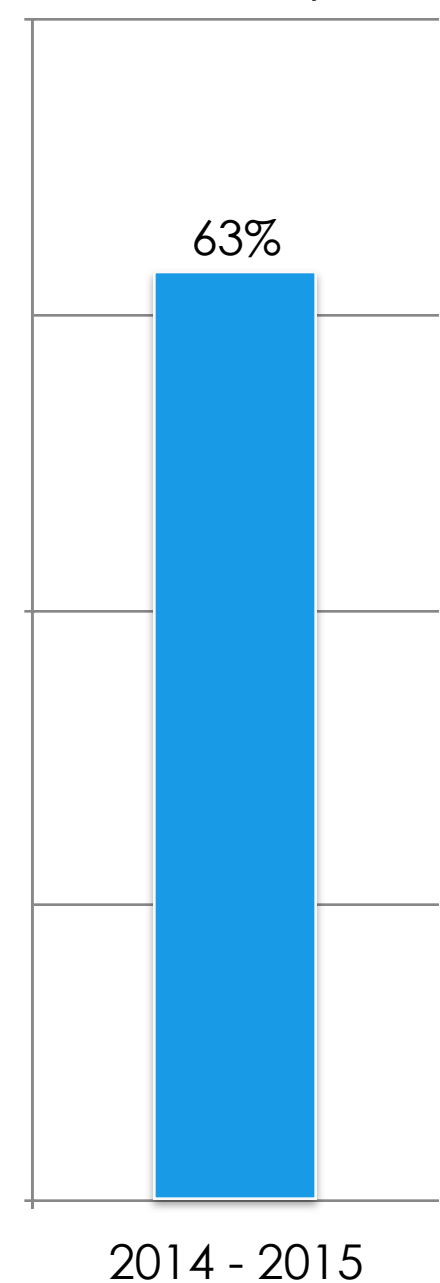
Global App Downloads



Global Installed Base



Time Spent in Android Apps (ex-China)



AB1 Compared to Global Trends

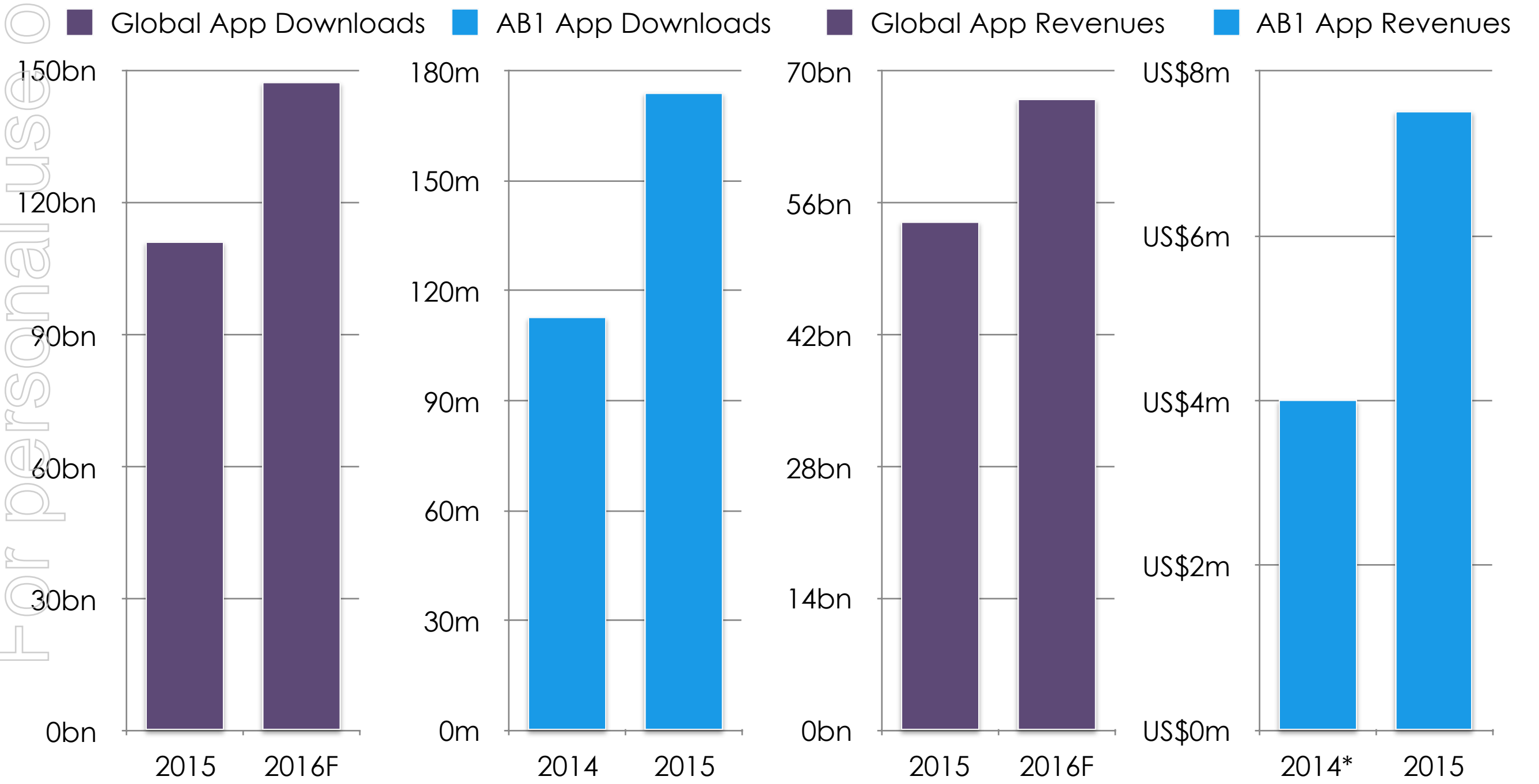
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Up 32.4%

Up 53.9%

Up 24%

Up 69%



A Year of Milestones

Successfully raised
a total of A\$10.2m

Largest and
Growing Brand
Portfolio

Expansion of
Distribution
Channels

Ourpalm to publish Doraemon
Gadget Rush



Agreement with Mattel, global
toy producer, to license leading
brands Thomas & Friends, Ever
After High, Monster High,
BLOKS, Bob the Builder and
more

Framework Agreement with
Ourpalm Co. Ltd signed for the
development and distribution of
the Company's apps in China

Google Play store
"Designed for Families"
incorporates 15 Animoca
Brands' apps

Successful listing
on the ASX
raising \$2.4m

Doraemon Gadget Rush app
dominated Asian charts,
with 1.8m downloads in less
than two weeks

First celebrity
license for the
name and image
of Paris Hilton

Collaboration with
Neocyon and Gravity,
Gung Ho subsidiaries



Jan 2015

Feb 2015

Mar 2015

Apr 2015

May 2015

Google play
Jun 2015

A\$3.1m investment
secured from
strategic investor
Ourpalm

Appointment of Mr Steven
Hu, co-CEO of Ourpalm, as
Non-executive Director

First Paris Hilton branded
merchandise published in
popular Star Girl app

Distribution agreement
with Tencent to
publish successful
Armies of Dragons app

Launch of first mobile
game in partnership
with Mattel: Ever After
High, Tea Party Dash!

A\$4.7m placement
to professional and
institutional
investors

Launch of second mobile
game in partnership with
Mattel: Thomas & Friends:
Race On!



July 2015

Aug 2015

Sept 2015

Oct 2015

Dec 2015

Partnership with
Lionsgate to produce
mobile games for
animated feature film
Norm of the North

Xiaomi to publish popular
Garfield Chef in China

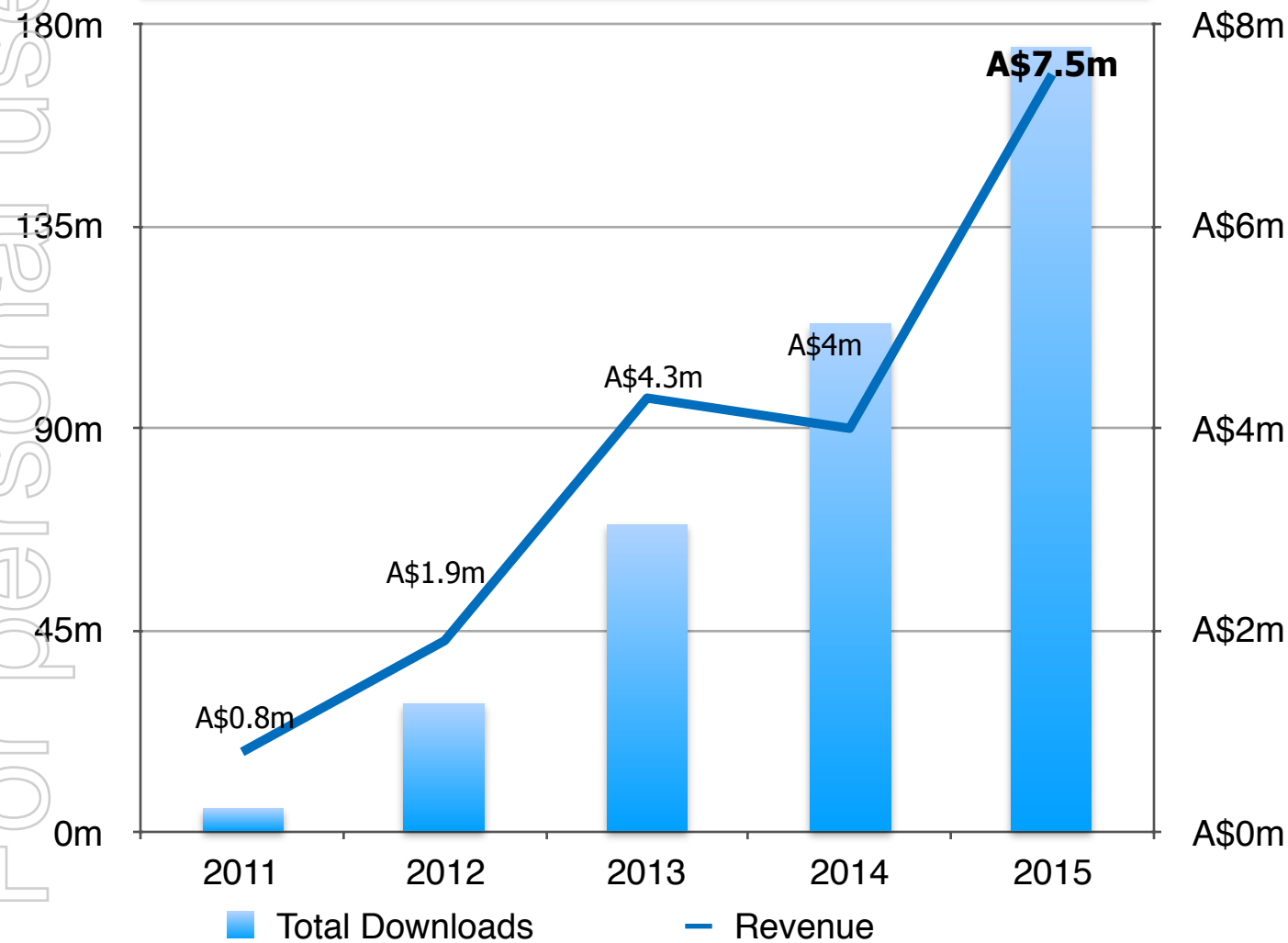


2016

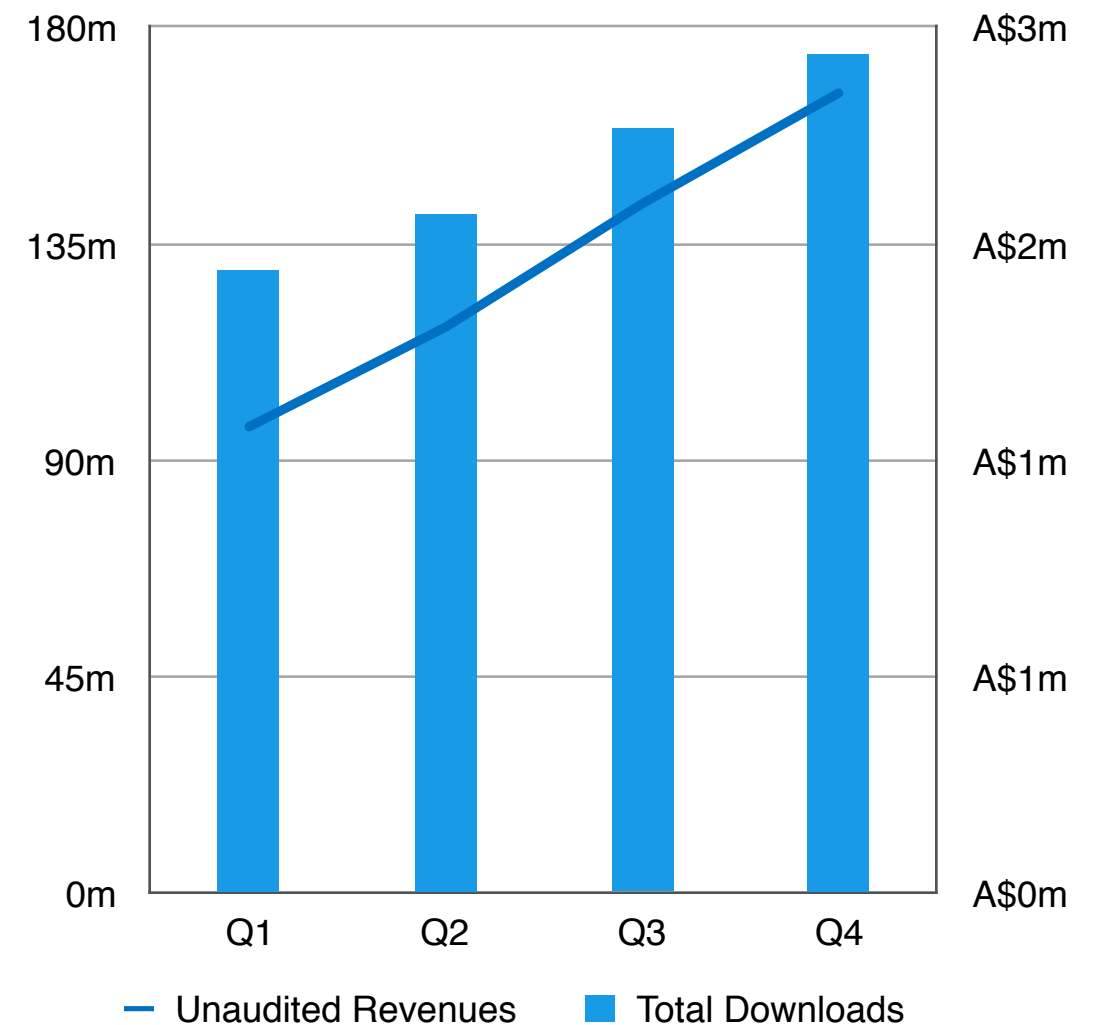
Revenue Growth of 69%, YoY to A\$7.5m

Strong correlation between total app downloads and revenues, affirming the Company's strategy to focus on producing a high volume of games in order to drive users and revenue.

Annual Revenue Growth vs Total Downloads



Quarterly Revenue Growth vs Total Downloads FY2015



Note: The 2014 revenues are comprised of pro forma results from January – June 2014, audited results from August – December 2014, and unaudited management accounts for July 2014. The pro forma revenue figures above are originally in US\$ and were disclosed in the Company's prospectus issued in December 2014 and have been translated to A\$ for reference purposes only. The rate used is the year end US\$/A\$ FX rate of the RBA, namely 1.2192 for the year ending 31 December 2014. Some of the quarterly revenue figures illustrated in the chart and table are originally in US\$ and have been translated to A\$ for reference purposes only. The rates used are the year end US\$/A\$ FX rate of the RBA, namely 1.1675, 1.2712, 1.2839, 1.3105, and 1.3917 for each of Q4 2014 through Q4 2015, respectively.

Partnerships with Leading Global Companies



Multinational toy manufacturing company with leading global brands under its umbrella.

mkt cap: \$15.2bn



Leading film producer, having created globally recognised films including *The Hunger Games* and *Divergent*.

mkt cap: \$4.4bn



Gung Ho Online Entertainment is a leading Japanese game corporation. Animoca has partnered with its subsidiaries Neocyon and Gravity.

mkt cap: \$3.5bn



World's 4th largest smartphone maker (61m handsets in 2015) who operates one of the leading Chinese app stores.

mkt cap: \$63bn



Ourpalm is China's leading listed mobile and social web developer and publisher with a global network of companies.

mkt cap: \$5.8bn



Chinese largest Internet company whose subsidiaries provide media, entertainment, internet and mobile phone services.

mkt cap: \$240bn

OPERATIONAL OVERVIEW

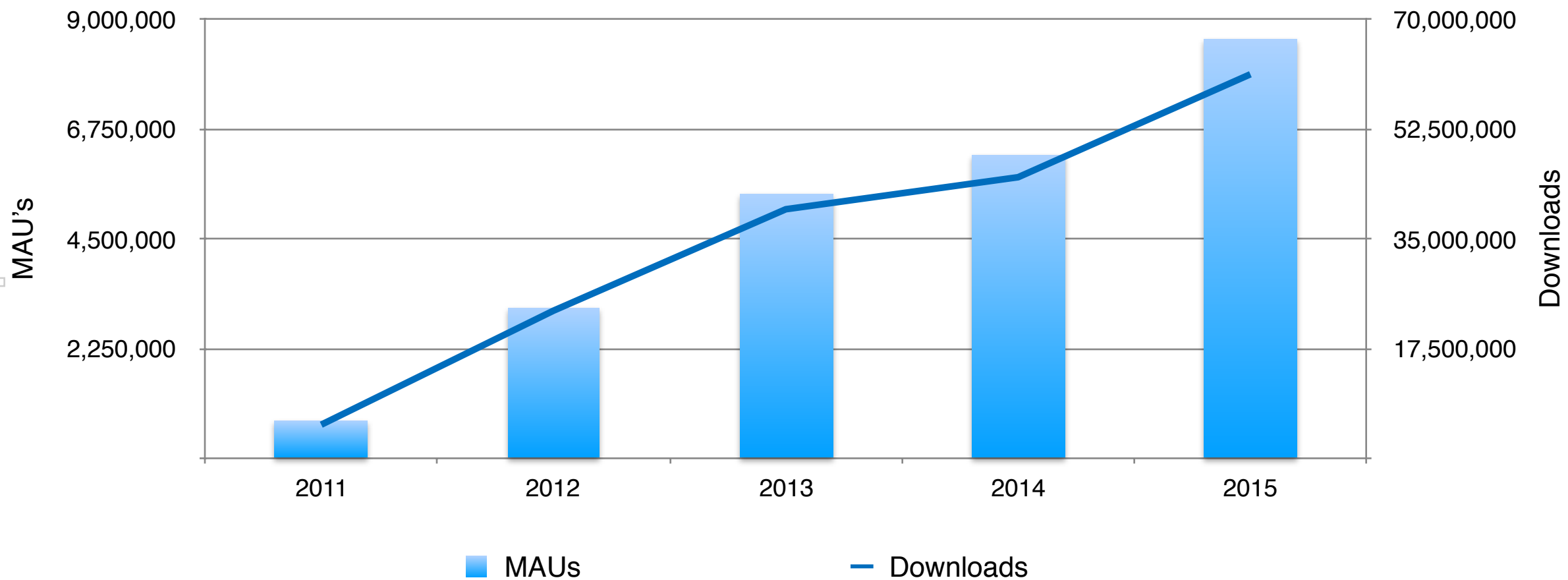


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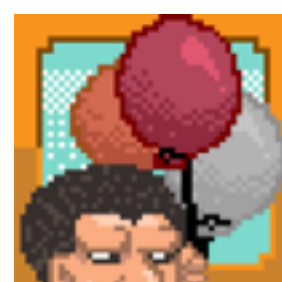
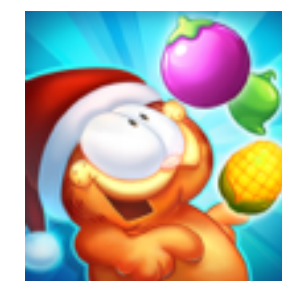
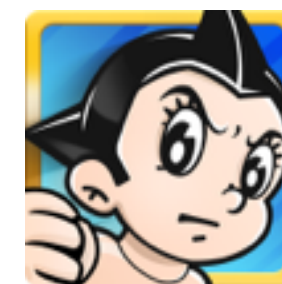
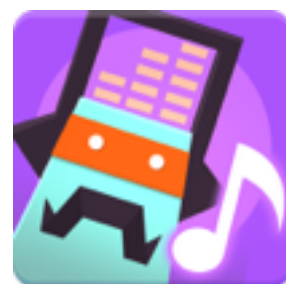


Key Performance Metrics – Ongoing Growth

	2015	2014	% change
Cumulative new installations / downloads	174.7m	113.4m	+54%
Monthly average new installations / downloads	5.1m	3.7m	+38%
Average monthly active users (MAU's)	8.4m	6.2m	+35%
Titles released	75	92	-18%



75 New Games Launched – Total 411



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Many Critically - acclaimed titles

NEWS

TouchArcade Game of the Week: 'Groove Planet'

AUTHOR

Jared Nelson

POSTED ON

2015-12-04 21:16:21

WATCH APP

06

Arcade, Featured, Free, Game Center, Game of the Week, Games, iPad Games, iPhone games, iPod touch games, Music / Rhythm, News, Universal

Others

110

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1

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2

The idea behind the TouchArcade Game of the Week is that every Friday afternoon we post the one game that came out this week that we think is worth giving a special nod to. Now, before anyone goes over thinking this, it doesn't necessarily mean our Game of the Week pick is the highest scoring game in a review, the game with the best graphics, or really any other quantifiable "best" thing. Instead, it's more just us picking out the single game out of the week's releases that we think is the most noteworthy, surprising, interesting, or really any other hard to describe quality that makes it worth having if you were just going to pick up one.

These picks might be controversial, and that's OK. If you disagree with what we've chosen, let's try to use the comments of these articles to have conversations about what

App Store Japan

App Store JP

Follow

ビートに合わせて画面をタップする音楽系クリッカーゲーム、『グルーブプラネット』が登場。ライブラリ内の楽曲をゲームに使用できます。 tw.appstore.com/6013BrA9c

View translation

RETWEETS

20

LIKES

21

4:58 PM · 5 Dec 2015

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开发者

搜索应用或游戏

快速链接

游戏

装机必备

客户端下载

小米应用助手

应用分类

实用工具

影音视听

聊天与社交

图书与阅读

元旦新关卡

冲击排行

新年极限

精品推荐

查看全部

App Store

Sign In

My Apps

My iPhone Apps

My iPad Apps

Updates

App Store

iPhone

iPad

DADA Trains

Education

\$3.49

Sesame Street Makes Music

Education

\$3.49

Thomas & Friends: Race On!

Games

PlayKids - Preschool

Education

Disney Junior Magic Phone

Education

\$3.49

KING OF KAI 3D Racing

Games

\$4.59

節'S DAY

Best New Apps

Tayasui Sketches

Draw, paint,...

Productivity

FREE 28.00

Hopper - Flight Research & Travel

Travel

Pinkoi Lifestyle

Lifestyle

ZUI Days Productivity

Productivity

PosterLab - Stylish collage

Photo & Video

SwiftKey Keyboard

Utilities

ArtStack - discover art

Lifestyle

Voice Wake-Take PTT

Productivity

Best New Games

Doraemon Gadget Rush

Games

Dark Echo

Games

FREE 15.00

LEGO® Ninjago Tournament

Games

Midnight Star

Games

Rambot

Games

BEAST BUSTERS

Games

The Hardest Fight

Games

Breakin' Grounds

Games

Private & Confidential

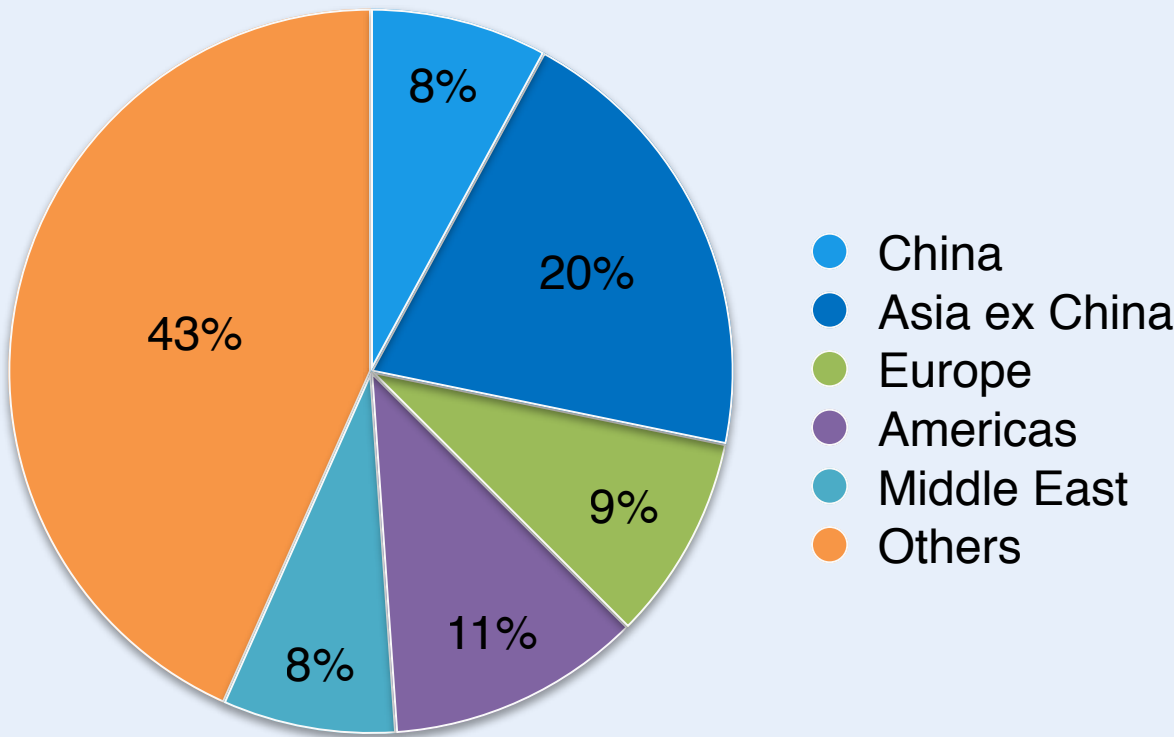
19

Key Metrics by Region FY15

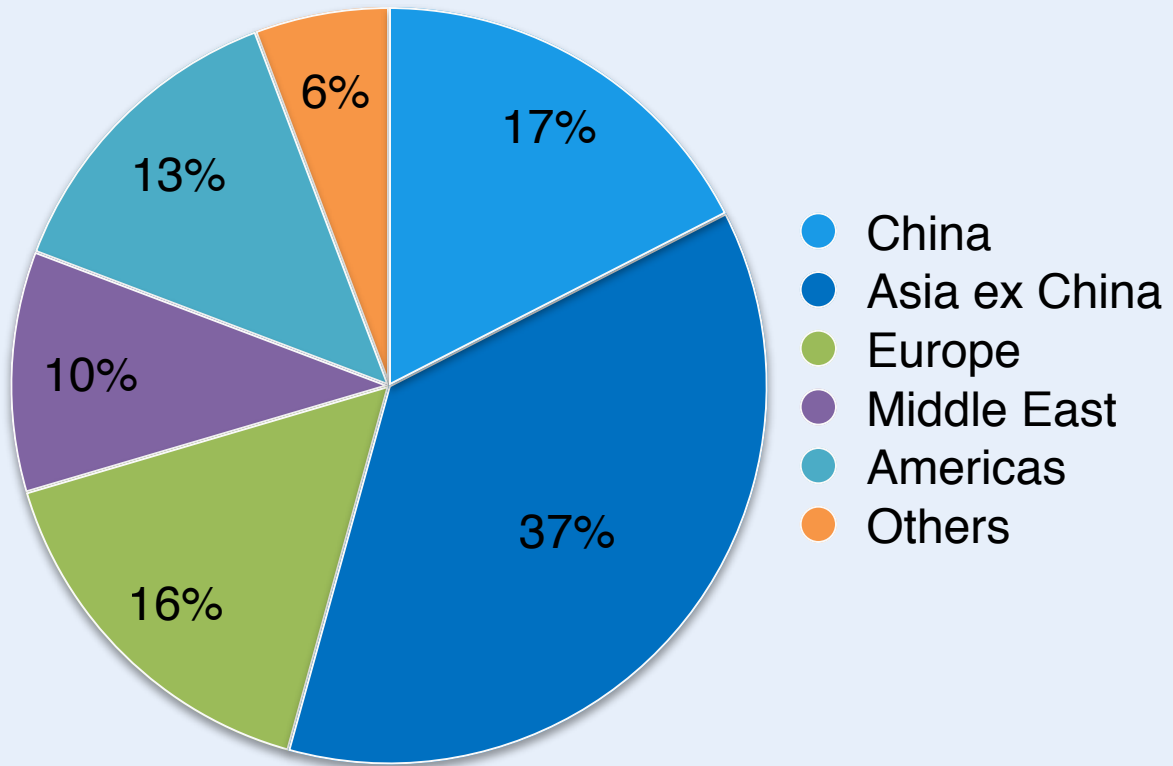
Average **monthly average users** (MAUs) totalled 8.4m, representing a 36% increase on 2014.

Total downloads up 36%, from 45m in 2014 to 61m in 2015

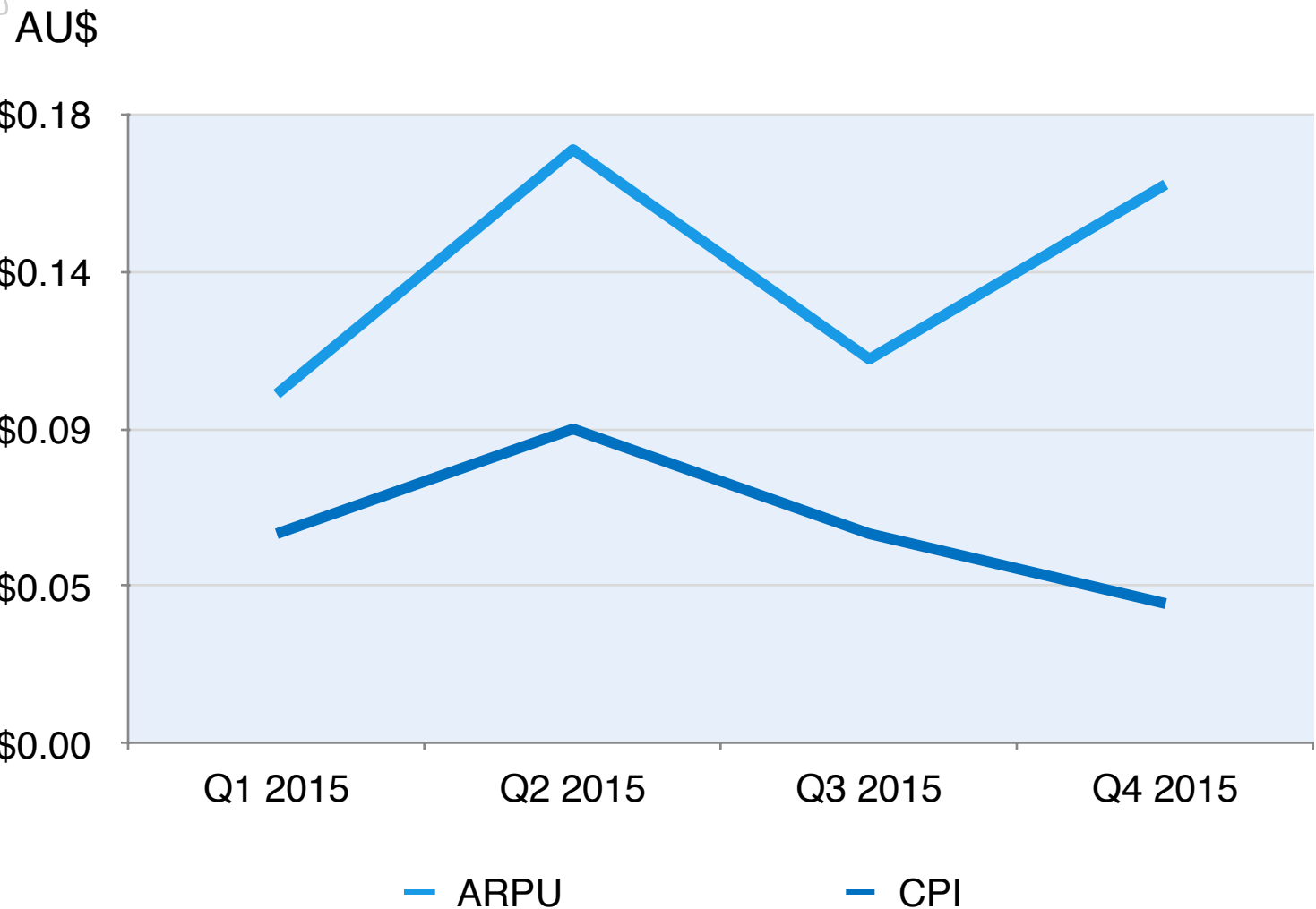
Average MAUs by Region



Average New User Growth by Region in 2015



Positive Metrics - ARPU Increasing as CPI Falls



Compelling metrics

Increase in ARPU due to an increasingly engaged audience making In-App-Purchases (IAPs) and growth of advertising revenues.

Decrease in Cost per Install (CPI) due to increased organic traffic and a higher number of apps.

ARPU to increase further as additional products are rolled-out and a wider audience is reached.

**ARPU and CPI originally in USD. Exchange rate as at 9 Feb 2016 has been applied.*

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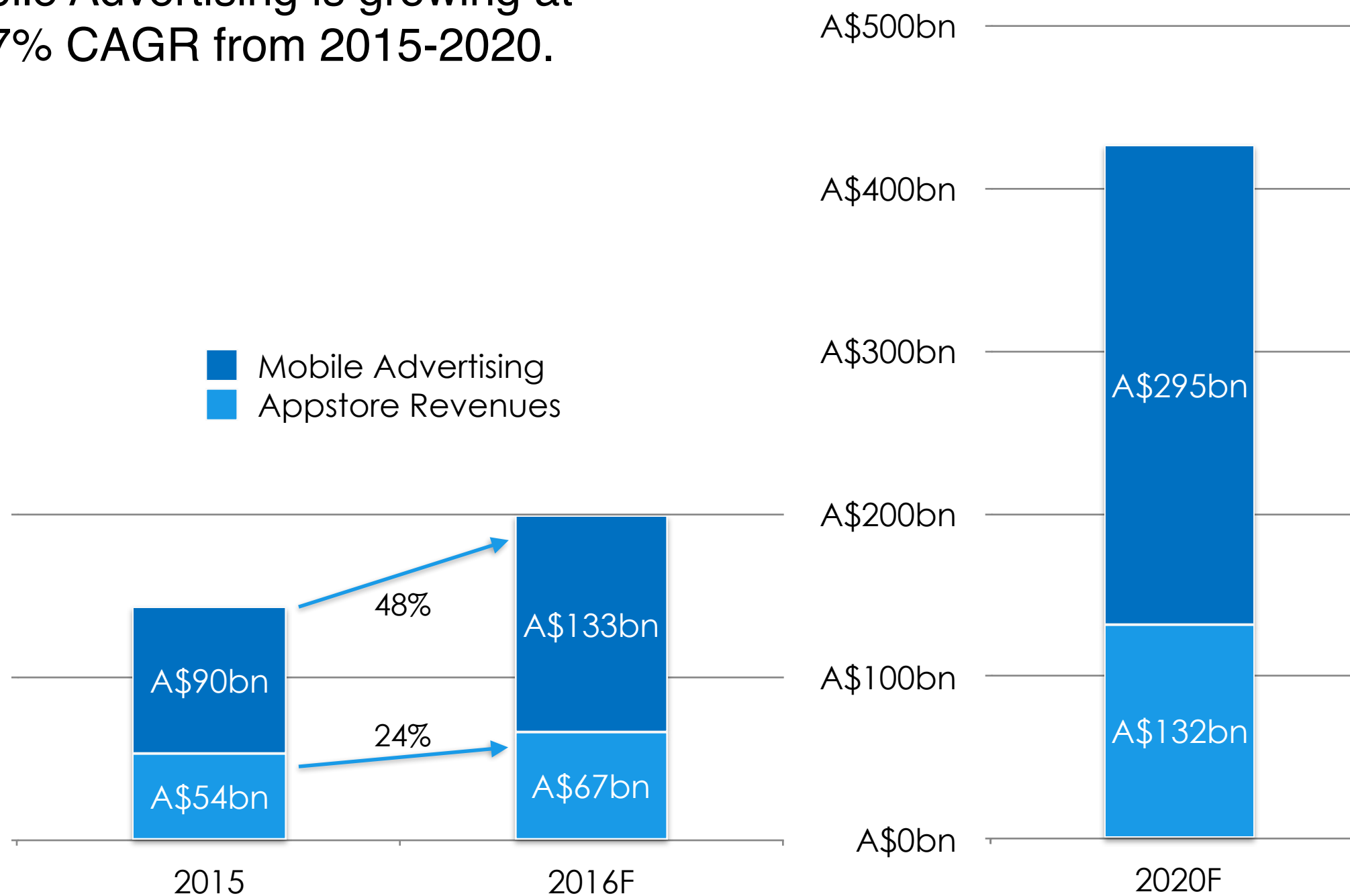
Diversifying Revenue Streams

Focused strategy to increase revenues through new initiatives: mobile advertising and E-Books

- **Interactive Learning and Entertainment Products / E-Books**
 - Subscription basis – product paid in full at the time of download
 - Potential to provide a strong recurring revenue stream
 - Simple and highly scalable model, leveraging existing content from Mattel's range of properties with additional interactive content
- **Focus on increasing advertising revenue**
 - Currently accounts for 26% of revenue
 - Animoca Brands high MAUs allow for cross-promotion of products, which drastically decreases the Cost per Installation (CPI)
 - Its highly engaged user base enables the Company to attract advertising by third parties, in turn increasing its revenue
 - New advertising formats, like video, continue to attract more advertisers to mobile

Mobile Advertising is Just Getting Started

Mobile Advertising is growing at a 27% CAGR from 2015-2020.



E-Books – Global Opportunity

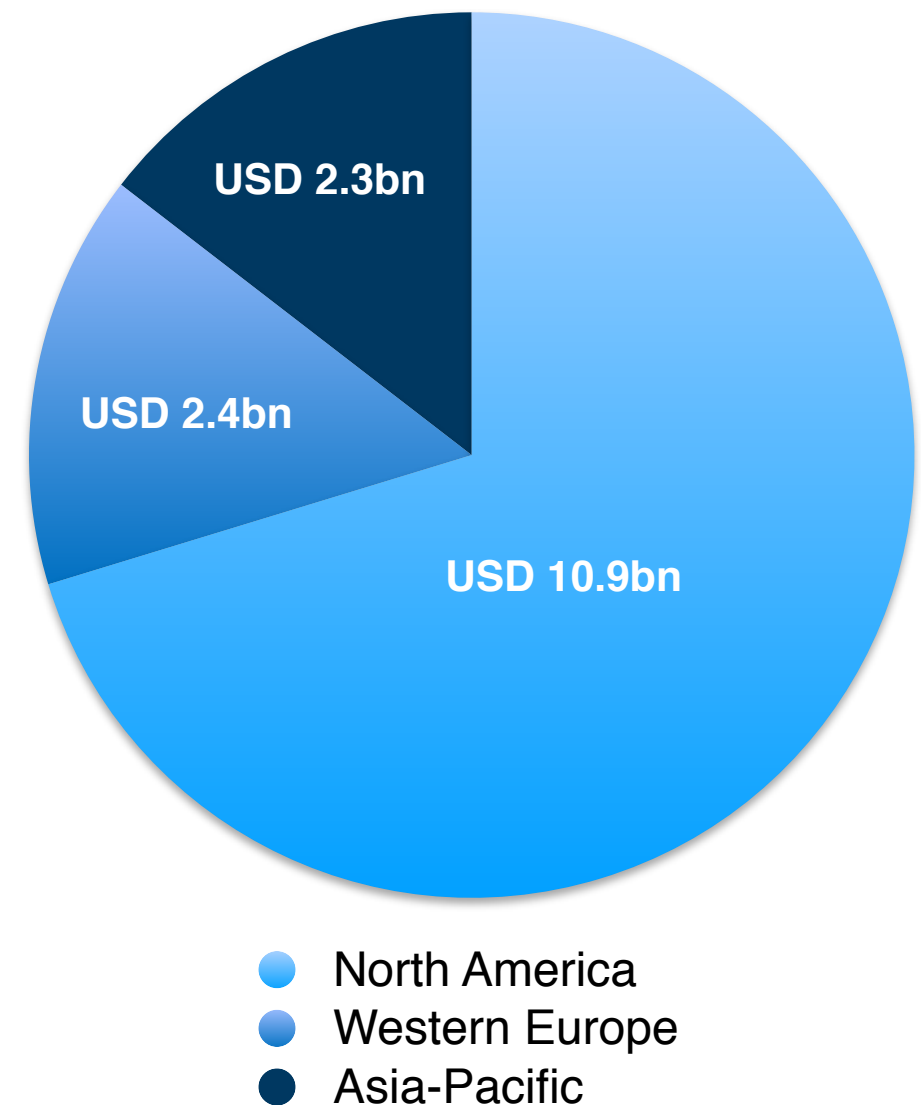
E-Books are rapidly overtaking traditional print publications and there is a huge potential market opportunity.

Total forecasted global E-Book revenue of US\$15.9bn in 2016, up from sales revenue of US\$13.bn in 2015

Asia-Pacific is a large and growing e-book market, with a penetration rate of only 12% in 2016 and expected continued growth.

The most prolific e-book readers are Millennials (Ages 18-29), of which there are 2.5bn worldwide.

**Forecast 2016 E-Book Revenue
(Billions of USD)**



Outlook - Well Positioned For Growth

-  Established partnerships with leading global companies, demonstrating ongoing ability to partner with global giants.
-  Growing portfolio of mobile apps an engaged and increasing user base, which can be leveraged with advertising opportunities.
-  Strong portfolio of licensed brands to develop further games and increase global audience appeal
-  Significant opportunity to increase exposure to growing mobile ad market and entrance into e-book sector, worth US\$100bn in 2016 and over US\$13bn in 2015, respectively
-  Solid pipeline of new products, including mobile apps based on leading brands and a new e-Book initiative in partnership with Mattel and its leading children's brands

FINANCIALS



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Financial Overview – Profit & Loss Statement

- Record revenue of A\$7.5m for FY2015, representing an increase of 69% on the prior year¹ driven by;
 - An expanded app portfolio and a growing user base
 - Increased distribution channels, resulting in user growth
 - Strong growth from advertising revenue
 - Continued performance of in-app purchases which accounted for +50% of revenues.
- Net loss of A\$2.9m (inc. 1m gain on FV adj of performance shares), a 63% decrease on FY14 due to one-time transaction costs of A\$6.7m in FY14.
- An increase in marketing activities drove growth of user base that led to increased expenses and higher revenues.

Summary consolidated income statement	12 months to Dec 2015 (A\$) Audited	5 months to Dec 2014 (A\$) Audited
Revenue from operating activities	7,544,457	1,033,916
Cost of revenue from operating activities	(2,603,921)	(634,376)
Gross profit	4,940,536	399,540
Interest Income	7,693	-
Gain on fair value adjustment – Performance Shares	1,010,808	-
Employee benefits	(1,402,963)	(1,091,033)
Marketing	(3,632,871)	(138,674)
R&D	(2,320,000)	-
Other expenses including occupancy	(1,537,662)	(182,021)
RTO transaction costs (one time)	-	(6,686,927)
Exchange differences	(22,893)	(102,012)
Net loss	(2,957,352)	(7,801,127)

1. Full year 2014 estimated results based on the aggregate of pro forma, management, and audited accounts during the period.

Financial Overview – Cash Flow Statement

- Receipts from customers increased by 267% on FY14 due to continued investment in the development and marketing of mobile app portfolio.
- Cash receipts of A\$5.5m vs. revenues of A\$7.5m during FY 2015, with A\$2.4m in trade and other receivables as at 31 December 2015.
- The company ended the year well funded to drive future expansion initiatives and associated sales and marketing activities.

Summary consolidated statement of cash flows		12 months to Dec 2015 (in A\$) Audited
Cash flows related to operating activities		
Receipts from customers		5,455,559
Interest from other items of similar nature received		7,693
Payments to suppliers and employees		(9,721,588)
Net operating cash flows		(4,258,336)
Cash flows related to investing activities		(232,833)
Cash flows from financing activities		7,982,000
Transaction costs for issue of shares		(285,778)
Repayment of borrowings		(976,629)
Net financing cash flows		6,719,593
Net increase in cash held		2,228,424
Exchange rate adjustments		(148,120)
Cash at the beginning of FY 2015		2,855,443
Cash at the end of FY 2015		4,935,747

Financial Overview – Balance Sheet

- The Company finished 2015 with assets of A\$7.6m:
 - A\$4.9m in cash and equivalents
 - A\$2.4m in trade and other receivables
 - A\$205k investment in TinyTap Ltd.
- Other liabilities of A\$2.9m relate to the Performance Shares - due to convert to ordinary shares in Q3 2016
- Development costs fully expensed, not capitalised

Summary consolidated statement of financial position		12 months to Dec 2015 (in A\$) Audited
Current Assets		
Cash and cash equivalents		4,935,747
Trade and other receivables		2,401,703
Financial Assets		205,310
Other Assets, Plant & Equipment		69,844
Total Assets		7,612,604
Current Liabilities		
Trade & Other Payables		2,898,458
Short-term provisions		42,123
Other Liabilities		2,906,250
Total Liabilities		5,846,831
Net Assets / (Liabilities)		1,765,773
Equity		
Contributed Equity		16,192,964
Reserves		(3,793,617)
Accumulated Losses		(10,633,574)
Total Equity		1,765,773

Contact Details

Animoca Brands

Robby Yung (CEO)

E-mail: ryung@animocabrands.com

Tel: (+852) 2534 1222

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