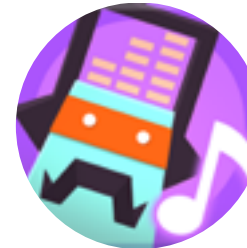


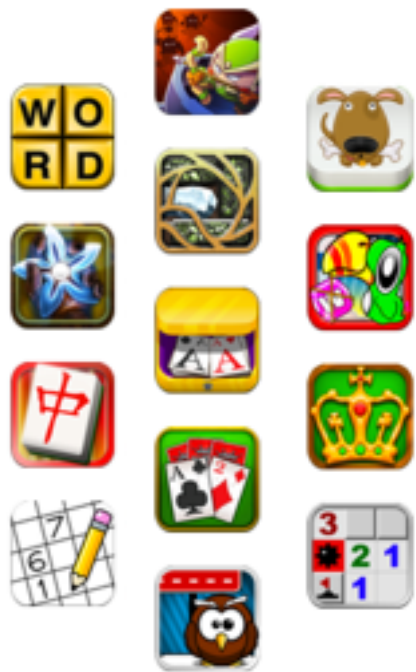


# Acquisition Presentation

4 July 2016



# Transaction Overview



- Animoca Brands to acquire Finnish mobile game developer TicBits Oy
  - Highly complementary products and IP, enhancing existing suite of games and licensed brands
  - Significant opportunities to leverage TicBits apps and game engines with Animoca Brands' IP portfolio and distribution
  - Diversifies operations geographically, tapping Nordic mobile engineering talent - Finland is home to mobile gaming giants Supercell (Tencent acquired for A\$12bn in June '16) and Rovio (makers of Angry Birds) amongst others
- Upfront cash consideration of €2.35 million (A\$3.5m) and agreement to pay €1m (A\$1.5m), in cash or ordinary shares, at the end of 2018 and potential earn-out payments
- Up to €0.5m (A\$0.75m) in earn-outs payable over three years if cumulative net income is €2.1m, additional €0.5m annual bonus for each year NPAT > €3m
- Acquired balance sheet includes €1.2m (A\$1.8m) in excess cash
- Transaction EV/EBIT multiple of 3.6x (TicBits FY2015 EBIT €0.6m)
- Acquisition funded by the partial use of funds from April capital raising

# TicBits Overview



An independent European game development studio, founded in 2010 by seasoned game developers Fredrik Wahrman and Niklas Wahrman.



9 Employees



FY 2015 Revenue of  
€1m (A\$1.5m)



Total of 750,000  
monthly active users  
(MAUs) throughout  
March 2016

Portfolio of 13 games published predominantly across the iOS platform



# Strategic Rationale

1



Track record of  
growth and strong  
revenue

2



Expands  
global position

3



Strong  
strategic fit

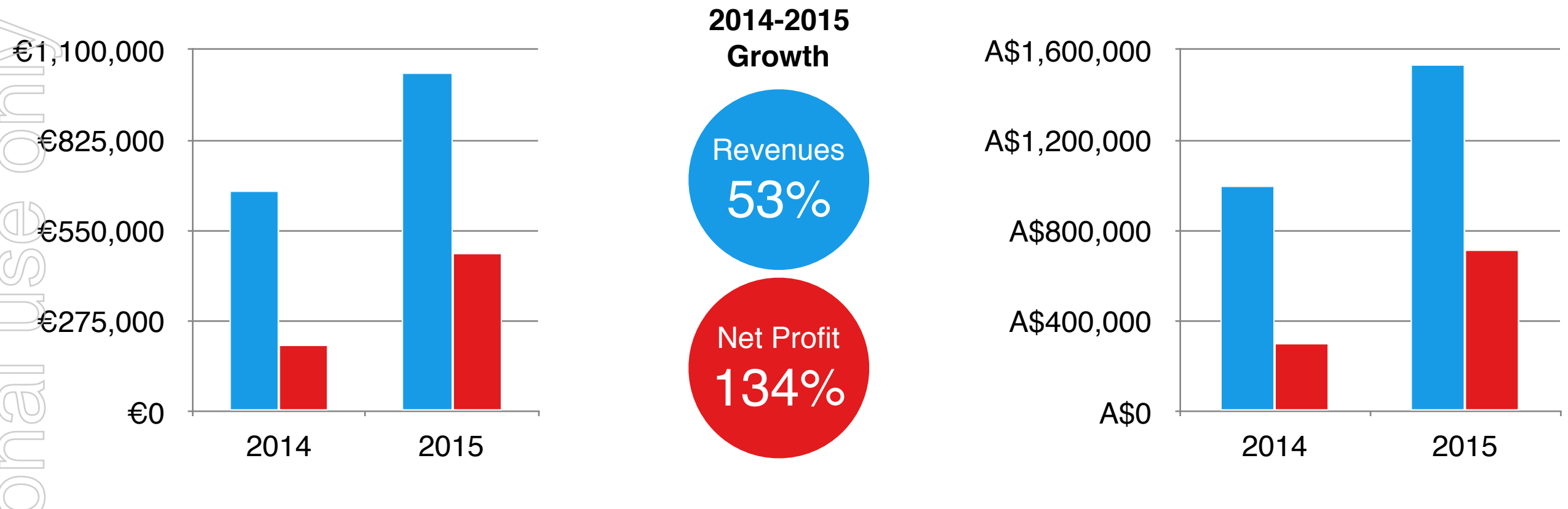
4



Delivers significant  
value to  
shareholders



# 1. Track Record of Growth and Strong Revenue



## Portfolio of games

TicBits has a portfolio approach and has developed a number of highly successful casual games. Focuses on long-tail games, with high number of games each contributing towards user & revenue growth



Crazy Kings, a leading mid-core tower defence title



Stable of apps based on classic puzzle and card games like Solitaire, Minesweeper and Sudoku

## 2. Expands Global Market Position

- **Solidifies position** in the global mobile gaming market
- **Significantly expands** its user base and game portfolio
- **Enhances reach and influence** in the mobile gaming sector
- **Expands operational base** into Europe
- **Finland is a key hub of mobile gaming in Europe** and a great source of industry talent

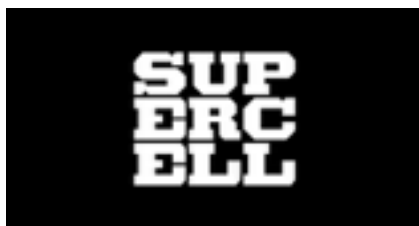
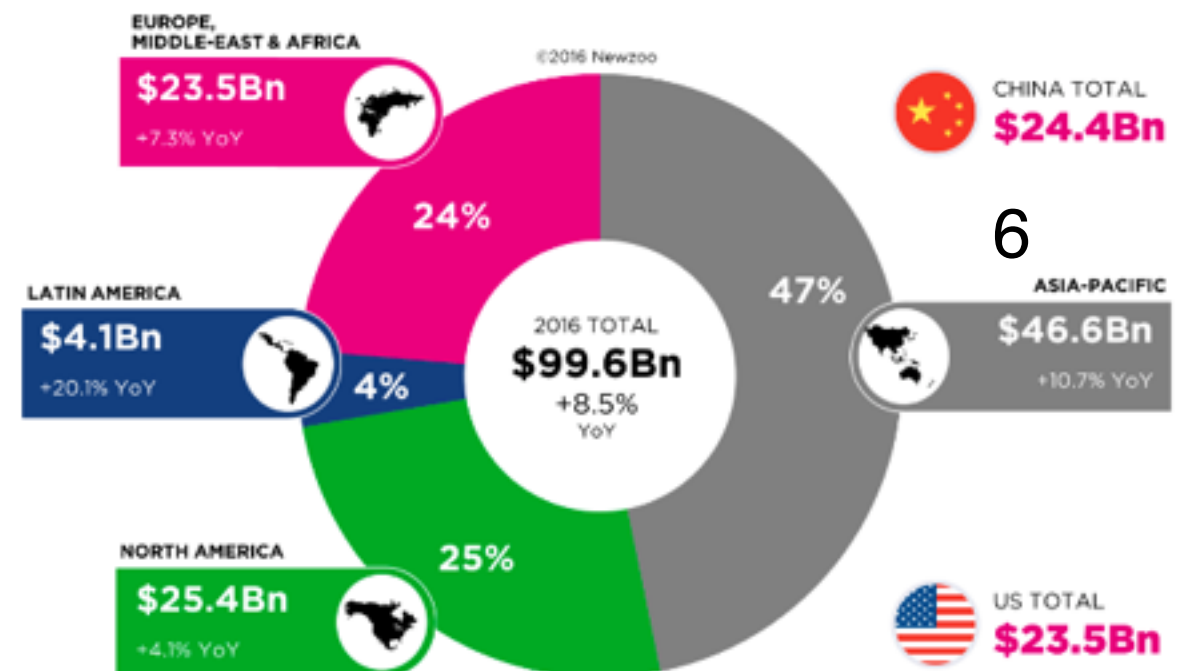


- Europe represents a significant market opportunity
- Mobile gaming market in EMEA represents a total of US\$23.5 billion (24%) of global gaming revenue
- Finland has spawned some of the biggest mobile game companies, like Supercell (bought by Tencent for A\$12bn) and Rovio (makers of Angry Birds)



### 2016 GLOBAL GAMES MARKET

PER REGION WITH YEAR-ON-YEAR GROWTH RATES



### 3. Strong Strategic Fit



Expected to deliver a **significant uplift in revenues**, net income, users, and traffic

#### The transaction is expected to be accretive for investors

- TicBits has been profitable for the past four years
- TicBits has a diverse portfolio of classic, casual games (sudoku, solitaire, minesweeper, etc.)
- TicBits games have strong recurring revenue due to their large, loyal user bases and compelling formats.



#### Potential opportunities for growth and collaboration are compelling

- Animoca Brands brings strong publishing and distribution capabilities to TicBits portfolio
- The combined cross-promotion capability of the two company's user bases is significant
- Strong opportunity to create branded versions of TicBits games leveraging AB1's brand portfolio
- Deep mobile engineering talent available at competitive rates in Turku, Finland.



## 4. Delivers Significant Value to Shareholders

- Animoca Brands will acquire 100% of TicBits for an initial **cash consideration of €2.35m (A\$3.5m) and a consideration of €1m (A\$1.5m) payable at the end of 2018** and potential earn-out payments.
- Acquired balance sheet includes €1.2m (\$A1.8m) in excess cash.
- The transaction at EV/EBIT multiple of 3.6x based on FY2015 NPAT of €0.6m.
- Any payments after the initial €2.35m can be paid in cash or shares, at the discretion of the Company.
- All shares will be subject to certain conditions and issued at the end of 2018.

### Consideration at Closing

	EUR	AUD
Cash Consideration	€2.35m	A\$3.5m
TicBits Cash on Hand	€1.20m	A\$1.8m
<b>Total Net Cash Payment</b>	<b>€1.15m</b>	<b>A\$1.7m</b>
<b>Consideration Payable in 2018 (cash or shares)</b>	<b>€1.00m</b>	<b>A\$1.5m</b>

### Earnout & Bonus Shares

Earnout Amount	Earnout Target Net Profit	Earnout Target Period
€165,000	€600,000	Jan - Dec 2016
€165,000	€700,000	Jan - Dec 2017
€170,000	€800,000	Jan - Dec 2018
€500,000	€3,000,000	in any of the above three periods



# TicBits Management



## **Fredrik Wahrman - CEO & co-Founder**

- M. Sc. in Computer Science, thesis on Game Development for Mobile Phones
- Lead Game Developer and founding member at SilverBirch Studios in Toronto, Canada
- Spearheaded key launches like the *Legend of Zorro*, under license from Warner Brothers



## **Niklas Wahrman - CTO & co-Founder**

- B. Sc. in Computer Science
- Lead Programmer at SilverBirch Studios in Toronto, Canada
- Led development of the game Constantine and also worked on Clark and Superman, under license from Warner Brothers

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