



ANIMOCA BRANDS FY16 AGM PRESENTATION

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2016 Review

2016 Highlights



70 New Games
Launched

85 Million New
Downloads

First Subscription
Product Added

Brand Portfolio
Expanded:
Dreamworks &
Lionsgate

Successful
Acquisition of
TicBits

Distribution
Expanded with
Tencent and
Xiaomi

First Subscription
Revenues
Generated

\$8.7 million
revenue up 15%
on FY15

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2016 KPIs – Significant Progress Made



1. Product growth – 17% growth of the portfolio

- ☑ 70 new apps launched
- ☑ First Subscription products added: Thomas & Friends: Read & Play e-book

2. Expand brand partners – new Hollywood film partners added

- ☑ High profile brands added including Kung Fu Panda, How to Train Your Dragon, Madagascar, the Croods, and Trolls from Dreamworks, and
- ☑ Norm of the North from Lionsgate

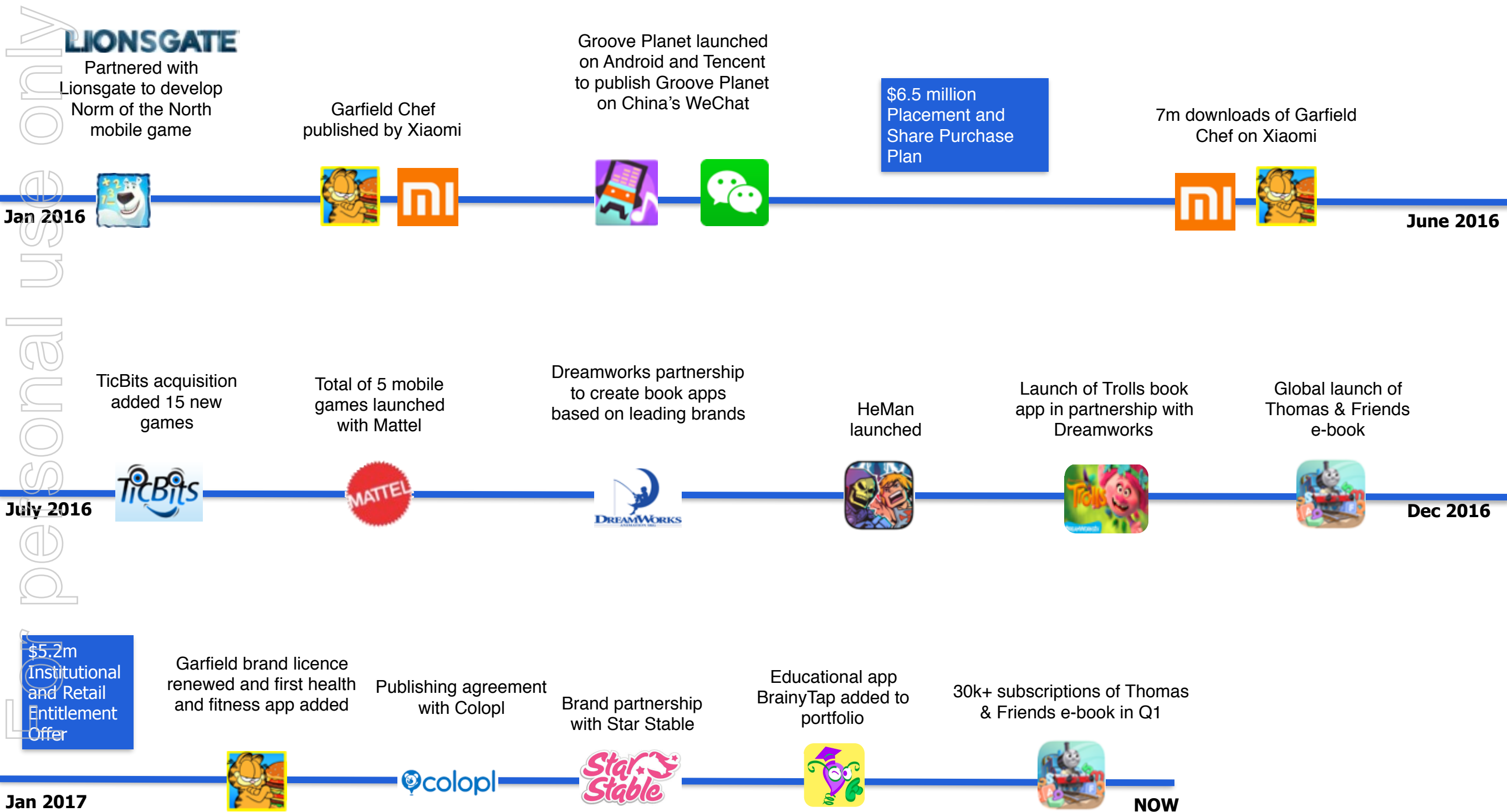
3. Expand distribution – two new platforms added

- ☑ Distribution expanded significantly in China with both Xiaomi and Tencent's WeChat

4. Revenue Growth – 15% revenue growth y-o-y

- ☑ Operational revenue of \$8.7 million in FY16 with the first revenues from subscription products coming through
- ☑ Last year we said we would focus on increasing advertising revenue. This year advertising revenues increased by 44%

2016 – 2017 Activity Timeline

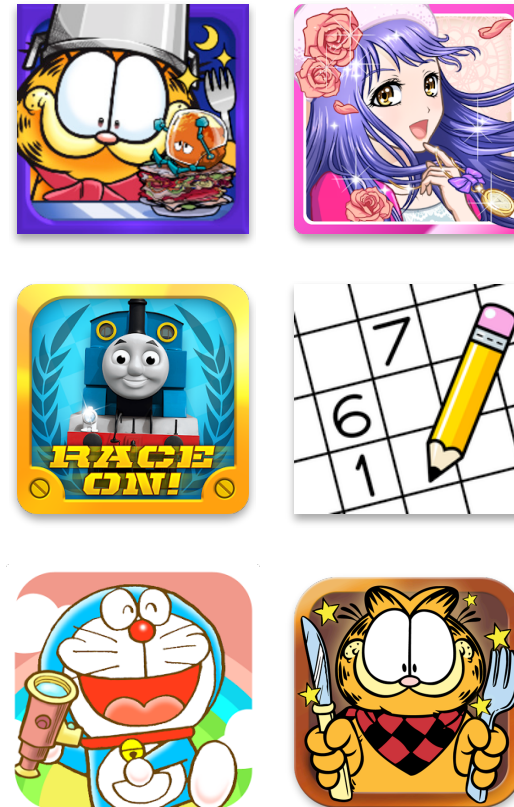


Portfolio of Apps

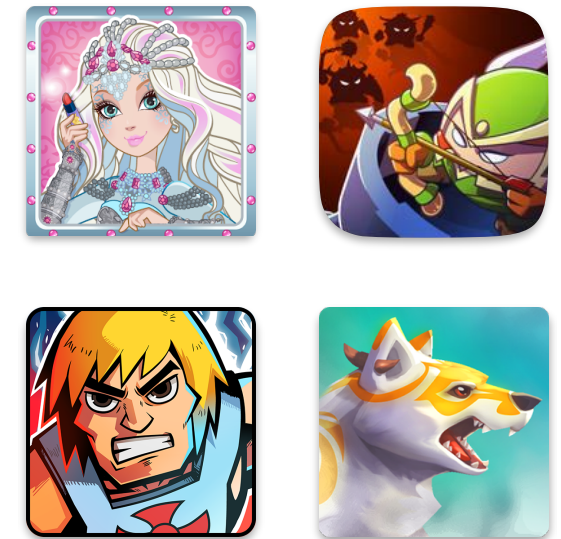
Back Catalogue



Evergreen Titles



Poised for Growth



Hundreds of titles in the back catalogue continue to provide incremental revenues long after they have been launched.

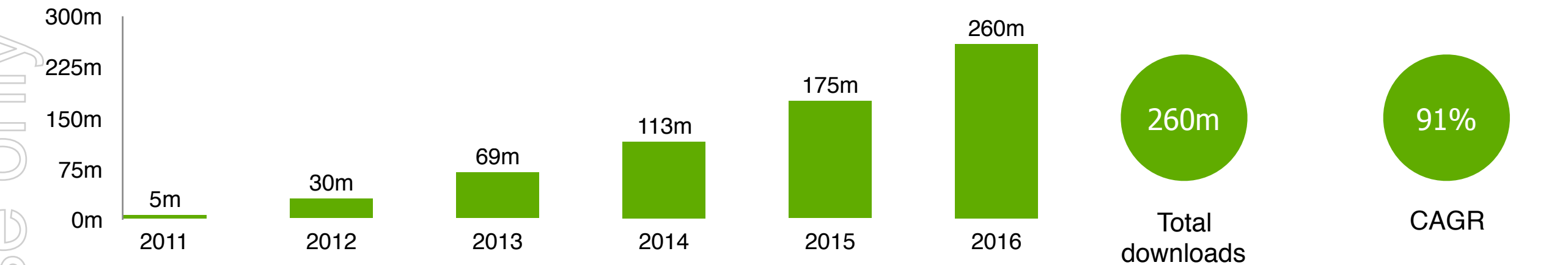
Dozens of evergreen titles continue to provide long-tail revenues, particularly those with strong brands.

Core games for loyal fans are poised to continue growing through 2017.

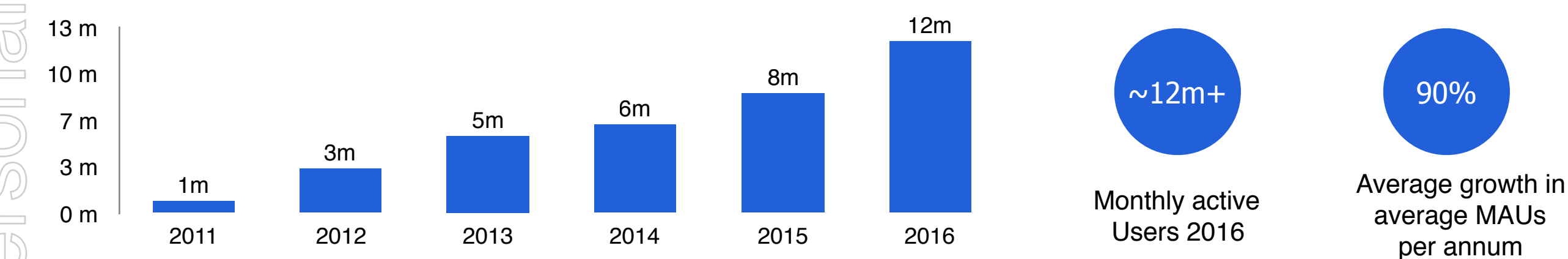
Operational Review of FY16



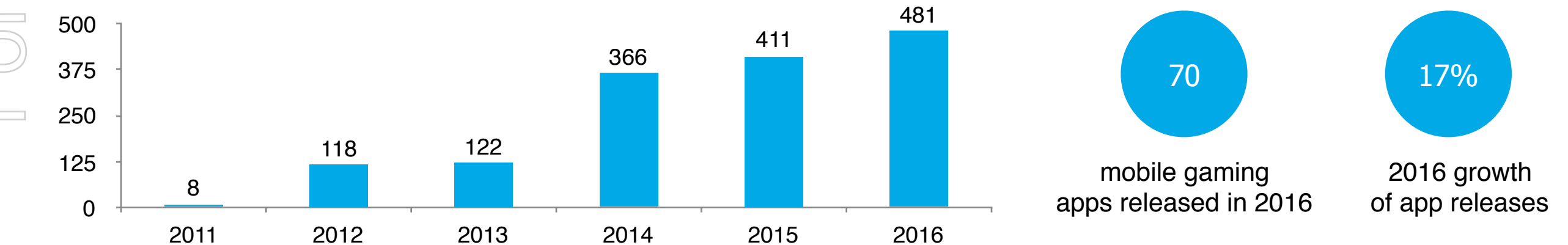
Total downloads (cumulative), millions



Monthly active users, millions

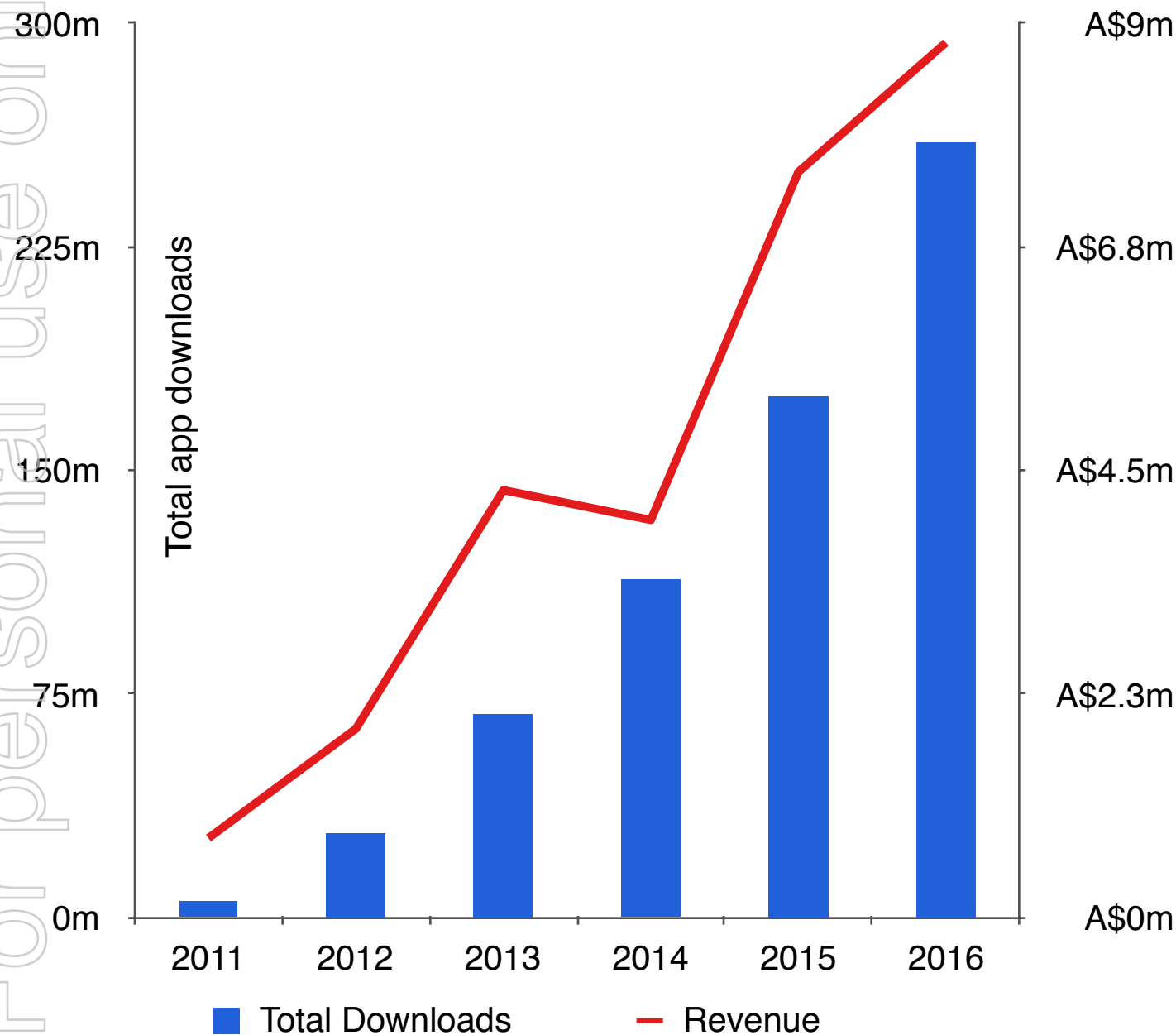


Total app releases (cumulative)



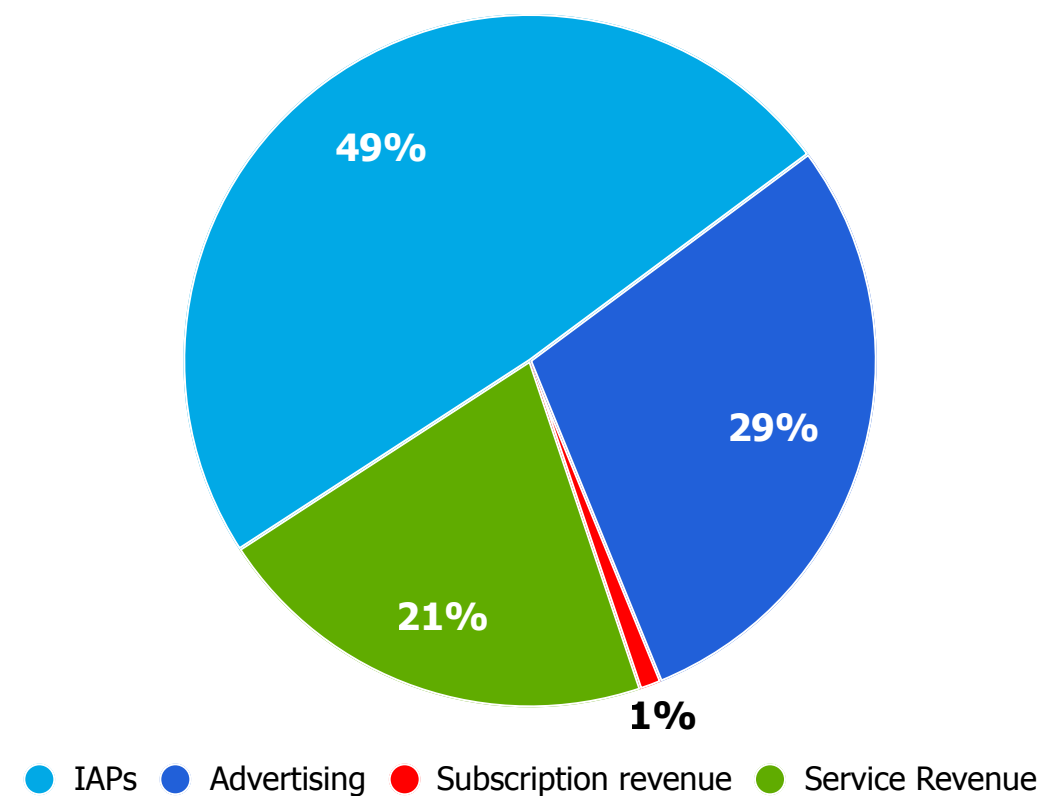
Financial Review of FY16

Annual revenue growth



- Operating revenue of \$8.7m
- Revenue growth of 15% in FY16 v FY15
- 49.3% CAGR of revenue since 2011

Revenue breakdown FY16



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.

Profit & Loss – Expenses Overview

- 2016 was a year characterised by investments in new products and platforms and one-off costs from M&A and other items.
- The Company has already commenced actions to reset the expense base for 2017 and beyond - a key strategic focus is managing the expense base relative to revenues.

Cost of revenue increased by 41% due to branded games driving revenue but carrying higher royalties to be paid to brand partners.

Employee benefits increased as a result of additional resourcing and outsourcing for the development of subscription products.

Development Costs increased 109% due to costs associated with e-books that were fully expenses and not capitalized.

A provision for doubtful debt, the acquisition costs related to Ticbits acquisition and a provision booked related to Patersons' claim significantly impacted 2016 other expenses

| Summary consolidated income statement | 12 months to Dec 2015 (A\$) Audited | 12 months to Dec 2016 (A\$) Audited |
|--|--|--|
| Revenue from operating activities | 7,544,457 | 8,697,633 |
| Cost of revenue from operating activities | (2,603,921) | (3,676,713) |
| Gross profit | 4,940,536 | 5,020,920 |
| Interest Income | 7,693 | 29,829 |
| Gain on fair value adjustment – Performance Shares | 1,010,808 | 506,250 |
| Employee benefits | (1,402,963) | (2,324,828) |
| Marketing | (3,632,871) | (3,051,097) |
| R&D | (2,320,000) | (4,854,743) |
| Other expenses including occupancy | (1,537,662) | (3,251,597) |
| Exchange differences | (22,893) | (36,434) |
| Net loss | (2,957,352) | (7,961,700) |

Garfield

Chef



Outlook for 2017

Update on 'cost reduction review'

As previously announced the Company is focused on streamlining costs, to increase operating leverage and deliver improved profitability for shareholders

Cost reduction review outlined in 1Q17 Report is ongoing – first material changes announced today

- Animoca Brands commenced a strategic review of its operating costs in April 2017
- The review is intended to strengthen the Company's financial position going forward
- The Company has completed a review of Board Structure and Management Compensation
- The Company continues to evaluate operating costs and will update the markets in due course

Summary of changes to Board/management remuneration and governance

- **Yat Siu** and **David Kim** (Co-founders and Non-Executive Directors), will cease to take Directors' fees
- **David Brickler** (Non-Executive Director) fees will reduce his Director's fee by 50%
- **Steven Hu** (Non-executive Director) will resign from the Board
- **Robby Yung** (CEO) will resign from the Board and his salary will reduce by 52%
- The above measures are expected to reduce total Board and senior management costs by 36% and streamline corporate governance; they are effective from April 2017

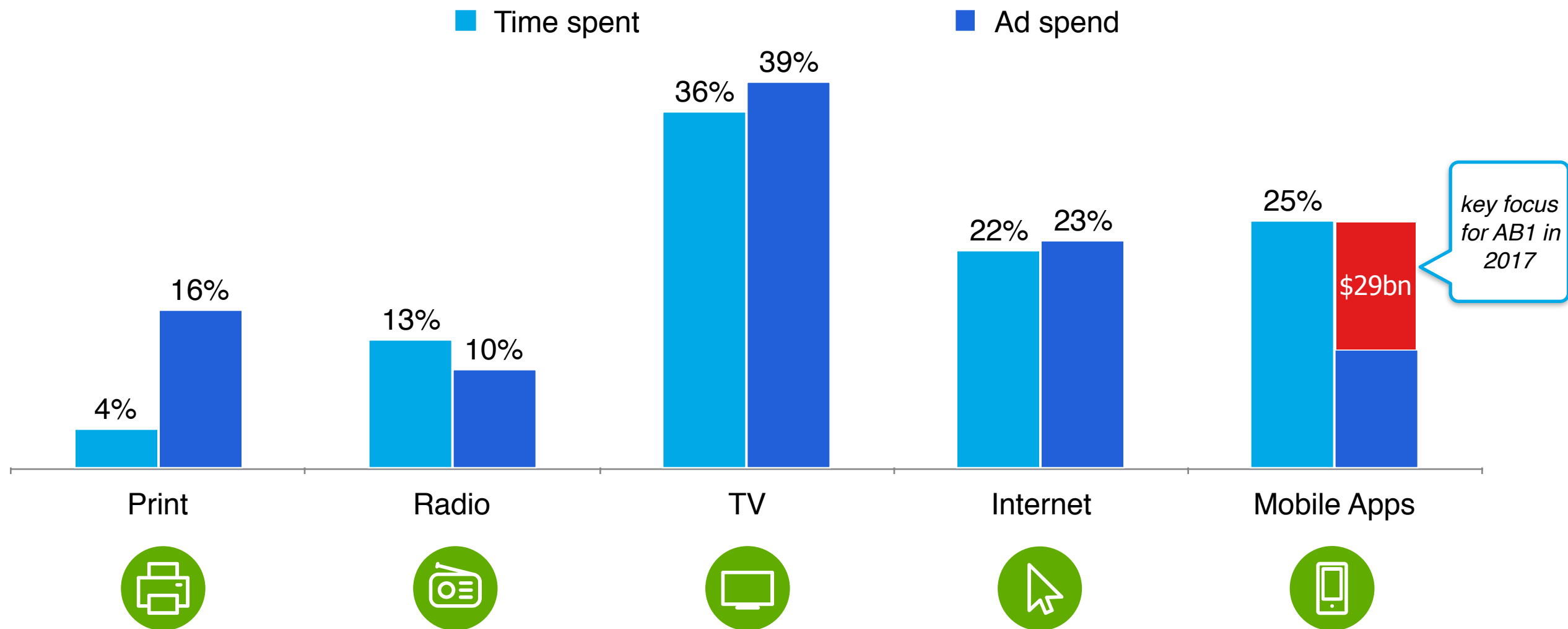
Broader cost reduction review continues – further updates to be announced in due course

- The Company continues to review opportunities to streamline operating costs, and will provide a further update once initiatives have been fully identified and implemented
- The company remains very focused on building a strong platform to take advantage of the continuing growth and expansion of the brand portfolio, audience reach and revenues

Brand Advertising Poised to Explode on Mobile

Last year, Animoca Brands' ad revenue increased 44% - we believe the opportunity for mobile advertising is enormous, and Silicon Valley analyst Mary Meeker, in her annual Internet Trends report from 1 June 2016, has charted the disconnect between the time spent on mobile versus ad dollars spent.

% of time spend v advertising spend in 2015 (US)



Mobile ad spend to top \$100 billion worldwide in 2016

Growth strategy for 2017

Expand, Partner and Grow the Business

- Continue to expand product portfolio, and create more hit games leveraging existing game engines
- Launch further e-books in partnership with Mattel planned after Thomas & Friends
- Further book-apps currently in development through partnership with DreamWorks Animation
- Potential to develop further ebooks based on owned IP

- M&A opportunities that bring a portfolio of apps, which through Animoca Brands' distribution can be maximized, increasing revenue
- Leverage existing infrastructure and distribution channels, including marketing, distribution network and quality assurance to grow quality game portfolios of smaller developers
- There are thousands of independent game development studios which either self-publish titles, or enter into licensing or co-development agreements with publishers.



- Explore partnerships with other existing license partners to develop e-books
- Continue to seek partnerships with leading global game companies to publish their games
- Continue to develop and distribute mobile game apps based on well known brands with partners
- Continue to partner with other platforms for distribution
- Further drive in-app purchases with new game launches leveraging well known-brands
- Enhance in-app advertising attractiveness as user base grows
- Subscription revenues to form a substantial part of the revenue model
- Grow subscription revenue with the launch and promotion of further e-books



Capital Raising and Cash Position



Entitlement Offer

- \$5.2 million raised through institutional and retail entitlement offer completed in February 2017

Cash Position

- Cash position of \$4.6 million as at 31 March 2017

Portfolio Management

- The Company has built and acquired a strong portfolio of products and brands which individually it believes are highly valuable
- The Company has received expressions of interest for parts of our portfolio
- While we currently see no reason to divest any of our assets, the Board and Management will continue to evaluate any reasonable offers that are in the best interests of shareholders

Outlook for 2017



Key Strategic Targets Outlined in January

- Increase number of app titles through:
 - rapid development
 - leveraging existing game engines
 - acquisition
- Increase advertising revenue yield as advertisers move their spending to follow consumer behaviour
- Extend portfolio of branded apps through further brand licensing partnerships
- Extend product line to include new technologies including:
 - wearables (Apple Watch)
 - virtual reality (VR)
 - gamified learning products

Outlook for 2017

Key Milestones Delivered Year to Date



Launch of *Garfield Fit*
for wearables



New brand license
from leading online girls
gaming brand Star Stable



Publishing partnership
with Japanese gaming
giant Colopl



Launch of subscription
educational product
Brainy Tap

Corporate Overview



Leading global developer and publisher of mobile games and e-books, with one of the largest licensed brand portfolios in the industry. Headquartered in Hong Kong and with operations throughout APAC and Europe, with leading development expertise and publishing experience.

| ASX | AB1 |
|---------------------|-------------------------------------|
| 52 Week Share Price | A\$0.027 - A\$0.173 |
| Shares on Issue | 391 million |
| Unlisted Options | 2.4 million |
| Current Share Price | A\$0.029 (as at 19 May 2017) |
| Market Cap | A\$11.3 million (as at 19 May 2017) |

| Substantial Shareholders | Ordinary shares | % |
|-------------------------------|-----------------|------|
| Datahouse Investments Limited | 30,436,361 | 7.8% |
| Asyla Investments Limited | 29,841,164 | 7.6% |
| Startive Ventures | 24,231,662 | 6.2% |
| Paul John Pheby | 22,178,892 | 5.7% |

Our Assets



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Diverse product
portfolio to
leverage

Strong and
growing
operating
metrics

Growing
revenue profile

Strong Board
and
Management
team

Focused
strategy to
accelerate path
to profitability



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Thank you