



animoca
BRANDS

Strategy Update
September 2018

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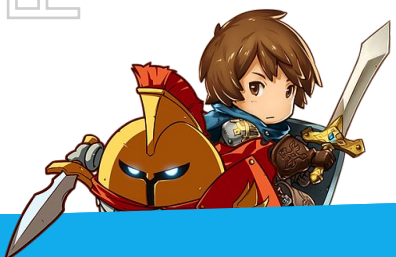
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CONTENTS



The Company and Industry

4



Of Blockchain and Games

14



Key Developments

28



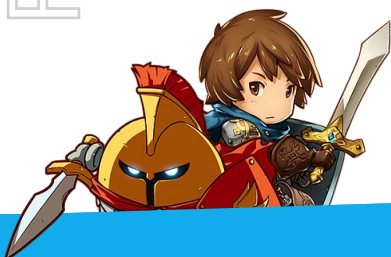
A.I. Capability and Optionality

32



Appendix

40

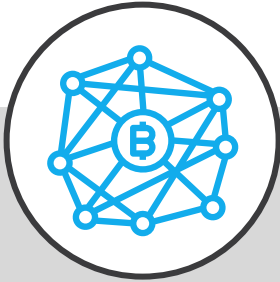




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THE COMPANY AND INDUSTRY

OPPORTUNITIES



BLOCKCHAIN

Blockchain gaming is booming, and Animoca Brands has an early lead with products like **CryptoKitties**, **Coins & Steel**, **The Sandbox**, and **WalletPet**



AI

In-house resources at **Zeroth.ai** and **Fuel Powered** enable us to leverage AI in our business and products, enhancing operational efficiency, gameplay/features and monetisation



BRANDS

Animoca Brands is one of the largest licensees of brands in the mobile entertainment industry, which can be used in gaming, blockchain, and AI-based products



FINANCIAL HIGHLIGHTS

	30 June 2018	30 June 2017
Operating Revenue	<u>\$5.7m</u>	\$3.7m
Gross Profit	<u>\$3.6m</u>	\$2.1m
Comprehensive Profit	<u>\$1.5m</u>	(\$4.2m)
Cash Receipts	<u>\$6.0m</u>	\$3.7m
Net operating cashflow	<u>(\$0.5m)</u>	(\$5.2m)

Capital Structure:	(million)
Shares on issue (m)	608.58
Share price (\$) - Close 13-Sep-2018	\$0.10
Market capitalisation	\$59.64m
Cash at bank	\$2.2 m (raised \$6.5m)
Debt	Nil

1H 2018 Results: significant growth

- ✓ 1H 2018 was the strongest result in the company's history
- ✓ 1H Revenue of \$5.7 million - up 51% on 1H 2017. Revenue for all FY2017 was \$6.4 million
- ✓ Cash receipts of \$6 million - up 84%
- ✓ Comprehensive profit: \$1.5m
- ✓ Crazy Kings franchise a strong contributor generating \$2.8 million in the three months following launch of Crazy Defense Heroes (8 Jan - 8 April 2018)
- ✓ Continued growth for Crazy Kings franchise
 - 'Re-skins' and adaptations (e.g., Beast Quest)
 - Android market
 - Blockchain functionality
 - AI integration for expanded feature set
- ✓ Launching new mid-core games from Finnish development teams to underpin additional revenues

RECENT APPOINTMENTS

Kabam co-founder **Holly Liu** joins the Animoca Brands board of directors

June 26th, 2018 - 04:15pm

By **Natalie Clayton**, Staff Writer

Gaming entrepreneur and Kabam co-founder Holly Liu has joined Animoca Brands' board of directors.

Liu joins the board as a non-executive director, and will act as strategic advisor to the board. She brings a wealth of industry experience, having been named as one of the most important women in gaming by Forbes and Fortune.

In 2006, Liu co-founded Kabam, a venture backed mobile gaming company responsible for the Kingdoms of Camelot franchise. Kabam's assets were acquired by Netmarble in 2017 for \$2 billion. Liu took on roles at game studio Aftershock and startup accelerator Y Combinator.

We are very excited to have attracted someone of Holly's calibre to the board of Animoca Brands," said Yat Siu, co-founder and director of Animoca. "Holly has co-founded, led and exited a billion dollar company and her advice and guidance will be essential as we drive growth in new areas of focus like blockchain gaming and AI."

Liu added: "I am delighted to be joining the Board of Animoca Brands and feel privileged to be trusted as a strategic advisor to this dynamic company at the forefront of blockchain and AI in mobile gaming."

"I look forward to help the Company grow and drive value for shareholders as we leverage these exciting technologies."



VIEW MORE

- News
- Job News

COMPANY

- Animoca Brands



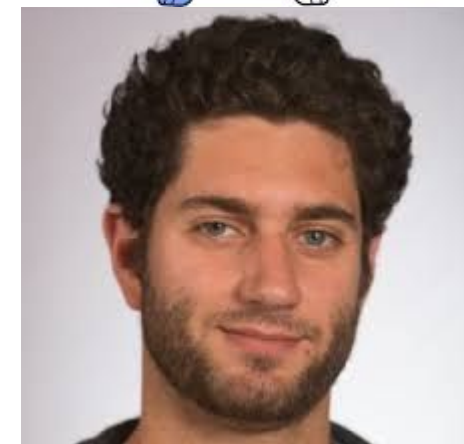
ROVIO

Wilhelm Taht, former VP of Games for ROVIO, appointed advisor to the Board

Mik Naayem, COO, Board Director, and co-founder of CryptoKitties appointed president of games



CryptoKitties



THE CRAZY KINGS STORY



Crazy Kings is a midcore tower defense game for iOS devices developed by TicBits in Finland in 2015.



Hearthstone

US\$400M
revenue in 2016



**Magic the
Gathering**

US\$300M
annual revenue



Clash Royale

US\$1B revenue
in first year



Animoca Brands
acquires **TicBits**,
including the Crazy
Kings franchise based
in Finland



Animoca Brands
launches sequel **Crazy
Defense Heroes** for
iOS, pushing the
franchise to generate
\$2.8M in 3 months

2015

2016

2017

2018



Crazy Kings initially published by
Wooga, the German gaming giant
best known for mega hits like
Jelly Splash and **Bubble Island**



Animoca Brands updates and enhances
Crazy Kings, more than doubling ARPDAU*

* Average Revenue Per Daily Active User

CRAZY DEFENSE HEROES ROADMAP

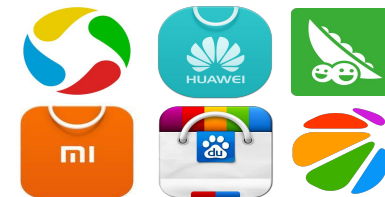


Seek distribution on additional platforms



Q4

Expand Android Deployment to more countries and Amazon AppStore (and alternatives)



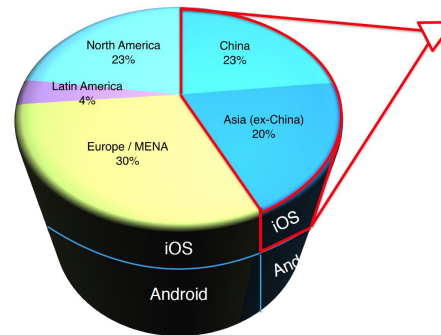
amazon appstore



(Android) launch on Google Play

Beta launch at end September

Q3



Q2

(iOS) Launch in the Americas, Europe, Middle East



2018

Q1

Acquired Finnish tablet game pioneer Tribeflame, which is fast tracking development of *Crazy Defense Heroes* for Android

(iOS) Asia Pacific launch, followed by Oceania, Africa, all of Asia incl. India

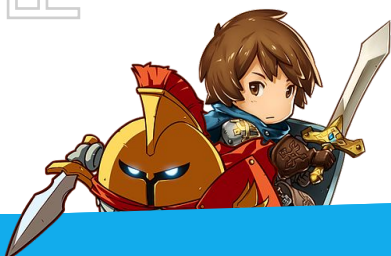
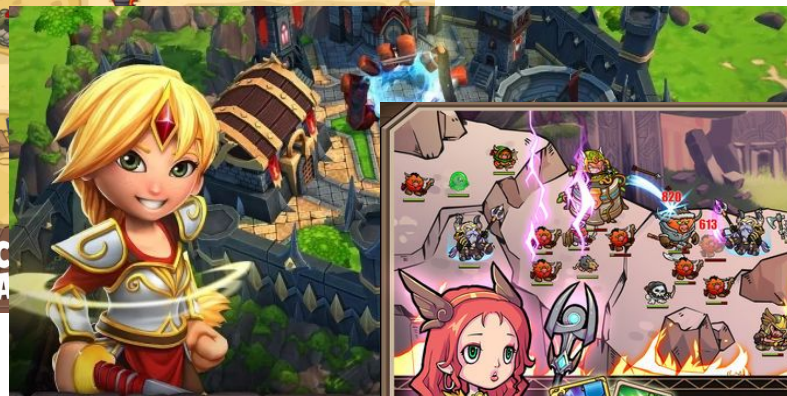
2019

Adaptations and re-skins (*Beast Quest*).

Marquee branding projects.

CRAZY DEFENSE HEROES FOR A WIDER AUDIENCE

Expanding the Crazy Kings franchise to a wider audience through new themes, new brands, and new content



CDH: THE ANDROID OPPORTUNITY

Android market about **4 times larger than iOS**

Development of **Android version underway**

Additional monetisation functions being added

Launch on **Google Play** (beta) beginning in **Q3**



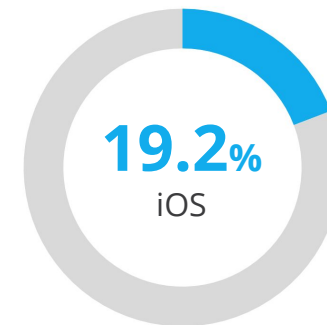
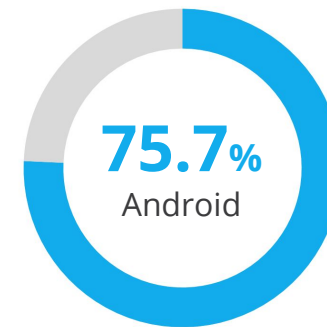
Launch to **increase network effect** for both applications

Company pursuing **additional distribution options** to drive growth

(e.g., Amazon, Chinese app stores)

Adaptations and “re-skins” **underpin additional revenues** (e.g., **Beast Quest**)

Global Mobile OS Market Share



CREATING BRANDED ADAPTATIONS

Adaptations



Re-branding, adapting, 're-skinning' **Crazy Defense Heroes** into new products for brand partners



Maximise value of products by offering brand partners commercially appealing and proven game solutions



Branded strategy accesses large and committed new audiences of fans



Co-investment with brand partners for development and distribution of new products using the **Crazy Defense Heroes** game engine



Leverage the brand partner's existing fan base and communication channels



The first adaptation is underway with the popular children's fantasy novels franchise **Beast Quest**. Launch in early 2019.



120+ titles published
Over 18 million
copies sold

OUR DEVELOPMENT CENTRES

 CryptoKitties



VANCOUVER

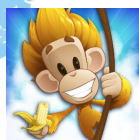


MasterChef



ARGENTINA

CRAZY KINGS



FINLAND

DEFENSE
HEROES



MATTEL

THOMAS
& FRIENDS



HONG KONG



Beast
Quest

DORAEMON

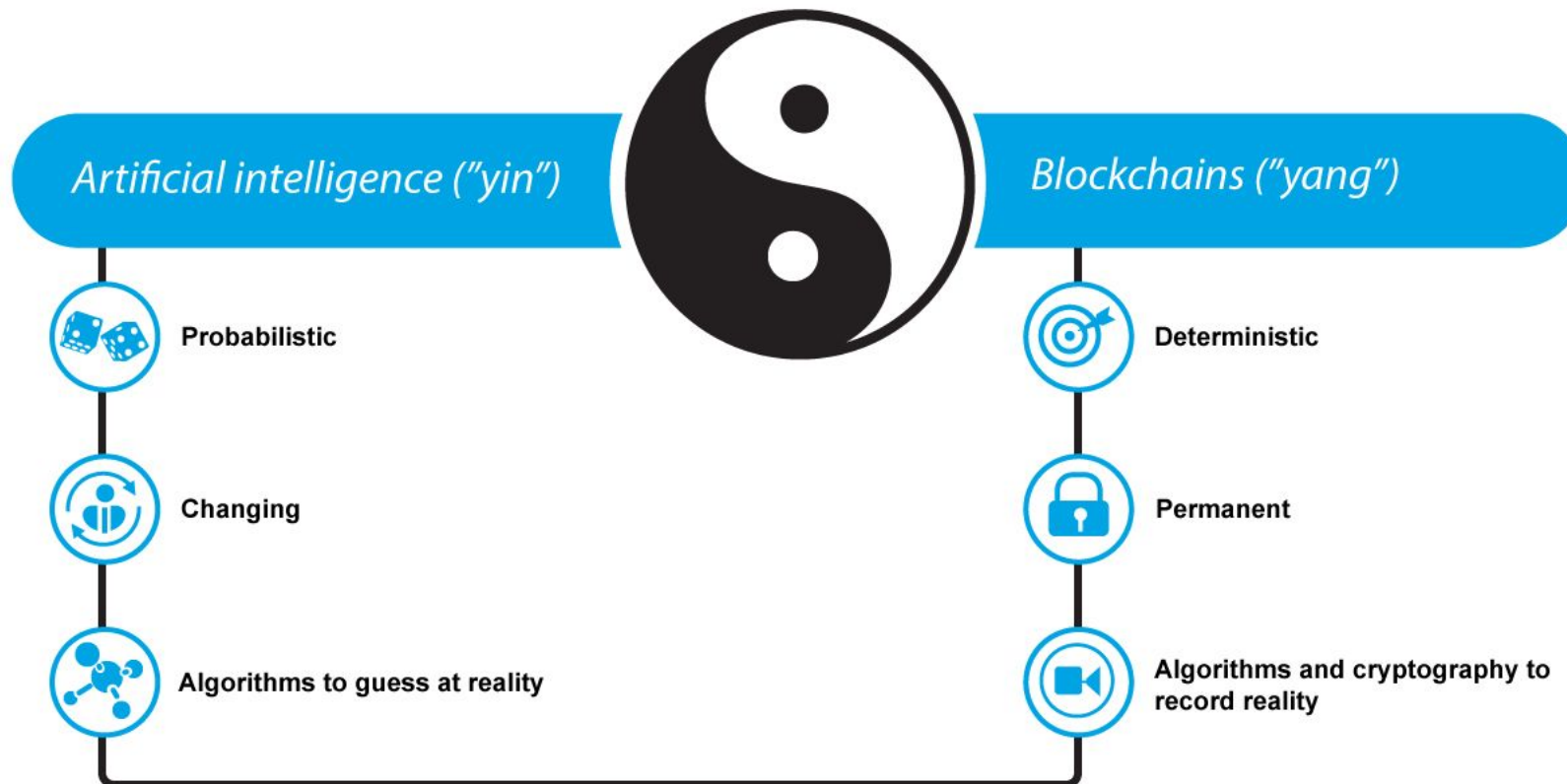


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OF BLOCKCHAIN AND GAMES

THE YIN OF A.I. AND THE YANG OF BLOCKCHAIN

AI & Blockchain: intertwined

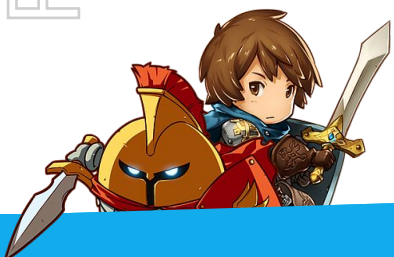


Garbage In, Garbage Out

AI output is dependent on the quality of data used. Poor quality data result in poor quality output

Verified & Trusted

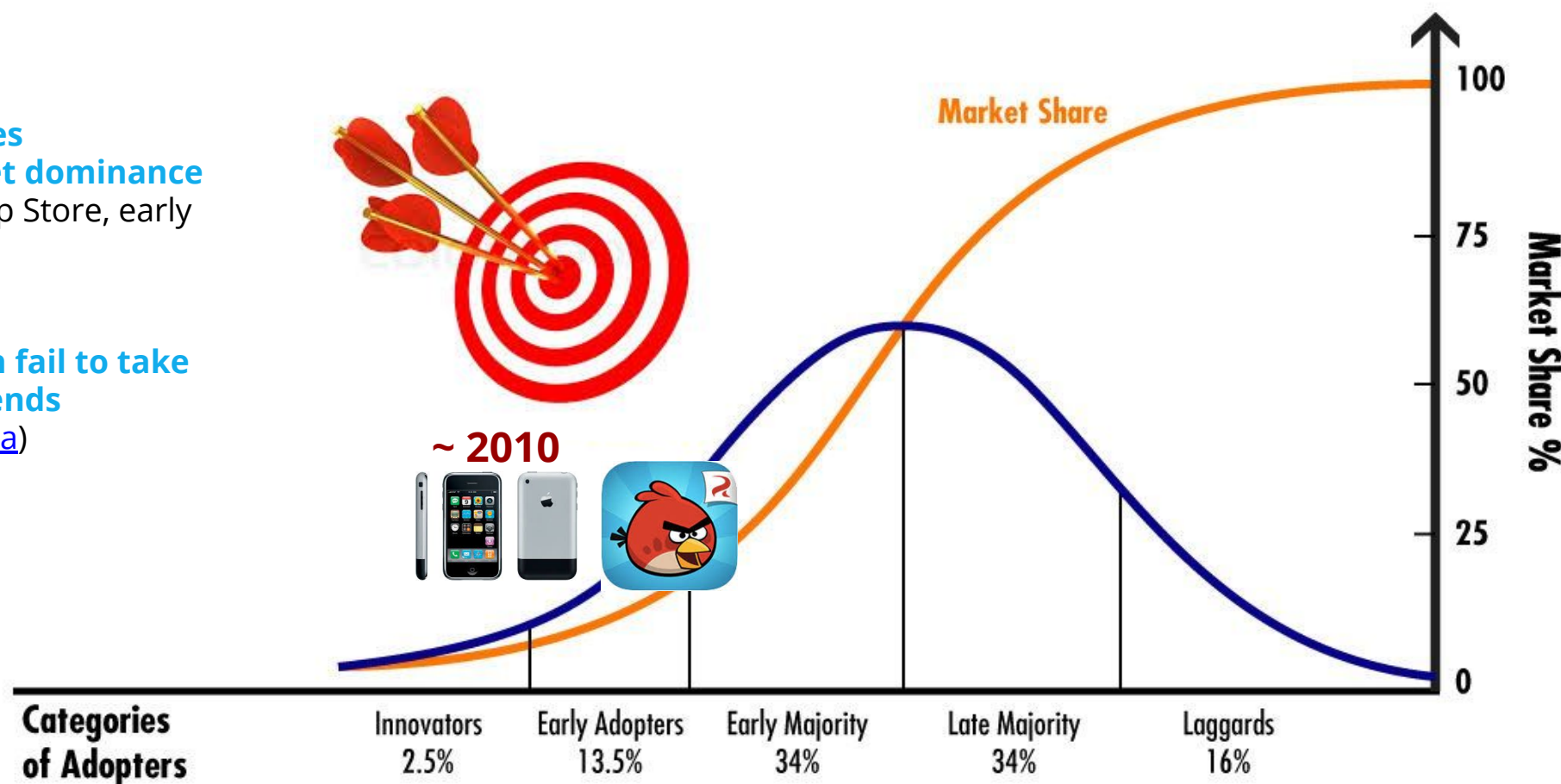
Blockchains help improve the quality of AI output by ensuring that the data are valid and verified



INNOVATION CURVE

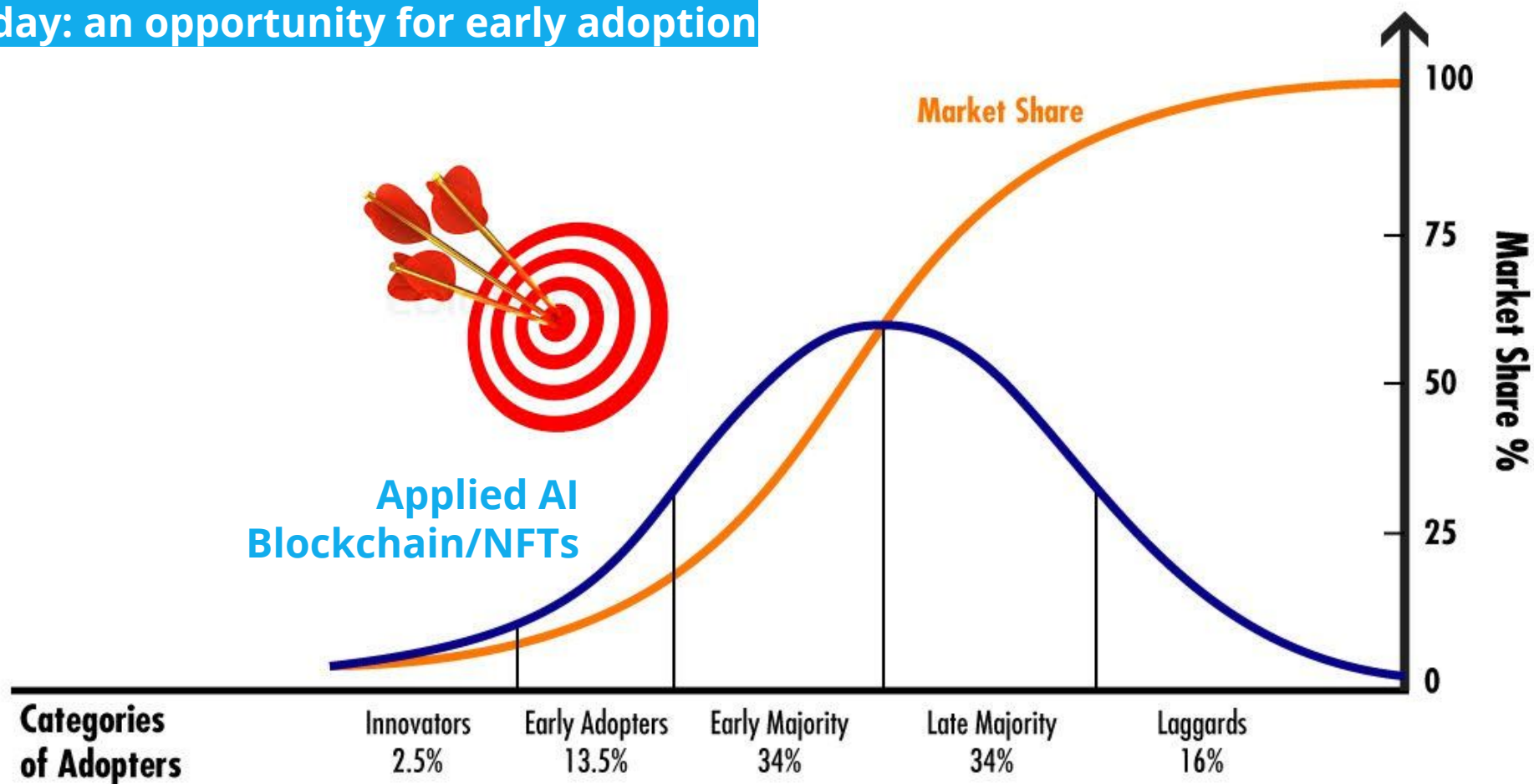
Early Adoption provides opportunity for market dominance
(e.g., the iPhone, the App Store, early games like Angry Birds)

Large companies often fail to take advantage of these trends
(the [Innovator's Dilemma](#))



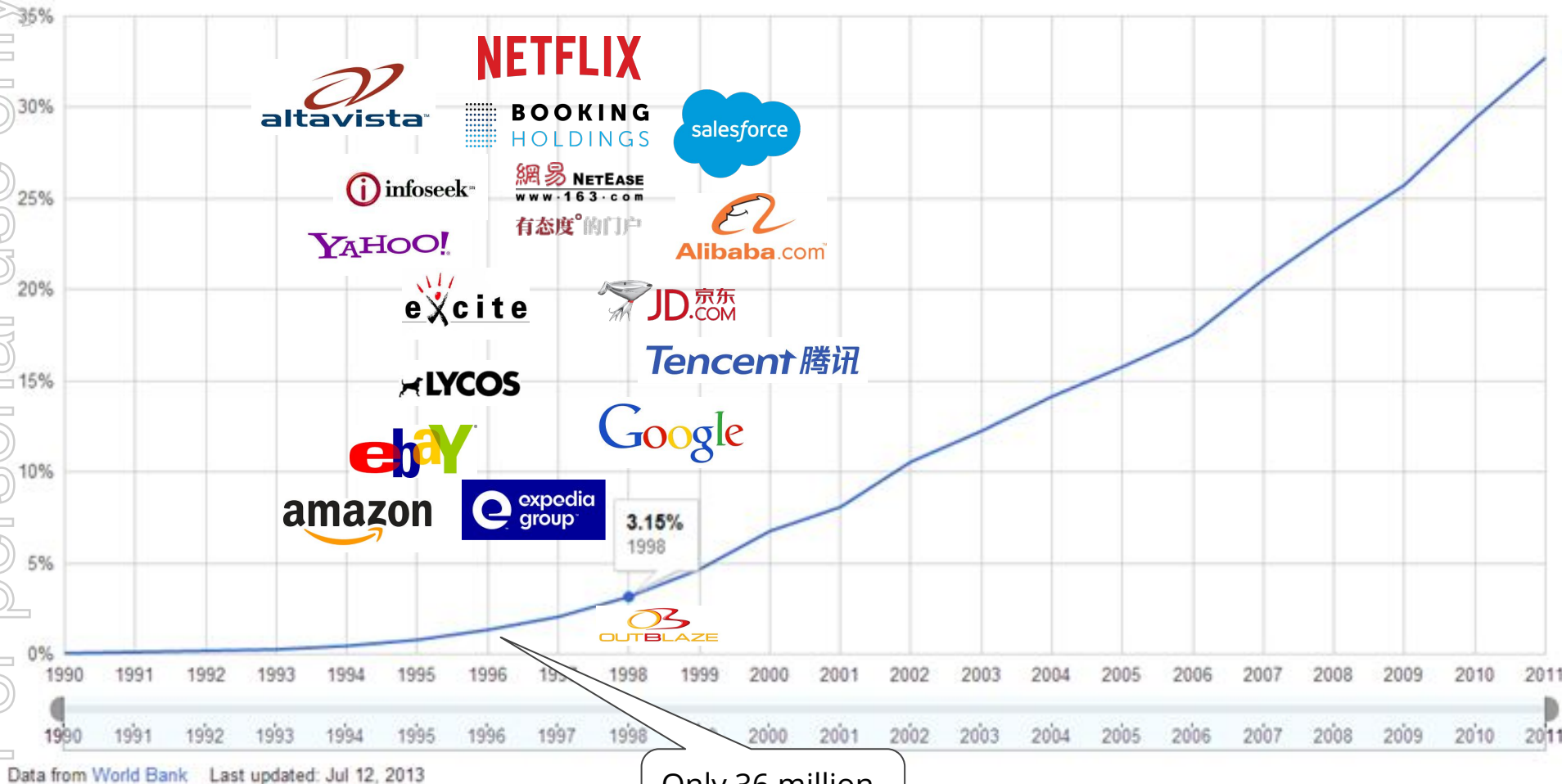
INNOVATION CURVE: NON-FUNGIBLE TOKENS

NFTs today: an opportunity for early adoption



BLOCKCHAIN IS THE INTERNET 20+ YEARS AGO

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WE'VE BEEN HERE BEFORE

The blockchain market today is analogous to the Internet boom of the late 1990s.





















Today there are only about 30 million cryptowallets. Similarly, in 1996 there were only 36 million Internet users - but many leading Internet companies emerged in that period.

The Internet boom enabled the era of remote connections and collaboration, evolving quickly as consumers shifted from early to mass adoption.

Blockchain today presents similar opportunities for a significant technology shift.

CRYPTOCURRENCIES TODAY

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Cryptocurrencies ▾ Exchanges ▾ Watchlist								USD ▾	Next 100 →	View All
#	Name	Market Cap	Price	Volume (24h)	Circulating Supply	Change (24h)	Price Graph (7d)			
1	 Bitcoin	\$126,998,282,490	\$7,362.61	\$4,029,912,397	17,249,087 BTC	1.35%		...		
2	 Ethereum	\$29,374,935,059	\$288.70	\$1,441,335,105	101,749,372 ETH	-0.25%		...		
3	 XRP	\$13,351,485,489	\$0.336732	\$229,136,101	39,650,153,121 XRP *	-0.37%		...		
4	 Bitcoin Cash	\$11,094,753,244	\$640.20	\$364,391,719	17,330,125 BCH	1.82%		...		
5	 EOS	\$5,928,874,391	\$6.54	\$761,161,127	906,245,118 EOS *	1.08%		...		
6	 Stellar	\$4,185,728,588	\$0.222957	\$46,520,711	18,773,718,637 XLM *	0.30%		...		
7	 Litecoin	\$3,944,319,862	\$67.84	\$278,009,537	58,143,404 LTC	4.37%		...		
8	 Tether	\$2,770,879,801	\$1.00	\$2,613,304,913	2,767,140,336 USDT *	0.15%		...		
9	 Cardano	\$2,724,816,194	\$0.105095	\$57,755,858	25,927,070,538 ADA *	1.03%		...		
10	 Monero	\$2,254,065,247	\$137.63	\$73,461,634	16,377,142 XMR	10.61%		...		

EARLY MARKET OPPORTUNITY

US\$240b combined market cap

Driven by the owners of just ~30 million cryptowallets

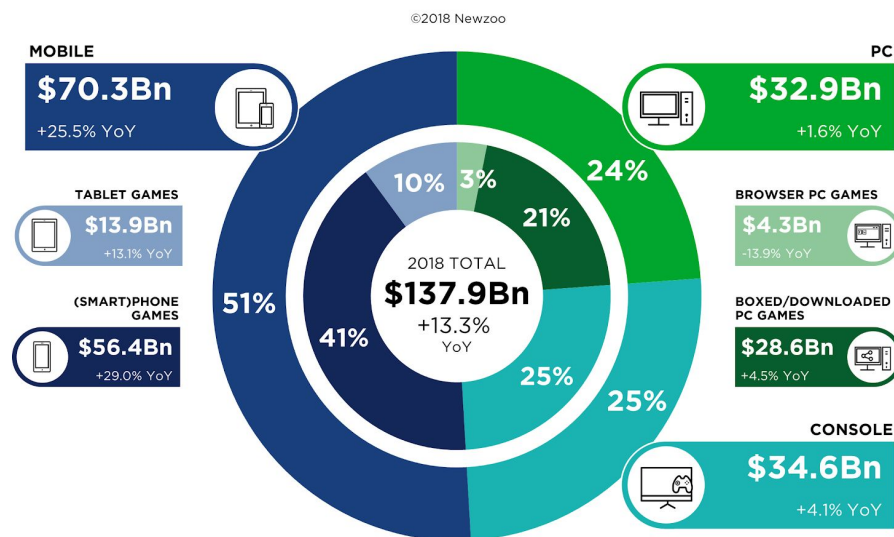
The blockchain market today has similarities to the Internet of 1996-1999

US\$70 BILLION FROM GAMES IN 2018



2018 GLOBAL GAMES MARKET

PER DEVICE & SEGMENT WITH YEAR-ON-YEAR GROWTH RATES



Source: ©Newzoo | 2018 Global Games Market Report
newzoo.com/globalgamesreport



In 2018, mobile games will generate

\$70.3Bn
or **51%** of the global market.

Significant opportunity to onboard users to the blockchain through gaming



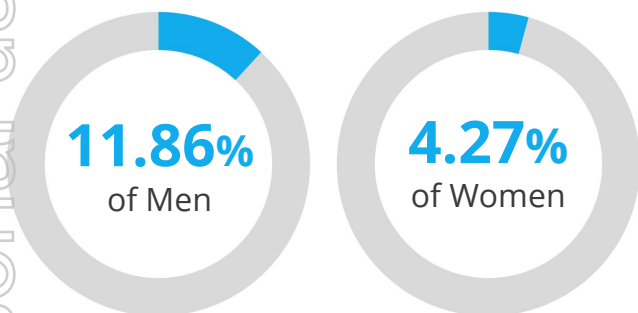
Blockchain and Gamers

- Gamers already understand concepts like **cryptocurrencies** and **digital ownership**
- There are **2.3 billion gamers** worldwide
- Gamers are more likely to be **early adopters**
- **Gamers push technology development** and even entire industries forward (personal device graphics, processing power, capacity, game software, etc.)

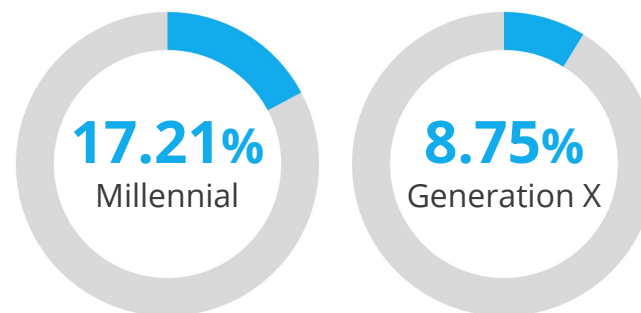
GROWING THE BLOCKCHAIN THROUGH GAMES

Opportunity to bring cryptocurrency and blockchain to the masses with Games (and Gamers)

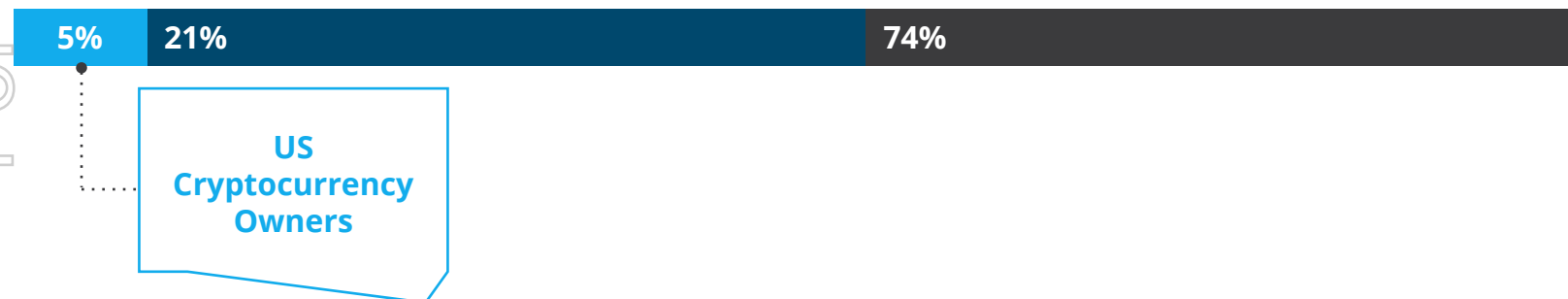
Gender



Generation



Global Blockchain Business & Survey Monkey



BLOCKCHAIN AND GAMING



Gamers understand cryptocurrency

- Virtual currencies have been used in video games for decades
- Gamers are well habituated to virtual/fiat currencies
 - “Gold farming” in World of Warcraft was a black market employing thousands
 - “eBaying” - players exchange virtual goods for real money



Games generated US\$108.4 billion in revenue in 2017

- \$82 Billion is from ‘free to play’ games (optional in-app purchases)



Blockchain has significant benefits for gamers

- Reduces transaction costs thanks to use of cryptocurrency
- Allows gamers to own their personalised/unique in-game items
- Provides gamers the opportunity to earn money by trading virtual items in the gaming economy



Blockchain and cryptocurrencies let game developers increase revenue opportunities and user engagement

Current Game Revenue

- In-app purchases
 - Including subscriptions
- Advertising

Additional Blockchain Revenue

- ICO / Token sales
 - In-app purchases utilising Tokens
- Revenue clip based on transaction volume over the platform (e.g. **CryptoKitties**)
- Monetisation of the game economy



Animoca Brands at forefront of blockchain gaming

- Commercial relationship with **Axiom Zen** and **Dapper Labs**, developers of **CryptoKitties**
- Strategic investment in **Fuel Powered** for capabilities in blockchain, AI
- Strategic investment in **Zeroth** for capabilities in AI, token sales, ICO
- Acquired **Pixowl**, which will launch the blockchain version of its hit game ecosystem **The Sandbox**.

NON-FUNGIBLE TOKENS (NFTs) OPPORTUNITY

NFT: virtual tokens for digital scarcity, security, authenticity

Fungible	Non-fungible
E.g., one US Dollar	E.g., limited-edition postal stamp
Interchangeable	Not interchangeable
Uniform (all are the same)	Distinct or unique
Divisible	Indivisible



NFTs are not cryptocurrencies!

CryptoKitties is built on blockchain just like Bitcoin and Ethereum - but it uses non-fungible tokens (NFTs) and is not a cryptocurrency.

NFTs allow CryptoKitties to be traded as unique items. The blockchain tracks ownership securely.

Token Interfaces

ERC-20: fungible tokens. For assets like currencies

ERC-721: non-fungible tokens. For things. Such tokens are completely unique and non-interchangeable



♦ **ERC 721** ♦



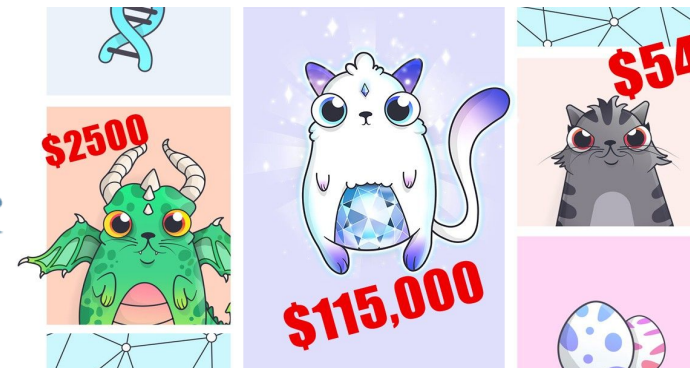
DIGITAL SCARCITY AND THE CATS OF ANIMOCA BRANDS



ART & OTHER ASSETS



FUNCTION/GAME



COLLECTING & BREEDING

NON-FUNGIBLE TOKENS

ACCESS TO HOUSEHOLD BRANDS

Gain market share through NFTs and blockchain products that feature popular characters



Brand Advantage

- Broad portfolio of licensed brands
- **MasterChef** mobile game in development
- **Beast Quest** mobile game in development
- Ongoing relationship with **Mattel, Inc.**, including products for **Thomas & Friends™**, **Ever After High™**, **Monster High™**, **Masters of the Universe™**, etc.
- Dozens of other brands including **Star Stable**, **Doraemon**, **Garfield**, **Ben 10**, **Astro Boy**



UNDERLYING WALLET TECHNOLOGY FOR GAMES

WalletPet: multipurpose gamified mobile cryptowallet



Mobile Wallet App

Store/send/receive multiple digital currencies (ERC-20/ERC-721) and monitor balance



Educational

Teaches consumers to handle cryptocurrencies safely and effectively, including through use of a “mock” currency



Gamified

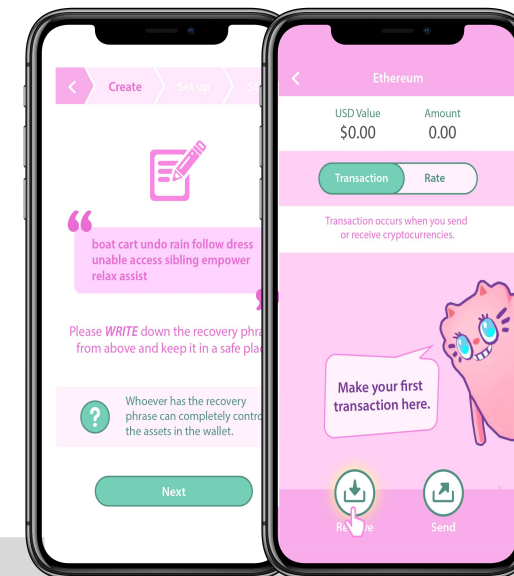
Built-in game systems to familiarize users with blockchain and cryptocurrency

US\$ 240 BILLION

Total market cap of all cryptocurrencies



The underlying technology of WalletPet can be adapted for any game, starting with Animoca Brands products



Wallet Pet is just a proof of concept

The gamified wallet technology can be adapted into any app. Any game could become a wallet if the game operators decide to allow the use of cryptocurrency and/or NFTs.

Underlying technology advantages

- This technology will be incorporated in Animoca Brands games
- Popular characters and games can be powerful distribution assets
- The goal is to establish a commanding position in the early stages of the evolution of the blockchain market

SUMMARY: AN INTEGRATED BUSINESS PLAN



FOCUS ON FOUNDATIONAL TECHNOLOGIES

Blockchain
Artificial Intelligence



OUR ADVANTAGES

Game design and gamification
Software development
Partnerships with major brands
Industry connections
Technology expertise



CONNECTING THE OPPORTUNITIES

Products that utilise AI
and/or Blockchain
Leverage portfolio of brands
Repurpose assets like
game engines for new projects





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KEY DEVELOPMENTS

ACQUISITION OF PIXOWL AND THE SANDBOX



Ed Fries, the creator of Microsoft Game Studios and co-founder of the Xbox project, is a special advisor to Pixowl and The Sandbox, and continues his advisory role after the acquisition

TRANSACTION HIGHLIGHTS

- Consideration A\$6.65 million – 90% scrip @ \$0.079 (24-month escrow)
- Cash contribution to remove minority holders – but effectively net offs with cash coming in
- Pixowl has annualised revenue A\$4.9 million / Cash balance of \$0.57m
- Metric 1.3x annualised revenue

STRATEGIC RATIONALE

- **The Sandbox:** One of the world's largest independent user-generated content platforms and gaming ecosystems, with **40 million downloads** and **over one million monthly active users**
- Upcoming blockchain version of **The Sandbox** will introduce the world's first marketplace for user-generated non-fungible tokens (NFTs)
- A token sale will raise additional funds, targeting the 40 million players who already downloaded the game
- Animoca Brands has the network, capabilities and distribution to launch this title successfully:
 - ❖ Relationship with Dapper Labs / Axiom Zen (CryptoKitties)
 - ❖ HTC distribution channels
 - ❖ Connected to largest NFT exchanges – founder Yat Siu is advisor to the LCX

CRYPTOKITTIES LAUNCH ON HTC



**First smartphones to come with
CryptoKitties (the HTC U12+)**

**HTC is fully committed to blockchain
integration**

**The HTC Exodus will be the first native
blockchain phone**

**Global distribution opportunity for
CryptoKitties on mobile**

**Will introduce gaming DApps to new
audiences**

NEW STRATEGIC PARTNERS IN 2018



Global leader in smartphones, connected devices, and virtual reality (VR), with 2017 revenue of about A\$3.87B.

Key distribution partner for blockchain games developed by Animoca Brands

Well financed: HTC has US\$1B in cash and is launching the world's first native blockchain phone, the Exodus

Multiple revenue opportunities: HTC and Animoca Brands will form a strategic partnership to develop blockchain enabled products, distribute DApps and pursue additional investment opportunities.



Dapper Labs and Axiom Zen are the creator of CryptoKitties, the first successful blockchain game.

Animoca Brands is the China distributor for CryptoKitties and mediated a license for HTC to publish the game on HTC phones.

Fast-tracks distribution of CryptoKitties in Greater China and enables global joint promotional and development opportunities with HTC products including the upcoming Exodus.

Animoca Brands will receive a share of the revenues generated by this arrangement.



Leading Hong Kong based investment firm that has operated market-leading financial services since inception in 1969, and that has A\$5.8 billion under management

Animoca Brands and Sun Hung Kai are exploring joint opportunities and applications for blockchain and artificial intelligence.

Animoca Brands will leverage Sun Hung Kai's expertise in corporate development to advance its business.

Sun Hung Kai has invested in Animoca Brands.



Leading blockchain company building a platform to reward users for completing fitness challenges and connect enthusiasts from around the world.

Lymopo rewards people for exercising and leading healthier lives.

Lymopo and the Animoca Brands subsidiary OliveX will launch the world's first "squat to earn cryptocurrency" challenge.

Lymopo has invested in Animoca Brands.



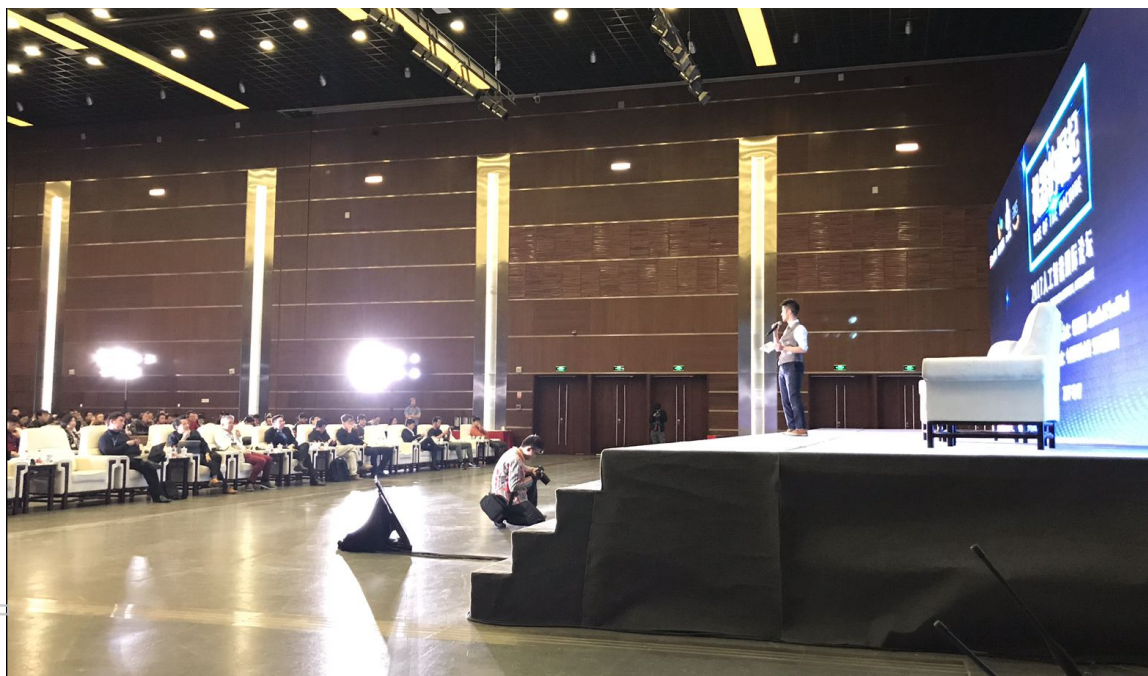
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Zeroth.AI

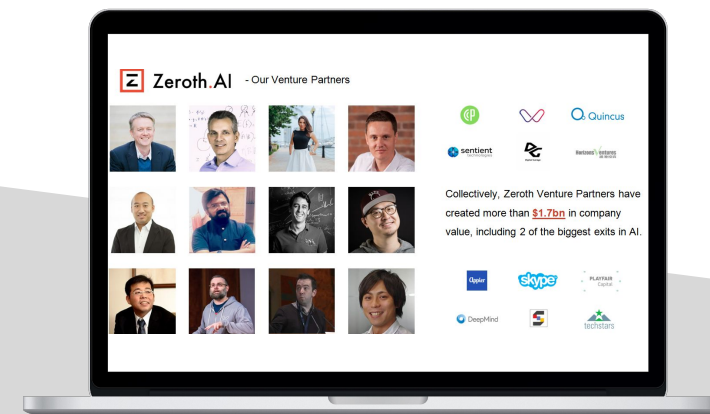
AI CAPABILITY AND OPTIONALITY

WHY ZEROOTH?

Zeroth has full visibility on the AI ecosystem



Zeroth's global reach and consistent dealflow provide a unique perspective on the state of AI across all industries around the world for a key competitive advantage.



Zeroth delivers strategic value

- AI talent is scarce and urgently needed
- Zeroth can deliver prime AI talent
- Almost every company is looking to scale up with AI
- Zeroth informs us about the next disruptions
- The only AI Accelerator in Asia
- High profile, strong management team

OLIVEX ACCELERATED AT ZEROOTH

Subsidiary develops gamified apps for health and fitness



OliveX is a graduate of the Zeroth acceleration programme

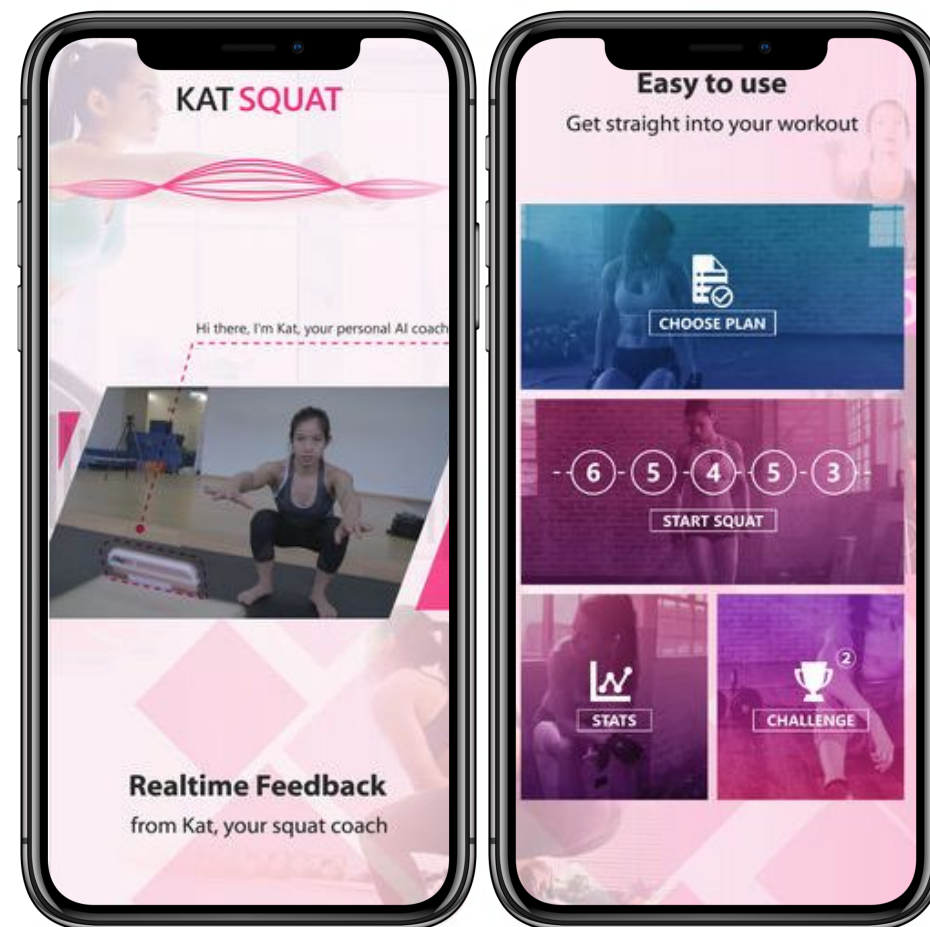
- recently won an AI government grant of A\$770,000
- generated A\$500,000 investment into Animoca Brands
- Lympo will lead an investment round into OliveX



Health and fitness apps market size: **US\$28 billion** and projected to grow to **US\$102 billion** by 2023 (*Research and Markets*)

OliveX management includes

Sonny Vu	Director	Founder of MisFit, a wearable tech company acquired by Fossil Group for US\$260 million in November 2015
Keith Rumjahn	Director	CEO of Coachbase, a top-ranked paid app for iOS, Android, and Mac
Dylan Boyd	Advisor	Served as managing director of Techstars' Nike+ accelerator program
Jeremiah Owyang	Advisor	One of the founders of Catalyst Companies and noted tech analyst

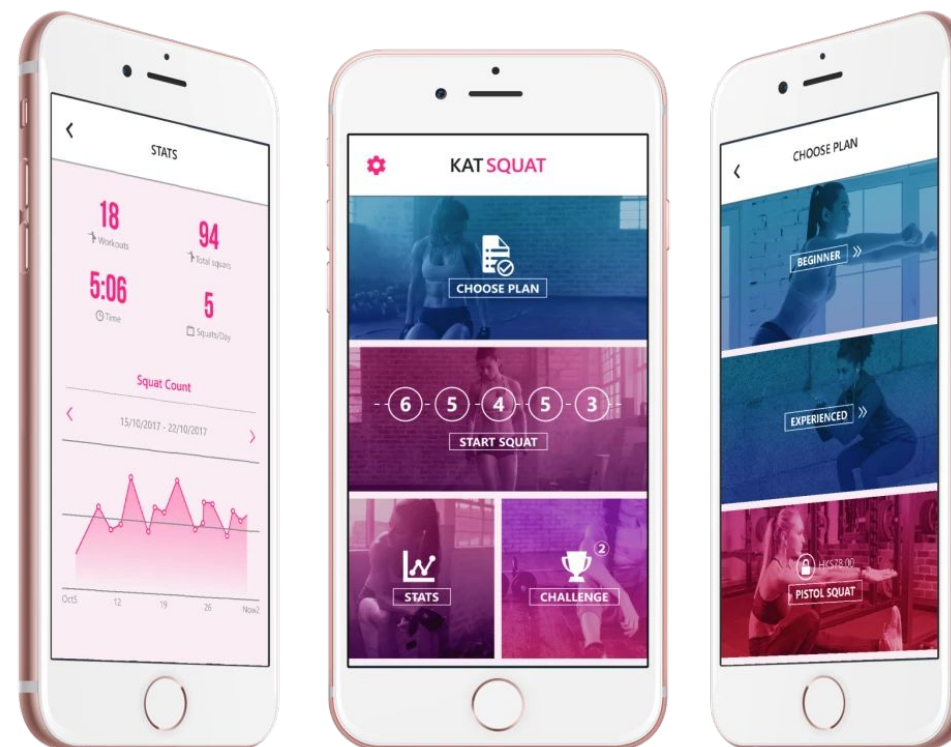


LYMPO and OLIVEX and ANIMOCA BRANDS

Leveraging the Lympo blockchain and the OliveX A.I. app *100 Squats Challenge*



MONETIZING
SPORTS AND
HEALTH DATA
VIA BLOCKCHAIN



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REWARDING EXERCISES VALIDATED BY A.I.

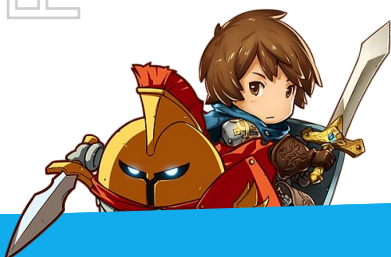
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Users will earn **LYM** tokens (cryptocurrency) by performing squat exercises with the Animoca Brands app **100 Squats Challenge**

LYM can be exchanged for **Bitcoin** or **Ether**

The AI in **100 Squats Challenge** validates whether a squat exercise is correct using Vision AI and Machine Learning



WHY HONG KONG?

In his budget speech, Financial Secretary Paul Chan Mo-po said he would set aside an additional **HK\$50 billion (A\$8.85 billion) to support I&T development this financial year, especially in the areas of biotechnology, artificial intelligence (AI), smart cities and financial technologies (fintech)**, in addition to the HK\$10 billion (A\$1.77 billion) commitment for supporting the industries last year.

“To shine in the fierce I&T race amid keen competition, Hong Kong must optimise its resources by focusing on developing its areas of strength ... our targeted efforts must be underpinned by adequate resources,” he said.

2018-2019
Budget Speech
Hong Kong



ZEROETH.AI STRATEGIC RATIONALE

Investment consistent with focus on innovative, cutting-edge technologies and investing for the future

Significant potential upside for both parties to realise strategic value

Value for Animoca Brands...



Strategic partnership for innovation

Gives Animoca Brands access to cutting-edge AI and machine learning technologies



Integral to Blockchain Strategy (Yin & Yang)

Blockchain and AI are highly complementary technologies that depend on each other for reliability of information and POW or POS frameworks.



Building equity for the future

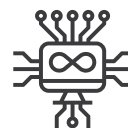
Investment brings strong potential for equity upside in Zeroth.ai companies as they continue to grow, prosper, and aim to spin off

...and value for Zeroth.ai



Strong operating upside

Co-location means direct access to highly experienced mobile development teams

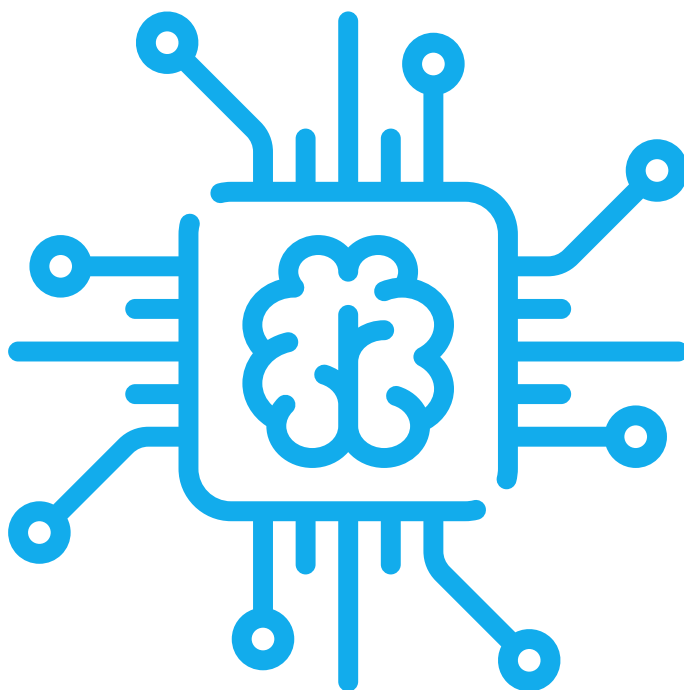


IP and distribution access

Zeroth.ai companies can leverage Animoca Brands' licensed IP portfolio as well as its global audience of gamers

NEAR TERM GROWTH DRIVERS

Multiple developments in near term



- ✓ Continue to drive revenue through roll out of **Crazy Kings** franchise:
 - Android version of **Crazy Defense Heroes** beta launch in Q3
 - New brand adaptations such as **Beast Quest** that leverage existing technology
 - Blockchain functionality to increase ARPU of games
 - AI integration for expanded feature set
- ✓ Complete **Pixowl** acquisition
- ✓ Launch **The Sandbox** token sale
- ✓ Multiple crypto applications pending - projects will leverage capabilities of **Fuel Powered**
- ✓ Launching new mid-core games internationally to underpin additional revenues
- ✓ Exploring multiple opportunities to leverage blockchain in existing and future products
- ✓ Work ongoing to “tokenise” apps
- ✓ Paradigm shift in software models: build decentralized apps (**DApps**)
- ✓ **OliveX** subsidiary to address market for Health and Fitness apps, estimated to be worth US\$100+ billion by 2023

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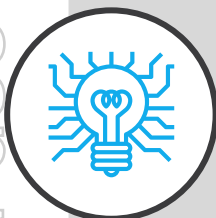
animoca
BRANDS

APPENDIX

SAMPLE OF ZEROOTH.AI COMPANIES

The Growing Zeroth family

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Zeroth is Asia's first artificial intelligence (AI) and machine learning focused accelerator



Zeroth has accelerated three cohorts of over 30 companies from around the world, with plans to accelerate another ~ 65 companies in the near future

Sample of Zeroth companies

<p><i>Kenya</i> API for personalized recommendations for trusted service providers on sharing platforms.</p>	<p><i>Hong Kong</i> Speech & NLP (natural language processing) technologies to help enterprises improve customer services</p>
<p><i>Japan</i> The Slack bot A; provides insight to optimize team communication and organization</p>	<p><i>USA</i> Combines game design with mechanics that stimulate an alternative response to mobile games, breaking away from the dopamine loop</p>
<p><i>India</i> Provides personalisation tech for the online food industry</p>	<p><i>Vietnam</i> Sero uses AI to diagnose rice crop health issues and predict productivity</p>
<p><i>Hong Kong</i> Combines human and artificial intelligence for high-quality transcriptions of audio</p>	<p><i>Taiwan</i> A portable and robust deep learning solution for connected devices</p>

APPENDIX 1: OPPORTUNITIES IN DEPTH

MOBILE APPS

Opportunity

Key Points

TicBits and Crazy Kings game franchise (100%)

Key revenue generator
Further growth through 'reskinning' deals (Beast Quest, development funding from Coolabi), Android release

Tribeflame (100%)

Tablet game pioneer, accelerates development of mobile games. Includes popular Benji Bananas franchise

OliveX (85%)

Health and fitness apps provide significant opportunity - market size expected to exceed \$100B by 2023

Nitro Interactive (50% rev. share)

Blockchain based cryptocurrency system aiming to connect stakeholders in the game industry on one platform

BLOCKCHAIN GAMES

Opportunity

Key Points

[unnamed venture] (50% rev. share) WalletPet

JV with leading Japanese developer Red Robot K.K. Educate and familiarise players with cryptocurrency through gamification

Fuel Powered, Inc. (60%)

US blockchain tech company and service provider focused on maximising game revenues. Commercial relationships with SEGA, Bandai Namco and Axiom Zen (CryptoKitties)

CryptoKitties (licensing)

First game based on blockchain - generated volumes of \$40m in trade in less than 6 months. Animoca Brands holds exclusive distribution rights in greater China

Pixowl (100%)

Developer and publisher of world-building games including The Sandbox, which has 40 million downloads and one million active users

ARTIFICIAL INTELLIGENCE

ZEROTH.AI - Multiple Opportunities

ICO ADVISORY

Unique ability to use ICOs for game funding and marketing off balance sheet

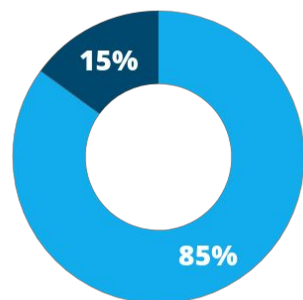
INCUBATOR

Strategic access to innovative AI startups, resources, and talent globally

High potential of significant returns as the startups mature

OLIVEX TARGETS HEALTH AND FITNESS (cont.)

Subsidiary Develops Gamified Apps for Health and Fitness



Animoca Brands has **85%** ownership
OliveX management has **15%** ownership

OliveX working on a number of products including:



AI-based fitness app for popular Chinese exercise system Baduanjin



AI/wearable diagnostic and monitoring app to address specific health issues



Recently awarded **A\$770k** grant from Hong Kong government to build AI-based exercise app

BLOCKCHAIN BENEFITS FOR GAMERS AND DEVELOPERS



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PLAYER BENEFITS

Opportunity

Key Points

Ownership in Games they love

Players have real agency over the fate of their games. One token = one vote

Ownership of Items in the Game

True ownership of in-game items is now possible using NFTs (digital scarcity)

Earn value for Gametime

More fun and deeper player engagement when they can earn real value for time played

Transferability

Items, value and ownership can now be transferable outside of the Game

DEVELOPER BENEFITS

Opportunity

Key Points

Security

Piracy for mobile game developers remains a significant problem. Blockchain can solve fraud and security concerns with virtual currency.

Financial

Private sales, SAFTs, ICOs, token listings are potential financial tools available to assist in fundraising for game development. First step to achieve any of this is to tokenise.

Digital Scarcity

True digital ownership solves the copy-paste problem with NFT's

Alternative Revenue

In addition to content revenue, developers can now generate revenue from transaction fees and coin sales

GAMES, ICOs, TOKENS

Multiple Opportunities

ICO ADVISORY

ICO or private sales for game funding and marketing. Not every game requires an ICO

Game Funding is a multibillion dollar industry

Animoca Brands would focus on providing blockchain games advisory services

Earn tokens

PARTNERSHIP

A new paradigm of game design in a participatory game economy

Distribution and development paradigms change as well

Blockchain tools and developers are currently scarce

Earn tokens