



animoca  
BRANDS

# Strategy Update

February 2019



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## The Company and Industry

# WHO ARE WE?

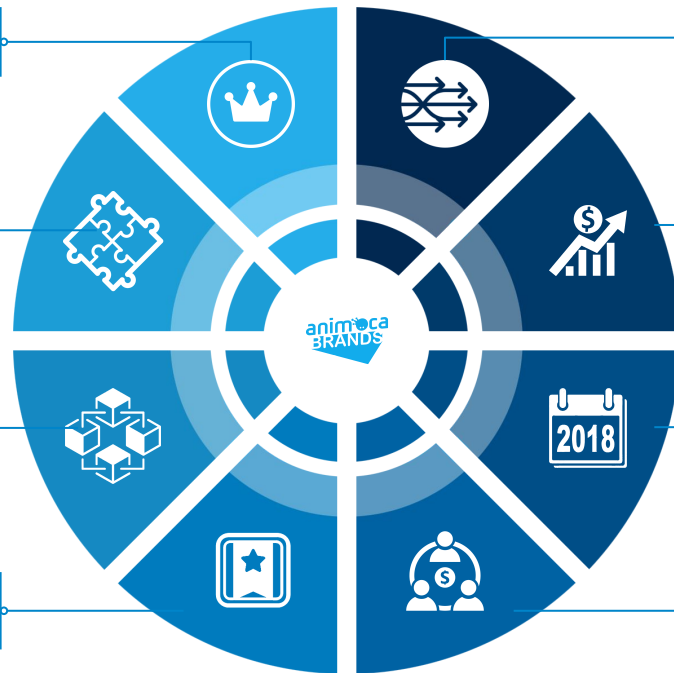


A **Top 50 Global Developer** (*PocketGamer*), one of the **leading mobile game developers** in Asia and on the ASX

**Multiple game business lines:** development of original games, branded games, and games for third parties; publishing and distribution services

Leader in the **adoption of blockchain and AI** for gaming

Partnered with some of **the most respected brands** and **game developers** in the world



Excellent track record in **global deals** and a **world-class technical team** of designers and engineers

Full pipeline of **high-value opportunities** and several more in negotiation

**2018** was our **best year ever** with approx. **\$14.9M** in revenue (unaudited)

Investors include some of **Asia's best known technology investors**



# OPPORTUNITIES



## BLOCKCHAIN

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



## AI

In-house resources at **Zeroth** 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

# ANIMOCA BRANDS: COMPETITIVE EDGE



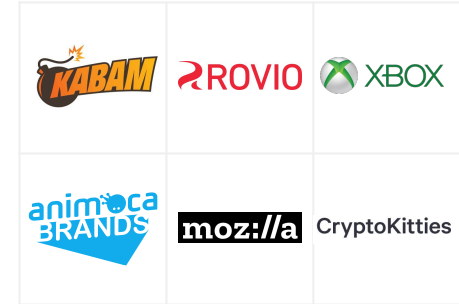
## Established Game Company

Established game company (named by PocketGamer as a Top 50 Developer) with **millions of active users** primed to bring to the blockchain. Global reach and distribution.



## Blockchain Partnerships

**Strategic Partnerships** (and investment) in leading blockchain companies around the world (e.g **WAX, Decentraland, OST, Dapper Labs**) in total over a dozen of them.



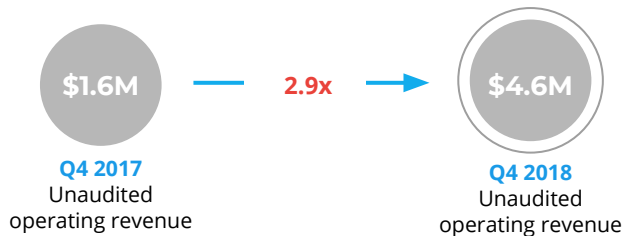
## Proven Management Team

Board and management have generated over **a billion USD** in combined annual revenue with **over a billion downloads** and hundreds of millions of users (including **Marvel Contest of Champions** from Kabam, **Angry Birds** from Rovio, and **Crazy Kings** and **Crazy Defense Heroes** from Animoca Brands)

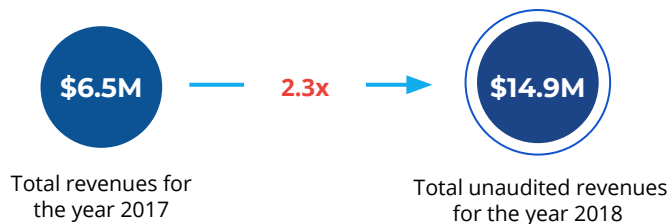
# ANIMOCA BRANDS 2018 Q4 UPDATE: A RECORD YEAR



## 2018 Q4 Revenue Rise



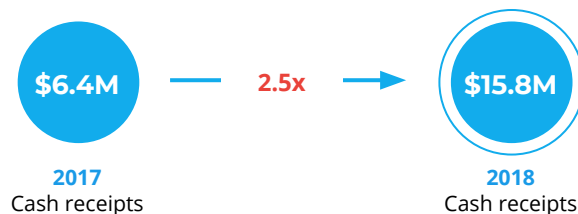
## 2018 Revenue Rise



### ★ Q4 2018 Update:

**From Strength to Strength,  
Finishing Up the Company's  
Strongest Year On Record**

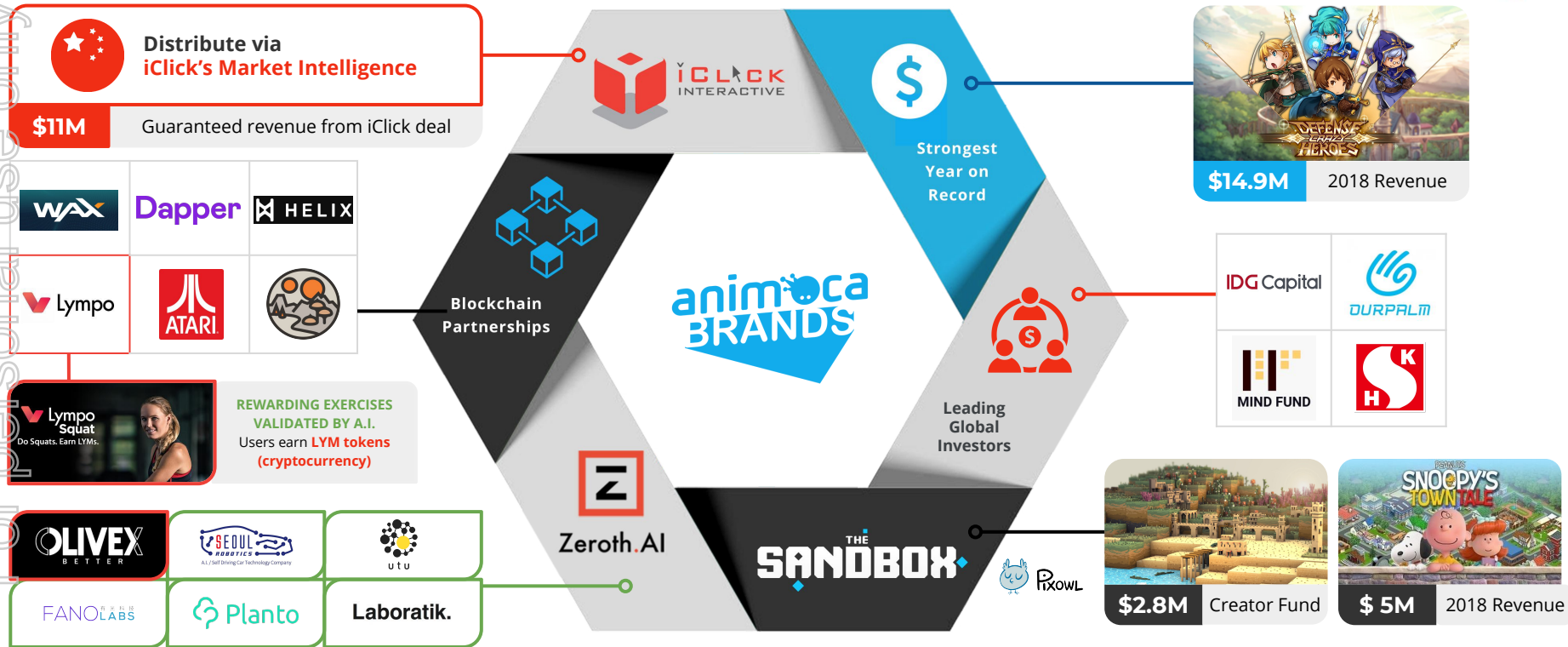
## Cash Receipts



## Commentary










Following a series of strategic investment partnerships in the area of blockchain gaming with prominent blockchain companies such as Decentraland and Mindfund, and major companies such as Atari and iClick, Animoca Brands is undergoing continued growth in both existing and new business lines (e.g., a marketing partnership signed with iClick in December 2018 guarantees approx. \$11M in revenue in 2019).

# EXECUTION OF STRATEGY GENERATES BUSINESS GROWTH IN 2018



# KEY VALUE DRIVERS - REVENUE AND GROWTH

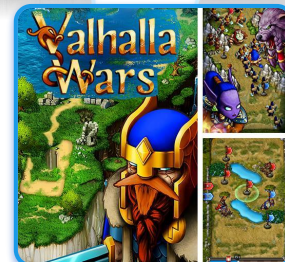
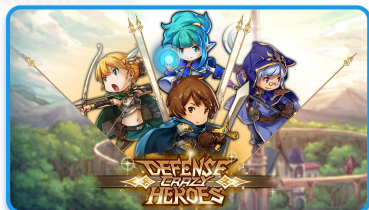
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Year-to-date	Revenue	Comments	2019 Growth Opportunities
 <p>Existing games</p>		<p>FY18 revenue, includes core business of games such as <i>Crazy Defense Heroes</i> and <i>Crazy Kings</i></p>	<ul style="list-style-type: none"> <li>Launch of <i>Crazy Defense Heroes</i> for Android, market size multiple times larger than iOS</li> <li>Launch of Beast Quest branded game</li> <li>Launch of MasterChef branded game</li> <li>Launch of Blockchain games and products</li> </ul>
		<p>Guaranteed revenue from iClick deal, announced December 2018</p>	<ul style="list-style-type: none"> <li>Guaranteed revenue from one partner</li> <li>Potential revenue expansion by offering services to iClick Clients</li> <li>Agreement provides access to Bytedance, Wechat, Baidu, and Alibaba media inventory that Animoca Brands will develop globally</li> </ul>
		<p>Pixowl's <i>The Sandbox</i>, <i>Goosebumps HorrorTown</i>, and its other games generated \$5M in 2018 (unaudited).</p> <p>Animoca Brands acquired Pixowl in November 2018</p>	<ul style="list-style-type: none"> <li>Sale of SAND for <i>The Sandbox</i></li> <li>Launch of blockchain version of <i>The Sandbox</i> user generated content game</li> <li>Launch of NFTs for <i>The Sandbox</i>, sales on WAX</li> <li>Launch of <i>Wonder Park Magic Rides</i> in Q1 2019</li> <li>Launch of <i>Addams Family Mansion Builder</i> in Q4 2019</li> </ul>
		<p>Blockchain IP titles and NFTs to be launched this FY19</p>	<ul style="list-style-type: none"> <li>Launch of blockchain version of Atari's <i>RollerCoaster Tycoon Touch</i> and <i>Goon Squad</i> game titles, together with their NFTs</li> <li>Execution of other significant blockchain gaming deals with key strategic partners</li> </ul>
			



# NEAR TERM PRODUCTS

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











2019

Crazy Kings	Crazy Defense Heroes	Beast Quest	Wonder Park game	MasterChef Plate Planner	Valhalla Wars	Addams Family Mansion Builder
Beijing Bosi Interactive (BBI) will develop, publish and distribute the <b>Crazy Kings</b> mobile game in China on the <b>Android</b> operating system and the web ( <b>HTML5</b> ).	Early access launched on Google Play (Android)  <b>Crazy Defense Heroes</b> for iOS boosted the franchise to generate approx. \$2.8 million in Q1 2018.	The first adaptation of Crazy Defense Heroes is underway with the popular children's fantasy novels franchise <b>Beast Quest</b> . Launch in early 2019.	Launch of <b>Wonder Park Magic Rides</b> game for the movie.  Wonder Park is an upcoming 2019 adventure teen comedy film produced by <b>Paramount Animation</b> and <b>Nickelodeon</b>	Mobile game based on the hit culinary cooking competition <b>MasterChef</b> . It will incorporate <b>signature show elements</b> such as the thrilling Mystery Box Challenges and Pressure Tests.	<b>A unique strategy game</b> allows players to plan lines of attack for their army. Watch as other players fall into traps and give ground to brilliant strategies in real-time.	Players create their very own <b>Addams Family Mansion</b> . Choose day-to-day activities for each character to keep them kooky! Players engage in special adventures and story plots inside the Mansion.

# FURTHER GROWTH OPPORTUNITIES

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Growth & Opportunity				
		 Big Data	780m Chinese online user profiles can be commercialised	
		 Technology	Subsidiary focused on fitness apps with AI technology and gamification. A graduate of the Zeroth acceleration programme.	
			Animoca Brands will target blockchain adoption through games and gamified products such as <i>WalletPet</i>	
		 6% stake	AI accelerator: Zeroth, a subsidiary of Animoca Brands, receives cohort fees and a ~6% stake in each accelerated company.	
				 fees
Blockchain Partners				
Engineering know-how and knowledge exchange, marketing support, launch of products, co-investment and co-development opportunities with blockchain partners				

# HIGH POWERED TEAM WITH COMMERCIAL SUCCESS



**Holly Liu**  
Board Director



Co-founder of Kabam,  
visiting partner at  
Y Combinator

Led Kabam into the  
unicorn club in 2014



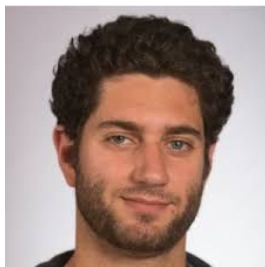
**Wilhelm Taht**  
Advisor to the  
Board



Former VP of  
games for ROVIO, board  
director of Nitro Games,  
advisor to Remedy  
Entertainment



**Mik Naayem**  
President of Games



CBO and co-founder of  
*CryptoKitties*, board  
director of Axiom Zen

CryptoKitties

**Ed Fries**  
Strategic Advisor to  
the Board



Co-founder of the Xbox,  
creator of Microsoft  
Games Studio,  
ex-Microsoft executive



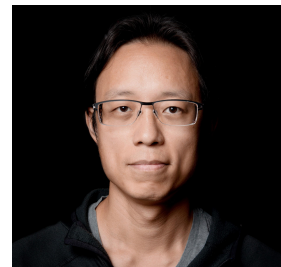
**Gen Kanai**  
Director of Strategic  
Partnerships



Former director of Asia  
community  
engagement of Mozilla,  
mentor for  
Chinaccelerator and 500  
Startups



**Yat Siu**  
Co-Founder and  
Chairman



Co-founder and  
chairman of Animoca  
Brands, advisor to  
BAFTA, director of Asian  
Youth Orchestra. World  
Economic Forum Global  
Leader of Tomorrow



# RECENT HIGHLIGHTS: SIGNIFICANT LONG AND SHORT TERM OPPORTUNITIES

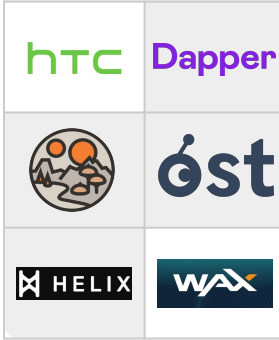


## Zeroth Acquisition



Animoca Brands entered into an Earn-In Agreement to acquire a majority stake in Venture Classic Limited, the operational company of Zeroth SPC for a total consideration is A\$1.5m. Zeroth is Asia's first artificial intelligence accelerator

## Blockchain Partnerships



Cemented strategic partnership and co-investment deals with leading blockchain companies, including Dapper Labs (*CryptoKitties*), Mind Fund, Helix, Datum, LikeCoin, Musicoin and Simple Token

## Pixowl Acquisition



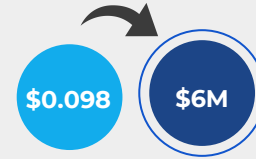
Completed the acquisition of Pixowl for an upfront consideration of A\$6.65m

## iClick Partnership



Partnered strategically with China-based iClick Interactive Asia Limited (NASDAQ: ICLK) as a reseller, which is expected to generate approximately \$11m per annum for the Company and also give subsidiary Zeroth access to iClick's 780m user profiles

## Fund raising



Raised \$6m at a price of \$0.098 per share from strategic investors, including co-founder and chairman Yat Siu

## Atari Partnership



Partnered with Atari to make blockchain versions of the popular games *RollerCoaster Tycoon Touch* and *Goon Squad*, and Atari became a shareholder

# ANIMOCA BRANDS DEVELOPMENT CENTRES



Expert teams throughout the world, broadening product appeal







## Vision on Blockchain, AI and Games

# NFTs AND AI: ANIMOCA BRANDS IS AN EARLY LEADER

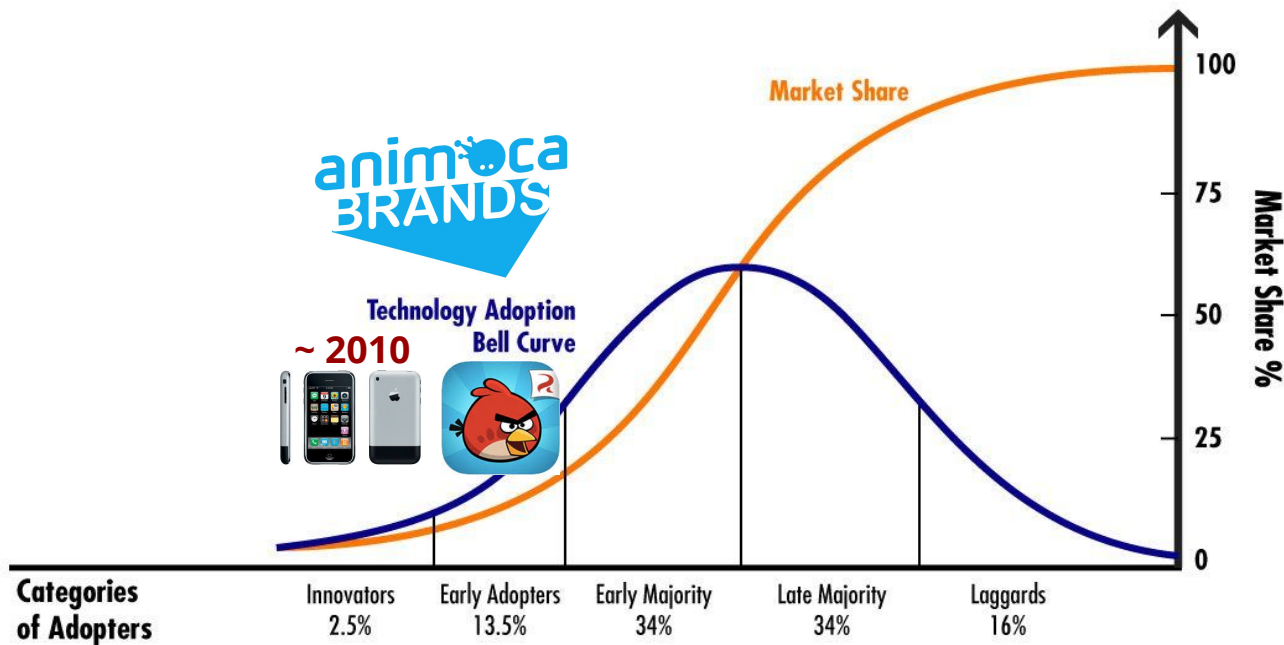


Early Adopter: Animoca Brands in the lead for NFTs and AI



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 (Innovator's Dilemma)



# ARTIFICIAL INTELLIGENCE: TECH HISTORY IN THE MAKING



Zeroth.AI

## AI Market Status (2012 ~ 2018)

3608

AI companies funded by VCs

175

AI companies with exits

23B

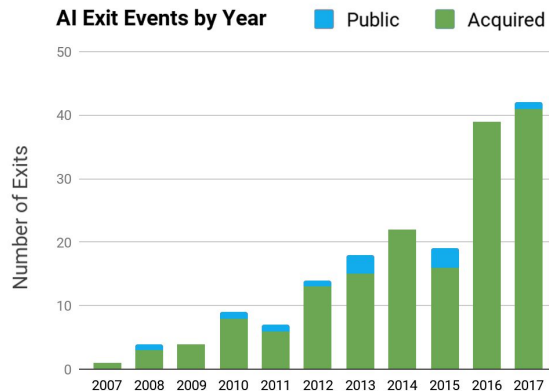
USD committed to AI

42%

of the AI companies acquired received VC backing

## Strong and Growing Exit Market in the AI Space

- Corporations outside the internet sphere are starting to realize the potential of integrating AI into their business - it is becoming more urgent than ever for companies to accelerate their digital transformations
- AI/ML exits are currently occurring almost exclusively via strategic acquisitions, and at an earlier stage than before



2018-2025

### AI becomes the new electricity

By 2019, 75% of development teams will include AI functionality in applications. By 2025, AI will power 95% of all customer interactions.

2017-2018

### Largest applied AI exits to date

Flatiron Health acq. by Roche for \$1.8bn  
Cruise acq. by GM for \$1bn

2014

### Largest pure AI exit

DeepMind acquired by Google for \$600m

2009

### "Big Bang" of AI

Faster GPUs and Bigger Datasets  
Deep Learning outperforms other AI architectures

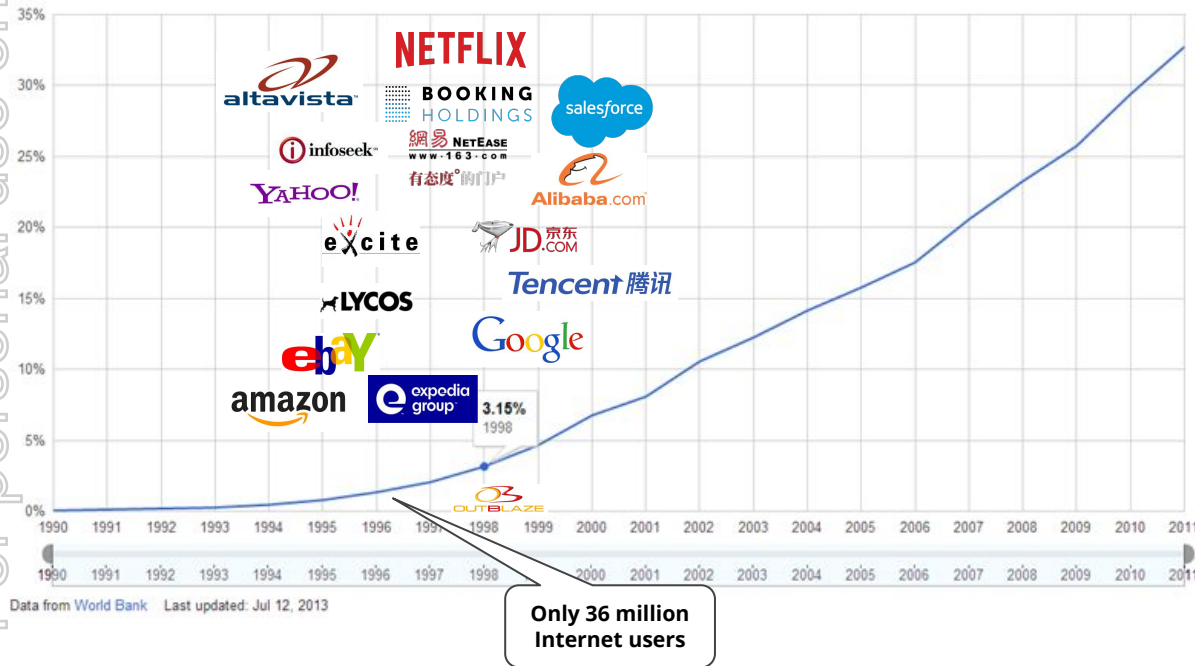
1965-1989

### Birth of current AI architectures

Multiple architectures proposed, but limitations in computing power meant the models couldn't be fully exploited and advantage was marginal

# BLOCKCHAIN IS LIKE THE INTERNET 20+ YEARS AGO

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## We've been here before

The blockchain market today can be seen as analogous to the Internet boom of the late 1990s.

Today there are only about 30.5 million cryptowallets. Similarly, in 1996 there were only 36 million Internet users - but many leading Internet companies emerged during 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.

## Early market opportunity

**US\$135B cryptocurrency market cap (20 Feb 2019)**

**Driven by the owners of just ~30 million cryptowallets**

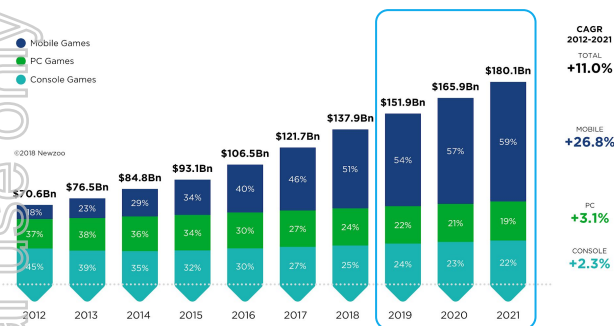
**The blockchain market today presents similar opportunities to the Internet market in 1996-1999**

# ANIMOCA BRANDS AT FOREFRONT OF GAMING AND BLOCKCHAIN

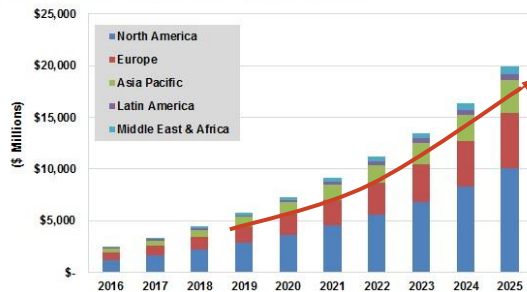


## 2012-2021 GLOBAL GAMES MARKET

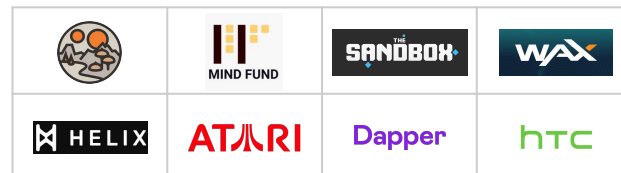
REVENUES PER SEGMENT 2012-2021 WITH COMPOUND ANNUAL GROWTH RATES



Blockchain Revenue by Region, World Markets: 2016-2025



Source: Tractica



### Games Market

2.3 billion gamers worldwide

#### 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

US\$137.9 billion in games revenue in 2018

\$70.3 Billion from mobile gaming

#### \$ Current Game Revenue

- In-app purchases
- Subscriptions
- Advertising

### Blockchain Market

#### Blockchain user demographic



#### Blockchain has significant benefits for gamers

- Reduces transaction costs through 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

#### \$ 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 **Zereth** for capabilities in AI, token sales, ICO
- Acquired **Pixowl**, which will launch the blockchain version of its hit game ecosystem **The Sandbox**.
- Partnered with **Decentraland** to co-develop games for the Decentraland platform
- Partnered with **Atari** to make **blockchain versions of the popular games RollerCoaster Tycoon Touch and Goon Squad** and Atari became a shareholder
- WAX Blockchain** and Animoca Brands partner to progress virtual item and crypto collectible trading on blockchain through Non-Fungible Tokens (NFTs)

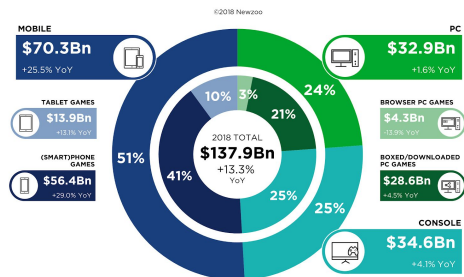


# DIGITAL OWNERSHIP COULD INCREASE CONVERSION



## 2018 GLOBAL GAMES MARKET

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

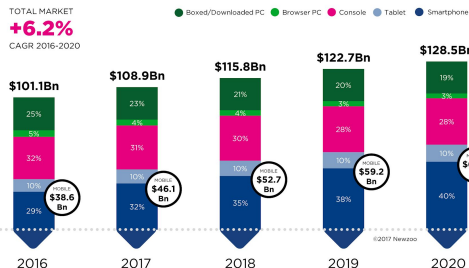


Source: ©Newzoo | 2018 Global Games Market Report  
newzoo.com/globalgamesreport



## 2016-2020 GLOBAL GAMES MARKET

FORECAST PER SEGMENT TOWARD 2020



Source: ©Newzoo | Q2 2017 Update | Global Games Market Report  
newzoo.com/globalgamesreport

newzoo



In 2018, mobile games will generate

**\$70.3Bn**

or **51%** of the global market.

Driven primarily by less than 3% conversion with Free2Play Games

**1% increase** in Free2Play conversion rates represents a **20-25Bn** growth opportunity



## Gamers and Blockchain

- 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.)

# BRINGING THE NEXT BILLION TO THE BLOCKCHAIN THROUGH GAMES



## Management commentary

"We believe gamers are the first and easiest frontier for blockchain adoption. Animoca Brands is on a mission to use games to onboard the next billion people on to blockchain. We believe that the true digital ownership conferred by NFTs has the potential to significantly boost conversion for our products."

**Yat Siu**, co-founder and chairman



## Technological benefits of blockchain

### Better control over gaming economy

Animoca Brands can collect royalties from every gaming ecosystem on an ongoing basis. Additionally, blockchain allows Animoca Brands to begin or stop selling assets without any restriction.

### Storage safety and security

Data stored with blockchain encryption makes it impossible for hackers to breach. This technology requires correct nodes at a correct time in order to breach. This is why game items get a double security that saves from breaches.

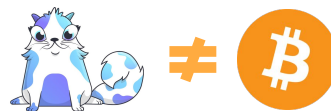
### Reducing the price of gaming items

Blockchain comes with affordable micro-transaction benefits. This can allow Animoca Brands to sell their power-ups at cheap prices without losing profits.

# NON-FUNGIBLE TOKENS (NFTs)

Emerging segment in global game market: virtual tokens for digital scarcity, security and 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. Such tokens are uniform and interchangeable.

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



♦ **ERC 721** ♦



# PARTNERSHIP WITH CRYPTOKITTIES



Transactions



Total dollars  
transacted

The world's most used consumer blockchain application, outside of exchanges

★ CryptoKitties is a pioneer in blockchain games, and represents an important step toward our vision of widely used cross-platform non-fungible tokens (NFTs)



**Animoca Brands is a partner and investor in Dapper Labs, the company behind CryptoKitties**

- ❖ CryptoKitties is the first commercially successful blockchain game
- ❖ Animoca Brands invested in Series A financing for Dapper Labs, the company behind CryptoKitties
- ❖ Dapper Labs recently raised US\$15m in the round from investors that include Venrock, GV, Samsung NEXT, Andreessen Horowitz, Union Square Ventures, and others
- ❖ Animoca Brands is the Greater China distributor for CryptoKitties, and brokered a deal to distribute the game on HTC mobile phones.

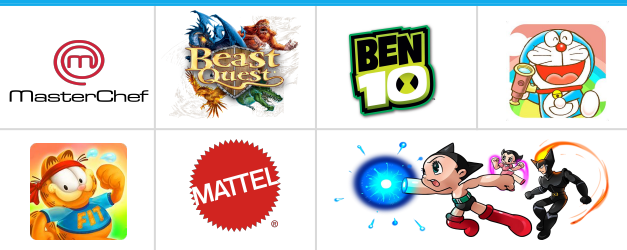
# GLOBAL BRANDS ATTRACTED TO ANIMOCA BRANDS

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 **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

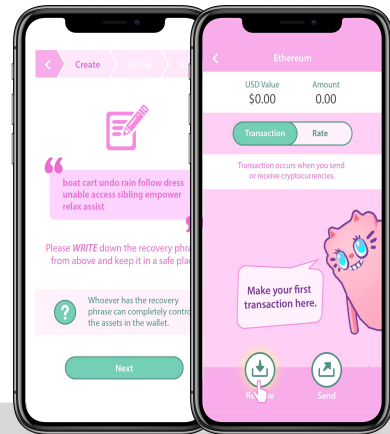
Built-in game systems to familiarize users with blockchain and cryptocurrency

**US\$135 BILLION**

Total market cap of all cryptocurrencies  
(CoinMarketCap - 20 Feb 2019)



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



### WalletPet provides 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

# POPULARITY OF USER GENERATED CONTENT (UGC)



Launched in 2011  
70M MAUs  
240M registered users  
Microsoft acquired at \$2.5B(2014)



Launched in 2004  
50M MAUs  
40M+ Games  
Valuation: \$2.5B(Series F, 2018)  
\$32M annual in-apps purchase



Downloads



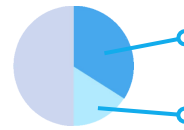
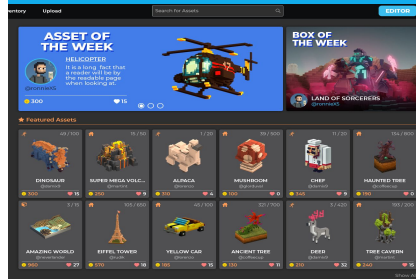
GAMES



Worlds Created  
By Community  
Since 2012



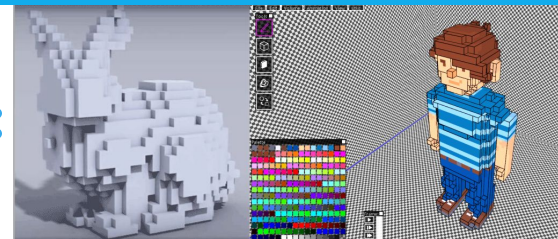
## MARKETPLACE



When it comes to UGC, more than **50% of consumers** want a brand to provide guidance on what type of content to create and share

However, studies show **only 16% of brands** have a system in place to effectively initiate and manage UGC

## User-Generated Content (UGC) : 500 million creators worldwide



## EASE OF BUILD

- ❖ The Sandbox is a 3D voxel-styled sandbox multiplayer & social platform, featuring a blockchain component through its own open online NFTs marketplace
- ❖ The Sandbox is an ecosystem for PLAYERS and CREATORS, consisting of three main components: VoxEditor, Marketplace, and Game
- ❖ In the blockchain version of the game, Creators will create ASSETS (NFTs) in VoxEditor, store them in wallets to populate and decorate their game worlds (BOXes), and attach scripts to make them live
- ❖ This will allow them to create gameplay for players to enjoy, which can be traded in marketplace as well

# RECENT HIGHLIGHT: COMMERCIALISING UGC WITH WAX



**WAX** is the world's first and largest purpose-built global blockchain e-commerce platform designed for trading virtual items



**WAX** is the equivalent of **eBay** or **Amazon** for digital items, facilitating over 5m trades per day



*The Sandbox* is a successful mobile game franchise (**40m installs** with **1.2m active monthly users**) - the game is to become the world's first decentralised community driven game platform, providing users with true ownership of their creations as **NFTs**



*The Sandbox* platform's **Voxel Editor**, launched in December 2018, allows users to create **3D assets** while also providing a **Marketplace** for trading and selling these assets

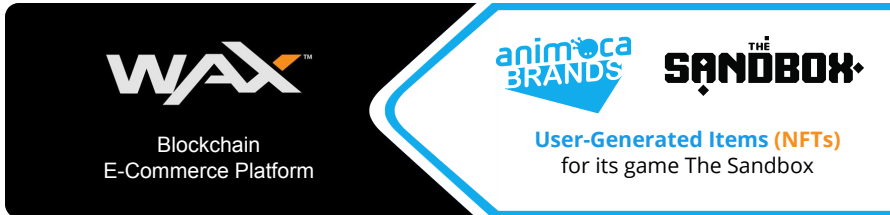
## Animoca Brands x WAX Partnership



**WAX Blockchain** and Animoca Brands partnered to progress virtual item and crypto collectible trading on blockchain through Non-Fungible Tokens (**NFTs**)



**Animoca Brands** will introduce **user-generated items** for its game *The Sandbox* on to the **WAX platform**



Animoca Brands expects that the option to sell and trade digital assets on WAX will boost *The Sandbox* users' loyalty and incentivise them to generate more content, enriching the community and ecosystem. Animoca Brands will collect a share of the revenue generated by every transaction on WAX that involves assets for *The Sandbox*.

# RECENT HIGHLIGHT: ATARI PARTNERSHIP



**Atari**, established in 1972, is a pioneering brand in video games, game consoles, personal computers, and game publishing



*RollerCoaster Tycoon Touch* has over **19 million downloads** and is part of the popular *RollerCoaster Tycoon* theme park simulation video game franchise

## Animoca Brands x Atari Partnership



Animoca Brands partnered with Atari to make blockchain versions of the popular mobile games ***RollerCoaster Tycoon Touch*** and ***Goon Squad***



the new titles will feature the integration of non-fungible tokens (**NFTs**).



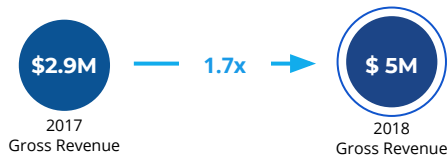
*RollerCoaster Tycoon Touch* is a popular theme park management simulation game for iOS and Android devices, with over 19 million downloads globally. It is one of the recent instalments in the video game franchise *RollerCoaster Tycoon*, which since 1999 has spawned several top-ranking sequels and spinoffs across multiple platforms including PC, mobile, and game consoles.



*Goon Squad* is a card-based, multiplayer brawler video game for iOS and Android devices, launched in 2017, in which players navigate an underworld ruled by mobsters and fast-paced card battles in order to build the ultimate criminal empire.



# PIXOWL STUDIO GAME DEVELOPMENTS



**2018 Q4 has been Pixowl's strongest quarter** on record with \$1.5M in Gross Revenues (unaudited) which resulted in an uplift of **44% growth** YoY, driven primarily by *Peanuts: Snoopy's Town Tale* performance and *Nickelodeon*.



BlockchainGamer.biz  
Awarded **Top 10 Most Anticipated Blockchain Games**

## Traditional Games



**Peanuts: Snoopy's Town Tale**  
2018 Q4 best revenue quarter since launch

**Goosebumps 2 Movie** released by Sony

- Downloadable movie tie-in content was made for the game *Goosebumps HorrorTown*

**Wonder Park** game in production to accompany release of the movie *Wonder Park* in Q1 2019

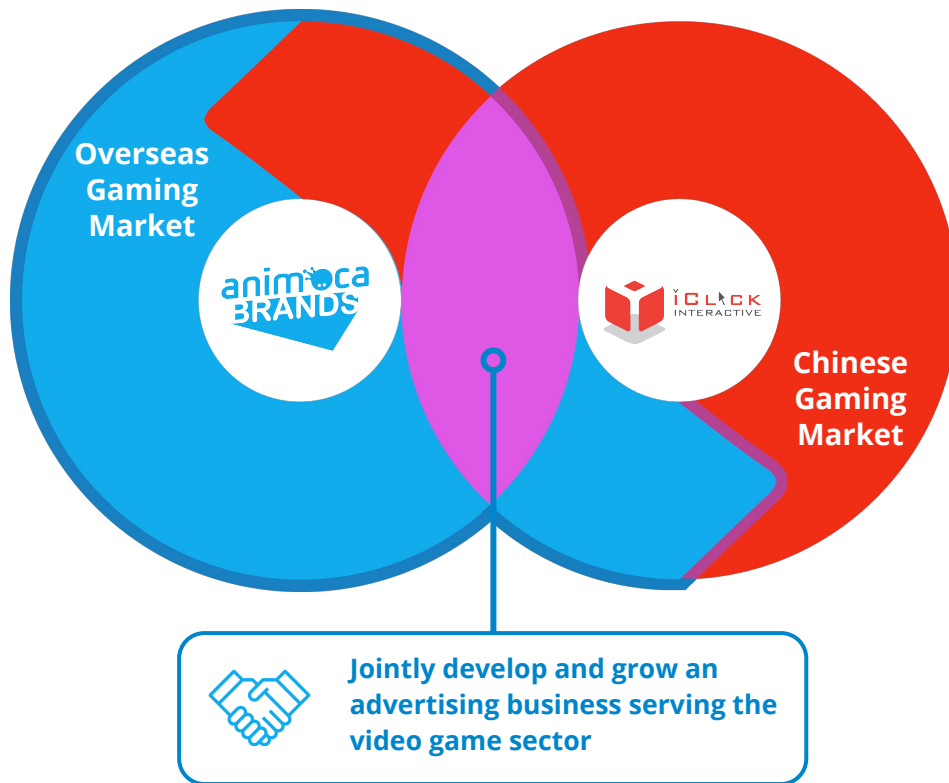
**Addams Family Mansion Builder** game launching in Q4 2019.

## Blockchain Games



- The Sandbox* MAUs: 572,000
- Pixowl has launched a \$2.8 million Creator Fund that will reward artists for creating items on its upcoming blockchain-based gaming platform
- VoxEdit and Metrics with link to Discord channel 1,500+ members and 1,000+ Assets produced

# RECENT HIGHLIGHT: iCLICK AND MARKET SHARE IN CHINA



**Animoca Brands** will empower iClick to expand the scope of its activities in the gaming sector in international markets

**Animoca Brands** provides expertise in

- Mobile gaming
- Blockchain
- AI
- International markets



**iClick** will provide opportunities to increase market share of **Animoca Brands** products in China



**\$11M Revenue**

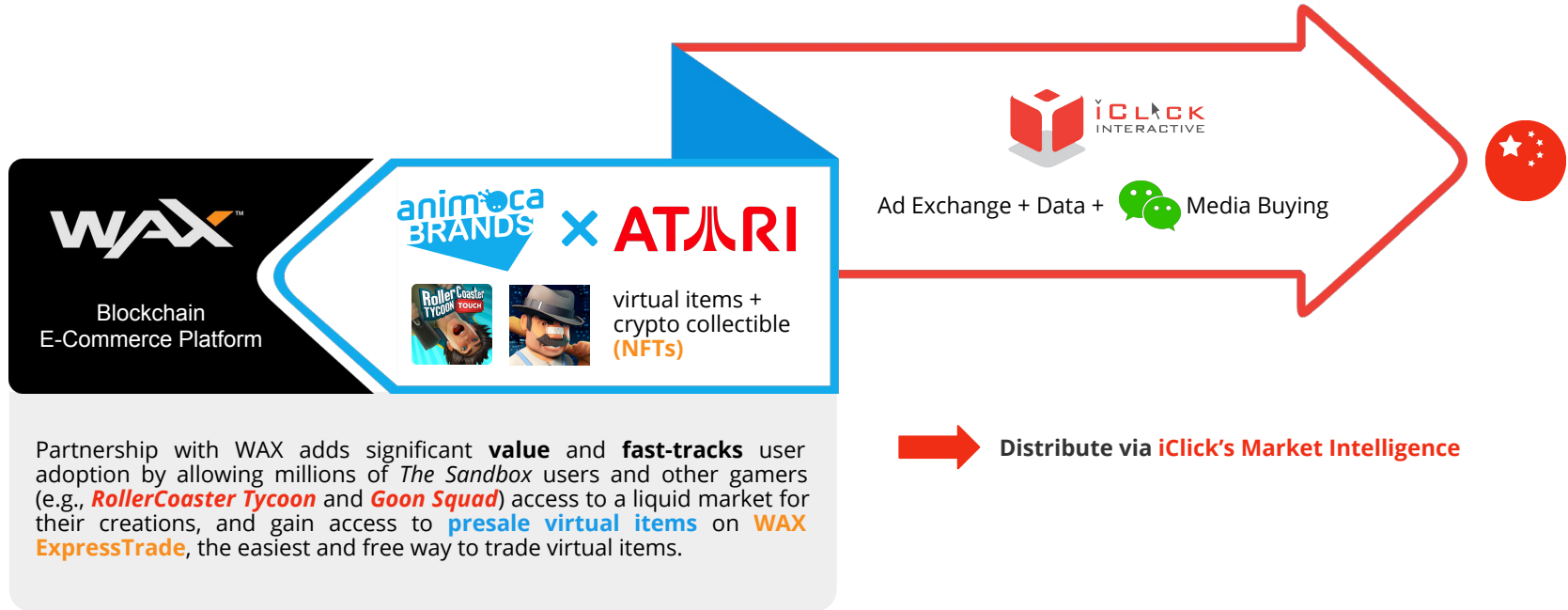
**Animoca Brands** will become a strategic reseller for iClick, in a transaction expected to provide minimum initial revenues of approximately **A\$11 million**

(See ASX announcement of 11 December 2018)





# SYNERGY: WAX, AB1, ATARI and iCLICK



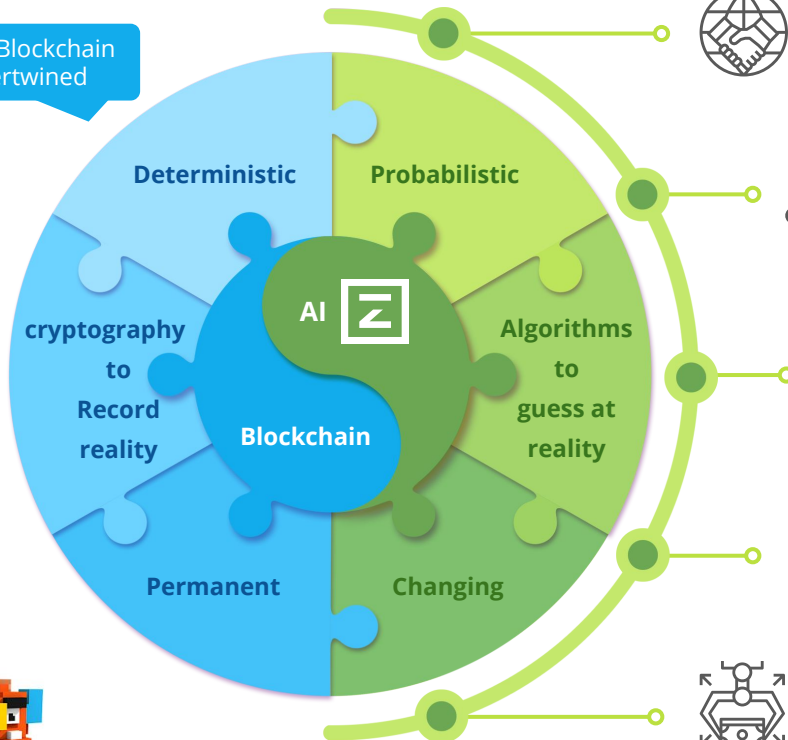


# AI and Talent Acquisition

# ZEROTH: AI ACCELERATOR SECURING OPPORTUNITIES



AI & Blockchain intertwined



## Strategic partnership for innovation

Majority ownership gives **Animoca Brands** access to cutting-edge AI and machine learning technologies



## Integral to Blockchain Strategy (the Yin & Yang)

Blockchain and AI are highly complementary technologies that depend on each other for reliability of information and proof-of-work or proof-of-stake frameworks



## IP and distribution access

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



## Strong operating upside

Co-location means direct access to highly experienced development teams



## Building equity for the future

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



# MARKET INTELLIGENCE FOR ANIMOCA BRANDS

For personal use only

Zeroth has a high visibility into the current and future states of AI



Global view gains full visibility on the AI ecosystem

- Our global reach and consistent dealflow gives us a unique perspective on the state of AI across all industries around the world



Delivers value to **Animoca Brands**

- We work with Limited Partners (LPs) to scout companies to solve their strategic problems
- We ensure LPs are well informed about what disruption is coming next through in person briefings
- We provide potential dealflow for LPs for later stage investment



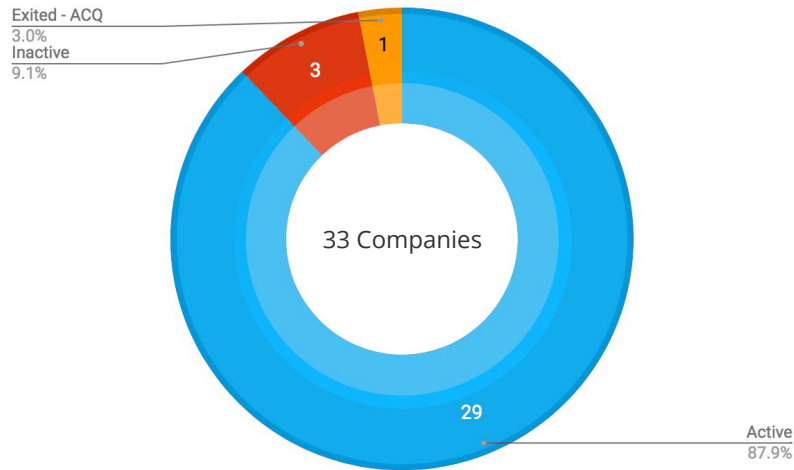
**Animoca Brands** and LPs receive market intelligence and open innovation

- Business collaboration in areas including information sharing, open innovation, and deal flow
- Intelligence sharing through workshops, events, and presentations
- Involved in Zeroth due diligence
- Office visits and sharing

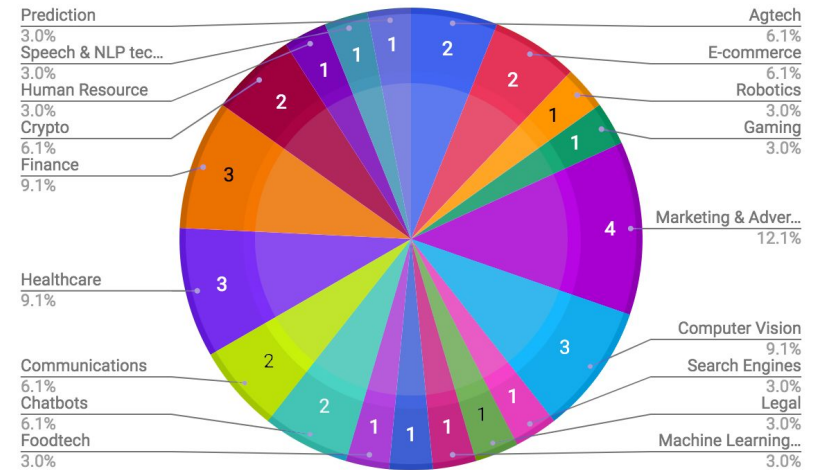
## ZEROth: GLOBAL AND CROSS-INDUSTRY DEALFLOW

- Since Nov 2016, Zeroth invested US\$120K each into 33 AI-focused startups from over 10 countries
- Received 1,000+ accelerator applications from 25 different countries
- A further 30 companies currently enrolled in the acceleration programme








Zeroth Portfolio Company Status



Zeroth Portfolio Company Industry Breakdown



# ZEROth COMPANIES ATTRACT HIGH-PROFILE INVESTORS

Zeroth companies	Headline investors	Zeroth portfolio companies are reshaping industries
	RE.A.PRA Ventures	<b>Impress.ai</b> provides AI-powered chatbots for screening interviews to free up humans from this mundane activity and vastly improve hiring outcomes at the same time.
	Horizons Ventures 维港投资	<b>Fano Labs (Accosys)</b> is developing speech and NLP technologies to help enterprises improve customer services.
 A.I. / Self Driving Car Technology Company	futureplay KB Investment	<b>Seoul Robotics</b> makes affordable and accurate LiDAR sensors combined with Deep Learning based Object Detection Software to make the roads a safer place.
	PORTAGE ventures	<b>Planto</b> has developed a financial management app to help millennials develop personalized saving plans.
	æternity	<b>Utu</b> is developing machine-learning powered trust infrastructure for sharing platforms, p2p e-commerce, and fintech companies by modelling each user's individual trust profile based on their relationships, in-app behaviors, and other contextual factors.
<b>Laboratik.</b>	MIZUHO archetype*	<b>Laboratik</b> is developing a smart productivity bot "A;" on slack which helps company draw insights to optimize team communication by analyzing and visualizing team's engagement in real-time with NLP.
 BETTER	 Zeroth.AI	<b>OliveX</b> , a subsidiary of Animoca Brands, develops and publishes mobile apps, including apps powered by artificial intelligence (AI), that leverage gamification to improve the fitness and health of users.



# OLIVEX

Subsidiary develops gamified AI apps for health and fitness



Zeroth.AI



## Company



OliveX is a graduate of the Zeroth acceleration programme

### 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

## Investors



- Thanks to the OliveX capabilities, Animoca Brands won a government grant of A\$770,000
- OliveX generated A\$500,000 investment into Animoca Brands
- Lymo to 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)

## Product



OliveX, a subsidiary of Animoca Brands, develops and publishes mobile apps, including apps powered by artificial intelligence (AI), that leverage gamification to improve the fitness and health of users.

**Lymo Squat** is an app powered by machine learning for Apple mobile devices that challenges users to perform squats and tracks their performance using the device camera.

# WHY HONG KONG?



Zeroth.AI



## Government financial support - A\$8.85 Billion

### 2018-19 Budget Speech



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.

A\$3.53 billion



HK\$20 billion will be used on the first phase of the Hong Kong-Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop for, site formation, infrastructure, superstructure and initial operation.

A\$1.76 billion



HK\$10 billion into the Innovation and Technology Fund (ITF). The ITF's financial support for I&T development in Hong Kong has increased from about \$700 million in 2013-14 to \$1.5 billion in 2017-18. The ITF will continue to support applied R&D work in Hong Kong.

A\$1.76 billion



HK\$10 billion to support the establishment of two Technology Research Clusters on healthcare technologies and on artificial intelligence and robotics technologies, to attract the world's top scientific research institutions and technology enterprises to Hong Kong for conducting R&D projects.

A\$1.76 billion



HK\$10 billion is allocated to the Hong Kong Science and Technology Parks Corporation (HKSTPC) to reinforce the role of the Science Park as Hong Kong's flagship technology infrastructure.

A\$53.25 million



HK\$200 million is earmarked for Cyberport to enhance the support for start-ups and promote the development of digital technology ecosystem. Cyberport is going to launch an "easy landing" programme to attract multinational companies to set up offices and R&D units in Hong Kong.

# SYNERGY: ZEROETH, iCLICK, TOKEN PARTNERS



Animoca Brands will monetise iClick's database of **780 million Chinese user profiles**. The subsidiary **Zeroth** confers **Artificial Intelligence** capabilities that can increase performance on media services and generate valuable market intelligence.

