

ANIMOCA BRANDS FY16 AGM PRESENTATION

Disclaimer



This presentation has been prepared by Animoca Brands Corporation Limited ("AB1" or the "Company"). It does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. You should not treat the contents of this presentation, or any information provided in connection with it, as financial advice, financial product advice or advice relating to legal, taxation or investment matters.

No representation or warranty (whether express or implied) is made by the Company or any of its officers, advisers, agents or employees as to the accuracy, completeness or reasonableness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or provided in connection with it, or any omission from this presentation, nor as to the attainability of any estimates, forecasts or projections set out in this presentation.

This presentation is provided expressly on the basis that you will carry out your own independent inquiries into the matters contained in the presentation and make your own independent decisions about the affairs, financial position or prospects of the Company. The Company reserves the right to update, amend or supplement the information at any time in its absolute discretion (without incurring any obligation to do so).

Neither the Company, nor its related bodies corporate, officers, their advisers, agents and employees accept any responsibility or liability to you or to any other person or entity arising out of this presentation including pursuant to the general law (whether for negligence, under statute or otherwise), or under the Australian Securities and Investments Commission Act 2001, Corporations Act 2001, Competition and Consumer Act 2010 or any corresponding provision of any Australian state or territory legislation (or the law of any similar legislation in any other jurisdiction), or similar provision under any applicable law. Any such responsibility or liability is, to the maximum extent permitted by law, expressly disclaimed and excluded.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in the Company.

Future matters

This presentation contains reference to certain intentions, expectations, future plans, strategy and prospects of the Company.

Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or implied, is made by the Company, or any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved.

Given the risks and uncertainties that may cause the Company's actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. The Company does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended.



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

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



LIONSGATE

Partnered with
Lionsgate to develop
Norm of the North
mobile game



Jan 2016

Garfield Chef
published by Xiaomi



Groove Planet launched
on Android and Tencent
to publish Groove Planet
on China's WeChat



\$6.5 million
Placement and
Share Purchase
Plan

7m downloads of Garfield
Chef on Xiaomi



June 2016

TicBits acquisition
added 15 new
games



July 2016

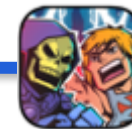
Total of 5 mobile
games launched
with Mattel



Dreamworks partnership
to create book apps
based on leading brands



HeMan
launched



Launch of Trolls book
app in partnership with
Dreamworks



Global launch of
Thomas & Friends
e-book



Dec 2016

\$5.2m
Institutional and Retail
Entitlement
Offer

Garfield brand licence
renewed and first health
and fitness app added



Publishing agreement
with Colopl



Brand partnership
with Star Stable



Educational app
BrainyTap added to
portfolio



30k+ subscriptions of Thomas
& Friends e-book in Q1



NOW

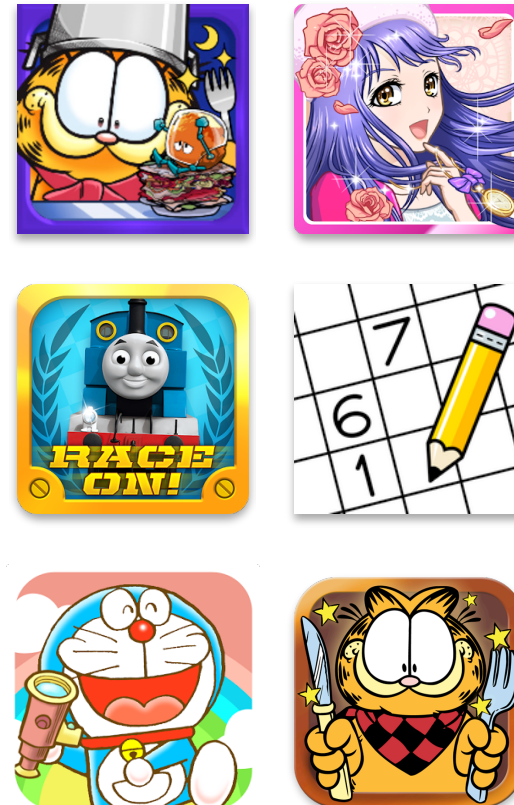
Jan 2017

Portfolio of Apps

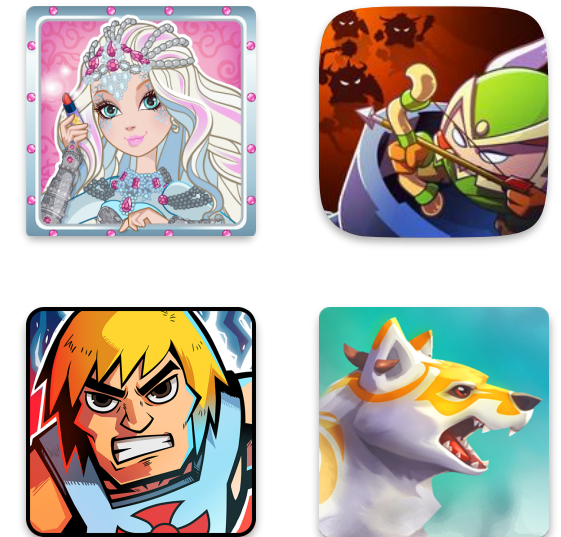
Back Catalogue



Evergreen Titles



Poised for Growth



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

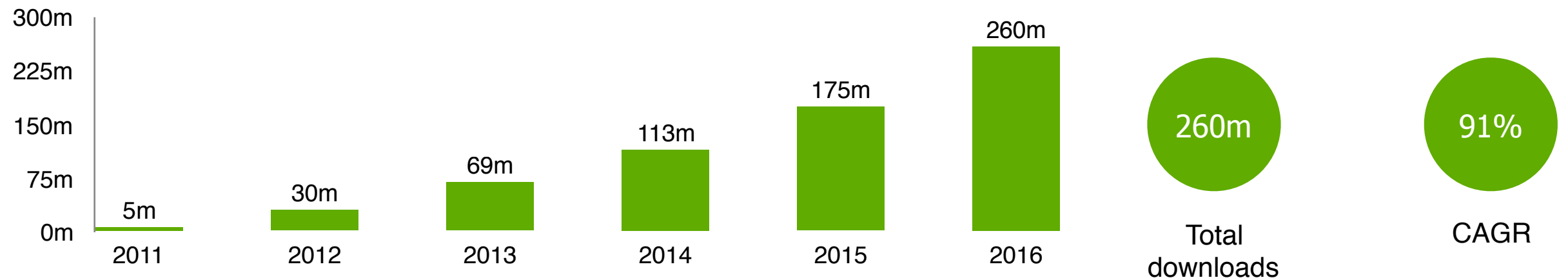
Dozens of evergreen titles continue to provide long-tail revenues, particularly those with strong brands.

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

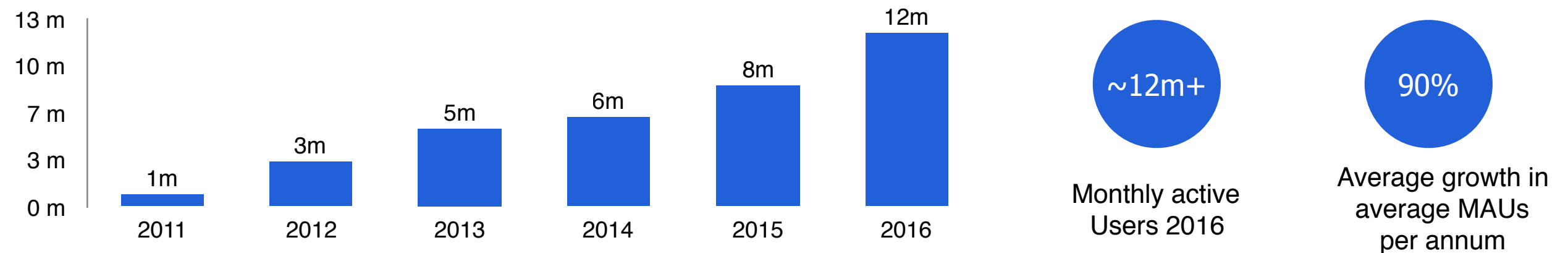
Operational Review of FY16



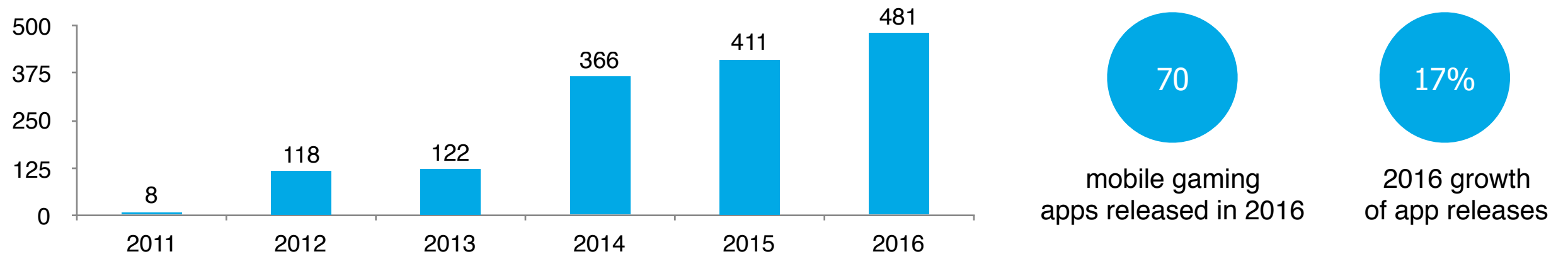
Total downloads (cumulative), millions



Monthly active users, millions



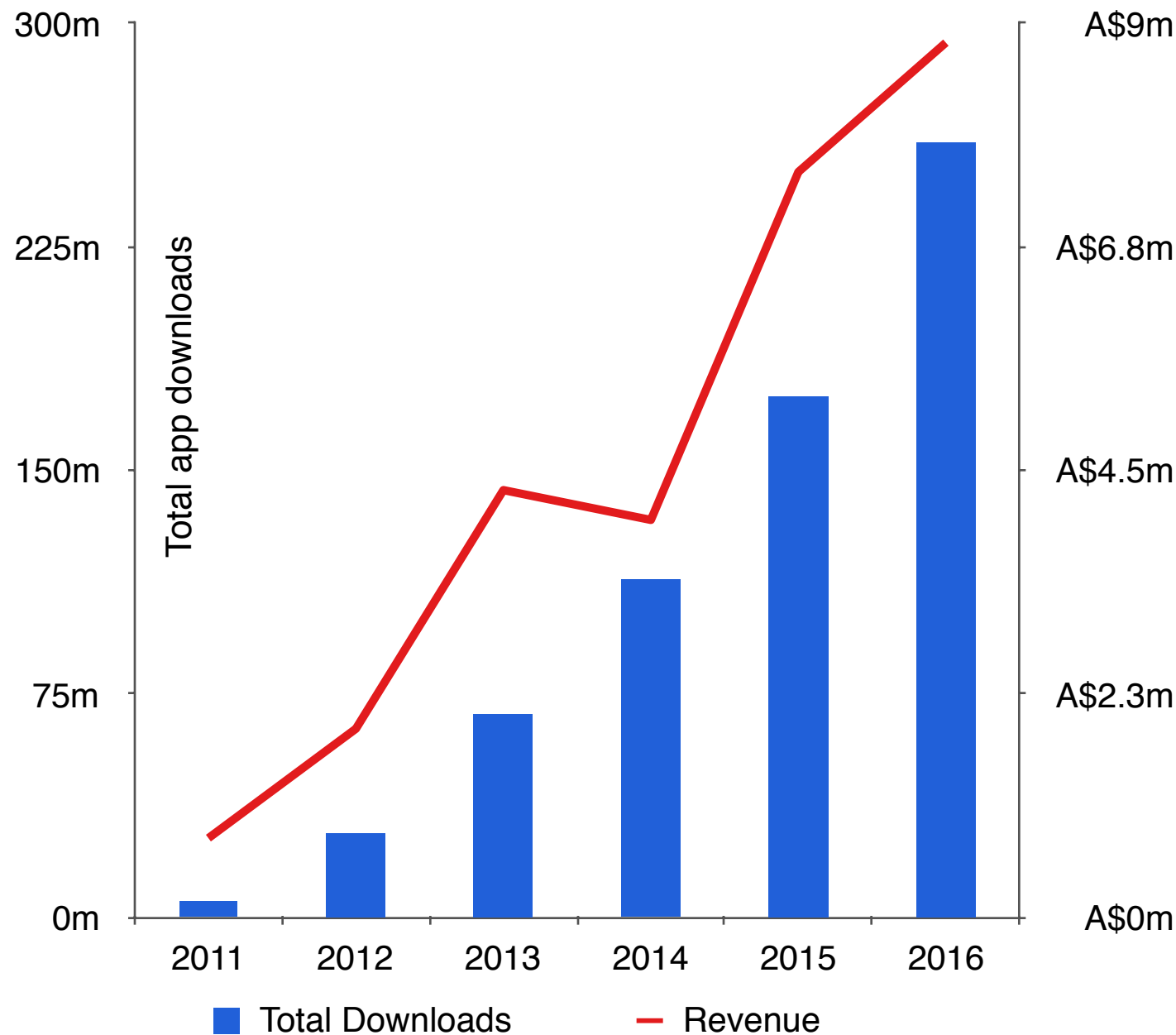
Total app releases (cumulative)



Financial Review of FY16

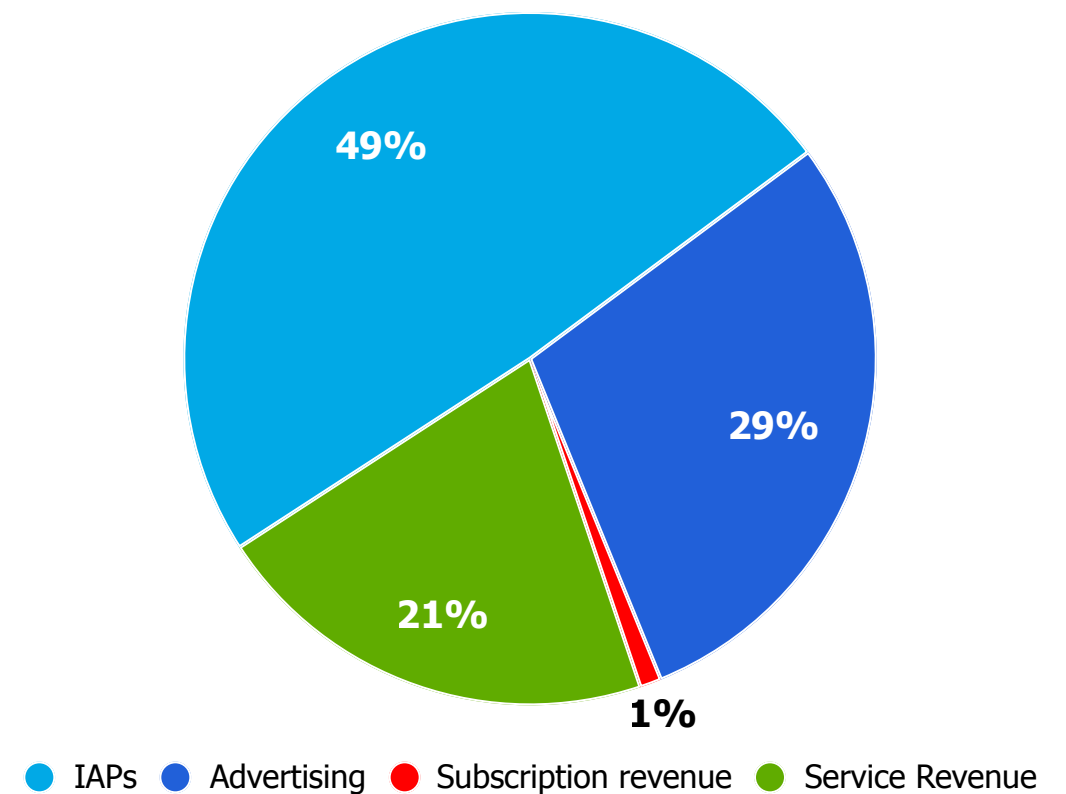


Annual revenue growth



- 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

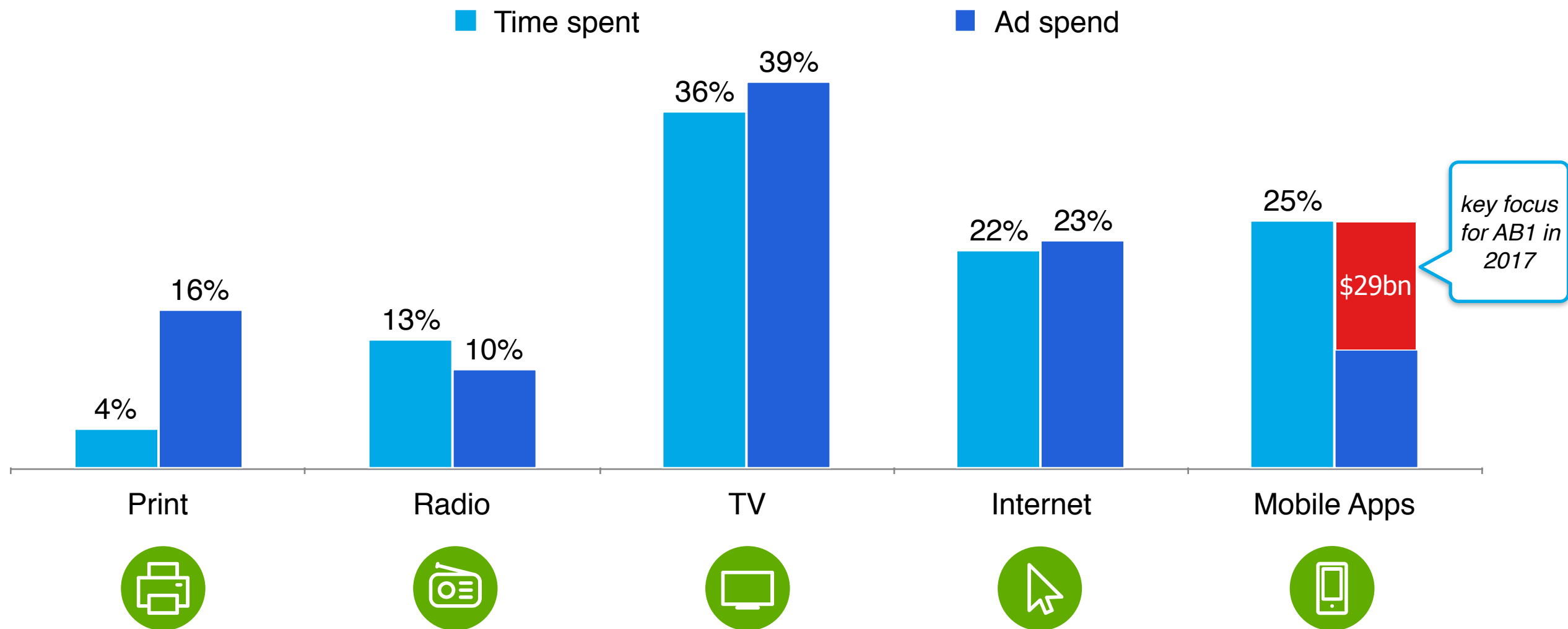
Broader cost reduction review continues – further updates to be announced in due course

- 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



- 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

- 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.



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



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



CONTACT

Animoca Brands

Robby Yung (CEO)

E-mail: ryung@animocabrands.com

Tel: (+852) 2534 1222

Thank you