

First Subscription E-Book Product Launched

Thomas & Friends™: Read & Play activates new revenue stream

- Thomas & Friends™: Read & Play e-book app now available in the App Stores™
- App includes e-books, videos, games and creation tools that encourage engagement and retention
- Diversifies the Animoca Brands product portfolio into mobile edutainment subscription products and activates first subscription based revenues
- Additional e-book projects in development

Hong Kong, 9 November 2016 - Animoca Brands (ASX: AB1, 'the Company') today announces the phased launch of its highly anticipated e-book product, *Thomas & Friends™: Read & Play*, now available on the App StoresM. *Thomas & Friends™: Read & Play* is a subscription-based children's entertainment and learning mobile app based on Mattel's (Nasdaq: MAT) highly popular *Thomas & Friends™* franchise.

Thomas & Friends: Read & Play is now available for iPhone[®], iPad[®] and iPod touch[®] on the App Store[™] in Hong Kong, Taiwan, Macau, Indonesia, the Philippines, Singapore, Australia and New Zealand. The app will launch in a phased roll-out in the rest of Asia, Europe, the Middle East and Africa later in November, followed by the Americas and China in December 2016.

The new educational mobile app features e-books, videos, games and creation tools leveraging the hugely popular *Thomas & Friends*TM characters. It is available for a subscription fee (A\$ 4.99/month or 49.99/year), which unlocks access to all available content and all weekly updates.

The included books, games and videos feature well loved characters *Thomas the Tank Engine, The Fat Controller, Cranky the Crane, Toby the Tram* and others on their adventures on the island of Sodor. The app is designed to provide children with a fun and interactive learning experience.

Animoca Brands has published six mobile games based on well-known Mattel brands. This newly launched product represents the first e-book to be developed with Mattel, bringing further depth to the partnership.

The addition of book-based apps has diversified the Animoca Brands portfolio into the mobile edutainment market vertical. It also brings an additional revenue stream through subscription-based recurring revenues.

The e-learning market is forecast to grow at a CAGR of 17.81% during the period 2016-2020 (Source: <u>TechNavio</u>), representing a significant opportunity. The Company intends to continue to increase its e-book portfolio in order to grow its user base and drive subscription-based revenues.

The launch today follows the Company's partnership with DreamWorks Animation to cocreate interactive book apps based on popular franchises, including *Kung Fu Panda, How to Train Your Dragon, The Croods, Madagascar* and the animated comedy *Trolls*.

Robby Yung, CEO, Animoca Brands commented: "Storytime is one of the last frontiers of the current digital shift. Young children increasingly use mobile devices to learn. *Thomas & Friends: Read & Play* provides safe, entertaining and educational content based on one of the most popular children's properties. We hope that it will reignite the magic of storytime, and maybe even take it to the next level."

"The launch of this product also delivers a new revenue stream for the Company. With subscription products, we're able to add recurring revenue to our existing in-app purchases and advertising revenues."

Thomas & Friends[™]: Read & Play is available now on the App Store in select markets: https://itunes.apple.com/app/id1090320498

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About Animoca Brands

Animoca Brands (ASX:AB1) publishes globally a broad portfolio of mobile games, including several games based on popular intellectual properties such as Garfield, Thomas & Friends™, and Ultraman. The company's games have been downloaded over 240 million times. Animoca Brands is based in Hong Kong. For more information visit www.animocabrands.com or get updates by following Animoca Brands on Facebook, Twitter or Google +.

About Mattel

Mattel is a creations company that inspires the wonder of childhood. Mattel's mission is to be the recognised leader in play, learning and development worldwide. Mattel's portfolio of global consumer brands includes American Girl®, Barbie®, Fisher-Price®, Hot Wheels®, Monster High® and Thomas & Friends®, among many others. Mattel also creates a wealth of lines and products made in collaboration with leading entertainment and technology companies. With a global workforce of approximately 31,000 people, Mattel operates in 40 countries and territories and sells products in more than 150 nations. Visit Mattel online at www.mattel.com.

About Thomas & Friends™

Thomas the Tank Engine™ was created by a father for his son 70 years ago and today is enjoyed by families in more than 300 territories and in over 40 languages. The No.1 blue engine and his friends invite children to enter a world of imagination through the tracks of a train and the words of a story. Children embark on adventures with their engine friends while experiencing timeless life lessons of discovery, friendship and cooperation. Thomas & Friends makes tracks to great destinations on PBS KIDS® in the US and on Five's Milkshake! and Nick Jr in the UK and on CCTV in China. Downloadable episodes are available through iTunes. For more information about the world of Thomas the Tank Engine™ and his friends, please visit www.thomasandfriends.com.