

# ASX Release

**31 July 2015**

**ASX Code: AB1**

ABN: 29 122 921 813

Quoted Ordinary Shares: 43.3 Mil

Ordinary Shares Escrowed  
until 23 Dec 15: 60.9 Mil

Ordinary Shares Escrowed  
until 23 Jan 17: 14 Mil

Options: 2.36 Mil exercisable  
at \$0.20, expiring 23 Jan 18

Registered Office: Level 1,  
169 Fullarton Road  
Dulwich SA 5065

**T:** +61 8 8133 5000

**F:** +61 8 8431 3502

**W:** [www.animocabrands.com](http://www.animocabrands.com)

**E:** [ir@animocabrands.com](mailto:ir@animocabrands.com)



**ANIMOCA BRANDS CORPORATION LTD**  
**ABN 29 122 921 813**

## **Ongoing app and user growth, partnership with Mattel, investment by leading Chinese game developer and publisher Ourpalm Co. Ltd**

- Average of 6.4 million monthly active users (MAU) and 3.7 million monthly new users acquired during Q2 2015, up 4.1% and 2.5% year-on-year, respectively
- 27 new apps released in Q2 2015 up from 25 in Q2 2014
- Conditional strategic cash investment of A\$3.1 million at A\$0.21 per share from FingerFun (HK) Ltd., a subsidiary of strategic partner Ourpalm Co. Ltd (SHE: 300314) (together "**Ourpalm**"), China's leading listed mobile and social web game developer and publisher at the end of Q2 2015 and an option to further invest US\$5.0 million, expected to close during Q3 2015
- Entered into a significant agreement with Mattel, Inc. (NASDAQ: MAT or "**Mattel**") to co-invest and create mobile games based on Mattel's portfolio of current and future brands

### **Operational Update**

During Q2 2015 Animoca Brands (ASX: **AB1** or the "**Company**") enjoyed ongoing growth: its portfolio grew by 27 new apps to a total of 385; key operating statistics experienced steady growth, with an average of 6.4 million MAU and an average of 3.7 million new users per month, increases of 4.1% and 2.5% year-on-year, respectively. The quarter saw the Company reach a total of 141.0 million downloads across its app portfolio.

The Company also announced it entered into a significant agreement with Mattel to create mobile games based on Mattel's portfolio of existing and future brands. As part of the agreement, the Company and Mattel will jointly invest in the development of mobile and tablet games and jointly market and promote the titles for worldwide distribution.

In early July, the Company announced that Ourpalm, China's leading listed mobile and social web game developer and publisher, agreed to make a strategic cash investment of A\$3.1 million in the Company, representing an 11.11% stake at a price of A\$0.21 per share, or a premium of 23.5% over the closing price on 24 June 2015. The Company also granted Ourpalm an option to further invest up to US\$5.0 million subject to the performance of the Company's shares. As part of the investment, Mr. Steven Hu, co-CEO of Ourpalm and a high profile Chinese corporate executive will be appointed as Non-Executive Director of the Company upon completion, which is expected during Q3 2015.

## **Outlook**

Overall the Company is confident that its game portfolio strategy and strong record of licensing and monetizing well-known brands will continue to result in growth for its app portfolio while appealing to an increasingly wider audience. The Company believes that its strategy of producing a high number of games yields a higher frequency of "hit" titles with long lifetime value. The license agreement with Mattel was a significant milestone and the Company is enthusiastic about creating mobile games based on Mattel's portfolio of brands. The Asia Pacific continues to be the largest and fastest-growing region for the Company's games and the Company sees stronger further growth in the Asian market for mobile gaming. In the case of China, the world's fastest growing mobile market, the Company believes its growing strategic partnership with Ourpalm will increase the availability and awareness of Animoca Brands products.

## **About Animoca Brands:**

Animoca Brands Corporation Ltd. (ASX: AB1) publishes globally a broad portfolio of mobile games, including several games based on popular intellectual properties such as Garfield, Ultraman, and Doraemon. The company's games have been downloaded over 130 million times. Animoca Brands is based in Hong Kong. For more information visit [www.animocabrands.com](http://www.animocabrands.com).

For ongoing updates, follow Animoca Brands on [Facebook](#), [Twitter](#) or [Google+](#)

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Animoca Brands Corporation Limited

ABN

29 122 921 813

Quarter ended ("current quarter")

30 June 2015

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter US\$'000	Year to date (6 months) US\$'000
1.1	Receipts from customers	1,524	2,028
1.2	Payments for (a)staff costs	(589)	(1,282)
	(b)advertising and marketing	(505)	(509)
	(c)research and development	-	-
	(d)leased assets	-	-
	(e)other working capital	(286)	(378)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (Cost of sales)	(798)	(949)
<b>Net operating cash flows</b>		<b>(653)</b>	<b>(1,086)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter US\$'000	Year to date (6 months) US\$'000
1.8 Net operating cash flows (carried forward)	(653)	(1,086)
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	(3)	(4)
<b>1.10 Proceeds from disposal of:</b>		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	(314)
1.12 Loans repaid by other entities	314	314
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	311	(4)
<b>1.14 Total operating and investing cash flows</b>	(342)	(1,090)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	(896)
1.19 Dividends paid	-	-
1.20 Other (Capital raising costs)	(101)	(107)
<b>Net financing cash flows</b>	(101)	(1,003)
<b>Net increase (decrease) in cash held</b>	(443)	(2,093)
1.21 Cash at beginning of quarter/year to date	572	2,342
1.22 Exchange rate adjustments to item 1.20	38	(82)
<b>1.23 Cash at end of quarter</b>	167*	167*

Note: \*Amount excludes cash from proposed A\$3.1 million investment by Ourpalm Co. Ltd

### Payments to directors of the entity and associates of the directors

### Payments to related entities of the entity and associates of the related entities

		Current quarter US\$'000
1.24	Aggregate amount of payments to the parties included in item 1.2	48
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	Explanation necessary for an understanding of the transactions	

### Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$US'000	Amount used \$US'000
3.1	Loan facilities	
3.2	Credit standby arrangements	

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**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$US'000	Previous quarter \$US'000
4.1	Cash on hand and at bank	167	572
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>		<b>167</b>	<b>572</b>

**Acquisitions and disposals of business entities**

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity		
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31 July 2015  
Donald Stephens  
(Director/Company secretary)

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## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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