



ASX Announcement

Animoca Brands to Acquire European Mobile Gaming Developer

- Animoca Brands to acquire Finnish mobile game developer TicBits for an upfront cash consideration of €2.35m (A\$3.5m) and €1m (approx. A\$1.5m) payable in 2018
- TicBits has €1.2m (A\$1.8m) in excess cash, accumulated from profits
- Initial consideration represents an EV/EBIT multiple of 3.6x based on FY15 EBIT
- Up to €0.5m (approx A\$0.75m) in earn-out payments payable over three years if cumulative net income is €2.1m and a €0.5m bonus for each year NPAT exceeds €3m
- Highly complementary portfolio and owned IP:
 - Expands operational footprint into the European market, particularly in Finland, the home of Supercell (Tencent acq in June'16 for A\$11.6bn) and Rovio (Angry Birds), two of the world's most successful mobile game companies
 - TicBits' existing game engines can be leveraged to produce new branded apps based on Animoca Brands' portfolio of licensed IP
 - Significant opportunity to increase advertising opportunities in TicBits apps, by increasing the ROI for advertisers
 - Identified opportunities to increase the distribution of TicBits games through Animoca's publishing partnerships and platforms
- TicBits' highly skilled team will enhance Animoca's operational base, its reach and its influence in the mobile gaming sector
- Acquisition is funded from the partial use of the funds raised in the April capital raising
- Aligns with the Company's strategy to expand its global presence and enhance its owned portfolio of IP and games

Hong Kong – 4 July 2016 - Animoca Brands (ASX: **AB1**, "The **Company**") is pleased to announce it has entered into a binding share purchase agreement (SPA) to acquire 100% of the capital of privately owned TicBits Oy (TicBits), a leading independent mobile game developer and publisher based in Finland, for upfront cash consideration of €2.35m (A\$3.5m) and deferred consideration of €1m (approx. A\$1.5m) payable in either cash or shares (30 day VWAP at the date of issue) at the end of 2018. The acquisition is expected to complete on 8 July 2016 pending the sellers receipt of the cash consideration.

TicBits was founded in 2010 by Fredrik and Niklas Wahrman, seasoned game developers with a combined industry experience of three decades, employs 9 people, has a portfolio of 13 games that are published predominantly across Apple's iOS platform and has created a number of popular and well-known games including Crazy Kings, a leading mid-core tower defence title and a suite of classic games such as Sudoku, Solitaire, and Mahjong. It has a track record of revenue growth and profitability. For more information on TicBits, please visit www.ticbits.com.

TicBits games have been downloaded 11m times globally and reported a total of 750,000 monthly active users (MAUs) in March 2016.

TicBits has €1.2m (A\$1.8m) in excess cash on its balance sheet.

In FY15 TicBits generated revenue of €1m (A\$1.5m). The acquisition is on an EV/EBIT multiple of 3.6x based on FY2015 EBIT of €0.6m (A\$0.9m) and an acquisition EV of €2.15m (A\$3.2m). FY15 NPAT was €0.48m (A\$0.72m)

An additional €0.5m in earn-out payments are payable over three years if cumulative net income is €2.1m, as well as a €0.5m bonus for each year NPAT exceeds €3m. The earn-outs, if earned, can be paid in cash or shares (30 day VWAP at the date of issue) at the Company's discretion. Agnitio Capital acted as financial advisor to TicBits Oy in this transaction.

Following the recent Share Purchase Plan (announced 18 April 2016) and Placement (announced 11 April 2016), which raised a total of A\$7.5m, Animoca Brands is fully funded for the acquisition.

Robby Yung, CEO, Animoca Brands commented on the acquisition: *"TicBits has a solid track record in the global mobile gaming market and this acquisition is expected to provide Animoca Brands with a solid platform for further growth and additional revenue generation. TicBits has a strong portfolio of games and we will leverage these proprietary brands, game engines and know-how to endeavour to further expand our global market share."*

Fredrik Wahrman, CEO, Ticbits commented: "Animoca Brands' position in the market is well regarded among industry professionals and its games have proven popular with a global audience. We are therefore excited to become a part of the story. TicBits will provide Animoca Brands with a complementary portfolio of owned IP and game engines to enhance downloads, usage and revenue generation."

About Animoca Brands

Animoca Brands (ASX:AB1) publishes globally a broad portfolio of mobile games, including several games based on popular brands such as Garfield, Thomas & Friends™, and Ultraman. The company's games have been downloaded over 200m times and are growing at over 8m downloads per month. 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 +](#).

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