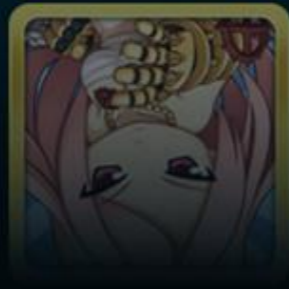


Animoca Brands (ASX:AB1)



1H 2015 Business Update



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1H 2015 Highlights



Operational

- Reached **141.0 million downloads**
- Average of **7.2 million monthly active users**
- Average number of **daily active users increased by 11.9% y-o-y** to ~587,000
- **Total installations of apps increased by 15.0%** y-o-y to 1H 2015 monthly average of 4.6 million
- Successfully launched **45 new games**
- Further licensing agreements signed with leading global brands and distribution agreements added
- **Partnership with Mattel, Inc.** for the co-development and marketing and distribution of mobile games



Financial

- **\$3.1 million** strategic investment secured from Ourpalm, one of the world's largest mobile game publishers (funds received in August 2015)
- **Record revenues** of \$3.1 million (US\$2.4 million)
- **Net loss before interest, tax and extraordinary item of \$2.1 million** due to investments in growth and user acquisition
- **Cash balance \$0.2 million**, prior to the receipt of Ourpalm's investment proceeds

NOTE: The Company has changed its presentation of currency from US\$ to AU\$ effective 1 January 2015

Market Outlook

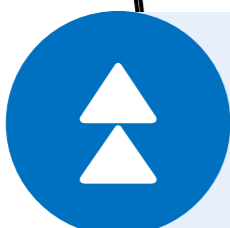
Strong outlook for mobile gaming in the key markets for Animoca Brands



The mobile gaming market has continued to grow globally at >30% each year by both organic and cannibalistic growth (i.e. at the expense of handheld consoles, PC etc.)



US\$24.5 billion in 2014 mobile gaming revenues and forecast to grow to US\$40.4 billion by 2017 (c38% of the global games market), at CAGR of +18.1%: split smartphones +15.7% and tablets +23.4%)



APAC remains the largest mobile market in the world by player and revenue numbers – it's 760 million mobile gamers generated US\$13.6 billion in 2014, or 55% of the total market. APAC is forecast to grow at CAGR of +21.3% towards 2017



Significant opportunities in the gaming and smartphone markets based on licensed characters, especially in the casual/mid-core categories



Mobile advertising is the next major frontier of growth for the media industry, as ad spend races to catch up with the large amounts of time people spend on their mobiles relative to other forms of media.

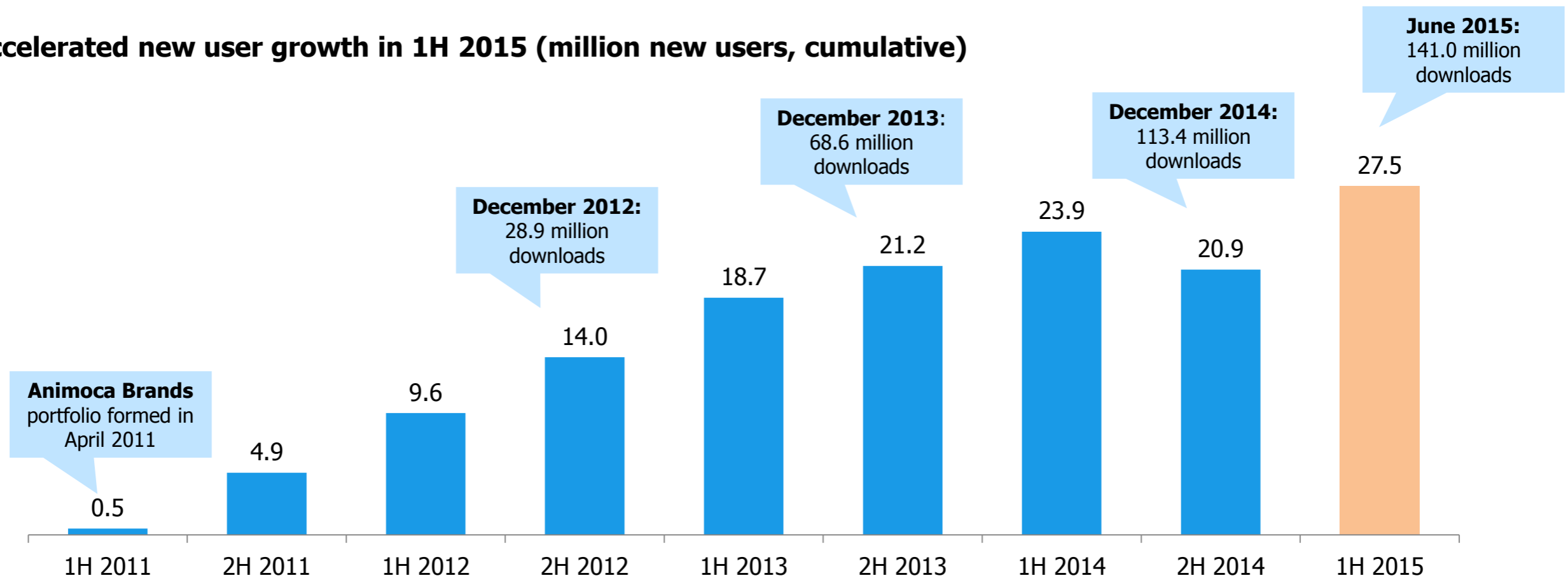
Source: 2015 Global Mobile Games Whitebook dated 24 April 2015 by GMGC and Newzoo; emarketer

Operational Overview – User and Game Growth

Operating metrics – 1H 2015

	1H 2014	1H 2015	% change vs. 1H 2014
New installations/downloads (cumulative, millions)	92.6	141.0	+52.3%
Monthly average new installations/downloads (millions)	4.0	4.6	+15.0%
Average monthly active users ('000s)	6.7	7.2	+7.9%
Average daily active users ('000s)	525	587	+11.9%
Titles released	51	45	(11.8%)

Accelerated new user growth in 1H 2015 (million new users, cumulative)



Operational Overview – Agreements & Partnerships

- Animoca Brands signed its **first celebrity license agreement**, for the name and image of Paris Hilton
- **Major partnership agreement signed with Mattel** to co-develop and co-market games from Mattel’s current and future portfolio of children’s toys – including Hot Wheels, BLOKS, Thomas & Friends, Monster High and more
- **Release of two high profile mobile games** in cooperation with Gravity Ltd and Neocyon (subsidiaries of GungHo Online Entertainment Inc.)
- Framework Agreement with Ourpalm Co. Ltd signed for the **development and distribution of the Company’s apps in China**
- 15 Animoca Brands games selected by Google for the newly launched **Google Play store ‘Designed for Families’**
- **Two further Garfield games launched in June 2015** to celebrate the character’s 37th birthday and successful partnership with Animoca Brands



Financial Overview

- 1H 2015 - Animoca Brands achieved revenues of \$3.1 million and incurred a net loss before interest, tax and extraordinary items of \$2.1 million
- Net loss due to investments to fuel growth and user acquisition
- Record quarterly revenue of \$1.7 million achieved in 2Q 2015, an average of \$0.6 million per month, an improvement of +21.3% over \$1.4 million in 1Q 2015

Summary consolidated income statement (audited)	6 months to June 2015 (A\$'000)
Revenue from operating activities	3,099
Cost of revenue from operating activities	(1,212)
Gross profit	1,887
Other income	81
Selling and distribution expenses	(1,775)
Administrative expenses	(1,467)
Research and development expenses	(785)
Net loss before interest, tax and extraordinary items	(2,059)
Fair value gain on revaluation of Performance Shares	1,877
Net loss before income tax expense	(182)
Income tax expense	(40)
Net loss	(222)

Financial Overview (cont.)

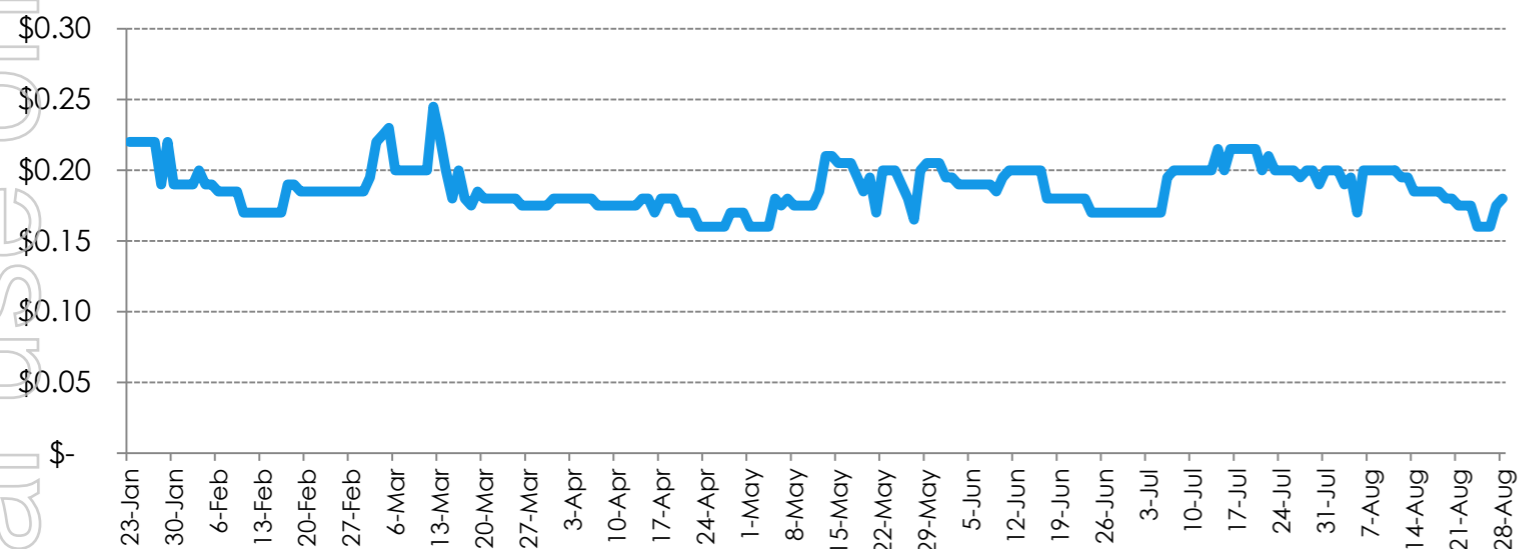
- Net decrease of \$2.7 million in cash held during 1H 2015 as the Company invested in the development and marketing of its mobile app portfolio
- Cash receipts of \$2.6 million vs. revenues of \$3.1 million during 1H 2015 in part due to payment terms of key distribution partners
- Debt repayment of \$0.9 million in part to former parent company for operating expenses incurred from August 2014 to official listing in January 2015

Summary consolidated statement of cash flows (audited)	6 months to June 2015 (A\$'000)
Operating activities	
Receipts from customers	2,604
Payments to suppliers and employees	(4,433)
Interest received	5
Net cash used in operating activities	(1,824)
Net cash used in investing activities	(5)
Net cash used in financing activities	
Repayment of borrowings	(908)
Net change in cash and cash equivalents	(2,737)
Cash at the beginning of 1H 2015	2,855
Exchange differences	99
Cash at the end of 1H 2015*	217

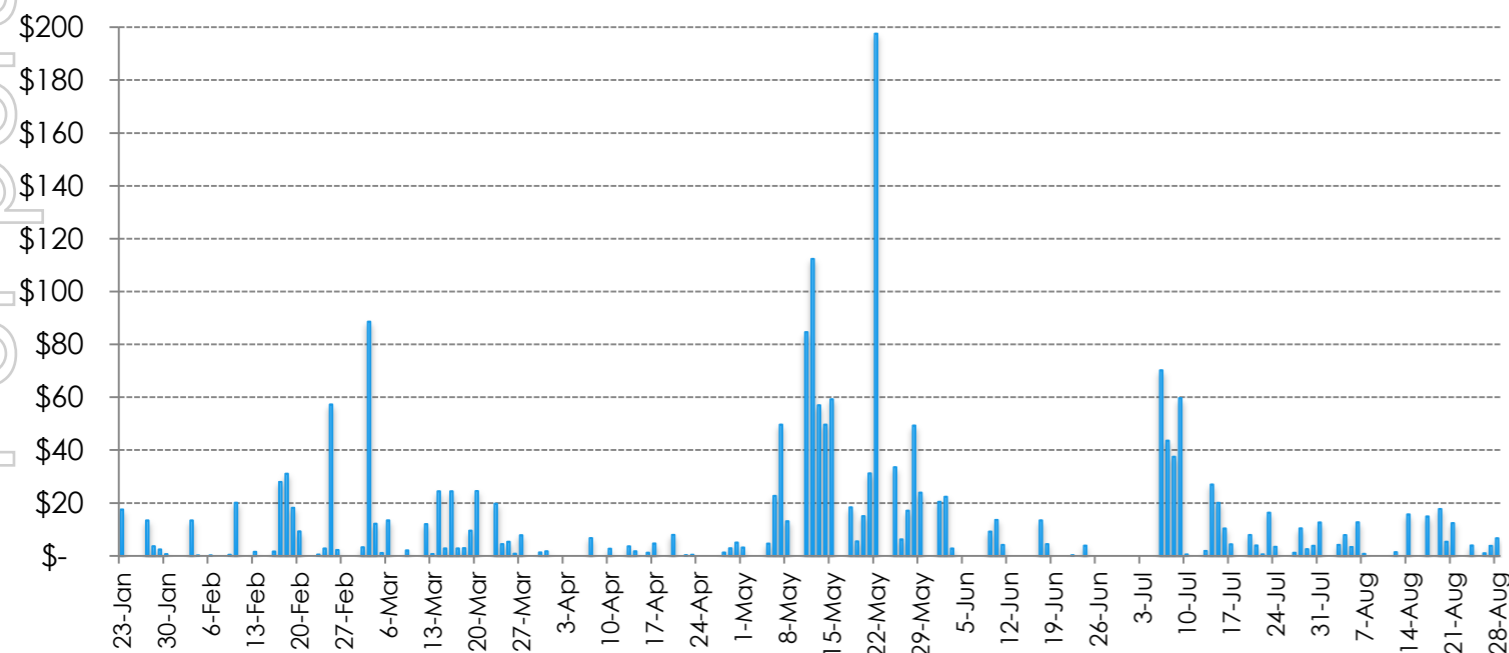
*Note: * Excludes cash from A\$3.1 million investment by Ourpalm Co. Ltd (received in August 2015)*

Share Price and Volume History

Share price from official listing to 28 August 2015



Traded value from official listing to 28 August 2015 (\$'000)



Share Information at 28 August 2015

ASX ticker

AB1

Share price (\$)

0.18

Ordinary shares on issue (million)

134.0

Market cap (\$'million)

24.1

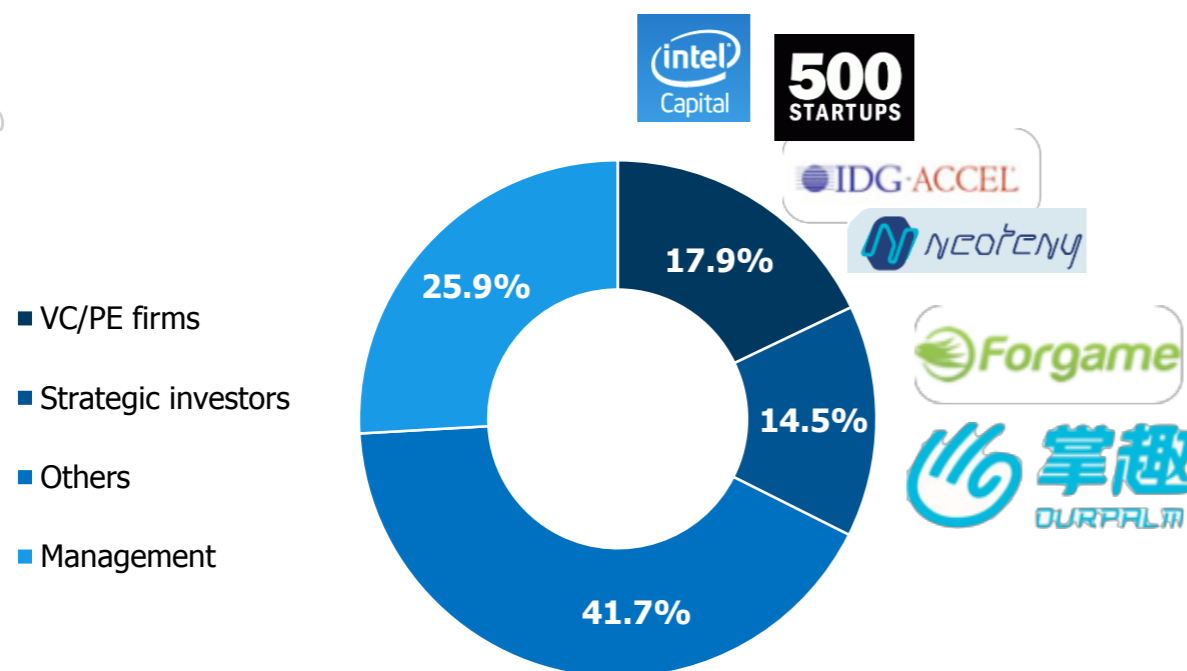
YTD average daily traded value (rounded) (\$)

16,300

1H 2015 best share price (\$) – 12 March 2015

0.25

Capital Structure



Note: Current as at close 28 August 2015. Source: Register of Members

Top Holders (current at close 28 August 2015)

Holder Name	Shares Held	%
FingerFun HK Ltd ¹	14,785,714	11.0%
Asyla Investments Ltd ²	14,021,882	10.5%
Datahouse Investments Ltd ³	14,013,115	10.5%
Intel Capital Corporation	10,934,232	8.2%
Yong Hui Capital Holdings ⁴	10,210,385	7.6%
HSBC Custody Nominees	7,692,516	5.7%

Note:

1. FingerFun HK Ltd is a subsidiary of Ourpalm Co. Ltd (SHE:300315)
2. The ultimate beneficial owner of Asyla Investments Ltd is Mr. Yat Siu, a director of the Company
3. The ultimate beneficial owner of Datahouse Investments Ltd is Mr. Dennis Kim
4. Yong Hui Capital Holdings is a wholly-owned subsidiary of IDG-Accel China Growth Fund III L.P. and IDG-Accel China III Investors, L.P.
5. Hongkong Ledong Tech Ltd is a wholly owned subsidiary of Forgame Holdings Ltd (HK:0484)

Performance shares


(30 million Class A and 15 million Class B)


- Fair value gain of \$1.9 million recorded 1H 2015 to reflect the estimated number of ordinary shares to be issued as soon as practicable after 30 June 2016, but no later than 31 October 2016
- Performance Share targets based on sales and earnings before interest and taxes (EBIT) milestones for 12 months ending 30 June 2016


Holder Name	Shares Held	%
Renderson Ltd	5,024,406	3.7%
Hongkong Ledong Tech Ltd ⁵	4,687,103	3.5%
Everyday Holdings Ltd	4,262,910	3.2%
Eleutheo Investments Ltd	3,301,130	2.5%
Others	45,083,174	33.6%
Total	134,016,567	100.00%


Company Outlook

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- 
1
➤

Further to the partnership with Ourpalm the Company expects to accelerate its ability to partner with new brands and expand its intellectual properties
- 
2
➤

Animoca Brands plans to launch its first games based on Mattel brands during Q4 2015 and is expected to increase the Company's user base and opportunities for cross-promotion with existing titles
- 
3
➤

Launched Paris Hilton in-app purchase (US\$4.99) for the *Star Girl* fashion RPG and plans to develop a stand-alone game based on her celebrity lifestyle
- 
4
➤

Identify and pursue strategic M&A targets that complement or extend in-house capabilities

Ourpalm Co., Ltd

Opportunities for Animoca Brands

- Accelerated penetration into the world's largest games market, with estimated 2015 revenues of US\$22.2 billion¹
- Leverage Ourpalm's distribution channels and knowhow to widen the Company's game distribution in China
- Company profile raised
- Ourpalm has option to further invest in the Company subject to share price target

Source: 1. Casual Connect Free Report: US & China Battle for #1: World's Top Games by Newzoo dated 13 August 2015

About Ourpalm

- Founded in 2004 and headquartered in Beijing, Ourpalm is one of China's leading web and mobile game developers and publishers
- Gross sales of ~US\$120 million and operating income of US\$47 million for year ended December 2014¹
- In May 2015, Ourplam acquired an exclusive license to publish Android version of Animoca Brands' *Doraemon Gadget Rush* in China
- Became biggest shareholder in Animoca Brands after \$3.1 million cash investment completed in August 2015

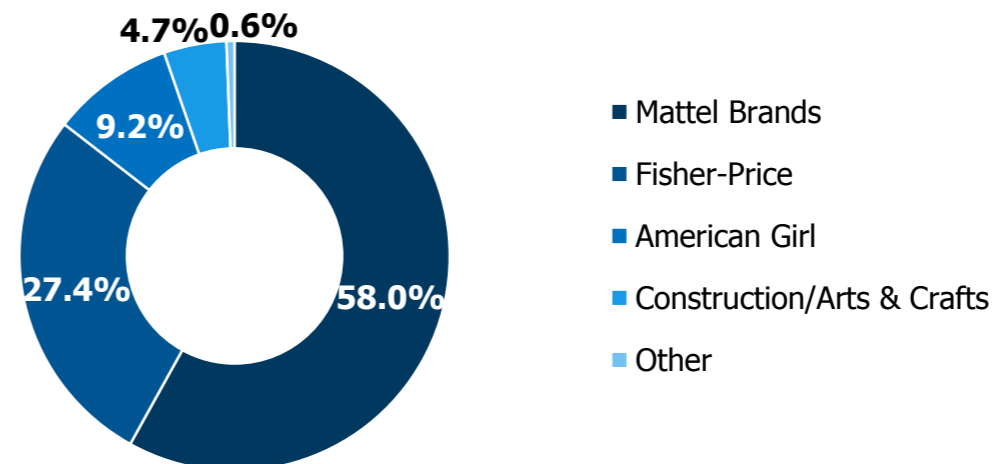
Sources: 1. Bloomberg Business

Mattel, Inc.

Opportunities for Animoca Brands

- Strong brand power with global reach
- Markets, genres and play styles of app portfolio matches the Mattel brand DNA
- Cross-promotion by leveraging Animoca Brands' large user base and vice versa
- Reduced development and marketing costs via joint investment arrangement
- Expansion of Mattel future brand portfolio through self-development and/or acquisitions
- Combine two multi-billion consumer product markets via innovative and premium-priced toy/game hybrid

Gross Sales by Brand – FY2014



Source: Mattel Q4 2014 Financial Results Slide Presentation

Rank 2013	Brand name	Domicile	Brand Value (\$m), 2015
1	Lego	Denmark	3,890
2	Fisher-Price	United States	815
3	Barbie	United States	476
4	Playskool	United States	294
5	Power Rangers	Japan	287
6	Mattel	United States	213
7	Nerf	United States	208
8	Hasbro	United States	187
9	Ben 10	Japan	179
10	Bandai	Japan	175
11	Monopoly	United States	166
12	Monster High	United States	146
13	Bandai Namco	Japan	146
14	Hot Wheels	United States	145
15	MEGA Bloks	Canada	140

Source: Brand Finance's Toys 25 2015 Annual Report dated February 2015 (Extract)

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