



## Animoca Brands Q1 2016 Report

### Highlights

- Cash receipts from customers grew to A\$2.72m, a 70% increase on the December 2015 quarter (A\$1.6m) and a 325% increase on the prior corresponding March 2014 quarter (A\$0.6m)
- Unaudited revenue of A\$2.18m, compared to A\$2.39m in the December 2015 quarter, an 82% increase on the prior corresponding March 2015 quarter (A\$1.4m)
- Revenue growth driven by increasingly engaged users (MAUs 13.3m), a result of highly popular games launched in partnership with Mattel and expanded distribution channels
- Installations continue to rise, with a total of 26.7m new downloads during the quarter, bringing the total to over 200m, a significant milestone for the Company
- Company remains well funded to drive forward product and partnership expansion strategies following a successful Institutional Placement of A\$6.5m post the quarter

**29 April 2016:** Animoca Brands (ASX: AB1 or the “Company”) has today released its Appendix 4C Report for the three-month period to 31 March 2016 and is pleased to provide a review of the progress made during period.

### **Financial and Operational Update**

Cash receipts from customers was A\$2.72m during the March 2016 quarter, representing a 70% increase on the December 2015 quarter (A\$1.6m) and a 325% increase on the prior corresponding March 2014 quarter (A\$0.6m).

Unaudited revenues based on management accounts of A\$2.18m were recorded in Q1 2016, an average of A\$727,246 per month, compared to unaudited revenues of A\$2.39m in Q4 2015. Q4 is typically the highest revenue period of the year due to seasonal factors surrounding the Christmas holidays where downloads and user activity is highest.

Revenue growth was driven by an ongoing increase in downloads and active users, which can be attributed to a number of new and highly popular games launched in partnership with Mattel and expanded distribution channels, particularly in China.

During the quarter, the Company experienced net operating cash outflows of A\$1.6m mainly due to ongoing and increased investment in the development of ebooks. The Company ended the quarter with a cash balance of A\$3.03m. Advertising and marketing cash outflows totaled A\$1.05m and other working capital amounted to A\$1.05m during the quarter.

### **Unaudited Revenue and Downloads**

During Q1 2016, key operating metrics performed strongly with the average monthly active users (“MAU’s”) reaching 13.3m, up 46% on Q4 2015 and 68% on the corresponding Q1 2015. MAUs were driven by the expansion of the Company’s branded app portfolio including the addition of games based on the highly popular Mattel brands, such as Thomas & Friends™ and Ever After High™ as well as *Garfield Chef* published by Xiaomi in China. However, since these particular titles did not carry advertising, the increase in active users did not result in a commensurate increase in revenues.

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An average of 8.9m new users per month downloaded an app, an increase of 68% on Q4 2015 and 65% on the corresponding Q1 2015 period. The Company's total downloads across its game portfolio reached over 200m at the end of the period, a significant milestone in the Company's trajectory. During the period, the Company released 22 new titles, bringing the total number to 433.

	Q1 2015	Q4 2015	Q1 2016
<b>MAU's</b>	7.9m	9.07m	13.3m
<b>Average Monthly New Users</b>	5.4m	5.2m	8.9m
<b>Total Apps</b>	358	411	433
<b>New Apps</b>	22	17	22
<b>Revenue</b>	\$1.4m	\$2.4m	\$2.18m
<b>Average Monthly Revenue</b>	\$467,000	\$800,000	\$727,000
<b>Total Downloads</b>	129.7m	174.7m	201.4m

### App Performance

In the previous December 2015 quarter the Company launched its first games in partnership with Mattel, *Ever After High™ Tea Party Dash* and *Thomas and Friends™: Race On!* as well as *Ever After High™ Charmed Style* during the quarter. These games have proven to be highly popular, having received 6.2m downloads through April 17<sup>th</sup>, and have made a significant contribution to rising revenue.

In addition, the Company signed a number of distribution agreements for its apps, increasing its distribution channels and ability to generate user interest. In February, the Company announced it had partnered with Xiaomi, China's largest smartphone maker, for the distribution of *Garfield Chef*. The app achieved over 1.5m downloads in the first month alone. The Company also partnered with Tencent for the publication of the highly regarded *Groove Planet* game across Android versions of Weixin, Mobile QQ, and Tencent App Store in China.

### Corporate Update

Post the quarter, the Company raised A\$6.5m via an Institutional placement, which received considerable support from institutional, sophisticated and professional investors at A\$0.20 per share, issuing 32.5m new shares. The Company has also issued a Share Purchase Plan (SPP) for up to \$1m that closes on 6 May 2016.

The capital raised provides the Company with ample funding to continue to drive forward its growth strategy and accelerate the development of new mobile apps and the launch of subscription based e-books, in partnership with Mattel.

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## 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")

31 March 2016

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter AUD\$'000	Year to date (12 months) AUD\$'000
1.1 Receipts from customers	2,720	2,720
1.2 Payments for		
(a) staff costs	(1,325)	(1,325)
(b) advertising and marketing	(1,046)	(1,046)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(1,054)	(1,054)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (Cost of sales)	(907)	(907)
<b>Net operating cash flows</b>	<b>(1,611)</b>	<b>(1,611)</b>

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

	Current quarter AUD\$'000	Year to date (9 months) AUD\$'000
1.8 Net operating cash flows (carried forward)	(1,611)	(1,611)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	(121)	(121)
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	(36)	(36)
1.10 Proceeds from disposal of:		
(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	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	(157)	(157)
<b>1.14 Total operating and investing cash flows</b>	(1,768)	(1,768)
<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	-	-
1.19 Dividends paid	-	-
1.20 Other (Capital raising costs)	-	-
<b>Net financing cash flows</b>	-	-
<b>Net increase (decrease) in cash held</b>	(1,768)	(1,768)
1.21 Cash at beginning of quarter/year to date	4,936	4,936
1.22 Exchange rate adjustments to item 1.20	(139)	(139)
<b>1.23 Cash at end of quarter</b>	<b>3,029</b>	<b>3,029</b>

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**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 AUD\$'000
1.24	Aggregate amount of payments to the parties included in item 1.2	922
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 \$AUD'000	Amount used \$AUD'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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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 \$AUD'000	Previous quarter \$AUD'000
4.1 Cash on hand and at bank	3,029	4,936
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>3,029</b>	<b>4,936</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: .....

  
 Robert Chung  
 (Director)

Date: 29 April 2016

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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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