



ACN 122 921 813

Interim Financial Statements For the Half-Year ended 30 June 2016



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APPENDIX 4D

Interim financial report for the half-year ended 30 June 2016

Reporting period

Half-year ended 30 June 2016

Comparative period

Half-year ended 30 June 2015

Results for announcement to the market

	Percentage change %		Amount A\$ '000
Revenue from ordinary activities	29%	to	3,986
Loss from ordinary activities after tax	1,339%	to	(3,203)
Net loss attributable to members of Animoca Brands Corporation Limited	1,339%	to	(3,203)

There has been no change in the entities within group for the period ended 30 June 2016 or the comparative period.

Dividend information

No dividend was paid or declared by the Company for the period ended 30 June 2016 or the comparative period.

Net Tangible Assets Per Security

	30 June 2016	30 June 2015
	\$	\$
Net tangible assets per security*	0.030	(0.027)

*Note: this includes the fair value of the Performance Shares treated as a financial liability. Refer to the notes of the attached abridged financial statements for further details.

Other information

This report is based on the consolidated financial statements that have been reviewed by Grant Thornton Audit Pty Ltd.

For a brief explanation of the figures above please refer to the Announcement about the results for the half-year ended 30 June 2016 and the notes to the financial statements.

CORPORATE INFORMATION

ABN 29 122 921 813

Directors

Mr David Kim (Chairman)
Mr Robert Yung (Managing Director)
Mr Yat Siu
Mr David Brickler
Mr Richard Kuo
Mr Martin Green
Mr Bin Hu

Company Secretary

Jillian McGregor

Registered office

Suite 3, Shore 2/3, 13 Hickson Road, Sydney, NSW, Australia, 2000

Share Register

Security Transfers Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Phone: +61 8 9315 2333

Animoca Brand Corporation Limited's shares are listed on the Australian Securities Exchange (ASX) under the stock code 'AB1'. Its presentation and functional currency is Australian dollars and, unless otherwise stated, amounts referred to in this report are stated in this currency.

Auditors

Grant Thornton Audit Pty Ltd
Level 1, 67 Greenhill Road
Wayville, South Australia, Australia

Grant Thornton Hong Kong
Level 12, 28 Hennessey Road
Wan Chai, Hong Kong

Website

<http://www.animocabrands.com/>

DIRECTOR'S REPORT

The Directors of Animoca Brands Corporation Limited ('Animoca' or 'the Company') present their Report together with the financial statements of the Consolidated Entity, being Animoca and its Controlled Entities ('the Group') for the half-year ended 30 June 2016.

Directors

The following persons were Directors of Animoca during or since the end of the financial half-year:

Mr David Kim (Chairman)

Mr Robert Yung (Managing Director)

Mr Yat Siu

Mr David Brickler

Mr Richard Kuo

Mr Martin Green

Mr Bin Hu

Company Secretary

Jillian McGregor

Principal activities

The Group's principal activities are the development and marketing of a broad portfolio of mobile games and e-books for smartphones and tablets.

Presentation currency

All amounts, including comparative amounts, are stated in Australian Dollars.

Review of operations and financial results

During 1H16, the Company delivered record revenue of \$4.0m which represents 29% growth on 1H15 (\$3.1m). Growth was driven by a combination of new app launches and strong results from distribution partnerships such as Xiaomi, which achieved over 6.8m downloads for the highly successful *Garfield Chef* game app in 1H16.

The Company experienced an increased contribution from existing titles, as opposed to strictly new releases, (the long-tail effect) across its app portfolio, validating the Company's strategy to focus on a large and diverse portfolio of apps.

1H16 gross profit grew by 21% to \$2.3m (vs \$1.9m in 1H15). The Company recorded a net operational loss before tax of \$3.4m (vs \$2.1m in 1H15). This loss was primarily attributable to investment in the development of new products including e-books (development expenses grew by \$1.4m from \$0.8m in 1H15 to \$2.2m in 1H16, all of which are expensed when incurred rather than capitalised).

As at 30 June 2016, the Company held \$6.2m in cash and \$3.3m in receivables, the majority of which are due from Mattel, Google and Apple, substantially higher than the \$0.2m and \$0.2m respectively held on 30 June 2015. Trade and other payables increased 48% from the same date last year to \$1.6m. Compared to the 1H 2015 result, the working capital position of the Company's balance sheet has improved by \$8.5 million, primarily as a result of the capital raisings undertaken over the past year.

Operating user metrics continued to perform well in 1H16. The Company achieved 220m cumulative app downloads at end of 1H16, up 56% vs 1H15 (141m).

Average monthly active users grew from 7.2m in 1H15 to 11.8m in 1H16, an increase of 64%. The Company released a total of 30 new apps during 1H16 compared to 45 new launches in 1H15 as a result of the redirection of resources towards the new e-book products and the timing of new launches into the 2nd half. Nevertheless, metrics continued to improve and outperformed previous periods. These improved metrics reflects a positive long-tail effect on downloads and users and the ability to continue to drive engagement and revenues from the existing game portfolio.

Significant changes in the state of affairs

The Company raised \$6.5m via an institutional placement that received considerable support from institutional, sophisticated and professional investors at \$0.20 per share, issuing 32.5m new shares in April 2016. The Company has also issued 5m new shares at \$0.20 per share, for \$1.0m through a Share Purchase Plan (SPP) in 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 e-books apps, in partnership with Mattel, featuring Thomas & Friends and with Dreamworks Animation, featuring many of their famous characters.

Dividends

No dividend was paid or declared by the Company in the half-year 2016 or the comparative period.

Significant events after the reporting date

On 4 July 2016, the Company completed the acquisition of TicBits Oy, a profitable mobile game developer in Finland, for an upfront cash consideration of €2.4m (\$3.5m) and additional €1.0m (\$1.5m) payable in 2018. At the date of the purchase, TicBits had €1.2m (\$1.8m) in cash or cash equivalent, accumulated from profits. The initial consideration represents an EV/EBIT multiple of 3.6x based on FY15 EBIT. This acquisition expands the Company's global footprint into Europe, and adds a portfolio of proven mobile game titles that the Company will intend to leverage with its brand partners to create more new games.

Environmental regulation and performance

The Group's operations are not subject to any significant environmental regulations in Australia and Hong Kong.

Share options

At the date of this report, the following options to acquire ordinary shares in the Company were on issue:

Issue Date	Expiry Date	Exercise Price	Balance at 1 Jan 2016	Net Issued/(exercised or expired) during year	Balance at 30 June 2016
24/12/2014	23/01/2018	\$0.20	2,366,025	-	2,366,025
			2,366,025	-	2,366,025

In accordance with the Company's replacement prospectus dated 4 December 2014, a total of 2,366,025 unlisted options were issued to the brokers of the Company in connection with the acquisition of Animoca Brands Corporation.

Auditor

Grant Thornton Audit Pty Ltd is in office in accordance with section 327 of the Corporations Act (Cwth) 2001. A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 8 of this financial report and forms part of this Directors Report.

Signed in accordance with a resolution of the Directors.



Mr. David Kim
Chairman

30 August 2016

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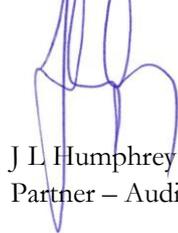
**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ANIMOCA BRANDS CORPORATION LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Animoca Brands Corporation Limited for the period ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 30 August 2016

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Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 30 June 2016

	Note	30 June 2016	30 June 2015
Revenue from operating activities	6	3,985,621	3,098,927
Cost of revenue from operating activities		(1,702,062)	(1,212,206)
Gross profit		2,283,559	1,886,721
Interest Income		9,436	81,050
Gain on fair value adjustment – Performance Shares		206,250	1,877,058
Employee benefits expense		(677,010)	(651,267)
Marketing expenses		(1,586,043)	(1,775,081)
Occupancy expenses		(372,296)	(257,437)
Research and Development expenses		(2,387,015)	(785,434)
Other expenses	7	(627,638)	(557,830)
Loss before income tax expense		(3,150,757)	(182,220)
Tax benefit/(expense)		(51,944)	(40,344)
Loss from continuing operations		(3,202,701)	(222,564)
Loss attributable to members of the parent entity		(3,202,701)	(222,564)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		(93,921)	20,549
Total comprehensive loss for the year		(3,296,622)	(202,015)
Loss per share:		<i>Cents</i>	<i>Cents</i>
Basic loss per share	14	1.73	0.19
Diluted loss per share	14	1.73	0.19

The accompanying notes form part of these financial statements

Consolidated statement of financial position

As at 30 June 2016	Note	30 June 2016	31 December 2015
CURRENT ASSETS			
Cash and cash equivalents		6,165,395	4,935,747
Trade and other receivables	8	3,319,069	2,401,703
Financial assets	9	422,977	205,310
Other assets		208,114	44,311
TOTAL CURRENT ASSETS		10,115,555	7,587,071
NON CURRENT ASSETS			
Plant and equipment		100,113	25,533
TOTAL NON CURRENT ASSETS		100,113	25,533
TOTAL ASSETS		10,215,668	7,612,604
CURRENT LIABILITIES			
Trade and other payables		1,907,297	2,898,458
Short-term provisions		41,442	42,123
Other liabilities	10	2,700,000	2,906,250
TOTAL CURRENT LIABILITIES		4,648,739	5,846,831
TOTAL LIABILITIES		4,648,739	5,846,831
NET ASSETS		5,566,929	1,765,773
EQUITY			
Contributed equity	11	23,290,742	16,192,964
Reserves	12	(3,887,538)	(3,793,617)
Accumulated losses		(13,836,275)	(10,633,574)
TOTAL EQUITY		5,566,929	1,765,773

The accompanying notes form part of these financial statements

Consolidated statement of changes in equity

For the period ended 30 June 2016

	Note	Issued Capital	Share based Payments reserve	Foreign currency translation reserve	Other components of Equity	Accumulated losses	Total equity
Balance at 1 January 2016		16,192,964	248,345	(124,905)	(3,917,057)	(10,633,574)	1,765,773
<i>Comprehensive income</i>							
Loss for the period		-	-	-	-	(3,202,701)	(3,202,701)
Other comprehensive income/(expense)		-	-	(93,921)	-	-	(93,921)
Total comprehensive income for the period		-	-	(93,921)	-	(3,202,701)	(3,296,662)
<i>Transactions with owners, in their capacity as owners, and other transfers</i>							
Shares issued	11	7,500,000	-	-	-	-	7,500,000
Transaction costs in issuing shares	11	(402,222)	-	-	-	-	(402,222)
Total transactions with owners and other transfers		7,097,778	-	-	-	-	7,097,778
Balance at 30 June 2016		23,290,742	248,345	(218,826)	(3,917,057)	(13,836,275)	5,566,929

The accompanying notes form part of these financial statements

Consolidated statement of changes in equity (Continued)

For the period 30 June 2015

	Issued Capital	Share based Payments reserve	Foreign currency translation reserve	Other components of Equity	Accumulated losses	Total equity
Balance at 1 January 2015	8,496,742	248,345	(102,012)	(3,917,057)	(7,699,115)	(2,973,097)
<i>Comprehensive income</i>						
Loss for the period	-	-	-	-	(222,564)	(222,564)
Other comprehensive income/(expense)	-	-	20,549	-	-	20,549
Total comprehensive income for the period	-	-	20,549	-	(222,564)	(202,015)
Balance at 30 June 2015	8,496,742	248,345	(81,463)	(3,917,057)	(7,921,679)	(3,175,113)

The accompanying notes form part of these financial statements

Consolidated statement of cash flows

For the half-year ended 30 June 2016

	30 June 2016	30 June 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	3,329,631	2,603,567
Interest received	9,436	5,197
Payments to suppliers and employees	(8,812,657)	(4,432,905)
NET CASH (USED IN) OPERATING ACTIVITIES	(5,473,590)	(1,824,141)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(82,953)	(4,994)
Purchase of financial assets	(217,666)	-
NET CASH (USED IN) INVESTING ACTIVITIES	(300,619)	(4,994)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	7,500,000	-
Payment of transaction costs for issue of shares	(402,222)	-
Repayment of borrowings	-	(908,350)
NET CASH PROVIDED BY/ (USED IN) FINANCING ACTIVITIES	7,097,778	(908,350)
Net increase/ (decrease) in cash and cash equivalents	1,323,569	(2,737,485)
Exchange rate adjustments	(93,921)	99,072
Cash at the beginning of the period	4,935,747	2,855,443
CASH AT THE END OF THE PERIOD	6,165,395	217,030

The accompanying notes form part of these financial statements

Notes to the interim consolidated financial statements

For the half-year ended 30 June 2016

1. Corporate information

The consolidated financial statements of Animoca Brands Corporation Limited and its subsidiaries (collectively, the Group) for the half-year ended 30 June 2016 were authorized for issue in accordance with a resolution of the directors on 29 August 2016.

Animoca Brands Corporation Limited is a for profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded. The Group's principal activities are described in the director's report.

2. Summary of significant accounting policies

2.1. Basis of preparation

The condensed interim consolidated financial statements ('the interim financial statements') of the Group are for the six (6) months ended 30 June 2016 and are presented in Australian dollars (\$A), which is the functional currency of the Parent Company.

These general-purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards. They should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2015 and any public announcements made by the Group during the first semester 2016 in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

2.2. Significant accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last financial statements for the year ended 31 December 2015.

The accounting policies have been applied consistently throughout the Group in the preparation of these interim financial statements.

3. Operating Segments

The Group has identified its operating segments based on internal reports reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Group only operates in one operating segment being the product development and marketing of mobile app games. Therefore, all segment assets and liabilities, and the segment

result, relate to the one business segment and consequently no detailed segment analysis has been prepared.

The Groups has no individual customer concentration risk. The underlying users are located mainly throughout the Asia Pacific region but not only.

The Group distributes its games globally on platforms including the Apple App store, Google Play and Amazon app store amongst others.

4. Information about Subsidiaries

The consolidated financial statements of Animoca Brands Corporation Limited include:

Name	Principal Activities	Country of incorporation	% Equity interest	
			30 June 2016	31 December 2015
Animoca Brands Corporation	Mobile app game maker	British Virgin Islands	100%	100%
Animoca Brands Ltd	Mobile app game maker	Hong Kong	100%	100%

5. Financial assets and financial liabilities

5.1 Fair value

AASB 7 *Financial Instruments - Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

All financial instruments were valued using these valuation techniques. There is no change in valuation techniques for financial instruments in the year.

The following table presents the group's financial liabilities measured and recognized at fair value at 30 June 2016 and 31 December 2015:

Significant unobservable input (Level 3)	30 June 2016	31 December 2015
Other current liabilities – Performance shares	2,700,000	2,906,250
	2,700,000	2,906,250

The performance shares mature on 30 June 2016 with the final measurement to occur on 31 October 2016. The performance share milestones include EBIT and Sales actually received (in clear funds) criteria.

There have been no transfers between Level 1, Level 2 or Level 3 during the year.

5.2 Financial risk management objectives and policies

The Group's principal financial liabilities comprise of performance shares and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's principal financial assets include trade and other receivables and cash and short-term deposits that are derived directly from its operations.

The Group is not exposed materially to market risk, credit risk or liquidity risk. The Board takes ultimate responsibility for managing the financial risks of the Group.

Foreign exchange

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

Trade receivables

The Group has trade receivables due from the App Store (owned by Apple Inc.) and the Google Play Store (owned by Google Inc.) in relation to in app purchases in game apps. In this respect, the Group does have a concentration of receivables with these counterparties. Given the credit worthiness of these parties however, the Group believes it is not exposed to material to credit risk in relation to receivables.

6. Revenue from Operating Activities

	30 June 2016	30 June 2015
App Advertising revenue	916,500	998,177
In App Purchases revenue	1,987,292	2,100,750
Service revenue	1,081,829	-
	3,985,621	3,098,927

7. Other expenses

	30 June 2016	30 June 2015
Share registry	21,336	9,746
Travel	128,267	62,728
Insurance	61,932	72,368
Professional fees	182,389	227,632
Other expenses	233,714	185,356
	627,638	557,830

8. Trade and Other Receivables

	30 June 2016	31 December 2015
Trade Receivables	2,012,022	2,305,765
Other Receivables (i)	-	19,642
Related party receivables (i)	1,307,047	76,296
	3,319,069	2,401,703

- (i) Related party receivables are non-interest bearing and are generally received within 30-days. Refer to note 13 for details of these transactions.

There is no amount past due but not impaired.

9. Financial assets

	30 June 2016	31 December 2015
Unlisted convertible loan designated at fair value through profit or loss	336,655	205,310
Preference share	86,322	-
	<u>422,977</u>	<u>205,310</u>

On 31 December 2015, the Company acquired an unlisted convertible loan (the “Convertible Loan”) with a principal amount of US\$150,000 issued by TinyTap Ltd (“TinyTap”) from Moonblink Limited, a company that is owned and controlled by Mr. Siu Yat (a director of the Company). The consideration paid for the Convertible loan was \$336,655 (US\$250,000).

The Convertible Loan bears interest at an annual rate of 6% and matures on 20 November 2016. At 30 June 2016, there was no conversion of the Convertible Loan.

The Company designated the entire Convertible Loan as financial assets at fair value through profit or loss at initial recognition. The directors of the Company considered that the fair value of the Convertible Loan is not materially different from its carrying amount at the end of the reporting year.

On 10 June 2016, the Company subscribed 1,112 new class of preference shares issued by Twyss Company Limited. These preference shares with a par value of HK\$1 per share rank pari passu in all respects with the other shares in issue or to be issued. The Company invested a total of HK\$500,000 (\$86,322) for these shares (price per share of HK\$449.64) based on a post-money valuation of Twyss Company Limited of HK\$5.0m.

10. Other liabilities

	30 June 2016	31 December 2015
Performance shares – current	2,700,000	2,906,250
	<u>2,700,000</u>	<u>2,906,250</u>

The Company as part consideration for the acquisition of Animoca Brands Corporation BVI (in addition to the 75,000,000 fully paid ordinary shares mentioned at note 3) the Company issued 30,000,000 Class A Performance Shares and 15,000,000 Class B Performance Shares. As the Performance Shares potentially convert into a variable number of shares in the Company, in

accordance with Australian Accounting Standards the performance shares have been treated as a liability.

Under AASB 139, movements in the liability are taken to the profit and loss. The performance shares contain both revenue and EBIT (Earnings before interest and tax) milestones, with a final payment due as soon as practicable after 30 June 2016, but no later than 31 October 2016. Refer to the full terms and conditions of the performance shares disclosed to the ASX on 21 January 2015 for further details.

11. Share Capital

	30 June 2016	31 December 2015
Fully paid ordinary shares	23,290,742	16,192,964
	23,290,742	16,192,964

	Number	\$
Ordinary shares		
Balance at beginning of reporting period	167,520,708	16,192,964
Shares issued during the year	37,500,000	7,500,000
Transaction costs on shares issued		(402,222)
Balance at 30 June 2016	205,020,708	23,290,742

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorized capital and par value shares. Accordingly, the Company does not have authorized capital nor par value in respect of its issued shares.

Fully paid ordinary shares carry one vote per share and carry the right to dividends (in the event such a dividend was declared).

12. Reserves

	30 June 2016	31 December 2015
Share based payments reserve	248,345	248,345
Foreign currency translation reserve	(218,826)	(124,905)
Other components of equity	(3,917,057)	(3,917,057)
	(3,887,538)	(3,793,617)

Share-based payments

The share-based payments reserve is used to recognize the value of equity-settled share-based payments provided to employees and consultants, including key management personnel, as part of their remuneration.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of subsidiaries of Animoca Brands Corporation Ltd that have a different functional currency than Australian Dollars.

Other components of equity

Other components of equity represents the debit side of the recognition of the performance shares (refer note 10). As the issue of the performance shares was a transaction with a controlling shareholder in its capacity as a shareholder, it was not considered appropriate to recognize this amount as an additional expense in the profit and loss. Accordingly, this amount will be transferred to share capital upon the instruments being issued in accordance with their relevant performance milestones, or taken as an appropriation to accumulated losses if the instrument is forfeited.

13. Related Party Disclosures

Outblaze Ventures Holdings Ltd (an entity registered in Hong Kong that is a wholly owned subsidiary Appionics Holdings Ltd) has, in accordance with a Mobile App Advertising Services agreement, earned commissions totaling \$326,435 during the half-year ended 30 June 2016.

During the half-year ended 30 June 2016, the Company has paid office service and management service fees of \$231,500 to Outblaze Limited, a company in which Mr. Yat Siu is a director and has beneficial interest.

During the period, Apps Gear Limited has engaged the Company for Dinosaurs Project Mobile Entertainment App Development, earned service fees totaling \$201,993.

The Company has paid \$110,236 for Thomas and Friends e-Books development via Appibene Ltd, as a third party company.

Set out below is a summary of related receivables/(payables) at reporting date:

Name of company	Relationship	30 June 2016	31 December 2015
Totally Apps Holdings Limited ("Totally Apps")	Significantly influenced by Mr. Yat Siu, director of the Company	1,101,898	76,271
Baby Cortex Holdings Limited	Significantly influenced by Mr. David Kim, director of the Company	3,156	25
Outblaze Ventures Holdings Limited	Significantly influenced by Mr. David Kim, Mr Yat Siu and Mr Robert Yung, directors of the Company	(264,404)	(532,764)
Outblaze Limited	Significantly influenced by Mr. Yat Siu, director of the Company	(8,119)	(379,861)
Moonblink Limited	Significantly influenced by Mr. Yat Siu, director of the Company	-	(205,311)
Apps Gear Limited	Significantly influenced by Mr. Yat Siu, director of the Company	201,993	-
Appibene Limited	Significantly influenced by Mr. Yat Siu, director of the Company	110,236	-
		1,144,760	(1,041,640)

In addition to the contracted related party transactions detailed above, receivables and payables include amounts that are due (receivable) in relation to app revenues collected on behalf of Animoca Brands and reimbursements of marketing and promotional expenses (Payables) paid on behalf of the company.

14. Earnings Per Share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	30 June 2016	30 June 2015
Net loss attributable to ordinary equity holders of the parent entity:		
Continuing operations	3,202,701	222,564
Weighted average number of ordinary shares for basic earnings per share	184,604,041	118,301,253

Pursuant to AASB 133 – there is no dilutive securities on issue.

15. Subsequent Events

On 4 July 2016, the Company completed the acquisition of TicBits Oy, a profitable mobile game developer in Finland, for an upfront cash consideration of €2.4m (\$3.5m) and €1.0m (\$1.5m) payable in 2018. At the date of purchase, TicBits had €1.2m (\$1.8m) in cash or cash equivalents, accumulated from profits, and the initial consideration represents an Enterprise Value/Earnings Before Interest and Tax multiple of 3.6x based on FY15 EBIT. This acquisition expands the Company's global footprint into Europe, and adds a portfolio of proven mobile game titles that the Company leverages with its brand partners to create more new games.

16. Contingent Liabilities

At the date of signing this report, the Company is not aware of any Contingent Asset or Liability that should be disclosed in accordance with AASB 137.

Directors' declaration

In the opinion of the directors of Animoca Brands Corporation Limited:

- a) The consolidated financial statements and notes of Animoca Brands Corporation Limited are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of its financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
 - ii. complying with Accounting Standards AASB 134 Interim Financial Reporting;
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Mr David Kim
Chairman

30 August 2016

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67 Greenhill Rd
Wayville SA 5034

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ANIMOCA BRANDS CORPORATION LIMITED

We have reviewed the accompanying half-year financial report of Animoca Brands Corporation Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Animoca Brands Corporation Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Animoca Brands Corporation Limited consolidated entity's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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As the auditor of Animoca Brands Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

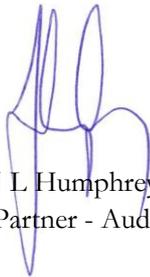
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Animoca Brands Corporation Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner - Audit & Assurance

Adelaide, 30 August 2016

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