



ASX Release

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## Animoca Brands partnership and mutual investment with six leading blockchain companies

*Token and share swap with Datum, LikeCoin, Musicoin, OST, Harmony, I-House*

### Highlights:

- Animoca Brands strategically partners with six blockchain-focused developers and companies including Datum, LikeCoin, Musicoin, OST, Harmony, and I-House
- Animoca Brands will conduct a mutual investment with each company via a share and token swap in aggregate totalling US\$1 million (about A\$1.4 million), with Animoca Brands shares priced at about A\$0.10 each
- Swapped shares and tokens will be subject to a 24-month escrow period
- The partnerships will accelerate development for Animoca Brands blockchain products such as *WalletPet* and *The Sandbox* and provide opportunities for Zeroth companies. It will also focus on new product creation and innovation, with the aim to promote blockchain usage, adoption, co-invest and co-develop, and to enhance the utility and value of existing tokens and projects
- The Parties aim to accelerate the adoption of DApps and promote each other's efforts in areas such marketing, token sales, and product launches
- Represents another step in the Company's strategy to introduce blockchain technology and products to the consumer mass market, with the goal of establishing itself as an industry leader in blockchain games and applications
- The Company previously entered into a similar collaboration agreement with Decentraland, an Ethereum-powered, decentralised platform offering tools to let people create 3D content, games and applications
- The Company intends to generate revenue from these projects through development fees, non-fungible token purchases, and token and coin sales

Animoca Brands Corporation Limited (ASX:AB1, the "**Company**") is pleased to advise that it has entered into a series of Term Sheets for Mutual Investment (the "Agreements") with six leading technology companies to advance the introduction of blockchain products to the consumer mass market, stimulate adoption and innovation of blockchain technology, and enhance the utility and value of certain existing cryptographic tokens. As part of each Agreement, the Company is entering into a total of US\$1 million (approximately A\$1.4 million) in mutual investments with the six partners named herein, whereby Animoca Brands

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will invest its shares in exchange for the equivalent value in the form of each partner's tokens.

Under the Agreements, Animoca Brands is partnering with Datum, LikeCoin, Musicoin, OST, Harmony, and I-House (referred to collectively with the Company as the "Parties"). Each of these companies is a leading developer in the blockchain and digital token space. The Parties will collaborate to build blockchain-powered apps and implement blockchain technologies to drive uptake in the consumer mass market, while enhancing the value and utility of partners' digital tokens.

Animoca Brands will collaborate with the Parties to create and accelerate the adoption of distributed applications (DApps, which are digital applications that exist and run on a blockchain or peer-to-peer computer network). As part of the Agreements, Animoca Brands will also work with the partner companies to co-promote each other's efforts in areas such as marketing, token sales, and product launches.

Yat Siu, the co-founder and chairman of Animoca Brands, commented: "The partnerships announced today bring the number of our strategic investments in blockchain to 17, accelerating our capabilities in this space. We continue to seek the best available specialized technology solutions to use in our products and those of our portfolio companies, like Zeroth, and we are therefore thrilled to have signed these deals with Datum, LikeCoin, Musicoin, OST, Harmony, and I-House. We strongly believe that these partners have the potential to become global leaders on truly massive scales, and together we will work toward a future in which multiple blockchain technologies are used concurrently in the same products."

### **Mutual investment**

The Parties are initiating a mutual investment totalling in value US\$1 million (approximately A\$1.4 million), whereby Animoca Brands will make its investments in shares in exchange for the equivalent value in each partner's tokens. The swapped shares and tokens will be subject to a 24-month escrow period.

The number of shares to be issued will be calculated as the specific investment amount specified for each partner converted into Australian dollars and divided by a deemed issue price of approximately A\$0.10 (except in the case of I-House, which will utilise a price per share of A\$0.105). The Company intends to issue the shares utilising its existing placement capacity under ASX Listing Rule 7.1.

### **Relevant prior developments**

Previously, the Company was instrumental in driving awareness and adoption of LYM, the token of blockchain fitness provider Lympo, via a partnership through Animoca Brands' subsidiary OliveX that integrated LYM into OliveX's AI-based exercise app *100 Squats Challenge* (see ASX announcement of 25 July 2018). Lympo subsequently cemented this relationship by investing in Animoca Brands (see ASX announcement of 15 August 2018).

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In September, Animoca Brands partnered with OST.com Limited (“OST Limited”) and OpenST Limited to develop products utilising the cryptographic digital token OST and to integrate OST in some of the Company’s existing and future products, including *WalletPet*, the Company’s gamified cryptowallet, currently in beta testing (see ASX announcement of 20 September 2018). OpenST Limited is a non-profit company whose mandate is to support the OpenST Protocol and advance the OpenST developer ecosystem. OST Limited leads development of OpenST.

Recently, Animoca Brands and Metaverse Holdings, Ltd (“Decentraland”) signed a collaboration agreement to co-develop blockchain games. Decentraland is an Ethereum-powered, decentralised platform offering tools to let people create 3D content, games and applications, Animoca Brands and Decentraland are conducting a mutual investment via a share and token swap equating to US\$0.5 million (about A\$0.7 million) each, whereby Animoca Brands will make its investment in shares in exchange for the equivalent value in Decentraland’s MANA utility tokens (see ASX announcement of 4 October 2018).

### **Strategic rationale**

The Company’s blockchain projects will be accelerated by the access to the technologies, products, expertise, and networks gained by partnering with the Parties. In addition, Animoca Brands can accelerate the development and popularity of its partners’ tokens by leveraging its global capabilities in blockchain game development, rich portfolio of branded IP providing access to wider audiences, and the potential to create non-fungible tokens (NFTs) with existing brand partners to increase user engagement and revenue.

The Company is pursuing a strategy to cement leadership in the blockchain space by building its network of technology and brand partners, driving blockchain adoption and development, enhancing the value and utility of existing digital tokens, and accelerating the progress toward the future of blockchain gaming: mass consumer markets.

The Company expects that the strategic partnerships announced today, combined with the Company’s expertise in gaming, artificial intelligence, blockchain, software development, publishing, and branded IP collaboration, will increase the value of the Parties’ tokens and thereby ultimately increase Animoca Brands’ shareholder value above and beyond the revenues directly generated by each collaboration.

Additionally, the cryptowallet technology being developed by the Company, which is utilised in its upcoming *WalletPet* gamified wallet mobile app, will be compatible with (but not limited to) the tokens of the Parties, further reinforcing the benefits of collaboration with the Company and integration with its products.

### **Participating companies and transaction details**

A total of six companies have signed Agreements with Animoca Brands for mutual investment and strategic collaboration.

#### **Harmony**

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Simple Rules Company (“Harmony”) is developing the Harmony Protocol, a project with the mission to build a massive scale open marketplace for the decentralised economy, thereby solving a significant problem in blockchain technology: scalability. This project aims to provide consensus protocol over the open Internet at 10 million transactions per second and hundreds of thousands of nodes, using Harmony tokens as a medium of exchange. Harmony raised US\$18 million in its seed round earlier in 2018.

Animoca Brands will exchange US\$250,000 (approximately A\$350,000) of the Company’s shares in return for an equivalent amount in Harmony tokens. For this transaction, the Animoca Brands shares and Harmony tokens will be priced at a 21-day VWAP as of 4 October 2018 (which is approximately A\$0.10 a share for Animoca Brands).

Stephen Tse, CEO of Harmony, commented: “We are excited to build deeper relationships in the world of gaming by partnering with forward-thinking visionaries like Yat Siu and the team at Animoca Brands - we believe these are partners who understand exactly how value in gaming can be accrued with decentralization by giving ownership of game elements to the gamers themselves.”

#### **I-House**

Aladdin Technology Company Limited (“I-House”) oversees the IHT Real Estate Protocol, a global real estate blockchain cloud platform that aims to connect real estate developers, financial institutions, and users engaging in real estate transactions as part of a digital credit society. I-House uses its IHT token as the medium of exchange for products and services offered on its platform. I-House raised about US\$40 million in its ICO in January 2018.

Animoca Brands will exchange US\$250,000 (approximately A\$350,000) of the Company’s shares in return for an equivalent amount in IHT tokens. I-House shall purchase 334,225 newly issued Animoca Brands ordinary shares for a total consideration of 10,416,667 IHT (based on a price per share of A\$0.105).

Ricky Ng, the founder and chairman of I-House, said: “We are excited to form this strategic partnership with Animoca Brands, which we believe will accelerate the corporate and product development of I-House and other blockchain companies across Asian markets and, indeed, the whole world. The association between Animoca Brands and I-House adds great value to both sides, and we look forward to driving the trends of asset tokenisation and blockchain utilisation in different industries.”

#### **OST**

OST Limited (“OST”) is a company incorporated in Hong Kong and with offices around the world that provides a public blockchain infrastructure platform and a full suite of developer tools for businesses with millions of users. OST technology enables companies to easily launch their own Branded Tokens, rapidly bootstrapping the development of a dynamic ecosystem and allowing the building of scalable blockchain based Branded Token economies. OST uses its Open Simple Token (“OST Token”) as its medium of exchange. OST Limited’s backers include Tencent, 500 Startups, and Greycroft.

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Animoca Brands and OST previously formed a partnership to develop a mobile game on OST technology (see ASX announcement of 20 September 2018).

Animoca Brands will exchange US\$200,000 (approximately A\$280,000) of the Company's shares in return for an equivalent amount in OST Tokens. For this transaction for both Animoca Brands and OST Tokens will be priced at a 21-day VWAP as of 4 October 2018 (which is approximately A\$0.10 a share for Animoca Brands).

Dr Chris Dark, co-founder of OST, said: "We are excited to deepen further our partnership with Animoca Brands, and to begin working together on a mobile game leveraging OST's technology and Animoca Brands' deep catalogue of game IP right away."

#### **Datum**

Datum Network GmbH ("Datum") is company based in Switzerland that provides a decentralised high-performance NoSQL database allowing private, anonymous, and secure storage of data. It utilises its DAT token as the medium of exchange. Datum raised about US\$7.3 million in an ICO at the end of 2017.

Animoca Brands will exchange US\$200,000 (approximately A\$280,000) of the Company's shares in return for an equivalent amount in DAT tokens. For this transaction, the Animoca Brands shares and Datum's DAT tokens will be priced at a 21-day VWAP as of 4 October 2018 (which is approximately A\$0.10 a share for Animoca Brands).

Roger Haenni, CEO of Datum, commented: "'Decentralisation implies collaboration and we are tremendously excited about this collaboration. We will work to add our secure storage of personal user data and game assets to Animoca Brands' powerful gaming and IP portfolio - and beyond. At a time when data privacy is in the spotlight, we believe that this partnership between Datum and Animoca Brands offers unique strategic value by giving users more control and transparency over their data."

#### **Musicoin**

Musicoin Foundation ("Musicoin") is the first global project to apply cryptocurrency to the music industry, supporting the creation, distribution, and consumption of music through its platform. Musicoin utilises its \$MUSIC token as its medium of exchange.

Animoca Brands will exchange US\$50,000 (approximately A\$70,000) of the Company's shares in return for an equivalent amount in \$MUSIC tokens. For this transaction, the Animoca Brands shares and Musicoin's \$MUSIC tokens will be priced at a 21-day VWAP as of 4 October 2018 (which is approximately A\$0.10 a share for Animoca Brands).

#### **LikeCoin**

LikeCoin Foundation Limited ("LikeCoin") is a Hong Kong-based NGO targeted at "reinventing the Like" to realign creativity and reward. The Foundation oversees the

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LikeCoin protocol, which enables attribution and cross-application collaboration on creative content. LikeCoin utilises the LIKE token as its medium of exchange and reward.

Animoca Brands will exchange US\$50,000 (approximately A\$70,000) of the Company's shares in return for an equivalent amount in LIKE tokens. For this transaction, the Animoca Brands shares and LikeCoin's LIKE tokens will be priced at a 21-day VWAP as of 4 October 2018 (which is approximately A\$0.10 a share for Animoca Brands).

kin ko, the founder of LikeCoin, commented: "We are excited to kick off our cooperation with Animoca Brands with this mutual investment. We look forward to the exciting content that Animoca Brands will develop around LikeCoin's ecosystem."

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**About Animoca Brands**

Animoca Brands (ASX: AB1) leverages gamification, blockchain, and artificial intelligence technologies to develop and publish a broad portfolio of mobile products including games such as The Sandbox, Crazy Kings, and Crazy Defense Heroes as well as products based on popular intellectual properties such as Garfield, Thomas & Friends™, Ever After High and Doraemon. Animoca Brands is the exclusive China distributor of *CryptoKitties*. The Company is based in Hong Kong, Canada, and Finland. For more information visit [www.animocabrands.com](http://www.animocabrands.com) or get updates by following Animoca Brands on [Facebook](#), [Twitter](#) or [Google +](#).

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