



ASX Release

11 December 2018

Animoca Brands signs strategic China partner, expected to add US\$8m (A\$11m) annual revenue

Closed A\$6 million capital raise to fund expansion of business

Highlights:

- Animoca Brands and China-based iClick Interactive Asia Limited (NASDAQ: **ICLK**) establish strategic partnership
- The Company will become a strategic reseller of iClick in a transaction which is expected to provide to Animoca Brands initial revenue of US\$8 million (approx. A\$11 million) per annum
- Animoca Brands and its subsidiary Zeroth will analyse and monetise iClick's data platform of over 780 million user profiles
- The deal diversifies Animoca Brands business model by generating revenues in other parts of the gaming, media and technology ecosystem, as well as expanding the Company's footprint in China
- Animoca Brands intends to invest up to US\$2 million to develop the media and advertising opportunity, including developing products and services to monetise iClick's China audience data
- To support the expansion plan, the Company has raised A\$6 million at a premium of \$0.098 per share from strategic investors including Katherine Yip (founder of Pacific Alliance Group and co-founder and partner of Vina Capital), Moses Tsang (founder of AP Capital and founding chairman of Goldman Sachs Asia Pacific), Sonny Vu (founder of Misfit), and Yat Siu (Chairman and co-founder of Animoca Brands)

Animoca Brands Corporation Limited (ASX: **AB1**, the **Company**) is pleased to announce that it has entered into a Collaboration Framework Agreement (the **Framework Agreement**) with leading independent online marketing and data technology platform iClick Interactive Asia Limited (NASDAQ: **ICLK**, "**iClick**") to establish a strategic partnership with the goal to jointly develop and grow an online marketing business serving the video game sector.

iClick is an independent online marketing technology platform that connects worldwide marketers with audiences in China. iClick offers omni-channel marketing capabilities and fulfils marketing objectives in a data-driven and automated manner, helping both international and domestic clients reach their target audiences in China. iClick was ranked China's largest independent online marketing technology platform in terms of gross billing in 2018 Q1-Q3 by Frost & Sullivan.

Animoca Brands and iClick (the **Parties** or **Both Parties**) aim to achieve synergies by leveraging their respective strengths, namely iClick's advanced online marketing and data technology

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platform and its data assets of over 780 million Chinese user profiles, and Animoca Brands' expertise in mobile gaming, blockchain, artificial intelligence, and international markets.

Under the Framework Agreement, Animoca Brands and iClick agree they will utilise the expertise of the Company's artificial intelligence subsidiary Zeroth for data analysis to monetise iClick's users profile data.

The Company intends to invest up to US\$2 million to develop the media and advertising business including building and developing products and services to monetise iClick's China audience data.

Reseller Agreement

As set out in the Framework Agreement, both parties are working to finalise a strategic reseller partnership wherein Animoca Brands (or a subsidiary or affiliate) will become a strategic reseller of iClick's online marketing services, with the goal to assist iClick to expand into the international video gaming markets currently served by Animoca Brands.

As specified in the Framework Agreement, the parties will work together under an arrangement to be formalised in the Reseller Agreement which is expected to generate revenues for Animoca Brands of around US\$8 million (about A\$11 million) in the calendar year 2019.

Animoca Brands will pursue opportunities in creative services, app development, branding and AI by making available additional services and/or solutions to iClick, to iClick's clients, and to the Company's own clients and partners.

The Reseller Agreement is expected to be executed in the near term.

Zeroth collaboration

The Parties expect to leverage access to data provided by Animoca Brands' subsidiary Zeroth and receive support from Zeroth in the analysis and application of data through artificial intelligence systems and approaches.

Strategic rationale

The Company believes that the partnership will unlock significant opportunities for new audience reach and revenue generation in China, the world's largest mobile gaming market with over 25% of global games revenue. According to a recent report from market intelligence firm Niko Partners, China's mobile games domestic revenue is projected to grow from US\$16 billion in 2018 to US\$24.7 billion in 2022, and the number of mobile gamers is set to increase from 598 million in 2018 to 720 million in 2021.

On average, adults in China spend 3 hours a day on internet activities (source: eMarketer, May 2018), and digital media is an integral part of the lives of hundreds of millions of Chinese consumers.

Digital media has proven highly effective at reaching targeted consumers. China is the world's second largest market in terms of digital advertising spend, estimated at US\$62.6 billion in 2018

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(source: eMarketer, October 2018); the partnership with iClick therefore offers notable opportunities for the Company to increase the market share of its products and services in China.

Strategic placement

In order to support business expansion, the Company has raised A\$6 million at a premium of A\$0.098 per share from strategic investors including Katherine Yip, the founder of Pacific Alliance Group and co-founder and partner of Vina Capital, Moses Tsang, the founder of AP Capital and founding chairman of Goldman Sachs Asia Pacific, Sonny Vu, founder of Misfit (later acquired by Fossil Group for US\$260 million), and Yat Siu, chairman and co-founder of Animoca Brands.

The number of new shares to be issued is 61,224,490. The Company intends to issue the shares utilising its existing placement capacity under ASX Listing Rule 7.1.

Management commentary

Yat Siu, the co-founder and chairman of Animoca Brands, commented: "By partnering with iClick, we aim to significantly expand the marketing and distribution capabilities of Animoca Brands in China. We look forward to collaborating with the largest independent Chinese online marketing platform, and to utilise this rare opportunity to leverage - including through our AI subsidiary Zeroth - the valuable data assets of over 780 million Chinese user profiles."

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About iClick Interactive Asia Limited

iClick Interactive Asia Group Limited (NASDAQ:ICLK) is an independent online and data marketing technology platform that connects worldwide marketers with audiences in China. Built on cutting-edge technologies, our proprietary platform possesses omni-channel marketing capabilities and fulfills various marketing objectives in a data-driven and automated manner, helping both international and domestic marketers reach their target audiences in China. Headquartered in Hong Kong, iClick Interactive was established in 2009, currently operating in nine locations worldwide including Asia and London.

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 or get updates by following Animoca Brands on [Facebook](#), [Twitter](#) or [Google +](#).

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