



ASX Release

29 March 2019

Strategic investment and partnership with major global creative platform Talenhouse

Highlights:

- Animoca Brands partners with Talenhouse, a platform that offers global brand clients such as Disney, Google, Amazon, and Samsung the services of its community of over 4 million creators and influencer marketers
- Animoca Brands and Talenhouse will form a joint venture to provide Talenhouse services to gaming and media clients worldwide (including clients of iClick) and develop commercial opportunities for Talenhouse's services in Asian markets
- Animoca Brands will make an investment of US\$2m (~A\$2.8m) for 448,413 shares of preferred stock in Talenhouse, payable half in cash and half in newly issued shares of AB1 with a value of \$0.11 per share
- This deal satisfies the commitments made under the Company's strategic partnership with iClick Interactive Asia Limited as announced on 11 December 2018
- Partnership with Talenhouse presents various powerful synergies for the Company's existing business, its partners (including iClick), and the upcoming blockchain version of *The Sandbox* being developed by the Animoca Brands subsidiary Pixowl
- Digital ad spending is forecast to grow to US\$327.28 billion in 2019
- The joint venture with Talenhouse is expected to generate initial minimum revenue of US\$1m, and unlock the potential to significantly expand the reach and revenue potential of Animoca Brands products and services

Animoca Brands Corporation Limited (ASX: **AB1**, the "**Company**") is pleased to announce that it has entered into a memorandum of understanding (the "MOU") and a stock purchase agreement (the "SPA") with Talenhouse, Inc., the largest global community of creators and influencers. The two parties agree to develop a partnership that includes an investment by Animoca Brands into Talenhouse, and the establishment of a joint venture between the two companies that will generate revenue through the provision of Talenhouse products and services to the clients of Animoca Brands and of its partners.

Talenhouse has built the world's largest collective of creators who help clients to shape their marketing communications via a platform that allows brands, agencies and celebrities to engage a diverse community to commission original concepts, creative work, and influencer marketing.

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Talenthouse has a global community of over 4 million creators and social media influencers who reach over 600 million consumers worldwide on popular platforms such as Instagram, Youtube, Facebook, Twitter, Snapchat and others. Brands and agencies engage Talenthouse creators for culturally relevant, diverse creative work and influencer marketing. Talenthouse's platform approach provides a scalable cost-effective way to source original, high quality creative work with fast turnarounds for multiple channels and markets.

Talenthouse has raised over US\$30m (approximately A\$42.4 million) from investors such as Reliance Entertainment, ProSiebenSat.1 Media, Eric Schmidt's Innovation Endeavors, William Lauder (Estee Lauder Group), 3TS Cisco Growth Fund, Sir Nigel Bogle (BBH), and others.

Talenthouse partner platforms include ELLO, The Cirqle, and Production Paradise. Talenthouse has a broad range of global clients including Amazon, adidas, Google, Porsche, Unilever, Coca-Cola, Johnson & Johnson, Diageo, P&G, NBC Universal Studios, Huawei, AirBnB, Heineken, Marriott, Mercedes, LG, Sony Pictures, McDonalds, Pernod Ricard, Disney, BA, General Motors, Lindt, 20thCentury Fox, PepsiCo, Dell, Nike, Samsung, and various others.

Strategic investment

Animoca Brands agrees to purchase 448,413 shares of preferred stock from Talenthouse for a total consideration of US\$2 million (approximately A\$2.8 million), payable half in cash and half in newly issued shares of Animoca Brands based on a price of \$0.11 per share. The Company has an option to purchase an additional 400,000 Talenthouse shares at a later date, also via a combination of cash and shares.

This investment and option are subject to the approval of Animoca Brands' shareholders.

Joint venture

Animoca Brands and Talenthouse agree to establish a mutually owned entity ("Joint Venture"), with Animoca Brands owning 51% of this entity, that will provide Talenthouse's services to gaming and media clients worldwide, including clients of iClick, and develop commercial opportunities for Talenthouse's services in Asian markets. In addition, the Joint Venture will focus on growing the global gaming business for Talenthouse by leveraging the industry expertise and connections of Animoca Brands. Talenthouse will contribute certain revenues to the Joint Venture, including a minimum US\$1 million (approximately A\$1.4 million) of client revenue.

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The parties expect to memorialize the specific scope and details of this joint venture in a separate binding agreement.

Strategic rationale

The Joint Venture with Talenhouse will be headquartered in Hong Kong and will leverage the role of Animoca Brands as a strategic reseller of the marketing technology services of its partner iClick (refer to ASX announcement dated 11 December 2018). iClick operates a data platform containing over 780 million profiles of users in China, and Animoca Brands will make available to this audience the content services of Talenhouse.

The Joint Venture will also leverage Talenhouse's considerable salesforce with offices in Los Angeles, New York, London, Berlin, Barcelona, Amsterdam, and Singapore that service global clients including Disney, Amazon, Google, Coca-Cola, General Motors, AirBnB, Samsung, and many others, providing potential cross selling opportunities for Animoca Brands under the iClick reseller agreement.

Global digital ad spending is forecast to grow to US\$327.28 billion in 2019, which is a 17.1% rise over the previous year (source: eMarketer Global Ad Spending Update, November 2018). Talenhouse's ability to provision high-quality creatives from a large network of professionals positions it advantageously in a fast-growing industry.

The Company and Talenhouse believe that the Asian digital advertising market presents a particularly noteworthy opportunity. China alone is the world's second largest market in terms of digital advertising spend, estimated at US\$62.6 billion in 2018 (source: eMarketer, October 2018); the synergy of Animoca Brands, Talenhouse, and iClick offers notable opportunities for the Company to increase the market share of its products and services.

The Company recently announced a deal with Vigame worth RMB 60 million (approximately A\$12.6m) over one year to resell the advertising inventory of iClick Interactive Asia Limited ("iClick"; see ASX release of 8 March 2019), and it intends to utilise the Joint Venture with Talenhouse to generate more such revenue opportunities centered around the iClick partnership.

The Joint Venture also fulfils the Company's commitment announced 11 December 2018 to invest in the development of the media and advertising opportunity enabled by its partnership with iClick.

The Company's subsidiary Pixowl is developing the blockchain version of *The Sandbox*, considered one of the most anticipated blockchain games of 2019. The Company will leverage Talenhouse's network of 4 million creators to produce and monetize creative assets for *The Sandbox* in the form of non-fungible tokens (NFTs).

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Finally, partnering with Talenthouse grants Animoca Brands access to a large and thriving community of global creators and social media influencers that have the ability to significantly boost Animoca Brands' reach and communications; in conjunction with the iClick partnership, this will provide access to a truly global audience

Yat Siu, the chairman and co-founder of Animoca Brands, commented: "We're incredibly excited about the possibilities we will unleash by forming a partnership and joint venture with Talenthouse, which has a network of 4 million professional creators and a reach of over 600 million consumers across the world's most popular social media. Combined with iClick's over 780 million consumers in China, Animoca Brands and its joint venture will enjoy a potential reach of over a billion consumers, giving us powerful opportunities to market our games, blockchain products and NFTs, and provide gaming and marketing services."

Roman Scharf, the CEO of Talenthouse, said: "We absolutely recognise the wealth of untapped creative talent and the need for marketers to engage audiences with compelling, authentic creative work across multiple channels. We're thrilled about this strategic partnership with Animoca Brands. Together we will create extraordinary opportunities for creators and brands alike."

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About Talenthouse

Talenthouse – connecting brands, creators, influencers and consumers. Talenthouse has a vibrant, global community of over 4 million creators producing art, film, fashion, music, and photography. Over the last 10 years, Talenthouse has developed opportunities for creators to have their work seen, recognised, and financially rewarded. Brands, agencies, and celebrities can engage the Talenthouse community across 175 markets to source original, high-quality concepts, ideation, creative work, and authentic influencer marketing. The Talenthouse platform addresses the challenges that brands face to quickly and efficiently source the high volume of culturally relevant and diverse creative work required to communicate to multiple markets and channels. This work can be used to activate and amplify campaigns, releases, launches and events through compelling, creative work and authentic storytelling. To get started, visit www.talenthouse.com.

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, Snoopy, Thomas & Friends™, Ever After High and Doraemon. Animoca Brands is the exclusive China distributor of *CryptoKitties*. The Company is based in Hong Kong, Canada, Finland, and Argentina. For more information visit www.animocabrands.com or get updates by following Animoca Brands on [Facebook](#) or [Twitter](#).

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