



ASX Release

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Animoca Brands acquires Stryking, creator of *Football-Stars*, and completes strategic capital raise at a premium

- Animoca Brands has entered into a binding term sheet to acquire 100% of Stryking Entertainment for an upfront consideration of €1m (~A\$1.58m) payable in shares
- Stryking is a leading Germany-based company and the operator of the popular fantasy sports game *Football-Stars*
- Stryking holds an official license from the Bundesliga, the top-tier German football league, for the right to use all club logos and player pictures
- Stryking also has a license from renowned German football club Bayern Munich, one of the most followed football teams globally with more than 60 million social media followers
- Stryking has a highly experienced management team of serial games and finance entrepreneurs, with multiple successful exits and IPOs
- *Football-Stars* will add blockchain gaming elements, starting with the integration of a collectible game using NFTs centered around real football players and clubs
- The acquisition adds to the Company's licencing arrangements with major international sports brands, which also include Formula 1[®] and Major League Baseball
- Animoca Brands has completed a heavily oversubscribed strategic capital raise of A\$4.6m at a 4.2% premium to the 30-day VWAP from international blockchain investors, Australian institutional investors, and existing shareholders
- Key international blockchain investors included Stellar Partners, Blocore, and Plutus VC
- Animoca Brands received considerable support from top tier fund managers and institutions including Perennial Value Management, SG Hiscock, and existing shareholders Sun Hung Kai, Katherine Yip-Ribeiro (founder of Pacific Alliance Group and co-founder and partner of Vina Capital), and Moses Tsang (founder of Goldman Sachs Asia Pacific)
- Australian gaming industry veteran Michael Ephriam (ex MD of Sony Computer Entertainment (SCE) ANZ and VP SCE Europe), Simon Clausen (renowned tech investor and a current shareholder), and Yat Siu (chairman and co-founder) also participated in the placement

Animoca Brands Corporation Limited (ASX: **AB1**, "the **Company**") is pleased to advise that it has entered into a binding term sheet with Stryking Entertainment GmbH ("Stryking") to acquire 100% of its equity for €1 million (approximately A\$1.58 million), payable in common shares of Animoca Brands, and up to €2 million (approximately A\$3.15 million) in earn-out payments, payable in cash or shares at the Company's option. Stryking is the operator of the popular fantasy sports game *Football-Stars*. In order to fund the advancement of various

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business opportunities, the Company has completed a heavily oversubscribed strategic capital raise of A\$4.6 million.

Stryking is a Germany-based company that brings sports fans as close to the real action as possible. Stryking operates the award-winning (Red Herring Top 100, HYPE Top 50) fantasy sports platform *Football-Stars*, which provides soccer fans from all over the world with a thrilling and diversified gaming experience on web and mobile devices.



In *Football-Stars*, players become the managers of their dream teams, choosing from any of the real-world football players and clubs in the Bundesliga, the 2nd Bundesliga, and the English Premier League (EPL). Players can also compete in challenges in Europe's top football competitions, such as the Champions League, Europa League, La Liga, Serie A, and Ligue 1.

Of special relevance to the Company's focus is the next step of *Football-Stars*' development, which includes the addition of blockchain gaming elements, starting with the integration of a collectible game using NFTs centered around real football players and clubs.

Stryking holds an official license from Deutsche Fußball Liga ("Bundesliga"), the top-tier German football league, for the right to use all Bundesliga club logos and player pictures in *Football-Stars*.

Stryking also has a license from FC Bayern München e. V. ("Bayern Munich"), the most successful club in German football history, for the right to use the Bayern Munich brand and assets to produce dedicated content for fans within *Football-Stars*, starting with the 2019/2020 football season. Bayern Munich will promote the collaboration to their fans in Europe and Asia through their website and their more than 60 million social media followers.

Stryking is currently in advanced negotiations with other international leagues, clubs, and media houses to secure additional premium partnerships.

Finally, Stryking has access to detailed statistics and performance data for all relevant European football leagues and some national team matches, allowing it to keep *Football-Stars* content and in-game stats fully accurate and up to date.

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Transaction details

The Company will acquire 100% of the equity in Stryking Entertainment GmbH, being a total of 139,092 common shares, for an upfront consideration of €1 million (approximately A\$1.58 million) payable in common shares of Animoca Brands, plus earn-out payments totalling a maximum of €2 million (approximately A\$3.15 million), payable in cash or shares, at the Company's discretion, subject to conditions including:

- That the company being profitable and Cashflow positive; and
- €1.2 million net revenues per post audit per period for two (2) periods to be eligible.

The number of Animoca Brands shares to be issued to Stryking will be determined at a price per share of A\$0.10. The shares are subject to a lock-up period of 12 months, and the recipients of those shares will be subject to certain selling restrictions following the end of the lock-up period.

The Company will seek shareholders' approval for this acquisition.

Strategic rationale

The acquisition of Stryking is highly complementary to Animoca Brands and its projects. Stryking has a highly experienced management team of serial entrepreneurs in the fields of games and finance, with hundreds of millions of dollars in successful exits.

Dirk Weyel, the founder and CEO of Stryking, has 20 years of experience in the games industry. He was the co-founder and COO of Frogster Interactive Pictures AG, listed on the Frankfurt Stock Exchange, until he exited that company via a trade sale at a valuation of US\$100 million in 2011. He was also the co-founder of the agency Torben, Lucie & die gelbe Gefahr GmbH (TLGG), which was sold to Omnicom Group in 2015.

Hong Thieu, the CFO of Stryking, is a serial entrepreneur and investor with 20 years of experience in corporate finance, investor relations, public relations, and compliance at listed companies. He oversaw two initial public offerings (IPOs) in Germany with a total market capitalization of approximately €600 million: Pironet AG and Epigenomics AG.

In addition to the sports-related work of its AI-driven fitness and wellness subsidiary OliveX, the Company is also expanding into the lucrative sports gaming space, seeking new global fan bases for its products and initiatives, including its blockchain and non-fungible token (NFT) projects. Today's announcement adds two prominent sports brands to the Animoca Brands portfolio, which also includes the recently announced Formula 1[®] (see ASX announcement of 26 March 2019), and the fantasy sports game *MLB Champions*[™], based on Major League Baseball (see ASX announcement of 3 April 2019).

Football-Stars is a game that aligns strongly with the Company's own blockchain and NFT strategy, with an upcoming game update that will offer NFTs based on real football players and clubs.

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Capital raise

In order to take advantage of multiple business opportunities and to fast track development and promotion of upcoming games and NFT launches, the Company has completed a strategic capital raise of A\$4.6 million to international blockchain investors, high-quality Australian institutional investors, and existing shareholders.

The capital raise was conducted at a price per share of price of \$0.10, a 4.2% premium to the 30-day VWAP of \$0.096, and includes a lock-up mechanism in the form of an attaching 1:2 loyalty option (one option for every two shares) priced at A\$0.125 per share, which vests if the placement stock is held for 15 months from issuance and expire 12 months from the date of issue. The Company intends to issue the new shares under the capacity provided by ASX Listing Rules 7.1 and 7.1A. The proposed security split between Listing Rule 7.1 and 7.1A is shown in the table below. Should 100% of the unlisted options vest and be exercised, then this would result in a dilution of 8.4%.

Share Split

	Capacity (Pre-Issue)	Issue
Listing Rule 7.1	50,751,751	27,666,667 shares 23,000,000 unlisted options
Listing Rule 7.1A	33,394,930	18,333,333 shares
Total (shares and unlisted options)		69,000,000

Key blockchain participants in the placement included Stellar Partners, Blocore, and Plutus VC. A number of top tier fund managers and institutions participated, including Perennial Value Management, and SG Hiscock, as well as existing shareholders Sung Hung Kai, Katherine Yip-Ribeiro (founder of Pacific Alliance Group and co-founder and partner of Vina Capital), and Moses Tsang. Australian gaming industry veteran Michael Ephriam, the ex MD of Sony Computer Entertainment (SCE) ANZ and VP SCE Europe, tech investor and major shareholder Simon Clausen, and chairman and co-founder Yat Siu also took part (the participation of Mr Siu is subject to shareholder approval).

Management commentary

Yat Siu, co-founder and chairman of Animoca Brands, said: "The acquisition of Stryking cements Animoca Brands' leadership in blockchain games, collectibles and sports. Fantasy sports is a 7 billion dollar industry and a perfect use case for blockchain and NFTs. We are

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also extremely honored to bring on board Dirk and Hong, who are seasoned industry veterans with significant capital markets experience.”

Dirk Weyel, the founder and CEO of Stryking, added: “We are thrilled about the partnership because Animoca Brands’ deep knowledge about NFT-based games and its powerful marketing capabilities will help us tremendously to enhance our platform *Football-Stars* and reach new Asian markets. Together, we are building the next generation of NFT-based collectible card games in partnership with powerful sports brands. We strongly believe in the first mover advantage that Animoca Brands has established in the fast-growing blockchain gaming segment and look forward to the exciting work and opportunities ahead of us.”

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About Stryking

Stryking Entertainment specializes in sports fan engagement and monetization by combining the real and virtual world to create genuine interaction opportunities for fans, stars and brands. Founded 2012 in Berlin, Stryking Entertainment develops and operates the innovative platform *Football-Stars*, a thrilling and diversified gaming experience on web and mobile to soccer fans in Europe.

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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