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Animoca Brands Corporation Limited
ACN 122 921 813

Prospectus

Offer

For an offer of 100 Shares at an issue price of \$0.18 each to remove trading restrictions on Shares issued on or before the Closing Date (**Offer**).

Important

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. Please read the instructions in this Prospectus and the relevant Application Form regarding acceptance of the Offer. Investors who do not understand this document should consult their stockbroker, lawyer, accountant or other professional adviser before deciding to apply for securities under the Offer. The securities offered under this Prospectus should be considered highly speculative.

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Important information

General

This Prospectus is issued by Animoca Brands Corporation Limited ACN 122 921 813 (**Company**).

The Prospectus is dated 21 August 2019 and a copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX take responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

This Prospectus is a transaction specific prospectus for offers of continuously quoted securities (as defined in the Corporations Act) and options over continuously quoted securities, and has been prepared in accordance with section 713 of the Corporations Act.

No securities will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Persons wishing to apply for securities pursuant to the Offer must do so using the relevant Application Form attached to or accompanying this Prospectus. Before applying for securities, investors should carefully read this Prospectus so that they can make an informed assessment of the rights and liabilities attaching to the securities, the assets and liabilities of the Company, its financial position and performance, profits and losses, and prospects.

Any investment in the Company should be considered highly speculative. Investors who do not understand this document should consult their stockbroker, lawyer, accountant or other professional adviser before deciding to apply for securities under the Offer.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any such information or representations may not be relied upon as having been authorised by the Directors.

Prospectus availability

ASIC has confirmed that the Corporations Act allows distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

A copy of this Prospectus can be downloaded from the Company's website at www.animocabrands.com. There is no facility for online applications. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it

accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company on +61 2 9290 9600.

Risk factors

Before deciding to invest in the Company, investors should read the entire Prospectus and in particular, in considering the prospects of the Company, investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). The Shares offered by this Prospectus should be considered highly speculative. Refer to section 3 details certain risk factors which are considered to be relevant for the purposes of the Offer.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website at www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in Shares or the Company.

Financial amounts

All references in this Prospectus to "\$", "A\$", "AUD", "dollars" or "cents" are references to Australian currency unless otherwise stated.

Any discrepancies between the totals and sums of components in tables contained in this Prospectus are due to rounding.

Definitions and time

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in section 6.

All references to time relate to the time in Perth, Western Australia unless otherwise stated or implied.

Governing law

This Prospectus and the contracts that arise from the acceptance of the applications under this Prospectus are governed by the law applicable in Western Australia and each applicant submits to the exclusive jurisdiction of the courts of Western Australia.

Corporate directory

Directors

Yat Siu
Non-Executive Chairman

Chris Whiteman
Non-Executive Director

David Brickler
Non-Executive Director

Holly Liu
Non-Executive Director

Company Secretary

Julian Rockett

Registered Office

C/- Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Phone: +61 2 9290 9600

Website

www.animocabrands.com

ASX Code

AB1

Share Registry

Security Transfer Registry
770 Canning Highway
Applecross WA 6153

Auditor (Australia)

Grant Thornton Audit Pty Ltd
Level 3, 170 Frome Street
Adelaide SA 5000

Auditor (Hong Kong)

Grant Thornton Hong Kong Limited
Level 12, 28 Hennessy Road
Wan Chai, Hong Kong

Legal Adviser

AGH Law
Level 2, 66 Kings Park Road
West Perth WA 6005

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Key information

Key financial information	Amount
Shares offered under the Offer	100
Issue price of Shares under the Offer	\$0.18

Note: See section 2.1 for further information on the capital structure of the Company.

Key events	Date
Lodgment of this Prospectus with ASIC	21 August 2019
Opening Date	21 August 2019
Closing Date	26 August 2019

Note: The above timetable is indicative only. The Company reserves the right, subject to the Corporations Act, the Listing Rules and other applicable laws, to vary the dates, including by extending the Closing Date or accepting late acceptances, either generally or in particular cases, without notice.

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1 Details of the Offer

1.1 Offer

Under the Offer, the Company is offering 100 Shares at an issue price of \$0.18 each to raise \$18 (before costs).

The Offer will only be extended to specific persons on invitation from the Directors. Application Forms will only be provided by the Company to these persons.

1.2 Purpose

The primary purpose of this Prospectus is to remove any trading restrictions that:

- attach to the following Shares being issued on the date of this Prospectus:

Number	Issue price	Purpose of the issue
25,951,410	\$0.20	Issued to professional and sophisticated investors pursuant to the placement announced on 8 August 2019.
3,130,187	\$0.1547	Issued pursuant to the share purchase agreement dated 2 May 2019 pursuant to which the Company agreed to acquire Leade.rs.
7,500,000	-	Issued pursuant to the corporate advisory mandate dated 8 July 2018 between the Company and Traylor Collison.
900,000	\$0.07	Issued pursuant to an exercise of quoted Options (ASX:AB1O) issued pursuant to the placement announced on 12 July 2018.
4,545,455	\$0.1100	Issued to Zeroth SPC pursuant to an earn-in agreement dated 27 September 2018.
6,601,729	\$0.1184	Issued to Mind Fund Group Ltd pursuant to investment & collaboration agreement dated 11 April 2019.
3,484,022	\$0.0994	Issued to Simple Rules Company pursuant to a mutual investment agreement dated 28 June 2019.
3,519,939	\$0.0984	Issued to Exposition Park Holdings SEZC pursuant to a mutual investment agreement date 14 January 2018.
19,833,276	Various prices	Issued to various consultants of the Company in lieu of consultancy fees.
75,466,018		

- attach to any other Shares issued prior to the Closing Date.

Accordingly, the Company is seeking to raise only a nominal amount under this Prospectus as the purpose of this Prospectus is not to raise capital. The total expenses of the Offer, as estimated in section 4.7, will be paid out of the Company's existing cash reserves.

The Company is lodging this Prospectus under section 708A(11) of the Corporations Act to cleanse Shares issued on or before the Closing Date so that subsequent trading is not subject to secondary trading restrictions under the Corporations Act.

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to offer those securities for sale within 12 months of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a cleansing notice under section 708A(5). The Company has been suspended from trading on the ASX for more than 5 days in the last 12 months and as a result is precluded from issuing a cleansing notice in accordance with section 708A(5) of the Corporations Act.

Relevantly, section 708A(11)(b) provides that a sale offer does not need disclosure to investors if:

- the relevant securities are in a class of securities of the company that are already quoted on the ASX;
- a prospectus is lodged with ASIC either:
 - on or after the day on which the relevant securities were issued; or
 - before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- the prospectus is for the offer of securities issued by the company that are in the same class of securities as the relevant securities.

1.3 Details

Details specific to the Offer are set out in this section 1.3.

1.3.1 Minimum subscription

The Offer has no minimum subscription.

1.3.2 Oversubscriptions

No oversubscriptions will be accepted by the Company.

1.3.3 Shares

The Shares offered under the Offer are of the same class and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to the Shares is set out in section 4.3.

1.3.4 Offer period

The Offer will open on the Opening Date and close on the Closing Date.

1.3.5 Applications

Applications for Shares under the Offer must only be made by investors at the direction of the Company and using the Application Form accompanying this Prospectus. By completing an

Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Payment for Shares must be made in full at the issue price of \$0.18 per Share. Completed Application Forms and accompanying cheques, made payable to "ANIMOCA BRANDS CORPORATION LIMITED" and crossed "Not Negotiable", must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

1.3.6 Capital raising fees

No capital raisings fees will be paid in relation to applications made under the Offer.

1.3.7 ASX quotation

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the Shares offered under this Prospectus. If approval for quotation of the Shares is not granted within 3 months after the date of this Prospectus, the Company will not issue any Shares and will repay all Application Monies without interest as soon as practicable.

1.3.8 Application Monies

All Application Monies for Shares to be issued pursuant to the Offer will be held in trust on behalf of applicants until the Shares are issued or, if the Shares are not issued, until the Application Monies are returned to applicants. All interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

1.4 Excluded information

In accordance with section 713(5) of the Corporations Act, information must be included in this Prospectus if the information:

- has been excluded from a continuous disclosure notice in accordance with the Listing Rules;
- is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - the assets and liabilities, financial position and performance, profits and losses and prospects of the body; and
 - the rights and liabilities attaching to the securities being offered; and
- would reasonably expect to find in this Prospectus.

Accordingly, the Company notes the information set out below.

1.4.1 Proposed Capital Raising

The Company's wholly owned subsidiary, TSB Gaming Ltd, is in the advanced stages of negotiations with several investors regarding a fundraising through the issue of SAFE convertible securities and SAND utility tokens on terms approximate to those announced to ASX on 23 May 2019 (**Proposed Raising**). There is no guarantee that the Proposed Raising will proceed.

1.4.2 Proposed acquisition of Six to Start

The Company's wholly owned subsidiary, Animoca Brands Limited (**Animoca**), is in the preliminary stages of negotiations with the holders of 100% of the issued capital of Six to Start Limited (**Six to Start**) regarding the potential acquisition of Six to Start by Animoca (**Proposed**

Acquisition). Six to Start, a company organised in the United Kingdom, is an independent games developer and entertainment company based in London.

The consideration for the Proposed Acquisition is proposed to comprise a combination of cash and Shares to be issued by the Company. Due to the preliminary nature of the negotiations between Animoca and Six to Start it is not possible to include specific details of the key terms and conditions of the Proposed Acquisition.

In accordance with its continuous disclosure obligations, the Company will announce further details of the Proposed Acquisition if a binding agreement is entered into. Further, there is no guarantee that the Proposed Acquisition will complete or otherwise prove to be successful for the Company.

1.4.3 Proposed collaboration with Aquis Farm

Animoca is in the preliminary stages of negotiations with Aquis Farm Pty Ltd ACN 168 741 339 (**Aquis Farm**) regarding a potential collaboration on the development and operation of an equine token and game platform that will involve the development of a utility token to be used initially for entertainment purposes (**Proposed Collaboration**).

The consideration for the Proposed Collaboration will likely comprise an upfront cash payment and ongoing royalty payments. Due to the preliminary nature of the negotiations between Animoca and Acquis Farms it is not possible to include specific details of the key terms and conditions of the Proposed Collaboration.

In accordance with its continuous disclosure obligations, the Company will announce further details of the Proposed Collaboration if a binding agreement is entered into. Further, there is no guarantee that the Proposed Collaboration will eventuate or otherwise prove to be successful for the Company.

1.4.4 Proposed license agreement with Dorna Sports

Animoca is in preliminary negotiations with Dorna Sports, S.L. (**Dorna Sports**), a company registered in Spain, regarding the potential entry into a license agreement (**Proposed License**). Pursuant to the Proposed License, it is proposed that Dorna Sports will grant a license to Animoca to use certain marks and other intellectual property rights in connection with the FIM Road Racing World Championship Grand Prix (**Moto GP**), for the purposes of the development and commercialization of a blockchain manager game based on the MotoGP.

Due to the preliminary nature of the negotiations between Animoca and Dorna Sports it is not possible to include specific details of the key terms and conditions of the Proposed License.

In accordance with its continuous disclosure obligations, the Company will announce further details of the Proposed License if a binding agreement is entered into. Further, there is no guarantee that the Proposed License will eventuate or otherwise prove to be successful for the Company.

1.4.5 Investment in Axie Infinity

Animoca is in preliminary negotiations with Sky Mavis Pte Ltd (**Axie Infinity**), a company organized in Singapore (**Proposed Investment**). Pursuant to the Proposed Investment, Animoca will acquire a certain percentage interest in Axie Infinity and the parties will form a collaboration whereby they agree to market and promote each other to their respective platforms and networks.

Due to the preliminary nature of the negotiations between Animoca and Axie Infinity it is not possible to include specific details of the key terms and conditions of the Proposed Investment.

In accordance with its continuous disclosure obligations, the Company will announce further details of the Proposed Investment if a binding agreement is entered into. Further, there is no

guarantee that the Proposed Investment will eventuate or otherwise prove to be successful for the Company.

1.5 Foreign investor restrictions

This Prospectus does not constitute the Offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such the Offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit the Offering of securities in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals and comply with all relevant laws and regulations for the issue to them of securities offered pursuant to this Prospectus. Return of an Application Form will constitute a representation and warranty that there has been no breach of such laws and regulations.

1.6 Representations

The return of an Application Form or otherwise applying for securities under the Offer will be taken by the Company to constitute a representation by the applicant that it (as applicable):

- has received a printed or electronic copy of this Prospectus accompanying the form and has read it in full;
- agrees to be bound by the terms of this Prospectus and the Constitution;
- has obtained all necessary approvals and complied with all relevant laws and regulations for the purposes of section 1.5 (to the extent that they are applicable) and confirms its eligibility in respect of the offer of securities under the Offer;
- declares that all details and statements in the Application Form are complete and accurate;
- declares that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under the Application Form;
- acknowledges that once the Application Form is returned or payment is made its acceptance may not be withdrawn;
- agrees to being issued the number of new securities that it applies for (or such other number issued in accordance with this Prospectus);
- authorises the Company to register it as the holder(s) of the securities issued to it under the Offer;
- acknowledges that the information contained in this Prospectus is not investment advice or a recommendation that the securities are suitable for it, given its investment objectives, financial situation or particular needs; and
- authorises the Company and its officers or agents to do anything on its behalf necessary for the new securities to be issued to it, including correcting any errors in its Application Form or other form provided by it and acting on instructions received by the Share Registry using the contact details in the Application Form.

1.7 Issues of securities

Any issue of securities under this Prospectus will occur on or about the Closing Date. Following this, holding statements will be sent to applicants as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the securities. Applicants who sell their securities before they receive their holding statement will do so at their own risk.

1.8 CHESS and issuer sponsorship

The Company operates an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These two sub-registers will make up the Company's register of shares.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for security holders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for security holders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of Shares allotted under this Prospectus and the Holder Identification Number (for security holders who elect to hold Shares on the CHESS sub register) or Shareholder Reference Number (for security holders who elect to hold their shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the Listing Rules and the Corporations Act.

1.9 Privacy disclosure

Persons who apply for securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for securities, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for securities will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company or the Share Registry.

1.10 Taxation

It is the responsibility of all investors to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. Neither Company or the Directors accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus.

2 Effect of the Offer

2.1 Capital structure

The effect of the Offer on the capital structure of the Company is set out below.

Security	Number
Existing Shares ¹	896,474,525
Shares offered under the Offer ²	100
Total Shares	896,474,625
Existing Options (unquoted) ³	19,285,715
Existing Options (quoted) ⁴	33,223,543
Fully diluted share capital⁵	948,983,883

Notes:

- 1 Includes the 75,466,018 Shares being issued on the date of this Prospectus. See section 1.2 for further information.
- 2 These Shares are being offered for the purpose set out in section 1.2.
- 3 This figure is comprised of the following unquoted Options:
 - 5,000,000 Options exercisable at \$0.09 on or before 21 June 2021; and
 - 14,285,715 Options exercisable at \$0.09 on or before 5 December 2019.
- 4 Each Option is quoted (ASX:AB1O), has an exercise price of \$0.07 and an expiry date of 7 September 2020.
- 5 This figure does not include any Shares or other securities that are issued after the date of this Prospectus and are not part of the Offer.

2.2 Control

The Offer is not anticipated to have a material impact on control (as defined by section 50AA of the Corporations Act) of the Company. No new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer.

2.3 Cash reserves

After paying expenses of the Offer of approximately \$10,000 (exclusive of GST), there will be no net proceeds from the Offer. The expenses of the Offer will be met from the Company's existing cash reserves.

2.4 Financial position

After paying for the expenses of the Offer of approximately \$10,000, there will be no proceeds from the Offer. The expenses of the Offer will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position, being receipt of funds of up to \$18 less expenses of the Offer of approximately \$10,000.

3 Risk factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the matters summarised in this section 3, which is not exhaustive, represent some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

3.1 Specific risks

3.1.1 Technology changes

There is a risk that, as marketable technologies continue to develop, there may be certain developments that supersede or render obsolete some of the existing products of the Company, which would negatively impact the Company's profitability. There is also a risk that potential errors or faults in the Company's technology could adversely impact on its customers' ability to use its products.

3.1.2 Government Policy and Regulation

Adverse changes in Government policy or laws (including with respect to blockchain technology and artificial intelligence) and non-compliance with law, taxation, interest rates and Government policies in Australia (at both Federal and State level), may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.

In addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies,

On 30 May 2019, ASIC released an updated Information Sheet 225: *Initial coin offerings and crypto-assets* which provides, among other things, that an Australian financial services licence (AFSL) is required to:

- issue crypto-assets (e.g. tokens) that are classified as a financial product (e.g. securities) under the Corporations Act; or
- give advice, deal or provide other intermediary services for crypto-assets that are classified as a financial product.

From time to time, the Company's business activities relate to crypto-assets. The Company does not hold an AFSL however it is aware of the regulatory requirements of the jurisdictions in which it operates and it will continue to closely monitor any developments in these requirements to ensure its continued compliance.

Further, on 1 August 2019, ASX released a compliance update which provides details regarding, amongst other things, how the Listing Rules, and in particular Listing Rules 3.1, 11.1 and 12.5, apply to entities proposing to engage in cryptocurrency-related activities. The Company is of the view that it has complied with the Listing Rules with respect to all prior crypto-related activities, including with respect to the issue of SAND utility tokens by the Company's wholly owned subsidiary TSB Gaming Ltd. The Company will continue to work closely with ASX with respect to any future crypto-related activity to ensure its ongoing compliance with the Listing Rules.

3.1.3 Acquisition Risk

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to the Company's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and user and supplier relationships.

3.1.4 Key contract risk

Some of the Company's revenue is derived under contracts with key customers. There is a risk that it may lose these contracts, which may be because of an inability to maintain its level of service or inability to react to new developments in the industry.

3.1.5 Proposed transactions

As set out in section 1.4, the Company is proposing to undertake various transactions however no binding agreements have been entered into in relation to the Proposed Transactions and there is no guarantee that the Proposed Transactions will ultimately proceed or prove to be successful for the Company.

3.1.6 Competition

The mobile app and gaming segment worldwide is highly fragmented and competitive, with many well capitalised incumbent competitors. There is a risk that the Company's performance may be affected by the level of competition in regions and industries in which it operates, which may result in margin reduction, reduced markets and loss of market share. In addition, the Company's prospects of growth may be adversely impacted as a result of industry competition.

3.1.7 Reliance on Key Personnel and Consultants

Whilst the Company has a small senior management team, its business plan of developing mobile games within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of key personnel or consultants. The resulting impact from such loss would be dependent upon the quality and timing of the replacement of such personnel or consultants.

Although the key personnel and consultants of the Company have a considerable amount of experience and have previously been successful in the mobile gaming industry, there is no guarantee or assurance that they will be successful in their objectives.

3.1.8 Financing

Whilst the Company has been increasingly generating revenue in the form of in-app purchases, it has historically been loss making and hence dependent on equity markets for working capital. There is no assurance that the Company will be able to raise capital when it is required or that the terms associated with providing such capital will be satisfactory to the Company, which may prejudice the Company's ongoing ability to fund its business.

3.2 Industry Specific Risks

3.2.1 Demand for Skilled Labour

In the mobile app and gaming industry, the need for technical staff is crucial as they possess the skills and knowledge in developing, localising and programming game codes and graphic designs which underpin mobile apps and games. The Company is continually seeking to recruit additional technical and support staff as the Company expands.

3.2.2 Credit Card Chargebacks

There is the constant risk to the Company that purchasers of 'in-app' virtual items may demand refunds from their credit card suppliers for 'in-app' purchases made, either fraudulently or otherwise. Any material increase in these demands (assuming refunds were then made by the credit card companies) would adversely affect the Company's revenues.

3.2.3 Market Risk

Although the mobile app market is an expanding global market expected to grow quickly, there is a constant risk that new technology is developed which is in direct competition with mobile apps. Mobile apps also currently compete with a variety of mediums and entertainment types. Should consumers elect to spend their time and money on forms of technology or entertainment other than mobile games, the Company's prospects and performance will be adversely affected.

3.2.4 Reliance of Third Party Providers

The Company's mobile apps are available through the Apple App Store and Google Play Store platforms (and other platforms) meaning that any change in the practices or provision of these platforms could have an adverse effect on the prospects and financial performance of the Company. There is also the risk that these platforms may suffer technical problems which could impact their ability to provide the Company's games to users and affect the performance of the Company. The Company can also give no guarantee that Apple and Google (or other platform providers) will continue to allow the Company's apps to be made available through their respective platforms. Any restriction on the Company's ability to distribute its games via these platforms would likely have a materially detrimental effect on the Company's business.

One of the Company's main sources of revenues is via 'in-app' purchases. These purchases are subject to commissions payable to the platform providers. Should the platform providers increase their commission rates, this would have the effect of increasing the Company's mobile app sale costs.

3.2.5 Mobile Apps and Games

The Company may not be successful in developing mobile apps and games which are attractive and are actually used or played by users (as applicable). This would obviously have an adverse effect on the Company's profitability and performance. The business model of the Company is dependent upon its ability to maintain and develop its existing mobile apps and games and to launch and market new mobile apps and games regularly. If the Company fails to maintain, develop and launch new apps and games, its revenues will likely decrease.

3.2.6 Data loss, theft or corruption

The Company stores data in its own systems and networks and also with a variety of third party service providers. Exploitation or hacking of any of these systems or networks could lead to corruption, theft or loss of the Company's data which could have a material adverse effect on the Company's business, financial condition and results. Further, if the Company's systems, networks or mobile games are subject to any type of 'cyber' crime, its games may be perceived as unsecure which may lead to a decrease in the number of users.

3.3 General risks

3.3.1 Reliance on key personnel

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant

extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

3.3.2 Future capital needs

Further funding may be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and consequently its performance.

3.3.3 Unforeseen expenditure

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

3.3.4 Changes in law

The Company may be affected by changes to laws and regulations (in Australia, Hong Kong, the People Republic of China, the United States and other countries in which the Company may operate) concerning property, the environment, superannuation, taxation and the regulation of trade practices and competition, government grants and incentive schemes, accounting standards, and other matters. Such changes could have adverse impacts on the Company from a financial and operational perspective.

3.3.5 General economic climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, and stock market prices. The Company's future revenues and securities price may be affected by these factors, which are beyond the Company's control.

3.3.6 Global credit and investment market

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Company's Shares trade regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

3.3.7 Share market conditions

The market price of the Company's securities may be subject to varied and unpredictable influences on the market for equities.

3.3.8 Force majeure risk

Events may occur within or outside the markets in which the Company operates that could impact upon the global and Australian economies, the operations of the Company and the market price of its securities. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially adversely affected if any of the events described above occurs.

3.3.9 Litigation

The Company may in the ordinary course of business become involved in litigation and disputes, for example with service providers, customers or third parties infringing the Company's intellectual property rights. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, customers or other stakeholders. Such outcomes may have an adverse impact on the Company's business, reputation and financial performance.

Refer to section 4.8 of this Prospectus for information regarding proposed litigation involving the Company.

3.3.10 Taxation

The acquisition and disposal of securities may have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors of the Company are urged to obtain independent financial advice about the consequences of acquiring securities in the Company from a taxation point of view and generally.

3.4 Speculative Nature of Investment

The above list of risk factors should not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. Shareholders should consider that an investment in the Company is speculative and should consult their professional advisors before deciding whether to participate in the Offer.

Whether or not future income will result from the Company's operations is dependent on the successful implementation of the Company's business plan to develop mobile games.

Factors including costs, consumer preferences and platform/marketing costs affect successful development. In particular, changes in global economic conditions (including changes in interest rates, inflation, foreign exchange rates and labour costs) as well as general trends in the Australian and overseas equity markets may affect the Company's operations and particularly the trading price of the Shares on the ASX.

Shareholders should consider that an investment in the Company is speculative and should consult their professional advisors. The Shares to be allotted pursuant to this Prospectus should be regarded as speculative in nature and carry no guarantee with respect to the payment of dividends, return of capital or their market value.

4 Additional information

4.1 Continuous disclosure

As the Company is admitted to the official list of ASX, the Company is a “disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Investors are encouraged to check and monitor any further announcements made by the Company to ASX prior to securities being issued under the Offer. To do so, please refer to the Company’s ASX announcements platform via www.asx.com.au.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a “transaction-specific” prospectus in respect of the Offer.

In general terms, a “transaction-specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

- it is subject to regular reporting and disclosure obligations;
- copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - the annual financial report of the Company for the financial year ended 31 December 2018;
 - any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC; and
 - all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

Other than as set out in Section 1.4, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules that investors or their professional advisers:

- would reasonably require for the purpose of making an informed assessment of:

- the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
- the rights and liabilities attaching to the securities the subject of this Prospectus; and
- would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX in respect of the Company since the Company lodged its annual financial report for the financial year ended 31 December 2018 on 1 April 2019.

Date	Title
16/08/2019	Mutual investment agreement with Versus Systems
14/08/2019	Response to ASX Query
08/08/2019	Reinstatement to Official Quotation
08/08/2019	Acquisition of Quidd & Strategic Capital Raise
07/08/2019	Voluntary Suspension
05/08/2019	Trading Halt
31/07/2019	Appendix 4C - quarterly
25/07/2019	Mobile game for MGM film The Addams Family Announced
23/07/2019	Additional LR 7.1A3 Information and Valuation Report
16/07/2019	Results of Annual General Meeting
27/06/2019	Becoming a substantial holder
27/06/2019	Acquires Gamma to boost blockchain and gamer audience
25/06/2019	Trading Halt
25/06/2019	Pause in Trading
20/06/2019	Acclaimed artist Kevin Abosch appointed creative director
19/06/2019	Letter from the chairman and co-founder
18/06/2019	Corporate Governance Statement
17/06/2019	Reinstatement to Official Quotation
17/06/2019	Crazy Defense Heroes for Android launches on Google Play
14/06/2019	Company Update - Outcome of Supreme Court Application

Date	Title
13/06/2019	Company Update - Supreme Court Application
13/06/2019	Appointment of John Madden as Financial Advisor
11/06/2019	Notice of Annual General Meeting/Proxy Form
07/06/2019	Company Update - Supreme Court Application
04/06/2019	Appendix 3B
04/06/2019	Cleansing Prospectus
23/05/2019	ICI: ICI, AB1 in Coop. Agrmt with 9Games, a unit of Alibaba
23/05/2019	Subsidiary The Sandbox receives \$3.6m investment
23/05/2019	Company Update - Suspension from Official Quotation
22/05/2019	Extension of Date for Annual General Meeting
16/05/2019	Quarterly Cash Flow Reporting
14/05/2019	Voluntary Suspension
10/05/2019	Trading Halt
06/05/2019	Acquires Leade.rs, expanding its Silicon Valley network
01/05/2019	Notice of Annual General Meeting/Proxy Form
01/05/2019	Partners with venture accelerator Brinc - esports initiative
29/04/2019	Invests in blockchain game developer Experimental
26/04/2019	Information on F1 Delta Time
18/04/2019	Strategy Update April 2019
18/04/2019	Appendix 3B
12/04/2019	Acquisition of award-winning game studio Skytree
08/04/2019	Appoints ex-MD of Sony as head of partnerships
04/04/2019	Reinstatement to Official Quotation
04/04/2019	Acquires Stryking (Football-Stars), closes capital raise
03/04/2019	Collaboration with MLB Champions developer Lucid Sight
03/04/2019	Suspension from Official Quotation
01/04/2019	Trading Halt
01/04/2019	Appendix 4G

4.2 Market price of Shares

The highest and lowest closing prices of Shares on the ASX during the 3 months preceding the date of this Prospectus, and the closing price on the trading day before the date of this Prospectus, are set out below.

High – 31 July 2019	Low – 21 June 2019	Last – 20 August 2019
\$0.205	\$0.14	\$0.18

4.3 Rights and liabilities attaching to Shares

The rights attaching to Shares are described in the Constitution and, to the extent applicable, are regulated by the Corporations Act, the Listing Rules and general law. The following is a summary of certain rights attaching to Shares.

4.3.1 Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every fully paid up Share held by them. In the case of a partly paid share, a fraction of a vote equivalent to the proportion which the amount paid up on that member's share bears to the total amounts paid and payable *excluding amounts credited) on that share.

4.3.2 Dividends

Subject to law and any special rights and restrictions attached to any Shares:

- the directors may declare and pay dividends as appear to them to be justified by the profits of the Company; and
- the person entitled to a dividend on a Share is entitled to:
 - if the Share is fully paid (whether the issue price of the Share was paid or credited or both), the entire dividend; or
 - if the Share is partly paid, a proportion of that dividend equal to the proportion which the amount paid on that Share bears to the total issue price of that Share. Any amounts credited without payment in money or other consideration being made to the Company and any amounts paid up in advance of the applicable due date for payment are ignored when calculating the proportion.

4.3.3 Winding up

If the Company is wound up and after payment of all debts and satisfaction of liabilities a surplus remains, it may be distributed amongst Shareholders entitled to it in proportion to the number of Shares held by each of them regardless of the amounts paid up on the Shares.

4.3.4 Further Increases in Capital

Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, ASX Settlement Operating Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors have the right to issue shares or grant options over unissued shares to any person and they may do so at such times as they think fit and on the conditions they think fit.

Such shares may have preferred, deferred or other special rights or special restrictions about dividends, voting, return of capital, participation in the property of the Company on a winding up or otherwise, as the directors think fit.

4.3.5 Variation of Rights

The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied:

- with the written consent of the holders of 75% of the shares of the class; or
- by a special resolution passed at a separate meeting of the holders of shares of the class.

4.3.6 Transfer of securities

Generally, the shares and options in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The Directors may decline to register any transfer of shares but only where permitted to do so under its Constitution or the ASX Listing Rules.

4.3.7 Sale of non-marketable holdings

The Company may take steps in respect of non-marketable holdings of shares in the Company to effect an orderly sale of those shares in the event that holders do not take steps to retain their holdings.

The Company may only take steps to eliminate non-marketable holdings in accordance with the Constitutions and the ASX Listing Rules.

4.3.8 Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.4 Director interests

Other than as set out below or elsewhere in this Prospectus, no existing or proposed Director holds at the date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to an existing or proposed Director to induce them to become, or qualify as, a Director or for services in connection with the formation or promotion of the Company or the Offer.

4.4.1 Remuneration

The cash remuneration (including superannuation) paid or to be paid to the Directors for the 2 years prior to the date of this Prospectus is set out below.

Director	Position	Financial year ended 31 December 2018	Current financial year ⁵
Yat Siu ¹	Non-Executive Chairman	Nil	Nil
Chris Whiteman ²	Non-Executive Director	\$25,883	\$25,000
David Brickler ³	Non-Executive Director	\$7,500	\$7,500
Holly Liu ⁴	Non-Executive Director	\$25,694	\$25,000

Notes:

- 1 Yat Siu was appointed as a Director on 24 December 2014 and to the position of Non-Executive Chairman on 27 September 2018. Yat is currently receives no fees for his role as Non-Executive Chairman.
- 2 Chris Whiteman was appointed as a Director on 25 June 2018. Chris is currently paid a fee of \$50,000 (including superannuation) per annum.
- 3 David Brickler was appointed as a Director on 24 December 2014. David is currently paid a fee of \$15,000 (including superannuation) per annum. The remaining \$7,500 payable to David Brickler for the financial year ended 31 December 2018 will be satisfied through the issue of 138,545 Shares, subject to Shareholder approval.
- 4 Holly Liu was appointed as a Director on 26 June 2018. Holly is currently paid a fee of \$50,000 (including superannuation) per annum.
- 5 These figures are calculated from the period from 1 January 2019 to 30 June 2019.

4.4.2 Securities

The securities in which the Directors and their associates have relevant interests in at the date of this Prospectus are set out below.

Director	Shares	Voting power ¹	Options ²
Yat Siu ³	62,573,561	7.62%	3,000,000
Chris Whiteman ⁴	-	0.00%	-
David Brickler ⁵	108,000	0.01%	-
Holly Liu ⁶	400,000	0.05%	200,000

Notes:

- 1 Figures are based on the total number of Shares on issue at the date of this Prospectus.
- 2 The Options have an exercise price of \$0.07 and an expiry date of 7 September 2020.
- 3 The Company has agreed, subject to Shareholder approval, to allow Asyla Investments Limited (an entity controlled by Yat Siu) to subscribe for 1,984,694 Shares on the same terms as other investors who participated in the placement announced to ASX on 25 January 2019, for a total subscription amount of \$194,500.
- 4 The Company has agreed to issue 475,711 Shares, subject to Shareholder approval, to Holly Liu in lieu of Directors' fees.
- 5 The Company has agreed to issue 138,545 Shares, subject to Shareholder approval, to David Brickler in lieu of Directors' fees.

6 The Company has agreed to issue 478,490 Shares, subject to Shareholder approval, to Chris Whiteman in lieu of Directors' fees.

4.5 Expert and adviser interests

Other than as set out below or elsewhere in this Prospectus, no expert, promoter, underwriter or other person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds, at the date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offer.

AGH Law has acted as the legal adviser to the Company in relation to the Offer. The estimated fees payable to AGH Law for these services are \$6,000 (exclusive of GST).

4.6 Consents

Each of the parties referred to below:

- does not make the Offer;
- has not authorised or caused the issue of this Prospectus;
- does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below.

AGH Law has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the legal adviser to the Company in relation to the Offer in the form and context in which it is named.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus and there are no statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

4.7 Offer expenses

The estimated expenses of the Offer (exclusive of GST) are set out below.

Item	Amount
ASIC fees	\$3,206
ASX fees	Nil
Legal fees	\$6,000
Printing, registry and other costs	\$794
Total	\$10,000

4.8 Litigation

As at the date of this Prospectus, the Company is not otherwise involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

5 Authorisation

21 August 2019

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and the issue of this Prospectus, and has not withdrawn that consent.

Signed for and on behalf of the Company.



Yat Siu
Chairman
Animoca Brands Corporation Limited

For personal use only

6 Definitions

AGM means the Company's annual general meeting that was held on 16 July 2019.

Application Form means the "Application Form" in the form accompanying this Prospectus pursuant to which a person may, by invitation from the Company, apply for Shares under the Offer.

Application Monies means the monies received from persons applying for Shares under the Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

Board means the board of Directors.

Business Day means a day on which banks are open for business in Perth, Western Australia excluding a Saturday, Sunday or public holiday.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the date that the Offer close being 5.00pm (WST) on 26 August 2019 or such other time and date as the Company determines.

Company means Animoca Brands Corporation Limited ACN 122 921 813.

Constitution means the constitution of the Company from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Listing Rules means the official listing rules of the ASX.

Offer means the offer of 100 Shares at an issue price of \$0.18.

Opening Date means the first date for receipt of applications under the Offer being 8.00am on 21 August 2019 (WST), or such other time and date as the Company determines.

Option means an option to acquire a Share.

Proposed Transactions means the Proposed Raising, Proposed Acquisition, Proposed Collaboration, Proposed License and Proposed Investment as set out in section 1.4.

Prospectus means this prospectus dated 21 August 2019.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of one or more Shares.

Share Registry means Security Transfer Australia Pty Ltd ACN 008 894 488.

WST means Western Standard Time, being the time in Perth, Western Australia.