



ASX Release

4 October 2018

## Animoca Brands secures collaboration agreement with Decentraland

### Highlights:

- Animoca Brands signs collaboration agreement with Decentraland to co-develop two games for the Decentraland platform
- Decentraland raised US\$26 million from its MANA token sale last year - powerful validation of the potential of blockchain games with ownership and reward characteristics
- Some of the highest profile global blockchain investors have invested in Decentraland including Barry Silbert's Digital Currency Group (DCG), Kenetic Capital, FBG Capital, CoinFund, and Hashed
- Decentraland is an Ethereum-powered, decentralized platform offering tools to let people create 3D content, games and applications
- Animoca Brands will provide relevant branded IP and game development expertise, and Decentraland will provide LAND parcels for hosting
- The Parties will conduct a mutual investment via a share and token swap equating to US\$0.5 million (about A\$0.7 million) each, with Animoca Brands shares and MANA tokens priced at a 14-day VWAP on signing (about A\$0.10 per share for Animoca Brands shares). The swapped shares and tokens will be subject to a 12-month escrow period
- Animoca Brands will assist in fast-tracking the development of utility for MANA tokens using its blockchain gaming development capabilities, extensive IP portfolio, and mechanisms to increase user engagement and revenue
- Decentraland's Genesis Content Program, a US\$5 million fund dedicated to supporting game development on Decentraland, will provide additional funding for the games co-developed by Decentraland and Animoca Brands
- Animoca Brands relationship with Decentraland will assist in raising funds for the upcoming *The Sandbox* token sale

Animoca Brands Corporation Limited (ASX:AB1, the "Company") is pleased to advise that it has entered into a collaboration agreement (the "Agreement") with Metaverse Holdings, Ltd, ("Decentraland") to co-develop two blockchain-based games for the Decentraland platform. As part of the Agreement, both companies will also undertake a mutual investment of US\$0.5 million (about A\$0.7 million), whereby Animoca Brands will make its investment in shares in exchange for the equivalent value in Decentraland's MANA utility tokens.

The number of shares to be issued will be calculated as A\$700,000 divided by a deemed issue price of approximately A\$0.10 each. The Company intends to issue the shares utilising its existing placement capacity under ASX Listing Rule 7.1.

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## Partner background

Decentraland is an Ethereum-powered, decentralised virtual worlds platform offering a suite of tools designed to help users create three-dimensional content, games, and applications. All content is hosted and accessed via a fully decentralised blockchain platform.

The traversable three-dimensional space of the Decentraland platform is divided into a finite supply of virtual parcels of land, each represented by a non-fungible token (“NFT”) called LAND. LAND tokens are purchased and managed through the Decentraland Marketplace.

In 2017, Decentraland issued an ERC-20 utility token called MANA for the purchase of goods, services, and LAND on the Decentraland platform. In its August 2017 MANA token sale, Decentraland raised US\$26 million. MANA, which has a market capitalisation of about US\$75 million and consistently has daily trade volume in the millions of dollars, is traded on all global exchanges including Binance, Bitfinex, UpBit, OKEx, and Huobi; each MANA is currently valued at approximately US\$0.073, about three times its ICO price.

Various high-profile global blockchain investors have invested in Decentraland including Barry Silbert’s Digital Currency Group (DCG), Kenetic Capital, FBG, CoinFund, and Hashed.

## Co-development of games

Under the Agreement, Animoca Brands and Decentraland will co-develop two games which will be hosted on and accessed through the Decentraland platform.

Animoca Brands will leverage its relevant branded intellectual property, development capabilities, and access to leading blockchain and AI talent to develop the games. Decentraland will contribute funding for the games through its Genius Content Program, a fund dedicated to supporting game development on Decentraland, and will also allocate a minimum of one LAND parcel to host and run each game.

## Mutual investment

To assist in facilitating development, Animoca Brands and Decentraland have initiated a mutual investment of US\$0.5 million (about A\$0.7 million), whereby Animoca Brands will make its investment in shares in exchange for the equivalent value in Decentraland’s MANA utility tokens.

This mutual investment will be conducted with prices based on the respective 14-day volume weighted average (VWAP) prices of Animoca Brands shares and MANA tokens as of the date of execution of the Agreement (about A\$0.10 per share for Animoca Brands shares). The swapped shares and tokens will be subject to a 12-month escrow period.

## Strategic rationale

The MANA token is a utility token which represents future access to Decentraland’s goods and services, and Animoca Brands believes it provides a significant opportunity for the company in terms of value creation and revenue potential.

Animoca Brands will assist in fast-tracking the development and popularity of Decentraland and MANA tokens, leveraging its global capabilities in blockchain game development, a rich

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portfolio of branded IP to create additional games aimed at larger audiences, and the potential to create NFTs with existing IP partners to increase user engagement and revenue.

Decentraland will help to provide additional funding for the games developed with Animoca Brands, through its Genesis Content Program, a US\$5 million fund dedicated to supporting game development on Decentraland, in addition to allocating LAND parcels to Animoca Brands to host and run these new experiences.

### **Management commentary**

Yat Siu, co-founder and chairman of Animoca Brands, commented: “We are excited at the opportunity to build products on Decentraland, one of the leading virtual worlds powered by blockchain. We believe that Animoca Brands can develop fun and engaging experiences that will add value and utility to Decentraland’s remarkable ecosystem. Both companies share the same vision of a decentralized future driven by non-fungible tokens, and we are looking forward to creating such experiences.”

Ari Meilich, the Decentraland project lead, said: “We [Decentraland] first met Animoca Brands co-founder Yat Siu after inviting him to participate as a keynote speaker at the NIFTY conference in Hong Kong. Through our conversations, we discovered a lot of affinity with our own vision for how the blockchain will transform the gaming industry through tradable, virtual goods. Combining Animoca Brands’ expertise and ability to bring household-name IP into games with a virtual world like Decentraland is a great step forward for this nascent industry.”

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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 +](#).

### **About Decentraland**

[Decentraland](#) is being built by Metaverse Holdings, Ltd., which was formed in the fall of 2017. Its mission is to create a virtual world owned by its community. Built on top of the Ethereum blockchain, Decentraland makes it possible for individuals, brands, and studios to develop rich, interactive 3D content hosted on a decentralized platform.

The traversable 3D space of the Decentraland platform is divided up into a finite supply of virtual parcels of land, each represented by a non-fungible LAND token that can be purchased and managed using the Decentraland Marketplace. The initial funding for Decentraland was raised through an initial auction of these LAND parcels in the winter of 2017, amounting to US\$26 million. By dividing the virtual world into these immutable parcels, Decentraland gives its users full control over their own digital space, assets, and experiences. For more information, visit the [Decentraland Blog](#), or follow them on [Twitter](#).

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