



ASX Release

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## Animoca Brands acquires Pixowl, developer of *The Sandbox* game for mobile and blockchain

### Highlights:

- Animoca Brands to acquire 100% of independent mobile game company Pixowl, Inc., for an upfront consideration of US\$4.875 million (A\$6.65 million), of which US\$519,512 (about A\$709,133, or 10.7%) is cash and the rest is in shares, with a lock-up period of up to 24 months
- Pixowl is an independent mobile game company focused on world builder games, with a portfolio that includes *The Sandbox*, *Peanuts: Snoopy's Town Tale*, *Garfield: Survival of the Fattest*, and *Goosebumps HorrorTown*
- Pixowl generated US\$1.8 million (A\$2.46 million) revenue in the first half of 2018
- *The Sandbox* is among the world's largest independent user-generated content platforms and gaming ecosystems, with 40 million downloads and over one million monthly active users
- Pixowl is developing a blockchain version of *The Sandbox*, considered one of the most anticipated blockchain games globally, and will leverage the capabilities of Animoca Brands and partners like HTC and Dapper Labs (*CryptoKitties*)
- Pixowl will launch of the world's first marketplace for user-generated non-fungible tokens (NFTs), where players will trade game assets
- Pixowl's games portfolio includes major brands: Snoopy, Goosebumps, The Loud House, WonderPark, and Garfield.
- Ed Fries, the creator of Microsoft Game Studios and co-founder of the Xbox project, is a special advisor to Pixowl and *The Sandbox*, and will continue his advisory role after the Acquisition
- The Acquisition provides significant synergy and strategic value for gaming and blockchain development
- Pixowl's highly experienced team will enhance Animoca Brands' operational base and mobile/blockchain development capability

Animoca Brands Corporation Limited (ASX:**AB1**, the "**Company**") is pleased to announce that it has entered into a Share Sale and Purchase Agreement (such purchase, the "**Acquisition**", and such agreement, the "**SPA**") to acquire 100% of the issued capital in Pixowl, Inc., ("**Pixowl**") for a total upfront consideration of US\$4.875 million (A\$6.65 million), of which US\$519,512 (A\$709,133, or 10.7%) is cash and the rest payable in fully paid ordinary shares of Animoca Brands at a valuation of A\$0.079 per share.

Pixowl is an independent mobile game company headquartered in San Francisco, USA, with development studios in Buenos Aires, Argentina. Pixowl is focused on developing and publishing world builder games, the largest of which is the original intellectual property *The Sandbox*.



Pixowl generated US\$1.8 million (A\$2.46 million) in revenue in the first half of 2018 and holds cash equivalents of approximately US\$420,000 (A\$573,300) as of 30 June 2018. Pixowl is cash flow positive.

*The Sandbox*, available for iOS and Android devices, is a 2D pixel-based world creation game that is among Pixowl's most successful titles. *The Sandbox* is one of the world's largest independent user-generated content platforms and gaming ecosystems, with 40 million downloads and over one million monthly active users (MAU) who create approximately 100,000 new worlds and 25,000 new world elements every day.

Pixowl recently announced it is developing a version of *The Sandbox* for blockchain, expected to launch in 2019. The first milestone in late 2018 will be the launch of the world's first marketplace for user-generated non-fungible tokens (NFTs), where players will trade game assets and monetise the time and effort they have invested playing. The blockchain version of *The Sandbox* has been named one of the top 10 most anticipated blockchain games in the world (source: BlockchainGamer.biz, 4 July 2018).

*The Sandbox* is preparing a highly anticipated ERC-20 token sale to fund the launch of the blockchain version of *The Sandbox* and of its free and open decentralized marketplace for voxel creators and world builders (the token sale is a pre-sale for "SAND" tokens that will serve as the main currency in the blockchain version of *The Sandbox*).

In addition to *The Sandbox*, Pixowl has other successful mobile titles in its portfolio that align well with Animoca Brands' strategy, including both original and licensed brand titles like *Peanuts: Snoopy's Town Tale*, *Garfield: Survival of the Fattest*, and *Goosebumps HorrorTown*. Two additional titles featuring popular brands *The Loud House* and *WonderPark* are in development and scheduled for launch later in 2018 and 2019.

Ed Fries, the creator of Microsoft Game Studios and co-founder of the Xbox project, is a special advisor to Pixowl and will continue his advisory role on *The Sandbox* after the Acquisition.

The Acquisition enhances the Company's operational base and mobile development proficiency, providing an experienced development team that will help to lower the Company's average operational costs while increasing its capabilities, including in the area of blockchain development.

Both the founders of Pixowl and the management of Animoca Brands believe that the Acquisition provides significant synergies and strategic value.

Yat Siu, co-founder and director of Animoca Brands, commented: "Our acquisition of Pixowl provides powerful strategic and operational synergies with Animoca Brands. Pixowl's experienced developers will significantly increase our development capabilities. Its founders are highly respected game industry veterans who have developed multimillion dollar franchises. We believe the blockchain version of *The Sandbox* has incredible potential. Pixowl



shares our vision of blockchain gaming, NFT's, and games as a platform. Like us, it has a number of world-renowned brand licenses, including Snoopy and Goosebumps. We look forward to utilising the many opportunities for growth conferred by this acquisition.”

Arthur Madrid, the CEO and founder of Pixowl, commented: “Animoca Brands is a perfect fit for Pixowl and we are happy to add our brand relationships to its portfolio while accelerating growth for our key IP, *The Sandbox*, with a new 3D version that will integrate blockchain technology and demonstrate our vision of a next-generation User Generated Content gaming ecosystem.”

### **Additional transaction details**

The number of fully paid ordinary shares in Animoca Brands payable as consideration in the Acquisition is limited to a maximum of approximately 75.9 million shares, subject to lock-up for a period of up to 24 months. In addition to this consideration, Pixowl shareholders will be eligible to participate in a bonus pool of shares, equal to approximately 11.65 million Animoca Brands shares, to be paid out depending on the proportion of shares that such shareholders have held through the end of the lock-up period. Per the terms of the SPA, founders Arthur Madrid and Sebastien Borget will each receive a signing bonus of US\$100,000 (A\$136,500) on completion. The Acquisition is expected to be completed by 30 September 2018, subject to shareholder approval at the Company's next Extraordinary General Meeting.

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### **About Animoca Brands**

Animoca Brands (ASX: AB1) publishes and develops a broad portfolio of mobile games and subscription products including games such as *Crazy Kings*, *Crazy Defense Heroes* as well as products based on popular intellectual properties such as Garfield, Thomas & Friends™, Ever After High and Doraemon; in addition, Animoca Brands is the exclusive China distributor of *CryptoKitties*. The Company is based in Hong Kong 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 PixOwl**

Pixowl, Inc. is a mobile game company founded in 2011 and headquartered in San Francisco, CA, with development studios in Buenos Aires, Argentina. Pixowl's experienced international team of dynamic innovators strives to meet and exceed the desires of mobile game players worldwide by blending exciting gameplay, comic book art, and character-driven storylines.

With the success of its iOS and Android games, *The Sandbox*, *Peanuts: Snoopy's Town Tale*, and *Goosebumps HorrorTown*, Pixowl has already established itself as a leader in casual mobile games. For more information about Pixowl, please visit [www.pixowl.com](http://www.pixowl.com) or friend and follow them on [Facebook](#) and [Twitter](#).