



How Animoca Brands leverages private market trading to build the Metaverse



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Introduction

When Animoca Brands (**Animoca**) was faced with being delisted from the ASX in **March 2020** it seemed like its most likely path to success had evaporated.

A major source of funding and liquidity disappeared overnight and the founders faced a difficult outlook for the nascent digital entertainment, blockchain and gamification business.

Fast forward to **2022** and Animoca has reached Unicorn status many times over with a market cap high on PrimaryMarkets in excess of **A\$7B**.

Find out how Animoca bounced back after delisting from the **ASX at A\$120M** market cap and an A\$0.18 share price by leveraging the potential of private markets to reach global success.



Who is Animoca Brands?



Animoca Brands, the global leader in digital entertainment, blockchain and gamification, was founded in 2014 by Yat Siu.



Animoca Brands has built an ever-increasing galaxy of the most popular and widely played blockchain and Web 3 games.



The Company has amassed a large portfolio of over 340 investments on its mission to advance digital property rights and build the metaverse.



By leveraging blockchain's popularity, traditional games and global brand names like Disney and Power Rangers, Animoca has fast become the leader in the metaverse.



When did Animoca Brands delist from the ASX?

- ✓ On the 18th December 2019 the ASX issued a letter to the Company detailing what they believed to be breaches of its listing rules. ASX believed that some elements of the Company's business displayed "involvement in cryptocurrency related activities".
- ✓ At the time of the decision Animoca shares were trading at **A\$0.18** with a market capitalisation of circa **A\$120M**.
- ✓ Animoca delisted from the ASX in March 2020 facing the uncertainty of growing its business as a private company.

Delisting left Animoca Brands facing an unclear path to reaching its full potential



No shareholder liquidity

Shareholders invested assuming they could trade their shares on the ASX at any time, but with the Company delisted from the ASX this liquidity was lost. Shareholders can lose trust in their investment when they cannot easily find an exit.



Loss of market coverage

Without an ASX listing, investor interest in a company can be dramatically reduced and a company loses a key promotional channel through which to engage the market and to source new investors. Historically, investors in private unlisted companies face an uphill battle accessing liquidity when needed and can become reluctant to invest in more private companies, instead sticking to the public markets.



Less access to new capital

A private unlisted company generally faces more difficulty in raising new funds compared to publicly listed companies. With this channel of funding not available a private unlisted company can face a more uncertain future.

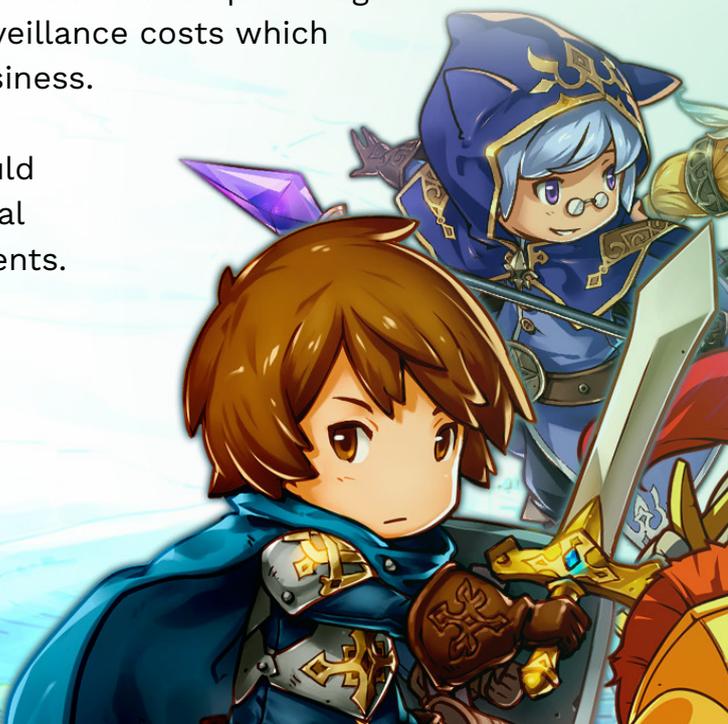


Unlisted company devaluation

An illiquidity discount is usually applied when valuing unlisted companies. Consequently, delisted stocks generally reduce in value such that shareholders lose some investment value.

What options did Animoca have after delisting from the ASX?

- ✓ Relist on another public market that would accept its innovative blockchain-based business model:
 - e.g. NYSE, TSX, HSEX, NASDAQ – this is expensive and requires high listing fees, additional compliance and surveillance costs which distract management from running the business.
 - Under publicly listed scrutiny Animoca would need to continuously comply with additional disclosure and strict governance requirements.
- ✓ Organise secondary trading on an alternative platform (such as PrimaryMarkets), including facilitating employee share trading.



Why Animoca chose PrimaryMarkets?

In July 2020 Animoca chose to begin private trading of its securities on the PrimaryMarkets Platform.

PrimaryMarkets offered many benefits for Animoca that would allow it to regain many of the benefits of a public listing, without the added burden of meeting restrictive ASX Listing Rules that aren't set up to support innovative companies in many instances.



Flexibility of a private market platform

Animoca had difficulties convincing traditional exchanges, such as the ASX, about its products and market offering. By choosing PrimaryMarkets, Animoca could continue to build its innovative businesses and facilitate trading without the added distraction imposed by a major exchange.

Shareholder Liquidity

PrimaryMarkets gives all shareholders of private unlisted companies the liquidity alternative they need. This means investors feel more confident about their stake in the company with the ability to trade on Australia's number 1 Trading Platform for unlisted securities.

Access more capital

PrimaryMarkets has attracted new investors, including from world leading PE Firms, Family Offices and large institutional investors.

Wide promotion opportunities

110,000+ global investors gives private unlisted companies the opportunity to continue to reach a diverse investor base. PrimaryMarkets gives ongoing promotion to its Platform companies across multiple channels that gives Animoca the reach it lost when it was delisted.

Full trading functionality with controls

PrimaryMarkets' Trading Platform offers everything Animoca needs to facilitate secondary trading, plus the ability to set its own trading rules that benefit shareholders and the company. PrimaryMarkets maintains independent, transparent expertise and escrow services that enable Animoca's shares to remain liquid.





“...[We] create true ownership of these assets...
If I could have ownership, I’ll pay for it and pay more value
for it. Every person who plays blockchain gaming has
ownership... You’re invested in it.”

- Yat Siu | Founder & Chairman, Animoca Brands

What happened after Animoca listed on PrimaryMarkets?



Share Price Growth:

From A\$0.07 to over A\$4.50 - a 2,800% increase since first listing on PrimaryMarkets



Turn fans into investors:

Ability to tap its popularity by giving followers the ability to directly invest via PrimayMarkets



Unicorn status:

Reached A\$1B in May 2021 and reached A\$7B in January 2022



Active private trading:

PrimaryMarkets has successfully traded over A\$180M in Animoca shares



Global Profile:

Significant following from global PE Firms, Family Offices, sophisticated and institutional investors and fund managers

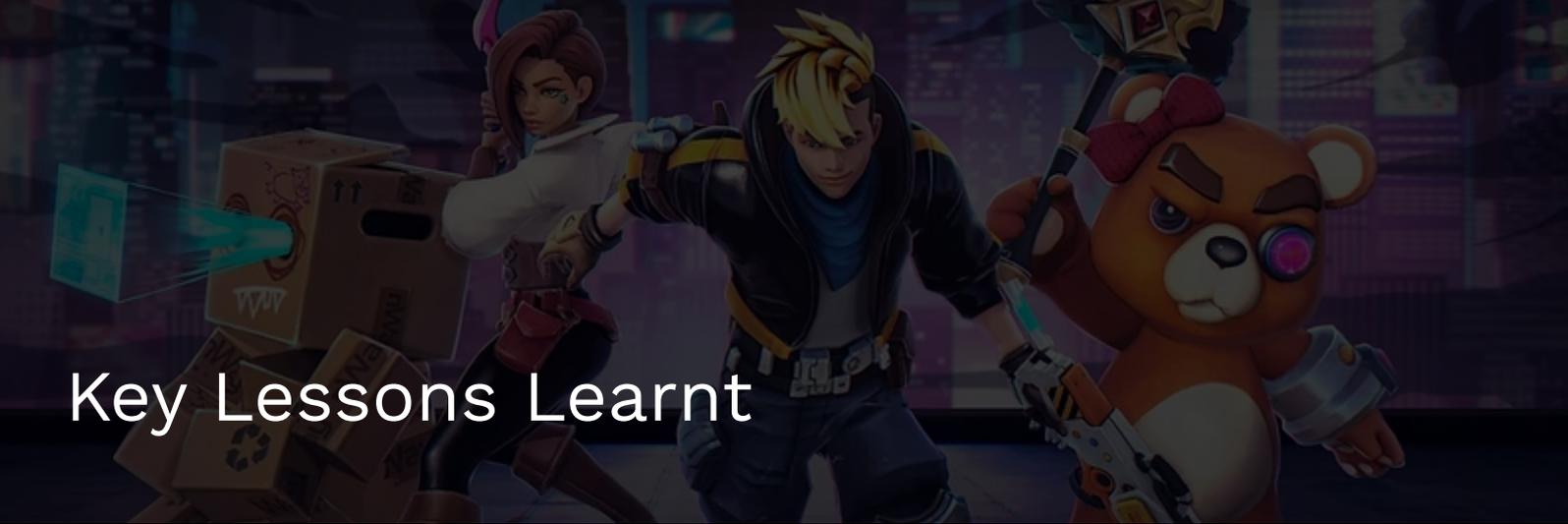


New Investor Networks:

Able to access PrimaryMarkets 110,000+ global investor network

Since listing on PrimaryMarkets
its share price has grown 2,800%





Key Lessons Learnt



Building liquidity for shareholders, while remaining private, benefits companies and shareholders

- Companies gain the confidence of new investors by facilitating an exit opportunity for them.
 - Companies can still build shareholder value in a similar way to public companies by engaging with the market and enticing new investors.
-



Provide new investors with reassurance

By delivering trading visibility with clear independent market depth, you offer transparency, reassurance and price discovery.



Promote your company to global sophisticated investors

Access to sophisticated, institutional and family office investors through PrimaryMarkets Platform gives private unlisted companies a wide network of new funding optionality.



Continue to build your company's profile

Delisting from the ASX does not mean a company is operating completely “in the dark”. PrimaryMarkets offers ongoing promotion and regular market updates to its 110,000+ global investor network plus promotion via its website and ever-increasing digital media.



Global investor diversification

There is no need to limit a company to one geographic location where the selected stock exchange operates. PrimaryMarkets facilitates international trading and new capital raisings with its global investor base.



Turn your biggest fans into investors

Companies with a wide shareholder base, large clientele and innovative practices can leverage their popularity to entice new investors without the burdens of a public listing.

Results



Global Metaverse NFT
gaming company



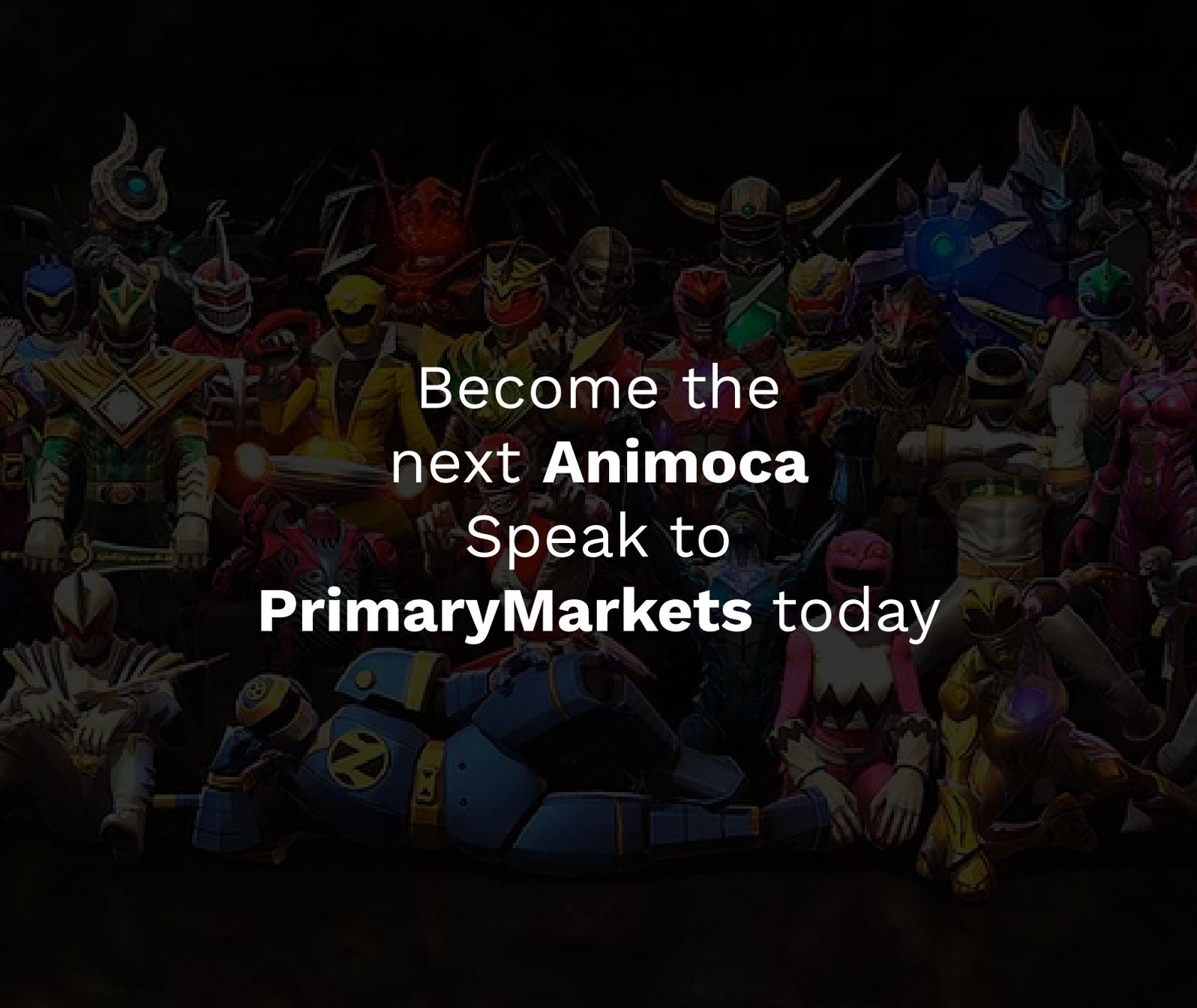
Listed at \$100M in 2020.
Trading high of \$7B



Unicorn Trading
status reached



Trading Volume in
1 year – \$180M



Become the
next **Animoca**
Speak to
PrimaryMarkets today

Sign up now

for a free account at
www.primarymarkets.com

