



Market Announcement

20 November 2019

Attached for the information of the market is ASX's query letter to Animoca Brands Corporation Limited (ASX:AB1) dated 13 September 2019 and AB1's response dated 18 November 2019.

ASX's enquiries are ongoing. AB1's securities will remain suspended until further notice.

November 18, 2019

Ms Maria Clemente
Adviser, ASX Listings Compliance
ASX Compliance Pty Ltd

By email

Dear Ms Clemente

Refers to the ASX Query Letter of 13 September 2019

Animoca Brands Corporation Limited ACN 122 921 813 (ASX:AB1) (Animoca Brands, AB1, or the Company) refers to your email dated 13 September regarding the ASX query letter relating to the Company's half-year report for the period ending 30 June 2019.

Detailed below are numbered responses provided in-line to the ASX questions, which are shown in bold italic text. Enclosed with this message are supporting materials provided on a confidential basis, and not intended for public use.

1. Does AB1 consider the information regarding its revenue and cash flows in the Half Year Report to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Yes.

2. If the answer to question 1 is 'no', please explain the basis for that view.

Not applicable.

3. If the answer to question 1 is 'yes':

(a) When did AB1 first become aware that each of the following downward revisions were required to be made to the unaudited revenue figure of \$13m:

(i) the reclassification of \$1.8 million as unearned revenue under AASB 15;

The Company was in continual discussions with the auditors throughout the conduct of the half year review to reach a position on the ability of revenue to be recognised. The position was finalised following significant technical consultation and was presented to the Company's management on 28 August 2019, while working with auditors to finalise the half year review. The reclassification amount of \$1.8 million was confirmed on 30 August 2019.

(ii) the reclassification of \$1.4 million as other financial liabilities (SAFE agreements)

The Company was in continual discussions with the auditors throughout the conduct of the half year review to reach a position on the ability of revenue to be recognised. The position was finalised following significant technical consultation and was presented to management on 28 August 2019, while



work was ongoing with auditors to finalise the half year review. The reclassification amount of \$1.4 million was confirmed on 30 August 2019.

(iii) the reclassification of \$808,000 as an offset against R&D and marketing

The Company became aware of this issue on 22 August 2019, when we received proposed half year review adjustments for Animoca Brands Limited from Grant Thornton in Hong Kong. The Company finalized this with Grant Thornton (the group auditors) on 30 August 2019.

(iv) other reclassification totalling \$701,000

The Company became aware of this issue on 22 August 2019, when we received proposed half year review adjustments for Animoca Brands Limited from Grant Thornton in Hong Kong. The Company finalized this with Grant Thornton (the group auditors) on 30 August 2019.

Revenues

Background

A number of highly technical issues emerged at the end of the AB1 2019 half-year reporting process that impacted accounting for revenues. These issues emerged throughout the review and came to a head during the week immediately prior to the release of the 2019 half-year report.

On 6 June 2019, the Company and its auditors, Grant Thornton ("GT"), held very preliminary discussions on the accounting for revenues under AASB 15 *Revenue from contracts with customers*. A number of contracts in relation to the SAND TOKEN PURCHASE and SAFE Agreements ("TOKEN and SAFE Agreements") between Pixowl Inc controlled entity, TSB Gaming Ltd, and its investors had been reviewed by GT, with general agreement was that the proceeds from the TOKEN and SAFE Agreements would constitute revenue.

On 26 July 2019, GT requested further analysis regarding the TOKEN and SAFE Agreements and SAND subscription agreements. Analysis on the following issues were performed: 1. whether The Sandbox platform had been fully delivered as at the balance date; 2. whether development costs should be capitalised; and 3. the valuation of the SAND tokens on hand and available for sale. The Company had not capitalized the development costs, and the tokens on hand (not sold) were valued at NIL. There was no written correspondence between the Company and GT regarding this topic, other than a recommendation for the Company to undertake further analysis, as no accounting considerations had been documented.

Analysis by AB1 indicated that the SAFE Agreements contained an embedded derivative and thus required consideration not only under AASB 15 but also AASB 9 *Financial instruments*. Quantifying the embedded derivative became a difficult exercise, with the Company applying estimates and judgments under AASB 108 *Accounting policies changes in estimates and errors*.

The Company took a conservative position, which GT agreed was prudent, and noted a single contract in which one of the subscribers to the SAND token issue did not request an attaching equity/liquidity event (SAFE), and this contract formed the basis for valuing the embedded derivative in all other contracts.



The recognition of a revenue component within the TOKEN and SAFE Agreements was later determined under AASB 15 following discussions with the management of Pixowl Inc and its wholly owned subsidiaries, TSB Gaming Ltd and Pixowl SA. The discussions identified that The Sandbox platform required further development. As such, the performance obligation was not satisfied for revenue recognition for the half-year to 30 June 2019 as determined under AASB 15.

Awareness of the issues

On 28 August 2019, the Company and GT agreed to a position on recording the TOKEN and SAFE Agreements, but the Company continued to examine matters raised by GT. On 30 August 2019, the Company provided GT with further analysis that showed that the unearned revenue was potentially understated. GT reviewed the work undertaken by the Company and agreed with the analysis. As a result, unearned revenue was increased and the embedded derivative was reduced.

The accounting literature on financial instruments and revenue recognition is voluminous: EY has produced a 528-page document on financial instruments and a 333-page document on the application of AASB 15. The analysis of this issue took significant time to complete and review thoroughly across the Animoca Brands group.

On August 28, 2019, the staff responsible for preparation of the half-year report reclassified as reductions in costs (pursuant to AASB 15) certain contracts that had been initially managed as service revenue.

These contracts related to a transaction whereby the counterparty paid the Company a licensing fee for the exclusive right to develop and distribute in China the Android and web versions of a new product. The Company desired to distribute these versions of the product outside of China, and thus agreed to pay the counterparty's related development and localization costs.

Table 1 sets out the adjustments made to revenue which emerged during review of the 2019 half-year results.



Table 1
Revenue Adjustments

**Reconciliation of revenues as per Appendix 4C
with Statement of profit or loss and
comprehensive Income** **A\$000s**

Revenues from In-app purchases, advertising, services and token sales	13,000
less Revenue reclassified as unearned revenue under AASB 15	(1,813)
less Revenue reclassified as other financial liabilities arising from an embedded derivative	(1,384)
less Revenue reclassified as an offset against research and development and marketing	(808)
less Revenue received on behalf of iCandy	(332)
less Revenue reclassified as other income	(235)
less Revenue subject to other reclassifications	(134)
Revenue from operating activities as per Statement of profit or loss and other comprehensive Income	8,294

Management response

The above Table was prepared whilst the preparation of the half-year report was underway as the Company considered the adjustments as material and requiring an explanation. As shown in the background to the revenue recognition issues, these issues emerged progressively as the analysis was undertaken.

(b) ASX notes the following discrepancies between cash flow figures for the half year ended 30 June 2019 in the Appendix 4C and the Half Year Report:

	Appendix 4C	Half Year Report
Net cash from/(used in) operating activities	\$2,858,000	(\$208,794)
Net cash from/(used in) investing activities	(\$8,454,000)	(\$7,177,084)
Net cash from/(used in) financing activities	\$8,448,000	\$10,497,457



Cash balance	\$10,154,000	\$10,443,673
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The Company prepared the Appendix 4C based on an unaudited/unreviewed group consolidation which was later found to be incomplete.

When did AB1 first become aware that the classification of several items in the statement of cash flows in the Half Year Report would differ from the Appendix 4C?

Net cash from / (used in) operating, investing and financing activities: AB1 became aware that the classification of these items in the Half Year Report would differ from Appendix 4C on 31 August 2019, as we were in the process of finalising the interim review with our auditors.

Cash balance: bank statements of TSB Gaming Ltd were provided to the Company on the evening of 29 August 2019. The cash balance was adjusted accordingly on 31 August 2019 based on this new information.

Cash flows

Background

Pixowl Inc and its controlled entities in Argentina and Malta experienced difficulty in preparing financial information for the half-year. As a result, the staff responsible for the half-year report worked with Australian and US auditors as well as the accounting staff of the newly acquired entity to prepare financial statements under Australian equivalents to International Financials Reporting Standards.

Pixowl Inc and its wholly owned subsidiaries, TSB Gaming Ltd and Pixowl SA were private entities that maintained records on a cash basis. Therefore, Pixowl's accounting staff had limited exposure to IFRS.

Awareness of the issues

A process was agreed with both Australian and US auditors. Financial statements for the half-year were completed for Pixowl Inc and its wholly owned entities, TSB Gaming Ltd and Pixowl SA on 29 August 2019. The Company and its Australian and US auditors held weekly (and, towards the end of the completion of revised accounts, twice-weekly) conference calls to ensure that every aspect of materiality was addressed.

There were misallocations in the financial statements of Pixowl provided for the calculation of cash flows for the Appendix 4C. The Company, however, believes that what was included in the Half Year Report's consolidated statements of financial position, comprehensive income, and cashflows for Pixowl Inc and its wholly owned entities, TSB Gaming Ltd and Pixowl SA were compliant with Australian equivalents to International Financial Reporting Standards in every aspect and to the best of the Company's knowledge.

The accounts of Pixowl Inc and its wholly owned entities, TSB Gaming Ltd and Pixowl SA had exchange differences to account for under AASB 121 *The effects of changes in foreign exchange rates*.



There were other classification issues which resulted from the matters raised in Question 1A, and additional audit requests for refinements which impacted the presentation of financial information in the consolidated statement of cash flows.

Management response

The consolidation process completed over the weekend of 31 August 2019 generated the identification of a series of adjustments which impacted internal reports as well as the cash flow figures previously released to the ASX with the Appendix 4C.

Table 2 sets out in detail a reconciliation of operating cash flows in the Half Year Report and operating loss before tax. The Company was concerned with the material differences arising from the completion of the half-year report and requested accounting staff to prepare tables such as those set out in this response.

Table 2

ANIMOCA BRANDS CORPORATION LIMITED
Reconciliation Loss before Tax with Operating Cash Flow

	A\$000s
Operating loss before tax	-7,255
add back Amortisation of intellectual property	1,338
Depreciation of property plant and equipment	270
Exchange fluctuation on cash balances	330
Interest expense	48
less Interest income	-255
Gains on digital assets	526
Provisions	-48
<i>Assets that impact cashflows</i>	
less Movement in trade receivables	-402
<i>Liabilities that impact cashflows</i>	
add back Milestone payments	712
Movement in financial liabilities	29
Movement in trade payables	4,498
Operating cash flows as per statement of cash flows	-209

Table 3 reconciles operating cash flows in the Appendix 4C with the Operating Loss before tax.



Table 3
ANIMOCA BRANDS CORPORATION LIMITED
Reconciliation Loss before Tax with Operating Cash Flow

		A\$000s
	Operating cash flows as per Appendix 4C (adjusted for tax)	2,940
less	Adjustments to revenue recognition	
	Cash received on behalf of iCandy	-332
	Movement in trade receivables	-402
	Reclassification of receipts as other financial liabilities arising from embedded derivative instrument	-1,384
	Reclassification of receipts as R&D and marketing	-808
	Other	-219
	Unearned revenue	-1,813
		-4,958
	<i>Items of revenue that did not involve cash receipts recorded in the profit or loss and not the cash flow</i>	
add	Gains on digital assets	526
	Interest income receivable	255
	<i>Items of expense that did not involve cash payments recorded in the profit or loss and not cash flow</i>	
less	Amortisation of intellectual property	-1,338
	Depreciation of property plant and equipment	-270
	Exchnage fluctuations on cash balances	-330
	Interest expense	-48
	Staff costs based on accrual accounting which includes share-based entitlements and provisions	-1,369
	Marketing expenses	-1,147
	Research and development costs	-1,314
	Other items	-202
	Loss before tax in statement of comprehensive income	-7,255

Table 4 sets out the impact of disclosure of the SAFE as a financing transaction rather than an Operating Cash flow transaction as at balance date.

Table 4



ANIMOCA BRANDS CORPORATION LIMITED
Reconciliation Appendix 4C and Operating Cash Flows

A\$000s

Operating cash flows as per Appendix 4C (adjusted for tax)		2,940
Adjustments to revenue recognition impacting disclosure on operating cash flows		
less	Reclassification of receipts as other financial liabilities arising from embedded derivative instrument	-1,384
	Unearned revenue	-1,813
		-3,197
Adjustments to cash outflows for transactions not involving cash flows		
	Interest expense under AASB 16 not impacting cash flows	48
Operating cash flow as per Statement of Cash Flows		-209

Auditors' response

The restricted timeframe for the completion of the half-year report meant many adjustments were undertaken to the accounts by way of e-mail correspondence and follow-up conference calls.

Steps underway for implementation of improvements

The Company developed a half-year reporting timetable; however, it found its controlled entities were unable to respond to the auditor's requests for information as GT set an extensive list, based on international auditing standards, of documents that took significant time to satisfy. The dramatic growth of the Animoca Brands group increases the need for standardisation of the financial information required by each controlled entity. The Company intends for this reporting harmonisation to be introduced before the end of the financial year. It is scheduling an accounting conference for Company subsidiaries' accountants to confirm the revised management reporting and financial reporting procedures.

The Audit & Risk Committee regards its role with utmost importance to enhance the quality of financial reporting and disclosure.

- (c) If AB1 first become aware of any of the revisions or reclassifications listed in (a) and (b) above prior to 2nd September 2019, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe AB1 was obliged to release the information under listing rules 3.1 and 3.1A and what steps AB1 took to ensure that the information was released promptly and without delay.**

Audit adjustments were confirmed and finalised on Saturday 31 August 2019 and the ASX was informed on the next business day, being 2 September 2019, which was the earliest possible time for releasing this information.



- (d) ***Please provide the relevant correspondence from AB1's auditors in relation to each of the adjustments listed in (a) and (b) above (not for release to the market).***

Refer to Picture 1 and 2 enclosed separately (provided on a confidential basis).

4. Please provide the following information for each of the digital assets details in Note 10 to the Half Year Report:

- (a) Number of coins/tokens issued to or received by AB1.***
- (b) Date/s of issue or receipt.***
- (c) Value of the coins/tokens on the date they were issued to or received by AB1.***
- (d) Number of coins/tokens sold or otherwise disposed of by AB1 to date (if any) and the net amount received by AB1 for the disposal.***
- (e) Number of remaining coins/tokens held by AB1 at 30 June 2019.***
- (f) The market value of the coins/tokens held by AB1 at 30 June 2019 (identifying the source of the market price and any exchange/s upon which the coins/tokens (other than BTC and ETH) are listed).***
- (g) The current market value of the coins/tokens held by AB1.***

Please also provide this information (with the exception of (e) and (f)) for any digital assets that have been issued to or received by AB1 subsequent to 30 June 2019.

Refer to Annexure 1

5. In the 15 October 2018 announcement, AB1 stated that it 'will exchange US\$250,000 (approximately A\$350,000) of the Company's shares in return for an equivalent amount in Harmony tokens.'

In light of this, please clarify why the value (at costs) of Harmony (ONE) tokens were recorded at \$1,752,579.

Pursuant to an Addendum dated 28 June 2019, an additional 51,396,535 ONE Tokens were paid to AB1 for services rendered in integrating ONE Tokens in the Company's WalletPet product as part of the course of business for the WalletPet product

6. An escrow period of 24 months applies to AB1's holdings of tokens in Harmony, Datum, LikeCoin, Musicoin, OST and I-House.

In light of this, please explain why AB1 holds its Harmony (ONE) tokens at cost 'due to a lock up period on its trading' but has valued its holdings of Datum, LikeCoin, Musicoin, OST and I-House at fair value.

Upon discussion with auditors, and based on the 28 June 2019 agreement referenced above, the escrow period for the ONE tokens was to be counted from a new 24-month term lasting from 28 June 2019 until 27 June 2021, while the escrow periods for Datum and Musicoin tokens are to last until 11 October 2019, and the escrow period for OST and LikeCoin tokens are to last until 11 October 2020. The Company regrets an error in the ASX announcement of 15 October 2018 which



incorrectly stated a 24-month escrow period. Given that the ONE tokens had a longer sale lock-up period, it was agreed with the auditor to reflect ONE tokens at cost.

7. The 23 May 2019 Announcement disclosed that:

- **60% of the ~A\$3.6 million raised from TSB Gaming's issue of SAFEs and SAND tokens was in the form of Bitcoins; and**
- **333,333,333 SAND tokens were issued to investors at US\$0.0072 per token**

(a) Did AB1 Sell the Bitcoins for fiat currency between 23 May 2019 and 30 June 2019?

Yes.

(b) If the answer to (a) is 'no', where are these Bitcoin holdings reflected in the balance sheet at 30 June 2019

Not applicable. The Company had 2.77 BTC valued at about \$42,729 in the balance sheet as at 30 June 2019.

(c) Please confirm the value of the 333,333,333 SAND tokens issued to investors that is recorded in the balance sheet at 30 June 2019 and where this is recorded.

The value of those tokens was \$1,813,267, and was included in "Unearned revenue" under Current Liabilities

8. Please provide a breakdown of AB1's holdings of financial assets detailed in Note 12 to the Half Year Report including the name of each investee entity and the value of each investment at 30 June 2019

(See next page)



AB1's holdings of financial assets

	30-06-19
	AUD
Non-current assets	
<i>Financial assets classified as fair value through other comprehensive income</i>	
Listed equity securities	
- iCandy Interactive Limited	1,145,950
Unlisted equity securities	
- Zeroth SPC	534,713
- EVG Holdings Pte Limited	570,360
- National Carrier Exchange Inc	356,475
- Fresco Capital Education Venture Fund I, L.P.	678,363
- E14 2017 Fund, LP	140,734
- Helix One Limited	25,666
	3,452,261
<i>Financial assets classified as fair value through profit or loss</i>	
Convertible note	
- Lootcakes Inc	142,590
- Azarus Inc	85,554
- Fano Labs Limited	2,138,850
Unlisted preferred shares	
- Dapper Labs Inc	71,291
- Epro Digital Limited	42,777
- Talenthouse Inc	1,425,900
- TinyTap Limited	797,791
	4,704,753
Total non-current financial assets	8,157,014
Current assets	
<i>Financial assets classified as fair value through profit or loss</i>	
Simple Agreement for Future Equity ("SAFE")	
- Tru Luv Media Inc	71,295
- RumbleMonkey Inc	71,295
- Sensibo Limited	71,295
- Lucid Sight Inc	356,475
- Stryking Entertainemnt GMBH	563,159
- Skytree Digital Limited	409,910
- LCX AG	239,989
- Omnicharge Group Limited	213,885
- Marax AI, Inc	71,295
- Emotics Limited	71,295
- Mathcognify Technologies Limited	71,295
- Volkus Technology Solutions Pvt Ltd	71,295
- Wecare Innovation Pte Ltd	71,295
- Scribe Intelligence Limited	71,295
- Planto Limited	71,295
- Volareo B.V.	71,295
- Metrix AI Limited	71,295
- Sory Private Limited	71,295
- H3O Inc	71,295
- Smartpeep PTE Limited	71,295
- Pingpad Inc	99,813
- Xpresso Inc	71,295
- Laboratik Inc	71,295
- Spoonshot Inc	71,295
- Etymo Inc Limited	71,295
- UTU Technologies Limited	142,590
Total current financial assets	3,380,426
As per Note 12 of Half Year Report	11,537,440

Investments were shown at cost except listed equity securities, which reflect the share closing price, and TinyTap Limited, which was revalued up in 2018 based on recent transaction data.



In addition, the Company agreed to provide Skytree and Stryking with post-closing working capital to support their respective business growth. The Company agreed to provide the working capital support via a pre-closing investment in the form of a SAFE which would provide protection should the transaction fail to close (per the terms of the SAFE, the Company would have the right to choose to convert the investment into equity or request a return of the capital that had been extended).

9. Please provide a breakdown of the SAFE's and Convertible Notes detailed in Note 16 to the Half Year Report which have been issued by AB1 subsidiaries, including the names of the subsidiaries that issued the SAFEs and convertible notes, the dates of issue, and a summary of their terms.

<u>AB1 Subsidiaries</u>	<u>A\$</u>	<u>Date of issue</u>	<u>Summary of terms</u>
TSB Gaming Limited	\$1,385,497	May 2019 & June 2019	<u>Instrument: SAFE</u> In the event of Equity Financing, TSB will issue to Investor the greater of: (1) the number of shares of Standard Preferred Stock equal to the Purchase Amount divided by the lowest price per share of the Standard Preferred Stock; or (2) the number of shares of SAFE Preferred Stock equal to the Purchase Amount divided by the SAFE price.
OliveX (HK) Limited	\$142,590	September 2017	<u>Instrument: SAFE</u> Valuation cap = US\$2,500,000 If there is an Equity Financing, OliveX (HK) will automatically issue to the Investor either: (1) a number of shares of Standard Preferred Stock equal to the Purchase Amount divided by the price per shares of the Standard Preferred Stock, if the pre-money valuation is less than or equal to the Valuation cap; or (2) a number of shares of SAFE Preferred Stock equal to the Purchase Amount divided by the SAFE Price, if the pre-money valuation is greater than the Valuation Cap.



OliveX (HK) Limited	\$71,295	January 2018	<u>Instrument: SAFE</u> Valuation cap = US\$2,500,000 Discount Rate = 20% If there is an Equity Financing, OliveX (HK) will automatically issue to the Investor a number of shares of SAFE Preferred Shares equal to the Purchase amount divided by the Conversion Price (the Conversion Price will be either the Safe Price or the Discount Price, and the SAFE investor will have the right to select whichever price is lower. The Discount Price is calculated by multiplying the price per share of the Standard Preferred Shares sold in the Equity Financing by the Discount Rate).
OliveX (HK) Limited	\$828,512	February 2019	<u>Instrument: SAFE</u> Valuation cap = US\$10,000,000 Discount Rate = 15% If there is an Equity Financing, OliveX (HK) Limited will automatically issue to the Investor a number of shares of Safe Preferred Shares equal to the Purchase Amount divided by the Conversion Price.
OliveX Holdings Limited	\$513,324	March 2019	<u>Instrument: Convertible Note</u> Valuation on conversion = \$10,000,000 Post the half year report this note was converted into straight equity based on the valuation of \$10,000,000
OliveX (HK) Limited	\$384,993	June 2019	<u>Instrument: SAFE</u> Valuation cap = US\$10,000,000 Discount Rate = 15%



If there is an Equity Financing, OliveX (HK) will automatically issue to the Investor a number of shares of Safe Preferred Shares equal to the Purchase Amount divided by the Conversion Price.

This is a non-cash investment in lieu of services.

Zeroth Fano Ventures I Limited	\$677,303	February 2019	Instrument: Convertible Note Investors participated in the Company's investment in Fano Labs Limited as shown in the table provided in section 8.
Total	\$4,003,514		

10. The 25 February 2019 Announcement disclosed that OliveX had secured approximately \$1.4 million of external funding. ASX understands that AB1's subsidiary, OliveX, raised approximately \$2.5 million in total from investors during the March 2019 quarter.

(a) Did OliveX raise approximately \$2.5 million from investors in the March 2019 quarter?

No. OliveX raised approx. \$1.4 million (US\$ 1 million) from institutional investors in the first quarter of 2019. OliveX had provided incorrect figures (i.e \$2.5 million) to ASX in previous correspondence.

(b) If the answer to (a) above is 'yes', did AB1 make any announcement which disclosed the additional capital raisings of approximately \$1.1 million? If so, please provide details. If not, please explain why the additional capital raisings were not disclosed to the market.

Not Applicable.

11. Note 18 to the Half Year Report disclosed that AB1 agreed to acquire a number of investments from OVHL and owes OVHL US\$1,015,143 for these investments. Please provide details of the investments that AB1 acquired from OVHL.

AB1 did not acquire investments from OVHL. OVHL acted on instructions from AB1 in relation to pay for AB1's investment into Talenthouse Inc. Note 18 to the Half Year Report incorrectly stated that the Company agreed to acquire a number of investments from OVHL when in fact the



transaction was a loan for one investment. The loan was reflected in the balance sheet under Trade & Other Payables.

12. Please confirm that AB1 is in compliance with the Listing Rules and, in particular, Listing Rule 3.1

Confirmed.

13. Please confirm that AB1's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AB1 with delegated authority from the board to respond to ASX on disclosure matters.

Confirmed.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Yat Siu", written in a cursive style.

Yat Siu
Co-founder and Chairman
Animoca Brands Corporation Limited



Annexure 1: digital assets



ANNEXURE 1
Animoca Brands Corporation Limited
A summary of Digital Assets as at 30 June 2019
Bitcoin (BTC)

(a) & (d)		(b)	(c)	(d)
Account Name	Token	Number of coins/tokens issued to or received / sold/dispensed / expended by AB1	Value of the coins/tokens on the date they were issued to / received / converted by AB1 (AUD)	Net amount received by AB1 for the disposal (AUD)
Bitcoin (BTC)	BTC	13.63	20-Jul-18	142,928
Bitcoin (BTC)	BTC	20.00	22-May-19	219,020
Bitcoin (BTC)	BTC	-0.23	26-Jun-19	3,856
Bitcoin (BTC)	BTC	-0.21	28-Jun-19	3,383
Bitcoin (BTC)	BTC	-0.20		
Bitcoin (BTC)	BTC	-0.11		
Bitcoin (BTC)	BTC	-1.52	14-Sep-18	-14,130
Bitcoin (BTC)	BTC	-1.37	14-Sep-18	-12,760
Bitcoin (BTC)	BTC	-1.49	21-Sep-18	-14,353
Bitcoin (BTC)	BTC	1.87	23-Nov-18	-11,569
Bitcoin (BTC)	BTC	-0.01	26-Jul-18	-70
Bitcoin (BTC)	BTC	-0.01	30-Jul-18	-73
Bitcoin (BTC)	BTC	-0.01	30-Jul-18	-73
Bitcoin (BTC)	BTC	-0.01	6-Aug-18	-73
Bitcoin (BTC)	BTC	-0.01	8-Aug-18	-69
Bitcoin (BTC)	BTC	-0.01	9-Aug-18	-75
Bitcoin (BTC)	BTC	-0.02	14-Aug-18	-150
Bitcoin (BTC)	BTC	-0.02	20-Aug-18	-142
Bitcoin (BTC)	BTC	-0.01	28-Aug-18	-149
Bitcoin (BTC)	BTC	-0.01	3-Sep-18	-145
Bitcoin (BTC)	BTC	-0.02	10-Sep-18	-145
Bitcoin (BTC)	BTC	-0.75	17-Sep-18	-6,693
Bitcoin (BTC)	BTC	-0.02	21-Sep-18	-148
Bitcoin (BTC)	BTC	-0.02	4-Oct-18	-145
Bitcoin (BTC)	BTC	-0.02	8-Oct-18	-147
Bitcoin (BTC)	BTC	-0.02	15-Oct-18	-153
Bitcoin (BTC)	BTC	-0.02	22-Oct-18	-145
Bitcoin (BTC)	BTC	-0.02	5-Nov-18	-145
Bitcoin (BTC)	BTC	-26.63	22-May-19	-291,608
Bitcoin (BTC)	BTC	0.01	24-Apr-19	78
Bitcoin (BTC)	BTC	159.40	10-May-19	1,449,839
Bitcoin (BTC)	BTC	0.01	10-May-19	52
Bitcoin (BTC)	BTC	4.79	27-May-19	60,202
Bitcoin (BTC)	BTC	4.80	27-May-19	60,270
Bitcoin (BTC)	BTC	4.80	27-May-19	60,270
Bitcoin (BTC)	BTC	4.80	27-May-19	60,270
Bitcoin (BTC)	BTC	0.31	27-May-19	3,915
Bitcoin (BTC)	BTC	0.00	27-May-19	0
Bitcoin (BTC)	BTC	0.00	27-May-19	0
Bitcoin (BTC)	BTC	0.00	31-May-19	0
Bitcoin (BTC)	BTC	0.01	11-Apr-19	36
Bitcoin (BTC)	BTC	0.01	11-Apr-19	72
Bitcoin (BTC)	BTC	0.01	9-Apr-19	57
Bitcoin (BTC)	BTC	0.72	31-May-19	8,739
Bitcoin (BTC)	BTC	0.50	31-May-19	6,060
Bitcoin (BTC)	BTC	0.10	31-May-19	1,212
Bitcoin (BTC)	BTC	1.08	31-May-19	13,075
Bitcoin (BTC)	BTC	0.31	31-May-19	3,757
Bitcoin (BTC)	BTC	0.30	31-May-19	3,636
Bitcoin (BTC)	BTC	1.61	31-May-19	19,531
Bitcoin (BTC)	BTC	0.06	31-May-19	742
Bitcoin (BTC)	BTC	0.08	31-May-19	991
Bitcoin (BTC)	BTC	0.04	31-May-19	518
Bitcoin (BTC)	BTC	0.04	31-May-19	481
Bitcoin (BTC)	BTC	0.08	31-May-19	991
Bitcoin (BTC)	BTC	0.04	31-May-19	500
Bitcoin (BTC)	BTC	0.06	31-May-19	717
Bitcoin (BTC)	BTC	0.88	31-May-19	10,682
Bitcoin (BTC)	BTC	42.49	29-Jun-19	730,756
Bitcoin (BTC)	BTC	9.13	29-Jun-19	157,006
Bitcoin (BTC)	BTC	1.00	29-Jun-19	17,196
Bitcoin (BTC)	BTC	3.02	29-Jun-19	51,899
Bitcoin (BTC)	BTC	-0.01	23-Apr-19	40
Bitcoin (BTC)	BTC	-0.01	9-May-19	44
Bitcoin (BTC)	BTC	-135.49	10-May-19	1,208,624
Bitcoin (BTC)	BTC	-29.70	27-May-19	377,286
Bitcoin (BTC)	BTC	-1.65	31-May-19	20,088
Bitcoin (BTC)	BTC	-0.01	31-May-19	125
Bitcoin (BTC)	BTC	-0.50	31-May-19	6,095
Bitcoin (BTC)	BTC	-0.08	31-May-19	1,000
Bitcoin (BTC)	BTC	-0.35	31-May-19	4,266
Bitcoin (BTC)	BTC	-0.35	31-May-19	4,266
Bitcoin (BTC)	BTC	-0.05	31-May-19	568
Bitcoin (BTC)	BTC	-0.34	31-May-19	4,101
Bitcoin (BTC)	BTC	-0.05	31-May-19	571
Bitcoin (BTC)	BTC	-0.01	31-May-19	104
Bitcoin (BTC)	BTC	-0.01	31-May-19	147
Bitcoin (BTC)	BTC	-0.37	31-May-19	4,493
Bitcoin (BTC)	BTC	0.00	31-May-19	48
Bitcoin (BTC)	BTC	-0.02	31-May-19	235
Bitcoin (BTC)	BTC	-0.01	31-May-19	150
Bitcoin (BTC)	BTC	-0.03	31-May-19	371
Bitcoin (BTC)	BTC	-1.94	31-May-19	23,673
Bitcoin (BTC)	BTC	-0.04	31-May-19	439
Bitcoin (BTC)	BTC	-0.11	31-May-19	1,321
Bitcoin (BTC)	BTC	-5.91	31-May-19	71,792
Bitcoin (BTC)	BTC	-4.12	29-Jun-19	69,527
Bitcoin (BTC)	BTC	-0.55	29-Jun-19	9,292
Bitcoin (BTC)	BTC	-0.35	29-Jun-19	5,913
Bitcoin (BTC)	BTC	-1.15	29-Jun-19	19,429
Bitcoin (BTC)	BTC	-0.55	29-Jun-19	9,292
Bitcoin (BTC)	BTC	-0.10	29-Jun-19	1,690
Bitcoin (BTC)	BTC	-0.40	29-Jun-19	6,758
Bitcoin (BTC)	BTC	-0.35	29-Jun-19	5,913
Bitcoin (BTC)	BTC	-3.50	29-Jun-19	59,133
Bitcoin (BTC)	BTC	-0.20	29-Jun-19	3,379
Bitcoin (BTC)	BTC	-0.55	29-Jun-19	9,292
Bitcoin (BTC)	BTC	-4.64	29-Jun-19	78,376
Bitcoin (BTC)	BTC	-24.62	29-Jun-19	416,025
Bitcoin (BTC)	BTC	-1.70	29-Jun-19	28,722
Bitcoin (BTC)	BTC	-2.80	29-Jun-19	33,790
Bitcoin (BTC)	BTC	-0.55	29-Jun-19	9,292
Bitcoin (BTC)	BTC	-4.64	29-Jun-19	78,376
Bitcoin (BTC)	BTC	-0.29	29-Jun-19	4,826
Bitcoin (BTC)	BTC	-0.79	29-Jun-19	13,268
Bitcoin (BTC)	BTC	-0.01	29-Jun-19	109
Bitcoin (BTC)	BTC	-0.22	29-Jun-19	3,711
Bitcoin (BTC)	BTC	-3.80	29-Jun-19	64,201
Bitcoin (BTC)	BTC	-0.58	29-Jun-19	9,799
Bitcoin (BTC)	BTC	-7.80	29-Jun-19	133,041
Bitcoin (BTC)	BTC	0.00	3-May-19	36
Bitcoin (BTC)	BTC	0.00	3-May-19	26
Bitcoin (BTC)	BTC	-0.01	21-Jun-19	-214
Bitcoin (BTC)	BTC	-0.02		
Bitcoin (BTC)	BTC	-1.00		
Bitcoin (BTC)	BTC	-8.69		
Bitcoin (BTC)	BTC	2.76	12-Jul-19	46,541
Bitcoin (BTC)	BTC	-5.44	29-Jul-19	73,893
Bitcoin (BTC)	BTC	10.08	29-Aug-19	136,689
Bitcoin (BTC)	BTC	0.07	30-Aug-19	962
Bitcoin (BTC)	BTC	0.02	30-Sep-19	235
Bitcoin (BTC)	BTC	8.51	4-Jul-19	136,047
Bitcoin (BTC)	BTC	10.00	2-Jul-19	155,450
Bitcoin (BTC)	BTC	5.14	17-Jul-19	71,295
Bitcoin (BTC)	BTC	25.36	26-Jul-19	356,674
Bitcoin (BTC)	BTC	7.80	2-Jul-19	120,162
Bitcoin (BTC)	BTC	-8.51	4-Jul-19	143,076
Bitcoin (BTC)	BTC	-5.14	17-Jul-19	71,827
Bitcoin (BTC)	BTC	-25.34	26-Jul-19	360,074
		18.38		



Animoca Brands Corporation Limited
A summary of Digital Assets as at 30 September 2019
Ethereum (ETH)

	(a) & (d)	(b)	(c)	(d)
Account Name	Token	Number of coins/token issued to or received / (sold/dispensed / expensed) by AB1	Date/s	Value of the coins/tokens on the date they were issued to / received / converted by AB1 (AUD)
Ethereum (ETH)	ETH	0.00	22-Jun-18	0
Ethereum (ETH)	ETH	10.66	23-Jun-18	7,212
Ethereum (ETH)	ETH	0.09	4-Sep-18	36
Ethereum (ETH)	ETH	405.50	27-May-19	157,769
Ethereum (ETH)	ETH	30.78	2-Aug-18	20,103
Ethereum (ETH)	ETH	0.37	17-Aug-18	183
Ethereum (ETH)	ETH	0.41	20-Aug-18	183
Ethereum (ETH)	ETH	0.34	21-Aug-18	143
Ethereum (ETH)	ETH	0.70	21-Aug-18	285
Ethereum (ETH)	ETH	0.46	23-Aug-18	183
Ethereum (ETH)	ETH	59.57	20-Sep-18	18,281
Ethereum (ETH)	ETH	58.43	26-Sep-18	18,281
Ethereum (ETH)	ETH	58.11	16-Apr-19	13,711
Ethereum (ETH)	ETH	18.70	10-May-19	4,753
Ethereum (ETH)	ETH	54.44	12-May-19	15,539
Ethereum (ETH)	ETH	65.53	13-May-19	18,281
Ethereum (ETH)	ETH	30.45	14-May-19	9,506
Ethereum (ETH)	ETH	26.47	23-May-19	9,140
Ethereum (ETH)	ETH	24.63	24-May-19	9,140
Ethereum (ETH)	ETH	46.20	24-May-19	18,281
Ethereum (ETH)	ETH	0.44	1-Jun-19	183
Ethereum (ETH)	ETH	0.24	1-Jun-19	91
Ethereum (ETH)	ETH	0.48	1-Jun-19	183
Ethereum (ETH)	ETH	0.22	1-Jun-19	91
Ethereum (ETH)	ETH	0.11	3-Jun-19	43
Ethereum (ETH)	ETH	0.11	4-Jun-19	41
Ethereum (ETH)	ETH	38.71	5-Jun-19	13,810
Ethereum (ETH)	ETH	-0.10	29-Mar-19	
Ethereum (ETH)	ETH	-0.45	4-Apr-19	20
Ethereum (ETH)	ETH	-510.90	22-Jun-19	222,903
Ethereum (ETH)	ETH	-0.48	25-Jun-19	183
Ethereum (ETH)	ETH	-2.00	28-Jun-19	913
Ethereum (ETH)	ETH	-10.54	26-Jun-19	4,857
Ethereum (ETH)	ETH	-358.00	28-Jun-19	151,060
Ethereum (ETH)	ETH	-119.46	30-Jun-19	55,053
Ethereum (ETH)	ETH	-80.00	30-Jun-19	33,189
Ethereum (ETH)	ETH	-82.79	30-Jun-19	36,994
Ethereum (ETH)	ETH	-100.00	30-Jun-19	44,381
Ethereum (ETH)	ETH	-280.00	30-Jun-19	120,637
Ethereum (ETH)	ETH	-42.89		
Ethereum (ETH)	ETH	-4.00		
Ethereum (ETH)	ETH	0.00	20-Feb-18	1
Ethereum (ETH)	ETH	0.17	20-Feb-18	213
Ethereum (ETH)	ETH	0.10	6-May-18	113
Ethereum (ETH)	ETH	0.10	20-May-18	103
Ethereum (ETH)	ETH	0.10	30-May-18	80
Ethereum (ETH)	ETH	0.10	6-Jun-18	87
Ethereum (ETH)	ETH	-46.30	14-Sep-18	(13,980)
Ethereum (ETH)	ETH	-4.66	12-Apr-19	(1,096)
Ethereum (ETH)	ETH	-10.00	17-Jan-19	(1,764)
Ethereum (ETH)	ETH	23.23	18-Apr-19	5,757
Ethereum (ETH)	ETH	-9.83	18-Apr-19	(2,436)
Ethereum (ETH)	ETH	-50.00	14-Dec-18	(6,011)
Ethereum (ETH)	ETH	-50.00	1-Feb-19	(7,672)
Ethereum (ETH)	ETH	-20.00	6-Mar-19	(3,958)
Ethereum (ETH)	ETH	929.57	22-May-19	324,343
Ethereum (ETH)	ETH	0.10	11-Apr-19	24
Ethereum (ETH)	ETH	0.10	25-Apr-19	24
Ethereum (ETH)	ETH	-0.08	23-Apr-19	
Ethereum (ETH)	ETH	-0.50	21-Jun-19	19
Ethereum (ETH)	ETH	-0.11	3-May-19	208
Ethereum (ETH)	ETH	0.50	21-Jun-19	(26)
Ethereum (ETH)	ETH	-0.02		210
Ethereum (ETH)	ETH	0.02	19-Aug-19	4
Ethereum (ETH)	ETH	0.02	25-Sep-19	5
Ethereum (ETH)	ETH	111.00	5-Jul-19	44,381
Ethereum (ETH)	ETH	82.86	10-Jul-19	36,994
Ethereum (ETH)	ETH	225.53	10-Jul-19	97,661
Ethereum (ETH)	ETH	-0.10	2-Jul-19	
Ethereum (ETH)	ETH	-0.10	16-Aug-19	42
Ethereum (ETH)	ETH	-10.95		27
Ethereum (ETH)	ETH	-3.58		
Ethereum (ETH)	ETH	-3.56		
Ethereum (ETH)	ETH	-230.44	29-Jul-19	69,420
Ethereum (ETH)	ETH	-1.01	30-Aug-19	242
Ethereum (ETH)	ETH	13.10	30-Sep-19	3,359
Ethereum (ETH)	ETH	100.00	2-Jul-19	46,512
Ethereum (ETH)	ETH	-2.50	27-Jul-19	739
		383.40		



Animoca Brands Corporation Limited
A summary of Digital Assets as at 30 September 2019
Nitro (NOX)

		(a) & (d)	(b)	(c)	(d)
		Number of coins/token issued to or received / (sold/disposed / expensed) by AB1	Date/s	Value of the coins/tokens on the date they were issued to / received / converted by AB1 (AUD)	Net amount received by Ab1 for the disposal (AUD)
Account Name	Token				
Nitro (NOX)	NOX	0.10	28-Mar-18	0	
Nitro (NOX)	NOX	3,000,000.00	29-Mar-18	562,120	
Nitro (NOX)	NOX	60,000.00	29-Mar-18	11,242	
Nitro (NOX)	NOX	-19,852.25			
Nitro (NOX)	NOX	1,702,000.00	14-Dec-18	6,305	
Nitro (NOX)	NOX	1,700,000.00	1-Feb-19	6,550	
Nitro (NOX)	NOX	514,322.01	6-Mar-19	1,925	
Nitro (NOX)	NOX	-586,344.50	30-Aug-19	1,701	
Nitro (NOX)	NOX	-1,185,839.53	30-Sep-19	2,871	
		<u>5,184,285.82</u>			



Animoca Brands Corporation Limited
A summary of Digital Assets as at 30 September 2019
Lympo (LYM)

		(a) & (d)	(b)	(c)	(d)
Account Name	Token	Number of coins/token issued to or received / (sold/disposed / expensed) by AB1	Date/s	Value of the coins/tokens on the date they were issued to / received / converted by AB1 (AUD)	Net amount received by Ab1 for the disposal (AUD)
Lympo (LYM)	LYM	2,577,000.00	20-Jul-18	123,806	
Lympo (LYM)	LYM	-434.00			
Lympo (LYM)	LYM	-2,576,566.00	12-Jul-19	46,037.96	
		0.00			



Animoca Brands Corporation Limited
A summary of Digital Assets as at 30 September 2019
OST

	(a) & (d)	(b)	(c)	(d)	
Account Name	Token	Number of coins/token issued to or received / (sold/disposed / expensed) by AB1	Date/s	Value of the coins/tokens on the date they were issued to / received / converted by AB1 (AUD)	Net amount received by Ab1 for the disposal (AUD)
OST	OST	100.00	15-Oct-18	7	
OST	OST	3,819,587.70	19-Oct-18	246,436	
OST	OST	111,111.11	5-Oct-18	7,111	
OST	OST	111,111.11	1-Nov-18	8,369	
OST	OST	111,111.11	7-Dec-18	3,597	
OST	OST	111,111.11	7-Jan-19	4,087	
OST	OST	111,111.11	5-Feb-19	2,923	
OST	OST	111,111.11	5-Mar-19	3,876	
OST	OST	111,111.11	1-Apr-19	4,593	
OST	OST	111,111.11	26-Apr-19	3,551	
OST	OST	111,111.11	29-May-19	4,718	
OST	OST	-212.97			
OST	OST	552,741.62	14-Sep-18	0	
OST	OST	111,111.11	4-Jul-19	3,252	
OST	OST	111,111.11	6-Aug-19	1,873	
OST	OST	111,111.11	29-Aug-19	1,659	
OST	OST	0.00			
		5,705,549.68			



Animoca Brands Corporation Limited
A summary of Digital Assets as at 30 September 2019
DATUM (DAT)

	(a) & (d)	(b)	(c)	(d)
Account Name	Token	Number of coins/token issued to or received / (sold/dispensed / expensed) by AB1	Date/s	Value of the coins/tokens on the date they were issued to / received / converted by AB1 (AUD) Net amount received by Ab1 for the disposal (AUD)
DATUM (DAT)	DAT	35,309,447.03	19-Oct-18	233,966
DATUM (DAT)	DAT	-100.00		
DATUM (DAT)	DAT	1,948,778.97	14-Sep-18	13,805
		<u>37,258,126.00</u>		



Animoca Brands Corporation Limited
A summary of Digital Assets as at 30 September 2019
Decentraland (MANA)

		(a) & (d)	(b)	(c)	(d)
Account Name	Token	Number of coins/token issued to or received / (sold/disposed / expensed) by AB1	Date/s	Value of the coins/tokens on the date they were issued to / received / converted by AB1 (AUD)	Net amount received by Ab1 for the disposal (AUD)
Decentraland (MANA)	MANA	6,784,382.91	9-Oct-18	730,647	
Decentraland (MANA)	MANA	-182.00			
Decentraland (MANA)	MANA	120,870.00	21-Sep-18	13,682	
Decentraland (MANA)	MANA	-120,713.00	23-Nov-18	10,168	
Decentraland (MANA)	MANA	30,001.08	18-Apr-19	2,426	
		6,814,358.99			



Animoca Brands Corporation Limited
A summary of Digital Assets as at 30 September 2019
MUSICOIN

	(a) & (d)	(b)	(c)	(d)
Account Name	Token	Number of coins/tokens issued to or received / (sold/disposed / expensed) by AB1	Date/s	Value of the coins/tokens on the date they were issued to / received / converted by AB1 (AUD)
MUSICOIN	MUSICOIN	1.00	18-Oct-18	0
MUSICOIN	MUSICOIN	13,451,364.00	24-Oct-18	67,377
MUSICOIN	MUSICOIN	56.82	31-Jul-18	1
MUSICOIN	MUSICOIN	185.00	1-Aug-18	2
MUSICOIN	MUSICOIN	77.57	2-Aug-18	1
MUSICOIN	MUSICOIN	10.02	4-Aug-18	0
MUSICOIN	MUSICOIN	117.20	6-Aug-18	1
MUSICOIN	MUSICOIN	325.83	7-Aug-18	2
MUSICOIN	MUSICOIN	242.01	8-Aug-18	2
MUSICOIN	MUSICOIN	115.04	9-Aug-18	1
MUSICOIN	MUSICOIN	356.73	10-Aug-18	3
MUSICOIN	MUSICOIN	325.36	11-Aug-18	2
MUSICOIN	MUSICOIN	333.21	12-Aug-18	2
MUSICOIN	MUSICOIN	326.57	13-Aug-18	2
MUSICOIN	MUSICOIN	330.90	14-Aug-18	2
MUSICOIN	MUSICOIN	249.41	15-Aug-18	1
MUSICOIN	MUSICOIN	247.91	16-Aug-18	1
MUSICOIN	MUSICOIN	162.97	17-Aug-18	1
MUSICOIN	MUSICOIN	90.46	23-Aug-18	0
MUSICOIN	MUSICOIN	266.95	24-Aug-18	1
MUSICOIN	MUSICOIN	166.49	27-Aug-18	1
MUSICOIN	MUSICOIN	846.07	28-Aug-18	5
MUSICOIN	MUSICOIN	860.66	29-Aug-18	5
MUSICOIN	MUSICOIN	822.07	30-Aug-18	5
MUSICOIN	MUSICOIN	846.71	31-Aug-18	5
MUSICOIN	MUSICOIN	809.63	1-Sep-18	5
MUSICOIN	MUSICOIN	736.55	2-Sep-18	5
MUSICOIN	MUSICOIN	811.39	3-Sep-18	5
MUSICOIN	MUSICOIN	712.90	4-Sep-18	5
MUSICOIN	MUSICOIN	677.56	5-Sep-18	5
MUSICOIN	MUSICOIN	720.69	6-Sep-18	5
MUSICOIN	MUSICOIN	835.39	7-Sep-18	5
MUSICOIN	MUSICOIN	794.99	8-Sep-18	4
MUSICOIN	MUSICOIN	724.89	9-Sep-18	4
MUSICOIN	MUSICOIN	732.52	10-Sep-18	4
MUSICOIN	MUSICOIN	718.17	11-Sep-18	4
MUSICOIN	MUSICOIN	757.50	12-Sep-18	4
MUSICOIN	MUSICOIN	526.30	13-Sep-18	3
MUSICOIN	MUSICOIN	423.02	21-Sep-18	2
MUSICOIN	MUSICOIN	794.62	22-Sep-18	4
MUSICOIN	MUSICOIN	875.97	23-Sep-18	5
MUSICOIN	MUSICOIN	231.57	24-Sep-18	1
MUSICOIN	MUSICOIN	351.14	26-Sep-18	1
MUSICOIN	MUSICOIN	402.12	27-Sep-18	4
MUSICOIN	MUSICOIN	686.56	28-Sep-18	4
MUSICOIN	MUSICOIN	796.98	29-Sep-18	4
MUSICOIN	MUSICOIN	722.23	30-Sep-18	4
MUSICOIN	MUSICOIN	860.89	1-Oct-18	5
MUSICOIN	MUSICOIN	390.90	2-Oct-18	2
MUSICOIN	MUSICOIN	529.52	5-Oct-18	3
MUSICOIN	MUSICOIN	696.57	6-Oct-18	4
MUSICOIN	MUSICOIN	697.65	7-Oct-18	4
MUSICOIN	MUSICOIN	844.75	8-Oct-18	5
MUSICOIN	MUSICOIN	691.15	9-Oct-18	4
MUSICOIN	MUSICOIN	258.21	10-Oct-18	1
MUSICOIN	MUSICOIN	519.44	11-Oct-18	3
MUSICOIN	MUSICOIN	613.60	12-Oct-18	3
MUSICOIN	MUSICOIN	719.09	13-Oct-18	3
MUSICOIN	MUSICOIN	941.86	14-Oct-18	5
MUSICOIN	MUSICOIN	750.52	15-Oct-18	4
MUSICOIN	MUSICOIN	805.30	16-Oct-18	5
MUSICOIN	MUSICOIN	381.84	17-Oct-18	2
MUSICOIN	MUSICOIN	432.41	18-Oct-18	2
MUSICOIN	MUSICOIN	853.69	19-Oct-18	4
MUSICOIN	MUSICOIN	951.35	20-Oct-18	5
MUSICOIN	MUSICOIN	737.38	21-Oct-18	4
MUSICOIN	MUSICOIN	712.07	22-Oct-18	4
MUSICOIN	MUSICOIN	636.32	23-Oct-18	3
MUSICOIN	MUSICOIN	872.81	24-Oct-18	4
MUSICOIN	MUSICOIN	793.07	25-Oct-18	4
MUSICOIN	MUSICOIN	751.03	26-Oct-18	4
MUSICOIN	MUSICOIN	670.44	27-Oct-18	4
MUSICOIN	MUSICOIN	803.12	28-Oct-18	4
MUSICOIN	MUSICOIN	824.04	29-Oct-18	5
MUSICOIN	MUSICOIN	698.68	30-Oct-18	4
MUSICOIN	MUSICOIN	746.05	31-Oct-18	4
MUSICOIN	MUSICOIN	766.94	1-Nov-18	4
MUSICOIN	MUSICOIN	754.28	2-Nov-18	4
MUSICOIN	MUSICOIN	770.23	3-Nov-18	4
MUSICOIN	MUSICOIN	717.32	4-Nov-18	4
MUSICOIN	MUSICOIN	760.90	5-Nov-18	4
MUSICOIN	MUSICOIN	744.95	6-Nov-18	4
MUSICOIN	MUSICOIN	777.44	7-Nov-18	4
MUSICOIN	MUSICOIN	777.59	8-Nov-18	4
MUSICOIN	MUSICOIN	863.88	9-Nov-18	4
MUSICOIN	MUSICOIN	797.23	10-Nov-18	3
MUSICOIN	MUSICOIN	927.41	11-Nov-18	4
MUSICOIN	MUSICOIN	888.90	12-Nov-18	4
MUSICOIN	MUSICOIN	956.61	13-Nov-18	4
MUSICOIN	MUSICOIN	664.10	14-Nov-18	3
MUSICOIN	MUSICOIN	357.98	16-Nov-18	1
MUSICOIN	MUSICOIN	974.83	17-Nov-18	3
MUSICOIN	MUSICOIN	914.89	18-Nov-18	3
MUSICOIN	MUSICOIN	897.05	19-Nov-18	3
MUSICOIN	MUSICOIN	973.83	20-Nov-18	3
MUSICOIN	MUSICOIN	896.35	21-Nov-18	2
MUSICOIN	MUSICOIN	989.41	22-Nov-18	2
MUSICOIN	MUSICOIN	1,081.26	23-Nov-18	3
MUSICOIN	MUSICOIN	1,038.49	24-Nov-18	2
MUSICOIN	MUSICOIN	907.93	25-Nov-18	2
MUSICOIN	MUSICOIN	1,286.18	26-Nov-18	2
MUSICOIN	MUSICOIN	1,194.18	27-Nov-18	2
MUSICOIN	MUSICOIN	1,076.44	28-Nov-18	2
MUSICOIN	MUSICOIN	901.17	29-Nov-18	2
MUSICOIN	MUSICOIN	1,089.51	30-Nov-18	2
MUSICOIN	MUSICOIN	1,144.39	1-Dec-18	2
MUSICOIN	MUSICOIN	1,367.87	2-Dec-18	3
MUSICOIN	MUSICOIN	1,049.95	3-Dec-18	2
MUSICOIN	MUSICOIN	937.87	4-Dec-18	2
MUSICOIN	MUSICOIN	907.42	5-Dec-18	2
MUSICOIN	MUSICOIN	963.57	6-Dec-18	2
MUSICOIN	MUSICOIN	668.16	7-Dec-18	1
MUSICOIN	MUSICOIN	381.03	13-Dec-18	1
MUSICOIN	MUSICOIN	840.82	14-Dec-18	1
MUSICOIN	MUSICOIN	1,072.39	15-Dec-18	2
MUSICOIN	MUSICOIN	1,014.48	16-Dec-18	1
MUSICOIN	MUSICOIN	416.90	17-Dec-18	1
MUSICOIN	MUSICOIN	999.99	26-Jul-18	11
MUSICOIN	MUSICOIN	8,234.20	30-Jul-18	88
MUSICOIN	MUSICOIN	8,234.20	30-Jul-18	88
MUSICOIN	MUSICOIN	8,234.20	6-Aug-18	65
MUSICOIN	MUSICOIN	8,234.20	8-Aug-18	58
MUSICOIN	MUSICOIN	8,234.20	9-Aug-18	51
MUSICOIN	MUSICOIN	22,208.89	14-Aug-18	135
MUSICOIN	MUSICOIN	22,208.89	20-Aug-18	131
MUSICOIN	MUSICOIN	11,104.45	28-Aug-18	64
MUSICOIN	MUSICOIN	11,104.45	3-Sep-18	74
MUSICOIN	MUSICOIN	23,062.00	10-Sep-18	125
MUSICOIN	MUSICOIN	23,062.00	17-Sep-18	122
MUSICOIN	MUSICOIN	1,370,144.48	21-Sep-18	7,093
MUSICOIN	MUSICOIN	27,899.50	4-Oct-18	152
MUSICOIN	MUSICOIN	27,899.50	8-Oct-18	160
MUSICOIN	MUSICOIN	55,488.10	15-Oct-18	331
MUSICOIN	MUSICOIN	29,019.58	22-Oct-18	154
MUSICOIN	MUSICOIN	29,985.49	5-Nov-18	154
		15,225,382.76		



Animoca Brands Corporation Limited
A summary of Digital Assets as at 30 September 2019
LIKECOIN

		(a) & (d)	(b)	(c)	(d)
Account Name	Token	Number of coins/token issued to or received / (sold/disposed / expensed) by AB1	Date/s	Value of the coins/tokens on the date they were issued to / received / converted by AB1 (AUD)	Net amount received by Ab1 for the disposal (AUD)
LIKECOIN	LIKE	15,396,562.31	23-Oct-18	73,524	
LIKECOIN	LIKE	-100.00			
LIKECOIN	LIKE	2,533,944.04	14-Sep-18	12,928	
		<u>17,930,406.35</u>			



Animoca Brands Corporation Limited
A summary of Digital Assets as at 30 September 2019
Wax Token (WAX)

Account Name	(a) & (d)	(b)	(c)	(d)
	Number of coins/token issued to or received / (sold/disposed / expensed) by AB1	Date/s	Value of the coins/tokens on the date they were issued to / received / converted by AB1 (AUD)	Net amount received by Ab1 for the disposal (AUD)
Wax Token (WAX)	WAX 200.00	30-Jun-19	23	
Wax Token (WAX)	WAX 6,360,283.00	4-Jul-19	699,865	
	<u>6,360,483.00</u>			



Animoca Brands Corporation Limited
A summary of Digital Assets as at 30 September 2019
I House Token (IHT)

Account Name	Token	(a) & (d) Number of coins/token issued to or received / (sold/disposed / expensed) by AB1	(b) Date/s	(c) Value of the coins/tokens on the date they were issued to / received / converted by AB1 (AUD)	(d) Net amount received by Ab1 for the disposal (AUD)
I House Token (IHT)	IHT	-15.00	28-Jun-19		
I House Token (IHT)	IHT	30,000.84	28-Jun-19	1,242	
		<u>29,985.84</u>			



Animoca Brands Corporation Limited
A summary of Digital Assets as at 30 September 2019
Harmony Token (ONE)

	(a) & (d)	(b)	(c)	(d)
Account Name	Token	Number of coins/token issued to or received / (sold/disposed / expensed) by AB1	Date/s	Value of the coins/tokens on the date they were issued to / received / converted by AB1 (AUD)
Harmony Token (ONE)	ONE	27,343,621.83	28-Jun-19	356,475
Harmony Token (ONE)	ONE	51,396,535.00	12-Apr-19	1,354,991
		<u>78,740,156.83</u>		



Animoca Brands Corporation Limited
A summary of Digital Assets as at 30 September 2019
EOS (EOS)

		(a) & (d)	(b)	(c)	(d)
Account Name	Token	Number of coins/token issued to or received / (sold/disposed / expensed) by AB1	Date/s	Value of the coins/tokens on the date they were issued to / received / converted by AB1 (AUD)	Net amount received by Ab1 for the disposal (AUD)
EOS (EOS)	EOS	10.00	25-Apr-19	69	
EOS (EOS)	EOS	-5.00	29-Jun-19		46
EOS (EOS)	EOS	-5.00	3-May-19	(36)	
EOS (EOS)	EOS	5.00	2-Jul-19	210	
		<u>5.00</u>			



Animoca Brands Corporation Limited
A summary of Digital Assets as at 30 September 2019
Tether (USDT)

Account Name	Token	(a) & (d) Number of coins/token issued to or received / (sold/disposed / expensed) by AB1	(b) Date/s	(c) Value of the coins/tokens on the date they were issued to / received / converted by AB1 (AUD)	(d) Net amount received by AB1 for the disposal (AUD)
Tether (USDT)	USDT	850,000.00	29-Jun-19	1,210,323	
Tether (USDT)	USDT	-850,000.00	29-Jun-19		1,197,543
Tether (USDT)	USDT	50,000.90	16-Jul-19	71,006	
Tether (USDT)	USDT	250,000.00	26-Jul-19	356,475	
Tether (USDT)	USDT	-50,000.90	17-Jul-19		71,368
Tether (USDT)	USDT	-250,000.00	26-Jul-19		356,560
		<u>0.00</u>			



Animoca Brands Corporation Limited
Summary of Digital Assets

		Coins/tokens held by AB1 at 30 June 2019			Coins/tokens held by AB1 at 30 September 2019		
		(e)	(f)	(g)	(e)	(f)	(g)
Account Name	Token	Number of remaining coins/tokens held by AB1 at 30 June 2019	Market Value of the coins/tokens held by AB1 at 30 June 2019	Current (8 November 2019) Market Value of the coins/tokens held by AB1	Number of remaining coins/tokens held by AB1 at 30 September 2019	Market Value of the coins/tokens held by AB1 at 30 September 2019	Current (8 November 2019) Market Value of the coins/tokens held by AB1
		Unit	AUD	AUD	Unit	AUD	AUD
Bitcoin (BTC)	BTC	3	42,729	36,349	18	222,836	241,203
Ethereum (ETH)	ETH	103	42,743	28,027	383	99,489	104,210
Nitro (NOX)	NOX	6,956,470	57,194	12,750	5,184,286	12,406	9,502
Lympo (LYM)	LYM	2,576,566	38,830	19,340	-	-	-
OST	OST	5,372,216	164,895	88,746	5,705,550	87,042	94,253
DAT	DAT	37,258,126	95,521	58,573	37,258,126	60,892	58,573
MANA	MANA	6,814,359	478,251	298,129	6,814,359	278,067	298,129
MUSICOIN	MUSICOIN	15,225,383	7,012	4,157	15,225,383	3,998	4,157
LIKECOIN	LIKE	17,930,406	94,086	82,147	17,930,406	71,041	82,147
Wax Token (WAX)	WAX	200	23	8	6,360,483	265,747	255,654
I House Token (IHT)	IHT	29,986	2,056	104	29,986	119	104
Harmony Token (ONE)	ONE	27,343,622	356,475	236,648	27,343,622	370,425	236,648
Harmony Token (ONE)	ONE	51,396,535	1,396,104	444,817	51,396,535	391,128	444,817
EOS	EOS	-	-	-	5	22	26
			2,775,920	1,309,797		1,863,212	1,829,423



13 September 2019

Reference: 07058

Mr Julian Rockett
Company Secretary
Animoca Brands Corporation Limited
Level 12
225 George Street
Sydney NSW 2000

By email

Dear Mr Rockett

Animoca Brands Corporation Limited ('AB1'): Query letter

ASX Limited ('ASX') refers to the following:

A. AB1's announcement titled 'Partnership with six leading blockchain companies' released on the ASX market announcements platform ('MAP') on 15 October 2018, which included the following statements:

- i) *'Animoca Brands strategically partners with six blockchain-focused developers and companies including Datum, LikeCoin, Musicoin, OST, Harmony, and I-House*

Animoca Brands will conduct a mutual investment with each company via a share and token swap in aggregate totalling US\$1 million (about A\$1.4 million), with Animoca Brands shares priced at about A\$0.10 each

Swapped shares and tokens will be subject to a 24-month escrow period'

- ii) **'Harmony**

Simple Rules Company ("Harmony") is developing the Harmony Protocol, a project with the mission to build a massive scale open marketplace for the decentralised economy, thereby solving a significant problem in blockchain technology: scalability ...

Animoca Brands will exchange US\$250,000 (approximately A\$350,000) of the Company's shares in return for an equivalent amount in Harmony tokens. For this transaction, the Animoca Brands shares and Harmony tokens will be priced at a 21-day VWAP as of 4 October 2018 (which is approximately A\$0.10 a share for Animoca Brands).

B. AB1's announcement in relation to its subsidiary, OliveX (HK) Limited ('OliveX'), titled 'Subsidiary OliveX Secures Strategic Investment' released on MAP on 25 February 2019 (the '25 February 2019 Announcement'), which included the following statement:

'... OliveX (HK) Limited ("OliveX") has secured US\$1 million (approx. A\$1.4 million) in funding from strategic investors including Alabaster and Antanas Guoga (also known as "Tony G").'

C. AB1's announcement titled 'Subsidiary The Sandbox receives \$3.6m investment' released on MAP on 23 May 2019 (the '23 May 2019 Announcement'), which included the following statements:

[AB1's] 'wholly owned subsidiary TSB Gaming Ltd. ("TSB Gaming") has raised US\$2.5 million (approximately A\$3.6 million), consisting of 40% in cash and 60% in Bitcoin cryptocurrency, through the issue of "SAND" utility tokens and simple agreement for future equity (SAFE) convertible securities. The majority of Investors allocated their investment to the purchase of both SAND and future equity via the SAFE notes (in the amount of US\$2 million), while some Investors allocated their investment exclusively to the purchase of SAND tokens (US\$500,000).'

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- D. AB1's Appendix 4C for the June 2019 quarter released on MAP on 31 July 2019 (the 'Appendix 4C'), which included the following disclosures (emphasis added):
- i) *'The Company recognised record cash receipts of \$9.1 million for the Quarter and \$13.2 million for the first half of 2019*
Record unaudited revenues of approximately \$8.7 million for the Quarter and \$13.0 million for the first half of 2019'
 - ii) **'Record quarterly revenues**
... The Company estimates that its unaudited revenues for the first half of 2019 totalled \$13 million, the strongest in the Company's history.
 - iii) The following cash flow figures for the half year to 30 June 2019:
 - (a) Net cash from operating activities of \$2,858,000;
 - (b) Net cash used in investing activities of \$8,454,000; and
 - (c) Net cash from financing activities of \$8,448,000.
 - iv) Cash and cash equivalents of \$10,154,000 at 30 June 2019
- E. AB1's Appendix 4D and Half Yearly Report for the half year ended 30 June 2019 released on MAP on 2 September 2019 (the 'Half Year Report'), which included the following disclosures (emphasis added):
- i) In the Highlights section (on page 3):
 - (a) *'Operating revenue of \$8.3 million increased by 47%, year-on-year ... This revenue does not include an additional \$2.9 million in cash received that was reclassified largely as unearned revenue which was recorded as contract liabilities.*
 - (b) *'Subsidiaries TSB Gaming (makers of The Sandbox), and OliveX raise a total of \$5.71 million in new capital from strategic investors.'*
 - ii) In the Chief Executive Officer's Report (on pages 7-8):
'... The Company announced unaudited revenues of \$13 million in the Q2 Appendix 4C, which was subject to a number of adjustments through the half year review, including \$1.8 million in cash received that was reclassified as unearned revenue under AASB15; \$1.4 million in cash received which was reclassified to other financial liabilities which will eventually be recorded as part of equity following the equity/liquidity event set out in the SAFE agreements; and \$808,000 in cash received that was reclassified as an offset against R&D and marketing. In addition, \$701,000 in cash received was subject to other reclassifications, resulting in a net sales revenue of \$8.3 million as per the Statement of Comprehensive Income, an increase of 47% over the same period last year. While we're very pleased with the results, the high rate of growth of the business is not without its challenges, and we continue to strive to improve our financial reporting systems as we integrate newly-acquired companies into the group ...

Subsidiaries of the company also received strong investors' support during the half year: OliveX raised \$1.4 million from strategic investors, including Alabaster and Antanas Guoga; Zeroth SPC and [sic] raised \$0.71 million from Silver Egg, the AI-based web marketing company; and TSB Gaming Ltd. (the holding company for The Sandbox) raised \$3.6 million from strategic investors led by Hashed, the largest crypto assets fund and accelerator in South Korea ...

During the half-year, we also continued to secure industry-leading talent for our team, including ... John Madden as Financial Advisor ... Mr. Madden has extensive experience in corporate governance and accounting standards, and is a Fellow of the CPA Institute; he brings to the Company over 30 years' experience with large and small listed entities, including the majority of his career at Rio Tinto.'

- iii) Under the heading 'Result for the first half of the financial year' (on page 12):

'... the results exclude advance sales of the SAND Token as a result of application of AASB15. The deferral of the advance sales of the SAND token reduced previously announced sales revenue by \$1,813,000 ...

Cash flow from operating activities for the half-year ended 30 June 2019 were negative \$208,794 compared to negative operating cash flow of \$558,991 in the corresponding period last year.'

- iv) Under 'State of affairs of the company' (on page 13):

'During the first half of the year, the Company raised \$5,719,368 from a number of equity raisings and \$4,003,514 from SAFE (debt) financings to fund the Company's growth and increase its working capital.'

- v) Revenue from operating activities of \$8,293,767 for the half year to 30 June 2019.

- vi) In the Statement of Cash Flows for the half year to 30 June 2019:

- (a) Net cash used in operating activities of \$208,794;
- (b) Net cash used in investing activities of \$7,177,084;
- (c) Cash from the issue of SAFEs of \$4,003,514;
- (d) Net cash provided by financing activities of \$10,497,457; and
- (e) Cash at 30 June 2019 of \$10,443,673.

- vii) Note 10 (Digital Assets), which lists the 12 digital assets held by AB1 totalling \$2,775,920 at 30 June 2019, including ONE tokens (issued by Harmony) with a carrying value of \$1,752,579.

- viii) The footnote to Note 10 which states '*Digital assets with the exception of the Harmony (ONE) token are held at fair value. Harmony (ONE) is held at cost due to a lock up period on its trading.'*

- ix) Note 12 (Financial Assets), which lists the following financial assets at 30 June 2019:

- (a) Simple Agreement for Future Equity ('SAFE') of \$3,380,426;
- (b) Listed equity securities of \$1,145,950;
- (c) Unlisted equity securities of \$2,306,311;
- (d) Convertible notes of \$2,366,994; and
- (e) Unlisted preferred shares of \$2,337,759.

- x) Note 16 (Other Financial Liabilities), which lists the following other financial liabilities at 30 June 2019 totalling \$4,003,514:

- (a) SAFEs of \$2,812,887; and
- (b) Convertible Notes of \$1,190,627.

-
- xi) Note 18 (Related Party Disclosures), which includes the following statement regarding Outblaze Ventures Holdings Limited ('OVHL'):
- 'During the course of the first half of the financial year, the Company agreed to acquire a number of investments made by OVHL as part of the latter's new direction as a digital marketing entity. As at 30 June 2019, the Company owes OVHL US\$1,015,143 for investments ...'*
- F. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- G. The definition of 'aware' in Chapter 19 of the Listing Rules, which states that:
- 'an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity' and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B 'When does an entity become aware of information.'*
- H. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.
- '3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 One or more of the following applies:*
- It would be a breach of a law to disclose the information;*
 - The information concerns an incomplete proposal or negotiation;*
 - The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - The information is generated for the internal management purposes of the entity; or*
 - The information is a trade secret; and*
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
- 3.1A.3 A reasonable person would not expect the information to be disclosed.'*

Questions and Requests for Information

Having regard to the above, ASX asks AB1 to respond separately to each of the following questions and requests for information.

1. Does AB1 consider the information regarding its revenue and cash flows in the Half Year Report to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is 'no', please explain the basis for that view.
3. If the answer to question 1 is 'yes':
 - (a) When did AB1 first become aware that each of the following downward revisions were required to be made to the unaudited revenue figure of \$13 million (see sub-paragraph E.ii) above):

- (i) the reclassification of \$1.8 million as unearned revenue under AASB 15;
 - (ii) the reclassification of \$1.4 million as other financial liabilities (SAFE agreements);
 - (iii) the reclassification of \$808,000 as an offset against R&D and marketing; and
 - (iv) other reclassifications totalling \$701,000.
- (b) ASX notes the following discrepancies between cash flow figures for the half year ended 30 June 2019 in the Appendix 4C and the Half Year Report:

	Appendix 4C	Half Year Report
Net cash from/(used in) operating activities	\$2,858,000	(\$208,794)
Net cash from/(used in) investing activities	(\$8,454,000)	(\$7,177,084)
Net cash from/(used in) financing activities	\$8,448,000	\$10,497,457
Cash balance	\$10,154,000	\$10,443,673

When did AB1 first become aware that the classification of several items in the statement of cash flows in the Half Year Report would differ from the Appendix 4C?

- (c) If AB1 first became aware of any of the revisions or reclassifications listed in (a) and (b) above prior to 2 September 2019, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe AB1 was obliged to release the information under listing rules 3.1 and 3.1A and what steps AB1 took to ensure that the information was released promptly and without delay.
 - (d) Please provide the relevant correspondence from AB1's auditors in relation to each of the adjustments listed in (a) and (b) above (not for release to the market).
4. Please provide the following information for each of the digital assets detailed in Note 10 to the Half Year Report:
- (a) Number of coins/tokens issued to or received by AB1.
 - (b) Date/s of issue or receipt.
 - (c) Value of the coins/tokens on the date they were issued to or received by AB1.
 - (d) Number of coins/tokens sold or otherwise disposed of by AB1 to date (if any) and the net amount received by AB1 for the disposal.
 - (e) Number of remaining coins/tokens held by AB1 at 30 June 2019.
 - (f) The market value of the coins/tokens held by AB1 at 30 June 2019 (identifying the source of the market price and any exchange/s upon which the coins/tokens (other than BTC and ETH) are listed).
 - (g) The current market value of the coins/tokens held by AB1.

Please also provide this information (with the exception of (e) and (f)) for any digital assets that have been issued to or received by AB1 subsequent to 30 June 2019.

5. In the 15 October 2018 announcement, AB1 stated that it *'will exchange US\$250,000 (approximately A\$350,000) of the Company's shares in return for an equivalent amount in Harmony tokens.'*
- In light of this, please clarify why the value (at cost) of Harmony (ONE) tokens was recorded as \$1,752,579.
6. An escrow period of 24 months applies to AB1's holdings of tokens in Harmony, Datum, LikeCoin, Musicoin, OST and I-House (see paragraph A above).

-
- In light of this, please explain why AB1 holds its Harmony (ONE) tokens at cost '*due to a lock up period on its trading*' but has valued its holdings of Datum, LikeCoin, Musicoin, OST and I-House at fair value.
7. The 23 May 2019 Announcement disclosed that:
- 60% of the ~A\$3.6 million raised from TSB Gaming's issue of SAFEs and SAND tokens was in the form of Bitcoins; and
 - 333,333,333 SAND tokens were issued to investors at US\$0.0072 per token.
- (a) Did AB1 sell the Bitcoins for fiat currency between 23 May 2019 and 30 June 2019?
- (b) If the answer to (a) above is 'no', where are these Bitcoin holdings reflected in the balance sheet at 30 June 2019?
- (c) Please confirm the value of the 333,333,333 SAND tokens issued to investors that is recorded in the balance sheet at 30 June 2019 and where this is recorded.
8. Please provide a breakdown of AB1's holdings of financial assets detailed in Note 12 to the Half Year Report, including the name of each investee entity and the value of each investment at 30 June 2019.
9. Please provide a breakdown of the SAFEs and Convertible Notes detailed in Note 16 to the Half Year Report which have been issued by AB1 subsidiaries, including the names of the subsidiaries that issued the SAFEs and convertible notes, the dates of issue, and a summary of their terms.
10. The 25 February 2019 Announcement disclosed that OliveX had secured approximately \$1.4 million of external funding. ASX understands that AB1's subsidiary, OliveX, raised approximately \$2.5 million in total from investors during the March 2019 quarter.
- (a) Did OliveX raise approximately \$2.5 million from investors in the March 2019 quarter?
- (b) If the answer to (a) above is 'yes', did AB1 make any announcement which disclosed the additional capital raisings of approximately \$1.1 million? If so, please provide details. If not, please explain why the additional capital raisings were not disclosed to the market.
11. Note 18 to the Half Year Report disclosed that AB1 agreed to acquire a number of investments from OVHL and owes OVHL US\$1,015,143 for these investments.
- Please provide details of the investments that AB1 acquired from OVHL.
12. Please confirm that AB1 is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
13. Please confirm that AB1's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AB1 with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9.30 am AEST on Monday 23 September 2019**.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail.

Listing Rule 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to AB1's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that AB1's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Maria Clemente
Adviser, Listings Compliance (Sydney)