



13 August 2019

Maria Clemente  
Adviser, Listings Compliance (Sydney)  
ASX

Email: [maria.clemente@asx.com.au](mailto:maria.clemente@asx.com.au)

Dear Maria,

**Animoca Brands Corporation Limited: Early release of information query**

Animoca Brands Corporation Limited ACN 122 921 813 (ASX:AB1) ("**AB1**") refers to the letter dated 9 August 2019 from ASX (**ASX Letter**) in relation to:

1. AB1's announcement entitled "Acquisition of Quidd & Strategic Capital Raise" released on ASX's Market Announcements Platform on 8 August 2019 in which AB1 disclosed its acquisition of Quidd, Inc and capital raise of \$8,000,000 (the **Announcement**); and
2. the article published on 7 August 2019 on The Block under the headline 'Digital collectibles market seeing renaissance as platform targeting superfans scores ~\$8M acquisition' (the **Article**).

In response to each of the queries raised in the ASX Letter, AB1 responds as follows:

**1. Please explain how the information in the Announcement appeared in the Article**

AB1 was not involved in the preparation of the Article, the Article did not have the approval of AB1, and the Article was published without the knowledge of AB1. AB1 had no communications with media regarding the Announcement until after the Announcement was approved and published by the ASX.

AB1 has become aware that an investor that participated in the capital raising (**Investor**) disclosed in the Announcement caused the Article to be published. As a result of participating in the capital raising, the Investor had become aware of certain price sensitive information with respect to the capital raising and acquisition of Quidd.

AB1 had taken reasonable precautions to prevent the premature dissemination of sensitive information, including ensuring that the Investor was bound by restrictions on disclosure of confidential information, and placing the Company in a trading halt while negotiating the Announcement with the ASX.



Following consultation with the Investor since receiving the ASX Letter, AB1 understands that the Investor caused the Article to be published on 7 August 2019 (AEST) on the assumption that by this date AB1 would have released its own Announcement and exited its trading halt.

**2. What arrangements does AB1 have in place to ensure compliance with Listing Rule 15.7?**

In cases where certain external parties may be aware of price sensitive information before the information is released to the market, AB1 uses its best commercial efforts to ensure those parties are bound by a non-disclosure agreement, or similar restrictions on disclosures of confidential information, designed to prevent them from communicating or acting on the price sensitive information until that information is released on the ASX.

AB1 confirms that the Investor that caused the Article to be published was bound by confidentiality restrictions.

AB1 has a continuous disclosure policy in place which sets out procedures and measures which are designed to ensure that AB1 complies with its continuous disclosure obligations (Continuous Disclosure Policy). In particular, under the Continuous Disclosure Policy, it is AB1's strict policy to avoid disclosing price sensitive information to the media until it has given all information to the ASX and received confirmation that the ASX has released the information to the market. This is standard practice for every announcement released by AB1.

As set out in the response to query 1 above, AB1 did not have any involvement with media in connection with the Article prior to the release of the Announcement to ASX. AB1 is committed to full compliance with its continuous disclosure obligations, and treats its continuous disclosure obligations seriously.

**3. If the current arrangements are inadequate or not being enforced, what additional steps does AB1 intend to take to ensure compliance with Listing Rule 15.7?**

Although AB1 considers that its current arrangements are adequate, AB1 will further ensure that its restrictions on disclosures of confidential information include a provision expressly restricting the disclosure of any price sensitive information to a third party prior to that information being released on the ASX.

In order to minimise the chances of unauthorised premature dissemination of information by partners and/or investors in the future, AB1 will communicate with stronger emphasis to enforce review and approval requirements with regards to the treatment of its confidential information.



4. Please confirm that AB1's responses to the above have been authorised and approved under 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.

AB1's responses to the above items have been authorised and approved under its published continuous disclosure policy and by AB1's board of directors.

Yours faithfully,

**Julian Rockett**  
Company Secretary  
Animoca Brands Corporation Limited

9 August 2019

Reference: 05222

Mr Julian Rockett  
Company Secretary  
Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000

By email: Julian.Rockett@boardroomlimited.com.au

Dear Mr Rockett

**Animoca Brands Corporation Limited ('AB1'): Early release of information query**

ASX refers to the following:

- A. AB1's announcement entitled "Acquisition of Quidd & Strategic Capital Raise" released on ASX's Market Announcements Platform on 8 August 2019 in which AB1 disclosed its acquisition of Quidd, Inc and capital raise of \$8,000,000 (the 'Announcement').
- B. The article published on 6 August 2019 on The Block under the headline 'Digital collectibles market seeing renaissance as platform targeting superfans scores ~\$8M acquisition' (the 'Article')

- C. Listing Rule 3.1 which states:

*"Once an entity is or becomes aware of 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, the entity must immediately tell ASX that information"*

- D. Listing Rule 15.7 which states:

*"An entity must not release information that is for release to the market to any person until it has given the information to ASX and has received an acknowledgment that ASX has released information to the market."*

- E. Page 1 of AB1's Continuous Disclosure Policy available on its website, stating:

**"1) Disclosure Obligations**

*In accordance with ASX Listing Rule 3.1 the Company is required to immediately disclose to the ASX information concerning the company that it is or becomes aware of that a reasonable person would expect to have a material effect on the price or value of the Company's securities.*

*There is an exemption to this rule where each of the following aspects apply:*

- *a reasonable person would not expect the information to be disclosed; and*
- *the information is confidential and the ASX has not formed a view that the information has ceased to be confidential; and*
- *one or more of the following applies:*
  - i. *Disclosing the information would be a breach of a law.*
  - ii. *The information concerns an incomplete proposal or negotiation.*

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- iii. *The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
  - iv. *The information has been generated for the internal management purposes of the Group*
  - v. *The information is a trade secret.*

*If the ASX considers there is or is likely to be a false market in the Company's securities, the ASX may request that the Company disclose information or make a statement to correct or prevent the false market.*

*Information must not be selectively disclosed to others, such as prospective shareholders, the media or analysts, before it is disclosed to the ASX."*

Listing Rule 15.7 requires that a listed entity not release information which is for release to the market to any person (including the media, even on an embargoed basis) until it has given the information to ASX and received an acknowledgement that ASX has released it to the market.

As the Article has appeared in The Block prior to the Announcement being released to ASX, it appears that AB1 may have breached listing rules 3.1 and/or 15.7.

### **Request for Information**

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

1. Please explain how the information in the Announcement appeared in the Article.
2. What arrangements does AB1 have in place to ensure compliance with Listing Rule 15.7?
3. If the current arrangements are inadequate or not being enforced, what additional steps does AB1 intend to take to ensure compliance with Listing Rule 15.7?
4. Please confirm that AB1's responses to the above have been authorised and approved under 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 **9:00 AM AEST Wednesday, 14 August 2019**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AB1's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph and may require AB1 to request a trading halt immediately.

### **Trading Halt**

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and

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- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

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. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Listing Rules 3.1 and 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.

#### **Suspension**

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in AB1's securities under Listing Rule 17.3.

#### **Enquiries**

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

Yours sincerely

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**Maria Clemente**  
Adviser, Listings Compliance (Sydney)