Animoca Brands Corporation Limited
(ACN 122 921 813)

Annual Report for the financial year ended
31 December 2022

Content

Directors

Yat Siu	Executive Chairman, and Managing Director
David Lloyd Brickler	Non-executive Director (resigned on 11 December 2025)
John Michael Madden	Non-executive Director (appointed on 10 December 2025)
Christopher Paul Whiteman	Non-executive Director

Executives

Evan Auyang	Group President
Robert William Hong-san Yung	Chief of Investments
Jared Thomas Shaw	Chief Financial Officer (appointed on 13 September 2022)
Alan Lau	Chief Business Officer (appointed on 19 July 2022)
Minh Duc Do	Chief Operating Officer (appointed on 1 March 2022)
Jamii Quoc	General Counsel (appointed as Head of Legal, Commercial and M&A on 23 August 2022 and General Counsel on 1 January 2025)

Company Secretary
John Michael Madden

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Hall Chadwick (NSW)
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Lawyers
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Standard Chartered Bank

Share registrar
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Dear Shareholders and Friends of Animoca Brands,

I am pleased to share the FY2022 annual report for Animoca Brands Corporation Limited ("Animoca Brands" or "the Company"). FY2022 was a year that tested the resilience of our industry and validated our strategy to build Animoca Brands into a foundational company in the digital asset ecosystem. While the year presented significant challenges, the Company emerged stronger, more focused, and better positioned for the future.

FY2022 was another strong year for financial performance following the record-setting performance in FY2021. Bookings for the financial year increased to A$612 million from A$450 million the previous year. Net assets grew to A$460 million in FY2022 from A$337 million the previous year. As always, it is important to note that traditional accounting treatments can cause divergences between the economics of the Company and their presentation in the financial statements. For example, despite reporting record bookings in FY2022, the Company reported a net loss of A$519 million; albeit, an improvement over the net loss of A$671 million in FY2021. This is due to large, non-cash accounting charges and impairments (see Note 44 to the consolidated financial statements).

Industry Context

FY2022 will be remembered as a tumultuous year in the digital asset industry. The collapse of FTX in November 2022 sent shockwaves through the entire crypto ecosystem, exposing systemic failures in risk management, corporate governance, and basic financial controls. The fallout was immediate and severe: customer funds were misappropriated, billions of dollars in value evaporated overnight, and confidence in centralized exchanges suffered a devastating blow. The collapse of FTX followed the collapse of Terra Luna earlier in the same year, and generated profound uncertainty for the digital assets industry.

At Animoca Brands, these and similar events reinforced our conviction that the future of Web3 must be built on the most solid of foundations. While we had very limited direct exposure to FTX, the broader market turmoil affected everyone in our ecosystem, and powerfully underscored the importance of the principles we have long championed: digital ownership, transparent on-chain operations, and decentralized infrastructure that cannot be controlled or manipulated by a single entity. Far from shaking our resolve, the collapse of centralized intermediaries in 2022 reinforced our conviction that blockchain technology and true digital property rights provide the infrastructure for a more resilient, transparent, and equitable digital economy.

Strategic Evolution

Despite the market turmoil, FY2022 marked an important evolution in Animoca Brands' capabilities and market position. We continued to build on the basis that well-structured projects with strong fundamentals and genuine utility can attract significant interest and participation even in challenging market conditions. We significantly expanded our tokenization and token launch services, establishing ourselves as a trusted partner for major projects seeking to navigate the complex landscape of digital asset creation and distribution. Through building and launching our own token ecosystems, we were able to develop and provide services to companies in the Animoca Brands portfolio. In the last few years we have further bolstered our industry-leading capabilities for tokenomics design and community engagement, and we have grown the technical infrastructure required to launch and support major digital assets.

Building on our experience with token launches, during FY2022 we also established comprehensive trading and treasury management services. The volatile market conditions created an urgent need for sophisticated digital asset treasury operations—services that could help projects and partners navigate the complexities of managing token reserves, optimize liquidity, and implement risk management strategies appropriate to the unique characteristics of digital assets.

Trading and treasury management services have become increasingly important to our partners and portfolio companies, particularly as many sought to strengthen their financial positions and risk management practices in the wake of 2022's market events. Our trading and treasury management capabilities draw on our experience as one of the industry's most active accumulators and managers of digital assets. By providing institutional-grade services, Animoca Brands seeks to enable promising projects to focus on building and delivering value rather than being distracted or derailed by treasury operations.

Corporate Development

In FY2022, we also began exploring strategic options to enhance our corporate structure and market position, laying the groundwork that would eventually lead to a number of significant developments. The strategic planning we undertook in 2022 established the foundation for what would later become a proposal for a reverse merger transaction with Currenc Group. The proposed reverse merger is a path to becoming a listed company on the Nasdaq, in the US, and would provide enhanced liquidity and market access for our shareholders.

Financial Performance and Operations

FY2022 tested the Company's operational discipline and financial resilience. While financial metrics for the year are detailed in the accompanying financial statements, it is worth highlighting that we continued to grow our digital asset base even as many competitors retrenched or failed. Our portfolio of investments remained robust, with holdings in several hundred companies and projects across the Web3 ecosystem, many of which continued to build and innovate despite challenging market conditions. While some accounting treatments continued to create disparities between our reported financial results and our economic reality – a challenge we have discussed in previous years – our underlying business fundamentals remained sound.

Since FY2022, the Company has continued to invest in strengthening financial reporting and completing historical financial statements, which are important milestones for the closing of the proposed reverse merger. We have tripled our staff focused on financial reporting and are working with top-tier advisors to improve processes.

Looking Forward

While 2025 was a challenging year for our industry, various trends point to a future that is looking more digital than ever before. For example, we can be quite certain that the field of AI will continue to grow; we reason that the primary asset classes of digital native generations will be tokenised and, despite fluctuations, crypto trends will continue to reflect significant growth and adoption. I therefore believe there are excellent reasons to be optimistic about the performance of the crypto industry over the next few years.

Today we see forming around us the future we foresaw seven years ago, back when the price of Bitcoin was hovering around US$3,000 dollars and the market capitalization of all digital assets stood at around US$130 billion. Today, Bitcoin is around US$89,000 and has cemented itself as the world's de facto digital store of value, while the market cap of cryptocurrencies is roughly US$3.0 trillion.

It is estimated that there are over 700 million users who own crypto and around 70 million (or 10%) of them are active monthly. The growth and adoption of crypto has been strong thus far and we are optimistic about the industry's expansion, which calls to mind the growth and adoption of the Internet. Web3 in 2026 is rather similar to the Internet in 2002, as the market was recovering after the burst of the dotcom bubble: back then many of today's unrivalled giants (including Amazon, Google, and Alibaba) were mere fledglings.

I think that 2026 will mark an inflection point as Web3 transitions decisively from being driven in significant part by speculation to being driven primarily by utility and value delivered to users. Bitcoin has already cemented its role as digital gold, but the broader token-based economy – which spans DeFi, gaming, NFTs, and real-world assets – is now poised to become a mighty engine of innovation and value creation. Animoca Brands, with one of the most important and widest investment portfolios in this sector, is well-positioned to take advantage of market growth.

Regulatory clarity is beginning to emerge around the world, including anticipated U.S. frameworks defining digital asset treatment. A strong and clear regulatory framework will unlock broader corporate and institutional participation in crypto, further accelerating its growth and adoption. Tokenization of real-world assets – ranging from intellectual property and royalties to financial products – has begun and will bring substantial value on-chain while transforming previously static holdings into liquid, programmable capital. We believe hundreds of millions of users will be on-chain in 2026 with RWAs and stablecoins leading the way.

The evolution of Web3 is creating a new investment cycle that favors resilient, established ecosystems backed by institutional support – echoing the maturation that leading technology companies underwent after the dotcom era. In 2025 was the year in which, crypto started becoming significantly more mainstream and accessible to public investors, and we believe that that trend will continue in 2026. Growing institutional participation in the world of crypto and Web3 provides a highly favourable backdrop to our proposed reverse merger with Currenc Group, which (when completed) would see Animoca Brands become listed on the Nasdaq and readily available to a broad and technology-savvy investor base.

Blockchain infrastructure will continue to move into the background of users' experience, and consumers will adopt blockchain services simply because they are useful, engaging, and more inclusive. Whether for gaming, digital ownership, or access to new financial solutions, consumers will gain increasing exposure to underlying Web3 technologies. This is a natural evolution for many important consumer technologies: for example, we used to call digital music "MP3" but today we just call it "music".

With the acceleration in tokenization underway across multiple sectors, financial literacy will become a defining competitive advantage for individuals and enterprises alike. Just as digital literacy determined which businesses thrived in the Internet era, the ability to understand and deploy tokenized models will shape who captures value over the next decade. The future is tokenized, and Animoca Brands is one of the leading players in the field of tokenization.

As we look to the future, I would like to express my deep gratitude to everyone who has stood with Animoca Brands during our growth and evolution. To our shareholders, I thank you for your patience and continued confidence in our vision and strategy. To our team members all over the world, thank you for your dedication, resilience, and unwavering commitment to our mission through good and bad times. To our portfolio companies, partners, and the broader Web3 community, thank you for continuing to build and innovate in this exciting new field brimming over with ideas and novel approaches. And to our customers and token holders, thank you for your engagement and support, and for helping to make Animoca Brands what it is today.

With gratitude and optimism,

Yat Siu

Co-founder and Executive Chairman

Animoca Brands

The consolidated entity generated record revenues and customer booking (a non-AASB term) through existing businesses and acquisitions for the financial year:

	$000s
Revenue	**680,685**
Less: Change in deferred revenue for the financial year	**(68,467)**
Bookings for the financial year	**612,218**

Revenues and bookings increased significantly during the financial year as a result of the first full year of recognition of revenues from the launch of the Sandbox platform and the diversification of revenue sources from digital games/platforms with token advisory services.

The consolidated entity generates bookings from customers buying its tokens and recognises revenue when customers purchase virtual items. The consolidated entity defers virtual items purchased by its customers and recognises revenue from virtual items when it performs its service obligations. The performance obligations represent the purchase of virtual items within the digital game or experiences the virtual items on platforms such as the Sandbox.

The consolidated entity has estimated that its service obligations are performed over a defined life and amortises deferred revenue to the profit or loss over a period of 15-18 months.

Bookings are projected to contract in future years as the consolidated entity moves from providing digital games/platform to consumers to digital asset/institutional service activities as its primary source of revenues.

Earnings

Net loss for the consolidated entity decreased from A$670,952,399 to A$519,095,544 during the financial year. The net loss is largely attributable to four categories of costs:

1. increases in cost of revenue largely associated with transaction fees, rewards and other initiatives to attract gamers;

2. marketing initiatives that drove growth;

3. increase in digital game/platform blockchain/tokenisation development of existing businesses and acquisitions as the consolidated entity does not defer expenditure on development;

4. non-cash charges to the profit or loss such as amortisation, depreciation, impairments and write-offs; and

5. fair value accounting in accordance with accounting standards.

The decrease in the net loss under these categories is as follows:

	$000s
Consolidated entity net loss for the financial year ended in 2021	**(670,952)**
Increase in revenue in the financial year	**577,101**

		$000s
Marketing growth		
Cost of revenue	(190,624)	
Marketing expenses	(31,248)	**(221,872)**
Increased development resources		
Increased manpower arising from acquisitions and business growth	(60,581)	
Consultants, contractors, and other outsourcing	(79,458)	
Other administrative costs	(18,895)	**(158,934)**
Non-cash charges		
Fair value of financial liabilities	303,194	
Share-based payments and token-based payments	179,738	
Impairment of intellectual property acquired, plant and equipment, simple agreement for future tokens and impairment of goodwill on acquisition	(157,581)	
Write-off of long-term crypto assets	(93,185)	
Other non-cash charges	9,122	
Amortisation of intellectual property associated with acquisitions of entities	3,651	**244,939**
Fair value accounting		
Fair value accounting for financial assets	(88,763)	
Loss in the market value of digital assets	(185,532)	
Finance costs	1,628	**(272,667)**
Taxation		**(6,573)**
Other		**(10,138)**
Consolidated entity net loss for the financial year		**(519,096)**

From an operating cash flow perspective, operating cash flows decreased from cash inflow of A$382,125,406 to cash outflow of A$66,736,275 during the financial year.

Operating cash flow	**$000s**
Net loss for the financial year	**(519,096)**
Non-cash token advisory fee	(108,069)
Proceeds from customers	(68,467)
Amortisation, depreciation and impairments	236,431

Operating cash flow	**$000s**
Fair value changes in other derivative financial instruments	(72,534)
Share-based payments to vendors and employees and token-based payments to employees	23,142
Net trading losses	135,091
Fair value changes in financial assets	153,156
Write-off of long-term crypto assets and receivables	96,740
Other non-cash charges recognised in profit or loss	(7,017)
Changes in receivables, inventories, other current assets, payables and provisions	63,887
Net operating cash outflow for the financial year	**(66,736)**

The directors present their report, together with the consolidated financial statements of Animoca Brands Corporation Limited (ACN 122 921 813) and its consolidated entities (hereafter referred to as the "Company"), for the financial year ended 31 December 2022.

Principal Activities

The Company is a leader in digital entertainment, blockchain, and gamification. The Company has established itself as one of the world's leading technology groups by bringing digital property rights to online users, primarily for consumer video game players and the metaverse, through the use of blockchain and non-fungible tokens (NFTs); these technologies enable the true digital ownership of users' virtual assets and data, and offer various play-to-earn capabilities, asset interoperability, and DeFi/GameFi opportunities.

The Company and its controlled entities offer a broad portfolio of game products, both centralized and decentralized, branded and original, with coverage across most primary platforms including mobile devices, game consoles, PC, web, and blockchain. Products include games ranging from hyper-casual to hardcore, as well as collectibles, utility tokens, esports titles, and more.

The Company develops and publishes a broad portfolio of products including the Moca token, the REVV token and SAND token; original games including the Sandbox, Anichess, Crazy Kings, Crazy Defense Heroes and Cosmic Royale (by Motorverse); and, products utilizing popular intellectual properties including The Walking Dead, Formula E, Marvel, WWE, Power Rangers, MotoGP™ Premier, and Doraemon.

In addition to its product development and publishing businesses, Animoca has a growing portfolio of more than 555 investments in some of the world's most meaningful NFT related companies, including OpenSea, Dapper Labs, Bitski, Star Atlas, and Axie Infinity. It also owns multiple game studios including the Sandbox, Blowfish Studios, Quidd, GAMEE, Darewise, Pixelynx, nWay, Pixowl, Lympo and many others.

Operating Results

The net loss after tax attributable to shareholders of the Company for the financial year ended 31 December 2022 was A$510,926,814 (2021: A$624,552,657). The decrease in the net loss after tax was largely attributable to:

- higher revenues, from amortisation for a full financial year of deferred revenue from the launch of the Sandbox platform and token advisory services;
- lower share-based payments (fair value of performance rights); and
- fair value accounting for financial liabilities

largely offset by:

- cost of revenue and marketing costs;
- employee, consultants, contractor and administrative costs;
- impairment of goodwill on acquisition;
- write-off of long-term crypto assets;
- digital asset trading losses; and
- fair value accounting losses on investments,

State of affairs of the Company

The Company issued 139,486,103 fully paid ordinary shares at various prices for a cash-based equity raising of A$603,175,696 in the financial year.

In addition, the Company completed several acquisitions of controlled entities, the purchase of portfolio investments and participated in strategic partnerships.

The significant acquisitions made by the Company during the 2022 financial year included Be Media by Animoca Brands Pty Ltd, Cualit Eng Ltd, Darewise Entertainment SAS, Eden Games SAS, Grease Monkey Games Pty Ltd, Notre Game s.r.o, Pixelynx Inc, Sviper GmbH, and TinyTap Limited.

The acquisitions were funded by way of A$137,673,917 in available cash balances and A$26,131,291 by way of fully paid ordinary shares. In 2021, acquisitions were funded by way of A$5,000,000 in available cash balances and A$57,304,000 by way of issue of fully paid shares.

2022 Acquisitions

Acquisition of Notre Game s.r.o. ("Notre Game")
On **19 January 2022**, the Company entered into a Share Purchase Agreement to acquire 100% equity interest of Notre Game for a total consideration of A$1,833,370 (or €1,116,000) with A$1,707,903 (or €1,040,000) payable in cash and A$113,378 (or €76,000) payable in fully paid ordinary shares at a fair value of A$4.50 per share.

In addition, the Company agreed to pay the founder of Notre Game specific milestone payments for revenues generated by Scratch Lords by way of the issue of tokens based on a percentage of the total tokens minted for the game.

Acquisition of Grease Monkey Games Pty Ltd ("GMG")
On **16 February 2022**, the Company entered into a Share Purchase Agreement to acquire 100% equity interest of GMG, an indie game developer based in Melbourne, Australia. GMG developed high-quality motorsports games, and is the developer of popular racing games Torque Burnout and Torque Drift.

The fair value of the consideration for the acquisition was A$9,943,827 (or US$6,737,000) with A$5,904,059 (or US$4,000,000) payable in cash and A$3,882,281 (or US$2,737,000) payable in fully paid ordinary shares at a fair value of A$4.50.

Acquisition of TinyTap Limited ("TinyTap")
On **22 February 2022**, the Company entered into a Share Purchase Agreement to acquire an 80.45% equity interest of TinyTap for a total consideration of A$59,301,472 (or US$40,162,000) comprising A$47,331,823 (or US$31,055,918) in cash and A$10,302,279 (or US$7,359,000) in fully paid ordinary shares at a fair value of A$4.50 per share, with the balance being the conversion of Simple Agreements for Future Equity ("SAFE") previously entered into by the Company being converted into shares in TinyTap.

TinyTap is a user-generated content (UGC) educational technology company that provides a no-code platform enabling educators to create and distribute interactive educational content while earning a usage-based revenue share.

Upon the completion of the acquisition, the consolidated entity's equity interest in TinyTap increased from 80.45% to 91.60% after excluding the unexercised options on issue. In addition, on 18 July 2022, the Company entered into a Credit Facility Agreement with TinyTap. Under the Credit Facility Agreement, the Company agreed to provide TinyTap A$3,690,037 (or US$2,500,000) at 1% per annum interest and repayment up to 36 months from the date of the advance. At the balance date of 31 December 2022, TinyTap had drawn A$2,952,000 (or US$2,000,000) under the Credit Facility Agreement.

Acquisition of Eden Games SAS ("Eden Games")
On **5 April 2022,** the Company entered into a Share Purchase Agreement to acquire 100% equity interest of Eden Games, a French based entity, for consideration of A$23,616,236 (or US$16,000,000). Eden Games had strong experience in developing award-winning racing games across the mobile, console and PC platforms, including Need for Speed: Porsche Unleashed, F1® Mobile Racing, and the franchises Gear.Club, Test Drive, and V-Rally.

Acquisition of Darewise Entertainment SAS ("Darewise")
On **14 April 2022,** the Company entered into a Share Sale, Purchase and Investment Agreement to acquire a 70% equity interest of Darewise for A$29,636,103 (or US$20,078,000) comprising A$17,002,987 (or US$11,519,000) in cash and A$11,833,353 (or US$8,559,000) in fully paid ordinary shares at a fair value of A$4.50 per share.

The Company also paid the vendors of Darewise an Earn-out payment of A$3,718,828 (or US$2,519,506) on the launch of the Life Beyond NFT. The vendors are also entitled to an Earn-out based on a revenue target with the Earn-out payable in tokens.

Acquisition of Cualit Eng Ltd ("Cualit")
On **28 April 2022**, the Company through its Sandbox entities entered into a Quota Purchase Agreement to acquire 99% equity interest of Cualit for A$22,548,850 (or US$15,276,846). Cualit specialises in advanced game development support, providing cutting-edge solutions for innovative and immersive gaming experiences.

Acquisition of Sviper GmbH ("Sviper")
On **30 May 2022**, the Company entered into an agreement to acquire a 100% equity interest in Sviper, for a consideration of A$15,835,467 (or US$10,729,000) in cash. Sviper specialises in providing high-quality game development support, leveraging its technical expertise to produce engaging and innovative gaming content.

Acquisition of Be Media by Animoca Brands Pty Ltd ("Be Media")
On **10 August 2022,** the Company entered into a Share Purchase Agreement to acquire Be Media, a digital marketing agency focusing on key opportunities centred around blockchain development within the sports entertainment industry. Under the terms and conditions of the Share Purchase Agreement and the Subscription Agreement, the Company acquired 61% of the shares on issue in Be Media under the Share Purchase Agreement and increased its equity interest in Be Media to 67% following its subscription to shares for A$1,000,000 under the Subscription Agreement.

The Company paid A$719,000 upfront to the vendors of Be Media in cash and made a further payment of A$719,000 six months following the date of acquisition in cash.

In addition, the Company agreed to pay the vendors of Be Media Earn-outs on the achievement of specific revenue milestones over three years following the date of acquisition. The Company also committed to lending Be Media up to A$2,000,000 by way of a facility agreement at an interest rate of 5% per annum.

Acquisition of Pixelynx, Inc. ("Pixelynx")
On **19 October 2022**, the Company entered into a Series A Preferred Stock Purchase Agreement to acquire 53.56% equity interest in Pixelynx.

Under the terms and conditions of various documents that formed the basis of the acquisition, the Company agreed to:

- Convert Convertible Promissory Notes of A$8,118,081 (or US$4,500,000) it had previously subscribed to through its controlled entities into Series A Preferred Stock;

- Inject A$8,856,089 (or US$6,000,000) in Pixelynx by way of subscribing to Series A Preferred Stock;

- Provide Pixelynx with A$39,114,391 (or US$26,500,000) in funding subject to a collateralisation arrangement whereby the Company transferred to Pixelynx various cryptocurrencies and tokens.

- Enter into a Loan and Security Agreement with Pixelynx, pursuant to which the Company pledged a portfolio of digital tokens, comprising REVV, TOWER, GMEE, QUIDD, PRIMATE, VTG, SPORT and ASTRAFER, as collateral against the consideration payable to Pixelynx amounting to A$39,114,391 (or US$26,500,000).

Change to strategy direction
As stated above, the Company's strategy is transitioning from digital game/platform developments and the acquisition of entities to convert from Web2 to Web3 through blockchain/tokenisation to being a digital asset trading, tokenisation advisory service and portfolio investor. Since reporting date 31 December 2022, the Company has shut down its nWay and Quidd businesses and reduced its equity interests in Be Media, Blowfish Studios, and Darewise. The Company has fully impairment its investment in all these entities in previous years with the exception of Be Media and Darewise as these entities were impaired, in full, in the financial year ended 31 December 2022.

Dividends

No dividends were declared and paid for the financial year.

Events After Balance Date

Advisory shares
On **4 January 2023**, the Company issued 25,750,000 fully paid ordinary shares to Significant Singular Limited at a fair value of 9.8 cents per ordinary share based on the weighted average share price for the period in which Significant Singular Limited provided equity raising advisory services as well as assisting with the equity raising initiatives.

Prosper tokens
On **4 January 2023**, the Company issued 2,690,909 fully paid ordinary shares at a fair value of A$1.10 per ordinary share to the vendors of the Prosper platform/token for services rendered during the Covid period for continuing to operate the platform.

Acquisition of WePlay Media
On **16 September 2022**, Animoca Brands Limited, a controlled entity of the Company, entered into a Membership Interest Purchase Agreement to acquire a 100% equity interest in WePlay Media LLC. The total consideration was A$5,166,052 (or US$3,500,000).

The Agreement set out a several conditions precedent that had to be satisfied prior to completion, including delivery of certificates evidencing ownership of the membership interests and the delivery of the closing payment. The conditions precedent were not satisfied by the balance date of 31 December 2022 and remained outstanding until the end of the first quarter in 2023. On **17 January 2023** the Company announced that it had completed the acquisition.

OP3N financing
The Company announced on **21 March 2023** that it had led the A$41,328,413 (or US$28,000,000) Series A Financing for OP3N, a Web3 AI-powered chat Superapp that will bridge the differences between Web2 and Web3 technologies using blockchain and decentralised technologies.

The Company agreed to provide OP3N with A$7,380,074 (or US$5,000,000) in funding; however, the funding was subsequently reduced to A$2,952,030 (or US$2,000,000).

Remuneration for executives
The Company issued 120,042 fully paid ordinary shares for zero consideration to executives at the principal-controlled entity, Animoca Brands Limited, which were valued under accounting standards at a fair value of A$4.50 per fully paid ordinary share on **21 April 2023**.

The Company also issued 444,117 fully paid shares at a fair value of A$4.50 per share to Alpha Bravo 1 Limited for equity raising services and 110,558 fully paid ordinary shares at fair value of A$4.50 per share to Sun Life Capital LLC for strategic and business development services on **21 April 2023**. The principal of Alpha Bravo subsequently joined the Company in a senior position.

Exercise of 2021 equity raising options over ordinary shares
From **23 February 2023** to **15 January 2024**, the Company issued 32,381,641 fully paid ordinary shares at A$1.10 per fully paid ordinary share raising a total of A$35,619,805, on the exercise by option holders of options over ordinary shares pursuant to the 2021 capital raising initiatives.

Loan to OneFootball
On **17 May 2023**, Animoca Brands Limited, a controlled entity of the Company provided OneFootball with A$18,932,742 (or €12,056,000) by way of an unsecured loan as part of a restructuring arrangement. The Company had previously subscribed to A$31,406,477 (or €19,999,030) in convertible securities.

The Company was granted by OneFootball a significant position in the token pool that is expected to be launched during the first half of 2026.

Mitsui subscribes to convertible notes
On **19 May 2023**, Mitsui subscribed to A$7,380,074 (or US$5,000,000 in convertible notes on the same terms and conditions as subscribers to the 2022 Convertible Notes Issue announced on 8 September 2022.

The terms and conditions of the 2022 Convertible Notes included a 10% per annum compounding interest rate and were convertible/redeemable at the election of the convertible note holder on the expiry of three years at a fixed price of A$4.50 per fully paid ordinary share. In addition, a separate Warrant Agreement awarded the convertible note with a one for two basis option over ordinary shares exercisable at any time prior to expiry of the convertible note.

Following the closing of the Convertible Note, the Company and Mitsui entered into a Memorandum of Understanding on **19 June 2023** with the goal of creating a new business venture seeking to innovate and promote the uptake of Web3 in the Japanese market. Mitsui proposed to make use of its extensive assets ranging from industrial businesses to consumer businesses, as well as its extensive partner and customer networks.

Partnership with Hi.com
On **27 July 2023**, Animoca Brands Limited, a controlled entity of the Company, announced a strategic partnership with Hi.com, the Web3 financial super app and ecosystem.

The Company and Hi.com entered into a Memorandum of Understanding for a strategic partnership under which, subject to agreement of definitive terms, the Company would invest total consideration of A$45,192,317 (or US$30,000,000) in Hi.com. The investment included the issue of 5,122,688 ordinary shares for A$23,052,096 at a fair value of A$4.50 per share and additional crypto and native tokens of A$22,140,221 (or US$15,000,000) for a Hi.com SAFE instrument. The transaction was completed on **26 March 2024**.

The shared vision aimed to amplify the utility of fungible tokens and NFTs within the Web3 space.

Loan from Brisk Thrive International Limited
On **23 August 2023**, Brisk Thrive International Limited ("Brisk Thrive"), a company related to Mr Yat Siu, advanced for US$3,500,000 loan in digital assets. The loan carried an interest rate of 1% per annum with a maturity date of 31 December 2025. Following an execution of a waiver and confirmation letter effective on **3 October 2025,** the loan was confirmed as repaid in full and all accrued interest was waived as at 12 May 2025.

Capital raising
On **11 September 2023**, the Company announced it had raised A$29,520,295 (or US$20,000,000) via various SAFE Agreements through a controlled entity, Morristown Global Limited. Under the terms and conditions of the SAFE Agreements, on the expiry of a six-month period, the controlled entity would arrange for the issue of shares in the Company at a fair value of A$4.50 per fully paid ordinary share with the SAFE holder entitled to receive for a nominal fee, a number of MOCA tokens equivalent to the face value of the SAFE investment divided by US$0.028125.

Similarly, on **8 December 2023**, the Company announced a second tranche of funding equal to A$17,548,339 (or US$11,889,000) was completed by Morristown Global Limited via SAFE Agreements on the same terms and conditions as the raising on 11 September 2023.

The Company raised, in total, A$56,966,344 (or US$38,594,698) from the SAFE instrument and issued 12,677,584 fully paid ordinary shares at A$4.50 per ordinary shares and issued 69,660,372 MOCA tokens.

On **4 December 2025**, two of the SAFE holders entered into Note Subscription Agreements which grants them the right to convert their entitled MOCA Tokens into fully paid ordinary shares in the Company.

Those SAFE holders had elected to convert the tokens into shares subsequently.

Blowfish Studios Tranche 2 payment
On **16 October 2023**, the Company issued 2,272,727 fully paid ordinary shares at a fair value of A$4.50 per fully paid ordinary share to the vendors to extinguish the Company's second anniversary obligation for the purchase of Fugu Raw Pty Ltd (trading as Blowfish Studies).

NEOM partnership
On **30 October 2023**, the Company announced that it had entered into a Strategic Partnership Memorandum of Understanding ("Strategic Partnership") with NEOM to drive regional Web3 initiatives in line with the Saudi Vision 2030 plan.

As part of the strategic relationship, Animoca will work with NEOM on building Web3 enterprise service capabilities with global commercial applicability, which will be deployed to support technology advancements in Riyadh and the NEOM region.

The Strategic Partnership has not yet been executed by the parties as at the date of this report.

Performance rights issued to executives
On **10 November 2023**, 83,150,000 performance rights were granted to key members of the executive team with the performance milestone being based on continuation of employment and on **24 September 2024** the expiry date was extended by the board of directors from 5 years to 10 years from the date of award of the performance rights.

The Sandbox announces A$28,044,280 (or US$19,000,000) funding
On **6 June 2024**, Bacasable Global Limited, announced that the Sandbox entities had raised A$28,044,280 (or US$19,000,000) of convertible promissory notes.

Darewise disposal
On **16 October 2024**, the Company disposed 26.32% of its ownership interest in Darewise Entertainment SAS by way of transferring shares acquired in Darewise to its founders for zero consideration. The Company had, on acquisition, impaired the value of its investment, in full.

Issue of shares to advisor
On **26 November 2024**, the Company approved to issue 1,500,000 shares at a fair value of A$4.50 per fully paid ordinary share to Significant Singular Limited for advisory services. Significant Singular Limited had assisted the Company on several occasions with equity raising.

Investment in Igloo Inc.
During 2024, the Company invested a total of A$2,509,225 (or US$1,700,000) in a SAFE instrument and common stock issued by Igloo Inc. Igloo is a developer of intellectual property to the Pudgy Penguins platform. Igloo is also a participant in the Abstract project developing consumer-based crypto applications.

Grease Monkey Games disposal
On **6 March 2025,** the Company disposed 55% of its ownership interest in Grease Monkey Games Pty Ltd by way of transferring shares acquired in Grease Monkey Games to its founders for zero consideration.

The Company had, on acquisition, impaired the value of its investment, in full.

Leade.rs disposal
On **6 March 2025**, the Company disposed 55% of its ownership interest in Leade.rs Inc for zero consideration.

Leade.rs had been impaired, in full, on acquisition in 2019.

Disposal of WePlay Media
On **20 March 2025**, the Company disposed 75% of its equity interest in WePlay, which was initially acquired on 17 January 2023, for a total consideration of A$73,800 (or US$50,000).

Purchase of preference shares from and issuance of convertible notes to SVF II APAC Aggregator (DE) LLC
On **18 April 2025**, the Company entered into a Share Purchase Agreement with SVF II APAC Aggregator (DE) LLC, through Acheson Investments Limited, a controlled entity of the Company, to purchase all the Series B Preference Shares held by SVF II APAC Aggregator (DE) LLC in Bacasable Global Limited.

In consideration for Share Purchase Agreement between Acheson Investments Limited and SVF II APAC Aggregator (DE) LLC, the Company agreed to issue SVF II APAC Aggregator (DE) LLC convertible notes under a Note Subscription Agreement. The fair value of the convertible note was A$39,203,451 (or US$25,000,000) with maturity three years from the date of issue with a coupon rate of 10% per annum.

Investment in zkME Labs
On **25 April 2025**, Crowd Education Limited, a controlled entity of the Company, entered into a Share Purchase Agreement to acquire 20% equity interest in zkME Labs for a combination of MOCA tokens and fully paid ordinary shares.

Consolidation of ownership in the Sandbox
On **13 July 2025**, the Company entered into a Share Purchase Agreement with Mr Arthur Madrid and a Share Contribution Agreement with Mr Sebastien Borget, the founders of the Sandbox, to repurchase the 30% equity interest in Meta Global Limited (parent entity of the Sandbox companies) previously awarded to the founders in 2021 through the issue of 41,000,000 fully paid ordinary shares in the Company at a fair value of A$4.50 per fully paid ordinary share. The total fair value of the consideration was A$184,500,000. The Company increased its ownership interest in Meta Global Limited, the parent entity of the Sandbox entities from 70% to 100%.

Founders' management services agreement
On **13 July 2025**, the Company entered into a Management Services Agreement with Mr Arthur Madrid who will continue to act as Chairman of the Bacasable Global Limited. As part of the management services agreement, the Company agreed to pay Mr Arthur Madrid 7,631,607 fully paid ordinary shares at a fair value for past performance between 2018 and 2020.

Establishment of Stablecoin joint venture
On **8 August 2025,** Animoca Brands Limited, a controlled entity of the Company, announced that it had entered into a joint venture, Anchorpoint Financial Limited with Standard Chartered Bank (Hong Kong) Limited and Hong Kong Telecom. The joint venture seeks to build a business model focused on the issuance and advancement of licensed stablecoins.

Investment in KLKTN
On **26 August 2025**, the Company entered into a Share Purchase Agreement and a SAFE Subscription Agreement whereby the Company would purchase for A$9,121,621 (or US$6,000,000) shares in KLKTN and subscribe to A$17,547,781 (or US$12,352,000) in SAFE instruments. The investment in KLKTN was undertaken by way of the issue of fully paid ordinary shares at A$4.50 per ordinary share which resulted in the issue of 5,926,534 fully paid ordinary shares.

KLKTN is digital collectible/music platform for Asian artists and the investment by the Company resulted in the Company securing management control.

Advisory Agreement with the former Chief Financial Officer of the Sandbox
On **27 September 2025**, the Company entered into an Advisory Agreement with Mr Marcelo Santurio, the former Chief Financial Officer of the Sandbox. Mr Marcelo Santurio agreed to continue providing the advisory and consultation services on the next coming 12 months, effective from 1 October 2025 for a fee of 500,000 fully paid ordinary shares.

Letter of intent with AlphaTon proposing equity and token investments
On **1 October 2025**, the Company and AlphaTON Capital Corp, a specialized digital asset treasury company focused on building a strategic TON reserve and public markets access to the high-growth Telegram ecosystem, announced that they had executed a non-binding Letter of Intent ("LOI"). The LOI included the potential acquisition by AlphaTON Capital of a controlling interest in GAMEE, a controlled entity of the Company.

Under the terms and conditions set out in the LOI, AlphaTON Capital has a right to acquire a 51% equity interest in GAMEE and 51% of the GAMEE (GMEE) and Watcoin (WAT) tokens held in the GMEE treasury.

Proposed reverse merger with Currenc Group
On **3 November 2025**, the Company entered into a non-binding term sheet ("Term Sheet") with Currenc Group Inc. ("Currenc"), in relation to a potential transaction with Currenc where Currenc would acquire 100% of the shares on issue in Animoca Brands Corporation Limited by way of a scheme of arrangement.

Under the proposed structure, shareholders of the Company would hold approximately 95% of the issued shares in the combined entity and shareholders of Currenc would hold approximately 5% of the combined entity. Currenc expects to authorize a dual-class share structure in connection with the transaction, and following closing, the board of directors of the combined entity will comprise nominees from both entities.

The combined entity is expected to operate as "Animoca Brands".

Redemption of 2022 Convertible Notes
The Company has redeemed its 2022 Convertible Notes issue with the payment of A$197,106,524 (or US$133,539,670). The redemption comprised principal of A$144,206,642 (or US$97,700,000) and compound interest of A$52,899,882 (or US$35,839,670).

A convertible note holder holding A$14,681,717 (or US$9,946,863) in convertible notes converted the amount due into fully paid ordinary shares. The conversion comprised A$11,070,111 (or US$7,500,000) in principal and A$3,611,606 (or US$2,446,863) in compound interest.

Note subscription agreement
On **11 September 2025**, the Company entered into a Note Subscription Agreement with one of the 2022 convertible note holders, which had an original maturity date on 21 August 2025. The outstanding principal amount of A$14,760,140 (or US$10,000,000) has been rolled over at an interest rate of 10% per annum, with a new maturity date on 16 September 2028. Furthermore, the Company entered into Warrant Deed with the same 2022 convertible note holder on the same day. The warrant holder has the right to subscribe for up to 10,256,000 ordinary shares from the date of issuance of the note subscription agreement until the maturity date on 16 September 2028.

Changes of the board of directors
On **10 December 2025**, Mr John Madden was appointed as a non-executive director of the Company and on **11 December 2025**, Mr David Brickler resigned as a non-executive director of the Company. Mr John Madden, a part-time Company Secretary, is retained on a contractual basis and will continue in that role whilst a non-executive director.

Acquisition of SOMO
On **14 January 2026**, the Company announced an acquisition of the digital collectibles and gaming company SOMO. The acquisition was completed as a non-cash transaction. The Company acquired SOMO in exchange for advisory services rendered.

Summary table of equity issues
The following table sets out the number of shares issued, and the equity raised since 31 December 2022 up to 21 January 2026:

		Number	$
Balance as at 31 December 2022		1,852,816,874	1,414,563,825
Date of issue:			
4 Jan 2023	a	25,750,000	2,523,500
4 Jan 2023	b	4,795,798	12,432,000
23 Feb 2023	c	73,210	80,531
6 Mar 2023	d	2,123,087	2,335,741
14 Mar 2023	e	732,099	805,309
22 Mar 2023	f	292,840	322,124
4 Apr 2023	g	398,086	437,895
11 Apr 2023	h	146,420	161,062
20 Apr 2023	i	146,420	161,062
24 Apr 2023	j	598,086	657,895
26 Apr 2023	k	897,128	986,842
2 May 2023	l	5,318,506	5,850,357
9 May 2023	m	2,804,585	3,085,044
12 May 2023	n	1,355,634	1,491,197
24 May 2023	o	11,138,338	13,641,062
14 Jun 2023	p	4,450,192	4,895,211
16 Jun 2023	q	158,889	715,001
10 Aug 2023	r	98,338	442,521
6 Sept 2023	s	426,304	1,918,357
9 Sept 2023	t	84,838	66,425
28 Sept 2023	u	690,000	3,105,000
16 Oct 2023	v	1,815,507	1,997,057
16 Oct 2023	w	2,272,727	2,500,000
16 Oct 2023	x	469,526	939,052
9 Nov 2023	y	1,020,083	524,783
31 Dec 2023	z	1,326,700	5,970,150
15 Jan 2024	aa	500,000	550,000
19 Jan 2024	ab	444,117	1,998,527
19 Feb 2024	ac	168,888	760,000
19 Mar 2024	ad	557,663	713,811
26 Mar 2024	ae	5,122,688	23,052,096
6 May 2024	af	277,533	1,248,899
31 May 2024	ag	15,720	70,740
27 Jun 2024	ah	101,590	457,155
10 Jul 2024	ai	183,333	824,999
16 Aug 2024	aj	7,456,091	33,552,410
28 Aug 2024	ak	499,671	549,638
24 Sep 2024	al	295,623	1,278,031
4 Nov 2024	am	417,403	1,878,314
19 Dec 2024	an	4,609,205	20,741,407
23 Dec 2024	ao	51,249	230,621
21 Feb 2025	ap	772,644	3,476,896

		Number	$
14 Apr 2025	aq	277,776	50,000
15 Apr 2025	ar	750,000	390,000
26 May 2025	as	4,468,750	4,123,041
13 Jul 2025	at	7,631,607	7,631,607
3 August 2025	au	15,600,000	15,600,000
26 August 2025	av	12,581,046	36,430,332
30 September 2025	aw	41,000,000	184,500,000
16 October 2025	ax	750,000	810,000
17 November 2025	ay	1,984,708	8,931,186
18 December 2025	az	34,256	154,152
		175,934,902	418,049,040
		2,028,751,776	1,832,612,865

The issue of shares on the above dates relates to the following:

a	Shares were issued for advisory services
b	Shares were issued for strategic investments
c	Shares were issued to sophisticated and professional investors
d	Shares were issued to sophisticated and professional investors
e	Shares were issued to sophisticated and professional investors
f	Shares were issued to sophisticated and professional investors
g	Shares were issued to sophisticated and professional investors
h	Shares were issued to sophisticated and professional investors
i	Shares were issued to sophisticated and professional investors
j	Shares were issued to sophisticated and professional investors
k	Shares were issued to sophisticated and professional investors
l	Shares were issued to sophisticated and professional investors
m	Shares were issued to sophisticated and professional investors
n	Shares were issued to sophisticated and professional investors
o	Shares were issued to sophisticated and professional investors and issued to strategic investors
p	Shares were issued to sophisticated and professional investors
q	Shares were issued for strategic investments
r	Shares were issued for the acquisition of tokens and for consultancy services
s	Shares were issued for staff performance, advisory service and as retention bonus to nWay executives
t	Shares were issued for payments in lieu of obligations to advisors
u	Shares were issued to employees of portfolio company
v	Shares were issued to sophisticated and professional investors
w	Shares were issued to strategic and institutional investors
x	Shares were issued to sophisticated and professional investors and strategic and institutional investors
y	Shares were issued for advisory service

z Shares were issued to sophisticated and professional investors

aa Shares were issued for the exercise of options

ab Shares were issued for consultancy services

ac Shares were issued for investments

ad Shares were issued for directors' service, for the conversion of convertible bonds, for the exercise of options and payments in lieu of obligations to advisors, Company Secretary and consultants

ae Shares were issued for strategic investments

af Shares were issued for strategic investments

ag Shares were issued for directors' service

ah Shares were issued for consultancy services

ai Shares were issued for strategic investments

aj Shares were issued to sophisticated and professional investors

ak Shares were issued for acquisition of tokenx and directors' service

al Shares were issued for investments and consultancy service

am Shares were issued for strategic investments

an Shares were issued for strategic investment and to sophisticated and professional investors

ao Shares were issued for directors' service

ap Shares were issued for strategic investments and to sophisticated and professional investors

aq Shares were issued for advisory service

ar Shares were issued for executives' performance rights

as Shares were issued for executives' performance rights

at Shares were issued for advisory service

au Shares were issued for conversion of the convertible notes

av Shares were issued for executives' performance rights, advisory service, strategic investments and Shares were issued to sophisticated and professional investors

aw Shares were issued for 30% equity interest of Meta Global Limited

ax Shares were issued for executives' performance rights

ay Shares were issued for investments and consultancy service

az Shares were issued for directors' service

Composition of capital raised after the financial year ended 31 December 2022

	Number	**$**
Cash proceeds from issue of shares	**40,948,027**	**77,197,288**
Non-cash issue of shares for various purposes including shares issues for acquisitions investments and advisors and consultants, and cryptocurrencies	**134,986,875**	**340,851,752**
	175,934,902	**418,049,040**

Likely developments and expected results of operations

The Company continues to expand and diversify its initiatives in the digital assets sector with a specific focus on alternative digital asset tokens ("altcoins"), which include all tokens except Bitcoin. The Company is well positioned to take advantage of increasing interest by institutions in the digital assets sector. Key focus areas are Real World Assets (RWAs) and regulated stablecoins, which the Company has established notable institutional partnerships to develop top-tier products. In addition, the Company will continue to leverage its portfolio of investments in over 620 digital asset companies to generate digital asset services income and returns from the growing altcoin sector.

As stated in the section "Events after balance date", the Company announced a proposed Reverse Merger with Currenc Group Inc and if the proposed transaction is completed, shareholders in the Company will hold approximately 95% of the combined entity (Animoca Brands Corporation Limited and Currenc Group Inc).

The transaction has the potential to transform the Company with access to US equity markets and therefore, capacity to raise new equity to advance its key business strategies.

Risk management

The board of directors, in conjunction with management, undertake an assessment of the key business, operating, and financial risks within the Company.

The key risks identified by the board of directors and management that may impact on the consolidated entity are set out below.

A. *Cryptocurrencies are subject to an extensive and highly evolving regulatory landscape with changes to legislation and regulation potentially impacting the consolidated entity*

Notwithstanding initiatives in the United States of America to ease regulations as well as other jurisdictions easing regulations (Ie., Discussion paper DO 25/1 issued by the Financial Conduct Authority). The global business of the consolidated entity is subject to laws, rules, regulations, policies, orders, determinations, directives, treaties, and legal and regulatory interpretations in a number of jurisdictions in which the consolidated entity operates.

Many of these legal and regulatory regimes were developed prior to the advent of the internet, mobile technologies, cryptocurrencies and related technologies such as blockchain. As a result, some laws and regulations do not contemplate or address unique issues associated with cryptocurrencies and are subject to uncertainty.

The complexity and evolving nature of the business of the consolidated entity and the uncertainty surrounding laws and regulations of cryptocurrencies requires the consolidated entity to exercise judgment as to whether certain laws, rules and regulations apply. In addition, new interpretations of existing laws and regulations may be issued to policymakers and the judiciaries in which the consolidated entity operates.

B. *Cryptocurrency's status as "securities" in some jurisdictions is subject to a high degree of uncertainty and if the consolidated entity is unable to characterise a cryptocurrency asset away from this classification as a security, the outcome may adversely affect the business of the consolidated entity*

The legal test for determining whether any given cryptocurrency asset is a security is a highly complex, fact-driven analysis that evolves over time and the outcome is difficult to predict.

Various jurisdictions do not provide advance guidance or confirmation on the status of any particular cryptocurrency asset as a security.

The consolidated entity has issued fungible tokens which are utilised in its games to 'play games' as well as buy non-fungible tokens and accordingly, believes its tokens are not securities.

C. The consolidated entity needs to ensure that it has developed and implemented safeguards to manage cryptocurrencies to ensure its business, results, and financial conditions are not impacted

The consolidated entity deposits, transfers and holds custody of customer cryptocurrency assets in various jurisdictions. In such circumstances, the consolidated entity needs to safeguard customers' cryptocurrency using bank level-security standards applicable to wallets and maintain systems of the consolidated entity as well as financial management systems related to custodian activities.

The consolidated entity has retained under consulting agreements expertise to design and develop technologies to prevent, detect and mitigate inappropriate access to the consolidated entity through both internal and external threats. The contractual arrangements that consolidated entity has entered with an consulting expertise will provide appropriate systems to safeguard deposits, transfers and custodian cash and cryptocurrencies to industry best practices and continues to further enhance these security systems.

D. With the consolidated entity transitioning from a game developer/platform through divesting its Web2 business, its portfolio investment strategy where it can provide additional services (advisory and market making for tokenisation) has increased significantly which requires significant management resources to oversee and drive successful launches of blockchain/tokenisation entities and may result in dilution to existing shareholders as the investments are largely undertaken by way of the issue of ordinary shares

The consolidated entity recorded its most significant year of acquisitions in the 2022 financial year and has since that time refined its strategy. A revised strategy has been adopted where the focus of its investments has been on portfolio opportunities where it can add value and utilised its skills more effectively and efficiently.

The consolidated entity has appropriate systems and skill base to evaluates opportunities for possible acquisition, portfolio investment, entry into new businesses, joint ventures and other transactions.
Some of these acquisitions, strategic portfolio investments, joint ventures, and other transactions may not achieve the goals for return on investments and result in recognition of losses on financial assets and impairments of acquisitions that investors may view negatively.

Management believes, however, that the focus of the consolidated entity on investing in portfolio opportunities maximises capital allocation and aligns with its skill-base for advisory and market making services.

The issuance of equity to fund acquisitions, portfolio investments, joint ventures and other transactions is dilutive and may be viewed negatively by investors.

E. The business of the consolidated entity requires the application of complex financial accounting rules, and there needs to be more guidance from accounting setting bodies such as the International Accounting Standards Board and the Australian Accounting Standards Board and changes to accounting standards may affect operating results

The consolidated entity must comply with accounting rules and regulations set by the IASB and the Australian equivalent of International Financial Reporting Standards.

The concept that "one size fits all" can result in significant judgments on the application of accounting standards to the consolidated entity. For example, AASB 15 requires recognition of revenue based on the delivery by the consolidated entity of service obligation. The service obligations relate to how users realise gratification from playing digital games and the utilising platforms. The holders of cryptocurrencies of the controlled entities, in many instances, hold tokens such as SAND without utilisation on the SAND platform.

Accordingly, the amortisation of deferred revenue to the profit and loss cannot be achieved in an orderly manner.

With the strategic direction moving from being a game developer and publisher to a provider of advisory and market making (trading)services and portfolio investments, the complexity of accounting will decline in the future as the services-focus strategy is simpler.

F. *The consolidated entity has the potential to suffer losses due to exogenous shocks to market conditions*

The cryptocurrency market has been characterised by significant volatility and unexpected price movements as was seen in previous years with the failure of entities such as FTX, BlockFi, Three Arrows Capital, Voyager Digital and Celsius Network (following the Terra and Luna collapses). Further, the decline in BTC and other high-profile tokens were significantly less than the alt-coin prices towards the end of activity late in 2025.

The recent failures of cryptocurrency entities have caused significant volatility in the prices of cryptocurrencies across the entire market, which may negatively impact the valuation of the consolidated entity's cryptocurrencies traded in primary and secondary markets by gamers and the valuation of third-party cryptocurrencies held by the consolidated entity.

Negative market sentiment for blockchain/tokenisation will also impact the opportunities for the consolidated entity to generate serviced-based revenues as the number of new listings of cryptocurrency/tokens are undermined by declining prices and the failure of entities.

G. *The consolidated entity has in the past and is likely in the future to enter into collaborations, joint ventures, and strategic alliances with third parties and these arrangements and the relationships with third parties could be undermined if the arrangements do not have organisation and business structures to achieve operating results*

The consolidated entity has entered into collaborations, joint ventures, partnerships and strategic alliances with third parties to develop, operate and enhance its platforms and products, acquire tokens and provide services.

Counterparties to any relationship may have economic or business interests or goals that are, or become, inconsistent with those of the consolidated entity's business interests or goals and therefore, risks may emerge to the extent that conflicts may arise in the interpretation of terms and conditions of agreements, the strategic direction of the arrangement, the decision-making processes and more importantly, the successful launch of the cryptocurrency.

H. *The consolidated entity operates in a highly competitive industry and it competes against unregulated or less regulated entities and entities with greater financial and other resources and accordingly, the business, results and financial position of the consolidated entity may be adversely impacted if the consolidated entity cannot respond to competitors effectively*

The cryptocurrency market is highly innovative, rapidly evolving and characterised by competition, experimentation, changing customer needs, and the constant flow of new products and services as well as being subject to uncertain and evolving industry and regulatory requirements.

Competition is expected to increase as existing and new competitors introduce new or enhanced existing products and accordingly, the consolidated entity needs to compete and continually invest in the various new products in order to not only hold its market position but grow its market positions.

I. *The consolidated entity has made significant portfolio investments at various stages of development of new blockchain products and new technologies and the carrying value of these investments is difficult to assess due to a lack of market-based information to assess values*

The consolidated entity has around 555 portfolio investments at the date of this Directors' report and will continue to make such investments in the future and the success of these start-up entities underlying the portfolio investments will depend on these entities advancing their strategies and the continued financial support of the consolidated entity as well as other industry-based institutions.

The portfolio entities that the consolidated entity has invested in must continually attract new monies to advance their development of products and technologies and therefore, exogenous shocks to the industry through failures and negative publicity undermine the capacity of these start-ups entities to attract new monies. The consolidated entity can proactively assist through its own funds and its network of investors; however, there are limitations to assistance where dislocations in the market can impact our industry for extended periods of time.

J. *The consolidated entity may not be able to generate sufficient cash to service debt and other obligations and accordingly, be forced to exit its cryptocurrency balances on- and off-balance balance sheet and lucrative financial assets earlier than it would otherwise wish to do*

The ability of the consolidated entity to service its obligations as and when they fall due depends on its operating performance which is subject to the prevailing economic and competitive conditions and financial, business and other factors beyond the control of the consolidated entity.

The consolidated entity has significant cryptocurrency positions which are recognised on its balance sheet and off its balance sheet due to accounting standards and the servicing of debt instruments and the extinguishment of other obligations may require exiting cryptocurrency positions on unfavourable terms in order to ensure the continuation of the consolidated entity's business.

K. *The operating costs of the consolidated entity increase in future years and the consolidated entity may not be able to achieve profitability or positive cash flow on a consistent basis*

Notwithstanding the implemented by the consolidated entity of its reduce cost as part of a reduction programme to reduce its cash "burn" rate, the operating costs of the consolidated entity may increase in the future as the board of directors seek to attract and retain talent, expand sales and marketing efforts as well as continue to expand its portfolio investments and limited acquisitions.

Operating costs could remain high or increase due to the need for the consolidated entity to address the managerial skills of the enlarged consolidated entity. The award of cash-based incentives as well as non-cash incentives such as the award of performance rights to key executives and the application of specific accounting standards for financial liabilities that have the potential to increased operating costs in future years.

L. *Investors' expectation of the consolidated entity's performance with regard to environmental, social, and governance factors may impose additional costs and expose new risks*

Institutions, globally, are increasingly focused on corporate responsibility despite some short-term political drive to undermine the last 25 years of advancement in ESG policies and practices. Long-term some investors may use these non-financial performance factors to guide their investment strategies and, in some cases, may choose not to invest in the consolidated entity if they believe the policies and actions relating to corporate responsibility by the consolidated entity need to be revised.

The consolidated entity is aware of its corporate responsibilities and is presently specifically focused on governance and compliance and has put in place a process to address its shortcomings in compliance with Australian regulators during the current financial year.

M. The consolidated entity is likely to require additional capital to support business growth

The consolidated entity has funded its growth largely via equity issues and the use of equity to acquire controlled entities as operating cash flows remain volatile.

Additional funding by way of equity issues may not be available on the terms that the board of directors' view as favourable due to investors' the valuation of equity being less than that assessed internally.

With the ultimate parent entity, Animoca Brands Corporation Limited unlisted on an exchange, some investors may be unwilling to subscribe to equity due to the lack of liquidity and in such circumstances reduce the opportunities available to the board of directors to issue new equity.

Favourable equity raising conditions that existed during and following the COVID pandemic with central banks reducing interest rates have changed. Supply-side shortages that emerged after most economies opened after the pandemic have resulted in central banks reversing previous interest rate settings due to inflation.

US interest rates are expected to fall during the course of 2026 with perceived lower inflation (tariff policies have not resulted in inflationary conditions. The expectation for lower increase rates has made conditions for raising equity more attractive as investors seek higher returns. As an unlisted entity, the Company continues to have limited capacity to new equity.

N. The loss of key executives or failure to attract and retain highly qualified personnel could adversely impact the consolidated entity's business, results, and financial position

The consolidated entity operates in a relatively new industry that requires highly skilled and technical personnel. The success of the consolidated entity has largely been driven by the management team led by Mr Yat Siu, the Executive Chairman of Animoca Brands Corporation Limited, and members of the Executive Committee.

The future performance of the consolidated entity is dependent on continuing to motivate and reward the existing executive team as well as attract and develop new employees in an industry where the pool of qualified personnel is extremely limited.

O. As stated through this Directors' Report, the Company proposes to undertake a reverse merger with Currenc Group Inc which requires completion by both the Company and Currenc of a number of conditions precedent which may not be achievable in the timeframe agreed by the parties

For the Company to submit to shareholders a Scheme of Arrangement to redomicile by way of a reverse merger, it must complete outstanding annual reports for 2023, 2024, 2025 and undertake its 2026 prior as a condition precedent. The Company has retained sufficient new resources with the appropriate skills and proposes to also utilise outsource to ensure that compliance obligations are satisfied.

Market conditions may enable the reverse merger to be achieved; however, equity raising opportunities may not be attractive for the merged group at the time of the reverse merger.

Either the Company or Currenc may not wish to pursue the reverse merger due to issues that emerge during the due diligence process.

P. The complexity of business across various jurisdictions may lead to unforeseen tax consequences

The Company is subject to a tax review by authorities in one jurisdiction in which it conducts its business which may lead to other jurisdictions look to review the company's structure and the tax jurisdiction in which it reports profits.

Information on directors

Yat Siu	Executive Chairman, and Managing Director (appointed on 27 September 2020)
Experience	Mr Yat Siu is the founder and Chief Executive Officer of Outblaze Limited, a digital media company specialising in gaming, cloud technology and smartphone/tablet software development. In 2009, Mr Yat Siu sold the messaging division of Outblaze Limited to IBM and successfully turned Outblaze Limited from B2B messaging services to B2B digital entertainment. Mr Yat Siu is a director of Turn-out Ventures Limited, a partnership between Outblaze Investments Limited and Turner Entertainment Holdings Asia-Pacific Limited. Mr Yat Siu is a co-founder of Appionics Holdings Limited from which Animoca Brands Corporation Limited emerged. In 2012, Mr Yat Siu set up ThinkBlaze, a division of Outblaze Limited dedicated to investigating socially meaningful issues related to technology.
Interest in shares and other equity instruments	111,615,262 fully paid ordinary shares (On 22 December 2021 shareholders approved the issue of 89,364,270 performance rights to Mr Yat Siu). In addition, shareholders approved the acquisition by the Company of Sanrio Digital Corporation which resulted in entities related to Mr Yat Siu being issued 7,585,197 fully paid ordinary shares as consideration for the acquisition; 15,720 in lieu of directors fees on 15 December 2023 and 17,083 fully paid ordinary shares in lieu of directors fees on 23 December 2024.
Directorships held in other listed entities in the last three years	OliveX Holdings Limited (appointed on 24 August 2021). Olive X Holdings was listed on the National Securities Exchange, Sydney and voluntarily delisted on 21 July 2023.

David Lloyd Brickler	Director (Non-executive) (appointed on 24 December 2014 and resigned on 11 December 2025)
Qualifications	BA (Princeton), EMBA (Kellogg-HKUST)
Experience	Mr David Brickler provided IT software integration and technical support for several not-for-profit entities in Australia. Mr David Brickler served as the ICT Manager for Baptcare – a provider of healthcare and family and community services throughout Victoria and Tasmania. Prior to this role, Mr David Brickler was Senior Director of Applications for World Vision International, one of the largest not-for-profit organisations in the world. Before entering the not-for-profit sector, Mr David Brickler held several executive technology-based roles throughout the Asia-Pacific region including CIO for Mizuho Securities Asia Ltd,

	Executive Director for Ernst & Young Hong Kong. Global CIO for Noble consolidated entity, one of the largest commodities traders in the world, Vice-President-Equity Technology at Goldman Sachs Securities Co Ltd, Japan and engineering roles at EDS and Fujitsu. Mr David Brickler is fluent in Chinese and Japanese.
Interest in shares and other equity instruments	584,762 fully paid ordinary shares (On 22 December 2021, shareholders approved the issue of 426,831 fully paid ordinary shares in lieu of directors' fees; 15,720 in lieu of directors fees on 15 December 2023; and, 17,083 fully paid ordinary shares in lieu of directors fees on 23 December 2024, 17,128 fully paid ordinary shares in lieu of director fees on 18 December 2025.)
Directorships held in other listed entities in the three years	None

John Michael Madden	Director (Non-executive) (appointed on 10 December 2025)
Qualifications	University of Melbourne FCPA FGIA MAICD
Experience	Mr John Madden has considerable experience leading work programmes on compliance, due diligence, governance and finance. Mr John Madden worked at Rio Tinto for 24 years in various disciplines including accounting (annual reporting and accounting policies), acquisitions, business analysis, community and government relations, planning, project feasibility, project construction/development, and taxation. After his tenure at Rio Tinto, Mr John Madden has worked primarily with small market "cap" companies and has listed a number of entities on the Australian Securities Exchange (ASX) and the Alternative Investment Market (AIM) as well as the London Stock Exchange.
Interest in shares and other equity instruments	359,273 fully paid ordinary shares (Prior to his appointment as a Director in 2025, 359,273 fully paid ordinary shares (comprising 205,057 shares issued on 21 February 2021 and 69,378 shares on 27 December 2019 and 84,838 shares on 19 March 2024) were issued for services rendered.
Directorships held in other listed entities in the last three years	AKORA Resources Limited (resigned on 26 August 2023) Otto Energy Limited (resigned on 1 October 2024) Archaean Gold Limited (appointed on 1 May 2024)

Christopher Paul Whiteman	Director (Non-executive)
Qualifications	BEc (Adelaide) Grad Dip Finance and Investment (FINSA)

Experience	Mr Chris Whiteman is an executive with over twenty-five years of experience in commercial management, finance and strategic advisory roles across various industries including gaming and app development, energy and resources, and investment management. Mr Chris Whiteman has a Degree in Economics from the University of Adelaide, a graduate diploma in Applied Finance and Investment from FINSIA. Mr Chris Whiteman has specific expertise in equity markets and deals structuring, investor and public relations and strategic planning in both the public and private entities in Australia, China, and the United Kingdom.
Interest in shares and other equity instruments	1,167,163 fully paid ordinary shares (On 22 December 2021, shareholders approved the issue of 617,561 fully paid ordinary shares to Mr Chris Whiteman in lieu of directors fees, 15,720 in lieu of directors fees on 15 December 2023 and 17,083 fully paid ordinary shares in lieu of directors fees on 23 December 2024, 17,128 fully paid ordinary shares in lieu of director fees on 18 December 2025.)
Directorships held in other listed entities in the last three years	iCandy Limited (appointed on 2 March 2021) Fortifai Limited (formerly: Mighty Kingdom Limited) (appointed on 15 March 2024, resigned on 22 May 2025) OliveX Holdings Limited (appointed 31 October 2023). Olive X Holdings was listed on the National Securities Exchange, Sydney and voluntarily delisted on 21 July 2023.

Meetings of directors

During the financial year, the board of directors held four meetings (including committee meetings of directors) with the remainder of the meetings conducted by way of written resolution. Attendances by each director for the financial year were as follows:

			Committee Meetings			
	Directors Meetings		**Audit & Risk Committee Meetings**		**Remuneration Committee Meetings**	
	Number	Attended	Number	Attended	Number	Attended
Yat Siu	4	4	1	1	-	-
David Brickler	4	4	1	1	-	-
Chris Whiteman	4	4	1	1	-	-

There have been 38 meetings of the board of directors since the end of the financial year on 31 December 2022.

Audit services

Hall Chadwick (NSW) was appointed as the Group Auditor on 23 December 2024 by way of a general meeting of shareholders. Hall Chadwick (NSW) has retained other auditors as Component Auditors to undertake specific scopes of work in Hong Kong and other jurisdictions.

Non-audit services

Hall Chadwick, in its capacity as an auditor for the Company, has yet to provide any non-audit services during the financial year. The auditor's independence declaration for the financial year ended 31 December 2022 is set out on page 33 as required by s.307C of the Corporations Act 2001 (Commonwealth) ("Corporations Act 2001 (Cth)").

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is wilful negligence.

During the financial year, the Company paid a premium in respect of a contract to provide insurance to the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001 (Cth). The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Environmental regulations

The consolidated entity's operations are not subject to any significant environmental regulations under the government legislation of the countries it operates in. The consolidated entity's environmental footprint is small and arises primarily from the energy used and materials consumed in its offices. The board of directors believe that the consolidated entity has adequate systems in place for the monitoring of environmental regulations.

Options and performance rights

At the date of this report, the unissued ordinary shares of the Company under options (listed and unlisted) are as follows:

Options over ordinary shares outstanding pursuant to equity raising initiatives and employees:

Grant date	Expiry date	Exercise Price	Option Number
Employee options			
4 April 2018	Perpetual	$0.6394	1,067,502
4 April 2019	Perpetual	$0.1335	1,021,564
4 April 2020	Perpetual	$0.1800	178,939
4 April 2021	Perpetual	$1.1000	100,345
4 April 2022	Perpetual	$4.5000	28,754
			2,397,104

Performance rights outstanding and awarded to employees:

Award date	Expiry date	Performance Rights Price	Performance Rights Number	Performance Rights AUD
Tranche 1	21 December 2026	Zero consideration	35,944,386	69,821,970
Tranche 2	21 December 2026	Zero consideration	42,739,826	79,355,035
Tranche 3	21 December 2026	Zero consideration	29,973,501	51,956,067
Tranche 4	21 December 2026	Zero consideration	23,178,061	46,356,122
EEIP	31 December 2034	Zero consideration	71,518,750	60,790,937
			203,354,524	308,280,131

On 22 December 2021, shareholders approved a revised Long-term Incentive Plan which provided the capacity for the board of directors to award performance rights. Mr Yat Siu, the Executive Chairman, was awarded 89,364,270 performance rights by shareholders. The performance rights are convertible into fully paid ordinary shares on achievement of various milestones. On 22 December 2021, Mr Evan Auyang, the consolidated entity President, was awarded 42,471,504 performance rights on the same terms and conditions of Mr Yat Siu.

At the balance date of 31 December 2022, Tranche1 and Tranche 2 milestones had been achieved; however, the Company and the Executive Chairman and Group President have mutually agreed to defer the conversion of the performance rights into fully paid ordinary shares until such time as agreed. The number of fully paid ordinary shares issued on conversion of Tranche 1 and Tranche 2 performance rights were 35,944,386 fully paid ordinary shares and 42,739,826 fully paid ordinary shares, respectively.

The cost of the performance rights recognised in the consolidated statement of profit or loss for the financial year ended 31 December 2022 was A$19,651,670 (2021: A$149,715,407).

On 10 November 2023, 83,150,000 performance rights were granted to key members of the executive team with the performance milestone being based on continuation of employment, and on 24 September 2024, the expiry date was extended by the board of directors from 5 years to 10 years from the date of award of the performance rights.

As at the date of this report, 11,631,250 performance rights have been exercised.

Proceedings on behalf of the consolidated entity

Legal actions have been brought against the Company and its controlled entities with the nature of the actions set out below:

Complete Star Limited v Animoca Brands Limited.
Complete Star Limited, commenced litigation against Animoca Brands Limited ("ABL"), alleging that ABL engaged in the unauthorised use of a trademark in an announcement published on 20 September 2020.

PlayLine Ltd v Animoca Brands Limited.
PlayLine Ltd, commenced arbitration proceedings against ABL, alleging that ABL breached its payment obligations under a service agreement dated 8 October 2021. Under the service agreement, the claimant is required to deliver certain services relating to the acquisition of licences to use third-party intellectual property rights and the commercialisation of such rights.

Both matters remain unresolved as at the date of this report.

The Company and its controlled entities have brought actions against other parties with the nature of the actions set out below:

Animoca Brands Limited v Hai Wei Liu, Robert John Cockburn Tran and Christina Jane Muccio.
ABL commenced arbitration proceedings against Hei Wei Liu, Robert John Cockburn Tran and Christina Jane Muccio for breach of their obligations under a shareholders' agreement in respect of HRCA Global Limited.

Animoca Brands Limited v LCX AG and Monty Metzger.
ABL commenced arbitration proceedings against LCX AG ("LCX") and Monty Metzger, in respect of certain loan agreements entered into between LCX, Monty Metzger and ABL (through special purpose vehicles). ABL is entitled to convert the loans into shares; however, LCX and Monty Metzger have failed to deliver the shares.

Both actions brought by the Company remain unresolved as at the date of this report.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 (Cth) is set out on page 33.

Remuneration

Policy
The remuneration policy of the consolidated entity has been designed to align director and management objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives based on key performance areas affecting the consolidated entity's financial results. The board of directors believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and directors to run and manage the consolidated entity, as well as create goal congruence between directors, executives and shareholders.

The policy of the board of directors for determining the nature and amount of remuneration for board members and senior executives of the consolidated entity is described in the following paragraphs.

The remuneration policy of the consolidated entity sets the terms and conditions for executive directors and other senior executives. Due to the rapidly changing circumstances of the consolidated entity in recent years, the policy is reviewed annually by the board of directors with the purpose of maintaining alignment of the board and management with the consolidated entity's strategic objectives. Management is also entitled to participate in employee share and option arrangements. All executives receive a base salary that takes into account such factors as length of service and experience and share based incentives such as options.

Remuneration details for the financial years ended 31 December 2022 and 31 December 2021

Group KMP	**Short-term benefits**				**Post-Employment Benefits**	**Long-term Benefits**	**Share-based payments**		**Total**
	Salary/Fees	**Profit share/ Bonuses**	**Non-monetary**	**Other**	**Super-annuation**	**Other**	**Equity**	**Options/ Performance Shares**	
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
For Financial Year Ended 31 December 2022									
Yat Siu	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,908,923**	**11,908,923**
David Brickler	**232,752**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**232,752**
Chris Whiteman	**120,000**	**-**	**-**	**-**	**-**	**-**	**549,638**	**-**	**669,638**
	352,752	**-**	**-**	**-**	**-**	**-**	**549,638**	**11,908,923**	**12,811,313**
For Financial Year Ended 31 December 2021									
Yat Siu	-	-	-	-	-	-	76,597,945	109,455,366	186,053,311
David Brickler	15,000	-	-	-	-	-	43,750	-	58,750
Chris Whiteman	102,500	-	-	-	-	-	75,833	-	178,333
	117,500	-	-	-	-	-	76,717,528	109,455,366	186,290,394

Notes to Key Management Personnel ("KMP") Remuneration Table:

- Short-term employee benefits paid to Mr David Brickler and Mr Chris Whiteman represented director fees for services rendered during the financial year ended 31 December 2022.
- Mr John Madden was appointed as director on 10 December 2025 and accordingly, was not a KMP for financial years ended 2022 and 2021.
- On 22 November 2023, shareholders approved the issue of 499,671 shares of A$75,833 to Mr Chris Whiteman in lieu of services for the period 1 July 2018 to 31 December 2021.

Service Agreements

All non-executive directors have been appointed pursuant to Letters of Appointment with the Company. Mr Yat Siu, the Executive Chairman and Managing Director, has not executed at this time, any formal agreement with the Company.

Share-based compensation

a. Employee Share Option Plan

In 2017, the Company adopted an Employee Share Option Plan ("ESOP") to provide incentives to eligible employees of the consolidated entity, including management and directors of the Company. The purpose of the ESOP is to retain and motivate key employees and management within the consolidated entity.

Under the Long-Term Incentive Plan ("LTIP"), the board of directors have the capacity to issue up to 5% of the issued capital of the Company as options over ordinary shares, performance rights and shares issued under other employee incentive schemes.

During the financial year, 42,860 options, equivalent to A$173,985 (2021: 175,789 options, equivalent to A$174,434) were granted to the employees of the consolidated entity, at an exercise price of A$4.50 (2021: A$1.10) per option over ordinary shares.

As a result of the exercise of options over ordinary shares, a total of 21,419 fully paid ordinary shares were issued during the financial year ended 31 December 2022 for A$16,508 (2021: 9,797,475 ordinary shares were issued for A$1,091,439) by the Company. The weighted average exercise price was A$0.77 (2021: A$0.11) per option over ordinary shares.

At balance date of 31 December 2022, the number of options over ordinary shares outstanding was 2,479,968 (2021: 2,817,614) with a weighted average exercise price of A$0.23 (2021: A$0.17) per option over ordinary shares.

The options over ordinary shares have no expiry date.

b. Director and Key Management Personnel Options

The Company has not issued any options over ordinary shares to directors and management of the Company under the LTIP. The options over ordinary shares set out in the Table below relate to options granted to directors and management in their capacity as shareholders participating in offers made by way of placements and offerings to all shareholders.

c. Options of Animoca Brands Corporation Limited held by each KMP

	Balance at start of year	Granted during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested and exercisable
Group KMP	**Number**	**Number**	**Number**	**Number**	**Number**	**Number**
2022						
Yat Siu	-	-	-	-	-	-
David Brickler	-	-	-	-	-	-
Chris Whiteman	-	-	-	-	-	-
	-	-	-	-	-	-
2021	-	-	-	-	-	-
Yat Siu	7,144,006	-	(4,394,006)	(2,750,000)	-	-
David Brickler	-	-	-	-	-	-
Chris Whiteman	-	-	-	-	-	-
	7,144,006	-	(4,394,006)	(2,750,000)	-	-

d. Performance rights issued as remuneration held by each KMP

	Balance at start of year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested and exercisable
Group KMP	**Number**	**Number**	**Number**	**Number**	**Number**	**Number**
2022						
Yat Siu	**89,364,270**	**-**	**-**	**-**	**89,364,270**	**57,448,460**
David Brickler	**-**	**-**	**-**	**-**	**-**	**-**
Chris Whiteman	**-**	**-**	**-**	**-**	**-**	**-**
	89,364,270	**-**	**-**	**-**	**89,364,270**	**57,448,460**
2021	-	-	-	-	-	-
Yat Siu	-	89,364,270	-	-	89,364,270	57,448,460
David Brickler	-	-	-	-	-	-
Chris Whiteman	-	-	-	-	-	-
	-	89,364,270	-	-	89,364,270	57,448,460

Notes to performance rights issued as remuneration held by each KMP

As at the reporting date, 89,364,270 performance rights were granted to Mr Yat Siu, of which 57,448,460 had been vested and become exercisable, while the remaining 31,915,810 remain unvested.

Equity holdings of each Key Management Personnel

	Balance at start of year	Received during the year as compensation	Conversion of options during the year	Subscriptions to issues of shares	Other changes during the year	Balance at end of year
Group KMP	**Number**	**Number**	**Number**	**Number**	**Number**	**Number**
2022						
Yat Siu	**107,001,234**	**-**	**-**	**-**	**3,736,787**	**110,738,021**
David Brickler	**534,831**	**-**	**-**	**-**	**-**	**534,831**
Chris Whiteman	**617,561**	**-**	**-**	**-**	**-**	**617,561**
	108,153,626	**-**	**-**	**-**	**3,736,787**	**111,890,413**
2021						
Yat Siu	64,209,161	38,298,973	4,144,006	1,984,694	(1,635,600)	107,001,234
David Brickler	108,000	426,831	-	-	-	534,831
Chris Whiteman	-	617,561	-	-	-	617,561
	64,317,161	39,343,365	4,144,006	1,984,694	(1,635,600)	108,153,626

Notes to equity holdings of each KMP

- *At the general meeting of shareholders on 22 December 2021, shareholders approved to issue 426,831 fully paid ordinary shares to Mr David Brickler, 617,561 fully paid ordinary shares to Mr Chris Whiteman in lieu of services rendered as directors for the period from 1 April 2018 to 31 December 2019 and 38,298,973 fully paid ordinary shares to Mr Yat Siu in lieu of services as Executive Chairman and Managing Director for a period when no remuneration was paid to Mr Yat Siu.*
- *On 20 December 2021, Ms Michelle Siu Chi Ging, the spouse of Mr Yat Siu exercised and converted 4,144,006 options over ordinary shares into 4,144,006 fully paid ordinary shares at A$0.05.*
- *On 31 December 2021, the Company issued 426,831 fully paid ordinary shares to Mr David Brickler in lieu of A$43,750 outstanding director's fees.*

- *At the general meeting of shareholders on 22 December 2021, shareholders approved the acquisition by the Company of Sanrio Digital Corporation through the issue of a total number of 23,652,003 fully paid ordinary shares as consideration for the acquisition. Mr Yat Siu has 32.07% indirect beneficial equity interest in the sellers which resulted in entities related to Mr Yat Siu being issued 7,585,197 fully paid ordinary shares as consideration for acquisition.*
- *For the period between 4 February 2022 to 23 March 2022, an entity related to Mr Yat Siu has disposed of 3,848,410 fully paid ordinary shares at average price of A$4.47.*

Interest-free loans from Key Management Personnel

There were no loans made to KMP of the Company at the balance date of 31 December 2022 (2021: nil). At the balance date of 31 December 2022, the following amounts were due to KMP A$838,691 (2021: A$215,884), with A$549,638 settled by way of the issue of shares on 28 August 2024 and the balance by way of in cash.

	31 December 2022 $	31 December 2021 $
David Brickler	**164,042**	35,040
Chris Whiteman	**674,649**	180,844
	838,691	215,884

Notes to the Loans from Key Management Personnel:

- *The amounts due to Mr David Brickler and Mr Chris Whiteman represent directors' emoluments for the year ended 31 December 2022 and 2021.*

Interest-bearing loans from Key Management Personnel

On 16 December 2019, the Company announced that it had entered into a series of unsecured loans with sophisticated and professional investors. Mr Yat Siu contributed A$225,000 to the unsecured loan raising of A$3,444,614 in total.

Under the terms and conditions of the unsecured loan agreement all contributors were entitled to 8% per annum on monies provided to the Company. The loan monies contributed by Mr Yat Siu accrued interest from 1 January 2020 and shareholders approved the participation by Mr Yat Siu in this unsecured loan raising on 22 December 2021, approved the payment of interest to Mr Yat Siu for the monies loaned at 8%.

On 22 December 2021, shareholders approved a resolution that enabled Mr Yat Siu to receive interest payments on the loan monies he had advanced as part of the unsecured loan agreement.

On 19 December 2022, Outblaze Limited, an entity in which Mr Yat Siu is a director, advanced the Company A$14,760,148 (or US$10,000,000) at an interest rate of 1% per annum. The terms relating to the repayment have not been determined by the board of directors in discussions with Mr Yat Siu and accordingly, the amount remains outstanding as at the date of this report.

	31 December 2022 $	31 December 2021 $
Yat Siu	**14,985,148**	225,000

Other transactions with Key Management Personnel

Other Transactions with KMP relate to entities associated with Mr Yat Siu

The consolidated entity entered into a Service and Management Services Agreement with Outblaze Limited, an entity in which Mr Yat Siu is a director. Under this agreement, Outblaze Limited provides the following services:

- Use of telephones, facsimile machines, broadband internet connection, photocopiers and printers at the principal office for Cyberport, Hong Kong; and
- Use computer workstations, information systems, furniture and fillings, fixtures, office equipment and pantry supplies.

Both Animoca Brands Limited, an entity controlled by the Company, and Outblaze Limited are joint signatories to the lease agreement for the principal business premises at Cyberport Hong Kong. The growth of the Animoca business has resulted in Animoca being responsible for 67% of the lease agreement and Outblaze Limited being responsible for the balance.

Following the relocation of the office from Cyberport to Landmark South, the joint lease arrangement between Animoca Brands Limited and Outblaze Limited, an entity in which Mr Yat Siu is a director, was terminated in November 2024.

A number of transactions were undertaken between the consolidated entity and entities related to Mr Yat Siu and are as follows:

	31 December	
	2022	**2021**
	$	**$**
Office services and management services fee:		
Outblaze Limited	**616,737**	316,670
(Payables) and receivables:		
Outblaze Limited	**(2,707,663)**	5,429,846

Other Transactions with KMP relate to entities associated with Mr Chris Whiteman

Mr Chris Whiteman entered into an agreement with Zeroth Fano Ventures Limited to purchase an effective interest of 2.5% of a note instrument with A$36,900 (or US$25,000) through his superannuation fund. During the financial year, Zeroth Fano Ventures Limited entered into a note transfer agreement with third parties for a cash consideration of A$1,697,417 (or US$1,150,000) which resulted in a gain of A$221,402 US$150,000), in which a portion of the gain of A$5,535 (or US$3,750) was attributable to Mr Chris Whiteman.

This report of the directors is signed in accordance with a resolution of the Board of Directors.

Yat Siu	John Michael Madden	Christopher Paul Whiteman
Executive Chairman	Non-executive director	Non-executive director
Date 21 January 2026	Date 21 January 2026	Date 21 January 2026

HALL CHADWICK
Chartered Accountants & Business Advisors

ANIMOCA BRANDS CORPORATION LIMITED
ACN 122 921 813
AND ITS CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ANIMOCA BRANDS CORPORATION LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Animoca Brands Corporation Limited. As the lead audit partner for the audit of the financial report of Animoca Brands Corporation Limited for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 21 January 2026

	Note	31 December 2022 $	31 December 2021 $
Net revenue			
Revenue	6	**680,685,467**	103,584,037
Cost of revenue		**(268,042,676)**	(77,418,198)
		412,642,791	26,165,839
Net trading gains on digital assets		**-**	50,440,224
Other income	7	**8,088,238**	997,575
		8,088,238	51,437,799
Costs			
Impairment of goodwill on acquisition	26	**(215,962,729)**	(54,342,005)
Impairment of simple agreement for future tokens	21	**(12,377,985)**	-
Impairment of intellectual property	25	**(62,799)**	(9,998,989)
Impairment of an associate and joint ventures	22-23	**(468,499)**	(8,597,245)
Impairment of plant and equipment	24	**(1,646,909)**	-
Write-off of long-term crypto assets	27	**(95,910,736)**	(2,726,114)
Write-off of trade and non-trade receivables	16	**(829,429)**	(1,289,406)
Allowance for doubtful debts	16	**(144,338)**	(815,119)
Employee benefits	8	**(98,335,774)**	(113,922,841)
Token-based payments to employees	32	**(43,129,181)**	(14,211,234)
Share-based payments		**(21,008,213)**	(149,715,407)
Amortisation of intellectual property	25	**(2,187,649)**	(5,839,125)
Depreciation and amortisation	24,28	**(3,724,366)**	(1,121,265)
Marketing expenses		**(65,765,994)**	(34,518,225)
Consultants and contractors		**(110,225,038)**	(30,766,841)
Research and development expenses		**(9,078,574)**	(2,975,649)
Office expenses		**(9,488,607)**	(4,096,442)
Travel and accommodation expenses		**(4,254,161)**	(398,194)
Communications and computing expenses		**(3,328,853)**	(1,454,520)
Occupancy costs		**(2,005,595)**	(335,732)
Assignment of 30% equity interest in controlled entity	12	**-**	(3,781,065)
Fair value changes in financial assets recognised through profit and loss	19	**(153,156,129)**	(64,393,604)
Fair value changes in financial liabilities recognised through profit and loss	33,35,36	**72,533,858**	(230,660,443)
Net trading losses on digital assets		**(135,091,449)**	-
Exchange fluctuation		**12,178,530**	1,583,905
Finance costs	9	**(11,770,688)**	(13,398,341)
Other expenses	10	**(19,830,291)**	(1,154,744)
		(935,071,598)	(748,928,645)
Loss before income tax		**(514,340,569)**	(671,325,007)
Income tax (expense)/benefit	11	**(4,754,039)**	1,819,314
		(519,094,608)	(669,505,693)
Share of net loss after tax on investments accounted for under equity accounting	22-23	**(936)**	(1,446,706)
Net loss after tax		**(519,095,544)**	(670,952,399)
Loss attributable to			
Owners of the Company		**(510,926,814)**	(624,552,657)
Non-controlling interests		**(8,168,730)**	(46,399,742)
		(519,095,544)	(670,952,399)
Loss per share (cents)			
Basic	13	**(28.58)**	(45.58)
Diluted	13	**(28.58)**	(45.58)

The consolidated statement of other comprehensive income is to be read in conjunction with the accompanying note

	Note	31 December 2022 $	31 December 2021 $
Loss for the year		**(519,095,544)**	(670,952,399)
Other comprehensive income/(loss)			
Exchange fluctuation on translation of foreign currency financial statements		**43,076,603**	7,366,437
Changes in fair value of financial assets recognised in comprehensive income	**19**	**(27,425,379)**	(3,130,979)
Transfer of other financial liabilities on settlement to accumulated losses		**-**	5,571,688
Other movements		**-**	410,584
Other comprehensive income for the year		**15,651,224**	10,217,730
Total comprehensive loss for the year		**(503,444,320)**	(660,734,669)
Total comprehensive loss attributable to			
Owners of the Company		**(490,456,939)**	(614,489,415)
Non-controlling interests		**(12,987,381)**	(46,245,254)
		(503,444,320)	(660,734,669)

The consolidated statement of other comprehensive income is to be read in conjunction with the accompanying notes

	Note	31 December 2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	15	**254,156,476**	331,782,125
Trade and other receivables	16	**37,968,822**	17,570,393
Income tax receivable		**2,383,329**	-
Short-term crypto assets	17	**225,330,075**	302,260,311
Inventories	18	**195,319,804**	133,951,144
Other financial assets	19	**590,406**	3,183,504
Other current assets	20	**19,265,545**	8,217,432
Simple agreement for future tokens	21	**65,491,699**	65,066,853
Total current assets		**800,506,156**	862,031,762
Non-current assets			
Other financial assets	19	**484,081,626**	222,683,532
Investment in an associate	22	**-**	-
Investment in joint ventures	23	**-**	-
Plant and equipment	24	**10,349,877**	2,898,646
Intellectual property	25	**-**	-
Long-term crypto assets	27	**36,473,236**	58,199,790
Other non-current assets	28	**3,254,859**	2,055,126
Total non-current assets		**534,159,598**	285,837,094
Total assets		**1,334,665,754**	1,147,868,856
Liabilities			
Current liabilities			
Trade and other payables	29	**232,609,165**	71,842,118
Deferred revenue	30	**247,246,324**	317,540,722
Loans from related entities	31	**1,629,579**	1,521,555
Income tax payable	11	**3,817,444**	-
Provisions	32	**35,633,951**	18,843,444
Other financial liabilities	33	**84,997,107**	158,215,124
Borrowings	34	**2,784,598**	425,000
Convertible notes	35	**51,444,221**	5,655,093
Warrant liabilities	36	**45,195,935**	18,919,056
Lease obligations	37	**1,888,564**	1,685,137
Total current liabilities		**707,246,888**	594,647,249
Non-current liabilities			
Trade and other payables	29	**87,034**	2,237,625
Deferred revenue	30	**119,013,730**	117,186,616
Loans from related entities	31	**14,760,148**	-
Other financial liabilities	33	**-**	18,152,208
Borrowings	34	**1,209,590**	982,848
Convertible notes	35	**-**	1,317,284
Warrant liabilities	36	**23,349,407**	75,676,222
Lease obligations	37	**5,976,558**	641,596
Deferred tax liabilities	11	**3,074,132**	-
Total non-current liabilities		**167,470,599**	216,194,399
Total liabilities		**874,717,487**	810,841,648
Net assets		**459,948,267**	337,027,208
Equity			
Ordinary capital	38	**1,414,563,825**	581,458,663
Preference capital	39	**39,203,451**	39,203,451
Other contributed equity	40	**-**	355,259,892
Reserves	41	**236,596,381**	145,192,762
Accumulated losses	42	**(1,252,315,399)**	(741,388,585)
		438,048,258	379,726,183
Non-controlling interests	43	**21,900,009**	(42,698,975)
Total equity		**459,948,267**	337,027,208

The consolidated statement of financial position is to be read in conjunction with the accompanying notes

Consolidated statement of changes in equity
For the financial year ended 31 December 2022

	Ordinary Capital	Preference Capital	Other Contributed Capital	Reserves Financial Assets	Share-based Payments	Other Reserves	Translation	Accumulated Losses	Total Group Equity	Non-Controlling interests	Total Equity
	Note 38	Note 39	Note 40	Note 41	Note 41	Note 41	Note 41	Note 42		Note 43	
	$	$	$	$	$	$	$	$	$	$	$
Balance as at 1 January 2022	**581,458,663**	**39,203,451**	**355,259,892**	**5,561,913**	**150,476,720**	**(17,993,982)**	**7,148,111**	**(741,388,585)**	**379,726,183**	**(42,698,975)**	**337,027,208**
Comprehensive income											
Loss for year after tax	-	-	-	-	-	-	-	(510,926,814)	(510,926,814)	(8,168,730)	(519,095,544)
Other comprehensive income/(loss)	-	-	-	(27,425,379)	-	-	47,895,254	-	20,469,875	(4,818,651)	15,651,224
Total comprehensive income/(loss) for the year	-	-	-	(27,425,379)	-	-	47,895,254	(510,926,814)	(490,456,939)	(12,987,381)	(503,444,320)
Transactions with owners in their capacity as owners											
Share issues:											
-Share issues for cash	603,175,696	-	(341,058,901)	-	-	-	-	-	262,116,795	41,870,895	303,987,690
-Share-based payments	562,500	-	(9,789)	-	1,073,056	-	-	-	1,625,767	-	1,625,767
-Shares issues for acquisitions investments and advisors and consultants, and cryptocurrencies	243,512,959	-	(14,191,202)	-	-	-	-	-	229,321,757	35,715,470	265,037,227
-Proceed from temporary holding by the Company of its own shares as an owner	-	-	-	-	-	50,209,019	-	-	50,209,019	-	50,209,019
Performance rights	-	-	-	-	19,651,669	-	-	-	19,651,669	-	19,651,669
Transaction costs	(14,145,993)	-	-	-	-	-	-	-	(14,145,993)	-	(14,145,993)
Total transactions with owners	833,105,162	-	(355,259,892)	-	20,724,725	50,209,019	-	-	548,779,014	77,586,365	626,365,379
Balance as at 31 December 2022	**1,414,563,825**	**39,203,451**	**-**	**(21,863,466)**	**171,201,445**	**32,215,037**	**55,043,365**	**(1,252,315,399)**	**438,048,258**	**21,900,009**	**459,948,267**

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes

	Ordinary Capital	Preference Capital	Other Contributed Capital	Reserves Financial Assets	Share-based Payments	Other Reserves	Translation	Accumulated Losses	Total Group Equity	Non-Controlling interests	Total Equity
	Note 38	Note 39	Note 40	Note 41	Note 41	Note 41	Note 41	Note 42		Note 43	
	$	$	$	$	$	$	$	$	$	$	$
Balance as at 1 January 2021	111,946,930	-	1,797,667	11,338,781	659,006	-	187,258	(125,612,878)	316,764	(701,907)	(385,143)
Comprehensive income											
Loss for year after tax	-	-	-	-	-	-	-	(624,552,657)	(624,552,657)	(46,399,742)	(670,952,399)
Other comprehensive income/(loss)	-	-	-	(3,130,979)	-	-	7,366,437	5,571,688	9,807,146	-	9,807,146
Other movements	-	-	-	(2,645,889)	102,307	-	(405,584)	3,205,262	256,096	154,488	410,584
Total comprehensive income/(loss) for the year	-	-	-	(5,776,868)	102,307	-	6,960,853	(615,775,707)	(614,489,415)	(46,245,254)	(660,734,669)
Transactions with owners in their capacity as owners											
Share issues:											
-Share issues for cash	308,003,027	39,203,451	-	-	-	-	-	-	347,206,478	467,121	347,673,599
-Share-based payments	76,715,447	-	-	-	-	-	-	-	76,715,447	-	76,715,447
-Shares issues for acquisitions investments and advisors and consultants	92,629,532	-	14,191,202	-	-	-	-	-	106,820,734	3,781,065	110,601,799
Buyback of shares	-	-	-	-	-	(17,993,982)	-	-	(17,993,982)	-	(17,993,982)
Performance rights	-	-	-	-	149,715,407	-	-	-	149,715,407	-	149,715,407
Subscription monies received in advance of issue of shares	-	-	339,271,023	-	-	-	-	-	339,271,023	-	339,271,023
Transaction costs	(7,836,273)	-	-	-	-	-	-	-	(7,836,273)	-	(7,836,273)
Total transactions with owners	469,511,733	39,203,451	353,462,225	-	149,715,407	(17,993,982)	-	-	993,898,834	4,248,186	998,147,020
Balance as at 31 December 2021	581,458,663	39,203,451	355,259,892	5,561,913	150,476,720	(17,993,982)	7,148,111	(741,388,585)	379,726,183	(42,698,975)	337,027,208

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes

	Note	31 December 2022 $	31 December 2021 $
Cash flows from operating activities			
Receipts from customers		**516,158,526**	499,863,894
Payments to employees and suppliers		**(590,052,244)**	(118,602,077)
Interest received and other income		**8,088,238**	997,575
Interest payments		**(685,003)**	(1,474,799)
Tax Covid relief		**-**	1,340,813
Tax paid		**(245,792)**	-
Net cash flows (used in)/from operating activities	**44**	**(66,736,275)**	382,125,406
Cash flows from investing activities			
Proceeds from sale of other financial assets		**53,006,349**	-
Proceeds from sale of simple agreements for future token from third parties		**25,616,962**	(6,144,634)
Payments for simple agreements for future token from third parties		**(60,506,606)**	(65,066,853)
Investment in trading digital assets		**94,610,947**	(374,469,667)
Net changes in long term of digital assets		**(51,731,185)**	(57,708,500)
Payment for plant and equipment acquired		**(4,088,669)**	(875,326)
Payments for Intellectual property acquired		**(788,626)**	-
Payments for software acquired		**(2,133,997)**	-
Payments for other financial assets acquired		**(472,943,869)**	(237,199,200)
Acquisition of controlled entities (net of cash and cash equivalents)		**(134,303,079)**	(4,000,000)
Acquisition of an associate		**(487,140)**	(4,320,514)
Acquisition of joint ventures		**(960)**	-
Net cash flows used in investing activities		**(553,749,873)**	(749,784,694)
Cash flows from financing activities			
Proceeds from ordinary share issues		**303,987,690**	308,003,027
Subscription monies received in advance		**-**	339,271,023
Subscription to shares by non-controlling interests in controlled entity		**-**	467,121
Buyback of shares		**-**	(17,993,982)
Drawdown of unsecured loan		**14,470,414**	225,000
Proceeds from Issuance of convertible notes		**165,570,870**	1,296,512
Proceeds from preference share issued by controlled entity		**-**	64,214,794
Repayment of borrowings		**(2,290,065)**	(1,830,899)
Lease payments		**(2,039,170)**	(937,737)
Proceeds from temporary holding by the Company of its own shares as an owner		**50,209,019**	-
Proceeds from issuance of SAFE		**3,025,978**	-
Net cash flows from financing activities		**532,934,736**	692,714,859
Net (decrease)/increase in cash flows		**(87,551,412)**	325,055,571
Exchange fluctuation		**9,925,763**	1,583,906
Cash at the beginning of the year		**331,782,125**	5,142,648
Cash at the end of the year	**15**	**254,156,476**	331,782,125
Analysis of cash and cash equivalents			
Cash at banks and on hand		**205,255,037**	331,734,279
Short-term bank deposits		**48,901,439**	47,846
		254,156,476	331,782,125

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes

Note 1 Corporate information

These are the consolidated financial statements and notes of Animoca Brands Corporation Limited (the "Company") and controlled entities ("consolidated entity"). Animoca Brands Corporation Limited is a company limited by shares, domiciled and incorporated in Australia.

The separate financial statements of the parent entity, Animoca Brands Corporation Limited, have yet to be presented with this financial report as permitted by the Corporations Act 2001 (Commonwealth) ("Corporations Act 2001 (Cth)").

a. Basis of preparation

i. Statement of compliance

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 (Cth).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about the transactions, events and conditions they apply. Compliance with Australian Accounting Standards ensures that the consolidated financial statements and notes also comply with International Financial Reporting Standards issued by the International Accounting Standards Board. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The consolidated financial statements were authorised for issue on 21 January 2026 by the directors of the Company.

ii. Financial position

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at the fair value of selected financial assets, non-current assets and financial liabilities.

iii. Going concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The consolidated entity incurred a net loss for the financial year of A$519,095,544 (2021: A$670,952,399) and a net cash outflow from operating activities of A$66,736,275 (2021: a net cash inflow from operating activities of A$382,125,406).

The reduction in the net loss is attributable to:

- higher revenues, from amortisation for a full financial year of deferred revenue from the launch of the Sandbox platform and token advisory services;
- lower share-based payments (fair value of performance rights); and
- fair value accounting for financial liabilities

largely offset by:

- cost of revenue and marketing costs;
- employee, consultants, contractor and administrative costs;
- impairment of goodwill on acquisition;

- digital asset trading losses;
- write off of long-term crypto assets; and
- fair value accounting losses on investments,

Whilst the reduction in operation cash flows is largely attributable to a significant increase in payments to employees and suppliers.

At the balance date of 31 December 2022, the consolidated entity had working capital of A$93,259,268 (2021: working capital of A$267,384,513). The working capital includes A$8,058,541 (2021: A$6,068,633) in amounts due to other parties that are to be extinguished through the issue of fully paid ordinary shares; the fair value of convertible notes with conversion features and the fair value of warrant liabilities representing deferred revenue of A$373,712,282 (2021: A$493,969,273). The fair value of these derivative financial instruments, the warrant liabilities and deferred revenue are non-cash liabilities.

Subsequent to the end of the financial reporting period, the Company raised A$7,380,074 (or US$5,000,000) from convertible notes in 2023, and A$56,966,344 (or US$38,594,698) from the issuance of SAFE agreements convertible into fully paid ordinary shares in the Company with attaching-MOCA tokens.

The consolidated entity's cash and cash equivalents (stablecoins) balances of approximately A$159,807,285 as at 30 September 2025. The reduction in cash and cash equivalents (including stablecoins) when compared to amounts set out in the statement of financial position reflects the redemption of the convertible notes liability issued in 2022 through a combination of cash payments and equity conversions up to the date of the approval of the financial statement.

Specifically, the consolidated entity redeemed convertible notes with an aggregate principal amount of A$181,982,344 (or US$123,293,038) by way of cash payments up to 30 September 2025, with further redemptions of A$15,124,183 (or US$10,246,632) in November and December 2025.

In addition, convertible notes with a principal amount of A$14,681,717 (or US$9,946,863) have been converted into fully paid ordinary shares. As a result of these collective actions, the outstanding principal amount of the 2022 convertible notes has been reduced to A$14,760,148 (or US$10,000,000) for which the maturity has been extended to 16 September 2028.

In preparing the cash flow forecasts for the twelve months from the date of approval of these financial statements, management has taken into account a number of planned measures to strengthen the Company's liquidity position.

These measures include:

- Management is engaged in active negotiations with certain lenders and aims to obtain additional financing during the first half of 2026.

- Management has implemented a strategic focus to place greater emphasis on transactions and business activities that are expected to generate more near-term cash inflows.

- Management plans to realise gains on certain investments of relatively significant amounts, subject to prevailing market conditions and the Group's funding needs.

- Management is continuing initiatives to rationalise and streamline the Company's operating expenses through the sale or downsizing of operating subsidiaries.

Notwithstanding the above, the achievement of the Company's strategy to strengthen its balance sheet is dependent on assumptions, estimates and judgement of the likelihood of future events.

iv. Use of estimates and judgements
The preparation of financial statements requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of Australian Accounting Standards that have a significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in future year are discussed in Note 2u Critical accounting estimates and judgments.

v. Comparative figures
Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Note 2 Basis of preparation and accounting policies

A controlled entity is any entity over which Animoca Brands Corporation Limited has the power to govern the financial and operating policies to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered. A list of controlled entities is contained in Note 5 Controlled entities in the consolidated financial statements.

All inter-consolidated entity balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of controlled entities have been changed where necessary to ensure consistency with those adopted by the parent entity.

At the balance date of 31 December 2022, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the financial year then ended. Where controlled entities have entered or left the consolidated entity for the financial year, their operating results have been included or excluded from the date control was obtained (ceased).

a. Business combinations

Business combinations occur when an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired, and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as an asset or liability is remeasured each financial year to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at the acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the consolidated statement of profit or loss and statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(i) The consolidated entity raising sufficient additional funding from shareholders or other parties;

(ii) The consolidated entity converting existing loans to equity and if necessary, deferring deferred payment arrangements; and

(iii) The consolidated entity reduces expenditure in line with available funding.

Non-controlling interests in the results and equity of controlled entities are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity of the consolidated entity and the notes to the consolidated financial statements. Losses incurred by the consolidated entity that is attributable to the non-controlling interests are recorded, in full, to the non-controlling interests, even if that results in a deficit balance.

b. Intangible assets

i. Deferred expenditure

Expenditure on the research phase of projects to develop games and software is recognised as an expense incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet all of the following recognition requirements:

(i) the development costs can be measured reliably;

(ii) the project is technically and commercially feasible;

(iii) the consolidated entity intends to and has sufficient resources to complete the project;

(iv) the consolidated entity has the ability to use or sell the game and software; and

(v) the game and software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed.

ii. *Digital assets*

The consolidated entity accounts for its non-broker/trader holdings of digital assets, as indefinite-life intangible assets. Cryptocurrencies that are not held for sale in the ordinary course of business meet the definition of an intangible asset. AASB 138 states that an intangible asset is ‘an identifiable non-monetary asset without physical substance’.

The consolidated entity has ownership of and control over its cryptocurrencies and uses third-party custodial services as well as its own wallets to store its cryptocurrencies.

The consolidated entity has determined the fair value of its cryptocurrencies at cost. It performs analysis at each balance date to identify whether events or changes in circumstances, principally a decrease in quoted prices on active exchanges, indicate that it is more likely than not that any of the assets are impaired. In determining if an impairment has occurred, the consolidated entity considers the lowest price of each cryptocurrency on the active exchange at any time since acquiring the specific cryptocurrency held. If the carrying value of the cryptocurrency exceeds that lowest price, an impairment loss is recorded equal to the difference between the carrying value and the lowest price.

Impairment losses are recognised as ‘impairment of digital assets’ in the profit or loss for the consolidated entity for the financial year which the impairment occurs. The impaired digital assets are written down to their fair value at the date of the impairment and the fair value is not adjusted upward for subsequent increases in the fair value. Gains on digital assets are not recognised until realised upon sale, at which point they would be presented net of any impairment losses.

iii. *Intellectual property*

The consolidated entity recognises intellectual property on the acquisition of assets and in a business combination as the difference between the fair value of consideration and the fair value of net assets through assessment of the fair value of unrecorded but identifiable assets of the acquiree and includes trademarks, developed technology, technologies under development and customer relationships.

The intellectual property is stated at cost less any impairment losses and amortise over the period. The consolidated entity will realise economic benefits from the intellectual property acquired. The dynamic nature of the consolidated entity and the industry in which it operates has resulted in the amortisation of intellectual property over a period of not more than three years.

iv. *Goodwill on acquisition*

Goodwill on acquisition represents the difference between the fair value of consideration on the acquisition of an acquiree and the fair value of the identifiable net assets (net of contingent liabilities) acquired.

The consolidated entity assesses at each balance date the fair value of goodwill on the acquisition and determines whether there has been an impairment in the carrying amount. Where the consolidated entity has determined that an impairment has occurred in the carrying value, the difference between the carrying value and the fair value is charged to the profit or loss.

c. Income tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances for the financial year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the reporting date.

Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in controlled entities, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference cannot be controlled, and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d. Plant and equipment

i. Recognition and measurement

Each class of plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is within the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset employment and subsequent disposal. The expected net cash flows have remained the same as their present values in determining recoverable amounts.

Items of plant and equipment are measured at cost less accumulated depreciation.

ii. *Depreciation*

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Plant and equipment	20.00%
Computers	20.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated statement of profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

e. Employee benefits

i. *Superannuation and retirement funds*

The consolidated entity does not operate a defined benefit fund or accumulation fund for the benefit of employees. Controlled entities within the consolidated entity contribute to government sponsored retirement funds.

ii. *Short-term benefits*

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.

iii. *Long-term benefits*

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

iv. *Award of tokens for zero consideration*

Controlled entities within the consolidated entity have awarded employees with utility tokens such as SAND. In substance, the award of utility tokens to employees represents non-cash benefits for services provided by the employee and accordingly, are measured at the present value at award date and amortised over the period in which the tokens awarded to employees' vest.

f. Equity-settled compensation

The consolidated entity operates an employee share ownership scheme which rewards employees for performance with the issue of options over ordinary shares or performance rights.

i. *Options over ordinary shares*
Options over ordinary shares granted to employees are measured at the fair value of the instruments issued and amortised over the vesting period (a specific period of time). The fair value of options over ordinary shares has not taken into account vesting conditions when determining the fair value using the Black-Scholes pricing model.

ii. *Performance rights*
Performance rights awarded to employees are measured at the fair value of the instruments and amortised over the performance milestones. The fair value of performance rights has taken into account market conditions for vesting using the Parisian Barrier1 model with implied share price targets for each performance rights tranche.

iii *Equity-settled share-based payments*
The Company undertakes portfolio investments and purchases from suppliers by way of equity-settled share-based payments. The Company measures the portfolio investment and the goods and services at fair value of the portfolio investments and goods and services with a corresponding increase in equity. The fair value is measured at settlement date.

g. Revenue and other income
The consolidated entity recognises revenue from the following major sources:
- InApp revenues for smartphones
- Advertising revenues;
- Service revenues and fees (including Token advisory revenue); and
- Blockchain revenues/tokenisation.

For each contract with a customer, the consolidated entity:
- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

i. *InApp revenue*
The consolidated entity recognises InApp revenue on receipt of proceeds from the hosting platforms such as Apple and Google and adjusts revenue for the period in which proceeds are received. In general, proceeds lag the customer utilising the game or platform on Apple or Google by three months with the difference between revenues outstanding at the commencement of a financial year and revenue outstanding at the end of a financial year recorded as an increase or decrease in trade receivables.

ii. *Advertising revenues*
The consolidated entity recognises advertising revenues at transaction date when the advertisement has been released within an InApp game or within the blockchain game or platform.

iii. *Service revenues*
The consolidated entity recognises service revenue from customers for advisory services, market making activities and technical enhancements of games or platforms when the services are delivered or the life of the contract, whichever is an appropriate measure of the performance obligations.

iv. *Blockchain revenues (Deferred revenues)*
The offering period is the period in which the consolidated entity offers to provide future rights and/or online hosting for the game and related extra content sold. Because the offering period is not an explicitly defined period, the consolidated entity must make an estimate of the offering period for the service-related performance obligations (i.e., future update rights and online hosting).

Determining the Estimated Offering Period is inherently subjective and is subject to revision. At this time, the consolidated entity does not have sufficient information systems to determine gender and generation aspects of gamers as well as the average period of time customers are online when estimating the offering period.

The accounting systems are not sufficient for the consolidated entity to distinguish between consumable durable items (fungible tokens) and durable virtual items (non-fungible tokens). In general, consumable virtual items are largely recognised immediately and durable virtual items are recognised over the Estimated Offering Period. The consolidated entity has evaluated the Estimated Offering Period with an international peer group of developers and publishers of games and platforms to determine an appropriate basis for amortisation of deferred revenue. The analysis indicates that 15-18 months is an appropriate basis for amortisation of deferred revenue.

The consolidated entity undertakes staking of digital assets on blockchain platforms as both a validator and delegator. A validator recognises gross revenue whilst a validator recognises net revenue from staking activities at a point in time.

v. *Interest revenue*
Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

vi. *Other income*
Management fees are recognised on a portion of completion basis.

All revenue is stated net of the amount of value added taxes (see Note 2h Value-added taxes).

h. Value-added taxes
Value-added taxes (VAT) are the generic term for the broad-based consumption taxes that the consolidated entity is exposed to such as: Goods-and-Services Tax in Australia; Impuesto al Valor Agregado in Argentina;Arvonlisävero (ALV) in Finland; and the It-taxxa fuq il-valur miżjud in Malta.

Revenues, expenses, and assets are recognised net of the amount of VAT, except where the amount of VAT incurred is not recoverable from the relevant country's taxation authority. In these circumstances the VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of VAT.

Cash flows are presented in the statement of cash flows on a gross basis, except for the VAT component of investing and financing activities, which are disclosed as operating cash flows. Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the taxation authority.

The application of Value Added Tax (VAT) or equivalent indirect taxes to the sale of NFTs or crypto assets remains subject to ongoing clarification and is not fully harmonized across jurisdictions due to the blockchain-based nature of the transactions. The Company will continue to monitor regulatory developments, emerging guidance from tax authorities, and industry practices in this evolving area.

i. Inventories

The consolidated entity conducts broker/trader activities at a controlled entity, Animoca Brands Limited.

Animoca Brands Limited buys and sells cryptocurrencies for their own accounts. The amounts disclosed as inventories are principally acquired with the purpose of selling these cryptocurrencies in the near future in order to extinguish obligations in cryptocurrencies as well as fiat currencies. Animoca Brands Limited also buys and sells to generate profits as well as for risk management purposes.

Cryptocurrencies held for broker-trading activities are initially recorded as cost and subsequently remeasured at fair value at the balance date, with changes in fair value recognised in profit or loss for the financial year of the changes.

j. Leases

With the exception of short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments is separately disclosed in financing activities. For lessor accounting, the remains the same change in how a lessor accounts for leases.

k. Investment in associate entities

Associate entities are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associate entities are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in the profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associate entities are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate entity and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, the fair value of the retained investment and proceeds from disposal are recognised in profit or loss as incurred.

l. Investment in joint ventures

Joint ventures are joint ventures whereby the Company and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity. Investments in joint ventures are accounted for by the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Company's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in a joint venture is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in the other comprehensive income is reclassified to the profit or loss where appropriate.

The Company's share of its joint ventures' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in the other comprehensive income is recognised in the other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture. The Company determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in the profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Company and its joint venture are recognised in the Company's financial statements only to the extent of unrelated investor's interests in the joint ventures. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Company.

Dilution gains and losses in joint ventures are recognised in the profit or loss.

In the Company's statement of financial position, the investments in joint ventures are stated at cost less provision for impairment. The results of joint ventures are accounted for by the Company on the basis of dividend received and receivable.

m. Financial instruments

i. Initial recognition and measurement

Financial instruments, comprising financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as fair value through profit or loss.

Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

The consolidated entity does not designate any interests in controlled entities, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

ii. *Derivative financial instruments*
Derivative financial instruments comprise a warrant instrument issued by a controlled entity. The derivative relates to a preference share issue by a controlled entity which provided the holder the right to acquire a number of tranches of SAND tokens for a specific price with a 10-year expiry date.
The token warrant liabilities are initially recorded at fair value on transaction date with changes in the fair value recorded in the profit or loss.

iii. *Non-derivative financial instruments*
Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

iv. *Classification and subsequent measurement*
(1) Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at calls with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short borrowings in current liabilities on the statement of financial position.

(2) Loans and borrowings
Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Loans are included in current assets, except for those which are not expected to mature within 12 months after the end of balance date.

(3) Trade and other receivables
Trade and other receivables are stated at amortised cost. Receivables are usually settled within 30 to 90 days.

Collectability of trade and other debtors is reviewed on an ongoing basis. An impairment loss is recognised for debts that are known to be uncollectible. An impairment provision is raised for any doubtful amounts.

(4) Trade and other payables
Trade payables and other payables are recognised when the consolidated entity becomes obligated to make future payments resulting from the purchase of goods and services which are unpaid and stated at their amortised cost.

The amounts are unsecured and are generally settled on 30-day terms.

(5) Financial liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(6) *Preference capital*
An assessment of the characteristics of preference capital is assessed to determine whether the preference capital should be classified as a debt instrument or an equity instrument. If the characteristics of preference capital is a debt instrument, the preference capital is recorded on an amortised cost basis.

The consolidated entity has assessed the preference capital as an equity instrument. The terms and conditions of the preference capital raised by a controlled entity does not result in repayment unless a liquidity event is achieved with a minimum price of ordinary shares on listing and a minimum quantum of funds arising from the listing. If a liquidity event results in the sale of the controlled entity, the preference capital has priority in repayment as well as participation rights, on a diluted basis, to share in net proceeds available from the liquidation event for distribution to ordinary shares.

(7) *Ordinary capital*
Ordinary issued capital is recorded at the consideration received. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting the income or capital entitlements of the shareholders.

v. Amortised cost
Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less, principal repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

vi. Fair value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

vii. Effective interest rate method
The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

viii. Impairment
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in the consolidated entity that shares similar credit risk characteristics.

All impairment losses are recognised in the consolidated statement of profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the consolidated statement of profit or loss.

ix. Derecognition
Financial assets are derecognised where the contractual rights to cash flow expire, or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.
Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

x. Financial income and expenses
Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

Foreign currency gains and losses are reported on a net basis.

n. Loss per share

i. Basic loss per share
Basic loss per share is determined by dividing the profit or loss attributable to equity holders of the parent company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding for the financial year, adjusted for bonus elements in ordinary shares issued for the financial year.

ii. Diluted loss per share
Diluted loss per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares which comprise share options granted as share-based payments.

The consolidated entity does not report diluted loss per share, as dilution is not applied to annual loss generated by the consolidated entity.

o. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets comprising capitalised expenditure and intellectual property, other than deferred tax assets (Note 2c Income tax) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset consolidated entity that generates cash flows that largely are independent of other assets and the consolidated entity. Impairment losses are recognised in the consolidated statement of profit or loss, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the consolidated statement of profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash- generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

p. Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

q. Foreign currency transactions and balances

i. Functional and presentation currency

The functional currency of each of the consolidated entity's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

ii. Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year- end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in the profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

iii. *Consolidated entity*
The financial results and position of foreign operations whose functional currency is different from the consolidated entity's presentation currency are translated as follows:

Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.

Income and expenses are translated at average exchange rates for the financial year. Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the consolidated entity's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed of.

r. Fair value estimation
A number of the consolidated entity's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Information about the assumptions made in determining fair values of assets and liabilities is disclosed in the notes specific to that asset or liability.

s. Fair value of assets and liabilities
The consolidated entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the consolidated entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e., unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e., the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the balance date (i.e., the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset at its highest and best use or to sell it to another market participant that would use the asset at its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the consolidated financial statements.

i. Valuation techniques

In the absence of an active market for an identical asset or liability, the consolidated entity selects and uses one or more valuation techniques to measure the fair value of the asset or liability, the consolidated entity selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the consolidated entity are consistent with one or more of the following valuation approaches:

(1) Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

(2) Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

(3) Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the consolidated entity gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

ii. Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

(1) Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

(2) Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

(3) Level 3
Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The consolidated entity would change the categorisation within the fair value hierarchy only in the following circumstances:

- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa or
- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the consolidated entity recognises transfers between levels of the fair value hierarchy (i.e., transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

t. Simple Agreements for Future Tokens ("SAFT")

The consolidated entity enters into Simple Agreements for Future Tokens (SAFT) with third parties as early-stage investments. Under a SAFT, the consolidated entity provides upfront funding to a project in exchange for the right to receive a specified quantity of cryptocurrencies upon the successful completion of a project's Token Generating Event (TGE). Upon inception, the SAFT is recorded at cost.

At each subsequent reporting date, the SAFT is re-assessed and measured at cost less impairment by estimating its fair value, based on the vesting period and other information such as the market price of the token at TGE, if any.

Upon receipt of the cryptocurrencies, these tokens are subsequently reclassified to inventories or long-term crypto assets following an assessment of management's intention regarding the utilisation and holding period of these cryptocurrencies.

u. Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and the best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

i. Key Judgments – Revenue

The application of AASB 15 Revenue from contracts with customers requires the consolidated entity to determine the basis on which it delivers services to customers. The consolidated entity has implemented a strategy to transition its revenue from InApp Mobile-generated revenues to blockchain technology with tokenisation.

Revenue is derived from gamers purchasing virtual items which results in the gamer's gratification being realised over time and accordingly, the consolidated entity is required to initially defer revenue generated from gamers purchasing virtual items and recognise the deferred revenue over time as the gamer realises gratification. The basis for amortisation of deferred revenue requires judgement as to the duration the consolidated entity delivers services to the gamer. The accounting estimates and assumptions impact revenue recognised in the profit or loss each year and the carrying amount of deferred revenue as a liability.

Token advisory revenue represents fee for consultation and advisory, as well as listing services performed by the Group. Revenue is recognised at a point in time when services are rendered.

ii. *Key Estimates – Business combinations*
Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the balance date. Fair value adjustments on the finalisation of the business combination accounting are undertaken on a retrospective basis, where applicable, to the period the combination occurred and have the potential to impact assets and liabilities and depreciation and amortisation reported.

iii. *Key Estimates – Intellectual property*
The consolidated entity undertakes investment in a highly competitive business sector that relies heavily on the retention of consumer demand for games and other services available from digital gaming. The consolidated entity assesses the carrying value of an acquired intellectual property based on expected future cash flows that can be secured from integration with the existing gaming portfolio of digital games as well as cashflows through growth by using its location within the Asian region to access "gamers" in this region.
The consolidated entity acknowledges the relatively short life of digital games and the constant need to enhance existing digital games and develop new digital games and accordingly, amortises intellectual property recorded from the acquisition on a schematic basis over 3, years depending on an assessment of the capacity of digital games to maintain consumer retention rates.

iv. *Key Estimates – Financial assets and financial liabilities*
The consolidated entity has made significant investments in start-up accelerator business opportunities. The consolidated entity evaluates the carrying value of each accelerator based on the year of initial investment, any subsequent investment by the consolidated entity or third parties and the pricing of the subsequent investments.

Where the accelerator continues to raise new funds and the pricing of new funds exceeds the investment made by the consolidated entity in the accelerator, the consolidated entity continues to record the investment at cost. Where the accelerator has yet to raise new funds, the consolidated entity will impair the carrying value of its investment. If the likelihood of the accelerator's capacity to raise new equity is reduced as a result of its failure to achieve its business objectives, the investment in the accelerator is reassessed with the financial impact of the reassessment taken to the profit or loss. Investments in the accelerator made for the financial year are carried at cost unless an event or outcome from activities of the accelerator results in the consolidated entity determining that impairment should be recorded.
The consolidated entity has recorded bank and other loans on an amortised cost basis by determining an effective interest rate and discounting cash outgoings by the effective interest. The effective interest rate reflects the cost to the consolidated entity of raising funds from each type of financial instrument with effective interest rates varying from 4% to 20%. The conversion feature of convertibles notes has been assessed under Black-Scholes models with the residual liability feature of the convertible note assessed under the effective interest rate method.

The consolidated entity has assessed the value of a derivative instrument entered into by a controlled entity using a binomial distribution.

v. *Key Estimate – Impairment*

The consolidated entity assesses impairment at each reporting date by evaluating conditions specific to the consolidated entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

The consolidated entity has recorded an impairment of goodwill on acquisition of A$215,962,729 (2021: 54,342,005), impairment of simple agreement for future tokens and intellectual property of A$12,440,784 (2021: A$9,998,989), impairment of associates and joint ventures of A$468,499 (2021: A$8,597,245), and impairment of plant and equipment of A$1,646,909 (2021: nil) at the balance date of 31 December 2022.

vi. *Key Estimate – Lease term*

The lease term is a significant component in the measurement of both the right-to-use asset and the obligations-to-pay. Accounting estimates and assumptions as to whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the period to be included in the lease terms. In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalty market rates; existence of the leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

vii. *Key Estimate – Share-based payments*

The consolidated entity measures the cost of equity settled with suppliers and employees by reference to the fair value of the equity instruments at the date at which they are granted.

Where the Company has granted options over ordinary shares to suppliers and employees, the fair value is determined by using Black-Scholes modelling.

During the financial year, shareholders approved a revised Executive Employee Incentive Plan which enabled the Company to award both options over ordinary shares and performance rights. As a result of the revised EEIP, the Company awarded performance rights to the Executive Chairmen and the Group President with the fair value of the performance rights determined using a combination of Hoadley's Barrier1 model and Hoadley's Parisian Model ("Parisian Barrier1 Model").

Modelling/simulations take into account the terms and conditions upon which the instruments were granted/awarded. The accounting estimates and assumptions relating to equity-settled share-based payments have no impact on the carrying amounts of assets and liabilities; however, these accounting estimates and assumptions impact profit or loss and equity.

viii. *Key Estimate – Taxation*

Balances disclosed in the consolidated financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof.

No adjustment has been made for pending or future taxation legislation. The current income tax position represents the directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions. Refer to Note 11 income tax expense/(benefit).

ix. Key Estimate – Token-based payments

The consolidated entity measures the cost of token-settled with advisors, consultants and employees by reference to the fair value of the token instruments at the date at which they are granted. The fair value is determined by reference to prices of tokens quoted on www.coinmarketcap.com on the grant date. The accounting estimates and assumptions relating to token settled-based payments have an impact on the carrying amounts of liabilities and the fair value amortised to the profit or loss and equity.

v. New standards, interpretations and amendments adopted by the consolidated entity

A number of new standards, amendments to standards and interpretations issued by the AASB which still need to be mandatorily applicable to the consolidated entity have yet to be applied in preparing these financial statements. The consolidated entity does not plan to adopt these standards early.

		Application Date	Company Review
AASB 2020-3	Annual improvements 2018-2020	2022/23	N/A
AASB 2020-6	Classification of liabilities	2022/23	Evaluating
AASB 2021-7	Amendments to AASB 10/AASB 128 and other corrections	2022/23	Evaluating
AASB 2021-2	Disclosure policies and definition of accounting estimates	2023/24	Evaluating
AASB 2021-5	Deferred tax	2023/24	N/A
AASB 2021-6	Tier 2 Disclosure policies	2023/24	Evaluating
AASB 2023-2	International tax reform-Pillar Two Model Rules	2023/24	Evaluating
AASB 2021-6	Tie Disclosure of policies Tier 2	2023/24	Evaluating
AASB 2023-4	Internation tax reform-Pillar Two disclosures	2023/24	Evaluating
AASB 2020-1	Classification of liabilities	2024/25	Evaluating
AASB 2022-6	Liabilities with covenants	2024/25	N/A
AASB 2023-1	Supplier finance arrangements	2024/25	N/A
AASB S1/S2	Sustainability reporting	2026/27	Evaluating

Note 3 Financial risk management

i. Financial risk management objectives and policies

The consolidated entity's principal financial instruments (excluding other financial assets such as its investments in convertible notes, unlisted ordinary and preference securities and SAFE instruments of accelerator entities) are cash balances and short-term crypto assets such as stablecoins (USDC, USDT, BTC and BNB).

The consolidated entity classifies cryptocurrencies such as USDC and USDT as stablecoins due to the value being pegged, or tied, to that of another currency, commodity, or financial instrument and therefore, from a management perspective, stablecoins are near cash or cash equivalents.

The main purpose of these financial instruments is to extinguish financial obligations as and when they fall due as well as manage liquidity pools for the consolidated entity's token coin exchanges.

The consolidated entity has other financial instruments such as current receivables and payables arising from corporate activities.

The main risks arising from the consolidated entity's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk, price risk and cryptocurrency risk. The board of directors is responsible for overseeing the consolidated entity's financial risk which is managed on a day-to-day business by executives. The board of directors is updated regularly on financial risk management measures that the consolidated entity undertakes to ensure that appropriate analysis of the risks has been considered.

	Floating Interest Rate $	Fixed Interest Rate $	Non-interest Bearing $	Total $
Balance as at 31 December 2022				
Financial assets				
Cash and cash equivalents	**254,156,476**	**-**	**-**	**254,156,476**
Trade and other receivables-current	**-**	**-**	**37,968,822**	**37,968,822**
Other financial assets-current	**-**	**-**	**590,406**	**590,406**
Other financial assets-non current	**-**	**-**	**484,081,626**	**484,081,626**
Other current assets	**-**	**-**	**19,265,545**	**19,265,545**
	254,156,476	**-**	**541,906,399**	**796,062,875**
Financial liabilities				
Trade and other payables-current	**-**	**-**	**(232,609,165)**	**(232,609,165)**
Trade and other payables-non current	**-**	**-**	**(87,034)**	**(87,034)**
Borrowings-current	**-**	**(2,784,598)**	**-**	**(2,784,598)**
Borrowings-non current	**-**	**(1,209,590)**	**-**	**(1,209,590)**
Convertible notes-current	**-**	**(51,444,221)**	**-**	**(51,444,221)**
Deferred revenue-current	**-**	**-**	**(247,246,324)**	**(247,246,324)**
Deferred revenue-non current	**-**	**-**	**(119,013,730)**	**(119,013,730)**
Warrant liabilities-current	**-**	**-**	**(45,195,935)**	**(45,195,935)**
Warrant liabilities-non current	**-**	**-**	**(23,349,407)**	**(23,349,407)**
Other financial liabilities-current	**-**	**-**	**(84,997,107)**	**(84,997,107)**
Loans from related entities-current	**-**	**-**	**(1,629,579)**	**(1,629,579)**
Loans from related entities-non current	**-**	**(14,760,148)**	**-**	**(14,760,148)**
Lease obligations-current	**-**	**(1,888,564)**	**-**	**(1,888,564)**
Lease obligations-non current	**-**	**(5,976,558)**	**-**	**(5,976,558)**
Net maturity	**254,156,476**	**(78,063,679)**	**(212,221,882)**	**(36,129,085)**
Balance as at 31 December 2021				
Financial assets				
Cash and cash equivalents	331,782,125	-	-	331,782,125
Trade and other receivables	-	-	17,570,393	17,570,393
Other financial assets-current	-	-	3,183,504	3,183,504
Other financial assets-non current	-	-	222,683,532	222,683,532
Other current assets	-	-	8,217,432	8,217,432
	331,782,125	-	251,654,861	583,436,986
Financial liabilities				
Trade and other payables-current	-	-	(71,842,118)	(71,842,118)
Trade and other payables-non current	-	-	(2,237,625)	(2,237,625)
Borrowings-current	-	(425,000)	-	(425,000)
Borrowings-non current	-	(982,848)	-	(982,848)
Convertible notes-current	-	(5,655,093)	-	(5,655,093)
Convertible notes-non current	-	(1,317,284)	-	(1,317,284)
Deferred revenue-current	-	-	(317,540,722)	(317,540,722)
Deferred revenue-non current	-	-	(117,186,616)	(117,186,616)
Warrant liabilities-current	-	-	(18,919,056)	(18,919,056)
Warrant liabilities-non current	-	-	(75,676,222)	(75,676,222)
Other financial liabilities-current	-	-	(158,215,124)	(158,215,124)
Other financial liabilities-non current	-	-	(18,152,208)	(18,152,208)
Loans from related entities-current	-	-	(1,521,555)	(1,521,555)
Lease obligations-current	-	(1,685,137)	-	(1,685,137)
Lease obligations-non current	-	(641,596)	-	(641,596)
Net maturity	331,782,125	(10,706,958)	(529,636,385)	(208,561,218)

ii. Specific financial risk exposures and management

The main risk the consolidated entity is exposed to through its financial instruments is credit risk, liquidity risk and market risk consisting of interest rate, cryptocurrency risk, foreign currency risk and equity price risk.

The board of directors has overall responsibility for the establishment of the financial risk strategy and oversight of the risk management framework. The board of directors has adopted practices designed to identify significant areas of business risk and to manage those risks in accordance with the risk profile. This role includes overseeing the basis management sets for assessing, monitoring and managing risks for the consolidated entity and agreeing with management the appropriate risk limits and controls. The consolidated entity, through acquisitions and business has grown substantially and its affairs are increasing in complexity which has resulted in the establishment of a Digital Asset department dedicated to conduct cryptocurrency trading and management to ensure risks are identified and mitigation measures are appropriately implemented. The board of directors is provided on a regular basis with the consolidated entity's exposure to fiat and cryptocurrencies.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the consolidated entity.

Credit risk exposures

The maximum exposure to credit risk relates to largely non-trade-based receivables which is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the consolidated financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the consolidated entity in accordance with an approved policy. Such policy requires that surplus funds be only invested with AAA rated financial institutions residing in Australia, Hong Kong, Europe and the Americas wherever possible.

Impairment losses

Consolidated entity's impaired for the financial year:

- A$215,962,729 (2021: A$54,342,005) of goodwill on the acquisition of controlled entities;
- A$12,440,784 (2021: A$9,998,989) on simple agreement for future tokens and intellectual property;
- A$468,499 (2021: A$8,597,245) on associates and joint ventures;
- A$1,646,909 (2021: nil) on plant and equipment

Liquidity risk

Liquidity risk arises from the possibility that the consolidated entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The consolidated entity manages liquidity risk by continuously monitoring cash forecasts and actual cash flows and ensuring sufficient cash and stablecoin cryptocurrencies and other securities are available to meet the current and future commitments of the consolidated entity.

The financial liabilities of the consolidated entity comprise trade and other payables, bank and other loans, convertible notes, a derivative instrument and deferred revenue as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date. Bank loans and other loans are drawdown at fixed interest rates. Convertible notes also have fixed coupon rates with conversion features.

The deferred revenue relates to the obligations of the consolidated entity to provide its customers with games and platforms to use for game gratification. The obligations of the consolidated entity to its customers are set out in whitepapers. The consolidated entity has the right to withdraw both games and platforms; however, the repudiation risk from such withdrawal would require the consolidated entity to consider some forms of compensation.

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the consolidated entity's income or the value of its holdings of financial instruments. The consolidated entity also has market risk associated with the price of cryptocurrencies. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(1) Interest rate risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the balance date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Interest rate risk is not material to the consolidated entity as its bank and other loans and convertible notes do not vary with changes in interest rates, and movement in interest rates on the consolidated entity's financial assets is not material.

(2) Foreign exchange risk
Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the consolidated entity holds financial instruments which are other than the Australian dollar functional currency of the consolidated entity.

With instruments being held by overseas operations, fluctuations in foreign currencies may impact the consolidated entity's financial results.

(3) Price risk
Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The consolidated entity is exposed to securities price risk and cryptocurrency price risk on short-term and long-term crypto assets as well as cryptocurrencies classified as inventories held for trading/brokering activity.

The investment in listed equities has been valued at the market price prevailing at the balance date. Management of this investment's price risk is by ongoing monitoring of the value with respect to any impairment.

(4) *Cryptocurrency risk*
Cryptocurrency risk relates to the risk that the fair value or the future cash flows from the conversion of cryptocurrencies into fiat currencies will cause fluctuation because of changes in token exchange prices as well as sentiment in the marketplace which has, in previous years, been impacted negatively by failures such as FTX.

As stated above, the consolidated entity holds a large proportion of stablecoins such as USDC or USDT with smaller holdings in BTC and ETH as well other cryptocurrencies.

The trading/broking activities are exposed to more volatile cryptocurrencies and this risk is managed through maintaining significant stablecoins balances.

iii. Sensitivity analysis
Interest rate risk
The consolidated entity has limited exposure to market interest rates on the money it has deposited with Australian and international banking institutions in the form of short-term deposits.

The main risks arising from the consolidated entity's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors are updated regularly on financial risk management measures to ensure compliance with policies.

At the balance date of 31 December 2022 and 31 December 2021, the consolidated entity had the following cash balances exposed to Australian dollars, Euros, HK dollars, Japanese Yen and US dollars variable interest rate risk:

	31 December	
	2022	**2021**
	$	**$**
Cash and cash equivalents	**254,156,476**	331,782,125

At the balance date of 31 December 2022 and 31 December 2021, the consolidated entity had no financial liabilities exposed to variable interest rate risks.

The consolidated entity's cash management policy is to invest surplus funds at the best available rate received from Hongkong and Shanghai Bank and Westpac Banking Corporation.

Set out below is a sensitivity analysis of the financial implications of interest rate risk exposure at the balance date of 31 December 2022 and 31 December 2021. If interest rates had moved, with all other variables constant, profit after tax and equity would have been:

	31 December 2022 $	31 December 2021 $
Loss after tax		
Higher/(lower)		
+1% (100 basis points)	**2,597,000**	1,834,000
-1% (100 basis points)	**(2,597,000)**	(1,834,000)
Equity		
Higher/(lower)		
+1% (100 basis points)	**2,597,000**	1,834,000
-1% (100 basis points)	**(2,597,000)**	(1,834,000)

The movement in equity is linked to the movement in the consolidated statement of profit or loss as the consolidated entity does not undertake any interest rate hedging.

Foreign currency risk
The consolidated entity has exposure to foreign currency risk as a result of conducting its business activities in a number of countries. The consolidated entity is exposed to Australian dollars, Argentine pesos, Czech Koruna, Euros, HK dollars, Japanese Yen and US dollars.

The following table illustrates sensitivities to the consolidated entity's exposures to changes in these exchange rates. The table indicates the impact on how profit and equity values of principal currencies reported at the balance sheet date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	31 December 2022 $	31 December 2021 $
Loss/profit after tax		
Higher/(lower)		
+10% Euro/AUD exchange rate	**614,000**	479,000
-10% Euro/AUD exchange rate	**(614,000)**	(479,000)
Net liabilities/assets		
Higher/(lower)		
+10% Euro/AUD exchange rate	**1,110,000**	435,000
-10% Euro/AUD exchange rate	**(1,110,000)**	(435,000)
Loss after tax		
Higher/(lower)		
+10% USD/AUD exchange rate	**45,056,000**	15,655,000
-10% USD/AUD exchange rate	**(45,056,000)**	(15,655,000)
Net assets/liabilities		
Higher/(lower)		
+10% USD/AUD exchange rate	**63,761,000**	16,897,000
-10% USD/AUD exchange rate	**(63,761,000)**	(16,897,000)

	31 December 2022 $	31 December 2021 $
Loss after tax		
Higher/(lower)		
+10% JPY/AUD exchange rate	**1,680,000**	-
-10% JPY/AUD exchange rate	**(1,680,000)**	-
Net assets		
Higher/(lower)		
+10% JPY/AUD exchange rate	**6,605,000**	-
-10% JPY/AUD exchange rate	**(6,605,000)**	-

Price risk
At the balance date, the consolidated entity does not hold financial instruments that would give rise to price risk.

Cryptocurrency risk
The consolidated entity has cryptocurrencies classified as inventories measured at fair value that are primarily held for trading purpose set out below is a sensitivity analysis of financial implications of cryptocurrency risk exposure at the balance date of 31 December 2022 and 31 December 2021 with a hypothetical 5% increase or decrease in cryptocurrencies prices.

	31 December 2022 $	31 December 2021 $
Profit after tax		
Higher/(lower)		
+5% cryptocurrencies prices	**9,766,000**	6,698,000
-5% cryptocurrencies prices	**(9,766,000)**	(6,698,000)

The cryptocurrency risk on short-term and long-term crypto assets is limited. These assets are measured at cost and are subject to impairment assessment. It comprises mainly stablecoins which are cryptocurrencies whose value is pegged to that of another currency.

Note 4 Acquisitions

The Company acquired Be Media, Cualit, Darewise, Eden Games, GMG, Notre Game, Pixelynx, Sviper, and TinyTap during the financial year for a consideration of A$221,315,490.

	Be Media (a)	Cualit (b)	Darewise (c)	Eden Games (d)	GMG (e)	Notre Game (f)	Pixelynx (g)	Sviper (h)	TinyTap (i)	Total
Net assets acquired										
Total Assets	2,436,450	1,394,635	1,843,635	1,721,011	81,099	203,864	48,725,611	840,464	4,944,329	62,191,098
Total Liabilities	(597,390)	(1,239,289)	(5,046,584)	(3,008,745)	(156,010)	(2,930,776)	(5,287,460)	(137,683)	(6,342,737)	(24,746,674)
Net assets/(liabilities) acquired	1,839,060	155,346	(3,202,949)	(1,287,734)	(74,911)	(2,726,912)	43,438,151	702,781	(1,398,408)	37,444,424
Consideration										
Cash consideration	2,511,604	14,907,749	17,002,987	23,616,236	5,904,059	1,707,903	8,856,089	15,835,467	47,331,823	137,673,917
Non-cash consideration	-	7,641,101	11,833,353	-	3,882,281	113,378	39,114,391	-	10,302,279	72,886,783
Exchange fluctuation	-	-	799,763	-	157,487	12,089	-	-	563,231	1,532,570
Reclassification of financial assets	-	-	-	-	-	-	8,118,081	-	1,104,139	9,222,220
	2,511,604	22,548,850	29,636,103	23,616,236	9,943,827	1,833,370	56,088,561	15,835,467	59,301,472	221,315,490
Fair value of consideration	2,511,604	22,548,850	29,636,103	23,616,236	9,943,827	1,833,370	56,088,561	15,835,467	59,301,472	221,315,490
Fair value of net (assets)/liabilities	(1,839,060)	(155,346)	3,202,949	1,287,734	74,911	2,726,912	(43,438,151)	(702,781)	1,398,408	(37,444,424)
	672,544	22,393,504	32,839,052	24,903,970	10,018,738	4,560,282	12,650,410	15,132,686	60,699,880	183,871,066
Non-controlling interests	631,475	-	8,890,831	-	-	-	20,173,007	-	5,439,383	35,134,696
Goodwill on acquisition	(1,789,659)	(21,838,990)	(41,559,762)	(24,968,025)	(9,776,699)	(4,667,501)	(32,010,321)	(14,757,967)	(64,593,805)	(215,962,729)
Exchange fluctuation	485,640	(554,514)	(170,121)	64,055	(242,039)	107,219	(813,096)	(374,719)	(1,545,458)	(3,043,033)
	-	-	-	-	-	-	-	-	-	-
Consideration transferred settled in cash	2,511,604	14,907,749	17,002,987	23,616,236	5,904,059	1,707,903	8,856,089	15,835,467	47,331,823	137,673,917
Cash and cash equivalents acquired	(239,034)	(831)	(355,928)	(1,074,250)	(43,646)	(31,618)	(695,950)	-	(929,581)	(3,370,838)
Net cash outflow on acquisition	2,272,570	14,906,918	16,647,059	22,541,986	5,860,413	1,676,285	8,160,139	15,835,467	46,402,242	134,303,079

a. Be Media
On 10 August 2022 the Company acquired Be Media, a digital marketing agency focusing on key opportunities centred around blockchain development within the sports entertainment industry. Under the terms and conditions of the Share Purchase Agreement and the Subscription Agreement, the Company acquired 61% of the shares on the issue on completion of the Share Purchase Agreement and increased its equity in Be Media to 67% following its subscription to new shares. At the balance date of 31 December 2022, the fair value consideration was A$2,511,604 in cash.

In addition, the share purchase agreement also provides for Earn-out payments in shares of up to 500,000 fully paid ordinary shares on the achievement of various revenue and surplus of revenue over expenses for three years from 2023 to 2025. The Company had not accrued any obligation for the Earn-out payments at the balance date of 31 December 2022.

The Company also committed to lending Be Media up to A$2,000,000 at an interest rate of 5%, and the loan was fully drawn down subsequently on 13 December 2023.

The Company impaired A$1,789,659 in goodwill on acquisition at the acquisition date.

b. Cualit
On 28 April 2022, the consolidated entity entered into a Quota Purchase Agreement to acquire 99% equity interest of Cualit, an Uruguay based entity for a fair value consideration of A$22,548,850. Cualit specialises in advanced game development support, providing cutting-edge solutions for innovative and immersive gaming experiences.

The Company impaired A$21,838,990 in goodwill on acquisition at the acquisition date.

c. Darewise
On 14 April 2022 the Company acquired 70% equity interest of Darewise for a fair value consideration of A$29,636,103 with A$17,002,987 by way of cash payments and A$11,833,353 by way of fully paid ordinary shares at a fair value of A$4.50 per share. Under the Share Sale, Purchase and Investment Agreement, the Company also agreed to make Earn-out payments in three equal tranches not exceeding A$21,735,922 (or US$15,100,000) in total. The Company made an Earn-out payment of A$3,718,828 based on the launch of Life Beyond NFT and tokens as well as accumulative token sales targets during the financial year.

The Company impaired A$41,559,762 in goodwill on acquisition at the acquisition date.

The Company also agreed to advance Darewise A$6,000,000, and the loan was fully drawn down at the balance date of 31 December 2022.

d. Eden Games
On 5 April 2022 the Company acquired 100% equity interest of Eden Games, a French based entity, for a fair value consideration of A$23,616,236 by way of cash payments. Eden Games has experience in developing award-winning racing games across the mobile, console and PC platforms, including Need for Speed: Porsche Unleashed, F1® Mobile Racing, and the franchises Gear.Club, Test Drive, and V-Rally. The Share Purchase Agreement does not contain an Earn-out payment arrangement.

The Company impaired A$24,968,025 in goodwill on acquisition at the acquisition date.

e. GMG
On 16 February 2022, the Company acquired 100% equity interest of GMG, an indie game developer. GMG is a Melbourne-based developer of high-quality motorsports games and is the developer of popular racing games Torgue Burnout and Torgue Drift.

Under the Share Purchase Agreement, the fair value consideration was A$9,943,827 with A$5,904,059 by way of cash and A$3,882,281 in fully paid ordinary shares at A$4.50 per share. In additional, the sellers are entitled to potential Earn-out payments based on revenue and profit milestones. The Company has not accrued any obligation for the Earn-out payments at the balance date of 31 December 2022.

The consolidated entity also entered into a credit facility agreement with GMG with a facility amount up to A$4,000,000, and the loan was fully drawn down subsequently in 2024.

The Company impaired of A$9,776,699 in goodwill on acquisition at acquisition date.

f. Notre Game
On 19 January 2022, the Company entered into a Share Purchase Agreement to acquire 100% equity interest of Notre Game for a fair value consideration of A$1,833,370 with A$1,707,903 by way of cash and A$113,378 by way of fully paid ordinary shares at A$4.50 per share.

In addition, the Company agreed to pay the founder of Notre Game specific Earn-out payments for revenues generated by Scratch Lords mobile game under certain conditions and, in the event the Company issues tokens for the Scratch Lords mobile game, 20% of the total tokens minted. The Company had not accrued any obligation for the milestone payments at the balance date of 31 December 2022.

The Company impaired A$4,667,501 in goodwill on acquisition at the acquisition date.

g. Pixelynx

On 19 October 2022 the Company entered into a Series A Preferred Stock Purchase Agreement to acquire 53.56% equity interest in Pixelynx for a fair value consideration of A$56,088,561. At the date of acquisition, the principal activities of Pixelynx involved creating a physical and ecosystem for artists and fans who access that the ecosystem. The Pixelynx ecosystem enabled artists with control over how they built experiences with their fans, partners and platforms to monetarise music in Web3.

The consideration comprised of fair value consideration of A$8,856,089 in cash, consideration of A$39,114,391 in payable to Pixelynx structured under a Loan and Security Agreement with Pixelynx, and investment cancellation and conversion of A$8,118,081, representing prior investments held in Pixelynx. as part of the consideration. Under the Loan and Security Agreement, the Company had provided a basket of tokens including REVV, TOWER, GMEE, QUIDD, PRIMATE, VTG, SPORT and ASTRAFER as the collateral for the loan. The Series A Preferred Stock Purchase Agreement does not contain an Earn-out payment arrangement.

The structure of the transaction enables the Company to exercise control through the capacity to convert Preference Shares into Common Shares.

The Company impaired A$32,010,321 in goodwill on acquisition at the acquisition date.

h. Sviper

On 30 May 2022, the Company entered into a Share Purchase Agreement to acquire 100% equity interest of Sviper, a German based entity for a fair value consideration of A$15,835,467 in cash. Sviper specializes in providing high-quality game development support, leveraging its technical expertise to produce engaging and innovative gaming content. The Share Purchase Agreement does not contain an Earn-out payment arrangement.

The Company impaired A$14,757,967 in goodwill on acquisition at acquisition date.

i. TinyTap

On 22 February 2022 the Company entered into a Share Purchase Agreement to acquire 80.45% of the fully diluted shares on issue in TinyTap, an entity incorporated in the state of Israel, for a fair value consideration of A$59,301,472 with A$47,331,823 by way of cash and A$10,302,279 by way of fully paid ordinary shares at a A$4.50 per share. TinyTap is a user-generated content (UGC) educational technology company that provides a no-code platform enabling educators to create and distribute interactive educational content while earning a usage-based revenue share. A controlled entities of the Company initially held 4.01% equity interest in TinyTap. Upon the completion of the acquisition, the consolidated entity’s equity interest in TinyTap increased from 80.45% to 91.60% after excluding the unexercised options on issue.

During July 2022, the Company entered into a Credit Facility Agreement with TinyTap providing US$2,500,000 at 1% per annum interest and repayment up to 36 months from the date of the advance. At the balance date of 31 December 2022, TinyTap had drawn A$2,952,000 (or US$2,000,000) under the Credit Facility Agreement.

Under the share purchase agreement, the founder shareholders shall receive, provided that TinyTap launches a cryptographic token within the first six months after the acquisition, and that they have continuously remained employed by the Company from the date hereof, an allocation of such tokens equal to 30%. The Company had not accrued any obligation for the token allocation at the balance date of 31 December 2022.

The Company impaired A$64,593,805 in goodwill on acquisition at acquisition date.

Note 5 Controlled entities

The following table lists out the controlled entities of the consolidated entity at the balance date of 31 December 2022:

	Principal Activities	**Country of Incorporation**	**Equity Interest 31 December 2022**	**2021**
Animoca Brands Corporation	Holding	BVI	100%	100%
Animoca Brands Limited	Application game maker	Hong Kong	100%	100%
Animoca Brands UK Limited	Business development and holding	United Kingdom	100%	-
Animoca Brands Asia Limited	Investment	BVI	100%	-
Animoca Ventures Management Limited	Investment	BVI	100%	-
Fugu Raw Pty Ltd	Holding	Australia	100%	100%
Blowfish Studios Pty Ltd	Application game maker	Australia	100%	100%
Level 77 Pty Ltd	Application game maker	Australia	100%	100%
Acheson Investments Limited	Investment	BVI	100%	100%
Advance Link Ventures Limited	Investment	BVI	100%	100%
Aerosmith Global Limited	Investment	BVI	100%	100%
Affluent Global Enterprises Limited	Investment	BVI	100%	100%
A-List Developments Limited	Advisory	BVI	100%	100%
Allard Developments Limited	Investment	BVI	100%	100%
Amazing Panther Limited	Investment	BVI	100%	100%
Amber Vantage Limited	Investment	BVI	100%	100%
August Global Group Limited	Investment	BVI	100%	100%
Bright Vision Ventures Limited	Investment	BVI	100%	100%
Bloomsville International Limited	Investment	BVI	100%	-
Baskerville Group Limited	Investment	BVI	100%	-
Bayonne Global Limited	Investment	BVI	100%	-
Brand New Ventures Global Limited	Investment	BVI	100%	-
Celestial Glory Global Limited	Investment	BVI	-	100%
City Prestige Limited	Investment	BVI	100%	100%
Concise Vision Limited	Investment	BVI	100%	100%
Crest Global Enterprises Limited	Investment	BVI	100%	100%
Crystal Summit International Limited	Investment	BVI	100%	100%
Celestial Charm International Limited	Investment	BVI	100%	-
Celestial Power Holdings Limited	Investment	BVI	100%	-
Centreville International Limited	Investment	BVI	100%	-

	Principal Activities	**Country of Incorporation**	**Equity Interest 31 December 2022**	**2021**
Chief Idea Developments Limited	Investment	BVI	100%	-
Classic Dynamics Limited	Investment	BVI	100%	-
Cordova Group Limited	Investment	BVI	100%	-
Cosmic Leader Limited	Investment	BVI	100%	-
Crimson Dawn Limited	Investment	BVI	100%	-
Charming Digital Corporation	Investment	BVI	100%	-
Dynamic Charm Group Limited	Investment	BVI	-	100%
Dragon Port Developments Limited	Investment	BVI	100%	100%
Digital Vantage Holdings Limited	Investment	BVI	100%	-
Dynamic Sky Group Limited	Investment	BVI	100%	-
Dynasty Dragon Group Limited	Investment	BVI	100%	-
Diamond Summit International Limited	Investment	BVI	100%	-
Dragon Joy Group Limited	Investment	BVI	100%	-
Data Knight Developments Limited	Investment	BVI	100%	-
Data Dragon Developments Limited	Investment	BVI	100%	-
Dynamic Harbour Group Limited	Investment	BVI	100%	-
Eltingville Global Limited	Investment	BVI	100%	100%
Elect Global Enterprises Limited	Investment	BVI	100%	-
Eternal Challenger Limited	Investment	BVI	100%	-
Excellent Key Limited	Investment	BVI	100%	-
Forward Leap Limited	Investment	BVI	100%	-
Ga Mee Limited	Investment	BVI	100%	100%
Global Charm Holdings Limited	Investment	BVI	100%	100%
Golden Crest Ventures Limited	Investment	BVI	100%	100%
Golden Range International Limited	Investment	BVI	100%	100%
Golden Trail Investments Limited	Investment	BVI	100%	100%
Gorgeous Star Ventures Limited	Investment	BVI	100%	100%
Great Esteem Ventures Limited	Investment	BVI	100%	100%
Gryfyn Investco Limited	Holding	BVI	100%	-
Gryfyn Holdings Limited	Holding	BVI	100%	-
Gryfyn Global Limited	Investment	BVI	100%	-
Gryfyn HK Limited	Wallet operation	Hong Kong	100%	-
Gryfyn Intelhold PTE Ltd.	Non-operating	Singapore	100%	-
Galena Ventures Limited	Investment	BVI	100%	-
Gladly Conccord Limited	Investment	BVI	100%	-
Gladly Intelligent Limited	Investment	BVI	100%	-

	Principal Activities	Country of Incorporation	Equity Interest 31 December 2022	2021
Global Scale International Limited	Investment	BVI	100%	-
Golden Joyful Investments Limited	Investment	BVI	100%	-
Harvest Field Developments Limited	Investment	BVI	-	100%
Horizon Gold Limited	Investment	BVI	100%	-
Happy Success Limited	Investment	BVI	100%	-
Innovative Chief Limited	Investment	BVI	-	100%
Indelible View Limited	Investment	BVI	100%	-
Inner-City Limited	Investment	BVI	100%	-
Isle Green Limited	Investment	BVI	100%	-
Innovative Century Holdings Limited	Investment	BVI	-	-
Jovial Sky Ventures Limited	Investment	BVI	100%	100%
Jovial Circle Limited	Investment	BVI	100%	-
Kearsley Global Limited	Investment	BVI	100%	100%
Kotewall International Limited	Investment	BVI	100%	-
Leinwand International Limited	Investment	BVI	100%	-
Lucky Harbour Ventures Limited	Investment	BVI	100%	-
Marvel Global Holdings Limited	Investment	BVI	100%	100%
Media King Global Limited	Investment	BVI	100%	100%
Mega Cosmos Limited	Investment	BVI	100%	100%
Mega Oasis Holdings Limited	Investment	BVI	100%	100%
Merit Key Developments Limited	Investment	BVI	100%	100%
Merit Point Global Limited	Investment	BVI	100%	100%
Modern Solution International Limited	Investment	BVI	100%	100%
Merry Potential Limited	Investment	BVI	100%	-
Model Global Group Limited	Investment	BVI	100%	-
Modern Plus Investments Limited	Investment	BVI	100%	-
Morristown Global Limited	Investment	BVI	100%	-
Motorverse Corporation	Investment	BVI	51%	-
New Concept Ventures Limited	Investment	BVI	100%	100%
New Excel Enterprises Limited	Investment	BVI	100%	100%
New Keen Group Limited	Investment	BVI	100%	100%
Ocean Joy Group Limited	Investment	BVI	100%	-
Patton Global Limited	Investment	BVI	100%	100%
Prime Hero Group Limited	Investment	BVI	100%	100%
Prime Key Global Limited	Investment	BVI	100%	100%
Pointer Global Limited	Investment	BVI	100%	-
Power Depot Developments Limited	Investment	BVI	100%	-
Right Realm Limited	Investment	BVI	100%	100%
Rowfield Global Limited	Investment	BVI	100%	-

	Principal Activities	Country of Incorporation	Equity Interest 31 December 2022	2021
Radiant Sunlight Limited	Investment	BVI	100%	-
Region Treasure Limited	Investment	BVI	100%	-
Star Port Developments Limited	Investment	BVI	100%	100%
Sandbox Group Corp	Investment	BVI	100%	100%
Sino Innovation Global Limited	Investment	BVI	100%	100%
Supreme World Global Limited	Investment	BVI	100%	100%
Star Dynasty Ventures Limited	Investment	BVI	100%	100%
Sigmund International Limited	Investment	BVI	100%	100%
Sunlit Global Investments Limited	Investment	BVI	100%	100%
Smart Class Ventures Limited	Investment	BVI	100%	100%
Solar Treasure International Limited	Investment	BVI	100%	100%
Silver Oasis Holdings Limited	Investment	BVI	100%	100%
Summit Gold Holdings Limited	Investment	BVI	100%	100%
Sunshine Tree Limited	Investment	BVI	100%	100%
Summer Peak International Limited	Investment	BVI	-	100%
Simply Mighty Limited	Investment	BVI	100%	-
Sino Vision Global Limited	Investment	BVI	100%	-
Star Adventure Group Limited	Investment	BVI	100%	-
Star Clove International Limited	Investment	BVI	100%	-
Stay Best Ventures Limited	Investment	BVI	100%	-
Sheeny Ideal Limited	Investment	BVI	100%	-
Solar Mind Limited		BVI	100%	-
Top Option Enterprises Limited	Investment	BVI	100%	100%
Tower Global Holdings Limited	Investment	BVI	-	100%
Trade Smart Global Limited	Investment	BVI	100%	100%
Treasure Tower Global Limited	Investment	BVI	100%	100%
Talent Maple Limited	Investment	BVI	100%	-
Tell Us Enterprises Limited	Investment	BVI	100%	-
Trade Key Global Limited	Investment	BVI	100%	-
True Optimal Limited	Investment	BVI	100%	-
Ultra Modern Group Limited	Investment	BVI	100%	100%
Ultimate Data Limited	Investment	BVI	100%	-
Urban Dragon Limited	Investment	BVI	100%	-
Vantage King Ventures Limited	Investment	BVI	100%	100%
Vision Height Limited	Investment	BVI	100%	100%
Value Global Holdings Limited	Investment	BVI	100%	-
Vantage Top Group Limited	Investment	BVI	100%	-
Witty Global Enterprises Limited	Investment	BVI	100%	100%
Wanstead Global Limited	Investment	BVI	100%	-
Win Glory Group Limited	Investment	BVI	100%	-
Zeroth Fano Ventures Ltd	Investment	BVI	100%	100%
Zeroth Fano Ventures II Ltd	Investment	BVI	100%	100%

	Principal Activities	**Country of Incorporation**	**Equity Interest 31 December 2022**	**2021**
Zeroth Holdings III Limited	Investment	BVI	100%	100%
Zummer Ventures Limited	Investment	BVI	100%	-
Animoca Brands Technology (Shanghai) Limited	Non-operating	China	100%	100%
Animoca Limited	Investment advisory	Hong Kong	100%	-
Charming Digital Limited	Group service	Hong Kong	100%	-
Eden Games SAS	Application game maker	France	100%	-
Grease Monkey Games Pty Ltd (Note a)	Application game maker	Australia	100%	-
Notre Game s.r.o	Application game maker	Czech Republic	100%	-
Latgala Ou	Application game maker	Estonia	100%	100%
IT Sprendimai Sekmei, UAB	Application game maker	Lithuania	100%	100%
TicBits Oy	Application game maker	Finland	100%	100%
Animoca Brands K.K.	Investment	Japan	58%	60%
Animoca Capital Investment Holdings Limited	Investment	Cayman Islands	80%	-
Animoca Capital General Partner I Limited	General Partner	Cayman Islands	100%	-
Animoca Capital Investment Advisor Limited	Investment advisory	Cayman Islands	100%	-
Animoca Capital HK Advisor Limited	Investment advisory	Hong Kong	100%	-
Be Media by Animoca Brands Pty Ltd	Application game maker	Australia	67%	-
Be Media Group Pty Ltd (aka Sportpass Pty Ltd)	Application game maker	Australia	100%	-
Be Media (Melbourne) Pty Ltd	Application game maker	Australia	100%	-
Be Media (Sydney) Pty Ltd	Application game maker	Australia	100%	-
Darewise Entertainment SAS (Note b)	Application game maker	France	70%	-
Darewise Entertainment UK Ltd (Note c)	Holding	United Kingdom	100%	-
Isle Classic Limited	Investment	BVI	100%	-
Pixelynx, Inc.	Music metaverse	Delaware	54%	-
Tribeflame Oy	Application game maker	Finland	100%	100%
Benji Bananas Oy	Application game maker	Finland	100%	100%
Stryking Entertainment GmbH	Application game maker	Germany	100%	100%
Crowd Education Limited	Investment	Hong Kong	100%	100%
Ga Mee Global Limited	Investment	Hong Kong	100%	100%

	Principal Activities	Country of Incorporation	Equity Interest 31 December 2022	2021
TinyTap Ltd.	Application game maker	Israel	92%	-
TinyTap Spark Corp	Application game maker	USA	100%	-
Meta Global Limited	Investment	Hong Kong	70%	70%
Bacasable Global Limited	Investment	Hong Kong	100%	100%
Bacasable UK Ltd	Application game maker	United Kingdom	100%	-
Bacasable France SAS	Application game maker	France	100%	-
Cualit Eng. Ltd	Application game maker	Uruguay	99%	-
TSB Japan GK	Application game maker	Japan	100%	-
The Sandbox US, Inc.	Application game maker	USA	100%	-
Sviper GmbH	Application game maker	Germany	100%	-
Sandbox Development Canada Inc.	Application game maker	Canada	100%	100%
TSB Gaming Argentina SA	Application game maker	Argentina	98%	100%
TSB Korea Inc	Application game maker	South Korea	100%	100%
TSBMV Global Limited	Application game maker	Cayman Islands	100%	100%
TSB Gaming Ltd	Application game maker	Malta	100%	100%
Venture Classic Limited	Fund Manager	Hong Kong	67%	67%
Zeroth Holdings II Limited	Investment	Hong Kong	100%	100%
Gamee Limited	Investment	United Kingdom	100%	100%
Gamee Mobile s.r.o.	Application game maker	Czech Republic	100%	100%
Fuel Powered Inc.	Application game maker	USA	60%	60%
Grantoo LLC	Application game maker	USA	100%	60%
Gamma Innovations Inc	Utilisation of idle computer time power	USA	100%	100%
Leade.rs, Inc. (Note d)	Networking	USA	100%	100%
nWay, Inc.	Investment	USA	100%	100%
nWay America LLC	Application game maker	USA	100%	100%
nWay Korea Co., Ltd.	Application game maker	South Korea	100%	100%
NW2020 Inc	Investment	BVI	-	100%
Pixowl Inc.	Application game maker	USA	100%	100%

	Principal Activities	Country of Incorporation	Equity Interest 31 December 2022	2021
Pixowl S.A	Application game maker	Argentina	100%	100%
Quidd Inc	Digital merchandise	USA	100%	100%

Note a. 55% of the equity interest was subsequently disposed on 6 March 2025 with zero consideration.
Note b. 26.32% of the equity interest was subsequently disposed on 16 October 2024 with zero consideration.
Note c. The entity dissolved on 25 November 2025.
Note d. 55% of the equity interest was subsequently disposed on 6 March 2025 with zero consideration.

Note 6 Revenue

	31 December 2022 $	2021 $
Major product lines		
Advertising	**4,400,263**	4,555,427
Blockchain - at a point in time	**7,213,572**	29,439,784
Blockchain - overtime	**515,720,288**	43,448,939
Services		
- Token advisory	**108,069,341**	-
- Other	**9,763,377**	2,359,490
InApp games	**14,325,408**	14,478,241
Other revenues	**21,193,218**	9,302,156
	680,685,467	103,584,037
Timing of revenue recognition		
At a point in time	**164,965,179**	60,135,098
Over time	**515,720,288**	43,448,939
	680,685,467	103,584,037

During the year ended 31 December 2022, 30,000,000 units of ApeCoin were received as consideration of the token advisory services provided. A$108,069,341 was recognized as revenue at that the point in time, using the token price as quoted on the date when the performance obligation was fulfilled, along with an adjustment for a liquidity discount to reflect other restrictions inherent in these tokens.

At the balance date of 31 December 2022, the consolidated entity had recorded deferred revenue of A$366,260,054 (2021: 434,727,338) which will be credited to consolidated statement profit or loss over time (Note 30).

Note 7 Other income

	31 December 2022 $	31 December 2021 $
Interest income	**625,549**	19,279
Other	**7,462,689**	978,296
	8,088,238	997,575

The comparative figures for 2021 have been amended for additional disaggregation of the amount previously categorised as “other income” to disclose net trading gains on digital assets.

Note 8 Employee benefits

	31 December 2022 $	31 December 2021 $
Salaries	**91,816,003**	35,746,788
Earn-out payments	**-**	(211,044)
Retirement benefits	**2,409,551**	184,945
Other	**3,560,582**	1,484,624
	97,786,136	37,205,313
Salaries extinguished by way of issue of shares	**549,638**	76,717,528
	98,335,774	113,922,841

Shareholders approved the issuance of 499,671 ordinary shares to Mr Chris Whiteman at an issue price of A$1.10 per ordinary shares in lieu of past performance.

On 22 December 2021, shareholders approved the issue of 38,298,973 fully paid ordinary shares at fair value of A$2.0 to Mr Yat Siu in lieu of services as Executive Chairman and Managing Director.

Note 9 Finance costs

	31 December 2022 $	31 December 2021 $
Amortised cost on long-term borrowings	**264,287**	17,350
Amortised cost on leases	**298,901**	120,053
Amortised cost on convertible notes	**11,085,685**	2,513,619
Interest expense	**-**	1,472,851
Preference shares valuation adjustment arising on initial SAFE instrument	**-**	9,122,324
Other	**121,815**	152,144
	11,770,688	13,398,341

On 15 June 2019, the consolidated entity issued SAFE instruments to sophisticated and professional investors which entitled the investors to both equity and SAND tokens. The equity component was converted into Series A Preference Shares at a discount to the issue price for other Series A Preference Shares subscribers at the balance date of 31 December 2021.

Note 10 Other expenses

	31 December 2022 $	31 December 2021 $
Secretarial costs	**124,301**	158,698
Portfolio management	**-**	192,690
Withholding taxes	**649,709**	132,510
Other	**19,056,281**	670,846
	19,830,291	1,154,744

The comparative figures for 2021 have been amended for additional disaggregation of the amount previously categorised as “other expenses” to disclose travel and accomodation, communications and computing expenses, and occupancy costs.

Note 11 Income tax expense/(benefit)

	31 December 2022 $	31 December 2021 $
Reconciliation of income tax expense to prima facie tax payable		
Accounting loss	**(514,340,569)**	(671,325,007)
Permanent differences		
Impairment of goodwill on acquisition	**215,962,729**	54,342,005
Non-tax jurisdictions	**72,141,000**	107,694,994
	288,103,729	162,036,999
Adjusted loss	**(226,236,840)**	(509,288,008)
@ Tax rate (30%)	**(67,871,052)**	(152,786,402)
Different tax rates in jurisdictions	**38,200,732**	12,409,729
Adjusted tax benefit	**(29,670,320)**	(140,376,673)
Accruals	**-**	680,826
Amortisation	**8,029**	951,244
Loss on disposal	**589,011**	
Fair value changes in other derivative financial instruments	**6,489,885**	51,776,464
Other assessable income	**5,956,269**	-
Depreciation	**56,547**	7,234
Derivatives (including warrants)	**(20,322,295)**	9,581,918
Directors' fee	**6,060,392**	23,015,258
Other non-taxable income	**(272,877)**	(67,519)
Exchange fluctuation	**(13,650,417)**	1,174,808
Equity raising costs	**-**	(474,722)
Fair value adjustments	**-**	5,204,113
Finance costs	**3,606,564**	2,301,699
Forgiveness of convertible note	**-**	(48,235)
Impairments	**2,321,971**	350,979
Leases	**3,079**	(188,090)
Professional services	**412,424**	2,040,762
Share-based payments	**75,198**	45,149,640
Licence fee	**2,013,722**	-
Tax losses previously not recognized	**(2,718,171)**	-
Tax losses not recognized	**46,931,823**	1,433,086
Other	**(840,401)**	(2,512,792)
	7,050,433	-
Current taxation	**3,976,301**	-
Deferred taxation	**3,074,132**	-
	7,050,433	-
Income tax credit	**(2,296,394)**	-
Reversal of tax-effect deferred assets	**-**	(478,501)
COVID-19 relief	**-**	(1,340,813)
Tax expense/(benefit)	**4,754,039**	(1,819,314)

The applicable weighted average effective tax rates attributable to operating profit for the financial year were 0.92% (2021: nil).

The balance of the franking account at the balance date of 31 December 2022 was nil (2021: nil).

Potential deferred tax assets attributable to tax losses and other temporary differences have not been brought to account at the balance date of 31 December 2022 because the directors do not believe it is probable at this time to realise the deferred tax assets. These benefits will only be obtained if:

i. The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions and losses from other items.

ii. The consolidated entity continues to comply with conditions for deductibility imposed by law.

iii. No changes in tax legislation adversely affect the consolidated entity in realising the benefits from the deductions for the loss and other items.

At the balance date of 31 December 2022, a controlled entity, Animoca Brands Limited based in Hong Kong had estimated unused tax losses of approximately A$59,122,938 (2021: A$10,952,323). Under the Hong Kong tax regime, tax losses can be carried forward indefinitely and accordingly, can be offset against future taxable income. Tax losses accrued by controlled entities acquired in France, Germany and USA are not expected to be available to the consolidated entity in future periods and accordingly, the recoverability of these tax losses will be dependent on future taxable income generated by the respective entities that have incurred then tax losses.

The Company generated sufficient profits in 2022 to recoup the prior year losses of A$7,562,223 based on the satisfaction of the continuation of ownership test. As such, the Company has no carried forward tax losses.

On the other hand, the Company recognised deferred tax liabilities of A$3,074,132 (2021: nil) arising from fair value gains through profit and loss on remeasurement of the conversation feature of convertible notes and warrants issued during the financial year.

As at the date of this report, the consolidated entity has retained advisors to review its policies and procedures for compliance with various tax jurisdictions on such matters as transfer pricing, the transfer of ownership of shares in controlled entities and intellectual property and other issues.

Note 12 Assignment of ownership in controlled entity to founders of the Sandbox

On 27 August 2021, the Company incorporated Meta Global Limited and awarded the founders of the Sandbox a 30% equity interest in Meta Global Limited for zero consideration.

Meta Global Limited held all the ordinary shares on issue in Bacasable Global Limited and Bacasable Global Limited held all the shares on issue in the TSB entities, comprising TSB Argentina SA, TSBMV Global Limited, TSB Gaming Ltd and Sandbox Development Canada Inc.

The fair value of the equity transferred to Mr Sebastien Borget and Mr Arthur Madrid, the founders of the Sandbox is set out in the following table:

	31 December	
	2022	2021
	$	$
Net asset value	-	12,603,550
30% equity interest at fair value	-	3,781,065

The Company assessed the value of the Meta Global Limited based on net assets at the date of assignment of the shares in Meta Global Limited.

On 13 July 2025, the Company entered into a Share Purchase Agreement with Mr Arthur Madrid and a Share Contribution Agreement with Mr Sebastien Borget, the founders of the Sandbox, to repurchase the 30% equity interest in Meta Global Limited (parent entity of the Sandbox companies) previously awarded to the founders in 2021 through the issue of 41,000,000 fully paid ordinary shares in the Company at a fair value of A$4.50 per fully paid ordinary share. The total value of the consideration was A$184,500,000. The Company increased its ownership of ordinary shares in Meta Global Limited from 70% to 100%. Meta Global is the parent entity of the Sandbox entities.

Note 13 Loss per share

Basic loss per share is calculated by dividing net loss for the financial year attributable to members of the parent entity by the weighted average number of ordinary shares outstanding at the balance date.

Diluted loss per share is calculated by dividing the net loss attributable to members of the parent entity by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be on the issue following conversion of all outstanding options over ordinary shares into ordinary shares.

At the balance date of 31 December 2022 and 31 December 2021, there were no dilutive options over ordinary shares outstanding.

	31 December 2022 $	31 December 2021 $
Loss from continuing operations for the year	**(510,926,814)**	(624,552,657)
	No. of shares	No. of shares
Weighted average number of ordinary shares outstanding during the year and used in the calculation of basic EPS	**1,787,777,389**	1,370,297,004
Basic and diluted earnings per share Cents per ordinary shares	**(28.58)**	(45.58)

Note 14 Dividends paid/payable

No dividends were paid during the financial year and no dividend is proposed to be paid at the balance date of 31 December 2022.

Note 15 Cash and cash equivalents

	31 December 2022 $	31 December 2021 $
Cash in hand and cash at bank	**205,255,037**	331,734,279
Short-term deposits	**48,901,439**	47,846
	254,156,476	331,782,125

The effective interest rate on short-term deposit was at 4.3% interest rate per annum with a maturity date on 14 February 2023.

Note 16 Trade and other receivables

	31 December 2022 $	31 December 2021 $
Trade receivables	**13,880,980**	3,877,267
GST receivable	**297,896**	105,950
Non-trade receivables	**25,959,010**	16,071,879
	40,137,886	20,055,096
Receivables written off during current year	**(829,429)**	(1,289,406)
Allowance for doubtful debts	**(1,339,635)**	(1,195,297)
	37,968,822	17,570,393
Current	**37,968,822**	17,570,393
Non-current	**-**	-
	37,968,822	17,570,393

Trade receivables are amounts due from customers for goods provided and services performed in the ordinary course of business. Trade receivables are classified as current assets if payment is expected within 12 months after the financial year ended or within the entity's normal operating cycle, whichever is longer. If collection is expected to occur beyond 12 months and outside the normal operating cycle, they are classified as non-current assets. Trade receivables are recognised initially at the amount of consideration that is unconditional unless an amount recorded as trade receivable contains a significant financing component in which case the trade receivable is recognised at fair value.

The consolidated entity holds trade receivables with the objective of collecting the contractual cash flows and accordingly, measures the trade receivables at amortised cost using the effective interest rate method where contractual terms are extended beyond the normal recoverable period.

Given the short-term nature of trade receivables and non-trade receivables, the carrying values represent the cost less allowance for doubtful debts.

The consolidated entity provided for A$144,338 (2021: A$815,119) in doubtful debts for the financial year, which is related to an entity in which the consolidated entity holds an equity interest that arose from the sale of InApp games in previous years.

At the balance date of 31 December 2022, the consolidated entity wrote off A$829,429 (2021: A$1,289,406) based on a detailed review of the ageing of these receivables.

Note 17 Short-term crypto assets

	31 December 2022 $	31 December 2021 $
Cryptocurrencies	**225,330,075**	302,260,311

The consolidated entity holds specific cryptocurrencies for purposes other than its broker-trader activities. The cryptocurrencies have been valued at cost and are subject to impairment assessment at each balance date.

These cryptocurrencies mainly comprise stablecoins (USDC and USDT) which are cryptocurrencies whose value is pegged or tied, to that of another currency, commodity, or financial instrument and therefore, from management perspective, are near cash or cash equivalents.

The consolidated entity has also classified a portion of its cryptocurrencies as long-term crypto assets (see Note 27).

Note 18 Inventories

	31 December 2022 $	31 December 2021 $
Trading cryptocurrencies	**195,319,804**	133,951,144

Under AASB 2 *Inventories*, inventory does not require to be in a physical form, but inventory should consist of assets that are held for sale in the ordinary course of business.

The consolidated entity has quantified that part of its extensive holdings of cryptocurrencies it holds for sale in the ordinary course of business. The consolidated entity actively trades certain cryptocurrencies and purchases cryptocurrencies with a view to reselling the cryptocurrencies in the near future and generating a profit from fluctuations in the price or traders' margin.

The trading cryptocurrencies held at balance date include both stablecoins as well as more volatile cryptocurrencies and are valued at the lower of cost or net realisable value.

Note 19 Other financial assets

	31 December 2022 $	31 December 2021 $
Current financial assets		
Mandatorily at fair value through profit or loss		
Simple Agreements for Future Equity (SAFE Agreements)	**369,004**	1,102,511
Convertible notes	**221,402**	2,080,993
	590,406	3,183,504
Non-current financial assets		
Mandatorily at fair value through the profit or loss		
Simple Agreements for Future Equity (SAFE Agreements)	**56,082,385**	39,008,686
Simple Agreements for Future Tokens and Equity (SAFTEs)	**6,095,433**	5,656,100
Convertible notes	**4,094,956**	12,049,315
Derivatives	**-**	344,543
Unlisted preferred securities	**280,673,000**	58,462,816
Unlisted limited partnerships	**60,592,993**	18,253,809
Unlisted equity securities	**51,653,845**	66,139,177
	459,192,612	199,914,446
Total current and non-current financial assets at fair value through profit or loss	**459,783,018**	203,097,950
Non-current financial assets		
Designated at fair value through other comprehensive income		
Listed equity securities	**848,400**	6,452,494
Unlisted equity securities	**15,106,326**	7,963,402
Unlisted preferred securities	**4,428,037**	4,134,502
Unlisted limited partnerships	**4,506,251**	4,218,688
Total non-current financial assets at fair value through other comprehensive income	**24,889,014**	22,769,086
Total non-current financial assets	**484,081,626**	222,683,532
Total financial assets	**484,672,032**	225,867,036
Amounts recognised as		
Fair value loss through profit or loss	**(153,156,129)**	(64,393,604)
Fair value loss through other comprehensive income	**(27,425,379)**	(3,130,979)
Opening balance	**225,867,036**	27,303,798
Exchange fluctuation	**22,047,254**	1,668,888
Investments acquired for the year	**479,567,819**	258,964,609
Investments disposed for the year	**(54,148,791)**	(1,738,988)
Fair value adjustment	**(180,581,508)**	(67,524,583)
Other movements	**(8,079,778)**	7,193,312
Closing balance	**484,672,032**	225,867,036

Financial assets mandatorily fair value through the profit or loss
For the financial year, the consolidated entity recognised a fair value loss of A$153,156,129 (2021: A$64,393,604) on financial assets classified as mandatorily at fair value through the profit or loss.

The financial assets accounted for on this basis represent:

- Convertible notes;
- Unlisted preference securities;
- Listed partnerships; and
- SAFE Agreements that provide the consolidated entity with the contractual right to receive equity instruments in start-up entities when a pre-determined “trigger” event occurs (i.e., a specific pricing round of funding above a threshold or liquidation. The number of equity instruments (i.e., shares in a specific start-up entity) on the conversion of the SAFE instrument is linked to the upfront cash subscription and the pricing round of funding that “triggers” the equity or liquidation event.

The investments acquired during the year consist of strategic equity investments in unquoted private entities and quoted securities, primarily concentrated in the Web3, digital assets, and gaming sectors.

During the financial year, the consolidated entity entered into a Share Purchase Agreement that resulted in the disposal of financial assets of A$50,370,049. The financial assets were disposed of at their carrying amount, and no gain or loss was recognised.

Financial assets designated fair value through other comprehensive income
For the financial year, the consolidated entity recognised a fair value loss of A$27,425,379 (2021: A$3,130,979) on financial assets classified as designated at fair value through other comprehensive income.

These financial assets were designated at fair value through other comprehensive income and represent equity securities that the consolidated entity intends to hold for the long term due to their strategic nature to the business activities of the consolidated entity and the relationship between the consolidated entity and the investee entity.

Fair value measurement
Financial assets are measured at fair value in the consolidated statement of the financial position of the consolidated entity into three levels of the fair value hierarchy. The three levels are as follows:

Level 1
The fair value of financial instruments traded in active markets (i.e., publicly traded derivatives and equity instruments) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the consolidated entity is the current bid price.

Level 2
The fair value of financial instruments that are not traded in an active market (i.e., over-the-counter derivatives) is determined using valuation techniques that maximise the use of observable market information and rely as little as possible on entity-specific estimates.

Level 3
The fair value of financial instruments under this level represents outcomes that occur if one or more of the significant inputs is not based on observable market information.

Note 20 Other current assets

	31 December 2022 $	31 December 2021 $
Deposits	**4,629,904**	636,650
Minimum guarantees	**-**	192,637
Prepayments	**10,689,436**	6,925,281
Other	**3,946,205**	462,864
	19,265,545	8,217,432

Note 21 Simple Agreements for Future Tokens (SAFTs)

	31 December 2022 $	31 December 2021 $
Opening balance	**65,066,853**	-
Investments acquired for the year	**60,506,606**	66,434,806
Investments disposal for the year	**(24,537,363)**	(54,060)
Reclassification to inventories or long-term crypto assets	**(26,602,450)**	(1,313,893)
Impairment	**(12,377,985)**	-
Other movements	**(1,079,599)**	-
Exchange fluctuation	**4,515,637**	-
	65,491,699	65,066,853

During the financial year, the consolidated entity entered into a Share Purchase Agreement that resulted in the disposed of certain SAFTs for a total value of A$24,537,363. These SAFTs were disposed of at cost, with no gain or loss recognised.

The consolidated entity entered into a number of SAFTs during the financial year to subscribe for the future cryptocurrencies. The consolidated entity is entitled to receive SAFTs tokens based on the achievement by the issuer of specific goals at a discount to the proposed issue price at the token generating event date. During the financial year, the consolidated entity settled various SAFT arrangements upon the successful token generation events of the issuers with a total value of A$26,602,450. These tokens were subsequently reclassified to inventories or long-term crypto assets following an assessment of management's intent regarding the utilisation and holding period of these digital assets.

Note 22 Investment in an associate

	31 December 2022 $	31 December 2021 $
Cost	**-**	3,727,615
Share of net loss	**-**	(1,446,706)
Acquisition of equity interest	**487,140**	4,320,514
Impairment	**(468,499)**	(4,670,245)
Reclass to investment in subsidiary	**-**	(1,444,475)
Exchange fluctuation	**(18,641)**	(486,703)
	-	-

Helix One Limited
On 15 October 2019, the consolidated entity entered into a strategic partnership with Mind Fund consolidated entity Ltd, a leading venture capital company, and Helix One Limited, an accelerator established by Mind Fund and Hedera Hashgraph Inc.

The consolidated entity restructured its ownership interest in Helix One Limited during the financial year 2021 by way of arranging for Helix One Limited converting the shares it issued to the consolidated entity into participating interests in the specific portfolios held by the accelerator.

OliveX Holdings Limited
On 24 August 2020, OliveX Holdings Limited was listed on the New Securities Exchange in Sydney, Australia. Up until 30 June 2020, the consolidated entity accounted for OliveX Holdings Limited and its controlled entities as a controlled entity with the consolidated entity holding 78% of the shares on issue. Following the listing of OliveX Holdings Limited, the consolidated entity holds 33% of the shares on issue and accordingly has accounted for Olive Holdings Limited as an associate entity under AASB 128.

During the financial year the consolidated entity further increased its equity to 34.4% in OliveX Holdings Limited following its subscription to new shares for A$487,140.

OliveX voluntarily delisted from the NSX on 21 July 2023 due to combination of factors including a lack of liquidity on the exchange for investors; the compromise of its DOGE token and the emergence of a dispute between the vendors of Six-to-Start Limited and OliveX. OliveX downsized its business in Hong Kong during the course of 2023 and resolved the dispute with the vendors of STS in 2025. The Company impaired its investment in OliveX Holdings Limited.

On 19 November 2025, OliveX Holdings Limited announced a proposed strategic restructure under which the net assets will be transferred to HealthID Limited in exchange for shares to be distributed in-specie to OliveX shareholders (“The proposed strategic restructure”). The proposed strategic restructure is subjected to shareholder approval, which will be followed by the voluntary liquidation of OliveX Holdings Limited.

Note 23 Investment in joint ventures

Summarised financial information of joint ventures and the Company's share of results and net assets are as follows:

	31 December 2022 $	31 December 2021 $
Cost	**960**	-
Share of loss in joint ventures	**(936)**	-
Exchange fluctuation	**(24)**	-
	-	-
For the financial year ended 31 December		
Total income	**-**	-
Total expenses	**(9,347)**	-
Loss and total comprehensive loss for the year	**(9,347)**	-
Consolidated entity's share of loss and total comprehensive loss	**(936)**	-
At the balance date of 31 December		
Total assets	**3,008**	-
Total liabilities	**(10,804)**	-
Net liabilities	**(7,796)**	-

	Principal Activities	Country of Incorporation	31 December 2022 Group effective interest
Directly held			
Meta-iCon Limited	Investment Holding	Hong Kong	51.0%
Indirectly held			
Meta Hollywood Limited	Investment Holding	Hong Kong	30.6%

The consolidated entity had discontinued the recognition of its share of losses of joint ventures because the share of losses of joint ventures had exceeded its interests in the entity and the Controlled entity did not incur legal or constructive obligations or make payments on behalf of the joint ventures.

Note 24 Plant and equipment

	31 December 2022 $	31 December 2021 $
Plant and equipment owned by the consolidated entity		
Cost		
Opening balance	**1,811,348**	625,927
Acquired through business combinations	**492,544**	67,370
Additions	**4,092,245**	710,548
Disposals	**(4,629)**	(6,782)
Impairment	**(951,389)**	-
Exchange fluctuation	**220,736**	22,965
	5,660,855	1,420,028
Accumulated depreciation		
Opening balance	**(1,032,622)**	(418,226)
Depreciation for the year	**(926,794)**	(193,072)
Disposals	**1,053**	6,782
Exchange fluctuation	**(73,511)**	(36,786)
	(2,031,874)	(641,302)
Net carrying value	**3,628,981**	778,726
Plant and equipment leased by the consolidated entity		
Cost		
Opening balance	**4,524,115**	3,788,998
Acquired through business combinations	**695,519**	392,345
Acquired during the financial year	**6,235,591**	1,228,542
Impairment	**(695,520)**	-
Exchange fluctuation	**224,424**	(326,444)
Other movements	**-**	(559,326)
	10,984,129	4,524,115
Accumulated depreciation		
Opening balance	**(2,404,195)**	(2,438,612)
Depreciation for the year	**(1,663,216)**	(928,193)
Exchange fluctuation	**(195,822)**	403,272
Other movements	**-**	559,338
	(4,263,233)	(2,404,195)
Net carrying value	**6,720,896**	2,119,920
Net carrying value of owned and leased plant and equipment	**10,349,877**	2,898,646

The Company accounted for all acquisitions as business combinations during the financial and Be Media, Darewise, GMG and TinyTap had entered into lease arrangement prior to the date of acquisition and accordingly, the Company has accounted for the lease arrangements under AASB 16.

At the balance date of 31 December 2021, the consolidated entity acquired Fugu Raw Pty Ltd and its controlled entities (Blowfish Studios) and accounted for the acquisition as a business combination and applied AASB 16 to lease arrangements entered into by Blowfish Studios.

Note 25 Intellectual property

	31 December 2022 $	31 December 2021 $
Cost		
Opening balance	**17,645,715**	23,288,537
Intellectual property acquired during the financial year	**788,626**	8,637,364
Acquired from business combination	**1,449,939**	-
Impairment	**(62,799)**	(9,998,989)
Adjustment at acquisition price in prior year	**-**	(4,121,582)
Exchange fluctuation	**11,883**	(159,615)
	19,833,364	17,645,715
Amortisation		
Opening balance	**(17,645,715)**	(12,471,472)
Amortisation charge for the year	**(2,187,649)**	(5,839,125)
Exchange fluctuation	**-**	664,882
	(19,833,364)	(17,645,715)
Net carrying value	**-**	-

Note 26 Goodwill on acquisition

	31 December 2022 $	31 December 2021 $
Opening balance	**-**	**-**
Goodwill on acquisition	**215,962,729**	54,342,005
Impairment	**(215,962,729)**	(54,342,005)
	-	-

The consolidated entity recognised total A$215,962,729 of goodwill on acquisition of Be Media, Cualit, Darewise, Eden Games, GMG, Notre Game, Pixelynx, Sviper and TinyTap, and their controlled entities (See Note 4). A strategic review of these acquisitions has resulted in the consolidated entity discontinuing game development and publishing as future cash flows projected for these entities were not likely to exceed the fair value of consideration paid to the sellers and therefore, it was decided to fully impair the goodwill recognised at date of acquisition.

Note 27 Long-term crypto assets

	31 December 2022 $	31 December 2021 $
Fungible tokens	**27,671,003**	45,944,884
Non-fungible tokens	**8,802,233**	12,254,906
	36,473,236	58,199,790

The consolidated entity recognised inventories following the commencement of broker-trader activities and the accounting for such cryptocurrencies in accordance with AASB 2 Inventories.

The crypto assets that have been recorded as long-term crypto assets are the fungible and non-fungible tokens held by the consolidated entity for strategic purposes and have been valued at cost and are subject to impairment assessment at each balance date.

Crypto assets of A$95,910,736 (2021: A$2,726,114) which have been classified as long-term crypto assets were written off during the financial year.

Note 28 Other non-current assets

	31 December 2022 $	31 December 2021 $
Opening balance	**2,055,126**	-
Expenditure capitalised for the financial year	**2,133,997**	6,144,634
Expenditure transferred to profit or loss	**(1,134,356)**	(4,089,508)
Exchange fluctuation	**200,092**	-
	3,254,859	2,055,126

The consolidated entity also purchased software under licence at balance date which will be amortised to the profit or loss over a 3-year period, being the life of the licence.

Note 29 Trade and other payables

	31 December 2022 $	31 December 2021 $
Current		
Trade payables	**122,756,193**	7,770,406
Non-trade payables	**71,516,167**	46,272,480
Accruals	**38,336,805**	17,799,232
	232,609,165	71,842,118
Non-current		
Trade payables	**21,142**	2,084,817
Non-trade payables	**45,036**	43,675
Accruals	**20,856**	109,133
	87,034	2,237,625
	232,696,199	74,079,743

Trade payables are non-interest bearing and are normally extinguished or settled within an average 30 days of receipt of the invoice.

	31 December 2022 $	31 December 2021 $
Fugu Raw Pty Ltd	**3,598,819**	6,068,633
Darewise Entertainment SAS	**3,718,828**	-
Be Media by Animoca Brands Pty Ltd	**740,894**	-
	8,058,541	6,068,633

The consolidated entity has accrued Earn-out payables to vendors pursuant to Share Purchase Agreements at the balance date of 31 December 2022 and 31 December 2021. The Earn-out payables to Fugu Raw Pty Ltd are settled by way of issue of a total number of 2,272,727 fully paid ordinary shares on 19 May 2023 and the balance by way of cash in December 2023. The Earn-out payables to Darewise Entertainment SAS are settled by way of cash on 25 May 2023. The Earn-out payables to Be Media by Animoca Brands Pty Ltd are settled by way of cash on 16 May 2023.

Note 30 Deferred revenue

	31 December 2022	31 December 2021
	$	**$**
Opening balance	**434,727,338**	27,889,957
Addition recorded during the financial year, net	**421,660,386**	454,456,315
Revenue released to consolidated statement of profit or loss	**(515,720,288)**	(43,448,939)
Other movements	**(5,194,140)**	(4,084,647)
Exchange fluctuation	**30,786,758**	(85,348)
	366,260,054	434,727,338
Current	**247,246,324**	317,540,722
Non-current	**119,013,730**	117,186,616
	366,260,054	434,727,338

Note 31 Loans from related entities

	31 December 2022	31 December 2021
	$	**$**
Opening balance	**1,521,555**	1,878,175
Drawdowns	**14,394,653**	-
Exchange fluctuation	**473,519**	(356,620)
	16,389,727	1,521,555
Current	**1,629,579**	1,521,555
Non-current	**14,760,148**	-
	16,389,727	1,521,555

Animoca Brands Limited, an entity controlled by the Company, entered into a Loan Agreement with Outblaze Limited, an entity in which Mr Yat Siu is a director, of A$14,760,148 (or US$10,000,000).

The loan is unsecured and incurs interest at a rate of 1% per annum. The terms relating to the repayment have not been determined by the board of directors in discussions with Mr Yat Siu and accordingly, the amount remains outstanding as at the date of this report.

Venture Classic Limited, a controlled entity of Animoca Brands Limited in which it has a 67% equity interest, is the manager of Zeroth SPC, a special purpose vehicle incorporated in the Cayman Islands to undertake investments in accelerator opportunities.

Venture Classic Limited is solely responsible for all the business and investment decisions of Zeroth SPC and each of its segregated portfolios pursuant to the Management Services Agreement, dated 27 September 2020. Venture Classic Limited holds all the Management Shares on the issue in Zeroth SPC. Under the Memorandum of Association, the management shares entitle Venture Classic to a 30% carried interest in profits and losses of the segregated portfolios held by Zeroth.

During the course of 2019, Venture Classic Limited was advanced funds by Zeroth SPC to evaluate new opportunities for investment. The consolidated entity does not believe that this amount will be ultimately payable; however, at the balance date of 31 December 2022, the basis on which the consolidated entity will be relieved of payment has yet to be finalised by Venture Classic Limited and Zeroth SPC.

Note 32 Provisions

	31 December 2022 $	31 December 2021 $
Current		
Employee entitlements	**34,844,108**	18,059,629
Other	**789,843**	783,815
	35,633,951	18,843,444

As the balance date of 31 December 2022, 333,620,596 (2021: 509,000,000) SAND tokens were unvested. The SAND tokens were granted to employees and contractors over varying vesting dates from 14 August 2020. The Company accounts for the tokens as an employee benefit and amortises the fair value of the tokens to the profit or loss over the vesting period of the tokens issued to employees and contractors.

On the vesting of the tokens, the value of the tokens is transferred to deferred revenue and amortises over the expected period that performance obligations are expected to be provided.

Note 33 Other financial liabilities

(a) Convertible Notes – conversion features

	31 December 2022 $	31 December 2021 $
Opening balance	**175,712,701**	3,718,713
Recognition of other derivative financial instruments arising from accounting for borrowings and other financial instruments on an amortised cost basis	**85,501,091**	242,482
Fair value changes in other derivative financial instruments	**(7,646,874)**	172,588,212
Conversion of convertible notes	**(168,370,715)**	(5,571,688)
Exchange fluctuation	**(3,926,180)**	5,621,741
Other	**-**	(886,759)
Closing balance	**81,270,023**	175,712,701
Current	**81,270,023**	157,560,493
Non-current	**-**	18,152,208
	81,270,023	175,712,701

The convertible notes issued during the 2020 financial were converted into fully paid ordinary shares during the 2022 financial year. The fair value of the convertible notes was A$168,370,715 and resulted in the Company issuing 38,952,584 ordinary shares on 6 July 2022, 1,815,493 ordinary shares on 9 November 2022, and 3,062,417 ordinary shares on 30 December 2022 at a fair value of A$4.50.

(b) Simple Agreement for Future Equity (SAFE) and other instruments

	31 December 2022 $	31 December 2021 $
SAFE and other instruments		
Opening balance	**654,631**	2,859,063
Drawdowns	**3,025,978**	-
Conversion of SAFE during the year	**-**	(2,389,380)
Exchange fluctuation	**46,475**	184,948
	3,727,084	654,631
Present value	**3,727,084**	654,631
Interest expense to be charged to the consolidated statement of profit or loss and other comprehensive income	**-**	-
Future value	**3,727,084**	654,631
Current liabilities	**3,727,084**	654,631
Non-current liabilities	**-**	-
	3,727,084	654,631

SAFE

SAFE is a relatively new form of financial instrument. The seed funding platform "Y-Combinator" claims to have developed it in 2014 as a simple replacement for convertible notes and it has since been adopted widely. It is variously defined in different sources, but is commonly held to have the following features:

- no maturity date;
- no interest rate;
- automatic conversion on any priced share issue, and
- a valuation cap (the maximum value to which the SAFE will convert).

In exchange for the investment, an investor receives the right to purchase stock in a future equity round (when one occurs) subject to certain parameters set out in the SAFE. The SAFE satisfied the definition of a financial liability and the consolidated entity has determined that the rights attaching the SAFE instruments issued by both OliveX (HK) Limited and Zeroth Fano Ventures Limited provide the investor with an opportunity to convert the SAFE instrument into ordinary shares at a discount to the listing price and accordingly, the discount to the listing price represents the cost to the consolidated entity.

Morristown Global Limited
Morristown Global Limited, a wholly owned subsidiary of the Company, entered into Simple Agreement for Future Equity with sophisticated and professional investors during the financial year with a consideration of A$811,808.

Zeroth Fano Ventures Limited
Zeroth Fano Ventures Limited, a wholly owned controlled entity of the Company, entered into Investment and Nominee Service Agreements with sophisticated and professional investors as defined by the Corporations Act 2001 (Cth) during the financial year. Zeroth Fano Ventures Limited acquired A$1,298,364 (or US$1,000,000) of financial instruments issued by Fano Labs Limited and sought sophisticated and professional investors to purchase a participating interest in the Fano Labs Limited financial Instrument.

Zeroth Fano Ventures Limited secured from sophisticated and professional investors A$617,000 (or US$475,000) in funds under the Investment and Nominee Service Agreements which entitled these investors to a participating 47.5% of the Fano Labs Limited financial instruments held by Zeroth Fano Ventures Limited.

Under the Investment and Nominee Service Agreement, the investors agreed that Zeroth Fano Ventures Limited:

- remain the registered holder of the Fano Labs Limited financial instruments;

- hold the investment for and on behalf of the investors; and

- upon conversion of the Fano Labs Limited financial instruments into equity securities, assist the investors in registering the equity securities in the name of the investors.

The investors agreed to indemnify Zeroth Fano Ventures Limited for any and all losses or liabilities incurred in the execution of its duties as a nominee for the investors.

Under the Fano Labs Limited financial instruments, investors are entitled to interest at the rate of 4% per annum with a maturity date being 30 April 2021. The parties to the Fano Labs Limited SAFE instrument agreed to extend the maturity date from 30 April 2021 to 30 April 2024 on the same terms and conditions.

The Investment and Nominee Service Agreement executed by Zeroth Fano Ventures Limited, and the investors satisfy the definition of a financial liability, and the consolidated entity has determined that Zeroth Fano Ventures Limited holds 47.5% of the financial instruments issued by Fano Labs Limited in trust for the investors.

Accordingly, a proportion of the interest payable on the financial instruments issued by Fano Labs Limited accrues to the account of the investors and not the consolidated entity. The consolidated entity has accounted for the Investment and Nominee Service Agreement on an amortised cost basis.

Note 34 Borrowings

(a) Bank loans

	31 December 2022 $	31 December 2021 $
Opening balance	**982,848**	945,006
Acquisition of a controlled entity	**4,801,492**	-
Drawdowns	**75,761**	38,042
Interest expense	**242,287**	-
Repayment	**(2,554,352)**	(53,749)
Exchange fluctuation	**107,152**	53,549
	3,655,188	982,848
Present value	**3,655,188**	1,037,515
Interest expense to be charged to the consolidated statement of profit or loss	**132,378**	54,531
Future value	**3,787,566**	1,092,046
Current liabilities	**2,445,598**	-
Non-current liabilities	**1,209,590**	982,848
	3,655,188	982,848

Following the acquisition of Stryking Entertainment on 18 September 2020, the consolidated entity assumed borrowings – a A$942,240 (or €600,000) borrowing from the government sponsored Investitions Bank Berlin ("IBB").

The IBB loan is unsecured, repayable in equal instalments of A$47,112 (or €30,000) per month. The IBB facility comprises two tranches – Tranche 1 A$352,947 (or €224,750) and Tranche 2 A$589,293 (or €375,250) with a fixed interest rate of 3.5% per annum.

During the year, following the acquisition of Darewise on 14 April 2022, the consolidated entity assumed eight borrowings totalling A$4,801,492 (or €3,150,229). The assumed borrowings have maturity dates ranging from 27 June 2023 to 21 November 2025, with fixed interest rates ranging from 0% to 5.28% per annum.

(b) Other loans

Animoca Brands Corporation Limited
At the balance date of 31 December 2022, the Company had no drawdown (2021: A$225,000) and repaid A$108,000 (2021: A$3,244,618).

	31 December	
	2022	**2021**
	$	**$**
Opening balance	**425,000**	2,796,414
Drawdowns	**-**	225,000
Interest expense	**22,000**	129,504
Repayments	**(108,000)**	(3,244,618)
Other movements	**-**	481,526
Exchange fluctuation	**-**	37,174
	339,000	425,000
Present value	**339,000**	425,000
Interest expense to be charged to the Consolidated statement of profit or loss	**-**	-
Future value	**339,000**	425,000
Current liabilities	**339,000**	425,000
Non-current liabilities	**-**	-
	339,000	425,000

At the balance date of 31 December 2022, the consolidated entity held other loans balance of A$339,000 (2021: A$425,000), comprising a loan of A$225,000 from Mr Yat Siu (2021: A$225,000) and A$114,000 (2021: A$200,000) loans from third parties. Both loans are unsecured, repayable on demand and bear interest at 8% per annum.

During the financial year, A$108,000 of the other loans from the third parties was repaid. There was no movement for the loan from Mr Yat Siu throughout the financial year.

Note 35 Convertible notes

(a) 2022 Convertible Notes

During the financial year, the consolidated entity issued A$165,570,870 in convertible notes ("2022 Convertible Notes") with coupon rates of 10% per annum with a maturity date of 3 years from the date of issue of the notes.

The consolidated entity has accounted for 2022 Convertible Notes in accordance with AASB 9 Financial Instruments and AASB 132 Financial Instruments-Presentation. The conversion feature has been separated and measured at fair value through profit or loss, with the host debt component measured at amortized cost.

The holders of the 2022 Convertible Notes were entitled to a fixed number of warrants with an aggregate face value of US$57,600,000, to subscribe for ordinary shares of the Company at A$4.50 per shares (see Note 36).

	31 December 2022 $	31 December 2021 $
2022 Convertible Notes:		
Opening balance	**-**	-
Drawdowns	**165,570,870**	-
Interest expense	**9,819,372**	-
Conversion feature transferred to other financial liabilities (Note 33)	**(85,501,091)**	-
Fair value of warrant transferred to warrant liabilities (Note 36)	**(39,191,698)**	
Exchange fluctuation	**672,967**	-
Closing balance	**51,370,420**	-
Current liabilities	**51,370,420**	-
Non-current liabilities	**-**	-
	51,370,420	-

	31 December 2022 $	31 December 2021 $
2022 Convertible Notes:		
Profit or loss:		
Amortised cost	**9,819,372**	-
Fair value changes in other derivative financial instruments	**(7,237,728)**	-
Net charge to profit or loss	**2,581,644**	-

The fair value of the conversion feature of 2022 Convertible Notes was determined by applying a Binomial Option Pricing model with the following inputs:

	31 December 2022 $	31 December 2021 $
Fair value changes in other derivative financial instruments	**(7,237,728)**	-
Conversion feature		
Spot price (cents)	**450**	-
Exercise price (cents)	**450**	-
Risk free rate	**4.32%**	-
Time (years)	**2.63**	-
Volatility	**74%**	-

(b) 2020 & 2021 Convertible Notes

During the year ended 31 December 2021 and 2020, the Company entered into a series of convertible notes with third parties.

In 2020, the consolidated entity issued A$7,550,136 in convertible notes ("2020 Convertible Notes") with coupon rates of between 2% and 9% with a maturity date of between 1 and 2 years from the date of issue of the convertible notes. In 2021, the consolidated entity issued A$1,296,512 in convertible notes ("2021 Convertible Notes") with coupon rates of 7.5% with a maturity date of 2 years from the date of issue of the convertible notes.

The consolidated entity has accounted for 2020 & 2021 Convertible Notes in accordance with AASB 9 *Financial Instruments* and AASB 132 *Financial Instruments-Presentation* and has recognised a conversion component as well as an interest component.

The convertible notes issued during the 2020 financial year were converted into fully paid ordinary shares during the 2022 financial year. The fair value of the convertible notes were A$168,370,715 and resulted in the Company issuing 38,952,584 ordinary shares on 6 July 2022, 1,815,493 ordinary shares on 9 November 2022, and 3,062,417 ordinary shares on 30 December 2022 at a fair value of A$4.50.

	31 December 2022 $	31 December 2021 $
2020 & 2021 Convertible Notes:		
Opening balance	**6,972,377**	4,074,106
Drawdowns	**-**	1,296,512
Interest expense	**1,266,313**	2,513,619
Reclass to other financial liabilities	**-**	(242,482)
Conversion	**(7,833,210)**	(1,048,468)
Other movements	**(146,750)**	-
Exchange fluctuation	**(184,929)**	379,090
	73,801	6,972,377
Current liabilities	**73,801**	5,655,093
Non-current liabilities	-	1,317,284
	73,801	6,972,377

	31 December 2022 $	31 December 2021 $
2020 & 2021 Convertible Notes:		
Profit or loss:		
Amortised cost	**1,266,313**	2,513,619
Fair value changes in other derivative financial instruments	**(409,146)**	172,588,212
Net charge to profit or loss	**857,167**	175,101,831

The fair value of the conversion feature of 2020 & 2021 Convertible Notes was determined by applying a Binomial Option Pricing model with the following inputs:

	31 December 2022 $	31 December 2021 $
Fair value changes in other derivative financial instruments	**(409,146)**	172,588,212
Conversion feature		
Spot price (cents)	**450**	450
Exercise price (cents)	**18**	14-35
Risk free rate	**4.32%**	0.53%
Time (years)	**1.2**	1-2
Volatility	**74%**	100%

Note 36 Warrant liabilities

(a) 2022 Convertible Notes

During the financial year, the holders of the 2022 Convertible Notes (see Note 35) were entitled a fixed number of warrants with an aggregate face value of US$57,600,000. Each warrant carries the right to subscribe for the ordinary shares at A$4.50 per share and is subject to adjustments upon occurrence of the various adjustment events. The subscription rights attaching to the warrants can be exercisable from the date of the issuance of 2022 Convertible Notes until the maturity date of the 2022 Convertible Notes. The fair value of the warrants at initial recognition were A$39,191,698 (or US$27,268,587). There were no warrants exercised during the financial year.

	31 December	
	2022	2021
	$	$
Opening balance	-	-
Recognition of derivative financial instruments arising from accounting for borrowings and other financial instruments on an amortised cost basis	39,191,698	-
Change in fair value for the year	(2,600,234)	-
Exchange fluctuation	821,335	-
	37,412,799	-
Current	37,412,799	-
Non-current	-	-
	37,412,799	-

The following table lists the inputs to the binomial option pricing model used to determine the fair value of the warrants at the balance date of 31 December 2022.

	31 December	
	2022	2021
Spot price (cents)	450	-
Exercise price (cents)	450	-
Risk free rate	4.32%	-
Time (years)	2.63	-
Volatility	74%	-

(b) Series B Preference Shares

SVF II APAC Aggregator (DE) LLC subscribed to A$34,500,000 (or US$25,000,000) in Series B Preference Shares under the Series A and Series B Preference Shares Subscription Deed.

Further, on 2 November 2021, the consolidated entity, through a controlled entity, entered into a Warrant Agreement whereby SVF II APAC Aggregator (DE) LLC was granted 76,335,870 units of SAND token warrants. The warrant holders entered into a warrant agreement providing access to a 1:1 warrant over SAND token with a ten-year expiry period from 2 May 2022 and an exercise price of US$0.46 per warrant.

At the balance sheet of 31 December 2022, SVF II APAC Aggregator (DE) LLC has exercised its rights to 6,753,432 units of SAND token at US$0.82 per token.

The consolidated entity has accounted for the subscription by SVF II APAC Aggregator (DE) LLC as a derivative valued under AASB 13 *Fair value measurement*.

SAND Token Warrants Vesting Period

Vesting date	Number granted during the year	Number exercised during the year	Number at the end of the year
2 May 2022	7,633,587	(7,633,587)	-
2 November 2022	7,633,587	(7,633,587)	-
2 May 2023	7,633,587	-	7,633,587
2 November 2023	7,633,587	-	7,633,587
2 May 2024	7,633,587	-	7,633,587
2 November 2024	7,633,587	-	7,633,587
2 May 2025	7,633,587	-	7,633,587
2 November 2025	7,633,587	-	7,633,587
2 May 2026	7,633,587	-	7,633,587
2 November 2026	7,633,587	-	7,633,587
	76,335,870	(15,267,174)	61,068,696

15,267,174 options have been exercised during the financial year ended 31 December 2022. The decrease in outstanding options and the lower of spot price of SAND tokens at the balance date of 31 December 2022 compared to the balance date of 31 December 2021, resulted in the recognition of a fair value gain of A$62,286,750 in the consolidated statement of profit or loss.

The consolidated entity adopted the binomial option pricing model to determine the fair values of the token warrant liabilities on initial recognition and at the end of the balance date. The following table lists the inputs to the models used to determine the fair value of the token warrants liabilities for the balance date of 31 December 2022 and 31 December 2021.

The following table lists the inputs to the binomial option pricing model used to determine the fair value of the warrants at the balance date of 31 December 2022.

	31 December	
	2022	**2021**
	$	**$**
Initial recognition of the fair value of the token warrant liabilities	**-**	36,523,047
Opening balance	**94,595,278**	-
Issuance of token warrant	-	36,523,047
Exercise of token warrant	**(6,154,402)**	-
Change in fair value for year	**(62,286,750)**	58,072,231
Exchange fluctuation	**4,978,417**	-
	31,132,543	94,595,278
Current	**7,783,136**	18,919,056
Non-current	**23,349,407**	75,676,222
	31,132,543	94,595,278
SAND tokens warrants	**61,068,696**	76,335,877
Spot price US cents	**38.30**	90.00
Exercise price US cents	**45.85**	45.85
Risk-free rate	**3.87%**	1.50%
Life/years	**9**	10

Note 37 Lease obligations

	31 December 2022 $	2021 $
Opening balance	**2,326,733**	1,542,423
Addition	**6,081,184**	1,222,303
Interest expense	**298,901**	120,053
Acquisition of controlled entities	**1,147,639**	383,146
Repayments	**(2,280,175)**	(997,737)
Exchange fluctuation	**290,840**	56,545
Closing balance	**7,865,122**	2,326,733
Present value	**7,865,122**	2,326,733
Interest expense to be charged to the Consolidated statement of profit or loss and other comprehensive income	**344,906**	156,410
Future value	**8,210,028**	2,483,143
Current liabilities	**1,888,564**	1,685,137
Non-current liabilities	**5,976,558**	641,596
	7,865,122	2,326,733

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments is separately disclosed in financing activities. For lessor accounting, the standard remains the same as of a lessor account for leases.

The Company has identified eight lease arrangements that satisfied the definition of Leases under AASB 16, and this lease relates to Animoca Brands Limited, Blowfish Studios, nWay, the Meta Global Group, and the newly acquired controlled entities trading as Darewise, GMG, Be Media, and TinyTap. Monthly payments are due under the terms and conditions of lease agreements and have been discounted at an effective interest rate with range of 6.00% - 10.00% with the profit or loss charged interest expense and lease payments recorded as a reduction in the presentation of lease obligations.

Note 38 Ordinary share capital

		31 December 2022 Number	31 December 2021 Number
Shares on issue at beginning of financial year		**1,646,517,416**	1,213,492,299
Shares issued during the year			
15 February 2021	a	-	11,756,263
28 April 2021	b	-	17,223,391
28 May 2021	c	-	42,159,117
15 June 2021	d	-	110,072,510
7 July 2021	e	-	21,013,228
27 July 2021	f	-	52,172,708
19 August 2021	g	-	2,807,272
6 September 2021	h	-	15,407,619
26 October 2021	i	-	45,964,940
4 November 2021	j	-	18,676,255
17 December 2021	k	-	299,043
20 December 2021	l	-	33,805,937
31 December 2021	m	-	61,666,834
4 January 2022	n	**7,713,162**	-
31 January 2022	o	**63,304,964**	-
17 February 2022	p	**8,611,221**	-
14 March 2022	q	**40,498,442**	-
26 April 2022	r	**2,629,634**	-
5 May 2022	s	**2,439,686**	-
12 May 2022	t	**2,314,590**	-
7 June 2022	u	**(2,274,147)**	-
6 July 2022	v	**41,150,308**	-
13 July 2022	w	**23,237,058**	-
13 October 2022	x	**200,000**	-
9 November 2022	y	**8,560,817**	-
12 December 2022	z	**14,221**	-
30 December 2022	aa	**7,899,502**	-
		206,299,458	433,025,117
Shares on issue at end of financial year		**1,852,816,874**	1,646,517,416

		31 December	
		2022	**2021**
		$	**$**
Paid-up capital at the beginning of financial year		**581,458,663**	111,946,930
Capital raising during the financial year			
15 February 2021	a	-	1,716,077
15 February 2021	a	-	2,002
28 April 2021	b	-	2,124,368
28 May 2021	c	-	14,755,690
15 June 2021	d	-	115,782,480
7 July 2021	e	-	6,743,441
27 July 2021	f	-	57,389,971
19 August 2021	g	-	1,313,548
6 September 2021	h	-	5,490,080
26 October 2021	i	-	80,860,543
4 November 2021	j	-	24,161,012
17 December 2021	k	-	328,947
20 December 2021	l	-	55,743,832
31 December 2021	m	-	110,936,015
4 January 2022	n	**14,267,035**	-
31 January 2022	o	**276,309,829**	-
17 February 2022	p	**38,602,281**	-
14 March 2022	q	**182,242,989**	-
26 April 2022	r	**11,833,353**	-
5 May 2022	s	**7,928,345**	-
12 May 2022	t	**10,415,656**	-
7 June 2022	u	**(226,050)**	-
6 July 2022	v	**162,053,904**	-
13 July 2022	w	**104,566,756**	-
13 October 2022	x	**220,000**	-
9 November 2022	y	**24,967,729**	-
12 December 2022	z	**24,006**	-
30 December 2022	aa	**14,045,322**	-
		847,251,155	477,348,006
Transaction costs		**(14,145,993)**	(7,836,273)
		1,414,563,825	581,458,663

Notes on the issue of share capital:

(a) *Issue of shares to sophisticated and professional investors, exercise of options over ordinary shares, issue of shares for consultants and vendors and investments made by strategic investors and institutional investors*

(b) *Issue of shares to institutional and sophisticated and professional investors, exercise of options over ordinary shares and issue of shares for services*

(c) *Issue of shares to institutional and sophisticated and professional investors*

(d) *Exercise of options over ordinary shares and issue of shares to institutional and sophisticated and professional investors*

(e) *Exercise of options over ordinary shares, issue of shares for services, issue of shares for strategic transactions and issue of shares to sophisticated and professional investors*

(f) Issue of shares to institutional and sophisticated and professional investors and for a strategic transaction
(g) Issue of shares to sophisticated and professional investors and share issue of shares for a strategic transaction
(h) Exercise of options over ordinary shares, issue of shares for services and to advisors, Issue of shares to sophisticated and professional investors, and issue of shares for a strategic transaction
(i) Issue of shares to advisors and sophisticated and professional investors, and issue of shares for a strategic transaction
(j) Exercise of options over ordinary shares, conversion of the convertible note, issue of shares to sophisticated and professional investors, and issue of shares for services
(k) Exercise of options over ordinary shares and issue of shares to sophisticated and professional investors
(l) Exercise of options over ordinary shares, issue of shares to sophisticated and professional investors, conversion of loan, equity raising and issue of shares for strategic transactions
(m) Issue of shares for payment to Executive Chairman and non-executive directors pursuant to shareholder approval for past performance, issue of shares for a strategic transaction and issue of shares for the conversion of loan mines and issue of shares to non-executive directors pursuant to shareholder approvals
(n) Issue of shares for acquisition for a strategic transaction and issue of shares for payment to director in lieu of services approved at the annual general meeting
(o) Issue of shares from institutional and sophisticated and professional investors and issue of shares to an advisor
(p) Issue of shares to institutional and sophisticated and professional investors and issue of shares to an advisor
(q) Issue of shares to sophisticated and professional investors
(r) Issue of shares to institutional and sophisticated and professional investors
(s) Exercise of options over ordinary shares and issue of shares to institutional and sophisticated investors
(t) Issue of shares for strategic transactions
(u) Cancellation of shares issued to institutional investor
(v) Exercise of options under LTIP over ordinary shares, issue of shares to sophisticated and professional investors, conversion of the convertible note, and issue of shares for services
(w) Issue of shares to sophisticated and professional investors
(x) Exercise of options over ordinary shares and issue of shares to sophisticated and professional investors
(y) Exercise of options over ordinary shares, issue of shares to sophisticated and professional investors, conversion of the convertible note, issue of shares for strategic transactions and services
(z) Exercise of options over ordinary shares and issue of shares to sophisticated and professional investors
(aa) Exercise of options over ordinary shares, Issue of shares to sophisticated and professional investors, conversion of the convertible note, and conversion of the unsecured loans

Composition of capital raised for the financial year ended

	31 December	
	2022	**2021**
	$	**$**
Cash proceeds	**603,175,696**	308,003,027
Non-cash issue of shares for various purposes including acquisitions, investments, settlement of amounts due to vendors, convertible bond and loan conversion	**244,075,459**	169,344,979
	847,251,155	477,348,006

Under the Corporations Act 2001 (Cth) the concepts of authorised capital and par value of shares were abolished and accordingly, the Company does not have authorised capital or par value of shares in respect of the shares on issue. Each fully paid ordinary share carries one vote and carries rights to dividends (in the event a dividend is declared by the board of directors).

Capital management

Capital management policy

As an unlisted disclosing entity, the Company has limited access to capital markets other than by way of raising new equity to sophisticated and professional investors and using its equity to participate in acquisitions and other business transactions.

Capital markets during the financial year were very favourable in the gaming/tokenisation market and investors participated in equity raising in both the IPO market and the unlisted entity market. These favourable conditions for the gaming sector slowed in subsequent years; however, the Company has used other capital equity initiatives to raise funds such as convertible notes to ensure its working capital position is maintained.

Working capital ratio

The current ratio for the consolidated entity at the balance date of 31 December 2022 and 31 December 2021 was as follows:

	31 December	
	2022	**2021**
	Number	**Number**
Ratio	**1.13**	1.45

Working capital position
The working capital position of the consolidated entity at the balance date of 31 December 2022 and 31 December 2021 was as follows:

	31 December 2022 $	**31 December 2021 $**
Cash and cash equivalents	**254,156,476**	331,782,125
Current portion of trade and other receivables	**37,968,822**	17,570,393
Income tax receivable	**2,383,329**	-
Short-term crypto assets	**225,330,075**	302,260,311
Inventories	**195,319,804**	133,951,144
Current portion of other financial assets	**590,406**	3,183,504
Other current assets	**19,265,545**	8,217,432
Simple agreements for future tokens	**65,491,699**	65,066,853
Trade and other payables	**(232,609,165)**	(71,842,118)
Current portion of deferred revenue	**(247,246,324)**	(317,540,722)
Current portion of loans from related entities	**(1,629,579)**	(1,521,555)
Income tax payable	**(3,817,444)**	-
Provisions	**(35,633,951)**	(18,843,444)
Current portion of other financial liabilities	**(84,997,107)**	(158,215,124)
Current portion of borrowings	**(2,784,598)**	(425,000)
Current portion of lease obligations	**(1,888,564)**	(1,685,137)
Current portion of warrant liabilities	**(45,195,935)**	(18,919,056)
Current portion of convertible notes	**(51,444,221)**	(5,655,093)
Net working capital surplus	**93,259,268**	267,384,513

Note 39 Preference Share Capital

On 27 October 2021, the Company issued, through a controlled entity, Series A and Series B Preference Shares raising A$39,203,451. Under the terms and conditions of the preference share issue, the preference shares are convertible into ordinary shares of the controlled entity, if either:

- secures a sale of its ordinary shares to the public at a price no less than US$93.83 per share (being two times the issue price of the Series A and Series B Preference Shares and subject to appropriate adjustment in the invent of any dividends, share splits, combination or other similar capitalisation with respect to the ordinary shares), in a firm-commitment underwritten public offering pursuant to an effective registration statement under the United States Securities Act 1933, as amended, resulting in a raising of no less than US$100,000,000 of proceeds, net of the underwriting discount and commissions, to the controlled entity and in connection with such offering of ordinary shares is listed for trading on the National Market of the NASDAQ, the New York Stock Exchange or marketplace approved by the board of directors of the controlled entity, with the nominated director of SVF II APAC Aggregator (DE) LLC voting in favour of the specific exchange;

- secures a date and time, or the occurrence of an event, specified by vote or written consent of the Requisite Holders of Series A and Series B Preference Shares (either consolidated entity or SVF II APAC Aggregator (DE) LLC).

The holders of the Series A and Series B Preference Shares accrued additional benefits under the Subscription Agreement. Specifically, on the occurrence of a Liquidation Event (being an unsolicited offer by a party to acquire the controlled entity), the preference shareholders are entitled to full repayment of the face value of the preference shares; and, if there are remaining assets available for distribution, the remaining asset must be distributed among preference and ordinary shareholders on a diluted pro rata basis by treating for this purpose the preference shares as converted into ordinary shares.

The terms and conditions of the Preference Shares do not specifically provide capacity for the holders of the Preference Shares to demand redemption or repayment by the controlled entity. The terms and conditions only set out a basis for conversion into ordinary shares and a process for participation in a Liquidation Event. In such circumstances, the Company has accounted for the Preference Shares as equity.

	31 December	
	2022	**2021**
	$	**$**
Series A and Series B Preference Shares	**39,203,451**	75,726,499
Reclassification of preference shares as derivative	**-**	(36,523,048)
As at balance date	**39,203,451**	39,203,451
Preference capital proceeds		
Series A and Series B Preference Shares	**-**	75,726,499
Conversion of SAFE	**-**	(2,389,381)
Finance cost	**-**	(9,122,324)
Net proceeds	**-**	64,214,794

Note 40 Other contributed equity

	2022	**2021**
	$	**$**
Other contributed equity	**-**	355,259,892

The balance represents the issuance of shares that have not been made at the balance date of 31 December 2022 and 31 December 2021. It will be transferred to paid-up capital following the allotment of shares.

At the balance date of 31 December 2022, there was no other contributed equity.

At the balance date of 31 December 2021, shares to be issued to vendors and other strategic partners; and shares to be issued for the acquisition of Sanrio Digital Corporation are classified as other contributed equity.

Note 41 Reserves

	31 December 2022 $	31 December 2021 $
Financial assets	**(21,863,466)**	5,561,913
Share-based payments	**171,201,445**	150,476,720
Other reserves	**32,215,037**	(17,993,982)
Translation	**55,043,365**	7,148,111
	236,596,381	145,192,762

On 7 December 2021, the Company entered into a Mutual Release Agreement with TalentHouse, Inc which required the Company to facilitate identification of buyers of the shares previously issued to TalentHouse, Inc. on 16 October 2019. In order to facilitate the process for the sale of the shares, the Company temporarily held the shares at the balance date of 31 December 2021 before transferring to the new shareholders on 16 February 2022.

The Company received A$50,209,019 (or US$35,901,575) in proceeds from the sale of the shares and has recorded the holding of the shares and the sale of the shares as a transaction by the Company in its capacity of the issuer of the shares.

Note 42 Accumulated losses

	31 December 2022 $	31 December 2021 $
Opening balance	**(741,388,585)**	(125,612,878)
Net loss for year after tax	**(510,926,814)**	(624,552,657)
Ordinary shares exercised during the financial year	**-**	5,571,688
Others	**-**	3,205,262
	(1,252,315,399)	(741,388,585)

Note 43 Non-controlling interests

	31 December 2022 $	31 December 2021 $
Paid-up capital	**50,912,595**	9,041,700
Reserves	**(4,904,760)**	(86,109)
Accumulated losses	**(24,127,291)**	(51,674,031)
Others	**19,465**	19,465
	21,900,009	(42,698,975)

Controlled entities	**Equity interest held by the consolidated entity** 31 December 2022	31 December 2021
Meta Global Limited and its controlled entities	**70%**	70%
Fuel Powered Inc and its controlled entity	**60%**	60%
Animoca Brands K.K.	**58%**	60%
Venture Classic Limited	**67%**	67%
TinyTap Ltd. and its controlled entity	**92%**	-
Be Media by Animoca Brands Pty Ltd and its controlled entities	**67%**	-
Pixelynx, Inc.	**54%**	-
Darewise Entertainment SAS and its controlled entity	**70%**	-
Animoca Capital Investment Holdings Limited and its controlled entities	**80%**	-
Motorverse Corporation	**51%**	-

Note 44 Reconciliation of net loss after tax with net cash flows (used in)/from operating activities

	31 December 2022 $	2021 $
Net loss after tax	**(519,095,544)**	(670,952,399)
Adjusted for:		
Non-cash token advisory fee	**(108,069,341)**	-
Impairments	**230,518,921**	72,938,239
Depreciation and amortisation of plant and equipment	**3,724,366**	1,121,265
Amortisation of intellectual property	**2,187,649**	5,839,125
Allowance for doubtful debts	**144,338**	815,119
Interest expense	**11,085,685**	11,923,542
Share-based payments (Note A)	**23,142,244**	235,867,318
Share of net loss in an associate	**-**	1,446,706
Share of net loss in joint ventures	**936**	-
Write-off of long-term crypto assets	**95,910,736**	2,726,114
Write-off of minimum guarantees to third parties	**-**	9,729,584
Write-off of receivables	**829,429**	1,289,406
Assignment of equity interest to founders	**-**	3,781,065
Net trading gains/(loss) on digital assets	**135,091,449**	(50,440,224)
Deferred revenue	**(68,467,284)**	408,547,209
Exchange fluctuation	**(11,098,304)**	(1,583,906)
Derivatives	**-**	58,072,231
Fair value changes in financial assets recognised through the profit and loss	**153,156,129**	64,393,604
Fair value changes in other derivative financial instruments	**(72,533,858)**	172,588,212
Other	**(7,150,487)**	19,167,644
Changes in other current assets and current liabilities:		
Receivables	**(4,335,343)**	(15,956,774)
Other current assets	**(11,048,113)**	(11,627,738)
Payables	**58,217,152**	43,982,650
Provisions	**16,544,718**	18,457,414
Income tax receivable and payable	**1,434,115**	-
Deferred tax liabilities	**3,074,132**	-
Net cash flows (used in)/from operating activities	**(66,736,275)**	382,125,406

Note A: Share-based payments comprise of performance rights of A$19,651,670 (2021: A$149,715,407) with a residual amount of A$3,490,574 (2021: A$9,434,383) representing payments made to employee benefits, consultants and contractors for services.

Note 45 Share-based payments

Options over ordinary shares

	2022 Number	2021 Number
Unlisted options over ordinary shares outstanding	**2,479,968**	2,817,614

In 2021, the Company issued 175,789 options over ordinary shares to employees pursuant to the Employee Share Option Plan. The options over ordinary shares are at an exercise price of A$1.10 per option over ordinary shares and an expiry date of five years from the date of the grant.

During the financial year, the Company issued 42,860 options over ordinary shares to employees pursuant to the Employee Share Option Plan. The options over ordinary shares are at an exercise price of A$4.50 per option over ordinary shares and an expiry date of five years from the date of the grant. The fair value of the options over ordinary shares was A$173,985 (2021: A$174,434).

The fair value of the options was determined by applying a Black-Scholes model with the following inputs:

	31 December 2022	31 December 2021
Issue date	**1 April 2022**	1 April 2021
Expiry date	**Perpetual**	Perpetual
Share price at measurement date	**450 cents**	110 cents
Expected volatility	**100%**	100%
Risk-free rate	**3.00%**	3.00%
Exercise price	**450 cents**	110 cents
Value per share	**405.94 cents**	99.23 cents
Number of options	**42,860**	175,789
Total value	**173,985**	174,434

	31 December 2022		31 December 2021	
	Number of options	Weighted Average Price (cents)	Number of options	Weighted Average Price (cents)
Opening balance	**2,817,614**	**17.19**	12,448,949	11.30
Options				
Granted	**42,860**	**405.94**	175,789	99.23
Forfeited	**(359,087)**	**(17.75)**	(9,649)	(50.04)
Exercised	**(21,419)**	**(77.07)**	(9,797,475)	(11.14)
	2,479,968	**23.31**	2,817,614	17.19

Performance rights

In 2021, the Company awarded the Executive Chairman 89,364,270 performance rights and the Company awarded the Group President 42,471,504 performance rights. The performance rights result in the conversion into fully paid ordinary shares on a combination of performance milestones and continuation of employment.

The performance milestones are:

- Tranche 1
  the market capitalisation of the Company greater than A$3.5 billion (or US$2.5 billion) via a material capital raising
- Tranche 2
  the market capitalisation of the Company greater than A$6.9 billion (or US$5.0 billion) via a material capital raising
- Tranche 3
  The market capitalisation of the Company greater than A$13.9 billion (or US$10 billion) via a material capital raising
- Tranche 4
  The market capitalisation of the Company greater than A$27.7 billion (or US$20 billion) via a material capital raising or continuation of employment for five years from the date of awarding of the performance rights

The terms and conditions of the performance rights were approved by shareholders at the general meeting on 22 December 2021. At the balance date of 31 December 2022, the performance milestones of Tranche 1 and Tranche 2 had been achieved but shares have not been issued at the date of this report.

The performance rights have been valued using the Parisian Barrier1 Model based on the following assumption.

	31 December	
	2022	**2021**
Issue date	**22 Dec 2021**	22 Dec 2021
Expiry date	**22 Dec 2026**	22 Dec 2026
Share price at measurement date	**$2.00**	$2.00
Expected volatility	**125%**	125%
Risk-free rate	**1.28%**	1.28%
Exercise price	**Zero**	Zero
Value per performance rights		
Tranche 1	**$1.94**	$1.94
Tranche 2	**$1.86**	$1.86
Tranche 3	**$1.73**	$1.73
Tranche 4	**$1.57 or $2.00**	$1.57 or $2.00
Number of performance rights	**131,835,774**	131,835,774
Total value ($)	**247,489,194**	247,489,194

	31 December 2022		31 December 2021	
	Number of Performance Rights	**Weighted Average price $**	**Number of Performance Rights**	**Weighted Average price $**
Opening balance	**53,151,562**	**1.85**	-	-
Performance rights awarded	**-**	**-**	131,835,774	1.88
Performance milestones achieved	**-**	**-**	(78,684,212)	(1.90)
Closing balance	**53,151,562**	**1.85**	53,151,562	1.85

Amount charged to profit or loss	**$**	$
Tranche 1 and Tranche 2	**-**	149,177,005
Tranche 3 and Tranche 4	**19,651,669**	538,402
	19,651,669	149,715,407

Note 46 Key Management Personnel

The names and positions held by Key Management Personnel are as follows:

Yat Siu	Executive Chairman
David Lloyd Brickler	Non-executive Director (resigned on 11 December 2025)
Christopher Paul Whiteman	Non-executive Director

The totals of Key Management Personnel remuneration paid/payable for the financial year are as follows:

	31 December	
	2022 $	**2021 $**
Short-term employee benefits	**352,752**	117,500
Share-based payments in equity	**549,638**	76,717,528
Share-based payments in performance rights	**11,908,923**	109,455,366
	12,811,313	186,290,394

Note 47 Related party transactions

There were no loans made to Key Management Personnel of the Company at the balance date of 31 December 2022 (2021: nil). At the balance date of 31 December 2022, the following amounts were due to Key Management Personnel A$838,691 (2021: A$215,884).

	31 December	
	2022 $	**2021 $**
Yat Siu	**-**	-
David Brickler	**164,042**	35,040
Chris Whiteman	**674,649**	180,844
	838,691	215,884

A number of transactions were undertaken between the consolidated entity and entities related to Mr Yat Siu are as follows:

Other transactions with Key Management personnel relate to entities associated with Mr Yat Siu.

Animoca Brands Limited, an entity controlled by the Company, entered into a Service and Management Services Agreement with Outblaze, an entity in which Mr Yat Siu is a director. Under this agreement, Outblaze Limited provides the following services:

- Use of telephones, facsimile machines, broadband internet connection, photocopiers and printers at the principal office for Cyberport, Hong Kong; and

- Use of computer workstations, information systems, furniture and fillings, fixtures, office equipment and pantry supplies.

Both Animoca Brands Limited, an entity controlled by the Company, and Outblaze Limited are joint signatories to the lease agreement for the principal business premises at Cyberport, Hong Kong. The growth of the Animoca business has resulted in Animoca being responsible for 67% of the lease agreement and Outblaze Limited being responsible for the balance.

	31 December	
	2022	**2021**
	$	**$**
Service fees		
Outblaze Limited	**616,737**	316,670
(Payables) and receivables		
Outblaze Limited	**(2,707,663)**	5,429,846
Loan		
Asyla Investments Limited	**(225,000)**	(225,000)
Outblaze Limited	**(14,760,148)**	-
	(14,985,148)	(225,000)

On 16 December 2019, Mr Yat Siu contributed A$225,000 and entitled to accrued interest of 8% per annum from 1 January 2020. Shareholders approved the participation by Mr Yat Siu in this unsecured loan raising on 22 December 2021, and the payment of interest to Mr Yat Siu for the monies loaned at 8%.

On 22 December 2021, shareholders approved a resolution that enabled Mr Yat Siu to receive interest payments on the loan monies he had advanced as part of the unsecured loan agreement.

On 19 December 2022, a controlled entity entered into an agreement with Outblaze Limited, an entity in which Mr Yat Siu is a director, to borrow A$14,760,148 (or US$10,000,000). The loan carries an interest rate of 1% per annum. The terms relating to the repayment have not been determined by the board of directors in discussions with Mr Yat Siu and accordingly, the amount remains outstanding as at the date of this report.

Mr Chris Whiteman entered into an agreement with Zeroth Fano Ventures Limited to purchase an effective interest of 2.5% of a note instrument with A$36,900 (or US$25,000) through his superannuation fund. During the financial year, Zeroth Fano Ventures Limited entered into a note transfer agreement with third parties for a cash consideration of A$1,697,417 (or US$1,150,000) which resulted in a gain of A$221,402 (or US$150,000), in which a portion of the gain of A$5,535 (or US$3,750) was attributable to Mr Chris Whiteman.

Note 48 Commitments

At the balance date, the total future minimum lease payments payable by the consolidated entity under non-cancellable operating leases are as follows:

	31 December	
	2022	**2021**
	$	**$**
Commitments < 1 year	**5,976,991**	8,316,516
Commitments > 1 year < 5 years	**-**	-
	5,976,991	8,316,516

In April 2022, Simply Mighty Limited, a controlled entity of the Company, entered into a Subscription Agreement with Animoca Ventures SPC for a subscription amount of A$810,939 (or US$549,411) which was subsequently settled on 3 January 2023.

In September 2022, Animoca Brands Limited, a controlled entity of the Company, entered into a Membership Interest Purchase Agreement to acquire 100% of the equity interest in WePlay Media LLC. The total consideration of A$5,166,052 (or US$3,500,000) was to be settled as several conditions' precedent had not been met at the balance date of 31 December 2022.

Following the acquisition of WePlay, Animoca Brands Limited disposed 75% of its equity interest on 20 March 2025.

Note 49 Contingent assets and contingent liabilities

At the balance date of 31 December 2022 and 31 December 2021, the consolidated entity has retained advisors to review its policies and procedures for compliance with various tax jurisdictions on such matters as transfer pricing, the transfer of ownership of shares in controlled entities and intellectual property and other issues. Additional analysis is required at this time to quantify any tax exposures, if any, on transactions undertaken.

Two controlled entities of the Company, TSBMV Global Limited and TSB Gaming Limited, which are incorporated in Cayman Islands and Malta respectively, are currently subject to a tax audit by the French Tax Authorities who have requested information covering the period from 2018 to 2024.

As at the date of these financial statements, the audit is in a preliminary stage, and no formal notice of assessment or correspondence has been received from the French Tax Authorities subsequent to the provision of information. As a result, it is not currently practicable to estimate the financial effect, if any, of this matter. Accordingly, no provision has been recognized in these financial statements. There were no other contingent assets and liabilities reported as at balance date.

Note 50 Auditors remuneration

	31 December 2022 $	31 December 2021 $
Hall Chadwick (NSW)	**674,539**	492,003
Other auditor	**2,255,351**	2,058,559
	2,929,890	2,550,562

The amounts payable to other auditor represented the audit fee charged by the auditor of a controlled entity, Animoca Brands Limited, for the financial year ended 31 December 2022 and 31 December 2021.

Note 51 Parent entity disclosures

a. *Financial position of Animoca Brands Corporation Limited*

	31 December 2022 $	31 December 2021 $
Assets		
Current assets	**2,454,687**	700,675
Non-current assets	**633,792,381**	520,307,826
	636,247,068	521,008,501
Liabilities		
Current liabilities	**5,846,758**	183,981,293
Non-current liabilities	**170,452,043**	-
	176,298,801	183,981,293
Net assets	**459,948,267**	337,027,208
Equity		
Paid-up capital	**1,414,563,825**	581,458,663
Other contributed equity	**-**	355,259,892
Reserves	**171,241,139**	151,686,995
Accumulated losses	**(1,125,856,697)**	(751,378,342)
Net surplus	**459,948,267**	337,027,208

b. Financial assets of Animoca Brands Corporation Limited

	31 December 2022 $	2021 $
Advances to controlled entities	**1,316,261,154**	806,836,935
Shares in controlled entities	**15,000,000**	15,000,000
Other financial assets	**3,479,938**	1,033,628
	1,334,741,092	822,870,563
Diminution in value	**(700,948,711)**	(302,562,737)
	633,792,381	520,307,826

c. Financial performance of Animoca Brands Corporation Limited

	31 December 2022 $	2021 $
Loss	**(378,478,355)**	(637,159,755)
Total comprehensive loss	**(378,478,355)**	(637,159,755)

d. Guarantees entered into by Animoca Brands Corporation Limited for the debts of its controlled entities

The parent entity has not guaranteed any debts of its controlled entities at the balance date of 31 December 2022 (2021: nil).

e. Contingent assets and contingent liabilities of Animoca Brands Corporation Limited

The parent entity does not have any contingent assets or contingent liabilities at the balance date of 31 December 2022 (2021: nil).

f. Commitments of Animoca Brands Corporation Limited

The parent entity does not have any commitments at the balance date of 31 December 2022 (2021: nil).

Note 52 Subsequent events

Advisory shares
On **4 January 2023**, the Company issued 25,750,000 fully paid ordinary shares to Significant Singular Limited at a fair value of 9.8 cents per ordinary share based on the weighted average share price for the period in which Significant Singular Limited provided equity raising advisory services as well as assisting with the equity raising initiatives.

Prosper tokens
On **4 January 2023**, the Company issued 2,690,909 fully paid ordinary shares at a fair value of A$1.10 per ordinary share to the vendors of the Prosper platform/token for services rendered during the Covid period for continuing to operate the platform.

Acquisition of WePlay Media
On **16 September 2022**, Animoca Brands Limited, a controlled entity of the Company, entered into a Membership Interest Purchase Agreement to acquire a 100% equity interest in WePlay Media LLC. The total consideration was A$5,166,052 (or US$3,500,000).

The Agreement set out a several conditions precedent that had to be satisfied prior to completion, including delivery of certificates evidencing ownership of the membership interests and the delivery of the closing payment. The conditions precedent were not satisfied by the balance date of 31 December 2022 and remained outstanding until the end of the first quarter in 2023. On **17 January 2023** the Company announced that it had completed the acquisition.

OP3N financing
The Company announced on **21 March 2023** that it had led the A$41,328,413 (or US$28,000,000) Series A Financing for OP3N, a Web3 AI-powered chat Superapp that will bridge the differences between Web2 and Web3 technologies using blockchain and decentralised technologies.

The Company agreed to provide OP3N with A$7,380,074 (or US$5,000,000) in funding; however, the funding was subsequently reduced to A$2,952,030 (or US$2,000,000).

Remuneration for executives
The Company issued 120,042 fully paid ordinary shares for zero consideration to executives at the principal-controlled entity, Animoca Brands Limited, which were valued under accounting standards at a fair value of A$4.50 per fully paid ordinary share on **21 April 2023**.

The Company also issued 444,117 fully paid shares at a fair value of A$4.50 per share to Alpha Bravo 1 Limited for equity raising services and 110,558 fully paid ordinary shares at fair value of A$4.50 per share to Sun Life Capital LLC for strategic and business development services on **21 April 2023**. The principal of Alpha Bravo subsequently joined the Company in a senior position.

Exercise of 2021 equity raising options over ordinary shares
From **23 February 2023** to **15 January 2024**, the Company issued 32,381,641 fully paid ordinary shares at A$1.10 per fully paid ordinary share raising a total of A$35,619,805, on the exercise by option holders of options over ordinary shares pursuant to the 2021 capital raising initiatives.

Loan to OneFootball
On **17 May 2023**, Animoca Brands Limited, a controlled entity of the Company provided OneFootball with A$18,932,742 (or €12,056,000) by way of an unsecured loan as part of a restructuring arrangement. The Company had previously subscribed to A$31,406,477 (or €19,999,030) in convertible securities.

The Company was granted by OneFootball a significant position in the token pool that is expected to be launched during the first half of 2026.

Mitsui subscribes to convertible notes
On **19 May 2023**, Mitsui subscribed to A$7,380,074 (or US$5,000,000 in convertible notes on the same terms and conditions as subscribers to the 2022 Convertible Notes Issue announced on 8 September 2022.

The terms and conditions of the 2022 Convertible Notes included a 10% per annum compounding interest rate and were convertible/redeemable at the election of the convertible note holder on the expiry of three years at a fixed price of A$4.50 per fully paid ordinary share. In addition, a separate Warrant Agreement awarded the convertible note with a one for two basis option over ordinary shares exercisable at any time prior to expiry of the convertible note.

Following the closing of the Convertible Note, the Company and Mitsui entered into a Memorandum of Understanding on **19 June 2023** with the goal of creating a new business venture seeking to innovate and promote the uptake of Web3 in the Japanese market. Mitsui proposed to make use of its extensive assets ranging from industrial businesses to consumer businesses, as well as its extensive partner and customer networks.

Partnership with Hi.com
On **27 July 2023**, Animoca Brands Limited, a controlled entity of the Company, announced a strategic partnership with Hi.com, the Web3 financial super app and ecosystem.

The Company and Hi.com entered into a Memorandum of Understanding for a strategic partnership under which, subject to agreement of definitive terms, the Company would invest total consideration of A$45,192,317 (or US$30,000,000) in Hi.com. The investment included the issue of 5,122,688 ordinary shares for A$23,052,096 at a fair value of A$4.50 per share and additional crypto and native tokens of A$22,140,221 (or US$15,000,000) for a Hi.com SAFE instrument. The transaction was completed on **26 March 2024**.

The shared vision aimed to amplify the utility of fungible tokens and NFTs within the Web3 space.

Loan from Brisk Thrive International Limited
On **23 August 2023**, Brisk Thrive International Limited (“Brisk Thrive”), a company related to Mr Yat Siu, advanced for US$3,500,000 loan in digital assets. The loan carried an interest rate of 1% per annum with a maturity date of 31 December 2025. Following an execution a waiver and confirmation letter effective on **3 October 2025,** the loan was confirmed as repaid in full and all accrued interest was waived as at 12 May 2025.

Capital raising
On **11 September 2023**, the Company announced it had raised A$29,520,295 (or US$20,000,000) via various SAFE Agreements through a controlled entity, Morristown Global Limited. Under the terms and conditions of the SAFE Agreements, on the expiry of a six-month period, the controlled entity would arrange for the issue of shares in the Company at a fair value of A$4.50 per fully paid ordinary share with the SAFE holder entitled to receive for a nominal fee, a number of MOCA tokens equivalent to the face value of the SAFE investment divided by US$0.028125.

Similarly, on **8 December 2023**, the Company announced a second tranche of funding equal to A$17,548,339 (or US$11,889,000) was completed by Morristown Global Limited via SAFE Agreements on the same terms and conditions as the raising on 11 September 2023.

The Company raised, in total, A$56,966,344 (or US$38,594,698) from the SAFE instrument and issued 12,677,584 fully paid ordinary shares at A$4.50 per ordinary shares and issued 69,660,372 MOCA tokens.

On **4 December 2025**, two of the SAFE holders entered into Note Subscription Agreements which grants them the right to convert their entitled MOCA Tokens into fully paid ordinary shares in the Company.

Those SAFE holders had elected to convert the tokens into shares subsequently.

Blowfish Studios Tranche 2 payment
On **16 October 2023**, the Company issued 2,272,727 fully paid ordinary shares at a fair value of $4.50 per fully paid ordinary share to the vendors to extinguish the Company's second anniversary obligation for the purchase of Fugu Raw Pty Ltd (trading as Blowfish Studies).

NEOM partnership
On **30 October 2023**, the Company announced that it had entered into a Strategic Partnership Memorandum of Understanding ("Strategic Partnership") with NEOM to drive regional Web3 initiatives in line with the Saudi Vision 2030 plan.

As part of the strategic relationship, Animoca will work with NEOM on building Web3 enterprise service capabilities with global commercial applicability, which will be deployed to support technology advancements in Riyadh and the NEOM region.

The Strategic Partnership has not yet been executed by the parties as at the date of this report.

Performance rights issued to executives
On **10 November 2023**, 83,150,000 performance rights were granted to key members of the executive team with the performance milestone being based on continuation of employment and on **24 September 2024** the expiry date was extended by the board of directors from 5 years to 10 years from the date of award of the performance rights.

The Sandbox announces A$28,044,280 (or US$19,000,000) funding
On **6 June 2024**, Bacasable Global Limited, announced that the Sandbox entities had raised A$28,044,280 (or US$19,000,000) of convertible promissory notes.

Darewise disposal
On **16 October 2024**, the Company disposed 26.32% of its ownership interest in Darewise Entertainment SAS by way of transferring shares acquired in Darewise to its founders for zero consideration. The Company had, on acquisition, impaired the value of its investment, in full.

Issue of shares to advisor
On **26 November 2024**, the Company approved to issue 1,500,000 shares at a fair value of A$4.50 per fully paid ordinary share to Significant Singular Limited for advisory services. Significant Singular Limited had assisted the Company on several occasions with equity raising.

Investment in Igloo Inc.
During 2024, the Company invested a total of A$2,509,225 (or US$1,700,000) in a SAFE instrument and common stock issued by Igloo Inc. Igloo is a developer of intellectual property to the Pudgy Penguins platform. Igloo is also a participant in the Abstract project developing consumer-based crypto applications.

Grease Monkey Games disposal
On **6 March 2025,** the Company disposed 55% of its ownership interest in Grease Monkey Games Pty Ltd by way of transferring shares acquired in Grease Monkey Games to its founders for zero consideration.

The Company had, on acquisition, impaired the value of its investment, in full.

Leade.rs disposal
On **6 March 2025**, the Company disposed 55% of its ownership interest in Leade.rs Inc for zero consideration.

Leade.rs had been impaired, in full, on acquisition in 2019.

Disposal of WePlay Media
On **20 March 2025**, the Company disposed 75% of its equity interest in WePlay, which was initially acquired on 17 January 2023, for a total consideration of A$73,800 (or US$50,000).

Purchase of preference shares from and issuance of convertible notes to SVF II APAC Aggregator (DE) LLC
On **18 April 2025**, the Company entered into a Share Purchase Agreement with SVF II APAC Aggregator (DE) LLC, through Acheson Investments Limited, a controlled entity of the Company, to purchase all the Series B Preference Shares held by SVF II APAC Aggregator (DE) LLC in Bacasable Global Limited.

In consideration for Share Purchase Agreement between Acheson Investments Limited and SVF II APAC Aggregator (DE) LLC, the Company agreed to issue SVF II APAC Aggregator (DE) LLC convertible notes under a Note Subscription Agreement. The fair value of the convertible note was A$39,203,451 (or US$25,000,000) with maturity three years from the date of issue with a coupon rate of 10% per annum.

Investment in zkME Labs
On **25 April 2025**, Crowd Education Limited, a controlled entity of the Company, entered into a Share Purchase Agreement to acquire 20% equity interest in zkME Labs for a combination of MOCA tokens and fully paid ordinary shares.

Consolidation of ownership in the Sandbox
On **13 July 2025**, the Company entered into a Share Purchase Agreement with Mr Arthur Madrid and a Share Contribution Agreement with Mr Sebastien Borget, the founders of the Sandbox, to repurchase the 30% equity interest in Meta Global Limited (parent entity of the Sandbox companies) previously awarded to the founders in 2021 through the issue of 41,000,000 fully paid ordinary shares in the Company at a fair value of A$4.50 per fully paid ordinary share. The total fair value of the consideration was A$184,500,000. The Company increased its ownership interest in Meta Global Limited, the parent entity of the Sandbox entities from 70% to 100%.

Founders' management services agreement
On **13 July 2025**, the Company entered into a Management Services Agreement with Mr Arthur Madrid who will continue to act as Chairman of the Bacasable Global Limited. As part of the management services agreement, the Company agreed to pay Mr Arthur Madrid 7,631,607 fully paid ordinary shares at a fair value for past performance between 2018 and 2020.

Establishment of Stablecoin joint venture
On **8 August 2025,** Animoca Brands Limited, a controlled entity of the Company, announced that it had entered into a joint venture, Anchorpoint Financial Limited with Standard Chartered Bank (Hong Kong) Limited and Hong Kong Telecom. The joint venture seeks to build a business model focused on the issuance and advancement of licensed stablecoins.

Investment in KLKTN
On **26 August 2025**, the Company entered into a Share Purchase Agreement and a SAFE Subscription Agreement whereby the Company would purchase for A$9,121,621 (or US$6,000,000) shares in KLKTN and subscribe to A$17,547,781 (or US$12,352,000) in SAFE instruments. The investment in KLKTN was undertaken by way of the issue of fully paid ordinary shares at A$4.50 per ordinary share which resulted in the issue of 5,926,534 fully paid ordinary shares.

KLKTN is digital collectible/music platform for Asian artists and the investment by the Company resulted in the Company securing management control.

Advisory Agreement with the former Chief Financial Officer of the Sandbox
On **27 September 2025**, the Company entered into an Advisory Agreement with Mr Marcelo Santurio, the former Chief Financial Officer of the Sandbox. Mr Marcelo Santurio agreed to continue providing the advisory and consultation services on the next coming 12 months, effective from 1 October 2025 for a fee of 500,000 fully paid ordinary shares.

Letter of intent with AlphaTon proposing equity and token investments
On **1 October 2025**, the Company and AlphaTON Capital Corp, a specialized digital asset treasury company focused on building a strategic TON reserve and public markets access to the high-growth Telegram ecosystem, announced that they had executed a non-binding Letter of Intent (“LOI”). The LOI included the potential acquisition by AlphaTON Capital of a controlling interest in GAMEE, a controlled entity of the Company.

Under the terms and conditions set out in the LOI, AlphaTON Capital has a right to acquire a 51% equity interest in GAMEE and 51% of the GAMEE (GMEE) and Watcoin (WAT) tokens held in the GMEE treasury.

Proposed reverse merger with Currenc Group
On **3 November 2025**, the Company entered into a non-binding term sheet (“Term Sheet”) with Currenc Group Inc. (“Currenc”), in relation to a potential transaction with Currenc where Currenc would acquire 100% of the shares on issue in Animoca Brands Corporation Limited by way of a scheme of arrangement.

Under the proposed structure, shareholders of the Company would hold approximately 95% of the issued shares in the combined entity and shareholders of Currenc would hold approximately 5% of the combined entity. Currenc expects to authorize a dual-class share structure in connection with the transaction, and following closing, the board of directors of the combined entity will comprise nominees from both entities.

The combined entity is expected to operate as “Animoca Brands”.

Redemption of 2022 Convertible Notes
The Company has redeemed its 2022 Convertible Notes issue with the payment of A$197,106,524 (or US$133,539,670). The redemption comprised principal of A$144,206,642 (or US$97,700,000) and compound interest of A$52,899,882 (or US$35,839,670).

A convertible note holder holding A$14,681,717 (or US$9,946,863) in convertible notes converted the amount due into fully paid ordinary shares. The conversion comprised A$11,070,111 (or US$7,500,000) in principal and A$3,611,606 (or US$2,446,863) in compound interest.

Note subscription agreement
On **11 September 2025**, the Company entered into a Note Subscription Agreement with one of the 2022 convertible note holders, which had an original maturity date on 21 August 2025. The outstanding principal amount of A$14,760,140 (or US$10,000,000) has been rolled over at an interest rate of 10% per annum, with a new maturity date on 16 September 2028. Furthermore, the Company entered into Warrant Deed with the same 2022 convertible note holder on the same day. The warrant holder has the right to subscribe for up to 10,256,000 ordinary shares from the date of issuance of the note subscription agreement until the maturity date on 16 September 2028.

Changes of the board of directors
On **10 December 2025**, Mr John Madden was appointed as a non-executive director of the Company and on **11 December 2025**, Mr David Brickler resigned as a non-executive director of the Company. Mr John Madden, a part-time Company Secretary, is retained on a contractual basis and will continue in that role whilst a non-executive director.

Acquisition of SOMO
On **14 January 2026**, the Company announced an acquisition of the digital collectibles and gaming company SOMO. The acquisition was completed as a non-cash transaction. The Company acquired SOMO in exchange for advisory services rendered.

Summary table of equity issues
The following table sets out the number of shares issued, and the equity raised since 31 December 2022 up to 21 January 2026:

		Number	$
Balance as at 31 December 2022		1,852,816,874	1,414,563,825
Date of issue:			
4 Jan 2023	a	25,750,000	2,523,500
4 Jan 2023	b	4,795,798	12,432,000
23 Feb 2023	c	73,210	80,531
6 Mar 2023	d	2,123,087	2,335,741
14 Mar 2023	e	732,099	805,309
22 Mar 2023	f	292,840	322,124
4 Apr 2023	g	398,086	437,895
11 Apr 2023	h	146,420	161,062
20 Apr 2023	i	146,420	161,062
24 Apr 2023	j	598,086	657,895
26 Apr 2023	k	897,128	986,842
2 May 2023	l	5,318,506	5,850,357
9 May 2023	m	2,804,585	3,085,044
12 May 2023	n	1,355,634	1,491,197
24 May 2023	o	11,138,338	13,641,062
14 Jun 2023	p	4,450,192	4,895,211
16 Jun 2023	q	158,889	715,001
10 Aug 2023	r	98,338	442,521
6 Sept 2023	s	426,304	1,918,357
9 Sept 2023	t	84,838	66,425
28 Sept 2023	u	690,000	3,105,000
16 Oct 2023	v	1,815,507	1,997,057
16 Oct 2023	w	2,272,727	2,500,000
16 Oct 2023	x	469,526	939,052
9 Nov 2023	y	1,020,083	524,783
31 Dec 2023	z	1,326,700	5,970,150
15 Jan 2024	aa	500,000	550,000
19 Jan 2024	ab	444,117	1,998,527
19 Feb 2024	ac	168,888	760,000
19 Mar 2024	ad	557,663	713,811
26 Mar 2024	ae	5,122,688	23,052,096
6 May 2024	af	277,533	1,248,899
31 May 2024	ag	15,720	70,740
27 Jun 2024	ah	101,590	457,155
10 Jul 2024	ai	183,333	824,999
16 Aug 2024	aj	7,456,091	33,552,410
28 Aug 2024	ak	499,671	549,638
24 Sep 2024	al	295,623	1,278,031
4 Nov 2024	am	417,403	1,878,314
19 Dec 2024	an	4,609,205	20,741,407
23 Dec 2024	ao	51,249	230,621
21 Feb 2025	ap	772,644	3,476,896
14 Apr 2025	aq	277,776	50,000

		Number	$
15 Apr 2025	ar	750,000	390,000
26 May 2025	as	4,468,750	4,123,041
13 Jul 2025	at	7,631,607	7,631,607
3 August 2025	au	15,600,000	15,600,000
26 August 2025	av	12,581,046	36,430,332
30 September 2025	aw	41,000,000	184,500,000
16 October 2025	ax	750,000	810,000
17 November 2025	ay	1,984,708	8,931,186
18 December 2025	az	34,256	154,152
		175,934,902	418,049,040
		2,028,751,776	1,832,612,865

The issue of shares on the above dates relates to the following:

a	Shares were issued for advisory services
b	Shares were issued for strategic investments
c	Shares were issued to sophisticated and professional investors
d	Shares were issued to sophisticated and professional investors
e	Shares were issued to sophisticated and professional investors
f	Shares were issued to sophisticated and professional investors
g	Shares were issued to sophisticated and professional investors
h	Shares were issued to sophisticated and professional investors
i	Shares were issued to sophisticated and professional investors
j	Shares were issued to sophisticated and professional investors
k	Shares were issued to sophisticated and professional investors
l	Shares were issued to sophisticated and professional investors
m	Shares were issued to sophisticated and professional investors
n	Shares were issued to sophisticated and professional investors
o	Shares were issued to sophisticated and professional investors and issued to strategic investors
p	Shares were issued to sophisticated and professional investors
q	Shares were issued for strategic investments
r	Shares were issued for the acquisition of tokens and for consultancy services
s	Shares were issued for staff performance, advisory service and as retention bonus to nWay executives
t	Shares were issued for payments in lieu of obligations to advisors
u	Shares were issued to employees of portfolio company
v	Shares were issued to sophisticated and professional investors
w	Shares were issued to strategic and institutional investors
x	Shares were issued to sophisticated and professional investors and strategic and institutional investors
y	Shares were issued for advisory service
z	Shares were issued to sophisticated and professional investors
aa	Shares were issued for the exercise of options

ab	Shares were issued for consultancy services
ac	Shares were issued for investments
ad	Shares were issued for directors' service, for the conversion of convertible bonds, for the exercise of options and payments in lieu of obligations to advisors, Company Secretary and consultants
ae	Shares were issued for strategic investments
af	Shares were issued for strategic investments
ag	Shares were issued for directors' service
ah	Shares were issued for consultancy services
ai	Shares were issued for strategic investments
aj	Shares were issued to sophisticated and professional investors
ak	Shares were issued for acquisition of tokenx and directors' service
al	Shares were issued for investments and consultancy service
am	Shares were issued for strategic investments
an	Shares were issued for strategic investment and to sophisticated and professional investors
ao	Shares were issued for directors' service
ap	Shares were issued for strategic investments and to sophisticated and professional investors
aq	Shares were issued for advisory service
ar	Shares were issued for executives' performance rights
as	Shares were issued for executives' performance rights
at	Shares were issued for advisory service
au	Shares were issued for conversion of the convertible notes
av	Shares were issued for executives' performance rights, advisory service, strategic investments and Shares were issued to sophisticated and professional investors
aw	Shares were issued for 30% equity interest of Meta Global Limited
ax	Shares were issued for executives' performance rights
ay	Shares were issued for investments and consultancy service
az	Shares were issued for directors' service

Composition of capital raised after the financial year ended 31 December 2022

	Number	$
Cash proceeds from issue of shares	**40,948,027**	**77,197,288**
Non-cash issue of shares for various purposes including shares issues for acquisitions investments and advisors and consultants, and cryptocurrencies	**134,986,875**	**340,851,752**
	175,934,902	**418,049,040**

In accordance with a resolution of the board of directors of Animoca Brands Corporation Limited, I state that:

In the opinion of the board of directors:

(a) the consolidated financial statements, the accompanying notes to the consolidated financial statements and the additional disclosures set out in the Directors' report are in accordance with the *Corporations Act 2001 (Cth)*, including:

  (i) giving a true and fair view of the consolidated entity's financial position at the balance date of 31 December 2022 and of their performance for the period ended on that date; and

  (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and *Corporations Regulations 2001*;

(b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board, as disclosed in Note 1a; and

(c) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

Yat Siu	John Michael Madden	Christopher Paul Whiteman
Executive Chairman	Non-executive director	Non-executive director
Date 21 January 2026	Date 21 January 2026	Date 21 January 2026

HALL CHADWICK
Chartered Accountants & Business Advisors

ANIMOCA BRANDS CORPORATION LIMITED
ACN 122 921 813
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANIMOCA BRANDS CORPORATION LIMITED

Opinion

We have audited the financial report of Animoca Brands Corporation Limited (the company) and its controlled entities (the group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the group's financial position as at 31 December 2022 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of Animoca Brands Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a)(iii) in the financial statements, which indicates the group incurred a loss after tax attributable to the owners of the group during the year ended 31 December 2022. As stated in Note 1(a)(iii) these events or conditions, along with other matters set forth in Note 1(a)(iii) indicate that a material uncertainty exists that may cast doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the group's annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
Level 9 50 Pirie Street Adelaide SA 5000	Level 4 240 Queen Street Brisbane QLD 4000	Level 1 48-50 Smith Street Darwin NT 0800	Level 14 440 Collins Street Melbourne VIC 3000	Level 11 77 St Georges Tce Perth WA 6000	Level 40 2 Park Street Sydney NSW 2000
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HALL CHADWICK (NSW)

ANIMOCA BRANDS CORPORATION LIMITED
ACN 122 921 813
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ANIMOCA BRANDS CORPORATION LIMITED

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

– Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
– Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast material doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
– Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. We are responsible for the

HALL CHADWICK (NSW)

ANIMOCA BRANDS CORPORATION LIMITED
ACN 122 921 813
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANIMOCA BRANDS CORPORATION LIMITED

direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and material audit findings, including any material deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 21 January 2026

ANIMOCA BRANDS CORPORATION LIMITED

Top 20 Registered Shareholders

21 January 2026

	Holder Name	Holding	% IC
1	SIGNIFICANT SINGULAR LIMITED	105,275,452	5.19%
2	KINGSWAY FCI CO-INVESTMENT SPC SEGREGATED PORTFOLIO SEVEN	102,153,144	5.04%
3	LCV 2021 14 LLC	58,923,998	2.90%
4	ALPHA WAVE VENTURES II LP	56,304,624	2.78%
5	FCI CO INVESTMENT SPC SEGREGATED PORTFOLIO EIGHT	50,545,489	2.49%
6	MR PAUL JOHN PHEBY	47,757,993	2.35%
7	CITICORP NOMINEES PTY LIMITED	46,715,058	2.30%
8	KOTTER GLOBAL LIMITED	38,331,776	1.89%
9	ASYLA INVESTMENTS LIMITED	37,603,243	1.85%
10	LCV SPV 2 LLC	34,522,369	1.70%
11	LCV FUND VIII LP	28,286,392	1.40%
12	PRIME PROVIDENCE CORP	28,131,607	1.39%
13	PS STRATEGIC INVESTMENT LIMITED	28,015,844	1.38%
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	27,113,497	1.34%
15	OUTBLAZE ASIA INVESTMENTS LIMITED	26,790,012	1.32%
16	SECONDARY MARKET TRADING PTY LTD	26,629,997	1.31%
17	HARBOUR RAINBOW LIMITED	25,750,000	1.27%
18	OBOE DEVELOPMENT TRADING LIMITED	25,729,731	1.27%
19	TGV 4 FOLLOW ON FUND PTE LTD	24,773,426	1.22%
20	MR SEBASTIEN BORGET	20,893,895	1.03%
	Top 20 shareholders	**840,247,547**	**41.42%**
	Remaining shareholders	**1,188,504,229**	**58.58%**
	Total number of shares on issue	**2,028,751,776**	**100.00%**