

29th February 2016

PRIMARYMARKETS

OPENING ADDRESS – GAVIN SOLOMON (Executive Director) HARD LAUNCH - NEW PLATFORM DELIVERS LIQUIDITY FOR UNLISTED SECURITIES AND INVESTMENTS

I would like to welcome you to the launch of **PrimaryMarkets**, a new independent global platform for the sale and purchase of unlisted securities and investments.

Given my many years of experience in the financial markets, I have come face-to-face with the huge number of unlisted, illiquid securities and investments in existence and often contemplated how they could be traded and how one might be able to bring Buyers and Sellers together.

As all of you know every asset does have some intrinsic value and it's just a matter of finding the right buyer with the appropriate risk/reward investment profile.

To provide you with some context, there are two US companies operating very successfully in one of PrimaryMarkets main verticals (unlisted shares and warrants) – **SecondMarket** and **SharesPost** – which I have followed for over 6 years and both of which were the impetus for how I could create a more expansive listing platform.

In the past three years, SecondMarket and SharesPost have:

- Transacted over US\$4.5B of unlisted shares and warrants
- Huge wealth creation for investors exiting Pre-IPO positions as exemplified with transacting US\$500M of Pre-IPO Facebook shares.
- Have over 20,000 accredited Wholesale Clients (in USA terminology - QIBs (Qualified Institutional Investors) and Accredited Investors)
- As at November 2015 had some US\$20B of unlisted shares and warrants being offered for sale.

In November 2015 NASDAQ acquired SharesPost's interests in their new business called **NASDAQ Private Market** as well as acquiring 100% of SecondMarket and rolling this into NASDAQ Private Market.

Over the last 5 months the Australian financial landscape has also changed dramatically with:

1. **ASX** quickly moving to replace their NASDAQ operating platform with their own proprietary system and only last month the ASX invested \$14.9M to buy a 5% equity stake in a USA-based Blockchain technology play.
2. A Chinese party (who have no presence at all in Australia) has invested US\$4,125,000 into the **NSX** exchange.
3. **Chi-X Asia** including Australia has been acquired by the New York based hedge fund **J C Flowers** for US\$100M.

4. **APX** has rebranded its offering as **Sydney Stock Exchange** and is moving towards being a “market to market” offering.
5. **Investec** invested some A\$2M into **Equitise** – a crowd funding equity platform.
6. **Crowdfunding Legislation** – the Federal Government is about to legislate crowd-funding activities in Australia with primary focus to regulate retail “mum & dad” investors.

So there is currently underway a major flux of repositioning amongst the some 10 Australian market licences.

We have positioned PrimaryMarkets as an innovative – not disruptive – enterprise that fulfils a market need by offering liquidity to both Buyers and Sellers of Unlisted Securities and Investments.

At PrimaryMarkets we actively embrace the involvement of our Intermediary Members be they Retail or Institutional Brokers, Wealth Managers, Liquidators, Accountants, Law Firms and the like.

We already have a significant number of a variety local intermediaries going active on our platform after today.

By way of example of our international potential spread, we have already signed up an intermediary, Cumplo – a South American peer-to-peer lender with over A\$100M in loan book and an in-house investor base of over 2,000 equivalent Wholesale Investors.

To us, this is the natural progression of how PrimaryMarkets can offer our services to overseas investors – be they buy-side or sell-side and whether the underlying assets are based in Australia or elsewhere worldwide.

Lastly, I would encourage everyone here tonight to be part of our exciting new enterprise and to sign up. I know it’s going to be a valuable tool for investors both in the Australian and overseas markets.

About PrimaryMarkets

PrimaryMarkets delivers liquidity for Unlisted Securities and Investments. PrimaryMarkets is led by a highly-professional Board with strong marketplace experience and is an unlisted public company with a diverse shareholding of institutional, professional and wholesale/sophisticated investors. PrimaryMarkets has an ever growing base of Sellers, Buyers and Intermediaries. PrimaryMarkets offers solutions for global Sellers and Buyers with investments being located in most worldwide jurisdictions.

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