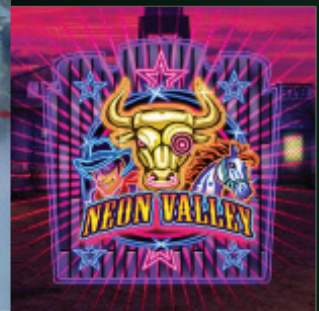




How **VGW** has enabled **shareholder liquidity** to remain private and support investors and employees along the way.





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Introduction

As Virtual Gaming Worlds (VGW) grew from a startup in 2010, shareholders had no way to sell their shares or access liquidity.

Without a public stock exchange listing VGW shareholders had no readily available means to trade their shares. Shareholders were forced to navigate the private markets on their own, causing a distraction for VGW's senior executives in charge of growing this nascent company into a global leader in online gaming.

Fast forward to 2023 and VGW has reached Unicorn status (market cap > US\$1B) with the 6th highest annual revenue for any unlisted Australian company, all while remaining privately held.

Find out how VGW was able to maintain the benefits of remaining a private company while driving liquidity in its shares and growing its global investor base after listing on the PrimaryMarkets unlisted companies trading platform.

Who is VGW?



VGW is a global leader in online social casino and poker games, founded in 2010 by Australian entrepreneur Laurence Escalante.



Company revenues exceeded A\$3B for the first time in FY22 with operating profits over A\$550M and a market capitalisation at its peak on PrimaryMarkets Platform of more than A\$5B.



VGW has led the technology revolution in online casino games of chance with popular games like Chumba Casino and Global Poker used by millions of users globally.



With a popular online following, VGW has also been able to transform its users into investors.

VGW faced an uncertain path to reaching its potential

- ✓ In 2018 VGW faced a common challenge for private companies. Building steadily for over 8 years, and after multiple rounds of external funding, VGW had a growing shareholder base without any real prospect of liquidity for them.
- ✓ VGW desired to remain privately held. This allowed it to avoid the costs and rigorous governance requirements that come with a public stock exchange listing.
- ✓ But without direct access to the public markets VGW faced challenges to increase its shareholder base, deliver liquidity to shareholders and continue to grow company valuation

As a privately held company VGW faced these common problems



No shareholder liquidity

As a private company VGW had a limited investor audience. Investors only real exit strategy was via an IPO (Initial Public Offering) or company trade sale, meaning virtually no share liquidity.



Limited Market Coverage

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



Less access to new capital

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



Unlisted company valuation

An unlisted stock's value is traditionally reduced due to the application of an illiquidity discount which means shareholders lose some potential investment value, this discount can be as high as 30%.

What options did VGW have to drive liquidity and investment?

- ✓ **List on a public stock exchange** that would understand VGW's innovative technology and online gaming business model:
 - e.g. NYSE, ASX, HSEX, NASDAQ – this is expensive and requires high listing fees, significant additional compliance and surveillance costs which can distract management from running and growing the business.
 - Under publicly listed scrutiny, VGW would need to continuously comply with additional burdensome disclosure and strict governance requirements.
- ✓ Organise secondary trading (including for employees and early investors) on an alternative platform (such as the PrimaryMarkets Trading Platform), including facilitating employee share trading.

Why VGW chose PrimaryMarkets?

In 2018 VGW chose to begin private trading of its securities on the PrimaryMarkets Platform.

PrimaryMarkets offers many benefits for VGW and its shareholders and investors that are akin to many of the benefits of a public listing, without the added burden and cost.



Why VGW chose PrimaryMarkets?

Flexibility of a private market platform

On PrimaryMarkets Platform VGW has continued to build its innovative businesses as well as facilitating liquidity via share trading.

Shareholder Liquidity

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

Wide promotion opportunities

110,000+ global investor network gives private unlisted companies the opportunity to continue to reach a diverse investor base. PrimaryMarkets provides ongoing promotion to its Platform companies across multiple channels that gives VGW's brand added reach that it could not otherwise access.

Full trading functionality with controls

PrimaryMarkets' Trading Platform offers everything VGW needs to facilitate secondary trading, plus the ability to set its own trading rules that benefit shareholders and the Company.

PrimaryMarkets maintains independent, transparent expertise and escrow services to ensure transaction integrity and security.

Access more capital

PrimaryMarkets has attracted new investors, including from leading PE firms, family offices and large institutional investors as well as sophisticated and accredited investors.





"I played a regular home poker game with my best friends. When they moved to Melbourne for their careers, these games stopped but I found it crazy ... we couldn't replicate a quality game experience with real money poker wagers inside a multiplayer game environment"

Laurence Escalante | Founder VGW

What happened after VGW listed on PrimaryMarkets ?



Share price growth

From A\$0.16 to a high of over A\$5.00 per share – a 2,500% increase since first listing on PrimaryMarkets.



Turn fans into investors

Successfully tapped its popularity by giving followers and users the opportunity to directly invest via PrimaryMarkets.



Unicorn status

Reached market cap of A\$1B in Feb 2021 and A\$3B in Sept 2021



Active private trading

PrimaryMarkets has successfully traded over A\$50M in VGW shares.



Global profile

Significant following from global PE firms, family offices, sophisticated and institutional investors and fund managers.

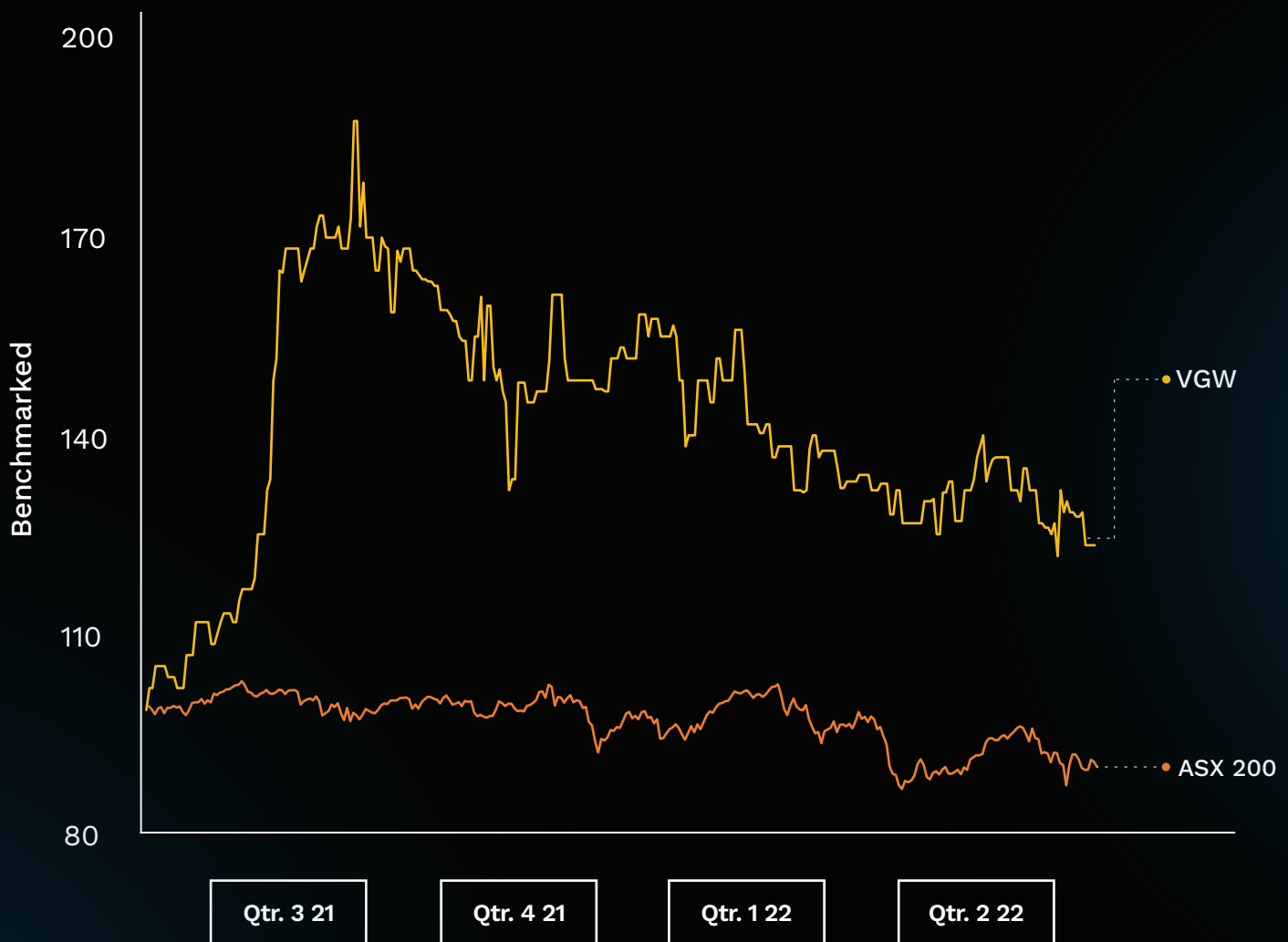


New investor networks

Able to access PrimaryMarkets 110,000+ global investor network.

VGW share price performance on PrimaryMarkets Platform

- In October 2018 VGW listed on PrimaryMarkets at A\$0.16 per share and reached a high of A\$5.00 in 2022 with market capitalization in excess of A\$5B.
- Trading was driven by PrimaryMarkets traders, and VGW's existing shareholders, with regular promotion to a global investor network boosting investor interest and liquidity.
- VGW has performed well through 2022's market turmoil, maintaining a circa 30% premium to the ASX 200.



Key Lessons Learnt

✓ Building liquidity for shareholders, while remaining private, can benefit companies and shareholders

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

✓ Provide new investors with reassurance

By delivering trading visibility with clear independent market depth, a company can offer transparency, reassurance and price discovery

✓ Not restricted to a single geographic market

There is no need to limit a company to one geographic location where the selected stock exchange operates. PrimaryMarkets facilitates international trading and new capital raisings 24/7.

✓ Promote your company to global sophisticated investors

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

✓ Continue to build your company's profile

Even without an ASX listing a company does not need to be operating “*in the dark*”. PrimaryMarkets offers ongoing promotion and regular market updates to its 110,000+ global investor network plus promotion via its website and ever-increasing digital media footprint.

✓ Turn your biggest fans into investors

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

Results



Global social gambling and technology company



Listed at A\$0.16 per share in 2018. Trading high of A\$5



Unicorn trading status reached



Market capitalisation up 184% in one year



Invest in **VGW**
or find other opportunities
on **PrimaryMarkets**

Sign up now

for a free account at
www.primarymarkets.com

