

GameAccountTM NETWORK

Delivering your Business Online



GAMEACCOUNT NETWORK PLC

Placing and Admission
to trading on **AIM** and **ESM**



Nominated Adviser, ESM Adviser & Broker

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This document comprises an admission document in relation to AIM, a market operated by London Stock Exchange plc ("AIM"), and the Enterprise Securities Market, a market operated by the Irish Stock Exchange ("ESM"). It has been drawn up in accordance with the AIM Rules for Companies (the "AIM Rules") and the ESM Rules for Companies (the "ESM Rules") and has been issued in connection with the proposed admission to trading of the Ordinary Shares to AIM and the ESM. It does not comprise a prospectus within the meaning of section 85 of FSMA and does not constitute an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA or for the purposes of the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland.

Application has been made to the London Stock Exchange and Irish Stock Exchange for the Ordinary Shares, issued and to be issued, to be admitted to trading on AIM and ESM. **It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares on 25 November 2013.**

AIM and ESM are both markets designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM and ESM securities are not admitted to the Official List of the Financial Conduct Authority or the Official List of the Irish Stock Exchange (together, the "Official Lists").

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The AIM Rules and the ESM Rules are less demanding than those of the Official Lists and it is emphasised that no application is being made for admission of the Ordinary Shares to the Official Lists.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange plc has not itself examined or approved the contents of this document.

Each ESM company is required pursuant to the ESM Rules for Companies to have an ESM adviser. The ESM adviser is required to make a declaration to the Irish Stock Exchange on admission in the form set out in Schedule Two to the Rules for Enterprise Securities Market Advisers. The Irish Stock Exchange has not itself examined or approved the contents of this document.

Your attention is drawn to the Risk Factors set out in Part 2 of this document. The whole of the document should be read in light of these risk factors.

The Directors of GameAccount Network plc (the "Company"), whose names appear on page 1 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

GameAccount Network plc

(incorporated in England and Wales under the Companies Act 1985 with registered no. 03883658)

Placing of 16,469,434 Ordinary Shares of £0.01 each at 135 pence per share

and

Admission to trading on AIM and ESM

Davy

Nominated Adviser, ESM Adviser and Broker

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Copies of this document will be available on the Company's website at www.gameaccountnetwork.com from the date of Admission.

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THE ORDINARY SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER REGULATORY AUTHORITY IN THE UNITED STATES, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED ON OR ENDORSED THE MERITS OF THE OFFER OR THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

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This document has been prepared on the basis that all offers of Ordinary Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in member states of the European Economic Area (EEA), from the requirement to produce a prospectus for offers of Shares. Accordingly any person making or intending to make any offer within the EEA of Ordinary Shares which are the subject of the Placing contemplated in this Admission Document should only do so in circumstances in which no obligation arises for the Company, the Selling Shareholders or Davy to produce a prospectus for such offer. Neither the Company, the Selling Shareholders nor Davy have authorised, nor do they authorise, the making of any offer of Ordinary Shares through any financial intermediary other than offers made by Davy which constitute the placing of Ordinary Shares contemplated in this document.

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Davy does not intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

Forward-looking Statements

This document contains certain “forward-looking statements”, including statements about current beliefs and expectations of the Directors. In particular, the words “expect”, “anticipate”, “estimate”, “may”, “should”, “plans”, “intends”, “will”, “believe” and similar expressions (or in each case their negative and other variations or comparable terminology) can be used to identify forward-looking statements. These statements are based on the Board’s expectations of external conditions and events, current business strategy, plans and the other objectives of management for future operations, and estimates and projections of GameAccount Network’s financial performance. Though the Board believes these expectations to be reasonable at the date of this document they may prove to be erroneous. Forward-looking statements involve known and unknown risks and uncertainties and speak only as of the date they are made. Investors are hereby cautioned that certain important factors could cause actual results, outcomes, performance or achievements of GameAccount Network or industry results to differ materially from those expressed or implied in forward-looking statements. Such factors include, but are not limited to, those described in the Risk Factors section of this document.

Save as required by law or the AIM Rules and ESM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Board’s expectations or to reflect events or circumstances after the date of this document.

Defined Terms

Certain terms used in this document are defined in the “Definitions” section of this document.

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Directors, Secretary, Registered Office and Advisers

Directors	David O'Reilly Dermot S Smurfit Desmond Glass Roger Kendrick Michael Smurfit Jr.	<i>(Non-executive Chairman)</i> <i>(Chief Executive Officer)</i> <i>(Chief Financial Officer)</i> <i>(Non-executive Director)</i> <i>(Non-executive Director)</i>
Company Secretary	Desmond Glass	
Registered and Head Office	GameAccount Network plc 23-24 Warwick Street London W1B 5NQ	
Nominated Adviser, ESM Adviser and Broker	Davy Davy House 49 Dawson Street Dublin 2 Ireland	
Solicitors to the Company	Addleshaw Goddard LLP Milton Gate 60 Chiswell Street London EC1Y 4AG	
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Registrars	Capita Registrars Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU	
Principal bankers	Barclays Bank plc 50 Pall Mall PO Box 15165 London SW1A 1QF	
Company website	www.gameaccountnetwork.com	

Expected timetable of principal events

Publication of this Admission Document	20 November 2013
Admission effective and dealings commence on AIM and ESM	8.00 a.m. on 25 November 2013
CREST member accounts credited (where applicable)	25 November 2013
Expected latest date for despatch of definitive share certificates (where applicable)	6 December 2013

Each of the times and dates in the above timetable are subject to change without further notice at the discretion of the Company and Davy. All times are London times unless otherwise stated.

Admission statistics

Number of Existing Ordinary Shares	44,265,175
Number of New Shares being issued by the Company	11,111,111
Number of Sale Shares being sold by the Selling Shareholders	5,358,323
Total number of Placing Shares	16,469,434
Total number of Ordinary Shares in issue on Admission	55,376,286
Placing Price per Ordinary Shares	135 pence (161 cents)
Estimated gross proceeds of the Placing receivable by the Selling Shareholders	£7.23 million (€8.65 million)
Estimated gross proceeds of the Placing receivable by the Company	£15 million (€17.94 million)
Estimated net proceeds of the Placing receivable by the Company	£13.17 million (€15.75 million)
Market capitalisation of the Company at the Placing Price on Admission	£74.76 million (€89.42 million)
AIM / ESM symbol	GAME / GAME
ISIN code	GB00BGCC6189

Part 1: Information on GameAccount Network

1. INTRODUCTION

GameAccount Network is a leading developer and supplier of enterprise-level B2B gaming software systems and online gaming content.

GameAccount Network has developed an Internet gaming enterprise software system (“Internet Gaming System”), which it licences to online and land-based gaming operators (“Licensees”) as a turn-key technology solution for both regulated real-money and simulated online gaming. The Internet Gaming System, developed in London under a UKGC licence, is certified to the highest technical standards currently required by gaming regulators.

The Internet Gaming System includes a gaming content platform which enables the distribution of a comprehensive range of proprietary and third party gaming content to online gaming operators (“Gaming Content Platform”). GameAccount Network is a leading developer of online casino games and converts offline casino slot machines into online equivalents on behalf of third party land-based slot machine manufacturers.

GameAccount Network also operates a licensed business to customer (“B2C”) website currently under the brand MoneyGaming.com in the UK, which offers a suite of skill and casino table and third party slot games to end-users.

GameAccount Network has an established business in Europe, licensing the Gaming Content Platform to UK, Spanish and Italian gaming operators including, *inter alia*, PaddyPower, William Hill, Rank, Lottomatica, Sisal MatchPoint, and SNAI. GameAccount Network has also licensed the Internet Gaming System to European land-based casino operators, including Rank in the recently regulated Spanish market. GameAccount Network has strategically positioned itself as a first mover in regulated European markets and is actively seeking to replicate this successful approach in regulating markets in Europe and the US.

GameAccount Network has been developing its presence in the US since 2009 and established a dedicated US office in Las Vegas, Nevada in 2013. In April 2013, GameAccount Network completed its first significant US transaction with the sale of a modified instance of the Internet Gaming System to Aristocrat Technologies. In New Jersey, GameAccount Network has partnered with Betfair to provide Trump Plaza Hotel and Casino with the Internet Gaming System to offer regulated real-money online gaming from November 2013.

In unregulated US states, GameAccount Network offers a monetised virtual credit gaming solution (known as “simulated gaming”) to land-based casino operators seeking to build their online brand in preparation for the regulation of real-money online gaming. In Connecticut, GameAccount Network has licensed the Internet Gaming System to the Mashantucket Pequot Tribal Nation (owners and operators of the Foxwood’s Casino Resort) to offer simulated gaming in expectation of intra-state regulation in Connecticut in 2015.

The US online gaming market represents a significant opportunity for GameAccount Network. It is estimated that regulated real-money online gaming revenue in the US will grow to \$668 million in 2014 and \$8 billion in 2018. The Directors anticipate that 12 to 15 states will be regulated by the end of 2018.

The Directors believe that the key strengths of GameAccount Network include:

- A leading Internet Gaming System, offering corporate customers a turn-key technology solution for both regulated real-money and simulated online gaming;
- Comprehensive suite of proprietary and third party gaming content offered across desktop and mobile devices;
- Proven developer and distributor of proprietary and third party gaming content with significant appeal to US land-based casino operators who are seeking to develop an online presence;
- Strong record of licensing gaming content to regulated, blue-chip customers in Europe and the US;
- Clean US probity and compliance record (having never previously accepted or facilitated a wager originating in the US); and
- Proven record of executing high margin deals in the US and strategically positioned to capture market share through an exciting pipeline of opportunities as certain US states commence regulation.

Admission to trading on AIM and ESM represents an important milestone in GameAccount Network's development. The Placing will enable GameAccount Network to accelerate the growth of its business and, in particular, to expand its US sales and development infrastructure, drive further growth in Europe and continue investment in its technology platform and gaming content.

2. HISTORY AND DEVELOPMENT

GameAccount Network was founded in 2002 and its headquarters are in London, UK with an office in Las Vegas, Nevada. GameAccount Network currently employs 70 people, of which 45 employees work in the Development and Technology team, and has business relationships with 16 Licensee corporate customers.

GameAccount Network has made significant investment in its software and technology, evolving its product offering from an online skill-based games supplier and B2C website operator into a comprehensive Internet Gaming System, Gaming Content Platform and ancillary services business.

GameAccount Network's business activities commenced in the UK with the operation of a B2C website offering proprietary developed online skill-based games to end-users, currently under the brand MoneyGaming.com.

From 2003, GameAccount Network began supplying proprietary online gaming content to online gaming operators in the UK and Europe from an initial version of the Internet Gaming System.

In 2007, GameAccount Network designed, developed and licensed proprietary online casino table games, in addition to continuing the development of multiplayer skill-based gaming content.

Since 2008, GameAccount Network has completed several complex technical integrations with corporate customers' online platforms to deliver online gaming content. GameAccount Network currently provides online gaming content to seven major online operators, representing a combined approximately 47.5 per cent. market share of the Italian online casino gaming market.

GameAccount Network has been active in the US since 2009 with the deployment of a senior representative undertaking business development in anticipation of intra-state regulation.

In 2010, GameAccount Network first partnered with Aristocrat Technologies in order to convert its offline casino slot machines into online equivalents. GameAccount Network has since secured a number of agreements with global casino slot manufacturers, for the development and distribution of their online gaming content into regulated markets.

In 2010, GameAccount Network secured Rank (via www.EnRacha.es in Spain) as its first corporate customer to licence the Internet Gaming System. Rank adopted the enterprise-level Internet Gaming System as its complete technology solution for offering online gaming into the Spanish market in anticipation of regulation. Regulated gaming in Spain subsequently launched in June 2012 following the passage of legislation in November 2011.

In July 2011, Aristocrat Technologies licensed the Internet Gaming System for the provision of free-to-play online gaming on to two US websites (Maryland Live! and Island Resort and Casino). The Internet Gaming System was deployed onto GameAccount Network's hardware infrastructure located in Nevada and was managed by GameAccount Network until April 2013.

In December 2012, the provision of online casino slot games was regulated in Italy. Having already established its operations in Italy, GameAccount Network capitalised on its first mover advantage to distribute its third party slots content from 'Day 1' of regulation.

In 2012, GameAccount Network launched its first mobile gaming applications ("Apps") for both the iOS and Android mobile devices and in 2013 launched its first HTML5 online casino table games. These games are integrated into the Internet Gaming System and allow end-users to play the games using a single account and username across desktop and mobile devices.

In 2013, GameAccount Network completed its first significant US transaction with the sale of a modified instance of the Internet Gaming System to Aristocrat Technologies.

In July 2013, GameAccount Network partnered with Betfair to provide Trump Plaza Hotel and Casino with its Internet Gaming System to enable regulated real-money online gaming operations in New Jersey. The Internet Gaming System has since been deployed onto technical hardware infrastructure located in Atlantic City, New Jersey in advance of the expected commencement of online gaming in November 2013.

In April 2013, the Foxwoods Casino Resort selected GameAccount Network's Internet Gaming System to offer simulated gaming nationwide from November 2013. The Internet Gaming System has been deployed onto technical hardware infrastructure located within the Foxwoods Casino Resort property and will serve as the basis for regulated real-money online gaming following regulation in Connecticut, which is anticipated in 2015.

GameAccount Network established a dedicated US office in Las Vegas, Nevada in 2013. In May 2013, GameAccount Network appointed Mr. Julius Patta as President, North America of GameAccount Network Nevada, Inc., a wholly-owned subsidiary of GameAccount Network.

3. BUSINESS OVERVIEW

3.1 Internet Gaming System and Services

Internet Gaming System

GameAccount Network has developed a leading Internet Gaming System which it licences to online and land-based gaming operators as a turn-key technology solution for both regulated real-money and simulated gaming. The Internet Gaming System enables authenticated, verified and registered end-users to deposit and withdraw funds and wager real-money on a wide range of online games.

The Internet Gaming System also provides a range of tools to assist Licensees to manage and grow their online gaming business, including *inter alia*, business intelligence, analytics and customer relationship management services. The Internet Gaming System has a single, dynamic code base, certified to the highest technical standards currently required by gaming regulators and is capable of handling a high volume of financial transactions.

GameAccount Network has deployed five identical instances of the Internet Gaming System (each supporting one or more Licensee) onto hardware infrastructure located in Alderney, Gibraltar and Italy in Europe, and Connecticut and New Jersey in the US. Software updates are made to the Internet Gaming System in London and then deployed remotely to other global instances. This avoids the creation of different versions of the software and results in significant cost savings for Licensees.

GameAccount Network has licensed the Internet Gaming System to European land-based casino operators, including Rank in the regulated Spanish market. GameAccount Network sold a modified instance of the Internet Gaming System to Aristocrat Technologies in April 2013. In New Jersey, GameAccount Network has partnered with Betfair to provide Trump Plaza Hotel and Casino with the Internet Gaming System to offer regulated real-money online gaming from November 2013. In Connecticut, GameAccount Network has licensed the Internet Gaming System to the Foxwoods Casino Resort to offer simulated gaming in expectation of intra-state regulation in Connecticut in 2015.

Real-Money vs. Simulated Gaming

The Internet Gaming System enables end-users to manage their online funds and wager real-money on a wide range of online games. The same instance of the Internet Gaming System can also support a simulated gaming solution, enabling operators to seamlessly transition from simulated gaming to regulated real-money online gaming upon regulation.

Simulated gaming is a monetised solution, designed for land-based casino operators active in US states where real-money online gaming is not yet regulated. Simulated gaming enables online gaming operators to build a verified customer database in advance of regulation, by offering end-users virtual credits to play online games for entertainment purposes. Virtual credits have no monetary value and cannot be withdrawn. However, an end-user can supplement their virtual credits by purchasing additional credits with real-money in order to continue and augment their online gaming experience.

Where a land-based casino operator maintains a casino management system, an incremental opportunity exists to integrate the simulated gaming experience with the real-money land-based casino experience through player account integration. This integration delivers a converged online-to-land experience by incentivising end-users who create an online account for simulated gaming to visit the casino operator's property, collect a credited rewards card and wager real-money at the land-based casino.

Ancillary Services

In support of the Internet Gaming System, and to provide a tailored, turn-key solution for Licensees, GameAccount Network offers a broad range of ancillary services. This enhances GameAccount Network's commercial proposition in the online gaming marketplace. These services include, *inter alia*, additional customer verification tools, a fully managed payment processing and fraud management service, customer services, marketing and technical / operational support. GameAccount Network perceives this to be of particular value to US Licensees who do not have the in-house expertise or experience to perform these functions, and who appoint GameAccount Network to undertake these incremental services on their behalf.

GameAccount Network generates revenues from licensing the Internet Gaming System to corporate customers. GameAccount Network generates revenue through a combination of upfront technical development fees and by participating in a share of the Licensees' ongoing gaming revenues. GameAccount Network can also generate revenue from the supply of ancillary services.

3.2 Game Development and Distribution

Since 2002, GameAccount Network has developed a suite of games, including over 135 proprietary games and variants. This gaming content portfolio includes proprietary multiplayer skill-based games and casino table games, developed for desktop and mobile devices. GameAccount Network principally develops games for desktop using Adobe Flash, and builds HTML5 games and downloadable game 'Apps' for iOS and Android mobile devices. All games are integrated into the Internet Gaming System and allow end-users to play games online using a single account and username across desktop and mobile devices.

GameAccount Network is a leading online games developer and converts offline casino slot machines into online equivalents on behalf of third party land-based slot machine manufacturers. Since February 2011, GameAccount Network has developed over 40 slot games for slot machine manufacturers.

Where slot machine manufacturers have their own remote gaming server (being their equivalent of the Gaming Content Platform), GameAccount Network can integrate the slot machine manufacturer's remote gaming server into the Internet Gaming System. For example, GameAccount Network has integrated IGT's remote gaming server into the Internet Gaming System and distributes IGT's games to Licensees across Europe and, from November 2013, into New Jersey in the US.

In addition, in order for online games to be offered to end-users, all online games require technical certification by the local regulator. GameAccount Network manages this process on behalf of casino game manufacturers. Today the Internet Gaming System and developed games are certified to the technical standards of the UKGC, the AGCC, the AAMS, and the DGOJ, and are currently being reviewed for certification purposes by the NJDGE. The Directors believe that these technical certificates represent significant operational and regulatory assets of GameAccount Network.

GameAccount Network has been selected to develop and/or integrate online gaming content by casino game manufacturers including Ainsworth, Aristocrat, Bally, GamoMat, Konami Gaming, IGT, Multimedia Games, Reel Time Gaming, Scientific Games and SHFL Entertainment.

For each game developed or remote gaming server integrated, GameAccount Network receives an upfront technical development fee and participates in the respective share of the operators' ongoing gaming revenues.

3.3 Gaming Content Platform

GameAccount Network has developed a Gaming Content Platform which offers online gaming operators the ability to distribute GameAccount Network's comprehensive range of proprietary and third party gaming content through their B2C websites.

Since 2003, online gaming operators have been selecting GameAccount Network's Gaming Content Platform in order to offer end-users GameAccount Network's proprietary, multi-player skill games and tournaments. GameAccount Network has supplemented this initial offering with the addition of online casino table games in 2007 and, significantly, third party slots content since June 2011. The evolution of the Gaming Content Platform has enabled GameAccount Network to offer online gaming operators a differentiated range of proprietary and third party online games from a single integration of its platform.

GameAccount Network has integrated the Gaming Content Platform for a range of UK and European blue-chip corporate customers, including PaddyPower, Sportingbet and William Hill since 2003. In Italy,

the Gaming Content Platform business commenced in September 2008. Today, Eurobet Italia, Intralot Italia, Lottomatica, PaddyPower Italia, Sisal MatchPoint and SNAI have all undertaken integrations with GameAccount Network's Gaming Content Platform located in Rome. GameAccount Network also performs regulatory messaging functions for online operators in Italy, which are required by AAMS for regulated online gaming, removing a significant operational responsibility from the online operator.

GameAccount Network generates revenue through a participatory share of the Licensees' revenues derived from GameAccount Network's Gaming Content Platform.

3.4. B2C Gaming Services

Since 2002, GameAccount Network has operated a B2C website, currently under the brand MoneyGaming.com, which now offers a suite of skill and casino table and third party slot games to end-users. This website is operated under an Alderney Class I licence and is targeted at UK end-users. MoneyGaming utilises GameAccount Network's Internet Gaming System, providing GameAccount Network with real-time insight into the performance of its Internet Gaming System, the Gaming Content Platform and ancillary services.

End-users are acquired by MoneyGaming through online and offline marketing strategies. Following verification of their identity, end-users can make a deposit into their own online account and wager for real-money.

GameAccount Network generates revenue from MoneyGaming.com's operations by earning a margin (also referred to as "net gaming win"), calculated as the difference between the value of amounts wagered and amounts paid out.

Although MoneyGaming continues to generate revenue, the Directors anticipate that the majority of GameAccount Network's future revenues will be derived from licensing the Internet Gaming System and Gaming Content Platform to operators and the development and distribution of third party online gaming content.

4. CORPORATE STRATEGY

GameAccount Network's objective is to be the first choice for land-based gaming operators seeking to move online, by offering a proven, turn-key technology solution, a comprehensive range of gaming content and a broad range of ancillary services. GameAccount Network also aims to become the leading developer and distributor of online casino games for third party land-based slot machine manufacturers.

GameAccount Network is seeking to increase its US market share through the licensing of its Internet Gaming System for regulated real-money and simulated gaming to land-based casino operators. The Directors anticipate significant growth in the regulated US online gaming market and that 12 to 15 states will be regulated by the end of 2018. GameAccount Network's simulated gaming solution provides operators with an incremental revenue stream and marketing opportunity and, upon regulation, a seamless transition to regulated real-money online gaming.

GameAccount Network's European strategy is to increase market share by delivering enhanced gaming content to existing Licensees, acquiring new Licensee contracts and expanding into newly regulating markets through first mover market entry.

GameAccount Network's strategy is supported by its continued investment in its software and technology suite, a debt free balance sheet and a clean US probity and compliance record. The Directors believe that GameAccount Network is strategically positioned to maximise growth and market share in both existing and newly-regulating markets.

5. THE ONLINE GAMING MARKET

5.1 Overview

With the emergence of the Internet in the early 1990s, a number of operators began to explore ways of offering betting and gaming services online. The Internet provided online operators with a number of potential advantages over traditional offline or land-based competitors, including global reach, a reduced cost base, 24/7 access, access to greater player liquidity and, ultimately, the opportunity for gaming companies to increase their share of the customer's wallet.

Most of the traditional forms of gambling that are available in land-based venues are offered by online operators today, including sports-betting, casino (games of chance), poker, bingo, and lottery.

5.2 Drivers of market growth

In 2012, online gambling accounted for a small fraction of global gaming revenue. It is predicted that as consumer habits change and more players look to mobile consumption, online gambling as a proportion of the overall gambling market will significantly increase.

The key drivers of growth in the online gaming industry include:

- The legalisation and regulation of online gaming in jurisdictions where it is currently prohibited;
- The continued growth in broadband availability globally;
- The growth in the sale of smart-phone mobile devices and tablets;
- A growing social acceptance of many forms of gambling;
- Ongoing product innovation in mobile gaming;
- A gradual amalgamation of offline and online gaming services as traditional land-based operators enter the online sphere and cross-sell products across distribution channels; and
- The potential for new forms of media to drive customer acquisition, most notably through the use of social media.

5.3 Regulation of online gaming

The issue of regulation of online gaming is complex, mainly because the applicable laws relating to the industry vary from country to country. Historically, many online gaming companies operated in a legal vacuum as applicable laws had not yet been passed in many of the jurisdictions in which they were operating. For this reason, and for tax purposes, many of the early entrants to the industry typically applied for online gaming licences in offshore jurisdictions including Malta, Gibraltar, the Isle of Man, Alderney and Costa Rica.

Many governments have legislated for issues related to use of the Internet generally, with online gaming being one of the areas addressed. As a result, the industry is currently transitioning from a pre-regulation to post-regulation environment. This transition is bringing considerable challenges for some operators who are finding that they now must pay higher gaming taxes than before or are having greater restrictions imposed on them in terms of the particular products and services that they can offer in certain countries. For others though, the emergence of regulation is creating a substantial opportunity. In particular, momentum is building behind intra-state regulation of online gaming in the US.

5.4 The US Market

Gambling is legally restricted in the US, but its availability and participation is increasing. 39 states now have some form of gambling in land-based casinos and there are approximately 979 land-based casinos in operation, with that number increasing as more US states seek to legalise land-based casinos. It is estimated that US land-based casinos generated gaming revenues of \$65.8 billion in 2012. Should regulation of online gaming be forthcoming, the US market is seen as being potentially one of the most lucrative markets for online gaming in the world. Regulated real-money online gaming revenues in the US are forecasted to grow to \$668 million in 2014 and \$8 billion in 2018.

The Directors anticipate that 12 to 15 states will be regulated by the end of 2018. The states that are expected to regulate include the following:

New Jersey

New Jersey has a population of approximately 8.9 million people. Gambling has a long legacy in New Jersey, with the state historically being more permissive of gambling than most other states. Gambling in New Jersey currently includes casino gambling in Atlantic City, the New Jersey Lottery, horse racing, off-track betting, charity gambling, amusement games, and social gambling.

New Jersey currently has 12 casinos, all of which are located in Atlantic City. With an estimated 27.7 million annual visitors, these casinos generated approximately \$3 billion in gaming revenues in 2012. They are regulated by the NJCCC and NJDGE.

In February 2013, a bill permitting online gaming was passed by the New Jersey Legislature and signed into law. The bill legalises online casino gaming for a 10-year trial period, restricts the operation of the websites to Atlantic City's twelve casinos and imposes a 15 per cent. tax on online gaming revenues, in lieu of the 8 per cent. currently imposed on land-based casinos. Gamblers must be at least 21 years old and play from a computer or mobile Internet device in New Jersey, whose location is verified by a combination of geo-locational methods across different media.

GameAccount Network expects regulated real-money online gaming in New Jersey to commence in November 2013 and that pre-taxation online gaming revenues will be worth approximately \$250 million in its first full year.

Connecticut

Connecticut has a population of approximately 3.6 million people. There are two land-based casinos operating in the state; Foxwoods Casino Resort and The Mohegan Sun. Foxwoods Resort Casino, which was opened by the Mashantucket Pequot Tribal Nation in 1992, is a hotel casino that consists of six casinos covering 4.7 million square feet and is the largest land-based casino in the US. The Mohegan Sun, which was opened by the Mohegan Tribe in 1996, is located in Uncasville and is also one of the largest casinos in the US.

On average, there are approximately 20,000 daily visitors to Foxwoods and it is estimated that the casino made approximately \$1 billion in gaming revenues in 2012. The Mohegan Sun casino made approximately \$1.25 billion in gaming revenues in its fiscal year 2012.

GameAccount Network expects regulated real-money online gaming in Connecticut to commence in Q1 2015 and that pre-taxation online gaming revenues will be worth \$144 million in its third year. It is anticipated by GameAccount Network that there will be just two online licencees in the state, namely Foxwoods and Mohegan Sun.

Pennsylvania

Pennsylvania has a population of approximately 12.8 million people. Casino gambling was legalised in Pennsylvania in 2004 and there are currently eleven land-based casinos operating in the state. Land-based casinos pay taxation of 55 per cent. of gaming revenues on slots and 16 per cent. of gaming revenues on table games. GameAccount Network expects regulated real-money online gaming in Pennsylvania to commence in July 2015 and that the market will be worth \$350 million in the first year.

Nevada

Nevada has a population of approximately 2.8 million people. There are 265 land-based casinos operating in Nevada. Nevada has a graduated tax rate with a maximum tax of 6.75 per cent. on gross gaming revenue (additional fees may add approximately one per cent. to this rate). In 2013, real-money online poker was regulated and commenced operations. Currently, no other form of online games is permitted.

Delaware

Delaware has a population of less than one million people. In 2013, real-money regulated casino gaming and poker was regulated.

The three Delaware land-based casinos operate branded portals on a single gaming platform. The operators began offering free-to-play online gaming and poker in July 2013 through the DoubleDown Casino App on Facebook, as an advance portal to the real-money gaming which launched in October 2013. Operators must verify the age and location of players.

Taxation is 43.5 per cent. of gaming revenues for slots and 34 per cent. of gaming revenues for table games, including poker.

Other US states

A number of other US states are in the process of regulating online gaming, or are considering doing so, including (in alphabetical order) California, Connecticut, Delaware, Florida, Hawaii, Illinois, Iowa, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, and Texas.

5.5 The European Market

In 2011, gaming revenues from the overall EU gambling market were estimated to be around €84.9 billion. Online gaming is the fastest growing activity in this sector in the EU, with annual growth rates of almost 15 per cent.. Annual revenues in 2015 are expected to reach €13 billion, compared to €9.3 billion in 2011. There are currently approximately 6.8 million consumers in the EU participating in online gaming.

There is a range of regulatory frameworks governing online gaming in the EU. Some Member States have monopolistic regimes run either by a public or a private operator on the basis of an exclusive agreement. Others have established licensing systems for more than one operator. Operators licensed in one or more Member State may offer gambling services to end-user residents in other Member States without the authorisation required in those countries, unless a specific prohibition of such activity is in place.

Italy

Liberalisation of the Italian online gaming market commenced in 2006, following which the market has gradually evolved to become one of Europe's leading regulated online gaming markets.

GameAccount Network entered the Italian market in 2008 offering skill-based games. From 2010, foreign gambling sites were allowed to offer their services in Italy, subject to receiving an Italian gambling licence from the AAMS. Fixed-odds casino games were regulated in 2010.

Following the relaxation of Italy's online gaming laws, some of the biggest European gaming operators, such as Betfair, PaddyPower and William Hill, began offering their services to Italian gamblers.

According to statistics published by the Italian regulator, online gaming revenues were €550 million in 2012. GameAccount Network serves operators with a combined approximately 45 per cent. market share of the Italian online gaming market.

Taxation rates vary depending on the product (skill games or cash games) being offered and can range from 17 to 20 per cent..

Spain

In 2006, Spain passed its first online gaming laws, which legalised sports betting both online and in licensed betting outlets. In 2011, the Spanish Gambling Act formed the backbone for Spain's regulation in this area, including online poker and sports betting. In 2013, the Spanish Gambling Authority legislated for online betting exchanges and online slots.

According to statistics published by the Spanish regulator, online gaming revenues were €88 million in 2012.

The taxation rate is 25 per cent. of gross profits.

United Kingdom

The UK is one of the largest gambling markets and is home to a number of land-based casinos, racetracks and gambling facilities. The 2005 UK Gambling Act permits online casino, sports betting, horse race betting and betting exchanges to be operated in the UK and played by UK residents.

It is estimated that online gaming revenues (excluding lotteries) in 2012 were £2.1 billion or approximately 20 per cent. of total gross gaming revenue.

It is expected that, with effect from December 2014, online operators serving end-users in the UK will be required to pay 15 per cent. tax on the gross profits they generate from those customers, regardless of where they are located.

Other European Markets

European member states such as Germany, Netherlands, Portugal and Sweden are currently in the process of regulating their markets.

6. DIRECTORS AND SENIOR MANAGEMENT

On Admission, the Board will comprise five Directors, including two executive Directors, two non-executive Directors and the Chairman. The Company intends to appoint an independent non-executive Director within 12 months of Admission.

6.1 Directors

David O'Reilly (aged 52) (*Non-executive Chairman*)

David joined the Board of GameAccount Network in June 2008. David is an experienced business director with over 27 years of experience in the financial services industry, having previously worked as Managing Director at Bankers Trust and as Head of Foreign Exchange Sales and Trading and Principal at Renaissance Technology Hedge Fund, based in Long Island, US. David has a number of directorships with private companies and has a BBS honours degree from Trinity College Dublin.

Dermot S Smurfit (aged 38) (*Chief Executive Officer*)

Dermot joined GameAccount Network in 2002. Dermot previously worked in the European Investment Banking team of SoundView Technology Group. Dermot has operational and management experience in online gaming through his experience with GameAccount Network, together with M&A, strategic advisory and private equity financing experience in the gaming technology industry. Dermot is a qualified (non-practising) UK lawyer specialised in corporate finance. Dermot's education encompasses an LLB in Law from Exeter University, the Legal Practice Course from the College of Law (UK) and the Investment & Corporate Finance Advisory qualification from the UK's Financial Conduct Authority. Dermot is a non-executive director of Powerflute Oyj and is a member of its audit and remuneration committees.

Desmond Glass (aged 44) (*Chief Financial Officer and Company Secretary*)

Des joined GameAccount Network in 2008. Des has over 15 years of finance and operations experience with media and online companies in the US and Europe. Previously, Des worked as Senior Finance Director at Rodale where he was responsible for delivering the financial strategy for its international division. Prior to this, Des was Vice President for Finance at PredictIt.com, a publicly quoted Internet start-up, and held senior financial positions with Primedia Inc. and Capital Cities/ABC Inc. while based in New York. Des trained with Deloitte & Touche LLP in Dublin and holds a Masters in Business Administration from Imperial College London, a Bachelor of Commerce from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland.

Michael Smurfit Jr. (aged 48) (*Non-executive Director*)

Michael joined the Board of GameAccount Network in June 2008. Michael is Chief Executive of S.F. Investments, a privately held company that manages worldwide investments on behalf of the Smurfit family. Michael is a director of a number of companies, including Escher plc and The K Club Limited. Michael previously held a number of senior positions within the Jefferson Smurfit Group both in Europe and the US.

Roger Kendrick (aged 68) (*Non-executive Director*)

Roger joined the Board of GameAccount Network in June 2008. Roger is an entrepreneur and an experienced non-executive director, representing both private equity investors and personal investments. Roger has a track record of investing in numerous high growth companies, including gaming and Internet businesses and has significant experience of acquisitions and disposals. Roger has a BA in Business Finance and an MSc (MBA) from London Business School.

6.2 Senior Management

Julius Patta (aged 47) (*President, North America*)

Julius was appointed President, North America, GameAccount Network in 2013. Prior to joining GameAccount Network, Julius served as Chief Technology Officer for Aristocrat (USA and Australia), a global manufacturer of video-slot gaming devices and content, since 2009. Julius is a board member of Slovenske Loterie a.s., a national VLT route operator in the Slovak Republic, a company he founded and operated as CEO from 1999, and which was subsequently acquired by Intralot (Greece) in 2008. In 1996,

Julius founded PlayStar (USA) and Dreamplay Research (Canada) corporations, which developed, released and operated an international online casino gaming operation. Julius has founded multiple other companies involved in software development for the gaming industry, ranging from systems and platforms, through to gaming content. Julius studied management at Templeton College and Said Business School, both at Oxford University.

Martin Smith (*aged 46*) (*Chief Games Officer*)

Martin joined GameAccount Network in 2005, becoming Chief Technical Officer in 2007 and then Chief Games Officer in 2012. Martin worked as Senior Artificial Intelligence Programmer at cross-platform videogame developer Elixir Studios, working on videogame titles such as ‘Republic: The Revolution’. Martin’s qualifications include a BSc in Artificial Intelligence from Middlesex University, an MSc in Advanced Methods in Computer Science from the Queen Mary University of London. Martin was awarded the prestigious Drapers Scholarship to fund his PhD at Queen Mary University of London, completed in 2000. Martin has published articles concerning applying innovative machine learning techniques to games such as chess, go and shogi.

Simon Knock (*aged 34*) (*Chief Operating Officer*)

Simon joined GameAccount Network in September 2010 as Technical Director, bringing over 10 years of Internet gambling industry experience. Prior to GameAccount Network, Simon held various technology development and management roles with UK operator William Hill and operations roles with Canadian online gaming software developer Cryptologic, Inc. Simon has a software engineering background, originally developing UK government revenue systems and private sector logistics products.

7. REASONS FOR ADMISSION AND USE OF PROCEEDS

The Directors believe that Admission and the Placing represents an important milestone in GameAccount Network’s development.

GameAccount Network is seeking admission of the Enlarged Ordinary Shares to trading on AIM and ESM in order to create a public market in the Ordinary Shares, to provide access to capital and to provide GameAccount Network with the ability to incentivise its employees through the Share Option Scheme, which will assist GameAccount Network in continuing to attract, retain and motivate high calibre employees.

GameAccount Network will also benefit from increased visibility and enhanced credibility by becoming a publicly quoted company. In particular, this may assist GameAccount Network in securing new US Licensees and help GameAccount Network secure intra-state online gaming licences.

The net proceeds of the Placing will be used by GameAccount Network to accelerate the growth of the business and, more specifically, for the following purposes (listed in order of priority):

- Expansion of US sales and operational infrastructure to capture growth potential of regulating US online gaming market;
- Continued investment in GameAccount Network’s technology platform and gaming content;
- Further expansion in European regulated markets; and
- General working capital purposes.

8. DETAILS OF THE PLACING

The Placing comprises the placing by Davy, as agent for the Company, of 11,111,111 New Shares and 5,358,323 Sale Shares (together the “Placing Shares”) with institutional and other investors. The placing of the New Shares will raise approximately £13.17 million (€15.75 million) net of expenses for the Company. The New Shares will represent approximately 20 per cent. of the Enlarged Ordinary Shares immediately following Admission and their issue will result in a corresponding level of dilution.

The Placing Shares will be issued fully paid and will, on issue, rank *pari passu* with all other issued Ordinary Shares, including the right to receive, in full, all dividends and other distributions thereafter declared, made or paid after the date of issue.

Further details of the Placing are summarised in Part 4 of this document.

9. SUMMARY FINANCIAL INFORMATION

The financial information set out below has been extracted without material adjustment from the historical financial information of GameAccount Network for the fifteen months ended 31 December 2010, the two years ended 31 December 2011 and 2012 and the ten months ended 31 October 2013.

In order to make proper assessment of GameAccount Network's business, investors should not rely solely on the summary information set out below but should read the whole of this document including the historical financial information set out in Section B of Part 5 of this document.

	15 months ended 31 December 2010	Year ended 31 December 2011	Year ended 31 December 2012	10 months to 31 October 2013
	£'000	£'000	£'000	£'000
Income Statement				
Gross income from gaming operations and services	18,790	16,877	17,690	25,002
Net revenues	4,931	4,571	5,499	10,852
Clean EBITDA	146	(44)	305	4,656
Operating (loss)/profit	(360)	(654)	(938)	2,458
(Loss)/profit for the period before taxation	(362)	(677)	(956)	2,463
(Loss)/profit after taxation for the period	(364)	(677)	130	1,973

Balance Sheet

	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012	As at 31 October 2013
Total Assets	2,653	3,340	5,227	7,153
Cash and cash equivalents	392	1,116	1,668	2,747

10. CURRENT TRADING AND PROSPECTS

Since 31 October 2013, trading in relation to each of GameAccount Network's business activities has been in line with the Director's expectations. On 8 November 2013, following the application by GameAccount Network to the NJDGE for a Casino Service Industry Enterprise Licence in July 2013, GameAccount Network was awarded a temporary licence (known as a 'single transaction waiver'), which will enable GameAccount Network to offer regulated real-money online gaming in New Jersey from November 2013.

The Directors believe that GameAccount Network is well positioned to take advantage of continued steady growth in regulated online gaming markets in Europe, in addition to the growth opportunities in the regulating US market. GameAccount Network is actively seeking to increase its market share with US land-based casinos and it is currently negotiating with a number of operators and gaming suppliers in relation to assigning or licensing to them its Internet Gaming System and online gaming content.

11. CORPORATE GOVERNANCE

The Company will not, immediately upon Admission, be fully compliant with the principles and provisions of the UK Corporate Governance Code, but intends to become so, so far as appropriate for the Company, as soon as reasonably practicable following Admission.

On Admission, the Board will comprise five Directors, including two executive Directors, two non-executive Directors and the Chairman. The Company intends to appoint an independent non-executive Director within 12 months of Admission. The Board intends to meet regularly to consider strategy, performance and the framework of internal controls.

The Board of Directors comprises a mix of the necessary skills, knowledge and experience required to provide leadership, control and oversight of the management of GameAccount Network and to contribute to the development and implementation of GameAccount Network's strategy. In particular, the Board combines a group of Directors with diverse backgrounds within the technology and related sectors, in both

public and private companies, which combine to provide the Board with the resources and expertise to drive the continuing development of GameAccount Network and advance GameAccount Network's commercial objectives.

The Directors have established an audit committee, a remuneration committee and a nomination committee with formally delegated rules and responsibilities. Each of the committees currently comprises the non-executive Directors and will meet regularly, and at least twice each year.

The audit committee is responsible for ensuring that the financial performance of the Company is properly reported on and monitored and for meeting the auditors and reviewing the reports from the auditors relating to accounts and internal control systems. It will meet at least once a year with the auditors without executive Directors present. The audit committee is comprised of Roger Kendrick, David O'Reilly and Michael Smurfit Jr. and will be chaired by Roger Kendrick. Roger Kendrick is deemed to have recent and relevant financial experience and is the audit committee financial expert.

The remuneration committee reviews the performance of the executive Directors and sets and reviews the scale and structure of their remuneration and the basis of their remuneration and the terms of their service agreements with due regard to the interests of Shareholders. In determining the remuneration of executive Directors, the remuneration committee will seek to enable the Company to attract and retain staff of the highest calibre. The remuneration committee will also make recommendations to the Board concerning the allocation of share options to employees. No Director is permitted to participate in discussions or decisions concerning his own remuneration. The remuneration committee is comprised of David O'Reilly, Roger Kendrick and Michael Smurfit Jr. and will be chaired by David O'Reilly.

The nomination committee is responsible for reviewing the size, structure and composition of the Board, succession planning, the appointment of replacement and/or additional directors and for making the appropriate recommendations to the Board. It will meet at least once a year with the auditors without executive Directors present. The audit committee is comprised of Michael Smurfit Jr., David O'Reilly and Roger Kendrick and will be chaired by Michael Smurfit Jr..

Additionally, the Company has adopted a share dealing code in conformity with the requirements of Rule 21 of the AIM Rules and ESM Rules and will take steps to ensure compliance by the Board and GameAccount Network's employees with the terms of the code.

The Bribery Act 2010 ("Bribery Act") which came into force in the UK on 1 July 2011 prescribes criminal offences for individuals and businesses relating to the payment of bribes and, in certain cases, a failure to prevent the payment of bribes. The Company has therefore established procedures designed to ensure that no member of GameAccount Network engages in conduct for which a prosecution under the Bribery Act may result.

12. PLACING, LOCK-UP AND ORDERLY MARKET AGREEMENTS

12.1 Placing Agreement

Under the Placing Agreement (made between the Company, Davy and the Directors), Davy has agreed to act as agent for the Company to use its reasonable endeavours to procure Placees to subscribe for the New Shares at the Placing Price.

12.2 Secondary Placing Agreement

Under the terms of the Secondary Placing Agreement (made between the Company, Davy and the Selling Shareholders), Davy has agreed to act as agent for the Selling Shareholders to use its reasonable endeavours to procure Placees to purchase the Sale Shares at the Placing Price.

Under the terms of the Secondary Placing Agreement, the Selling Shareholders have each undertaken to Davy that they shall not, except in certain specified circumstances, sell, transfer, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Ordinary Shares held by them at the date of Admission prior to the Lock-Up Date.

In order to maintain an orderly market in the Ordinary Shares, each Selling Shareholder has also undertaken to Davy that he shall not (save in certain specified circumstances), for a period of 12 months following the Lock-Up Date effect any disposal of Ordinary Shares other than through Davy in such manner as Davy shall reasonably require with a view to the maintenance of an orderly market in the Ordinary Shares.

In the event Davy does not procure any Placees for any of the Ordinary Shares held by the relevant Selling Shareholder then that Selling Shareholder shall not be bound by the lock-up arrangement set out in the Secondary Placing Agreement and shall therefore be free to transfer his Ordinary Shares in the ordinary course.

12.3 Director's and Significant Shareholders' Lock-up Agreement

The Director's and Significant Shareholders have each undertaken to Davy that they shall not, except in certain specified circumstances, sell, transfer, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Ordinary Shares held by them at the date of Admission prior to the Lock-Up Date. In order to maintain an orderly market in the Ordinary Shares, each Director and Significant Shareholder has also undertaken to Davy that he shall not (save in certain specified circumstances), for a period of 12 months following the Lock-Up Date, effect any disposal of Ordinary Shares other than through Davy in such manner as Davy shall reasonably require with a view to the maintenance of an orderly market in the Ordinary Shares.

Immediately following Admission, 63 per cent. of the Enlarged Ordinary Share Capital will be bound by the respective lock-up arrangements set out in the Secondary Placing Agreement and the Director's and Significant Shareholders' Lock-up Agreement.

Further details of the lock-up, orderly market and other arrangements described above are set out in paragraph 11 of Part 6 of this document.

13. SHARE OPTIONS

The Board recognises the importance of ensuring that employees of the Company are effectively and appropriately incentivised and that their interests are aligned with those of the Company. The Board regards employee share ownership as a key part of such incentive arrangements.

As at the date of this document, 2,765,600 Ordinary Shares are subject to outstanding options (including an option over 250,000 Ordinary Shares which was exercised by an option holder on 15 November 2013 and in respect of which Ordinary Shares will be issued on or shortly after Admission) granted under individual option agreements with former and current employees. Of these, options over 1,275,000 Ordinary Shares have been granted to Directors of the Group. Further details of the options that have been granted under individual option agreements are set out in paragraph 3.6 of Part 6 of this document.

No further options will be granted under individual option agreements.

On or around Admission, the Company will adopt the Share Option Scheme, which allows the grant of options to directors and employees of the Group. The current intention is that options under the Share Option Scheme will be granted with an exercise price of not less than the market value of the Ordinary Shares on the business day immediately before the date of grant or, if the remuneration committee so determines, the average market price of the Ordinary Shares for a period of up to five business days before the date of grant (except that, for options granted within 42 days of Admission, the Placing Price will be set as the exercise price). It is not intended that any option will be granted under the Share Option Scheme on or prior to Admission.

A summary of the Share Option Scheme is set out in paragraph 5 of Part 6 of this document.

14. ADMISSION AND DEALINGS IN ORDINARY SHARES

Application will be made to the London Stock Exchange and Irish Stock Exchange for the Enlarged Ordinary Shares to be admitted to trading to AIM and ESM respectively. It is expected that Admission will become effective and that dealings in the Enlarged Ordinary Shares will commence on 25 November 2013.

15. CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations.

The Ordinary Shares will be eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so. For more information concerning CREST, Shareholders should contact their brokers.

16. CITY CODE, MANDATORY BIDS, SQUEEZE-OUT AND SELL-OUT RULES

The City Code, which is issued and administered by the Panel on Takeovers and Mergers (the “Panel”), applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a listed company resident in the UK, the Channel Islands or the Isle of Man (and to unlisted public companies and private limited companies whose place of central management and control is deemed under the City Code to be in the UK, the Channel Islands or the Isle of Man).

The Company is a public limited company which has its registered office in the UK and has its place of central management and control in the UK. Accordingly, the City Code applies to the Company and, as a result, Shareholders are entitled to the benefit of the takeover offer protections provided under the City Code.

16.1 Mandatory Bids

Under Rule 9 of the City Code (“Rule 9”), where any person acquires, whether by a series of transactions over a period of time or not, an interest in shares (as defined in the City Code) which (taken together with shares already held by him and any interest in shares held or acquired by persons acting in concert with him) carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, that person is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights in that company to acquire the balance of their interests in the company.

Rule 9 of the City Code also provides that, among other things, where any person who, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. but does not hold shares carrying more than 50 per cent. of the voting rights of a company which is subject to the City Code, and such person, or any person acting in concert with him, acquires an additional interest in shares which increases the percentage of shares carrying voting rights in which he is interested, then such person is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company.

An offer under Rule 9 must be in cash (or with a cash alternative) and at the highest price paid within the preceding 12 months for any shares in the company by the person required to make the offer or any person acting in concert with him.

Rule 9 of the City Code further provides, among other things, that where any person who, together with persons acting in concert with him holds over 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares.

For the purposes of the City Code, persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by them of shares in a company, to obtain or consolidate control of that company. The concert party is deemed to be acting in concert for the purposes of the City Code.

16.2 Squeeze-out

Under sections 979 to 982 of the Act, if an offeror were to acquire not less than 90 per cent. of the Ordinary Shares following a takeover offer it could then compulsorily acquire the remaining Ordinary Shares it had not acquired i.e. up to 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares, provided that no such notice may be served after the end of (a) the period of three months beginning with the day after the last day on which the offer can be accepted, or (b) if earlier, and the offer is not one to which section 943(1) of the Act applies, the period of six months beginning with the date of the offer. Six weeks following service of the notice, the offeror must send a copy of it to the Company together with the consideration for the Ordinary Shares to which the notice relates, and an instrument of transfer executed on behalf of the outstanding Shareholder(s) by a person appointed by the offeror. The Company will hold the consideration on trust for the outstanding Shareholders.

16.3 Sell-out

Sections 983 to 985 of the Act also give minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the

offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror is required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period, or, if longer a period of three months from the date of the notice. If a Shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed. There have been no takeover bids by third parties in respect of the Company's equity, which have occurred during the last financial year or the current financial year.

17. DIVIDEND POLICY

The declaration and payment by the Company of any future dividends on the Ordinary Shares will depend on the results of GameAccount Network's operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time.

18. RISK FACTORS

Shareholders and other prospective investors in the Company should be aware that an investment in the Company involves a high degree of risk. Attention is drawn to the risk factors set out in Part 2 of this document.

19. TAXATION

General information relating to UK and Irish taxation with regard to Admission is summarised in paragraph 10 of Part 6 of this document. A Shareholder who is in any doubt as to his or her position, or is subject to tax in a jurisdiction other than the UK or Ireland, should consult his or her professional advisers.

20. FURTHER INFORMATION

Prospective investors should carefully consider the additional information set out in the other parts of this document and in particular the risk factors set out in Part 2 of this document.

Part 2: Risk Factors

An investment in GameAccount Network involves a variety of risks. Accordingly, prospective investors should consider carefully the specific risk factors set out below in addition to the other information contained in this document before investing in GameAccount Network. The Directors consider the following risks to be the most significant for potential investors, but these risks are not set out in any particular order or priority. In particular, GameAccount Network's performance may be materially and adversely affected by changes in the market and/or economic conditions and by changes in the laws and regulations (including any tax laws and regulation) relating to, or affecting, GameAccount Network or the interpretation of such laws and regulations.

If any of the following risks materialise, the business, financial condition, results or future operations of GameAccount Network could be materially and adversely affected. In such circumstances, the trading price of the Ordinary Shares could decline and investors could lose part or all of their investment in the Ordinary Shares. In addition, the risks below are not the only risks to which GameAccount Network may be subject. GameAccount Network may be unaware of certain risks or believe certain risks to be immaterial which later prove to be material.

1 Risks relating to the online gaming regulatory environment

1.1 Legislative interpretation may result in criminality of activities

- (a) GameAccount Network generates the majority of its income through licensing its proprietary Internet Gaming System to enable gaming operators to provide gaming services to customers where such services are dependent on that software and the functionality it provides. One of the consequences of GameAccount Network's supply of operational gaming software to Licensees, in return for a share of revenue, is the potential regulatory risk associated with doing so. Whilst in many jurisdictions laws and regulations may not specifically apply to supplies by gaming software licensors (as distinct from its Licensees' supplies to customers), this is not universally the case and, indeed, a number of jurisdictions have sought to regulate or prohibit such supply explicitly.
- (b) Furthermore, GameAccount Network relies on the continuity of supply by its Licensees to their customers using the gaming related software and technology which GameAccount Network licenses. Laws and regulations relating to the supply of gaming services are complex, inconsistent and evolving and GameAccount Network may be subject to such laws either directly through explicit service provision or indirectly insofar as it has assisted the supply to Licensees who are themselves subject to such laws.
- (c) Operators within the remote gaming industry have sought, in the past, to justify their activities by asserting that if remote gaming is permitted from the country of origin (i.e. from the point of supply) then the laws in the country of receipt would have to specifically outlaw the activity of the customer (remotely accessing online gaming services) or an entity in that jurisdiction or have the authority to implement laws that impacted outside the jurisdiction in order to render the activity illegal, or entitle the country of receipt to assert jurisdiction. Operators have sought to reduce any associated risks of jurisdictions forming a contrary view by limiting or omitting to have physical presence in such jurisdictions where any connected activities are not clearly legal. There are a number of jurisdictions that consider this rationale to be unjustified. Indeed in some territories, laws have been passed to expressly criminalise the provision of (and sometimes the participation in) gaming, irrespective of where the operator is located and licensed. For the greater part, these laws have not been tested. Some jurisdictions seek to regulate gaming; others seek to prohibit it. Contrasts in culture and socio-economics have created inconsistencies in the way in which gaming is both perceived and the way in which it is regulated, sometimes creating seemingly artificial distinctions between different gaming products. There is a corresponding, continuing risk to any participant in the gaming industry (be they an operator, supplier or other service provider) that jurisdictions in which customers are located may seek to argue that such a participant was acting illegally in accepting or assisting in the acceptance of wagers from its citizens or in the manner in which it operates gaming networks. This could lead to actions being brought against Licensees which, in turn, could have a detrimental effect on the financial performance and the reputation of GameAccount Network. Similarly, where supply by GameAccount Network to the Licensee is critical to the gaming transaction, one cannot rule out the risk that direct enforcement action will be taken against GameAccount Network or any of its Directors.

- (d) Many jurisdictions have not updated their laws to address the supply of remote gaming, which by its nature is a multi-jurisdictional activity. Moreover, the legality of online gaming and the provision of software, services and gaming network management is subject to uncertainties arising from differing approaches by legislatures, regulators and enforcement agents including in relation to determining in which jurisdiction the gaming takes place and therefore which law applies. This uncertainty creates a risk for GameAccount Network that even in instances where older laws have not been updated to address new technology, courts may interpret older legislation in an unfavourable way and determine Licensees' and/or GameAccount Network's activities to be illegal. This could lead to actions being brought against Licensees and/or GameAccount Network or any of its Directors, all or any of which may, individually or collectively, have a detrimental effect on the financial performance and the reputation of GameAccount Network.
- (e) GameAccount Network monitors legal and regulatory developments in all of its material markets closely and generally seeks to keep abreast of legal and regulatory developments affecting the gaming industry as a whole. However, GameAccount Network does not necessarily monitor, on a continuous basis, the laws and regulations in every jurisdiction where its Licensees derive business and, correspondingly, from where GameAccount Network may derive revenue share. GameAccount Network adapts its regulatory policy and, therefore, the scope of its ongoing monitoring on the basis that an individual market's materiality to both any relevant Licensee and to GameAccount Network may change. GameAccount Network may continue to receive a revenue share from Licensees' dealing in jurisdictions where GameAccount Network may be unaware of the full extent of enforcement risk.
- (f) The Directors of GameAccount Network are not located, nor does GameAccount Network have tangible assets or physical presence, in jurisdictions where the Directors are aware of any material legal or regulatory risk associated with such location, nor does GameAccount Network conduct activities where its support of Licensees is also explicitly illegal. Where appropriate, GameAccount Network takes the additional precautionary step of blocking wagers from such jurisdictions. GameAccount Network regularly sense-tests the regulatory rationale of Licensees but, given that day-to-day management of operational risk will remain in the purview of Licensees, GameAccount Network protects itself through contractual mechanisms allowing it to suspend or terminate services.
- (g) Despite the monitoring undertaken by GameAccount Network and the precautions it takes as to the location of employees or assets, there remains a prospect that, in the event of legislation being interpreted in an unfavourable or unanticipated way, such measures are not sufficient and result in actions being brought against GameAccount Network or its Directors, all of which would have a detrimental effect on the financial performance and the reputation of GameAccount Network. Furthermore, similar actions could be brought against Licensees with the consequence that revenue streams from such Licensees may be frozen or traced at the behest of authorities even if no GameAccount Network entity is made a party to any legal proceedings against any such Licensee. Customers may face problems in legitimately moving monies in and out of certain jurisdictions which will impact upon payments to Licensees. Finally, there is also a risk that Directors or employees of GameAccount Network or individuals engaged by it (or directors, employees or individuals connected to any Licensee) may face extradition, arrest and/or detention in (or from) such territories even if they are only temporarily present.
- (h) With respect to GameAccount Network's B2C business, which directly provides gaming products to end-users (i.e. players), GameAccount Network's determination as to whether or not to permit players in a given jurisdiction to access any one or more of GameAccount Network's products and whether or not to engage in different types of operations, marketing activity and player contact is made based on a number of factors which include:
 - (i) the laws and regulations of the jurisdiction, in particular, the way in which such laws and regulations apply to the regulation of specific gaming products and systems and specific types of related activity;
 - (ii) the approach to the application or enforcement of such laws and regulations by regulatory and other authorities, including the approach of such authorities to the extraterritorial application and enforcement of such laws and regulations and the willingness or ability (or absence thereof) of such authorities to take enforcement action;
 - (iii) state, federal or supra-national law, including EU law, if applicable; and
 - (iv) any changes to these factors.

If GameAccount Network should fail to have adequate regard to these (and other) factors when determining whether or not to permit players in a given jurisdiction to access any one or more of GameAccount Network's products and whether or not to engage in different types of operations, this could have a material adverse effect on GameAccount Network's operations, financial performance and prospects.

- (i) As a result of social, political and legal differences between jurisdictions, successful operation and marketing in a new jurisdiction often involves local adaptations to GameAccount Network's overall strategy. In particular, GameAccount Network's marketing strategy in new geographic markets may not be well received by end-users or may not otherwise be socially acceptable in that jurisdiction. GameAccount Network may be unable to successfully deal with a new and different local operating environment and may be subject to unfamiliar restrictive local laws and regulations which may include specific technological requirements that are incompatible with GameAccount Network's technology or business model. GameAccount Network may also face local state monopolies or other local vested interests that oppose the entry of new operators or already have substantial local market share. Each of these could have a material adverse effect on GameAccount Network's operations, financial performance and prospects.
- (j) GameAccount Network may be unable to secure new licences on acceptable terms (where required) in order to access end-users and Licensees in any given jurisdiction. This could have a material adverse effect on GameAccount Network's operations, financial performance and prospects.

1.2 Revocation or amendment of licences

- (a) Gaming operators use a variety of third party software products as the technical foundation of the services they supply. In certain territories, such suppliers are required themselves to obtain and maintain local licences. GameAccount Network is obliged, given the nature of the technology it supplies, to obtain such licences in a number of territories. Insofar as any of these licences are withdrawn or not renewed on equivalent terms (e.g. where there is a change in view as to what equipment needs to be located locally) it could have a material adverse effect upon the viability of those business ventures.
- (b) There are a number of jurisdictions in which Licensees may have customers where it may be unlawful or may become unlawful for individuals to engage in online gaming. In these circumstances, any attempt in the future by regulatory authorities to take enforcement action against such individuals could significantly affect demand for the products and services supplied to Licensees by GameAccount Network and have a detrimental effect on its financial performance and reputation.

1.3 Perception of gaming operators and suppliers, and their respective regulatory risk

- (a) Whilst from an enforcement perspective, operators that directly provide gaming services to their customers are generally perceived to be exposed to a greater degree of enforcement risk than their suppliers, in some jurisdictions laws extend to directly impact such gaming suppliers. Furthermore, a supplier's nexus with a particular jurisdiction may expose it to specific enforcement risks, irrespective of whether there has been an attempt to bring proceedings against any supported operator.
- (b) The online gaming market has developed such that the nature of some of the services undertaken by suppliers on behalf of operators places them closer to the actual customer transaction, arguably rendering them quasi-operators in their own right. A number of fundamental points have begun to emerge from these market developments. Suppliers cannot claim ignorance of, or indifference to, the origin of an operator's business. Indeed, enforcement proceedings brought against an operator may result in action being taken against a supplier (and even brought in the absence of the former). From a reputational and risk perspective, therefore, it is not sufficient for a supplier to avoid evaluating the risks associated with the businesses of the entities it supplies.
- (c) Any income streams may prove vulnerable to freezing or tracing claims if an operator's wagering activity is construed as illegal.
- (d) The fact that GameAccount Network receives a revenue share may, in the view of some regulators, enhance culpability, given that the contractual arrangement enshrines a concept of risk and reward.
- (e) Ultimately, the market may view, or in the future may view, the regulatory risk associated with the business of supplying software and services to gaming operators as being comparable with the regulatory risk attaching to operators themselves. In such circumstances, there is an associated risk

that investors may apply valuation methods to any such supplier that are the same as the valuation methods used to value operators, and which build in the same regulatory risk even though, in many territories, such suppliers would be considered sufficiently removed from the transactional activity to warrant the application of a discrete risk analysis.

1.4 Popularity and adoption of online gaming

- (a) Online gaming is a relatively new phenomenon and the success of GameAccount Network is and will be dependent on its continued popularity. The online gaming industry is highly competitive and GameAccount Network will need to develop other online gaming products and services that will continue to attract and retain a broad range of customers. As a result, GameAccount Network must continue to invest significant resources in research and development in order to enhance its Internet Gaming System, technology and its existing products and services and introduce new high-quality products and services that will appeal to customers across a wide range of platforms, including mobile phones and tablets, and to appeal to a broader demographic.
- (b) To the extent that GameAccount Network is unable to predict user preferences or industry changes, or is unable to modify products and services on a timely basis, GameAccount Network may lose customers. GameAccount Network's operating results would also suffer if its innovations are not responsive to the needs of customers or are not appropriately timed with market opportunity or are not effectively brought to market. As technology continues to develop, GameAccount Network's competitors may be able to offer products that are, or that are perceived to be, substantially similar to or better than those of GameAccount Network, which could have a material adverse effect on GameAccount Network's operations, financial performance and prospects.
- (c) GameAccount Network's business strategy includes an intention to be a 'first mover' into new, regulated online gaming markets, such as New Jersey in the US. GameAccount Network expects there to be an opportunity to grow revenue by being among the first operators and systems providers to obtain a licence to operate online gaming systems in markets where end-users historically have been reliant on unregulated online gaming. However, there is no guarantee that end-users who are currently engaging in unregulated online gaming (in the US or elsewhere) will transition away from unregulated gaming to regulated gaming in the wake of regulation, which is itself uncertain as to timing and scope of regulation and varies on a jurisdiction by jurisdiction basis. GameAccount Network's ability to influence end-user tastes and habits is limited, and if the introduction of regulation fails to result in a migration of end-users from unregulated gaming to regulated gaming (from which GameAccount Network currently derives and is expected to derive revenue both directly and through revenue sharing arrangements with its Licensees) this may have an adverse impact on the operations, financial performance and prospects of GameAccount Network.

1.5 Evolving nature of gaming regulation in the EU

- (a) The application of European laws designed to enshrine EU-wide trade freedoms is the subject of ongoing and developing jurisprudence which, ultimately, may result in a regulatory environment that impacts negatively on multi-national stakeholders in the gaming industry such as GameAccount Network and its Licensees.
- (b) The Treaty on the Functionality of the European Union embodies the principle that, within the European Union, each Member State and their constituent citizens can freely trade with other Member States and their constituent citizens. It arguably follows that restrictions on supply and movement of goods, services, people and capital are not permitted unless certain justifications are evident. Accordingly, if a gaming operator is prohibited from freely operating in Europe by an EU Member State's domestic law, such an approach may be unlawful under EU law (which is supreme over a Member State's domestic law). However, Member States are permitted to derogate from such principles and to legislate and impose discriminatory restrictions where to do so would be justifiable to achieve the aim of safeguarding public interest. The ability for Member States to introduce or seek to maintain such restrictive legal systems or to introduce punitive tax or duty regimes alongside new regulation of online gaming, with respect to gaming activities, could impede the financial growth of Licensees and, by implication, GameAccount Network.
- (c) A number of Member States have recently introduced local licensing regimes, some as a result of pressure brought by the European Commission. However, the way in which national laws are evolving is unpredictable and in some instances laws have appeared to have been fully implemented by certain Member States in contravention of the jurisprudence of the European Court of Justice and in

contravention of guidance given to Member States by the European Commission following review and comment on draft laws and regulations. As a result, GameAccount Network and its Licensees remain subject to ongoing uncertainty and to the associated risks that such laws may, ultimately, be interpreted and implemented in a disadvantageous way.

1.6 Evolution of local gaming licensing regimes

- (a) The law and regulation pertaining to gaming is in a constant state of change. Various jurisdictions have recently implemented (or are in the process of implementing) changes to their markets by introducing competitive licensing and regulatory frameworks. Whilst these developments may provide growth opportunities such new licensing regimes may evolve in such a way as to prove commercially disadvantageous.
- (b) New licensing regimes may impose licensing conditions, such as the requirement to locate significant technical infrastructure within the relevant territory or establish and maintain real-time data interfaces with the regulator, that present operational challenges. The effect on Licensees' businesses may be exacerbated by commercially onerous taxes or the requirement to pay retrospective taxes, as a condition of licence grant. Further, regulations may restrict Licensees' ability to offer certain of GameAccount Network's key products or may limit Licensees' scope to market such products in the way they would wish to do so, all of which may deter a Licensee from committing to an emerging local licensing regime. Further, Licensees may face a potential loss of competitiveness to the extent that restrictions are imposed on customer choice (e.g. deposit caps and pay-out limits). Those restrictions may combine with an incoherent and inconsistent policy of enforcement against entities without a licence, so as to reduce the perceived value of such a licence. Moreover, licensing regimes may require Licensees to ring-fence player liquidity, as has happened in the development of the Italian and Spanish licensing regimes.
- (c) The opening of new markets, and the clarification of restrictions surrounding online gaming in other markets where the legal position is currently unclear, may attract new entrants to the online gaming sector or strengthen the position of competing suppliers. A significant failure by GameAccount Network to attract new entrants to a new market or failures by its existing Licensees to obtain a licence or compete effectively in a new market may have adverse effect on the operations, financial performance and prospects of GameAccount Network.
- (d) Local licence application procedures can be onerous. A degree of business disruption would likely be caused by the requirement on Licensees to obtain any number of licences. Licensees' revenues could also be impacted by the imposition of licence fees and additional indirect taxes (including retrospective taxes) and, depending upon how GameAccount Network's revenue share arrangements with individual Licensees is calculated, such costs could impact GameAccount Network's revenues. Regulations can also be ill-considered, exposing Licensees to double taxation for the same transaction (in some jurisdictions the requirement to pay tax is determined where the customer is based and in others where critical equipment and functions are carried out). In addition, in some jurisdictions there is a requirement to register to pay taxes with retrospective effect, before an entity can qualify to apply for a licence. Even if this requirement is of questionable validity, it is a difficult one to challenge where an entity wishes to obtain a licence. Moreover, there is likewise no guarantee that the retrospective period currently required will not be extended.
- (e) Conversely, to the extent that local licences are not obtained by Licensees (whether through a strategic decision or as a result of limited availability), such Licensees may risk heightened enforcement exposure from local authorities in the relevant jurisdictions (not least in light of the probability of legislation expressly banning the offering of unauthorised online gaming locally, thereby removing all ambiguity in preceding legislation). This may impact materially upon revenues and reputation where actions are brought directly against GameAccount Network and/or Licensees to prevent any unauthorised supplies.
- (f) In addition, the ongoing compliance costs associated with any licensing requirements may be significant. Sums may be required by way of bonds (which under the Spanish licensing regime, for example, can run to millions of Euros, depending upon which products are required to be licensed), and the requirement to provide security for customer deposits will likely become standard.
- (g) The evolution of local licensing regimes, in any number of territories, may prove to be detrimental to the financial performance of Licensees and/or GameAccount Network on the basis of operational requirements and associated restrictions.

1.7 Exposure to local laws and regulations

- (a) In addition to the laws and regulations relating to gaming, GameAccount Network is subject to a wide variety of laws and regulatory requirements, non-compliance or deemed non-compliance with which could result in serious financial and other penalties for GameAccount Network. Compliance with all such laws and regulations laws is complex and expensive.
- (b) For example, GameAccount Network must comply with data protection and privacy laws. In the event that confidential information is wrongfully used or misappropriated by GameAccount Network or by its affiliates or intermediaries, GameAccount Network could face legal sanctions. It is possible that laws in various jurisdictions may be introduced or interpreted in a manner which is inconsistent with GameAccount Network's existing data practices, and which could, therefore, have a material adverse effect on GameAccount Network.
- (c) European legislation may develop to have a bearing on delivery of services and content by certain media channels, even if there may be no EU directive specific to remote gaming for the foreseeable future. Competition laws may impact upon GameAccount Network's business model and any acquisition strategy that GameAccount Network may choose to adopt in the future, depending on how the gaming market is analysed for competition purposes and particularly where convergence between bricks and mortar and remote delivery will significantly enhance customer penetration and potential overlap. In short, there is a risk that the most commercially sustainable growth strategy may be limited by such laws and regulations.
- (d) Regulation of gaming generally, and in particular online gaming, in the US is still evolving. The states of Delaware, Nevada and New Jersey have approved certain forms of real-money online gaming, but the industry perception is that (with the exception of New Jersey) these markets will be viewed more as a barometer by which to measure the relative success or failure of regulation. A number of other US states are in the process of regulating online gaming, or are considering doing so, but there can be no guarantee that regulation in other states in the US will (i) occur in accordance with GameAccount Network's estimate of the timeline and scope for regulation, or (ii) occur at all.

1.8 Regulation of third party affiliates

- (a) The gaming industry relies on networks of marketing affiliates to promote its services, often by way of localised advertising initiatives which are vital for maximising customer acquisition opportunities and assisting with customer retention programmes.
- (b) If local gaming laws or regulations are applied to prevent such affiliates from continuing to conduct business in any given territory, this would have a material adverse effect on the business of Licensees and/or on GameAccount Network. Alternatively, legislation may be passed that seeks to regulate and/or restrict such business activity which could render such affiliate networks less efficient or less effective. GameAccount Network's financial position may be adversely affected in such circumstances.
- (c) Furthermore, by their nature, affiliate networks operate in such a way that it can be a challenge to monitor their day-to-day activities. Whilst GameAccount Network seeks to impose terms and conditions on the affiliate networks it manages on behalf of Licensees, there may be a commercial incentive in the networks' arrangements with Licensees for such affiliates to operate in a way that contravenes local laws and regulations, such as local data protection laws. Where such activity does occur, GameAccount Network has the ability to terminate such relationships but, in the interim, may suffer damage to reputation.

1.9 Continued inconsistency of legislation or the introduction of new legislation

- (a) Legislation that aims to prohibit or restrict financial transactions with remote gaming operators will have a detrimental effect on the businesses of Licensees and/or GameAccount Network. Such prohibition or restrictions may be imposed as a result of concerns relating to fraud, unauthorised payment processing and money laundering or may follow the introduction of specific legislation aimed at preventing the supporting of financial transactions with gaming operators who do not possess the relevant jurisdictional licence. Not all such jurisdictions, however, will have implemented a licensing regime and yet may pressurise banks and other financial institutions to block wagering transactions as a crude and limited way of protecting incumbent monopolies or similar. Some Licensees may rely on improperly coded transactions in an attempt to circumvent such blocking and therefore may be exposed to monies being misappropriated by unreliable payment processors, which would reduce revenue. Furthermore, in some instances, the use of certain payment processing mechanisms may give

rise to allegations that any related proceeds are tainted. Where payment processors adopt methods to circumvent blocking initiatives, this could give rise to tracing activity by enforcement agencies, which may lead to business disruption for any suppliers of an implicated operator. Where GameAccount Network is required, as such a supplier, to assist with such investigations, this may have a detrimental effect on the reputation of GameAccount Network.

- (b) Some Licensees additionally may rely upon syndicates or agents to generate business in certain markets. Underpinning these arrangements are cash transfers and credit structures (both of which can typically occur in a licensed betting office) which may give rise to potential money laundering issues in an online environment, where there is no way to guard against the anonymity of participants, particularly in jurisdictions where such arrangements are the norm. Whilst this is primarily an operator risk, there is a risk that any action taken against any Licensees will impact upon GameAccount Network through tracing and freezing claims.
- (c) The introduction of legislation or regulations requiring Internet service providers in any jurisdiction to block access to the Licensees' websites may restrict the ability of customers to utilise GameAccount Network's products. Any such developments will have a detrimental effect on the financial performance of Licensees and hence on GameAccount Network.

1.10 Reliance on technological blocking systems

- (a) There is no guarantee that the technical blocks GameAccount Network implements and which its Licensees implement will be effective. These systems and controls are intended to ensure that GameAccount Network does not accept bets from customers located in those jurisdictions where it has made a decision not to offer all or certain of its products and services. This may result in violations of applicable laws or regulations. Any claims in respect of any such violations could have cost, resource, and, in particular if successful, reputational implications, as well as implications on the ability of GameAccount Network to retain, renew or expand its portfolio of licences, and so have a material adverse effect on the operations, financial performance and prospects of GameAccount Network.
- (b) Moreover, there is an additional, ongoing risk that the current list of jurisdictions from which GameAccount Network and its Licensees must block access is enlarged, as there is a possibility that regulators who grant licences to Licensees and/or GameAccount Network will require the blocking of specific additional jurisdictions. Similarly, jurisdictions may update their laws and regulations in such a way as to render the supply of gaming services into that jurisdiction legally unsustainable. In all such circumstances, additional blocking activity may have a detrimental effect on the financial position of GameAccount Network.

1.11 Introduction or amendment of gaming taxation legislation

- (a) Generally speaking, regulated gaming activities will not only be subject to direct corporate taxation, but also indirect taxes and gaming duties. As the regulatory environment has developed, particularly in the European market, it is becoming clear that the taxation environment may become less favourable, as jurisdictions seek to impose their own regulation and taxation regimes on what was, traditionally, an offshore activity. Specifically, Licensees of GameAccount Network with significant customer bases in two of the GameAccount Network's markets, the UK and Italy, may become subject to less favourable tax regimes in the short-to-medium term. As a consequence of an increased taxation burden affecting Licensees and/or GameAccount Network, GameAccount Network may see a reduction in related revenue share or a pressure to re-negotiate with key Licensees.
- (b) Furthermore, although in many jurisdictions gaming winnings are currently not subject to income tax or are taxed at low rates, this is not the case universally and future regulatory regimes may introduce such taxation and make participation in the Group's products, as supplied by Licensees, less attractive for players in those jurisdictions.

1.12 Expectations of shift to regulated online gaming

GameAccount Network's business strategy includes an intention to be a 'first mover' into new, regulated online gaming markets, such as New Jersey in the US. GameAccount Network expects there to be an opportunity to grow revenue by being among the first operators and systems providers to obtain a licence to operate online gaming systems in markets where end-users historically have been reliant on unregulated online gaming. However, there is no guarantee that end-users who are currently engaging in unregulated online gaming (in the US or elsewhere) will transition away from unregulated gaming to regulated gaming

in the wake of regulation, which is itself uncertain as to timing and scope of regulation and varies on a jurisdiction by jurisdiction basis. GameAccount Network's ability to influence end-user tastes and habits is limited, and if the introduction of regulation fails to result in a migration of end-users from unregulated gaming to regulated gaming (from which GameAccount Network currently derives and is expected to derive revenue both directly and through revenue sharing arrangements with its Licensees) this may have an adverse impact on the operations, financial performance and prospects of GameAccount Network.

1.13 Global economic uncertainty

- (a) Demand for GameAccount Network's products and services is influenced by general economic and consumer trends beyond GameAccount Network's control. There can be no assurance that its business and corresponding financial performance will not be adversely affected by general economic or consumer trends. In particular, the current difficult global economic conditions, including the recent government shutdown in the US, are unprecedented in GameAccount Network's operating history, and if such conditions continue, recur or worsen, there can be no assurance that they will not have a material adverse effect on GameAccount Network's business, financial condition and results of operations.
- (b) These conditions have produced downward pressure on stock prices and on the availability of credit for financial institutions and corporations. If these levels of market disruption and volatility continue, GameAccount Network might experience reductions in business activity, increased funding costs and funding pressures (as applicable), a decrease in the market price of its Ordinary Shares, a decrease in asset values, additional write-downs and impairment charges and lower profitability.

2 Risks relating to GameAccount Network's business

2.1 Competition may affect GameAccount Network's financial performance

- (a) The online gaming industry is extremely competitive and so is the related software and services industry that supports it. Failure to compete effectively may result in the loss of Licensees and also the inability to attract new Licensees.
- (b) Such a competitive environment can lead to pressure from Licensees in respect of the royalty rates and other fees charged by GameAccount Network. In addition, Licensees might choose, when contractually permitted to do so, to migrate to competing software providers. New software providers may also enter the market, thereby increasing competition.
- (c) Furthermore, the regulatory constraints to which GameAccount Network is subject and imposes on itself are not universally applicable and, for various reasons, some of GameAccount Network's competitors may choose to assist their respective licensees with wagering with citizens in jurisdictions that GameAccount Network would not support. Whilst the Directors do not believe any such jurisdictions would be key in terms of potential revenues for Licensees (and consequently GameAccount Network), there is a risk that, if such competitors of GameAccount Network do not impose similar restrictions, then restrictions imposed by GameAccount Network on its Licensees may adversely affect its ability to retain existing Licensees or to attract new Licensees which, consequently, would have an adverse impact on GameAccount Network's financial position and growth prospects.
- (d) The on-going evolution of gaming regulation could lead to increased competition, over time, as large land-based operators, games companies and other online entertainment companies may seek to enter the remote gaming market. Such organisations, with long established and trusted brands, may buy or build capabilities to allow them to effectively compete with GameAccount Network and/or its Licensees. This could lead to a reduction in Licensees' revenue and profitability, which would in turn negatively impact upon GameAccount Network's financial performance.

2.2 GameAccount Network must continue to innovate in order to compete

- (a) The online gambling industry is highly competitive and GameAccount Network and its Licensees must offer and develop new products and services that will continue to attract and retain a broad range of players. GameAccount Network must continue to invest significant resources in research and development in order to enhance its Internet Gaming System, Gaming Content Platform, products and ancillary services. If GameAccount Network is unable to adapt its technology products to satisfy player demand, it may lose the confidence of Licensees who may choose to concentrate marketing efforts on products offered by GameAccount Network's competitors. Failure to adapt to changing market needs and developing opportunities will hamper GameAccount Network's ability to attract

new Licensees or retain existing Licensees and the sustained loss of Licensees could lead to a reduction in revenues and profitability which would negatively impact upon GameAccount Network's financial performance.

- (b) With the emergence and development of new products, new technologies, or new player practices, there is a risk that GameAccount Network's existing services and products and proprietary technology may be considered obsolete. GameAccount Network's ability to compete in the market and its financial position would suffer were it unable to respond to technological advances, emerging industry standards or player tastes in a timely and cost-effective manner. Furthermore, GameAccount Network's existing Internet Gaming System technology is complex, and business expansion may lead to additional layers of complexity being added to the Internet Gaming System, or to the establishment of other technologies which may present new challenges and risks to GameAccount Network or may result in short term or long term diseconomies of scale which could have a material adverse effect on the financial position of GameAccount Network.

2.3 GameAccount Network is reliant on its top five Licensees

The top five Licensees (in terms of gross income generated) for the period ended 31 October 2013 contributed approximately 74 per cent. of the gross income of GameAccount Network. To the extent that the businesses of these Licensees deteriorate, or are adversely affected by any of the issues described in this section, GameAccount Network's revenue stream from these sources may also be adversely impacted. Furthermore, if any of these Licensees were to migrate to a competitor, this would have an adverse effect on the financial position of GameAccount Network.

2.4 GameAccount Network is reliant on its key personnel and employees

- (a) Whilst GameAccount Network has entered into employment arrangements with each of its executive directors, senior management and key personnel with the aim of securing their services, GameAccount Network's future success depends in large part on their continued service, the retention of which cannot be guaranteed. In particular, the loss of the Group's Chief Executive Officer, Chief Financial Officer and certain other members of senior management could materially adversely affect GameAccount Network's business. The loss of any such member could harm or delay the plans of the business either whilst management time is directed to finding suitable replacements (who, in any event, may not be available to GameAccount Network), or, if not, covering such vacancy until suitable replacements can be found. In either case, this may have a material adverse effect on the future of GameAccount Network's business.
- (b) GameAccount Network's ability to compete effectively in the markets in which it operates depends upon its ability to retain and motivate its existing workforce. The loss of a significant number of its employees or any of its key employees, or any increased costs that GameAccount Network may incur in order to retain any such employees, may adversely affect the business of GameAccount Network.
- (c) The workings and technical requirements of each newly developed version of the Internet Gaming System are not recorded on a version-by-version basis. Rather, the Internet Gaming System is updated on an on-demand basis, in response to Licensee requirements and internally developed updates, which respond quickly to changing needs. As a result of this approach a material part of the knowledge of the workings and development of the Internet Gaming System is held by certain key employees as opposed to being fully held on an up to date basis within a suite of hard copy manuals or other documents. GameAccount Network does operate a source and revision control system which includes the provision of comments for each change which is made to the Internet Gaming System as part of its development, but this is not currently fully comprehensive. The move to such a system of manual record will be time consuming pending which eventuality certain, potentially material information will be held within the minds of a relevant member or members of staff, the retention of whom cannot be guaranteed, albeit the employment contracts of such staff contain protections applicable to such circumstances. The loss of any such member could harm or delay the ongoing provision and future development of the Internet Gaming System and could result in management time being directed to finding suitable replacements (who, in any event, may not be available to GameAccount Network), or, if not, covering such vacancy until suitable replacements can be found. In either case, this may have a material adverse effect on the future of GameAccount Network's business.

2.5 GameAccount Network may not be able to protect its intellectual property rights and could be at risk of infringing third party intellectual property rights

- (a) GameAccount Network's ability to compete effectively depends, amongst other things, on its ability to protect, register and enforce, (as appropriate), its intellectual property rights, including, in particular, its intellectual property rights relating to its proprietary software and its patents and trade mark rights. GameAccount Network's inability to protect these rights could have an adverse impact on the operations, financial performance and prospects of GameAccount Network.
- (b) GameAccount Network faces the risk that its intellectual property rights may be infringed by a third party, and there can be no assurance that GameAccount Network will successfully prevent or restrict any such infringing activity. The costs incurred in bringing or defending any infringement actions may be substantial, regardless of the merits of the claim, and an unsuccessful outcome for GameAccount Network may result in royalties or damages being payable and/or GameAccount Network being required to cease using any infringing intellectual property or embodiments of any such intellectual property (such as software). If any of GameAccount Network's intellectual property is held to be infringing, there can be no assurance that GameAccount Network will be able to develop or obtain (on favourable terms or at all) alternative non-infringing intellectual property.
- (c) GameAccount Network may receive, from time to time, letters from patent holders alleging that certain of its products and services infringe their patent rights. Some of these may result in litigation proceedings being commenced against any member of GameAccount Network and its directors, or settlements for amounts that may be material to GameAccount Network. GameAccount Network will need to divert resources to address any such claims that may arise.
- (d) There can be no assurance that third parties will not independently develop or have not so developed similar or equivalent software to GameAccount Network's proprietary software (such as the Internet Gaming System), or will not otherwise gain access to GameAccount Network's source code, software or technology.
- (e) There can be no assurance that GameAccount Network's registered intellectual property is valid or enforceable and such intellectual property may be subject to challenge or circumvention by third parties. GameAccount Network has not registered all intellectual property rights that are registrable and which are material to its business and no assurance can be given that any applications for registration made by GameAccount Network will be successful, as applied for or at all.
- (f) The Directors consider GameAccount Network's know-how, copyright in software, copyright in data and other intellectual property to be a competitive advantage and key to its success to date and future prospects. GameAccount Network takes prudent steps to protect its intellectual property and know-how. However, GameAccount Network's failure or inability to protect its intellectual property rights, including its rights in know-how or trade secrets, and in particular intellectual property relating to its Internet Gaming System technology and proprietary code could have a material adverse effect on GameAccount Network's operations, financial performance and prospects.

2.6 GameAccount Network's trade mark protection position may adversely impact GameAccount Network's business

GameAccount Network may not be able to obtain trade mark registrations in all parts of the world, although it may have acquired common law rights in the GameAccount Network name in the jurisdictions in which it operates through its use of the GameAccount Network brand. The absence of a registered trade mark may make it more difficult for GameAccount Network to prevent others from using the same or a similar name.

2.7 GameAccount Network's business is dependent on the continued growth and maintenance of the Internet

- (a) GameAccount Network's business is dependent on the Internet and on the continued growth and maintenance of the Internet infrastructure. There can be no assurance that the Internet infrastructure will continue to be able to support the demands placed on it by continued growth in the number of users of and amount of traffic on the Internet. The success of Licensees' businesses depends upon the continued growth and maintenance of Internet infrastructure together with GameAccount Network continuing to remain abreast of changes in technology in order to meet Licensees' and their customer's needs.

- (b) To the extent that the Internet infrastructure is unable to support the demands placed upon it, Licensees' businesses may be adversely affected. For example, the Internet has experienced outages and delays, and future interruptions could harm relationships that Licensees have with their customers.
- (c) GameAccount Network may also suffer from the adverse effect of the delay or cancellation of government programmes designed to expand broadband access. The reduction in the growth of, or a decline in, broadband and Internet access poses a risk to Licensees and, by proxy, to GameAccount Network and could adversely affect its ability to support wagering in the corresponding markets.

2.8 GameAccount Network relies on the ongoing stability of its products and the technology needed to support them

- (a) GameAccount Network's ability to provide its software to Licensees depends upon the integrity, reliability and operational performance of its systems, including the Internet Gaming System. Any major systems failure, including network, software, Internet or hardware failure which causes material delay or interruption in the operation of GameAccount Network's systems, or of the software, could have an adverse effect on the Licensees' business (including a possible reduction in Licensees' revenues), which would in turn negatively impact upon GameAccount Network's financial performance. In addition, Licensees could have a direct claim against GameAccount Network as a result of such systems failure.
- (b) GameAccount Network has in place business continuity procedures, data and disaster recovery systems and security measures in the event of a failure or disruption of, or damage to, GameAccount Network's network or IT systems. Such procedures may not, however, be sufficient to ensure that GameAccount Network is able to carry on its business in the ordinary course if they fail or are disrupted, such that GameAccount Network may not be able to anticipate, prevent or mitigate any material adverse effect of any failure on its operations or financial performance.
- (c) GameAccount Network may at any time be required to expend significant capital or other resources (including staff and management time and resources) to protect itself against network or IT failure or disruption or unauthorised access, including the replacement or upgrading of its existing business continuity systems, procedures and security measures. If replacements, expansions, upgrades and/or other maintenance are not implemented successfully or completed efficiently or there are operational failures, the quality of GameAccount Network's product portfolio and Internet Gaming System experienced by its Licensees will be adversely impacted. If, as a result, Licensees were to reduce or stop their use of GameAccount Network's products and services (including the Internet Gaming System), this could have a material adverse effect on GameAccount Network's operations, financial performance and prospects.
- (d) 3G or 4G access and Wifi Internet penetration may be negatively affected by various factors, including the introduction of new media or communications channels or the growth of existing alternative channels. In addition, 3G or 4G access and Wifi Internet penetration may be adversely affected by difficult global economic conditions or the cancellation of government programs to expand broadband access. There is a significant risk that a reduction in the growth of, or a decline in, 3G or 4G access and Wifi Internet penetration, could materially adversely affect GameAccount Network's operations, financial performance and prospects.

2.9 Vulnerability to hacking, DDOS attacks, malicious acts and other cybercrime

- (a) The businesses of Licensees may be adversely affected by activities such as system intrusions, distributed denial of service attacks, virus spreading, and other forms of cybercrime. Such activities can disrupt Internet sites, cause system failures, business disruption and may damage the computer equipment of Licensees' and/or their customers, as well as harming the computer systems of GameAccount Network itself. Furthermore, as a provider to certain Licensees of technical support services, such as hosting or provision of other operational infrastructure, such cybercrime may lead to contractual claims by affected Licensees.
- (b) GameAccount Network adopts industry-standard protections to detect any intrusion or other security breaches, together with preventative measures safeguarding against sabotage, hackers, viruses and cybercrime. However, there can be no assurances that GameAccount Network, nor its Licensees will not be damaged by malicious viruses or worms, nor that intrusions and attacks will or can be prevented in the future. If efforts to combat these attacks are unsuccessful, it may cause delay and

business interruption, financial loss or damage to GameAccount Network or its Licensees' reputations and customer relationships, which could damage GameAccount Network's reputation in the markets in which it operates and have a material effect on its relationships with its Licensees and therefore on its financial performance.

2.10 Restricted ability to enforce contracts in certain jurisdictions

GameAccount Network has entered into certain agreements, in particular the Foxwood's Casino Resort agreement, and may be expected to enter into agreements in the future, with Native Americans and Native American governments on Indian Lands (defined by the US National Indian Gaming Commission "as all lands within the limits of any Indian reservation and any lands title to which is either held in trust by the United States for the benefit of any Indian tribe or individual or held by any Indian tribe or individual subject to restriction by the United States against alienation and over which an Indian tribe exercises government power in the US"). The regulatory framework, ways of working and conduct of business affairs in such jurisdictions can differ from what may be considered as standard market practice in other jurisdictions in which GameAccount Network operates. To the extent that such agreements may be subject to any default, dispute or enforcement action, GameAccount Network's recourse to local courts or other enforcement bodies to enforce its rights under such agreements may be limited by virtue of the perceived closed nature of such businesses and communities. GameAccount Network has sought to mitigate such risks in the course of commercially settling the existing relevant contracts and will seek to do so in any future relevant contract being mindful of the circumstance as a matter of prudential business conduct however any inability of GameAccount Network to enforce its contracts could have a direct effect on the revenue generated under such contracts. Furthermore, any deterioration, for any reason, in the strong business relationships which GameAccount Network currently enjoys with counterparties on Indian Lands could harm GameAccount Network's business reputation and have a material adverse effect on the operations, financial performance and prospects of GameAccount Network.

2.11 Issue of full New Jersey gaming licence not yet awarded

GameAccount Network applied to the NJDGE for a Casino Service Industry Enterprise Licence in the US state of New Jersey and was granted a temporary licence in this jurisdiction (known as a single transaction waiver) in November 2013. However, there can be no guarantee that GameAccount Network will be subsequently awarded a full Casino Service Industry Enterprise Licence in place of the single transaction waiver. The anticipated lead time for GameAccount Network to be awarded a full Casino Service Industry Enterprise Licence is approximately one year from the date of award of the single transaction waiver. During the period between the award of the single transaction waiver and a full Casino Service Industry Enterprise Licence, GameAccount Network and certain of its Shareholders may be subject to investigation and due diligence carried out by or on behalf of the NJDGE, which may require considerable management time to be expended in the pursuit of the full NJDGE licence. Failure or delay in the award of a gaming licence in New Jersey or any other jurisdiction in which GameAccount Network seeks to operate would have a material adverse effect on GameAccount Network's business, revenue and financial position.

2.12 Loss of existing licences

The gaming licences held by GameAccount Network and by its partners, through which GameAccount Network operates, may not be renewed or may be revoked. Such revocation or non-renewal may materially adversely affect the operations, financial performance and prospects of GameAccount Network. The revocation or non-renewal of a gaming licence could result in reputational damage to GameAccount Network, may cause GameAccount Network's other licences to be subject to review or revocation and could materially adversely affect the operations, financial performance and prospects of GameAccount Network. Moreover, any renewal of GameAccount Network's licences may be on terms that are less favourable.

2.13 Impact of Licensees operations in unregulated jurisdictions

Certain of GameAccount Network's Licensees may, from time to time, provide online gaming services to end-users in unregulated markets. This activity by Licensees does not necessarily amount to an infringement of laws or regulation in a given jurisdiction, but it is not uncommon for Licensees to cease providing online gaming services in an unregulated market in response to changes or intimated changes to laws or regulation. The risk of GameAccount Network being considered by a regulatory body in such a jurisdiction as infringing the laws or regulations of that jurisdiction are considered by GameAccount Network as being low on the basis that GameAccount Network provides a service (e.g. the Internet Gaming System) to the Licensee and not to the end-user and GameAccount Network does not hold any

end-user data as part of this service provision. Furthermore, GameAccount Network considers its Licensees to be of good standing and covenant and evaluates the risk of such a Licensee being found to have infringed local laws or regulation in an unregulated jurisdiction as being low, particularly given GameAccount Network's Licensees maintain close regulatory monitoring procedures to avoid such an infringement. However, if a Licensee is found to have infringed laws or regulations in an unregulated jurisdiction this could materially adversely affect the operations, financial performance and prospects of GameAccount Network.

2.14 Reliance on third party suppliers

- (a) GameAccount Network and its Licensees all rely on hosting providers, marketing support services, communications carriers and other third parties for payment processing, telecommunications, advertising, technology, banking and other services. The willingness of such suppliers to provide their services to GameAccount Network may be affected by various factors. Changes in law or regulation in any jurisdiction in which GameAccount Network operates may make the provision of key services to GameAccount Network unlawful in such jurisdictions. To the extent that third party suppliers are unwilling or unable to provide services to GameAccount Network, this may have an adverse impact on the operations, financial performance and prospects of GameAccount Network.
- (b) Any failure by one or more of these third parties may jeopardise the business and operations of GameAccount Network and/or its Licensees. In turn, this would affect the Licensees' customers' ability to access the products supplied by GameAccount Network and may have a material adverse impact on its financial performance.

2.15 Further international expansion cannot be assured

- (a) The majority of GameAccount Network's revenue is generated from outside the UK. A key element of GameAccount Network's strategy involves expanding its business internationally. However, there can be no assurance that international marketing efforts will continue to be successful and that its services will maintain current levels of international revenue or generate significant additional international revenues.
- (b) GameAccount Network also faces other risks related to international expansion, including delays in the acceptance of the Internet as a medium of commerce and gaming in international markets and difficulties in managing international operations due to distance, language and cultural differences. In addition, international expansion exposes GameAccount Network to risks associated with tariffs and trade barriers and limitations on fund transfers; exchange rate fluctuations; potential adverse tax consequences; challenges of developing, maintaining and supporting local language and currency capabilities; greater risk of chargebacks and higher levels of fraud in some countries; legal and regulatory restrictions; currency exchange rate fluctuations; foreign exchange controls that might prevent GameAccount Network from repatriating cash; political and economic instability and export restrictions; and higher costs associated with doing business internationally. Any of these risks could harm GameAccount Network's international expansion efforts, which would in turn have a material adverse effect on its business, revenue and financial position.
- (c) The planned expansion of GameAccount Network's business will place additional demands on GameAccount Network's management, software development, customer support, marketing, administrative and technological resources. The Directors cannot be certain that they will be able to manage successfully GameAccount Network's anticipated growth. If GameAccount Network is unable to manage its growth effectively, its business, financial condition or results of operations could be adversely affected.
- (d) In relation to unregulated markets which GameAccount Network is monitoring in order to execute its strategy of being the first-mover upon the anticipated regulation of online gaming in a given jurisdiction, there can be no guarantee that existing unregulated markets, once regulated, will develop in line with GameAccount Network's expectations, in terms of market size, revenue generation and level of adoption of products and services by end-users. These factors are outside of the control of GameAccount Network and in the event that regulation of online gaming in a given jurisdiction does not result in market-wide or GameAccount Network-specific success, this could have a negative impact on GameAccount Network's business, revenue and financial position.

2.16 GameAccount Network's business could suffer financial loss if Licensees experienced high levels of payment default by customers or payment service providers

- (a) GameAccount Network is subject to risks of payment default by its Licensees' customers. Chargebacks on credit (or some debit) cards occur when cardholders, card issuers or payment service providers seek to void a card or other payment transaction by challenging the validity of the transaction. Typical reasons for such action include:
 - (i) the unauthorised use of cardholder's details; or
 - (ii) a cardholder's claim that a merchant failed to perform.
- (b) In the Licensees' business, there is the possibility of customers seeking to reverse a losing stake by falsely claiming that they did not authorise the use of their credit card. The risk of chargeback transactions is greater in certain markets. Although there are generally control procedures to limit chargebacks, these procedures may not be effective. If any Licensees' chargeback rates become excessive, credit card associations could levy additional costs or fines or even withdraw their service to that Licensee. Any such actions could reduce Licensees' net revenues and, consequently, the revenue of GameAccount Network.
- (c) A Licensees' ability to accept bets placed by their customers and transfer funds internationally is dependent on global payments and multi-currency processing systems. If a major Licensee's current arrangements for the provision of such systems were to be terminated there is no guarantee that multi-currency and international funds transfer capability could be sourced from other providers, or that the quality of the services would remain the same. Certain governments may also take the view that any use of its currency in any jurisdiction where there are doubts in relation to the legality of the underlying activity render such sums vulnerable to forfeiture.
- (d) In addition, if there is any deterioration in quality of the payment processing services, or any interruption to the services provided by third parties, or if such services are unable to cope with demands placed upon them, or if any increased processing charges for services are imposed, potential customers may be deterred from using the Licensees' products.
- (e) Online transactions may be subject to sophisticated schemes or collusion to defraud, launder money or other illegal activities, and there is a risk that GameAccount Network's products or systems may be used for those purposes. Whilst GameAccount Network makes continuing efforts to protect itself and its customers from such activities, including anti-money laundering procedures and protection from fictitious transactions and collusion, the controls and procedures GameAccount Network has implemented may not be effective in all cases.
- (f) Failure to protect itself and its customers from fraudulent activity by customers could result in reputational damage to GameAccount Network and could materially adversely affect GameAccount Network's operations, financial performance and prospects. In addition, failure to adequately monitor and prevent money laundering and other fraudulent activity could result in civil or criminal liability for GameAccount Network.

2.17 GameAccount Network and its Licensees are vulnerable to player fraud and need to have effective internal controls

The online gaming industry may be vulnerable to attack by customers through collusion and fraud. Such attempts, if not detected and stopped, could result in a loss in confidence in the customer base of such websites. This could lead to customers leaving a site in favour of a competitor. GameAccount Network has implemented detection and prevention controls to minimise the opportunities for fraudulent play, but is aware of the need to continually monitor and develop such protections. In addition, GameAccount Network is reliant on Licensees having effective internal controls to prevent fraud as it derives the majority of its revenue from royalty arrangements with its Licensees that would be adversely impacted by such activities. GameAccount Network cannot ensure that its Licensees financial processes and reporting systems provide reliable financial reports and effectively prevent fraud.

2.18 GameAccount Network is reliant on Licensees maintaining and enhancing their brands

GameAccount Network's future success is dependent upon the Licensees' performance, maintenance and further building of their brands. Maintaining and enhancing these brands require significant expense. As the market becomes more competitive, the value of these brands may not be maintained or enhanced.

2.19 Reputational challenge of dealing in the gaming industry

- (a) The gaming industry is subject to negative publicity relating to perceptions of underage gaming, exploitation of vulnerable customers and the historic link of the gaming industry to criminal enterprise. As a supplier to the industry, such negative publicity can affect the reputation and correspondingly affect the financial performance of GameAccount Network.
- (b) Typically, GameAccount Network and its Licensees are required under the terms of the various regulatory licences they maintain to ensure their services are not accessible by minors and that they take steps to prevent individuals with actual or suspected gaming addiction from participating in their services. To the extent that GameAccount Network's or its Licensees' sites are accessed by minors and/or problem gamblers, brand reputation could be tarnished. Situations can arise where minors or compulsive gamblers could access GameAccount Network's or its Licensee's websites. Where they do so, as well as negative publicity and potential regulatory censure, litigation by way of class action could ensue, all of which would have a corresponding detrimental effect on GameAccount Network.

2.20 Integration of future acquisitions, investments and joint ventures may not go as planned and could cause GameAccount Network to lose Licensees

- (a) As part of GameAccount Network's business strategy, it may make significant investments in complementary businesses and/or enter into joint venture partnerships in regulated markets or otherwise. Any such acquisitions, investments or joint ventures will be accompanied by risks, including the difficulty of integrating the operations and personnel of the acquired business, the inability to obtain a return from the investment or joint venture and the impairment of relationships with employees and Licensees as a result of poor integration of such businesses.
- (b) If GameAccount Network decides in the future to make acquisitions or investments or to enter into joint venture arrangements, GameAccount Network may lose Licensees (or compromise its ability to attract new Licensees) if they consider GameAccount Network to be competing with them. Furthermore, in such circumstances, GameAccount Network will face similar risks to those outlined in this section as being faced by Licensees or other service providers.

2.21 Foreign exchange risks

GameAccount Network generates revenues predominantly in pounds sterling and prepares its financial statements in pounds sterling. Nonetheless, GameAccount Network may be subject to foreign exchange risk which may arise as a result of GameAccount Network having operations located in various other parts of the world. Foreign exchange risk may also arise where GameAccount Network's revenues and expenses are paid in currencies other than pounds sterling. Whilst GameAccount Network's policy is not to enter into any currency hedging transactions, the Directors believe that GameAccount Network maintains appropriate treasury policies to manage currency fluctuations.

2.22 The taxation regimes that GameAccount Network is subject to may change and adversely affect GameAccount Network's business

- (a) There can be no assurance that the levels of taxation to which GameAccount Network is subject will not be increased or changed, which could have a material adverse effect on the amount of tax payable by GameAccount Network and its financial condition and results of operations.
- (b) The Licensees' customers are located in a number of different jurisdictions. Revenues earned from customers located in a particular jurisdiction may give rise to the imposition of direct, indirect or turnover taxes in that jurisdiction. In addition, as Licensees need to continue to obtain local licences to enable them to target specific markets, they may be obliged to pay non-gaming local taxes too. This potentially could erode Licensees' margins for particular markets, which in turn may affect the financial viability of a specific market, and/or result in the Licensee wishing to re-negotiate its arrangements with GameAccount Network.
- (c) If a member of the Group is found to be, or to have been, tax resident in any jurisdiction other than that in which it is incorporated or domiciled or to have a taxable permanent establishment or other taxable presence elsewhere, this may have a material adverse effect on the amount of tax payable by GameAccount Network.
- (d) Any change in any member of GameAccount Network's tax status or in taxation legislation, practice or its interpretation, could adversely affect the post-tax returns to shareholders.

2.23 Confidentiality of customer information and data protection

- (a) GameAccount Network and its partners process sensitive personal customer data (including name, address, age, bank details and betting and gaming history) as part of their businesses and therefore will be required to comply with strict data protection and privacy laws in all jurisdictions in which they operate. Such laws will restrict the ability of GameAccount Network to collect and use personal information relating to players and potential players including the marketing use of that information. GameAccount Network relies on third party contractors and employees to maintain its databases and seeks to ensure that procedures are in place to comply with the relevant data protection regulations. Notwithstanding such efforts, GameAccount Network is exposed to the risk that these data could be wrongfully appropriated, lost or disclosed, or processed in breach of data protection regulation, by or on behalf of GameAccount Network. If GameAccount Network or any of the third party service providers on which GameAccount Network relies fails to transmit customer information and payment details online in a secure manner, or if any such loss of personal customer data were otherwise to occur, GameAccount Network could face liability under data protection laws. This could also result in the loss of the goodwill of GameAccount Network's customers and deter new customers from GameAccount Network's end-user gaming products which would have a material adverse effect on GameAccount Network's businesses, financial condition and results of operations. Furthermore, it is possible that laws in various jurisdictions may be introduced or interpreted in a manner which is inconsistent with the existing data practices of GameAccount Network, and which could, therefore, have a material adverse effect on GameAccount Network.
- (b) Furthermore, GameAccount Network is dependent on suppliers who have access to customer information, such as affiliates. This requires such suppliers to comply with confidentiality obligations as well as data protection requirements. If such suppliers were to use such customer information for purposes other than those permitted by the relevant supply agreements or by law, or if such suppliers allowed others to access such customer information either inadvertently or otherwise, claims may be made against GameAccount Network. Any such claims may have a material adverse effect on GameAccount Network's financial position.

2.24 Risk of litigation

- (a) GameAccount Network operates in an industry where there is a risk of litigation. There can be no way of ascertaining the potential impact of future litigation on the performance of GameAccount Network.
- (b) Litigation relating to GameAccount Network's intellectual property, whether instigated by GameAccount Network to protect its rights or arising out of alleged infringement of third party rights, might result in substantial costs and the diversion of resources and management attention.
- (c) GameAccount Network is dependent upon certain third parties defending any challenges to their intellectual property; any litigation that arises as a result of such challenge could materially impact upon GameAccount Network's business and, even if legal actions were successfully defended, disrupt GameAccount Network's business in the interim, divert management time and result in significant cost and expense for GameAccount Network.

3 Risk Factors Relating to the Ordinary Shares

3.1 Existing Shareholders may be subject to voting or distribution restrictions on, or be required to dispose of, their interests in Ordinary Shares as a result of regulatory requirements to which GameAccount Network is subject

- (a) The licensing or regulatory authorities in the principal jurisdictions in which GameAccount Network has a licence or in which it may seek a licence in the future have broad powers to request or require reporting of various detailed information from and/or approve the qualification or suitability for licensing of, online gaming operators, including their directors, management and the holders (legal and beneficial) of interests in shares. In some jurisdictions, such authorities may impose such information sharing and filing requirements on a continuous and ongoing basis, including in relation to GameAccount Network, its directors, management and the holders (legal and beneficial) of interests in the Ordinary Shares. These powers may be exercised by regulators as against the holders, whether legal or beneficial, of interests in shares or other securities in betting and gaming operators, as well as against the betting and gaming operators themselves, their directors and management. In some circumstances, the purpose of the exercise of powers by licensing or regulatory authorities may

be to identify shareholders and directors whose involvement with the licensed entity the licensing or regulatory authority considers unacceptable because such persons are not suitable directors, managers or shareholders to have a direct or indirect financial interest in, or influence over, a gaming operator in such jurisdiction.

- (b) The information required, qualification or suitability requirements to be satisfied and ongoing regulatory filings to be submitted, may be very detailed, onerous and/or intrusive and may include, for example, personal and financial information concerning the ultimate beneficial owners and/or persons influencing the control of corporate shareholders. In many cases, the terms of GameAccount Network's licences or the provisions of regulations in relevant jurisdictions require GameAccount Network to produce such information on demand in relation to the holders (legal and beneficial) of interests in Ordinary Shares either following, or in some cases prior to, such persons acquiring specified percentage (legal or beneficial) interests in GameAccount Network's share capital (the lowest current such threshold is 3 per cent.). Any failure by GameAccount Network, its Directors, its management or, as applicable, any holder (or proposed investor) of an interest in Ordinary Shares, to comply with such requests could result in the relevant licensing or regulatory authority taking adverse action against GameAccount Network's licence in that jurisdiction which may include its suspension or revocation and/or the imposition of fines, which could have a material adverse affect on the operations, financial performance and prospects of GameAccount Network.
- (c) To address the various requirements referred to above, GameAccount Network has adopted certain provisions in its Articles which would permit it to restrict the voting or distribution rights attaching to Ordinary Shares or to compel the sale of Ordinary Shares if a holder (legal or beneficial) of interests in Ordinary Shares does not satisfactorily comply with a regulator's request(s) and/or GameAccount Network's request(s) in response to regulatory action and/or the regulator indicates that such Shareholder is not suitable (a determination which in all practical effects is at the sole discretion of such regulator) to be the holder (legal or beneficial) of interests in the Ordinary Shares. Accordingly, to the extent a relevant threshold of ownership is passed, or to the extent any Shareholder may be found by any such regulator to be able to exercise significant or relevant financial influence over GameAccount Network and is considered by a regulator to be unsuitable, there can be no assurance that any given holder of an interest in Ordinary Shares may not be subject to such restrictions or compelled to sell its Ordinary Shares (or have such Ordinary Shares sold on its behalf). If a holder of an interest in Ordinary Shares is required to sell its interests in the Ordinary Shares (or have such Ordinary Shares sold on its behalf), subject to the Articles, any such sale may be required at a time, price or otherwise on terms not acceptable to such holder. Holders of interests in Ordinary Shares should be aware that GameAccount Network accepts no responsibility whatsoever for any loss which any such holder may suffer as a result of the sale of any interests in Ordinary Shares held by him in connection with the exercise by GameAccount Network of the powers referred to above. Please refer to paragraph 4.11 of Part 6 (Additional Information) for further details of the relevant provisions of the Articles.

3.2 Active trading in the Ordinary Shares may not occur

Investors should be aware that the value of the Ordinary Shares (and any income received from them) may go down as well as up and that they may not be able to realise their investment. In particular, shares traded on AIM and ESM have experienced lower levels of liquidity than is often experienced in other stock markets.

3.3 Liquidity of Ordinary Shares

Prior to Admission, there has been no public market for the Ordinary Shares. Admission to trading on AIM and ESM should not be taken as implying that a liquid market for the Ordinary Shares will either develop or be sustained following Admission. The liquidity of a securities market is often a function of the volume of the underlying Ordinary Shares that are publicly held by unrelated parties. If a liquid trading market for Ordinary Shares does not develop, the price of Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order for Ordinary Shares.

3.4 If GameAccount Network is wound up, distributions to holders of the Ordinary Shares will be subordinated to the claims of creditors

On a return of capital on a winding-up, holders of Ordinary Shares will be entitled to be paid out of the assets of GameAccount Network available to members only after the claims of all creditors of GameAccount Network have been settled.

3.5 Dividends may reduce

- (a) The ability of GameAccount Network to pay out dividends on the Ordinary Shares will depend on, *inter alia*, growth in the underlying assets and profitability of GameAccount Network and on the solvency of GameAccount Network.
- (b) The Law requires the directors of GameAccount Network to carry out a liquidity or cash flow test and a balance sheet solvency test before any dividend or distribution payment can be made. The test requires the Board to make a future assessment by making reference to the solvency test being satisfied immediately after a distribution or dividend payment is made. If at the time a dividend or distribution payment is to be made, the Directors believe that the solvency test cannot be passed, then no dividend payment may be made to holders of the Ordinary Shares.

3.6 Volatility in the price of Ordinary Shares

The Placing Price has been agreed between the Board and Davy and may not be indicative of the market price for the Ordinary Shares following Admission. The subsequent market price of the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the Ordinary Shares. The fluctuations could result from national and global economic and financial conditions, market perceptions of GameAccount Network, and various other factors and events which are referred to elsewhere in these Risk Factors. Furthermore, GameAccount Network's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the Ordinary Shares, and consequently, Shareholders may get back less than their original investment or may lose the whole of their investment.

3.7 Future substantial sales of Ordinary Shares in the public market may depress the share price

- (a) Sales of a substantial number of Ordinary Shares by holders of such shares in the public market could adversely depress the market price of the Ordinary Shares.
- (b) As disclosed in paragraph 6.5 of Part 6 (Additional Information), Ordinary Shares held by certain shareholders are secured by way of separate fixed and/or floating charge(s) in favour of certain third party financial institutions. Such financial institutions may exercise certain rights under the effective charge documentation to effect a sale of the Ordinary Shares without the consent of these shareholders. The financial institutions are under no obligation to abide by any orderly market restrictions which have been agreed to by each shareholder. This may result in the sale of a substantial number of Ordinary Shares which may adversely depress the market price of the Ordinary Shares.

3.8 The Ordinary Shares may not be suitable for all investors

The Ordinary Shares may not be a suitable investment for all investors. In particular, investors should be aware of the fast-changing regulatory framework within which GameAccount Network operates and which, as is extensively discussed in this document, will significantly determine GameAccount Network's future direction. Before making a decision to invest, investors are advised to consult an appropriate independent adviser authorised in the UK under FSMA who specialises in advising on the acquisition of shares and other securities (or if you are in Ireland, is authorised under the European Communities (Markets in Financial Instruments) Regulations 2007 or the Investment Intermediaries Act 1995 (as amended)).

3.9 Higher risk for an investment on AIM and ESM than on the Official List

The Ordinary Shares will be traded on AIM and ESM and will not be admitted to the Official List or admitted to trading on the main market for listed securities of the London Stock Exchange or the Irish Stock Exchange. The rules of AIM and ESM are less demanding than those of the Official List and an investment in a share that is traded on AIM and ESM is likely to carry a higher risk than an investment in a share listed on the Official List. The market price of the Ordinary Shares may not reflect the underlying value of the assets of GameAccount Network and the market in the Ordinary Shares may be illiquid or subject to sudden or large fluctuations. For these and other reasons, investors may not be able to sell at a price which permits them to recover their original investment and indeed it may be difficult for shareholders to sell their Ordinary Shares at all.

3.10 Significant sale of Ordinary Shares could adversely effect the market price of outstanding Ordinary Shares

An offering or significant sale of Ordinary Shares by any of GameAccount Network's significant shareholders could have an adverse effect on the market price of any outstanding Ordinary Shares. Further

issues of Ordinary Shares may be dilutive to shareholders or may result in the issuance of shares where rights, preferences and privileges are senior to those currently attaching to the Ordinary Shares.

3.11 The requirement to raise additional capital may dilute existing shareholdings

If GameAccount Network fails to generate sufficient revenue, then it may need to raise additional capital in the future, whether from equity or debt sources, to fund expansion and development. If GameAccount Network is unable to obtain this financing on terms acceptable to it, then it may be forced to curtail its planned strategic development. If additional funds are raised through the issue of new equity or equity-linked securities of GameAccount Network, other than on the basis of a *pro-rata* offer to then existing Shareholders, the percentage ownership of such Shareholders may be substantially diluted. There is no guarantee that market conditions prevailing at the relevant time will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at a price which is equal to or in excess of the Placing Price.

3.12 Certain Shareholders will continue to hold a significant interest in the Company following Admission and may be able to exert influence over matters relating to its business

Dermot S Smurfit and other members of the Smurfit family (including, *inter alia*, Michael Smurfit Jr., a non-Executive Director of the Company, Sir Michael Smurfit Sr. and Tony Smurfit) are interested in 20,681,100 Ordinary Shares, representing approximately 46.7 per cent. of the Existing Ordinary Share Capital and will, following Admission, be interested in 18,588,188 Ordinary Shares, representing approximately 33.6 per cent. of the Enlarged Ordinary Share Capital. Dermot S Smurfit and the Smurfit family members may, as significant Shareholders in the Company, be in a position to exert influence over or determine the outcome of matters requiring approval of the Shareholders, including but not limited to appointments of Directors and the approval of significant transactions. The market price of the Ordinary Shares may decline if such Shareholders use their influence over the Company's voting capital in ways that are or may be adverse to the interests of other Shareholders.

Part 3: Online Gaming Regulatory Environment

1. Overview

The issue of regulation of online gaming is complex, principally because applicable laws and regulations concerning the industry vary from country to country. Many governments have legislated for issues related to use of the Internet, with online gaming being one of those areas addressed. As a result, the industry is undergoing a period of transition, with an increasing number of jurisdictions exploring regulation.

Set out below is non-exhaustive information relating to the regulatory environment for online gaming in those jurisdictions which, from a regulatory perspective, are key to GameAccount Network's current operations.

2. Europe

There is a range of regulatory frameworks governing online gaming in the EU. Some Member States have monopolistic regimes run either by a public or a private operator on the basis of an exclusive agreement, whereas others have established licensing systems for more than one operator.

2.1 United Kingdom

Commercial gaming in the UK is regulated by the Gambling Commission on behalf of the UK Government's Department for Culture, Media and Sport. The primary legislation in this respect is the Gambling Act 2005 under which the Gambling Commission licences operators and developers to undertake commercial remote gaming activities in compliance with the Gambling Act.

Remote gambling under the Gambling Act includes gambling that uses remote communication including the Internet, telephone, television, radio or any other kind of electronic or other technology for facilitating communication. Providing facilities for remote gambling without obtaining the correct licence is an offence if at least one piece of remote gambling equipment is situated in Great Britain. This is irrespective of whether or not the facilities are provided for use wholly or partly in Great Britain.

All gambling software must meet the Gambling Commission's remote gambling and software technical standards if it is made available to customers via, for example, an online casino which relies on a Gambling Commission operating licence. The gambling software must be tested in accordance with the testing strategy prior to the game being made available for use. However, if the gambling software is only ever supplied to operators licensed in other jurisdictions it does not need to comply with such requirements but instead must meet the technical and testing requirements of the jurisdiction where it will be made available to players.

On 9 May 2013, the Gambling (Licensing and Advertising) Bill ("Bill") was introduced into the UK Parliament. The Bill, when implemented, will require operators that transact with or advertise to British consumers to obtain an operating licence from the Gambling Commission. It is anticipated that the Bill will become law during 2014.

2.2 Alderney

The island of Alderney in the Channel Islands has a developed industry regulating remote gaming. The Alderney Gambling Control Commission was established in May 2000 and regulated online gambling on behalf of the States of Alderney. The primary Alderney legislation for online gaming is The Gambling (Alderney) Law, 1999, as amended; The Alderney eGambling Ordinance, 2009; and The Alderney eGambling Regulations, 2009. Two forms of licence are principally available; the Category 1 eGambling licence, which covers the registration of the player and all the activities associated with that function, and the Category 2 eGambling licence, which authorises the management of the gaming platform. Other secondary licences and certificates are also available covering temporary use, key personnel and business associates.

2.3 Italy

In 2006, the European Commission brought infringement proceedings against Italy, on the grounds that Italy's laws were restricting the offering by foreign (including EU) operators of gambling services and were disproportionate to overarching European law. Italy subsequently changed its legislation (by Law 88/2009, art. 24, par. 11 to 26) with effect from March 2010, such that the provision of online gambling could be lawful for other legitimate EU gambling operators, if so licensed by the body set up for that purpose, the Amministrazione Autonoma dei Monopoli di Stato ("AAMS"). Qualification for a licence

(i.e. “*Concessione per l’esercizio e la raccolta del gioco a distanza*”) requires operators to provide evidence that they meet specified requirements and the licence must be awarded prior to any gambling services being provided. The requirements cover financial, technical, social and other aspects of the business. All gaming software must also be certified before it may be used by a licensed certifying operator, “EVA” (“*Ente di Verifica Accreditato*”), through a procedure aimed at verifying, in particular, the capacity of the software to generate an adequate level of random numbers. The number of licences the AAMS can issue is limited to 200 (in addition to operators that at the time of entry into force of the law already held a licence to provide gambling services either through a physical network or online).

2.4 Spain

On May 27 2011, Spain issued a Gambling Regulation law setting up the basis for its gambling legal framework. The law sought to harmonise the regulation of online gambling in Spain which until then had been overseen by Spain’s autonomous regions. The law establishes certain licensing categories and entitlement procedures overseen by the DGOJ. Operators providing services to the Spanish territory will be required to obtain the relevant licence or authorisation. There are two categories of licence, a general licence and a single licence. A general licence is required to operate betting games and is granted for a renewable ten year term. Applicants must meet requirements which include its paid up capital, operational plan, training of employees, distribution channels and game design. Single licences are required for each type of gambling game to be offered and have a duration of between one and five years. Should a general licence be withdrawn then all single licences linked to it will also fall away.

3. The United States

Historically, the US Wire Act had been the (somewhat disputed) source of prohibition of gambling activity in the US utilising the Internet, on the basis that such gambling took place over the “wires”, as defined.

The Professional and Amateur Sports Protection Act of 1992 (“PASPA”) is a federal statute enacted on October 28 1992, which effectively outlawed most states from sanctioning or sponsoring any form of sports gambling. Nevada enjoys a full exemption from PASPA, whilst Delaware, Montana and Oregon enjoy more limited exemptions. PASPA was enacted to limit the channels of legal sports gambling in the US and has been the subject of legal challenge and repeal efforts.

The Unlawful Internet Gambling Enforcement Act of 2006 (“UIGEA”) is US legislation regulating online gambling. UIGEA prohibits gambling businesses from knowingly accepting payments in connection with the participation of another person in a bet or wager that involves the use of the Internet and that is unlawful under any federal or state law. Its passage resulted in the cessation of online gaming operations of a number of European operators.

In December 2011, the DOJ Office of Legal Counsel issued a ruling that limits the applicability of the US Wire Act to sports betting only, giving rise to the possibility that individual US states may make available games of chance on the Internet.

The following US states have taken steps to implement the regulation of online gaming:

3.1 New Jersey

The Division of Gaming Enforcement of the Office of the Attorney General of the State of New Jersey’s Department of Law and Public Safety (“NJDE”) has the responsibility for bringing into force and implementing online gaming regulations, which it has announced will come into force on 26 November 2013. The licensing process requires an applicant to provide detailed information as to its financial standing and the integrity of its officers. Pending the award of a full licence it is possible for the NJDE to award a temporary licence to an operator such that it may provide online gaming services. It is necessary for an operator of gaming services to ensure that all staff involved in patron identification, problem gaming detection, anti-money laundering and fraud prevention are physically located in New Jersey. Any holder of shares in a licence holder may be subject to assessment by the NJDE, which will typically take place for holdings of shares of five per cent. or more. Should any holder of shares be considered by the NJDE not to be suitable to be a holder of shares in a licensed gaming operation it may require that the relevant holder dispose of his shareholding.

Further information regarding the power of the NJDE to require a disposal of shares is set out in paragraph 3.1 of Part 2 of this document.

3.2 Delaware

Delaware was the first US state to legalise online gambling by bringing into law the Delaware Gaming Competitiveness Act 2012 on 28 July 2012. As of 8 November 2013, it is lawful to provide online gaming services in Delaware including slots, poker, blackjack and roulette. The operating entity must obtain a licence which must also take into account all of the entities employees that qualify under the regulations to be so licensed. Further, anyone who provides technology in Delaware to an operator of an online gaming service must also secure a licence to do so and the software used must meet technical standards.

3.3 Nevada

On 21 February 2013, the Assembly Bill was signed into law in Nevada permitting the provision of online poker. The Nevada Gaming Commission approves and licenses operators of interactive gaming. The licensees thus far only include resort hotels otherwise offering land-based gaming activity.

Part 4: The Placing

1. Terms and conditions of the Placing

- 1.1** The Placing comprises an offer by the Company of 11,111,111 New Shares to raise gross proceeds of approximately £15 million and the sale of, in aggregate, 5,358,323 Sale Shares by the Selling Shareholders. The New Shares will represent approximately 20 per cent. of the Enlarged Ordinary Shares immediately following Admission.
- 1.2** On Admission, at the Placing Price, the Company will have a market capitalisation of approximately £74,757,986 million. The Placing will not be underwritten.
- 1.3** The Placing is conditional upon:
- (a) the Placing Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission; and
 - (b) Admission becoming effective not later than 8.00 a.m. on 25 November 2013 (or such later time and/or date as Davy and the Company may agree in writing, being not later than 3.00 p.m. on 10 December 2013).
- 1.4** Pursuant to the Placing Agreement (which is described more fully in paragraph 11.2 of Part 6 (Additional Information) of this document), Davy has agreed, subject to the fulfilment of certain conditions, to use its reasonable endeavours to procure Placees to subscribe for the New Shares at the Placing Price.
- 1.5** Pursuant to the Secondary Placing Agreement (which is described more fully in paragraph 11.3 of Part 6 (Additional Information) of this document), Davy has agreed, subject to the fulfilment of certain conditions, to use its reasonable endeavours to procure Placees to purchase the Sale Shares at the Placing Price.
- 1.6** The following is a list of the Selling Shareholders who will be selling Sale Shares pursuant to the Secondary Placing Agreement:

Name	No. of Ordinary Shares being sold	Relationship to Company
Sir Michael Smurfit Sr.	1,562,555	—
Andrew Black	740,740	—
David O'Reilly	669,788	Non-executive Chairman
David McDowell	405,284	Founder and former Director of the Company
Kevin O'Neal	399,576	Founder and former Director of the Company
Tony Smurfit	370,370	—
IIU Nominees Limited .	359,141	—
Conor Dufficy	181,169	—
Desmond Glass	117,065	Chief Financial Officer and Company Secretary
Michael Smurfit Jr. . . .	111,111	Non-executive Director
Peter J Gleeson	87,970	—
Sean Paterson	72,747	—
Flourish Investments Limited	71,334	—
David Hudd	58,381	—
Alan Smurfit	48,876	—
Martin Smith	36,666	Chief Games Officer
Larry Rees	29,481	—
Simon Knock	25,555	Chief Operating Officer
Ian Edward	10,514	—

For the purpose of the Placing only, the business address of each of the Selling Shareholders is 23-24 Warwick Street, London, W1B 5NQ.

2. Admission to trading and dealing arrangements

- 2.1** Application has been made for Admission in respect of the Enlarged Ordinary Shares. It is expected that Admission will become effective and dealings in the Enlarged Ordinary Shares will commence on 25 November 2013.
- 2.2** No application is being made for the Ordinary Shares to be admitted to listing on the Official Lists of the London Stock Exchange or Irish Stock Exchange or to be dealt on any other exchange.

3. Placing, lock-up and orderly market arrangements

3.1 Placing Agreement

Under the Placing Agreement (made between the Company, Davy and the Directors) Davy has agreed to act as agent for the Company to use its reasonable endeavours to procure Placees to subscribe for the New Shares at the Placing Price.

3.2 Secondary Placing Agreement

Under the terms of the Secondary Placing Agreement (made between Davy, the Company and the Selling Shareholders), Davy has agreed to act as agent for the Selling Shareholders to use its reasonable endeavours to procure Placees to purchase the Sale Shares at the Placing Price.

Under the terms of the Secondary Placing Agreement, the Selling Shareholders have each undertaken to Davy that they shall not, except in certain specified circumstances, sell, transfer, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Ordinary Shares held by them at the date of Admission prior to the Lock-Up Date.

In order to maintain an orderly market in the Ordinary Shares, each Selling Shareholder has also undertaken to Davy that he shall not (save in certain specified circumstances), for a period of 12 months following the Lock-Up Date effect any disposal of Ordinary Shares other than through Davy in such manner as Davy shall reasonably require with a view to the maintenance of an orderly market in the Ordinary Shares.

In the event Davy does not procure any Placees for any of the Ordinary Shares held by the relevant Selling Shareholder then that Selling Shareholder shall not be bound by the lock-up arrangement set out in the Secondary Placing Agreement and shall therefore be free to transfer his Ordinary Shares in the ordinary course.

3.3 Director's and Significant Shareholders' Lock-up Agreement

The Director's and Significant Shareholders have each undertaken to Davy that they shall not, except in certain specified circumstances, sell, transfer, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Ordinary Shares held by them at the date of Admission prior to the Lock-Up Date. In order to maintain an orderly market in the Ordinary Shares, each Director and Significant Shareholder has also undertaken to Davy that he shall not (save in certain specified circumstances), for a period of 12 months following the Lock-Up Date effect any disposal of Ordinary Shares other than through Davy in such manner as Davy shall reasonably require with a view to the maintenance of an orderly market in the Ordinary Shares.

Immediately following Admission, 62.7 per cent. of the Enlarged Ordinary Share Capital will be bound by the respective lock-up arrangements set out in the Secondary Placing Agreement and the Director's and Significant Shareholders' Lock-up Agreement.

4. Dilution

- 4.1** The number of Ordinary Shares in issue immediately following the Placing (on a fully diluted basis) will be 58,141,886. On a fully diluted basis the New Shares will, upon Admission, represent 19.1 per cent. of the Enlarged Ordinary Shares.
- 4.2** All Ordinary Shares issued or sold pursuant to the Placing will be issued or sold at the Placing Price. Allocation of the Ordinary Shares under the Placing will be determined by Davy after indications of interest from prospective investors have been received.

5. CREST

- 5.1** CREST is a paperless settlement system enabling securities to be transferred from one person's CREST account to another without the need for written instruments of transfer. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any shareholder so wishes.
- 5.2** CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. An investor applying for Ordinary Shares in the Placing may, however, elect to receive Ordinary Shares in uncertificated form if such investor is a system-member (as defined in the Regulations) in relation to CREST.

6. Selling Restrictions

6.1 General

- (a) This document does not constitute an offer to sell, or the solicitation of an offer to purchase, Shares in any jurisdiction in which such offer or solicitation is unlawful.
- (b) Persons into whose possession this document comes should inform themselves about, and observe, any restrictions and legal or regulatory requirements in relation to the distribution of this document and their participation in the Placing. Any failure to comply with these requirements may constitute a violation of the laws of the relevant jurisdictions. The Ordinary Shares have not been and will not be registered under the laws of Australia, Canada, Japan, New Zealand, the Republic of South Africa, Switzerland or the United States. Accordingly, the Ordinary Shares may not be offered, sold or delivered in or into Australia, Canada, Japan, New Zealand, the Republic of South Africa, Switzerland or the United States unless offered, sold or delivered in accordance with an exemption from such registration.

7. European Economic Area

- 7.1** In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any Placing Shares may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any Placing Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000, and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the nominated adviser for any such offer; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Placing Shares shall result in a requirement for the publication by the Company, Davy or the Selling Shareholders of a prospectus pursuant to Article 3 of the Prospectus Directive.

- 7.2** For the purposes of this provision, the expression of an "offer to the public" in relation to any Placing Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Placing Shares to be offered so as to enable an investor to decide to purchase any Placing Shares, as that expression may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

8. United States

The Ordinary Shares have not been and will not be registered under the United States Securities Act 1933, as amended (“Securities Act”) or under any State securities laws of the United States, and may not be offered or sold within the United States. The Ordinary Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act in transactions exempt from the registration requirements of the Securities Act.

9. Canada, Australia and Japan

The relevant clearances have not been, and will not be, obtained from the securities commission of any province or territory of Canada, no document in relation to the Placing has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission, and no registration statement has been, or will be, filed with the Japanese Financial Services Agency in relation to the Placing or the Ordinary Shares. Accordingly, subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered or sold within Canada, Australia or Japan or offered or sold to a resident of Canada, Australia or Japan.

Part 5: Accountant's report and financial information on GameAccount Network plc

Section A: Accountant's Report



BDO LLP
55 Baker Street
London
W1U 7EU

The Directors
GameAccount Network plc
23-24 Warwick Street
London
W1B 5NQ

20 November 2013

Davy
Davy House
49 Dawson Street
Dublin 2
Ireland

Dear Sirs

GameAccount Network plc (the “Company”) and its subsidiary undertakings (together, the “Group”)

Introduction

We report on the financial information set out in Section B of Part 5. This financial information has been prepared for inclusion in the admission document dated 20 November 2013 of GameAccount Network plc (the “Admission Document”) on the basis of the accounting policies set out in note 2 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and paragraph (a) of Schedule Two of the ESM Rules for Companies and is given for the purpose of complying with those paragraphs and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies and paragraph (a) of Schedule Two of the ESM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies and Schedule Two of the ESM Rules for Companies consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Group as at 31 December 2010, 31 December 2011, 31 December 2012 and 31 October 2013 and of its results, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies and paragraph (a) of Schedule Two of the ESM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies and Schedule Two of the ESM Rules for Companies.

Yours faithfully

BDO LLP

Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Section B: Historical financial information on GameAccount Network plc

Consolidated statement of comprehensive income

	Notes	15 months ended 31 December 2010 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	10 months ended 31 October 2013 £'000
Continuing Operations					
Gross income from gaming operations and services	2.3	18,790	16,877	17,690	25,002
Net revenues	4	4,931	4,571	5,499	10,852
Distribution costs		(1,414)	(1,766)	(2,316)	(2,543)
Administrative expenses		(3,877)	(3,459)	(4,121)	(5,851)
Total operating costs		(5,291)	(5,225)	(6,437)	(8,394)
Clean EBITDA		146	(44)	305	4,656
Depreciation	11	(147)	(197)	(280)	(249)
Amortisation of intangible assets	10	(156)	(312)	(438)	(460)
Loss on disposal of intangible assets	10	—	—	(119)	—
Compensation for loss of office, redundancy and compromise costs, together with associated legal expenses		(203)	(101)	—	(214)
Transaction costs	6	—	—	(330)	(1,225)
Employee share-based payment charge	19	—	—	(76)	(50)
Operating (loss)/profit	6	(360)	(654)	(938)	2,458
Finance income		—	—	—	5
Finance costs	8	(2)	(23)	(18)	—
(Loss)/profit before taxation		(362)	(677)	(956)	2,463
Tax (charge)/credit	9	(2)	—	1,086	(490)
(Loss)/profit for the period/year attributable to owners of the Company and comprehensive (loss)/income for the period/year	18	(364)	(677)	130	1,973
Basic (loss)/earnings per share attributable to owners of the parent during the period/year					
Basic (pence)	20	(0.66)	(1.23)	0.24	3.56

Consolidated statement of financial position

	Notes	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
Non-current assets					
Intangible assets	10	573	750	664	770
Property, plant and equipment	11	411	466	433	330
Deferred tax asset	9	—	—	1,000	510
		<u>984</u>	<u>1,216</u>	<u>2,097</u>	<u>1,610</u>
Current assets					
Trade and other receivables	12	1,277	1,008	1,462	2,796
Cash and cash equivalents	13	392	1,116	1,668	2,747
		<u>1,669</u>	<u>2,124</u>	<u>3,130</u>	<u>5,543</u>
Total assets		<u>2,653</u>	<u>3,340</u>	<u>5,227</u>	<u>7,153</u>
Non-current liabilities					
Borrowings	15	210	100	—	—
Preference shares	17	6,081	—	—	—
		<u>6,291</u>	<u>100</u>	<u>—</u>	<u>—</u>
Current liabilities					
Trade and other payables	14	1,004	1,448	3,347	3,248
Borrowings	15	90	120	—	—
		<u>1,094</u>	<u>1,568</u>	<u>3,347</u>	<u>3,248</u>
Total liabilities		<u>7,385</u>	<u>1,668</u>	<u>3,347</u>	<u>3,248</u>
Equity attributable to equity holders of parent					
Share capital	17	146	433	434	435
Share premium account	18	5,004	10,695	10,696	—
Retained earnings	18	(9,882)	(9,456)	(9,250)	3,470
		<u>(4,732)</u>	<u>1,672</u>	<u>1,880</u>	<u>3,905</u>
Total equity and liabilities		<u>2,653</u>	<u>3,340</u>	<u>5,227</u>	<u>7,153</u>

Consolidated statement of changes in equity

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
At 1 October 2009	144	5,004	(9,518)	(4,370)
Total comprehensive loss for the period	—	—	(364)	(364)
Issue of equity share capital	2	—	—	2
At 31 December 2010	146	5,004	(9,882)	(4,732)
Total comprehensive loss for the year	—	—	(677)	(677)
Issue of equity share capital	100	900	—	1,000
IAS 32 reclassifications	187	4,791	1,103	6,081
At 31 December 2011	433	10,695	(9,456)	1,672
Total comprehensive income for the year	—	—	130	130
Employee share-based payment charge	—	—	76	76
Issue of equity share capital	1	1	—	2
At 31 December 2012	434	10,696	(9,250)	1,880
Total comprehensive income for the period	—	—	1,973	1,973
Employee share-based payment charge	—	—	50	50
Issue of equity share capital	1	1	—	2
Effect of capital reduction	—	(10,697)	10,697	—
At 31 October 2013	435	—	3,470	3,905

The following describes the nature and purpose of each reserve within equity:

Share Capital	Represents the nominal value of shares allotted, called up and fully paid
Share Premium	Represents the amount subscribed for share capital in excess of nominal value
Retained Earnings	Represents the cumulative net gains and losses recognised in the consolidated statement of comprehensive income

Consolidated statement of cash flows

	Notes	15 months ended 31 December 2010 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	10 months ended 31 October 2013 £'000
Cash flow from operating activities					
(Loss)/profit for the period/year before taxation		(362)	(677)	(956)	2,463
Adjustments for:					
Amortisation of intangible assets	10	156	312	438	460
Depreciation of property, plant and equipment	11	147	197	280	248
Loss on disposal of intangible assets	10	—	—	119	—
Share based payment expense	19	—	—	76	50
Net finance costs/(income)	8	2	23	18	(5)
Foreign exchange		32	30	31	2
Operating cash flow before movement in working capital		(25)	(115)	6	3,218
(Increase)/decrease in trade and other receivables		(417)	267	(367)	(1,366)
Increase/(decrease) in trade and other payables		305	449	1,880	(99)
Cash (used in)/generated from operations . . .		(137)	601	1,519	1,753
Taxation		—	—	—	30
Cash flow from investing activities					
Purchase of intangible fixed assets	10	(387)	(489)	(471)	(566)
Purchases of property, plant and equipment . .	11	(419)	(252)	(247)	(145)
Net cash used in investing activities		(806)	(741)	(718)	(711)
Cash flow from financing activities					
Interest paid		(2)	(23)	(18)	5
Proceeds on issue of shares	17	2	1,000	2	2
Drawdown of borrowings	15	300	—	—	—
Repayment of borrowings	15	—	(80)	(220)	—
Net cash generated from/(used in) financing activities		300	897	(236)	7
Net (decrease)/increase in cash and cash equivalents		(643)	757	565	1,079
Cash and cash equivalents at beginning of period/year	13	1,061	392	1,116	1,668
Effect of foreign exchange rate changes		(26)	(33)	(13)	—
Cash and cash equivalents at end of period/ year	13	392	1,116	1,668	2,747

Notes to the historical financial information

1. Basis of preparation

The financial information provided is for the Group's 15 month period ended 31 December 2010, the financial years ended 31 December 2011 and 2012 and the 10 month period ended 31 October 2013.

The financial information has been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and interpretations (collectively, "IFRS") issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs"). In the current period the Group has adopted all of the new and revised standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, as they have been adopted by the European Union, that are relevant to its operations and effective for accounting periods beginning on 1 January 2013.

Adoption of new and revised standards

Where relevant new standards and amendments to existing standards that have been published and are mandatory for the first time for the financial year beginning 1 January 2013 have been adopted but had no significant impact on the Group.

New standards, amendments to standards and interpretations have been issued but are not effective (and in some cases had not yet been adopted by the EU) for the financial year beginning 1 January 2014. These have not been early adopted and directors do not expect that the adoption of these standards will have a material impact on the Financial Information of the Group in future periods.

2. Summary of significant accounting policies

The principal accounting policies adopted are set out below.

2.1 Basis of Consolidation

The consolidated financial information incorporates the financial information of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December 2010, 2011 and 2012, and 31 October 2013. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Uniform accounting policies have been adopted across the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Foreign currencies

(a) Functional and presentational currency

Items included in the financial information are measured using the currency of the primary economic environment in which the Group operates ('the functional currency') which is UK Pound Sterling (£). The financial information is presented in UK Pound Sterling (£), which is the Group's presentational currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in net profit or loss in the statement of comprehensive income.

Non monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.2 Revenue recognition

Net revenues comprise amounts earned from B2C and B2B activities. B2B activities include revenues derived from the use of the Group's intellectual property in online gaming activities and revenues derived from the game and platform development and related services.

(a) B2C

Net revenue from 'business to consumer' ('B2C') activities represents the net house win, commission charged or tournament entry fees where the player has concluded his participation in a tournament. Net revenue is recognised in the accounting periods in which the gaming transactions occur and is measured at the fair value of the consideration received or receivable, net of certain promotion bonuses and customer incentives.

(b) B2B

Revenue share and other services

Net revenue receivable from 'business to business' ('B2B') activities in respect of revenue share and other services comprises a percentage of the revenue generated by the contracting party from use of the Group's intellectual property in online gaming activities, and from fees charged for services rendered. Net revenue is recognised in the accounting periods in which the gaming transactions occur or the services are rendered.

Game and platform development

Net revenue receivable from B2B activities in respect of game and platform development comprises fees earned from development of games for customers for use on GameAccount Network's platforms and from the sale of platform software and related services.

Revenue in respect of game development and the sale of platform software is recognised when certification for the game has been obtained, delivery has occurred and the fee is fixed, contractual or determinable and collectability is probable.

Services revenue principally relates to implementation services. Such services are generally separable from the other elements of arrangements. Revenue for such services is recognised over the period of the delivery of these services. Where an element of the fee is contingent on the successful delivery of the implementation project the revenue is not recognised until such time that it is probable that the requirements under that specific contract will be met.

2.3 Gross income from gaming operations and services

In order to provide further information to readers of the historical financial information and in particular to give an indication of the extent of transactions that have passed through the Group's systems, the statement of comprehensive income discloses gross income from gaming operations and services arising through the use of the Group's intellectual property in online gaming activities, which represents the total income of the Group, together with that derived from its contracting parties. This line item does not represent the Group's revenue for the purposes of IFRS income recognition.

2.4 Distribution costs

Distribution costs represent the costs of delivering the service to the customer and primarily consist of technology infrastructure, promotional and advertising together with gaming and regulatory testing all of which are recognised on an accruals basis, and depreciation and amortisation.

2.5 Administrative expenses

Administrative expenses consist primarily of staff costs, corporate and professional expenses, all of which are recognised on an accruals basis, and impairment charges.

2.6 Intangible assets

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Licences and trademarks	Shorter of licence term or 10 years
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Internally generated intangible assets (development costs)

Expenditure incurred on development activities including the Group's software development is capitalised only where the expenditure will lead to new or substantially improved products, the products are technically and commercially feasible and the Group has sufficient resources to complete development.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed which is typically three to five years. The amortisation expense is included within the administrative expenses line in the consolidated statement of comprehensive income.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated statement of comprehensive income as incurred.

Subsequent expenditure on capitalised intangible assets is capitalised only where it clearly increases the economic benefits to be derived from the asset to which it relates. All other expenditure, including that incurred in order to maintain an intangible assets current level of performance, is expensed as incurred.

2.7 Property, plant and equipment

Depreciation is calculated to write off the cost of fixed assets on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

Fixtures, fittings & equipment	33% straight line
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Subsequent expenditures are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the consolidated statement of comprehensive income.

2.8 Impairment of property, plant and equipment and internally generated intangible assets

At each statement of financial position date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

2.9 Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Appropriate provisions for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the assets are impaired. Interest income is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net; such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term highly liquid investments that have maturities of three months or less from inception, are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Classification of shares as debt or equity instruments

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability. An equity instrument is a contract that evidences a residual interest in assets or an entity after deducting all of its liabilities. Accordingly, financial instrument is treated as equity if:

- There is no contractual obligation to deliver cash or other financial asset or to exchange financial assets or liabilities on terms that maybe unfavourable, and
- The instrument is a non-derivative that contains no contractual obligation to deliver a variable number of shares or is a derivative will be settled only by the Company exchanging a fixed amount of cash or other assets for a fixed number of the Company's own equity instruments.

When shares are issued, any component that creates a financial liability of the Group is presented as such in the statement of financial position, measured initially at fair value, net of transaction costs, thereafter at amortised cost until derecognised. Any corresponding dividends relating to the liability component are charged as interest expenses in the income statement. The initial fair value of the liability component is determined using a market rate for an equivalent liability without a conversion feature, or where relevant, the redemption amount of the instrument.

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Trade and other payables

Trade payables are initially measured at their fair value and are subsequently measured at their amortised cost using the effective interest rate method; this method allocates interest expense over the relevant period by applying the 'effective interest rate' to the carrying amount of the liability.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

2.10 Current and deferred tax

Taxation represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured using tax rates that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset or liability is realised or settled.

2.11 Operating leases

All leases held by the Group are operating leases and, as such, are charged to the statement of comprehensive income on a straight-line basis over the lease term. Rent free periods or other incentives received for entering into a lease are accounted for over the lease term, so as to spread the benefit received.

2.12 Share-based payments

The Group issues equity settled share-based payments to certain employees (including Directors).

Equity settled share-based payments are measured at fair value at the date of grant and expensed on a straight-line basis over the vesting period, based upon the Group's estimate of equity instruments that will eventually vest, along with a corresponding increase in equity. At each statement of financial position date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

The fair value of share options is determined using a Black Scholes model, taking into consideration management's best estimate of the expected life of the option and the estimated number of shares that will eventually vest. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2.13 Pension costs

The Group operated a defined contribution scheme until the year ended 31 December 2012. The amount charged to the statement of comprehensive income in respect of pension costs and other post retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either other liabilities or prepayments in the statement of financial position.

3. Financial risk management (see also note 16)

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk Management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates financial risks in close co-operation with the Group's operating segments. The Board provides principles for overall risk management, as well as policies covering specific areas, such as, interest rate risk, non-derivative financial instruments and investment of excess liquidity.

3.2 Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

3.3 Contractual risk

In the ordinary course of business the Group contracts with various parties. These contracts may include performance obligations, indemnities and contractual commitments. Management monitors the performance of the Group and any relevant counterparties against such contractual conditions to mitigate the risk of material, adverse non-compliance.

3.4 Credit risk

Credit risk is the financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligation. Credit risk arises from the Group's cash and cash equivalents and receivables balances.

3.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. This risk relates to the Group's prudent liquidity risk management and implies maintaining sufficient cash. Management monitors rolling forecasts of the Group's liquidity and cash and cash equivalents on the basis of expected cash flow.

3.6 Capital risk management

The Group's capital structure is comprised entirely of the share capital and accumulated reserves. In 2010 and 2011 the Group had a loan with the director, Dermot S Smurfit which was fully repaid during 2012.

The Group's objective when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term. The capital structure of the Group is managed and adjusted to reflect changes in economic conditions.

The Group funds its expenditures on commitments from existing cash and cash equivalent balances. There are no externally imposed capital requirements.

Financing decisions are made by the Board of Directors based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Group's commitments and development plans.

3.7 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values because of the short term nature of such assets and the effect of discounting liabilities is negligible.

3.8 Critical accounting estimates and judgements

The preparation of consolidated financial statements under IFRS requires the Group to make estimates and judgments that affect the application of policies and reported amounts. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Reference is made in this note to accounting policies which cover areas that the Directors consider require estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year. These policies together with references to the related notes to the financial statements can be found below:

	<u>Note</u>
Revenue recognition	4
Capitalisation and impairment of internally generated intangible assets	10
Taxation, including deferred taxation	9
Share based payments	19

4. Net revenue

	15 months ended 31 December 2010 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	10 months ended 31 October 2013 £'000
B2C	<u>770</u>	<u>1,419</u>	<u>1,629</u>	<u>1,004</u>
B2B				
—Game and platform development	395	540	1,310	7,751
—Revenue share and other revenue	<u>3,766</u>	<u>2,612</u>	<u>2,560</u>	<u>2,097</u>
Total B2B	<u>4,161</u>	<u>3,152</u>	<u>3,870</u>	<u>9,848</u>
	<u>4,931</u>	<u>4,571</u>	<u>5,499</u>	<u>10,852</u>

5. Segmental information

Information reported to the Group's Chief Executive, the strategic chief operating decision-maker, for the purposes of resource allocation and assessment of the Group's segmental performance is primarily focussed on the origination of the revenue stream. The Group's principal reportable segments under IFRS 8 are therefore as follows:

- Business to business ("B2B")
- Business to consumer ("B2C")

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment.

<u>15 months ended 31 December 2010</u>	<u>B2C £'000</u>	<u>B2B £'000</u>	<u>Total £'000</u>
Net revenue	770	4,161	4,931
Distribution costs (excluding depreciation and amortisation)	<u>(399)</u>	<u>(712)</u>	<u>(1,111)</u>
Segment result	<u>371</u>	<u>3,449</u>	3,820
Administration expenses			(3,877)
Depreciation			(147)
Amortisation of intangible assets			(156)
Finance costs			<u>(2)</u>
Loss before taxation			(362)
Taxation			<u>(2)</u>
Loss for the year after taxation			<u>(364)</u>

<u>Year ended 31 December 2011</u>	<u>B2C £'000</u>	<u>B2B £'000</u>	<u>Total £'000</u>
Net revenue	1,419	3,152	4,571
Distribution costs (excluding depreciation and amortisation)	(712)	(545)	(1,257)
Segment result	<u>707</u>	<u>2,607</u>	3,314
Administration expenses			(3,459)
Depreciation			(197)
Amortisation of intangible assets			(312)
Finance costs			(23)
Loss before taxation			(677)
Taxation			—
Loss for the year after taxation			<u>(677)</u>
 <u>Year ended 31 December 2012</u>	 <u>B2C £'000</u>	 <u>B2B £'000</u>	 <u>Total £'000</u>
Net revenue	1,629	3,870	5,499
Distribution costs (excluding depreciation and amortisation)	(1,027)	(571)	(1,598)
Segment result	<u>602</u>	<u>3,299</u>	3,901
Administration expenses			(4,002)
Depreciation			(280)
Amortisation of intangible assets			(438)
Loss on disposal of intangible assets			(119)
Finance costs			(18)
Loss before taxation			(956)
Taxation			1,086
Profit for the year after taxation			<u>130</u>
 <u>10 months ended 31 October 2013</u>	 <u>B2C £'000</u>	 <u>B2B £'000</u>	 <u>Total £'000</u>
Net revenue	1,004	9,848	10,852
Distribution costs (excluding depreciation and amortisation)	(975)	(860)	(1,835)
Segment result	<u>29</u>	<u>8,988</u>	9,017
Administration expenses			(5,850)
Depreciation			(249)
Amortisation of intangible assets			(460)
Loss on disposal of intangible assets			—
Finance income			5
Loss before taxation			2,463
Taxation			490
Profit for the year after taxation			<u>1,973</u>

The accounting policies of the reportable segments follow the same policies as described in note 2. Segment result represents the gross profit earned by each segment without allocation of the share of administration costs including Directors' salaries, finance costs and income tax expense. This is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance.

Administration expenses comprise principally the employment and office costs incurred by the Group.

Segment assets and liabilities

Assets and liabilities are not separately analysed or reported to the Group's Chief Executive and are not used to assist in decisions surrounding resource allocation and assessment of segment performance. As such, an analysis of segment and liabilities has not been included in this financial information. All non-current assets are located in Europe.

Geographical Analysis of Revenues

	15 months ended 31 December 2010 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	10 months ended 31 October 2013 £'000
UK and Channel Islands	3,530	2,846	3,652	2,371
Italy	968	1,034	909	845
USA	—	151	505	455
Australia	—	—	90	6,956
Rest of the World	433	540	343	225
	<u>4,931</u>	<u>4,571</u>	<u>5,499</u>	<u>10,852</u>

Information about major customers

During the period ended 31 December 2010 the Group had one customer which generated revenue greater than 10% of total net revenue. This customer generated revenue of £1,677,000 representing 34% of net revenue, all of which was within the B2B segment.

During the year ended 31 December 2011 the Group had two customers in respect of which the revenue generated from each was greater than 10% of total revenue. Customer 1 generated revenue of £1,024,000 and customer 2 generated revenue of £518,000. These customers generated in aggregate 34% of net revenue, all of which was within the B2B segment.

During the year ended 31 December 2012 the Group had one customer which generated revenue greater than 10% of total revenue. This customer generated revenue of £858,000 representing 16% of net revenue, all of which was within the B2B segment.

During the period ended 31 October 2013 the Group had one customer which generated revenue greater than 10% of total net revenue. This customer generated revenue of £6,889,000, representing 63% of net revenue, all of which was within the B2B segment.

Geographical Analysis of Non-Current Assets

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
UK and Channel Islands	880	1,114	1,049	1,100
Italy	104	102	48	—
	<u>984</u>	<u>1,216</u>	<u>1,097</u>	<u>1,100</u>

6. Operating (loss)/profit

Operating (loss)/profit has been arrived at after charging:

	15 months ended 31 December 2010 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	10 months ended 31 October 2013 £'000
Staff costs (note 7)	2,710	2,589	2,815	2,630
Auditor's remuneration:				
Audit	18	20	35	39
Taxation	3	3	3	2
Foreign exchange losses	32	30	31	85
Rent payable under operating leases	184	152	173	173
Employee share-based payment charge (note 19) . . .	—	—	76	50
	<u>—</u>	<u>—</u>	<u>76</u>	<u>50</u>

Certain other costs, including depreciation and amortisation are disclosed on the face of the statement of comprehensive income. Transaction costs in 2012 related to expenses connected with a contemplated transaction and in 2013 relate to certain transaction related bonuses and the costs of the proposed IPO of the Company, incurred to date.

7. Staff costs

	15 months ended 31 December 2010	Year ended 31 December 2011	Year ended 31 December 2012	10 months ended 31 October 2013
The average number of employees (including executive directors) employed was:				
Management	5	6	6	6
Administration and technical staff	37	39	45	54
	<u>42</u>	<u>45</u>	<u>51</u>	<u>60</u>
	15 months ended 31 December 2010 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	10 months ended 31 October 2013 £'000
The aggregate remuneration of the above employees comprised (including Directors):				
Wages and salaries	2,417	2,302	2,431	2,291
Social security costs	272	269	286	285
Pension costs	21	18	22	4
Employee share-based payment charge	—	—	76	50
	<u>2,710</u>	<u>2,589</u>	<u>2,815</u>	<u>2,630</u>

The remuneration of the Directors, who are the key management personnel of the Group, is set out below:

	15 months ended 31 December 2010 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	10 months ended 31 October 2013 £'000
The aggregate remuneration comprised				
Wages and salaries	424	381	255	589
Social security costs	32	28	31	79
Pension costs	21	18	22	—
Compensation for loss of office	100	72	—	—
Employee share-based payment charge	—	—	60	35
	<u>577</u>	<u>499</u>	<u>368</u>	<u>703</u>

8. Finance costs

	15 months ended 31 December 2010 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	10 months ended 31 October 2013 £'000
Interest payable (note 15)	<u>2</u>	<u>23</u>	<u>18</u>	<u>—</u>

9. Taxation

	15 months ended 31 December 2010 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	10 months ended 31 October 2013 £'000
Current tax	2	—	(86)	—
Deferred tax	—	—	(1,000)	490
Tax charge/(credit) on loss on ordinary activities	<u>2</u>	<u>—</u>	<u>(1,086)</u>	<u>490</u>

The total tax charge/(credit) can be reconciled to the overall tax charge as follows:

	15 months ended 31 December 2010 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	10 months ended 31 October 2013 £'000
Factors affecting tax charge for year: The tax assessed for the relevant period is lower than the average standard rates of corporation tax in the UK. The differences are explained below:				
(Loss)/profit before taxation	(362)	(677)	(956)	2,463
(Loss)/profit before taxation multiplied by the average standard rates of corporation tax in the UK of 28% (2010); 26.5% (2011); 24.5% (2012); and 23.3% (2013)	(101)	(179)	(234)	574
Effects of:				
Other permanent and similar differences, including expenses not deductible for tax purposes	16	26	113	175
Current year tax losses not utilised/recognised	85	153	121	—
Prior year tax losses recognised	—	—	(1,000)	(178)
Change in applicable tax rates	—	—	—	(81)
Adjustment in respect of prior periods	2	—	(86)	—
Tax charge/(credit) for period/year	<u>2</u>	<u>—</u>	<u>(1,086)</u>	<u>490</u>

The Group has maximum corporation tax losses carried forward at each period end as set out below:

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
Corporation tax losses carried forward	<u>8,279</u>	<u>8,700</u>	<u>9,200</u>	<u>5,985</u>

Details of the deferred tax asset recognised are as set out below:

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
At the beginning of the period/year	—	—	—	1,000
Recognised in the period/credited to income statement, in respect of tax losses	—	—	1,000	178
Change in applicable tax rates	—	—	—	81
Utilised in the period/charged to income statement, in respect of tax losses	—	—	—	(749)
At the end of the period/year	<u>—</u>	<u>—</u>	<u>1,000</u>	<u>510</u>

The deferred tax asset for the Group at 31 October 2013 comprises £510,000 (2012: £1,000,000) in respect of tax losses carried forward. Tax losses are recognised as a deferred tax asset by the Group when there is sufficient evidence that the amount will be recovered against foreseeable profits.

In addition, the Group has an unrecognised deferred tax asset as follows:

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
Tax losses carried forward	2,078	2,200	1,100	747
Depreciation in excess of capital allowances	84	51	64	37
Short term timing differences	17	20	24	167
	<u>2,179</u>	<u>2,271</u>	<u>1,188</u>	<u>951</u>

10. Intangible assets

	Licence and Development costs £'000
<i>Cost</i>	
At 1 October 2009	346
Additions	387
At 31 December 2010	733
Additions	489
At 31 December 2011	1,222
Additions	471
Disposals	(141)
At 31 December 2012	1,552
Additions	566
At 31 October 2013	2,118
<i>Accumulated amortisation</i>	
At 1 October 2009	4
Charge for the period	156
At 31 December 2010	160
Charge for the year	312
At 31 December 2011	472
Charge for the year	438
Disposals	(22)
At 31 December 2012	888
Charge for the year	460
At 31 October 2013	1,348
<i>Net book value</i>	
At 1 October 2009	342
At 31 December 2010	573
At 31 December 2011	750
At 31 December 2012	664
At 31 October 2013	770

11. Property, plant and equipment

	Fixtures, fittings & equipment £'000
<i>Cost</i>	
At 1 October 2009	515
Additions	419
At 31 December 2010	934
Additions	252
At 31 December 2011	1,186
Additions	247
At 31 December 2012	1,433
Additions	145
At 31 October 2013	1,578
<i>Accumulated depreciation:</i>	
At 1 October 2009	376
Charge for the period	147
At 31 December 2010	523
Charge for the year	197
At 31 December 2011	720
Charge for the year	280
At 31 December 2012	1,000
Charge for the period	248
At 31 October 2013	1,248
<i>Net book value</i>	
At 1 October 2009	139
At 31 December 2010	411
At 31 December 2011	466
At 31 December 2012	433
At 31 October 2013	330

12. Trade and other receivables

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
Trade receivables	958	583	866	901
Other receivables	182	240	301	497
Prepayments and accrued income	137	185	209	1,342
Corporation tax repayable	—	—	86	56
	1,277	1,008	1,462	2,796

Other receivables include amounts due from payment service providers and VAT recoverable.

The ageing of trade receivables that are past due but not impaired is shown below:

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
Between one and two months	34	107	136	254
Between two and three months	33	15	65	47
More than three months	76	63	80	335
	143	185	281	636

The Group recognised a charge in respect of doubtful receivables in each of the periods ended 31 December 2012 and 31 October 2013 of £9,845 and £36,228 respectively and £nil in each of the periods ended 31 December 2011 and 2010. The Group has not recognised any further allowances for doubtful receivables because there has not been a significant change in credit quality on any receivable and the amounts are still considered fully recoverable.

Standard credit terms are 30 days. Debtor days at each period end were:

	At 31 December 2010	At 31 December 2011	At 31 December 2012	At 31 October 2013
Debtor days	68 days	40 days	35 days	30 days

In determining the recoverability of trade receivables the Group considers any change in the credit quality of the receivable from the date credit was granted up to the reporting date. As set out in note 16, credit risk is mitigated by the fact that:

1. management monitors the debtor ledger closely on a frequent basis; and
2. a significant proportion of the Group's customers are either large, publicly listed companies or owned by such entities.

Of the trade and other receivables financial instruments as at 31 October 2013, the Group has a concentration of credit risk exposure to one, single counterparty. The value of this receivable was £961,000. For the preceding periods there was no such significant credit risk exposure.

The following trade and other receivable amounts were held in foreign currencies. The remaining balance was denominated in UK Pound Sterling (£).

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
United States dollars	27	27	243	265
Euros	322	337	266	286
Australian dollars	—	1	3	—
	<u>349</u>	<u>365</u>	<u>512</u>	<u>551</u>

The Directors believe that the carrying value of trade and other receivables is considered to represent its fair value. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable shown above. The Group does not hold any collateral as security.

13. Cash and cash equivalents

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
Cash in bank accounts	392	1,116	1,668	2,747

All of the Group's cash and cash equivalents are at floating interest rates and are held with Barclays Bank, an institution with an Aa3 credit rating (long term, as assessed by Moody's).

The following cash and cash equivalent amounts were held in foreign currencies. The remaining balance was denominated in UK Pound Sterling (£).

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
United States dollars	45	109	50	1,083
Euros	88	297	359	319
Australian dollars	11	41	28	30
	<u>144</u>	<u>447</u>	<u>437</u>	<u>1,432</u>

The Directors consider that the carrying value of cash and cash equivalents approximates to their fair value.

14. Trade and other payables

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
Amounts falling due within one year				
Trade payables	155	181	510	405
Other taxation and social security	149	108	110	140
Other payables	336	416	429	306
Preference dividend (note 17)	110	110	110	110
Accruals and deferred income	254	633	2,188	2,287
	<u>1,004</u>	<u>1,448</u>	<u>3,347</u>	<u>3,248</u>

Other payables include the following amounts in respect of outstanding defined contribution pension payments:

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
Outstanding defined contribution pension payments	60	78	100	—

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. They are non-interest bearing and are normally settled on 30 day terms. Creditor days as at each period end were:

	At 31 December 2010	At 31 December 2011	At 31 December 2012	At 31 October 2013
Creditor days	33 days	25 days	55 days	33 days

The following trade and other payable financial instruments were held in foreign currencies. The remaining balance was denominated in UK Pound Sterling (£).

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
United States dollars	268	467	2,327	134
Euros	253	107	626	11
Australian dollars	24	—	27	—
	<u>545</u>	<u>574</u>	<u>2,980</u>	<u>145</u>

The Directors consider that the carrying value of trade and other payables approximates their fair value.

The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe and no interest has been charged by any suppliers as a result of late payment of invoices.

15. Borrowings

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
Amounts falling due within one year	90	120	—	—
Amounts falling due after more than one year	210	100	—	—
	<u>300</u>	<u>220</u>	<u>—</u>	<u>—</u>

The Group had a loan with a director, Dermot S Smurfit, with annual interest of 9% being payable. The loan was repayable by 30 monthly instalments. The loan was fully repaid during the year ended 31 December 2012.

The Group has no undrawn committed borrowing facilities available to it at 31 October 2013.

16. Financial instruments

The Group is exposed to the risks that arise from its use of financial instruments. This note describes the objectives, policies and processes of the Group for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout this financial information.

Capital risk management

The Group's capital structure is comprised entirely of shareholders' equity. In 2010 and 2011 the Group had a loan with the director, Dermot S Smurfit which was fully repaid during 2012.

The Group's objective when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term. The capital structure of the Group is managed and adjusted to reflect changes in economic conditions.

The Group funds its expenditures on commitments from existing cash and cash equivalent balances. There are no externally imposed capital requirements.

Financing decisions are made by the Board of Directors based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Group's commitments and development plans.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises are as follows:

- Trade and other receivables
- Trade and other payables
- Cash and cash equivalents
- Borrowings

Financial assets

The Group held the following financial assets:

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
Loans and receivables:				
Cash and cash equivalents	392	1,116	1,668	2,747
Trade and other receivables	1,090	790	1,064	2,124
	<u>1,482</u>	<u>1,906</u>	<u>2,732</u>	<u>4,871</u>

Financial liabilities

The Group held the following financial liabilities:

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
<i>Amortised cost</i>				
Trade payables	155	181	510	405
Other financial liabilities	658	644	655	1,483
Borrowings	300	220	—	—
Preference shares (note 17)	6,081	—	—	—
	<u>7,194</u>	<u>1,045</u>	<u>1,165</u>	<u>1,888</u>

The Group's Directors monitor and manage the financial risks relating to the operation of the Group. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

Until the year ended 31 December 2011, the fair value of the debt element of the preference shares was shown as a financial liability in accordance with IAS 32, held at amortised cost, representing the full redemption amount due.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Foreign currency risk management

The Group has exposure to foreign currency risk. Sales invoicing to customers is in UK Pound Sterling, United States dollars and Euros and the majority of outgoing payments are in UK Pound Sterling with a small amount of United State dollar payments.

The Board carefully monitors exchange rate fluctuations and reviews their impact on the net asset and position of the Group. Exchange rates are negotiated with the Group's main provider of banking services as and when needed. The Group does not enter into any derivative financial instruments to manage its exposure to foreign currency risk.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at 31 December are shown in notes 12, 13 and 14.

At each period end, if the US dollar, Euro and Australian dollar had strengthened or weakened by 10% against the UK Pound Sterling with all other variables held constant, post-tax loss for the year/period would have increased/(decreased) by:

	Impact of a movement in stated currencies of 10% on post-tax loss and impact on equity £'000
At 31 December 2010	35
At 31 December 2011	39
At 31 December 2012	90
At 31 October 2013	348

10% is the sensitivity rate that represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive version of the number above indicates an increase in profit or other equity where the UK Pound Sterling strengthens 10% against the relevant currency. For a 10% weakening of the UK Pound Sterling against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

The differences are mainly as a result of foreign exchange gains/losses on translation of US dollar trade and other payables and Euro denominated trade and other receivables. 10% is deemed appropriate for the foreign exchange sensitivity analysis due to the current financial market.

Interest rate risk management

The Group has minimal exposure to interest rate risk. It is exposed to interest rate risk on some of its financial assets being its cash at bank balances. The interest rate receivable on these balances was at an average rate of 1% during the period to 31 October 2013 (31 December 2012: 1%, 31 December 2011: 1%, 31 December 2010: 1%). The Directors currently believe that interest rate risk is at an acceptable level.

Due to its minimum exposure to interest rate risk, the Group has not prepared any sensitivity analysis.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises principally from the Group's cash balances and trade and other receivables. The concentration of the Group's credit risk is considered by counterparty, geography and currency.

The Group gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk. The Group has a significant concentration of cash held on deposit with one large bank in the UK, an institution with an Aa3 credit rating (long term, as assessed by Moody's). The amounts of cash held on deposit with that bank at each reporting date can be seen in the financial assets table.

An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows, although there have been no such impairments over the review period. Management considers the above measures to be sufficient to control the credit risk exposure.

Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board manages liquidity risk by regularly reviewing the Group's cash requirements by reference to short term cash flow forecasts and medium term working capital projections prepared by management.

At 31 October 2013 the Group had £2.75 million (31 December 2012: £1.67m, 31 December 2011: £1.12 million; 31 December 2010: £0.39 million) of cash reserves.

Maturity of financial assets and liabilities

All of the Group's non derivative financial liabilities and its financial assets in the year to 31 December 2012 are either payable or receivable within one year. At 31 December 2011 and 31 December 2010, £100,000 and £210,000 respectively of borrowings were due in greater than one year.

17. Share capital

	Preference shares No.	Ordinary shares No.
<i>Allotted, issued and fully paid</i>		
At 1 October 2009	747,113	577,892
Issued during the year (i)	—	5,102
At 31 December 2010	747,113	582,994
Issued during the year (ii)	—	400,000
At 31 December 2011	747,113	982,994
Issued during the year (iii)	—	4,500
At 31 December 2012	747,113	987,494
Issued during the period (iv)	—	3,500
Re-designation of preference shares into ordinary shares	(747,113)	747,113
Sub-division of ordinary shares from £0.25 each into £0.01 each	—	41,714,568
At 31 October 2013	—	43,452,675

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
Ordinary shares	146	246	247	435
Preference shares	187	187	187	—
	333	433	434	435
IAS 32 reclassifications	(187)	—	—	—
	146	433	434	435

Until the year ended 31 December 2011, the fair value of the debt element of the preference shares was shown as a financial liability in accordance with IAS 32, held at amortised cost, representing the full redemption amount due.

Issue of shares

- (i) 5,102 ordinary shares of 25p each were issued at par and paid in full during the period ended 31 December 2010.
- (ii) 400,000 ordinary shares of 25p each were issued as a rights issue for £2.50 each and paid in full during the year ended 31 December 2011.
- (iii) 1,500 ordinary shares of 25p each were issued for £1.00 each and paid in full during the year ended 31 December 2012. 3,000 ordinary shares of 25p each were also issued at par during the year ended 31 December 2012.
- (iv) 1,500 ordinary shares of 25p each were issued at par during the period ended 31 October 2013 and 2,000 ordinary shares of 25p each were issued for £1 each during the period ended 31 October 2013.

Other changes to share capital

On 30 October 2013, shareholders exercised their right to convert, on a one-for-one basis, their entire holding of preference shares into ordinary shares. Following this conversion, the entire 1,738,107 ordinary shares of nominal value of 25p were subdivided into 43,452,675 ordinary shares of 1p nominal value. On the same day shareholders approved a capital reduction whereupon the balance on share premium account was cancelled and the resulting reserve credited to retained earnings.

Redemption, voting and dividend rights

The preference shares were redeemable, convertible shares in the capital of the Company and had the right to a preferred dividend from the date of issue, ending on the earlier of the date they are converted into ordinary shares, the date of redemption, or a date falling six months after date of issue. The preferred dividend is at a rate of 8% per annum on the issue value. To the extent that such dividend is due but not

paid then any outstanding amount is to be considered as a debt of the Company. The cumulative dividend included within creditors amounts to £110,000.

The preference shares were redeemable at a premium of £8.14 per share at either the option of the Company or the majority of preference shareholders. Until the year ended 31 December 2011, the majority of holders of the preference shares had a right to require the Company to redeem all holdings of preference shares by the issue of a written notice to that effect, served at any time after the occurrence of a defined realisation event, or, six months after the date on which the relevant preference shares were first issued by the Company. The Directors are of the opinion that the circumstances that existed prior to the year ended 31 December 2011 were such that the preference shares represented, at full redemption value, a financial liability in accordance with IAS 32 and, accordingly, the preference shares were accounted for on that basis. During the year ended 31 December 2011, the right of redemption of the majority of holders of the preference shares to require the Company to redeem the relevant holdings of preference shares was restricted to the service of a notice to the Company to so redeem at any time after the occurrence of a defined realisation event. Accordingly thereafter the preference shares have been classified as equity.

The ordinary shares and preference shares rank *pari passu* as regards voting rights as if they constitute one class of share.

18. Reserves

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
Share premium				
At the beginning of the period/year	5,004	5,004	10,695	10,696
Issue of equity share capital net of costs	—	900	1	1
IAS 32 reclassifications	—	4,791	—	—
Effect of capital reduction	—	—	—	(10,697)
At the end of the period/year	<u>5,004</u>	<u>10,695</u>	<u>10,696</u>	<u>—</u>

Unless otherwise stated, the movements in the share premium account (denoted in note 17 through paragraphs (i) to (iv)) arose as the difference between the issue price and the par value of the ordinary share capital issued.

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
Retained earnings				
At the beginning of the period/year	(9,518)	(9,882)	(9,456)	(9,250)
(Loss)/profit after tax for the period/year	(364)	(677)	130	1,973
Employee share-based payment expense credited to equity	—	—	76	50
IAS 32 reclassifications	—	1,103	—	—
Effect of capital reduction	—	—	—	10,697
At the end of the period/year	<u>(9,882)</u>	<u>(9,456)</u>	<u>(9,250)</u>	<u>3,470</u>

19. Employee share based payments

Options have been granted under the Company's share option scheme to subscribe for ordinary shares of the Company as follows:

Number of shares under option*	Subscription price per share	Exercise period
12,500	56p	September 2010 to September 2015
12,500	56p	November 2010 to February 2016
1,400,000	22p	October 2010 to September 2015
25,000	22p	April 2010 to April 2015
3,125	22p	February 2011 to February 2016
237,500	22p	March 2011 to March 2016
25,000	22p	October 2011 to October 2016
12,500	22p	January 2012 to February 2016
850,000	22p	March 2012 to March 2017
25,000	22p	August 2012 to August 2017
150,000	60p	August 2014 to July 2018
574,975	60p	August 2014 to July 2018
250,000	60p	May 2014 to July 2018

* The number and prices of shares under option have been updated to reflect the share sub-division on 30 October 2013 as per note 17.

The weighted average fair value of options granted in each period using the Black-Scholes option pricing model was 2010: £2.50, 2011: £2.50, 2012: £5.50, 2013: £3.86. The inputs into the Black-Scholes model are as follows:

	At 31 December 2010	At 31 December 2011	At 31 December 2012	At 31 October 2013
Weighted average share price	—	352p	352p	8.58p
Weighted average exercise price	—	558p	558p	8.90p
Expected volatility	—	52%	52%	74%
Expected life	—	2.5 years	2.5 years	3 years
Risk free rate	—	1.0%	1.0%	0.89%
Expected dividends	—	0.0%	0.0%	0.0%

Expected volatility was determined by reference to the volatility of comparable listed company share prices.

The Group recognised total share based payments relating to equity-settled share based payment transactions as follows:

	15 months ended 31 December 2010 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	10 months ended 31 October 2013 £'000
Share based payment charge	—	—	76	50

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	At 31 December 2010		At 31 December 2011		At 31 December 2012		At 31 October 2013	
	Average exercise price per share	Number of options	Average exercise price per share	Number of options	Average exercise price per share	Number of options	Average exercise price per share	Number of options
At the beginning of the period/year	5.21p	37,252	688p	88,150	534p	75,500	549p	108,500
Granted	550p	56,000	550p	11,000	550p	35,000	540p	109,000
Lapsed	1200p	(32,776)	1093p	(23,650)	—	—	537p	(74,000)
Exercised	(25p)	(5,102)	—	—	(25p)	(2,000)	550p	(375)
Sub-division of shares	—	—	—	—	—	—	—	3,434,975
At the end of the period/ year	<u>688p</u>	<u>88,150</u>	<u>534p</u>	<u>75,500</u>	<u>549p</u>	<u>108,500</u>	<u>32.4p</u>	<u>3,578,100</u>

During the period ended 31 October 2013, 2000 warrants over the ordinary shares were exercised at a price per share of £1. At the end of that period there were no warrants outstanding over the ordinary shares of the Company.

20. Earnings per share

Given the re-designation and sub-division of shares on 30 October 2013 (Note 17), it is not practicable to calculate earnings per share in accordance with IAS 33. Accordingly, illustrative earnings per share has been calculated using the expected number of shares in issue immediately after the flotation.

Illustrative loss/earnings per share is calculated by dividing the loss/earnings attributable to ordinary shareholders by the expected number of ordinary shares in issue immediately after the flotation.

	15 months ended 31 December 2010 Pence	Year ended 31 December 2011 Pence	Year ended 31 December 2012 Pence	10 months ended 31 October 2013 Pence
Basic	<u>(0.66)</u>	<u>(1.23)</u>	<u>0.24</u>	<u>3.56</u>
Earnings	15 months ended 31 December 2010 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	10 months ended 31 October 2013 £'000
(Loss)/profit for the year	<u>(364)</u>	<u>(677)</u>	<u>130</u>	<u>1,973</u>
Denominator—basic	15 months ended 31 December 2010 Number	Year ended 31 December 2011 Number	Year ended 31 December 2012 Number	10 months ended 31 October 2013 Number
Weighted average number of equity shares	<u>55,376,286</u>	<u>55,376,286</u>	<u>55,376,286</u>	<u>55,376,286</u>

21. Subsidiaries

The Company owns 100% of the called up ordinary share capital of:

- GameAccount Alderney Limited. The principal activity of GameAccount Alderney Limited is the provision of person-to-person skill-based gaming software. GameAccount Alderney Limited is registered in Alderney.
- Game Account Nevada Inc. The principal activity of the GameAccount Nevada Inc. is the provision of marketing and support services to other group companies. GameAccount Nevada Inc. is registered in the United States of America.

22. Related party transactions

The remuneration of the key management personnel is shown in note 7. The Group had a loan with a director, Dermot S Smurfit, and annual interest of 9% was payable on the loan. The loan was repayable by 30 monthly instalments. The loan was fully repaid during the year ended 31 December 2012 and the following amounts were outstanding at each period end:

	At 31 December 2010 £'000	At 31 December 2011 £'000	At 31 December 2012 £'000	At 31 October 2013 £'000
Loan from D S Smurfit	<u>300</u>	<u>220</u>	<u>—</u>	<u>—</u>

23. Operating leases

The total future value of minimum lease payments due is as follows:

	15 months ended 31 December 2010 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2012 £'000	10 months ended 31 October 2013 £'000
Land and buildings				
Operating leases				
Expiring within one year	61	196	196	196
Expiring between 2 and 5 years	<u>—</u>	<u>556</u>	<u>360</u>	<u>172</u>
	<u>61</u>	<u>752</u>	<u>556</u>	<u>368</u>

24. Contingent liabilities

As part of the Board's ongoing regulatory compliance process, the Board continues to monitor legal and regulatory developments and their potential impact on the Group.

Management is not aware of any contingencies that may have a significant impact on the financial position of the Group.

25. Subsequent events

On 8 November 2013, following application by the Company to the NJDGE for a Casino Service Industry Enterprise Licence in July 2013, the Company was awarded a temporary licence (known as a 'single transaction waiver'), which will enable the Company to offer regulated real-money online gaming in New Jersey from November 2013.

26. Impact of the adoption of International Financial Reporting Standards

For the purposes of this document, the Group has prepared its financial information in accordance with IFRS for the first time, effective from 1 October 2009.

The Group has applied IFRS 1 First-time Adoption of International Financial Reporting Standards in preparing the first IFRS financial information. There were no differences on transition to IFRS and therefore no reconciliations are shown.

Part 6: Additional Information

1. Responsibility

The Company (whose registered office appears on page 1) and the Directors (whose names and functions appear on page 1) accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and of the Directors, each of whom has taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation, registered office and website

- 2.1** The Company was incorporated in England and Wales on 25 November 1999 as a private company with limited liability under the Companies Act 1985, with the name of Fro-Zen Limited and with registered number 03883658.
- 2.2** On 18 October 2002, the Company changed its name to GameAccount Network Global Limited.
- 2.3** On 7 November 2013, the Company changed its name to GameAccount Network Limited.
- 2.4** On 18 November 2013, the Company re-registered as a public limited company with the name of GameAccount Network plc.
- 2.5** The Company's registered office and head office is at 23-24 Warwick Street, London, W1B 5NQ and its telephone number is +44 (0)20 7292 6262. The Company is domiciled in England.
- 2.6** The Company's corporate website, at which the information required by Rule 26 of the AIM Rules and ESM Rules can be found, is www.gameaccountnetwork.com.
- 2.7** The Company is the holding company of the Group and has the following significant subsidiary undertakings. Each of these companies is beneficially wholly-owned by the Company and the issued share capital is fully paid.

<u>Name and Registered Office</u>	<u>Country of incorporation</u>	<u>% of issued share capital held directly or indirectly by the Company</u>	<u>Principal activity</u>
GameAccount Alderney Limited	Alderney in the Bailiwick of Guernsey	100	Licensed B2C gaming operations
GameAccount Nevada Inc.	Nevada, US	100	US trading operations

- 2.8** The Group has not entered into any key transactions since the Company's formation in relation to the shares of other bodies corporate.

3. Share capital

- 3.1** On incorporation (25 November 1999) the Company had 98 ordinary shares of £1 each.
- 3.2** There have been the following changes to the share capital of the Company between the date of incorporation and the date of this document:

On incorporation (25 November 1999) the Company had 98 ordinary shares of £1 each which were allotted to the two founders of the Company equally.

On 17 February 2003, the Company by special resolution increased its authorised share capital to 50,000 ordinary shares of £1 each. The new shares carried the rights as stipulated in the Company's new memorandum and articles of association, adopted by special resolution of the same date. The authorised share capital of the Company were subsequently sub-divided into 200,000 ordinary shares of £0.25 each. Furthermore, on the same date, 166,333 ordinary shares of £0.25 each were allotted to six persons, at a premium of £0.05 per ordinary share.

On 1 April 2003, the Company allotted 8,887 ordinary shares of £0.25 each to two shareholders at par value.

On 2 June 2003, the Company by special resolution increased its authorised share capital to 750,000 ordinary shares of £0.25 each. The new shares carried the rights as stipulated in the Company's new memorandum and articles of association, adopted by special resolution of the same date.

On 1 May 2003, the Company allotted 17,581 ordinary shares of £0.25 each to eight shareholders at par value.

On 22 October 2003, the Company by special resolution adopted new articles of association. The Company also created 36,856 preference shares of £0.25 each. The preference shares carried the rights as stipulated in the Company's new articles of association. The Company issued £9,214 in nominal amount of the share capital of the Company to the holders of loan notes issued pursuant to a loan note instrument. The Company also issued £357.50 in nominal amount of the share capital to a shareholder.

On 2 April 2004, the Company allotted 42,991 ordinary shares of £0.25 each to 16 shareholders at par value.

On 28 August 2007, The Company, by special resolution approved and constituted a loan note instrument. The Company issued preference shares to the nominal value of £38,390.50 to the holders of loan notes issued pursuant to the loan note instrument. The Company increased its authorised share capital to £272,111.75 by the creation of 153,557 preference shares of £0.25 each, each ranking *pari passu* with the existing preference shares of the Company.

On 16 September 2008, the Company undertook a private rights issue which involved the issue of 408,676 preference shares at price paid of £5.50 per share and the conversion of loan notes to 153,552 preference shares at price paid of £8.14 per share.

On 13 July 2011, the Company allotted 400,000 ordinary shares of £0.25 each at a premium of £2.25 per share.

On 30 October 2013 the Company share capital was reorganised in accordance with special resolution passed in a general meeting. Those resolutions are set out below.

3.3 As at the date of this document, the Existing Ordinary Share Capital of the Company is £442,651.75 divided into 44,265,175 Ordinary Shares of £0.01 each.

3.4 By resolution passed at a general meeting of the Company held on 30 October 2013, it was resolved that, *inter alia*:

- (a) the share premium account of the Company be reduced by £10,697,362 (or such other sum that the finance director of the Company shall confirm to the meeting as the total amount standing to the share premium account as at the date of the meeting) in order that the amount standing to the share premium account of the Company be reduced to nil and the amount by which the share premium is so reduced be credited to a reserve;
- (b) a dividend of £110,195.09 be declared and paid in respect of the accumulated entitlement to a dividend under all of the Preference Shares in the capital of the Company payable as each such Preference Share is respectively entitled and that it be confirmed and agreed that upon payment out of such dividend all entitlements to a dividend on the Preference Shares will have been settled in full;
- (c) each Preference Share of £0.25 each in the capital of the Company be re-designated as an Ordinary Share of £0.25 each such shares to have the same rights and obligations attaching to them as all other Ordinary Shares in the capital of the Company and that all Ordinary Shares in the capital of the Company including those re-designated pursuant to this Resolution shall rank *pari passu* one another; and
- (d) the Ordinary Shares of £0.25 each in the capital of the Company, including for the avoidance of any doubt all Ordinary Shares in existence consequent upon the re-designation of Preference Shares pursuant to the resolution above, be sub-divided into Ordinary Shares of £0.01 each such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing Ordinary Shares in the capital of the Company as set out in the articles of association of the Company for the time being.

3.5 The resolutions passed at a general meeting of the Company held on 30 October 2013 described in paragraph 3.4 above were approved and received the consent of the holders of the Preference Shares at a meeting of the holders of that class of shares held on 30 October 2013.

3.6 As at the date of this document there are outstanding options over 2,765,600 Ordinary Shares in the Company, which have been granted to 28 directors, employees and former employees of the Group.

All of these outstanding options have been granted under individual option agreements. Options have been granted over 1,778,125 of the Ordinary Shares with an exercise price of £0.22 per Ordinary Share (including an option over 250,000 Ordinary Shares which was exercised by an option holder on 15 November 2013 and in respect of which Ordinary Shares will be issued on or shortly after Admission), 12,500 Ordinary Shares with an exercise price of £0.56 per Ordinary Share, and 974,975 Ordinary Shares with an exercise price of £0.60 per Ordinary Share.

All of the outstanding options vested immediately or were structured to vest on a time-contingent basis and the vesting of the outstanding options is not conditional on performance conditions having been met.

3.7 Following the Placing and Admission, the share capital of the Company will be £553,762.86 divided into 55,376,286 Ordinary Shares of £0.01 each, of which 55,376,286 will have been issued.

3.8 None of the Ordinary Shares have been marketed or are available in whole or in part to the public in conjunction with the application for the Ordinary Shares to be admitted to AIM and ESM.

3.9 The Ordinary Shares have been created under the Act.

3.10 The Ordinary Shares are in registered form, freely transferable, and are capable of being held in uncertificated form and will be admitted to CREST with effect from Admission.

4. Articles

The Articles, which were adopted on 30 October 2013, conditionally upon Admission becoming effective, include provisions to the following effect:

4.1 Share rights

Subject to the provisions of the Companies Act, and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine.

The Board may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder. Subject to the Articles and to the Companies Act, the unissued shares of the Company (whether forming part of the original or any increased capital) are at the disposal of the Board.

4.2 Voting rights

Subject to any rights or restrictions attached to any shares, on a show of hands every member who is present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.

No member shall be entitled to vote at any general meeting unless all moneys presently payable by him in respect of shares in the Company have been paid.

If at any time the Board is satisfied that any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under section 793 of the Companies Act and is in default for the prescribed period in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the Board may, in its absolute discretion at any time thereafter by notice to such member direct that, in respect of the shares in relation to which the default occurred, the member shall not be entitled to attend or vote either personally or by proxy at a general meeting or at a separate meeting of the holders of that class of shares or on a poll.

4.3 Dividends and other distributions

Subject to the provisions of the Companies Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid, but no amount paid on a share in advance of the date on which a call is payable shall be treated for these purposes as paid on the share.

Subject to the provisions of the Companies Act, the Board may pay interim dividends if it appears to the Board that they are justified by the profits of the Company available for distribution.

The Board may also pay, at intervals determined by it, any dividend payable at a fixed rate if it appears to the Board that the profits available for distribution justify the payment. If the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

Except as otherwise provided by the rights and restrictions attached to any class of shares, all dividends will be declared and paid according to the amounts paid-up on the shares on which the dividend is paid.

The Board may, if authorised by an ordinary resolution of the Company, offer any holder of shares the right to elect to receive shares, credited as fully paid, by way of scrip dividend instead of cash in respect of the whole (or some part, to be determined by the Board) of all or any dividend.

Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company.

Except as provided by the rights and restrictions attached to any class of shares, the holders of the Company's shares will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings. A liquidator may, with the sanction of a special resolution and any other sanction required by the Insolvency Act 1986, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members.

4.4 Variation of rights

Rights attached to any class of shares may be varied or abrogated with the written consent of the holders of three-quarters in nominal value of the issued shares of the class, or the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.

4.5 Lien and forfeiture

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys payable to the Company (whether presently or not) in respect of that share. The Company may sell, in such manner as the Board determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been sent to the holder of the share demanding payment and stating that if the notice is not complied with the share may be sold.

The Board may from time to time make calls on the members in respect of any moneys unpaid on their shares. Each member shall (subject to receiving at least 14 clear days' notice) pay to the Company the amount called on his shares. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the board may give the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

4.6 Transfer of shares

A member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. An instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer need not be under seal.

The Board may, in its absolute discretion, refuse to register the transfer of a certificated share which is not a fully paid share, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis. The Board may also refuse to register the transfer of a certificated share unless the instrument of transfer:

- (a) is lodged, duly stamped (if stampable), at the office or at another place appointed by the Board accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- (b) is in respect of one class of share only; and
- (c) is in favour of not more than four transferees.

If the Board refuses to register a transfer of a share in certificated form, it shall send the transferee notice of its refusal within two months after the date on which the instrument of transfer was lodged with the Company.

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to a share.

Subject to the provisions of the Regulations, the Board may permit the holding of shares in any class of shares in uncertificated form and the transfer of title to shares in that class by means of a relevant system and may determine that any class of shares shall cease to be a participating security.

4.7 Alteration of share capital

The Company may by ordinary resolution increase, consolidate or, subject to the Companies Act, sub-divide its share capital.

4.8 Authority to allot shares

The Board has general and unconditional authority for each authorised period to exercise all the powers of the Company to offer, allot, grant rights or options over shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company:

- (a) up to an aggregate nominal amount equal to the initial authorised amount; and
- (b) comprising equity securities up to an aggregate nominal amount of the further authorised amount (including within such limit any shares issued or rights granted above) in connection with an offer by way of a rights issue:
 - (i) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to the holders of other equity securities if this is required by the rights of those securities or, if the board considers it necessary, as permitted by the rights of those securities,

and so that the board may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

4.9 Disapplication of pre-emption rights

The Board is generally empowered for each authorised period to allot equity securities for cash pursuant to the authority to allot conferred above as if section 561 of the Companies Act did not apply to any such allotment, provided that its power shall be limited to:

- (a) the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under the authority to allot above, by way of a rights issue only):
 - (i) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to the holders of other equity securities if this is required by the rights of those securities or, if the board considers it necessary, as permitted by the rights of those securities,

and so that the Board may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

- (b) in the case of the authority granted for the allotment of equity securities for cash otherwise than pursuant to paragraph 4.9(a)(i) above up to the non pre-emptive amount.

This article applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(2)(b) of the Companies Act as if the words “pursuant to the authority to allot conferred above” were omitted in this article.

4.10 Allotment after expiry

The Company may make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after an authority given pursuant to the authority to allot above or a power given pursuant to the disapplication of pre-emption rights has expired. The Board may allot shares, or grant rights to subscribe for or convert any security into shares, in pursuance of that offer or agreement as if the authority or power pursuant to which that offer or agreement was made had not expired.

For the purposes of the provisions described above:

“authorised period” means any period (not exceeding five years on any occasion) for which the authority conferred by the authority to allot is given by ordinary or special resolution or by the Articles stating the initial authorised amount and the further authorised amount and/or the power conferred by the disapplication of pre-emption rights is given by special resolution or by the Articles stating the non pre-emptive amount;

“initial authorised amount” means, for any authorised period, the amount stated as such in the relevant ordinary or special resolution, as the case may be, but shall for the period from the date of adoption of these articles until the date of the annual general meeting of the Company (or any adjournment thereof) next occurring after the adoption of the Articles, which period shall be the authorised period under these articles for the purpose of such initial authorised amount, be the aggregate nominal amount of £296,969.58;

“further authorised amount” means, for any authorised period, the amount stated as such in the relevant ordinary or special resolution, as the case may be, but shall for the period from the date of adoption of these articles until the date of the annual general meeting of the Company (or any adjournment thereof) next occurring after the adoption of the Articles, which period shall be the authorised period under the Articles for the purpose of such further authorised amount, be the aggregate nominal amount of nil; and

“non pre-emptive amount” means, for any authorised period, the amount stated as such in the relevant special resolution but shall, for the period from the date of adoption of the Articles until the date of the annual general meeting of the Company (or any adjournment thereof) next occurring after the adoption of the Articles, which period shall be the authorised period under the Articles for the purpose of such non pre-emptive amount, be the aggregate nominal amount of £296,969.58

and notwithstanding any expiry of the authorities above they shall in each case still permit the Company to allot shares or grant rights in respect of offers or agreements made before such expiry which would or might require shares to be allotted or rights to be granted after such expiry. The authorities expressly given by the Articles revoke all previous authorities to directors without prejudice to any allotment of securities made pursuant to such authorities.

4.11 Regulation of betting and gaming activities: suspension of rights of members and mandatory dispose of shares

(a) Suspension of rights of members

If at any time the Board determines that a Shareholder Regulatory Event (as defined below) has occurred, it may, in its absolute discretion at any time, by written notice (a “Shareholder Regulatory Event Notice”) to the holder(s) of any interest(s) (as defined in below) in any shares (the “Relevant Shares”) in the Company to whom a Shareholder Regulatory Event relates (or to whom the Board reasonably believes it to relate), with immediate effect (or with effect from such date as is specified in such Shareholder Regulatory Event Notice), suspend one or more of the following rights attaching to such Relevant Shares:

- (i) the right to attend and speak at meetings of the Company and to vote at a general meeting or at a separate meeting of the holders of that class of shares or to demand and vote on a poll exercisable in respect of any Relevant Shares;

- (ii) the right to receive any payment or distribution (whether by way of dividend or otherwise) in respect of any Relevant Shares; and
- (iii) the right to the issue of further shares or other securities in respect of the Relevant Shares.

(b) Mandatory disposal of shares

In addition to the rights described above, if at any time the Board determines that a Shareholder Regulatory Event has occurred it may, in its absolute discretion at any time, by written notice (a “Disposal Notice”) to a holder of any interest(s) in any shares in the Company to whom the Shareholder Regulatory Event relates (or to whom the Board reasonably believes it to relate), require the recipient of the Disposal Notice or any person named therein as interested in (or reasonably believed to be interested in) shares of the Company to dispose of such number of shares as is specified in the Disposal Notice (the “Disposal Shares”) and for evidence in a form reasonably satisfactory to the Board that such disposal shall have been effected to be supplied to the Company within 14 days from the date of the Disposal Notice or within such other period as the Board (in its absolute discretion) considers reasonable. The Board may withdraw a Disposal Notice before or after the expiration of the period referred to in such notice if it appears to the Board that the ground or purported grounds for its service do not exist or no longer exist.

(c) Right to sell Disposal Shares

If a Disposal Notice is not complied with in accordance with its terms or otherwise not complied with to the satisfaction of the Board within the time specified, and has not been withdrawn, the Company shall, on the direction of the board in its absolute discretion, be entitled, so far as the Company is able, to dispose (or procure the disposal) of the Disposal Shares to any third party at the highest price reasonably obtainable in the circumstances and shall give written notice of any such disposal to those persons on whom the Disposal Notice was served, or, in the alternative should the board in its absolute discretion determine and subject to all applicable law and regulation, the Company itself may acquire all or some of the Disposal Shares. Any such disposal by the Company shall be completed as soon as reasonably practicable after expiry of the time specified in the Disposal Notice and, in any event, within 90 days after the expiry of the time specified in the Disposal Notice provided that a disposal may be suspended during any period when dealings by the directors in shares are not permitted by applicable law or regulation but any disposal of Disposal Shares so suspended shall be completed within 30 days after the expiry of the period of such suspension.

(d) Steps to be taken in connection with sale of Disposal Shares

Neither the Company nor any director, officer, employee or agent of the Company shall be liable to any holder of or any person having any interest in Disposal Shares disposed of in accordance with the provisions described above or to any other person provided that, in disposing of such Disposal Shares, the Company acts in good faith within the time periods specified above. For the purpose of effecting any disposal of Disposal Shares held in uncertificated form, the Company may make such arrangements on behalf of the registered holder of the Disposal Shares as it may think fit to transfer title to those shares through a relevant system (as defined in the Regulations). For the purpose of effecting any disposal of Disposal Shares held in certificated form, the Company may authorise in writing any, director, officer, employee or agent of the Company to execute any necessary transfer on behalf of the registered holder(s) and may issue a new share certificate or other document of title to the purchaser and enter the name of the transferee in the register. The net proceeds of any such disposal shall be received by the Company whose receipt shall be a good discharge for the purchase money and shall be paid (without interest being payable thereon) to the former registered holder of the Disposal Shares upon surrender by him of all relevant share certificate(s) or other documents of title in respect of such Disposal Shares. The transferee shall not be bound to see the application of such proceeds and once the name of the transferee has been entered into the register in respect of the Disposal Shares, the validity of the transfer of the Disposal Shares shall not be questioned. Any delay on the part of the Company in exercising any or all of its rights under the provisions described above shall not in any way invalidate the transfer of any Disposal Shares or any other steps undertaken in connection therewith. Save as otherwise specifically provided by the provisions described above, the manner, timing and terms of any disposal of Disposal Shares by (or on behalf of) the Company shall be determined by the Company and the Company may take advice from such persons as are considered by it to be appropriate as to the manner, timing and terms of any such disposal.

(e) Meaning of Shareholder Regulatory Event

For the purposes of the provisions described above, a Shareholder Regulatory Event shall be deemed to have occurred if:

- (i) a Gaming Regulatory Authority (as defined below) informs the Board, or the Board acting reasonably determines that it is the opinion of a Gaming Regulatory Authority, that a member of the Company or any person interested or believed to be interested in shares in the capital of the Company is for whatever reason:
 - (A) unsuitable to be a person interested in shares in the capital of the Company;
 - (B) not licensed or qualified to be a person interested in shares in the capital of the Company; or
 - (C) disqualified as a holder of interests in shares in the capital of the Company, under any legislation regulating the operation of any betting or gaming activity or any activity ancillary or related thereto undertaken or to be undertaken by the Company or any member of its group or any other company, partnership, body corporate or other entity in which the Company or any member of its group is interested; or
- (ii) a Gaming Regulatory Authority by reason, in whole or in part, of the interest of any person or persons in shares in the capital of the Company (or by its belief as to the interest of any person or persons in such shares) has:
 - (A) refused or indicated to the Board or the Company or any member of its group or any other company, partnership, body corporate or other entity in which the Company or any member of its group is interested that it will or is likely to or may refuse;
 - (B) revoked or cancelled or indicated to the Board or the Company or any member of its group or any other company, partnership, body corporate or other entity in which the Company or any member of its group is interested that it will or is likely to or may revoke or cancel;
 - (C) opposed or indicated to the Board or the Company or any member of its group or any other company, partnership, body corporate or other business in which the Company or any member of its group is interested that it will or is likely to or may oppose; or
 - (D) imposed any condition or limitation which may have a material adverse impact upon the operation of any betting or gaming activity or any activity ancillary or related thereto undertaken or to be undertaken by the Company or other entity in which the Company or any member of its group is interested, or upon the benefit of which the Company or any other member of its group derives or is likely to derive from the operation by any other member of its group or any other company, partnership, body corporate, or other entity in which the Company or any member of its group is interested in any betting or gaming activity or any activity ancillary or related thereto or indicated to the Company or any member of its group or any such other company, partnership, body corporate or other entity that it will or is likely to or may impose any such condition or limitation, in relation to,

the grant, renewal, or the continuance of any registration, licence, approval, finding of suitability, consent, or certificate required by any legislation regulating (or code of conduct or practice recognised or endorsed by the Gaming Regulatory Authority relevant to) the operation of any betting or gaming activity or any activity ancillary or related thereto undertaken or to be undertaken by the Company or any member of its group or any other company, partnership, body corporate or other entity in which the Company or any member of its group is interested, which is held by or has been applied for by the Company or any member of its group or other such person.

(f) Interpretation of provisions regarding Shareholder Regulatory Event

For the purpose of the provisions described above:

- (i) the Company may, in determining the reason for any action or potential action of a Gaming Regulatory Authority, have regard to any statements or comments made by any members, officers, employees or agents of the Gaming Regulatory Authority whether or not such statements or comments form part of or are reflected in any official determination issued by the Gaming Regulatory Authority, and may act notwithstanding any appeal in respect of the decision of any Gaming Regulatory Authority;

- (ii) a “Gaming Regulatory Authority” means any authority wherever located (whether a government department, independent body established by legislation, a government, self regulating organisation, court, tribunal, commission, board, committee or otherwise) vested with responsibility (with or without another or others) for the conduct of any betting or gaming activity or any activity ancillary, or related thereto (as defined below);
- (iii) the Board may exercise the powers of the Company under the provisions described above and any powers, rights or duties conferred by the provisions described above on the Company and exercisable by the Board may be exercised by a duly authorised committee of the Board or any person(s) to whom authority has been delegated by the Board or any such committee of the Board, as applicable;
- (iv) any resolution or determination of, or any decision or the exercise of any discretion or power under the provisions described above by the Company, the Board, a duly authorised committee of the Board or any person to whom authority has been delegated thereby shall be final and conclusive and binding on all concerned, and neither the Company, the Board, nor any person acting under the authority thereof shall be obliged to give any reason(s) therefor;
- (v) “interest” and “interested in” in relation to the Company’s shares shall be construed in accordance with sections 802-825 of the Companies Act; and
- (vi) “betting” or “gaming activity” or “any activity ancillary” or “related thereto” includes (but is not limited to) the provision of online services to customers in connection with such activity or activities and shall include the provision of financial services.

4.12 General meetings

The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Act. The Board may call general meetings whenever and at such times and places as it shall determine.

4.13 Directors

(a) Appointment of Directors

Unless otherwise determined by ordinary resolution, the number of Directors shall be not less than two but shall not be subject to any maximum in number. Directors may be appointed by ordinary resolution of shareholders or by the Board.

(b) No share qualification

A Director shall not be required to hold any shares in the capital of the Company by way of qualification.

(c) Retirement of Directors

At every annual general meeting held after the date of adoption of the Articles all the Directors shall retire from office.

(d) Remuneration of Directors

The emoluments of any Director holding executive office for his services as such shall be determined by the Board, and may be of any description.

The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other provision of the Articles) shall not exceed in aggregate £1,000,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such Director shall be paid a fee for that service (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board.

In addition to any remuneration to which the Directors are entitled under the Articles, they may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board, general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

The Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present Director or employee of the Company or any of its subsidiary

undertakings or any body corporate associated with, or any business acquired by, any of them, and for any member of his family or any person who is or was dependent on him.

(e) Permitted interests of Directors

Subject to the provisions of the Act, and provided that he has disclosed to the Board the nature and extent of any material interest of his (unless the circumstances referred to in section 177(5) or section 177(6) of the Act apply, in which case no such disclosure is required), a Director notwithstanding his office:

- (i) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (ii) may act by himself or for his firm in a professional capacity for the Company (otherwise than as auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- (iii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is (directly or indirectly) interested as a shareholder or otherwise or with which he has such relationship at the request or direction of the Company; and
- (iv) shall not, by reason of his office, be accountable to the Company for any remuneration or other benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate the acceptance, entry into or existence of which has been approved by the Board pursuant to Article 149 of the Company's Articles or which he is permitted to hold or enter into by virtue of paragraph (i), (ii) or (iii) above.

(f) Restrictions on voting

A Director shall not vote on any resolution of the Board or committee of the Board on any resolution concerning a matter in which he has an interest which can reasonably be regarded as likely to give rise to a conflict with the interests of the Company, unless his interest arises only because the resolution concerns one or more of the following matters:

- (i) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;
- (ii) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility (in whole or part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (iii) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (iv) a contract, arrangement, transaction or proposal concerning any other body corporate in which he or any person connected with him is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise, if he and any persons connected with him do not to his knowledge hold an interest (as that term is used in sections 820 to 825 of the Act) representing one per cent. or more of either any class of the equity share capital (excluding any shares of that class held as treasury shares) of such body corporate (or any other body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this provision to be likely to give rise to a conflict with the interests of the Company in all circumstances);
- (v) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award him any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and
- (vi) a contract, arrangement, transaction or proposal concerning any insurance which the Company is empowered to purchase or maintain for, or for the benefit of, any Directors or for persons who include Directors.

(g) Indemnity of officers

Subject to the provisions of the Act, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every Director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the assets of the Company against any liability incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, provided that this provision shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this provision, or any element of it, to be treated as void under the Act.

4.14 Borrowing powers

- (a) The Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- (b) The Board shall restrict the borrowings of the Company and shall exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to ensure (as regards subsidiary undertakings, to the extent possible by such exercise) that the aggregate principal amount outstanding in respect of Monies Borrowed by the Company together with any of its subsidiary undertakings (in this provision “Group” and any entity within that Group being a “Group Undertaking”) does not at any time, without the previous sanction of an ordinary resolution, exceed a sum equal to three times the Adjusted Capital and Reserves.
- (c) In this provision:
 - (i) “Adjusted Capital and Reserves” means a sum equal to the aggregate of:
 - (A) the amount paid up on the Company’s share capital; and
 - (B) the amount standing to the credit or debit of the Group’s consolidated reserves,all as shown in the consolidated balance sheet but after:
 - (C) making all adjustments which are in the opinion of the Board, necessary or appropriate to take account of a change in the amount paid up on the Company’s share capital or the amount standing to the credit or debit of the Group’s consolidated reserves arising out of the allotment of shares (for this purpose if a proposed allotment of shares has been underwritten, those shares shall be deemed to have been allotted and the amount, including any premium, of the subscription monies payable in respect of those shares by the date six months following allotment shall be deemed to have been paid up to the extent underwritten on the date on which the issue of those shares was underwritten or, if the underwriting was conditional, the date on which it became unconditional); and
 - (D) excluding (so far as not already excluded):
 - 1) amounts attributable to such issued equity capital of any subsidiary undertaking as is not attributable, directly or indirectly, to the Company;
 - 2) any sum set aside for taxation (other than deferred taxation);
 - (E) deducting (so far as not already deducted or provided for) the amount of a distribution declared, recommended or paid by a Group Undertaking to a person other than a Group Undertaking out of profits accrued up to and including the date of, but not provided for in, the consolidated balance sheet;
 - (ii) “Monies Borrowed” means all monies borrowed by Group Undertakings including:
 - (A) the nominal amount of and the amount of any premium paid in respect of any allotted share capital (not being equity share capital) of a Group Undertaking other than the Company not beneficially owned, directly or indirectly, by another Group Undertaking;
 - (B) any amount raised by acceptance under an acceptance credit facility (other than acceptances relating to the purchase of goods or services in the ordinary course of trading and outstanding for six months or less);

- (C) the nominal amount of any issued share capital and the principal amount of any monies borrowed the redemption or repayment of which is guaranteed or secured or the subject of an indemnity given by any Group Undertaking (except in so far as the benefit of any such guarantee, security or indemnity is held by any Group Undertaking);
 - (D) any amount raised under a note purchase facility;
 - (E) the amount of any liability in respect of a lease or hire purchase contract which would, in accordance with applicable accounting standards, be treated as a finance or capital lease;
 - (F) the amount of any liability in respect of a purchase price for assets or services the payment of which is deferred for a period of more than ninety days; and
 - (G) any amount raised under another transaction (including a forward sale or purchase agreement) having the commercial effect of a borrowing;
- but excluding:
- (H) borrowings by one Group Undertaking from another;
 - (I) borrowings for the purpose of, and applied within six months of being made in, repaying the whole or part of borrowings that constitute Monies Borrowed, pending their application for such purpose within such period;
 - (J) monies borrowed by a subsidiary undertaking in its capacity as a trustee of any pension fund of any Group Undertaking;
- and, in calculating Monies Borrowed, there shall be deducted:
- (K) an amount equal to the aggregate of:
 - 1) all cash in hand and cash deposits repayable on demand with any bank or financial institution (not itself a Group Undertaking); and
 - 2) investments which are readily convertible into known amounts of cash with notice of forty-eight hours or less,

in each case beneficially owned, directly or indirectly, by a Group Undertaking and whether denominated in sterling or in a currency other than sterling; and
 - (iii) references to a “consolidated balance sheet” or “consolidated profit and loss account” are references the Group’s latest published audited consolidated balance sheet and profit and loss account or, if the Company has no subsidiary undertakings, the Company’s latest published audited balance sheet and profit and loss account and, if the Company has any subsidiary undertakings that have accounts which are not consolidated with the Company’s accounts, the respective latest audited published balance sheets and profit and loss accounts of the Company (or, as applicable, the Group on a consolidated basis) and of such subsidiary undertakings.
- (d) To calculate the amount of Monies Borrowed on a particular day, monies denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent either:
- (i) at the rate of exchange specified in a forward purchase contract, currency option, back-to-back loan, swap or other arrangements taken out or entered into to reduce the risk associated with fluctuations in rates of exchange in respect of repayment of those monies (a “hedging agreement”); or
 - (ii) if those monies were borrowed on or before the date of the consolidated balance sheet and repayment of those monies has not been covered by a hedging agreement, at the more favourable to the Company of:
 - (A) the rate of exchange used for the conversion of that currency in the consolidated balance sheet; or
 - (B) the middle-market rate of exchange quoted by a clearing bank specified by the Board at the close of business in London on the working day immediately preceding the day on which the calculation is made; or

- (iii) if those monies were borrowed after the date of the consolidated balance sheet and repayment of those monies has not been covered by a hedging agreement, at the more favourable to the Company of:
 - (A) the middle-market rate of exchange quoted by a clearing bank specified by the Board at the close of business in London on the date of the consolidated balance sheet; or
 - (B) the middle-market rate of exchange quoted by a clearing bank specified by the Board at the close of business in London on the working day immediately preceding the day on which the calculation is made.
- (e) The Auditors' written confirmation for the purpose of this Article as to the amount of the Adjusted Capital and Reserves or the aggregate amount of Monies Borrowed shall be conclusive and binding on all concerned. The Board may act in reliance on a bona fide estimate of the amount of the Adjusted Capital and Reserves or the aggregate amount of Monies Borrowed without having requested or obtained such written confirmation from the Auditors. If in consequence the limit on Monies Borrowed set out in this Article is inadvertently exceeded, the amount of Monies Borrowed equal to the excess may be disregarded for ninety days after the date on which by reason of a determination of the Auditors or otherwise the Board became aware that this situation has or may have arisen.
- (f) No debt incurred or security given in respect of Monies Borrowed in excess of the limit imposed by this Article shall be invalid or ineffectual, except where express notice that the limit has been or will be exceeded has been given to the lender or recipient of the security at the time when the debt is incurred or security given. No lender or other person dealing with the Company shall be concerned to see or enquire whether such limit is observed.

5. Share Incentive Scheme

5.1 Share Option Scheme

On or around the time of Admission the Company intends to adopt the Share Option Scheme. The remuneration committee will supervise the operation of the Share Option Scheme.

The proposed main features of the Share Option Scheme are summarised below.

(a) Grant of Options

The remuneration committee may grant options over Ordinary Shares (each an "Option") to any employee of a member of the Group under the Share Option Scheme ("Participants").

Options granted with 42 days of Admission will have an exercise price per Ordinary Share which is the same as the Placing Price.

Following the 42-day period after Admission, any Options granted will have an exercise price per Ordinary Share of not less than the market price of each Ordinary Share on the business day immediately preceding the date of grant, except that, if the remuneration committee so determines, the average market price of the Ordinary Shares over a period of up to five business days before the date of grant may be used.

Options may be satisfied by the issue of Ordinary Shares or by the transfer of Ordinary Shares (whether from treasury or otherwise).

(b) Timing of grant of Options

Options may be granted: (a) within the 42-day period starting from (i) Admission, or (ii) the day after an announcement of interim or final results of the Company; or (b) at any other time in exceptional circumstances (but not during a close period).

No Options may be granted more than five years after Admission unless the Shareholders have approved an extension to the plan in a general meeting.

(c) Limits on the grant of Options

Options may be granted over no more than 5 per cent. of the issued ordinary share capital of the Company on or within the period of five years after the date of Admission.

Options may be granted over no more than 2 per cent. of the issued ordinary share capital of the Company on or within the period of 12 months from the date of Admission.

Options may be granted over no more than 1 per cent. of the issued ordinary share capital in any twelve month period after the one year anniversary of the date of Admission.

Options granted prior to Admission will not count towards the above limits, nor will Options satisfied by the transfer of Ordinary Shares from an employee trust established by the Company or from such other transferor as the Company shall decide.

The maximum value of Ordinary Shares subject to Options that may be granted to any Participant in the 12-month period starting with Admission (or the recruitment date, if later) is 200 per cent. of that Participant's base salary. After that, the maximum value of Ordinary Shares subject to Options that may be granted to any Participant is no more than 100 per cent. of that individual's base salary in any 12-month period.

(d) Conditions attaching to Options

On the date that each Option is granted: (a) the remuneration committee will determine the date or dates on which each Option vests, and therefore may be exercised; and (b) whether such Option is subject to corporate, individual or other conditions.

It is currently intended that the Options granted in the 42-day period following Admission will vest and become exercisable on a time-contingent basis as follows:

- (i) 20 per cent. of the Ordinary Shares subject to the Option on the first anniversary of the date of grant;
- (ii) a further 30 per cent. of the Ordinary Shares subject to the Option on the second anniversary of the date of grant; and
- (iii) the remaining 50 per cent. of the Ordinary Shares subject to the Option on the third anniversary of the date of grant.

These Options will expire five years after their date of grant. There are no performance conditions attached to these Options.

(e) Vesting of Options

When an Option vests it shall be exercisable by the Participant to the extent that it has vested, until the expiry of the fifth anniversary of the date of grant of the Option after which date it will lapse.

If an Option does not vest in accordance with the rules of the Share Option Scheme, it shall lapse.

An Option shall also lapse if a Participant attempts to sell, transfer, or otherwise assign an Option, or if a Participant is declared bankrupt.

(f) Leavers

If a Participant is dismissed for gross misconduct, his Options will lapse in full immediately.

If a Participant leaves for any other reason, any Options will be exercisable, to the extent that they had already vested at cessation, within a period of three months after cessation and the remaining unvested part of the Options will lapse.

If a Participant dies, his Options will, provided that any performance conditions have been met, vest in full and be exercisable by his personal representatives within 12 months.

(g) Corporate events

If there is expected to be a change in control of the Company, other than as part of an internal reorganisation, all Options will become exercisable in full immediately for a limited period specified by the Company prior to such change of control.

(h) Adjustments of Options

If there is any variation in the share capital of the Company, the number of shares under Option and the exercise price will be adjusted by the Board in a fair and reasonable manner, with the intention of putting Participants in an equivalent position as if the event had not occurred.

(i) Amendments to the Share Option Scheme

The Board may (acting on the advice of the Remuneration Committee) amend the Share Option Scheme at any time except that:

- (i) no amendment may be made in favour of potential or existing Participants without approval by Shareholders in a general meeting, except for minor administrative amendments or amendments intended to take into account a change in tax or other law or a relevant regulations; and
- (ii) no amendment to the terms of an existing Option may be made to the detriment of a Participant without his agreement.

(j) Awards not pensionable

No Options or benefits under the Share Option Scheme are pensionable.

6. Directors' and other interests

6.1 Immediately following Admission, the Directors will hold, in aggregate, 12,918,161 Ordinary Shares representing approximately 23.3 per cent. of the Enlarged Ordinary Share Capital.

6.2 The interests of each Director, including the interests of their spouse, civil partner, any infant child and any other person whose interests in shares the Director is taken to be interested in pursuant to Part 22 of the Act, all of which, unless otherwise stated, are beneficial, in the issued share capital of the Company and the existence of which is known to, or could with reasonable diligence be ascertained by, the Director, (a) as at the date of this document and (b) as they are expected to be immediately following Admission, are as follows:

Name	Ordinary Shares held at date of this document	Percentage of Existing Ordinary Share Capital	Ordinary Shares held following Admission	Percentage of Enlarged Ordinary Share Capital
Dermot S Smurfit	7,367,350	16.6	7,367,350	13.3
David O'Reilly	2,933,600	6.6	2,263,812	4.1
Roger Kendrick	1,885,250 ⁽¹⁾	4.3	1,885,250 ⁽¹⁾	3.4
Michael Smurfit Jr.	1,179,675	2.7	1,068,564	1.9
Desmond Glass	450,250	1.0	333,185	0.6

(1) Roger Kendrick's holding includes 2.2% of the Existing Ordinary Share Capital (1.75% of the Enlarged Ordinary Share Capital) registered in the name of Britania Limited, a company controlled by Roger Kendrick and in which he is beneficially interested in 80 per cent. of Britania Limited's holding of Ordinary Shares of the Company.

6.3 As at the date of this document, options to subscribe for shares in the capital of the Company are held by Directors as follows (where all dates are expressed in the format "day.month.year"):

Director	No. of shares under option	Exercise price per share	Vesting schedule/conditions	Grant date
Dermot S Smurfit	950,000	£0.22	100% vested on 26.03.2013	26.03.2013
David O'Reilly	75,000	£0.60	1/3 on 1.8.2014 1/3 on 1.8.2015 1/3 on 1.8.2016	1.8.2013
Michael Smurfit	50,000	£0.60	1/3 on 1.8.2014 1/3 on 1.8.2015 1/3 on 1.8.2016	1.8.2013
Roger Kendrick	50,000	£0.60	1/3 on 1.8.2014 1/3 on 1.8.2015 1/3 on 1.8.2016	1.8.2013
Desmond Glass	150,000	£0.60	50% on 1.8.2014 50% on 1.8.2015	1.8.2013

These Options were all granted under individual option agreements.

6.4 Save as disclosed in paragraph 5.1, no share or loan capital of the Company is under option or immediately following Admission is or will be agreed conditionally or unconditionally to be put under option and no convertible or exchangeable securities of the Company are or will be in issue.

6.5 Charges over shares

The Ordinary Shares held, or part thereof, by David O'Reilly and Britania Limited (an entity controlled by Roger Kendrick) (each a "Chargor") are secured by way of separate fixed and/or floating charge(s) in favour of certain third party financial institutions (each a "Chargee"). Each Chargee may exercise certain rights under the effective charge documentation to effect a sale of the Ordinary Shares secured by way of charge(s) without the consent of the Chargor, and the Chargee is under no obligation by way of separate agreement to abide by any orderly market restrictions which have been agreed to by each Chargee.

7. Significant Shareholders

7.1 The Disclosure and Transparency Rules require that, where a person acquires or disposes of shares (or other financial instruments) carrying voting rights, and that acquisition or disposal results in the proportion of voting rights held by that person exceeding or falling below three per cent. (or any whole figure above three per cent.), to disclose that interest to the Company. Save as set out below, the Company is not aware of any person who, at the date of this document and immediately following Admission, holds directly or indirectly three per cent. or more of the Company's voting rights:

<u>Shareholder</u>	<u>Ordinary Shares held at date of this document</u>	<u>Percentage of Existing Ordinary Share Capital</u>	<u>Ordinary Shares held following Admission</u>	<u>Percentage of Enlarged Ordinary Share Capital</u>
Dermot S Smurfit	7,367,350	16.6	7,367,350	13.3
Andrew Black	6,221,600	14.1	5,480,860	9.9
Sir Michael Smurfit Sr.	6,843,825	15.5	5,281,270	9.5
Tony Smurfit	5,076,175	11.5	4,705,805	8.5
Odey Asset Management	—	—	3,333,333	6.0
Artemis Funds	—	—	3,096,296	5.6
Blackrock International Ltd.	—	—	2,581,852	4.7
David O'Reilly	2,933,600	6.6	2,263,812	4.1
Roger Kendrick	1,885,250 ⁽¹⁾	4.3	1,885,250 ⁽¹⁾	3.4
Ennismore Fund Managers	—	—	1,851,851	3.3
David McDowell	1,775,100	4.0	1,369,816	2.5
Kevin O'Neal	1,750,100	4.0	1,350,524	2.4
IIU Nominees Limited	1,573,000	3.6	1,213,859	2.2

(1) Roger Kendrick's holding includes 2.2% of the Existing Ordinary Share Capital (1.75% of the Enlarged Ordinary Share Capital) registered in the name of Britania Limited, a company controlled by Roger Kendrick and in which he is beneficially interested in 80 per cent. of Britania Limited's holding of Ordinary Shares of the Company.

None of the Company's significant shareholders listed above has voting rights which are different from the voting rights of other holders of Ordinary Shares.

7.2 The Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises at the date of this document, or could immediately following Admission exercise, control over the Company.

7.3 There are no outstanding loans or guarantees which have been granted or provided to or for the benefit of any Director by the Company or any of its subsidiaries.

8. Directors' service agreements and letters of appointment

8.1 Details of service agreements

- (a) Dermot S Smurfit has entered into a service agreement with the Company dated 19 November 2013 to act as chief executive officer which continues until terminated on nine months' written notice by either party. The agreement provides for an annual salary of £250,000, a discretionary annual bonus up to 100% of annual salary, and participation in the Share Option Scheme. The agreement contains provisions on confidentiality, non-compete, non-solicit, non-deal, non-poach and intellectual property.
- (b) Desmond Glass has entered into a service agreement with the Company dated 19 November 2013 to act as chief financial officer which continues until terminated on six months' written notice by either party. The agreement provides for an annual salary of £150,000, a discretionary annual bonus up to 100% of annual salary, and participation in the Share Option Scheme. The agreement contains provisions on confidentiality, non-compete, non-solicit, non-deal, non-poach and intellectual property.
- (c) David O'Reilly has been appointed as non-executive chairman under a letter of appointment with the Company dated 19 November 2013. The appointment is terminable on three month's notice by either party. David O'Reilly receives a fee of £50,000.
- (d) Roger Kendrick has been appointed as a non-executive director under a letter of appointment with the Company dated 19 November 2013. The appointment is terminable on three month's notice by either party. Roger Kendrick receives a fee of £30,000.
- (e) Michael Smurfit Jr. has been appointed as a non-executive director under a letter of appointment with the Company dated 13 November 2013. The appointment is terminable on three month's notice by either party. Michael Smurfit Jr. receives a fee of £30,000.

8.2 Save as set out in paragraph 8.1 above, there are no existing or proposed service agreements between any of the Directors and the Company or any of its subsidiaries.

8.3 During the 2013 financial year, Dermot S Smurfit and Des Glass were each awarded a discretionary bonus by the Company of £140,000 and £60,000, respectively, in recognition of the successful completion of a material contract.

8.4 Subject to admission of the Enlarged Ordinary Share Capital to trading on AIM and ESM becoming effective in accordance with the AIM Rules and the ESM Rules, the remuneration committee may, at its sole discretion, award each of the Executive Directors a bonus of up to £110,000 each on terms it sees fit, subject to the financial performance of the Company.

8.5 In addition to being a director of the Company, the Directors have held or hold the following directorships (excluding subsidiaries of any company of which he or she is also a director) and/or have been/are a partner in the following partnerships within the five years immediately prior to the date of this document:

<u>Director</u>	<u>Current Directorships</u>	<u>Former Directorships</u>
David O'Reilly	St. Gerard's School Trust First Step Limited Sotor Technology Partners Limited	Black's Art Auctions Limited Covert Cyber Systems Limited Par Asset Management LLP
Dermot S Smurfit	Powerflute Oyj	
Desmond Glass	Jagland Developments Limited	
Roger Kendrick	Dramgate Limited Britania Limited Scourmat Limited Seabed Scour Control Systems Limited Amav Industries Limited Rockpool Investments LLP	Infrared Integrated Systems Limited Irisys Trustees Limited

<u>Director</u>	<u>Current Directorships</u>	<u>Former Directorships</u>
Michael Smurfit Jr.	SF Investments Escher Group Holdings Plc The Kildare Hotel & Country Club Limited The K Club Limited Famstan Limited Ladycastle Management Company Limited Dalefun Limited The Straffan Courtyard Management Company Limited Bishopscourt Investments Limited Rinmore Limited Lumeta Holding Co. Carsmetics Inc.	European Open Golf Championship Limited Pony Cabs Limited Irish Youth Foundation Pony Express Limited Ryder Cup Village Limited AEP Networks Limited

8.6 Roger Kendrick was appointed as a director of the following companies which were subsequently dissolved:

<u>Company Name</u>	<u>Date appointed Director</u>	<u>Date of Dissolution</u>
Lew-Ways Limited	30-Mar-00	13-May-08
Sussman Limited	27-Mar-96	23-Nov-05
LS & J Sussman Limited	03-Apr-96	24-Nov-05
Sussman Property Limited	03-Apr-96	24-Nov-05
Patchbonus Limited	11-Jun-98	20-Sep-06
Hedstrom (UK) Limited	04-Sep-00	03-Apr-06

8.7 Save as set out in this document, no Director has:

- (a) any unspent convictions in relation to indictable offences;
- (b) ever had any bankruptcy order made against him or entered into any individual voluntary arrangement with his creditors;
- (c) ever been a director of a company which, while he was a director or within twelve months after he ceased to be a director, has been placed in receivership, creditors' voluntary liquidation or administration or been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or with any class of its creditors;
- (d) ever been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, has been placed in compulsory liquidation or administration or been the subject of a partnership voluntary arrangement or has had a receiver appointed to any partnership asset;
- (e) received any public criticism and/or sanction by any statutory or regulatory authority (including recognised professional bodies); or
- (f) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

9. Employees

As at 25 November 2013, GameAccount Network employed 70 employees, of which 45 employees work in the Development and Technology team. Details of the number of employees over the last four financial periods by activity and geography is set out below:

By activity	Number of Employees At Period End			
	At 31 December 2010	At 31 December 2011	At 31 December 2012	At 31 October 2013
B2C	5	5	5	6
B2B	33	43	48	64
	<u>38</u>	<u>48</u>	<u>53</u>	<u>70</u>

By geography	Number of Employees At Period End			
	At 31 December 2010	At 31 December 2011	At 31 December 2012	At 31 October 2013
UK	38	48	53	67
USA	—	—	—	3
	<u>38</u>	<u>48</u>	<u>53</u>	<u>70</u>

10. Taxation

10.1 UK Taxation

The following statements are based on current UK law and the published practice of HM Revenue & Customs, which is subject to change at any time (possibly with retrospective effect). The information is given by way of general summary only and does not purport to be a comprehensive analysis of the tax consequences applicable to Shareholders and may not apply to certain classes of Shareholders, such as dealers in securities, or to Shareholders who are not absolute beneficial owners of their shares. In addition, except where the position of non-UK residents is expressly referred to, the following statements relate solely to Shareholders who are either resident, or in the case of individuals, ordinarily resident in the United Kingdom for tax purposes.

Any Shareholder who is in doubt as to his or her tax position or who is or may be subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate professional adviser without delay.

10.2 Taxation of dividends (UK)

- Under current UK legislation, no tax is withheld from dividend payments by the Company.
- A UK resident individual Shareholder will be entitled to a tax credit in respect of any dividend received from the Company and will be taxed on the aggregate of the dividend and the tax credit (the “gross dividend”). The value of the tax credit is one ninth of the dividend received (or ten per cent. of the gross dividend). The gross dividend will be treated as the top slice of the individual’s income.
- In the case of a UK resident individual who is liable to income tax at the starting and basic rates only, there will be no further tax to pay on the dividend received. A UK resident individual who is liable to income tax at the higher or additional rate will be subject to income tax on the gross dividend at 32.5 per cent. and 37.5 per cent. respectively, but will be able to set the tax credit off against part of this liability. As a result, such a Shareholder will be liable to pay further income tax equal to 22.5 per cent. or 27.5 per cent. of the gross dividend. A UK resident Shareholder who is not liable to income tax on the dividend (or part of it) is not able to claim payment of the tax credit in cash from HM Revenue & Customs.
- UK resident corporate Shareholders (including authorised unit trusts and open ended investment companies) and pension funds will not normally be liable to UK taxation on any dividend received and are not entitled to payment in cash of the related tax credit.
- Whether a Shareholder who is not resident in the UK for tax purposes is entitled to a tax credit in respect of dividends paid by the Company and to claim payment of any part of the tax credit will

depend in general on the provisions of any double taxation convention which exists between the Shareholder's country of residence and the UK. A non-UK tax resident Shareholder may also be subject to foreign taxation on dividend income. Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions or what relief or credit may be claimed and what tax may be payable in respect of a dividend received from the Company in the jurisdiction in which they are resident.

10.3 UK Capital Gains

- (a) Shareholders who are resident or ordinarily resident for tax purposes in the United Kingdom may be liable to UK taxation on chargeable gains on a disposal of Shares, depending upon their individual circumstances and subject to any available exemption or relief.
- (b) A Shareholder who is not resident or ordinarily resident for tax purposes in the United Kingdom will not be liable to UK taxation on chargeable gains unless the Shareholder carries on a trade, profession or vocation in the UK through a branch or agency (in the case of an individual Shareholder) or through a permanent establishment (in the case of a corporate Shareholder) in the United Kingdom and the Shares disposed of are, or have been, used, held or acquired for the purposes of such trade, profession or vocation or for the purposes of such branch, agency or permanent establishment. Such Shareholders may also be subject to tax under any law to which they are subject outside the United Kingdom.
- (c) A Shareholder who is an individual who has ceased to be resident or ordinarily resident for tax purposes for a period of less than five years of assessment and who disposes of Shares during that period may also be liable, on his or her return to the United Kingdom, to UK taxation on chargeable gains on that disposal.

10.4 UK Inheritance Tax

Shares are assets situated in the United Kingdom for the purposes of UK inheritance tax. A gift of Shares by, or the death of, an individual Shareholder may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax even if the Shareholder is neither domiciled nor deemed to be domiciled in the United Kingdom.

10.5 UK Stamp Duty and Stamp Duty Reserve Tax

- (a) The following comments are intended as a guide to the general UK stamp duty and stamp duty reserve tax (SDRT) position and do not apply to persons such as market makers, brokers, dealers or intermediaries.
- (b) No stamp duty or SDRT will be payable on the issue of Shares. Special rules may apply in certain circumstances where shares are transferred to a person who issues depositary receipts or provides clearance services in respect of the Shares or to a nominee or agent of such person, in which case SDRT may be payable at a higher rate. The Company will not be responsible for the payment of SDRT in any such case.
- (c) Where Shares are held in certificated form, no stamp duty or SDRT will arise on a transfer of such Shares into CREST unless such transfer is made for a consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5 per cent.) will arise. Paperless transfers of Shares within CREST will be liable to SDRT rather than stamp duty at the rate of 0.5 per cent..
- (d) Any transfer of, or agreement to transfer, Shares outside CREST made for a consideration in money or money's worth will give rise to a liability on the purchaser to stamp duty or SDRT, in the case of stamp duty usually at the rate of 0.5 per cent. of the consideration paid (and rounded up to the next £5) and, in the case of SDRT, normally at the rate of 0.5 per cent. of the consideration paid.

10.6 Irish Taxation

- (a) The following is a general summary of the main Irish tax considerations applicable to certain Shareholders who are the owners of Ordinary Shares. It is based on existing Irish law and GameAccount Network and its adviser's understanding of the practices of the Irish Revenue Commissioners on the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below.
- (b) The statements do not constitute tax advice and are intended only as a general guide. Furthermore, this information applies only to Ordinary Shares that are held as capital assets and does not apply to

all categories of shareholders, such as dealers in securities, trustees, insurance companies, collective investment schemes or shareholders who have, or who are deemed to have, acquired their shares by virtue of an office or employment. This summary is not exhaustive and Shareholders should consult their own tax advisors as to the tax consequences in Ireland, or other relevant jurisdictions of this offering, including the acquisition, ownership and disposition of our shares.

10.7 Irish Capital Gains Tax (“CGT”)

- (a) The Ordinary Shares constitute chargeable assets for CGT purposes and, accordingly, Shareholders who are resident and/or ordinarily resident in Ireland may be liable to CGT on capital gains arising from a disposal of Ordinary Shares. A charge to CGT may also apply in respect of remittances of any gains, depending on the Shareholders’ personal circumstances. The CGT rate is currently 33 per cent. An Irish resident individual, who is a Shareholder who ceases to be an Irish resident for a period of less than five years and who disposes of Ordinary Shares during that period, may in certain circumstances be liable, on a return to Ireland, to CGT on any gain realised.
- (b) A Shareholder which is an Irish tax resident company may qualify for the participation exemption from CGT if certain conditions are satisfied.

10.8 Taxation of Dividends (Ireland)

Irish resident and/or ordinary resident Shareholders who are individuals may be subject to Irish Income tax (under Schedule D Case III principles), PRSI and the Universal Social Charge (“USC”), depending on their circumstances, on the net dividend received/remitted. A Shareholder which is an Irish tax resident company may be subject to Irish corporation tax, at a rate of 12.5% or 25% depending on the nature of its business, on dividends received from the Company. A Shareholder which is an Irish tax resident close company, as defined under Irish legislation, may be subject to a corporation tax surcharge on such dividend income to the extent that it is not distributed within the appropriate time frame. Certain Shareholders such as Irish approved pension funds or Irish approved charities may be exempt from Irish corporation tax on dividends received from the Company.

10.9 Irish Capital Acquisitions Tax (“CAT”)

CAT covers both gift tax and inheritance tax. Notwithstanding that the Ordinary Shares should not be considered to be Irish situate property, CAT may be chargeable on an inheritance or a gift of Ordinary Shares where the disposer is Irish resident and/or ordinarily resident in Ireland at the date of the disposition under which the donee/successor takes the benefit and/or the donee/successor is resident or ordinarily resident in Ireland at the date of the benefit. The current rate of CAT is 33 per cent.. Shareholders should consult their tax advisors with respect to the CAT implications of any proposed gift or inheritance of Shares.

10.10 Irish Stamp Duty (“Stamp Duty”)

Notwithstanding that the Ordinary Shares should not be considered to be Irish situate property, transfers or sales of Ordinary Shares may be subject to ad valorem Stamp Duty if the transfer/sale is executed within Ireland or the transfer/sale relates to any matter or thing to be done in Ireland. Where the transfer takes place electronically through the CREST system a Stamp Duty charge also arises Stamp Duty is generally payable by the purchaser. The rate of Stamp Duty on shares is currently 1 per cent. of the greater of the market value of, or consideration paid for, the shares. An exemption applies where the consideration for a particular transfer of stocks or marketable securities is €1,000 or less and the transfer does not form part of a larger transaction or of a series of transactions in respect of which the amount or value, or the aggregate amount or value, of the consideration which is attributable to stocks or marketable securities exceeds €1,000.

11 Material Contracts

11.1 Set out below is a summary of contracts (other than contracts entered into in the ordinary course of business) entered into by any member of GameAccount Network

- (a) within the two years preceding the date of this document and which are or may be material to GameAccount Network; or
- (b) which contain any provision under which any member of GameAccount Network has any obligation or entitlement which is material to GameAccount Network as at the date of this document.

11.2 Placing Agreement

- (a) The Placing Agreement is dated 20 November 2013 and made between the Company, Davy and the Directors, pursuant to which Davy has agreed to act as agent for the Company to use its reasonable endeavours to procure Placees to subscribe for the New Shares at the Placing Price. The Placing Agreement is conditional, inter alia, on Admission taking place not later than 8.00 a.m. on 25 November 2013 (or such later date as Davy and the Company may agree, but in any event no later than 3.00 p.m. on 10 December 2013).
- (b) Under the Placing Agreement:
 - (i) the Company has agreed to pay Davy a corporate advisory fee of €150,000 together with a commission of 4 per cent. of the aggregate value of the New Shares at the Placing Price, plus any applicable Value Added Tax;
 - (ii) the Company has agreed to pay all other reasonable costs and expenses of the Placing and related arrangements together with VAT on such costs;
 - (iii) the Company and its Directors have given certain representations and warranties to Davy as to the accuracy of the information in this document and as to other matters relating to GameAccount Network and its business and an indemnity to Davy in respect of certain liabilities arising out of or in connection with the Placing; and
 - (iv) the Placing Agreement may be terminated by Davy if certain circumstances occur prior to Admission including a material breach of the representations and warranties referred to above.

11.3 Secondary Placing Agreement

- (a) The Secondary Placing Agreement is dated 20 November 2013 and made between the Company, Davy and the Selling Shareholders, pursuant to which Davy has agreed to act as agent for the Selling Shareholders to use its reasonable endeavours to procure Placees to purchase the Sale Shares at the Placing Price. The Secondary Placing Agreement is conditional, inter alia, on Admission taking place not later than 8.00 a.m. on 10 December 2013 (or such later date as Davy and the Company may agree, but in any event no later than 3.00 p.m. on 29 November 2013).
- (b) Save as set out below, under the terms of the Secondary Placing Agreement, the Selling Shareholders have each undertaken to Davy that they shall not, except in certain specified circumstances, sell, transfer, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Ordinary Shares held by them at the date of Admission prior to the Lock-Up Date.
- (c) In order to maintain an orderly market in the Ordinary Shares, each Selling Shareholder has also undertaken to Davy that he shall not (save in certain specified circumstances), for a period of 12 months following the Lock-Up Date effect any disposal of Ordinary Shares other than through Davy in such manner as Davy shall reasonably require with a view to the maintenance of an orderly market in the Ordinary Shares.
- (d) In the event Davy does not procure any Placees for any of the Ordinary Shares held by the relevant Selling Shareholder then that Selling Shareholder shall not be bound by the lock-up arrangement set out in the Secondary Placing Agreement and shall therefore be free to transfer his Ordinary Shares in the ordinary course.

11.4 Director's and Significant Shareholders' Lock-up Agreement

- (a) The Director's and Significant Shareholders have each undertaken to Davy that they shall not, except in certain specified circumstances, sell, transfer, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Ordinary Shares held by them at the date of Admission prior to the Lock-Up Date. In order to maintain an orderly market in the Ordinary Shares, each Director and Significant Shareholder has also undertaken to Davy that he shall not (save in certain specified circumstances), for a period of 12 months following the Lock-Up Date effect any disposal of Ordinary Shares other than through Davy in such manner as Davy shall reasonably require with a view to the maintenance of an orderly market in the Ordinary Shares.

11.5 Nominated adviser, ESM adviser and Broker Agreement

The Company has entered into a nominated adviser, ESM adviser and broker agreement dated 20 November 2013 with Davy pursuant to which the Company has appointed Davy to act as nominated

adviser, ESM adviser and broker to the Company commencing on Admission. The Company has agreed to pay to Davy a fee of £35,000 per annum (plus applicable VAT). The appointment of Davy as nominated adviser, ESM adviser and broker shall continue unless and until terminated by either party on two months' notice. Davy has reserved the right to terminate the agreement forthwith in certain circumstances. Under the agreement, the Company has given certain customary indemnities to Davy in connection with its engagement as the Company's nominated adviser, ESM adviser and broker. The agreement is governed by English law.

11.6 Registrar Agreement

- (a) The Company and the Registrar have entered into a Registrar Agreement relating to the Ordinary Shares dated 20 November 2013 (the "Registrar Agreement"), pursuant to which the Registrar has agreed to act as registrar to the Company and to provide certain other administrative services to the Company in relation to its business and affairs with respect to the Ordinary Shares.
- (b) The Registrar is entitled to receive an annual fee for the provision of its services under the Registrar Agreement. The annual fee shall be calculated on the basis of the number of holders of shares in the Company and the number of transfers of such shares.
- (c) The Registrar Agreement shall continue for an initial period of three years and thereafter shall continue, unless and until terminated by either party, by giving not less than six months' written notice. In addition, the agreement may be terminated immediately if either party commits a material breach of the agreement which has not been remedied within 45 days of a notice requesting the same, or with immediate effect upon an insolvency event in respect of either party.
- (d) Under the agreement, the Company has given certain customary indemnities to the Registrar in connection with its engagement as the Company's Registrar. The agreement is governed by English law.

11.7 Aristocrat—acquisition of platform and related agreements

- (a) In November 2012, GameAccount Network entered into an acquisition platform agreement ("APA") with Aristocrat pursuant to which GameAccount Network assigned a modified instance of the Internet Gaming System to Aristocrat in consideration for payment by Aristocrat on an instalment basis, accompanied by a payment in respect of a licence for the Internet Gaming System.
- (b) The APA was accompanied by a separate agreement between the parties for the provision by GameAccount Network of certain transitional services ("TSA"). Payment by Aristocrat under the TSA was by way of an initial payment and monthly fees in respect of services provided by GameAccount Network.
- (c) The term of the APA was variable depending on the completion of a condition precedent relating to the successful delivery and testing of an instance of the Internet Gaming System to Aristocrat which condition precedent has been satisfied. The term of the TSA is 21 months. Further, the terms of the APA and the TSA are connected such that should either of them be terminated, the other is also automatically terminated.
- (d) The agreement, which is subject to English law, contains certain warranties and representations by GameAccount Network, including liability provisions and repayment obligations on the part of GameAccount Network in the event of termination of the APA or in other limited circumstances.

11.8 Betfair—Internet Gaming System and gaming content supply agreement

- (a) GameAccount Network has entered an agreement under which it supplies the Internet Gaming System and skill/casino-based gaming products to Betfair as part of Betfair's service offering of online gaming services which Betfair wishes to provide to land-based casino operators licensed in the state of New Jersey, US.
- (b) The agreement has an initial term of five years (from July 2013) and may be terminated at the end of the initial term by either party giving one year's notice prior to the expiry of the initial term. If the agreement is not terminated at the end of the initial term it will continue automatically unless terminated by Betfair at its convenience, with three month's notice. The agreement is governed by the laws of the state of New Jersey, US.
- (c) The parties have agreed a payment structure which entitles GameAccount Network to a series of up-front payments, as well as an exclusivity arrangement which may be extended in subsequent years

of the agreement. The payment terms also include an ongoing revenue sharing arrangement whereby GameAccount Network is paid a percentage of revenue generated by online games.

- (d) Betfair may terminate its agreement with GameAccount Network in the event Betfair's agreement with Trump Plaza Associates LLC (being the land-based casino operator to whom Betfair intends to provide online gaming services for end-users located in New Jersey) is terminated.
- (e) The parties to this agreement have given each other a mutual indemnity in respect of third party claims, and GameAccount Network has given Betfair an indemnity in respect of any breach of warranty or third party intellectual property right.
- (f) GameAccount Network may be liable for an equal share of any penalty imposed by Trump on Betfair if such penalty arises through the principal fault, inability or failure of GameAccount Network to deliver under the agreement with Betfair.

11.9 Contracts with Italian Licensees

- (a) GameAccount Network has a number of agreements in place with Licensees for the provision of online gaming services including skill-based and casino table games in Italy.
- (b) The provisions relating to the respective terms of these agreements range from two to five years, with a right to terminate for convenience on 180 days notice.
- (c) The top three agreements with Italian Licensees (namely, Lottomatica, Sisal MatchPoint and SNAI) are governed by Italian law and contain provisions which grant the Licensee the right to terminate the agreement in the event that the agreed level of service provided by GameAccount Network falls below defined acceptable levels.
- (d) The payment terms of these three agreements include a monthly payment by the Licensee in relation to bandwidth and hosting charges, and payment in respect of a percentage of revenues generated by online games.

11.10 Memoranda of Understanding for the provision of the Internet Gaming System to Konami

GameAccount Network has entered into two legally binding Memoranda of Understanding with Konami detailing the shared commercial objectives of Konami and GameAccount Network, whereby Konami wishes to provide an internet gaming system to land-based casino operators who have adopted their casino management system and GameAccount Network wishes to provide its proprietary Internet Gaming System to Konami through the integration of GameAccount Network's Internet Gaming System with Konami's casino management system. GameAccount Network also is to seek to develop certain gaming content for Konami.

11.11 Foxwoods Casino Resort—B2C and B2B arrangements

- (a) GameAccount Network has entered into a formal agreement with Mashantucket Pequot Gaming Enterprise (a US federally recognised Indian Tribe) ("Foxwoods") for the provision of GameAccount Network's online gaming content to MPGE, via www.foxwoods.com.
- (b) Specifically, Foxwoods has engaged GameAccount Network to provide a B2C simulated gaming experience on www.foxwoods.com in advance of the anticipated regulation of real-money online gaming in Connecticut.
- (c) This agreement was signed in August 2013, and continues for a term of three years.
- (d) The agreement provides for the parties to pursue commercial terms for an agreement in relation to B2B services.

12. Related Party Transactions

Save as set out in the financial information in paragraph 22 of Section B of Part 5 of this Document, as far as the Directors are aware there has not been, nor are there currently in place any agreements or other arrangements between the Company and individuals or entities that may be deemed to be related parties during the financial periods ended 31 December 2010, 31 December 2011, 31 December 2012 and 31 October 2013 and the period 1 November 2013 to 19 November 2013 (being the latest practicable date prior to the publication of this document).

13. Working Capital

The Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Group will be sufficient for its present requirements, that is, for at least 12 months from Admission.

14. Significant Change

Save as disclosed in paragraph 10 of Part 1 and paragraph 25 of Section B of Part 5 of this document, there has been no significant change in the financial or trading position of GameAccount Network since 31 October 2013, being the date to which the financial information included in Section B of Part 5 of this document was prepared.

15. Litigation

No member of GameAccount Network is or has been engaged in any governmental, legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this document, a significant effect on GameAccount Network's financial position or profitability, and the Directors are not aware of any such proceedings which are pending or threatened by or against GameAccount Network.

16. General

16.1 Expenses

The total costs and expenses of, and incidental to, the Placing and Admission are estimated to amount to £1.83 million (excluding VAT) and are payable by the Company.

16.2 Nature of financial information

The financial information in this document relating to GameAccount Network does not comprise statutory accounts within the meaning of section 434(3) of the Act. Statutory accounts for the Company for the periods from 1 October 2009 to the year ended 31 December 2012 have been delivered to the Registrar of Companies in England and Wales. The statutory accounts of the Company for the periods ended 31 December 2010, 31 December 2011 and 31 December 2012 were audited by Baker Tilly UK Audit LLP who gave reports pursuant to section 495 of the Act in respect of these accounts and each such report was an unqualified report and did not contain a statement under section 498 (2) or (3) of the Act.

Baker Tilly UK Audit LLP resigned as auditors of the Company in October 2013, and were replaced by BDO LLP as the Company's auditors (in addition to their appointment as Reporting Accountant for the purposes of this document).

16.3 Consents

- (a) Davy has given and has not withdrawn its written consent to the issue of this document with the inclusion in this document of its name in the form and context in which it appears.
- (b) BDO LLP, as the reporting accountant, has given and has not withdrawn its written consent to the inclusion of its report in section A of Part 5 of this document in the form and context in which it is included.

16.4 Benefits received from the Company

- (a) The Company has received invoices from Roger Kendrick for additional services rendered in 2012 and in relation to regulatory disclosure requirements in the US to the aggregate value of £25,467.50. These invoices are currently unpaid.
- (b) Save as disclosed in paragraph (a) above, no person (excluding professional advisers named in this document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding the application for Admission; or entered into any contractual arrangement to receive, directly or indirectly, from the Company on or after Admission, any fees totalling £10,000 or €14,000 or more or securities in the Company with a value of £10,000 or €14,000 or more (calculated by reference to the Placing Price) or any other benefit to a value of £10,000 or €14,000 or more at the date of Admission.

16.5 Miscellaneous

- (a) The Ordinary Shares being placed pursuant to the Placing have a nominal value of £0.01 each and will be issued at a premium of 134p per share. The rights attaching to the new and existing Ordinary Shares will be uniform in all respects and they will form a single class for all purposes.
- (b) Directors' and Officers' liability insurance and Directors' and Officers' Prospectus liability insurance has been effected by the Company in respect of each of the Directors for an aggregate sum assured of £10 million.
- (c) There have not been any interruptions to the business of GameAccount Network which may have, or have had, a significant effect on the Company's financial position in the last 12 months.
- (d) The Directors are not aware of any arrangement under which future dividends are waived or agreed to be waived.
- (e) The ISIN number for the Ordinary Shares is GB00BGCC6189.
- (f) GameAccount Network's statutory accounts for the periods ended 31 December 2010, 31 December 2011 and 31 December 2012 were audited by Baker Tilly Audit UK LLP of 25 Farringdon Street, London EC4A 4AB, a member firm of the Institute of Chartered Accountants in England and Wales.
- (g) There are no investments to be made by the Company or any other member of GameAccount Network in the future in respect of which firm commitments have been made.

17. Availability of documents

Copies of this document will be available, free of charge to the public, at the registered office of the Company's solicitors, Addleshaw Goddard LLP of Milton Gate, 60 Chiswell Street, London EC1Y 4AG during normal business hours and at the offices of Capita Asset Services, Shareholder Solutions, 2 Grand Canal Square, Dublin 2, Republic of Ireland on any weekday (Saturdays, Sundays and public holidays excepted) until the date falling one month after the date of Admission.

Dated: 25 November 2013

Definitions

The following definitions apply throughout this document, unless the context requires otherwise:

“AAMS”	the Italian Amministrazione Autonoma dei Monopoli di Stato
“Accountant’s Report”	the report prepared by BDO in relation to the Company which is set out in Section A of Part 5 of this document
“Act”	the UK Companies Act 2006, as amended
“Admission”	admission of the issued and to be issued Ordinary Shares to trading on AIM and ESM becoming effective in accordance with the AIM Rules and the ESM Rules
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules for Companies” or “AIM Rules”	the AIM Rules for Companies issued by the London Stock Exchange
“Articles”	the articles of association of the Company as at the date of this document
“BDO”	BDO LLP, auditors and reporting accountant to the Company
“Board”	all or any number of the Directors acting as the board of directors
“certificated” or “in certificated form”	not in uncertificated form
“City Code”	the City Code on Takeovers and Mergers issued by the Panel on Takeovers and Mergers in the United Kingdom and, from time to time, any successor or replacement body thereof
“CREST”	the system of paperless settlement of trades in listed securities and holding of uncertificated securities operated by Euroclear UK & Ireland in accordance with the CREST Regulations
“CREST Regulations” or “Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
“Davy”	J&E Davy, trading as Davy including its affiliate Davy Corporate Finance and other affiliates, or any of its subsidiary undertakings
“DGOJ”	Dirección General de Ordenación del Juego
“Directors”	the directors of the Company whose names are set out on page 1 of this document, being Dermot S Smurfit, Desmond Glass, David O’Reilly, Roger Kendrick and Michael Smurfit Jr.
“DOJ”	US Department of Justice
“Enlarged Ordinary Shares” or “Enlarged Ordinary Share Capital”	the issued share capital of the Company following completion of the Placing, being the Existing Ordinary Shares and the New Shares
“ESM”	the Enterprise Securities Market, a market regulated by the Irish Stock Exchange

“ESM Rules for Companies” or “ESM Rules” . . .	the ESM Rules for Companies issued by the Irish Stock Exchange
“EU”	European Union
“Euro” or “€”	means the currency of the member states of the EU that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome in 1957), as amended
“Euroclear UK & Ireland”	Euroclear UK & Ireland Limited, the operator of CREST
“Executive Directors”	the executive directors of the Company whose names are set out on page 1 of this document, being Dermot S Smurfit and Desmond Glass
“Existing Ordinary Shares” or “Existing Ordinary Share Capital”	the 44,265,175 Ordinary Shares in issue prior to the Placing
“Financial Conduct Authority” or “FCA”	the UK Financial Conduct Authority
“FSMA”	the UK Financial Services and Markets Act 2000, as amended
“GameAccount Network” or the “Company”	GameAccount Network plc, incorporated and registered in the United Kingdom with registered number 03883658
“Gambling Act”	the UK Gambling Act 2005
“Group”	the Company and its subsidiaries
“IFRS”	International Financial Reporting Standards (including International Accounting Standards)
“Irish Stock Exchange”	Irish Stock Exchange Limited
“ITEPA”	the UK Income Tax (Earnings and Pensions) Act 2003
“Licensees”	the companies and other entities to which GameAccount Network may from time to time licence its software products
“Lock-Up Date”	the date 12 months from the Admission date
“London Stock Exchange”	London Stock Exchange plc
“Member State”	member state of the EU
“NICs”	national insurance contributions
“New Shares”	the new Ordinary Shares to be allotted and issued by the Company pursuant to the Placing
“NJCCC”	New Jersey Casino Control Commission
“NJUDGE”	New Jersey Division of Gaming Enforcement
“Non-executive Directors”	the non-executive directors of the Company listed on page 1 of this document
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company
“Placing”	the placing by Davy of the New Shares at the Placing Price pursuant to the Placing Agreement

“Placing Agreement”	the conditional placing agreement dated 20 November 2013 further details of which are set out in paragraph 11.2 of Part 6 of this document
“Placing Price”	135p per Placing Share
“Placing Shares”	the 16,469,434 Ordinary Shares which are the subject of the Placing, being the Sale Shares and the New Shares
“Placees”	subscribers of New Shares or purchasers of Sale Shares
“Prospectus Directive”	Directive 2003/71/EC and includes any relevant implementing measure in each relevant Member State
“Registrar”	means Capita Registrars Limited, incorporated in England and Wales (with registration number 2605568) whose registered office is The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
“Sale Shares”	the existing Ordinary Shares which the Selling Shareholders are to sell pursuant to the Secondary Placing Agreement
“Secondary Placing Agreement”	the conditional placing agreement including conditional lock-up arrangement dated 20 November 2013 further details of which are set out in paragraph 11.3 of Part 6 of this document
“Securities Act”	the United States Securities Act of 1933, as amended
“Selling Shareholders”	the shareholders of the Company selling Sale Shares pursuant to the Secondary Placing Agreement, which includes certain of the Directors
“Share Option Scheme”	the share option scheme established by the Company on or around the date of Admission
“Shareholder”	a holder of Ordinary Shares
“Significant Shareholders”	those Shareholders who hold over 3 per cent. of the Existing Ordinary Share Capital
“Significant Shareholders’ Lock-Up Agreement” ..	the lock-up agreement dated 20 November 2013 further details of which are set out in paragraph 11.4 of Part 6 of this document
“Subsidiary” or “Subsidiaries”	as defined in section 1159 of the Act
“UK Corporate Governance Code”	the UK Corporate Governance Code issued by the Financial Reporting Council in September 2012
“UKGC” or “Gambling Commission”	the independent non-departmental public body set up under the Gambling Act 2005 to regulate commercial gambling in the UK in partnership with licensing authorities
“UK Listing Authority”	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA

“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia
“US Securities Act”	the US Securities Act of 1933, as amended
“VAT”	value added tax

Unless otherwise indicated, all references in this document to “pounds sterling”, “sterling”, “s”, “pence” or “p” are to the lawful currency of the United Kingdom, all references to “\$”, “US\$” or “US dollars” are to the lawful currency of the United States and all references to “€” or “euro” are to the currency introduced at the start of the third stage of European economic or monetary union pursuant to the treaty establishing the European Community, as amended.

Glossary of business definitions

“Apps”	a self-contained program or piece of software designed to fulfil a particular purpose and downloaded by an end-user to a mobile device
“B2B”	business to business
“B2C”	business to customer
“betting”	making or accepting a bet on: (i) the outcome of a game, competition or other event or process; (ii) the likelihood of anything occurring or not occurring; or (iii) whether anything is true or not
“DDOS”	Distributed Denial of Service
“DDOS attack”	Distributed Denial of Service attack, an attempt to make a network resource unavailable to its intended users
“end-user”	the ultimate consumer of online gaming services
“gambling”	both betting and gaming
“gaming” or “real-money gaming”	playing a game of chance for a prize (and a game of chance shall also include: (i) a game that involves an element of chance and an element of skill; (ii) a game that involves an element of chance that can be eliminated by superlative skill; and (iii) a game that is presented as involving an element of chance but does not include a sport)
“Internet”	a global computer network providing a variety of information and communication facilities, consisting of interconnected networks using standardized communication protocols
“ISP”	internet service providers
“modified instance”	an iteration of the Internet Gaming System at a given point in time, which is assigned or otherwise transferred on a permanent basis to a Licensee who takes ownership (and eventual control) of the given iteration of the Internet Gaming System, such iteration not usually benefitting from regular or ad-hoc updates which would otherwise be applied to licensed versions of the Internet Gaming System
“online” or “remote”	in this document the terms “online” and “remote” are used interchangeably and, unless the context requires otherwise, shall include communications using the Internet, mobile or tablet
“online operators”	the counterparty in a B2B relationship who provides online gaming directly to end-users
“RGS”	remote gaming system
“simulated gaming”	gaming provided to an end-user by offering virtual credits to play online games for entertainment purposes (without betting real cash or currency)
“VLT”	video lottery terminal

