

**THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

The whole text of this document should be read. If you have sold or transferred all of your shares in Gaming Realms Plc, please send this document and the accompanying Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. Such documents should not, however, be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your holding of shares, you should retain these documents and contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to London Stock Exchange plc for the Completion Consideration Shares and the Placing Shares to be admitted to trading on AIM. It is expected that Admission of the Consideration Shares and the Placing Shares will become effective and that dealings will commence on 5 September 2014. The Completion Consideration Shares and the Placing Shares will, on Admission, rank *pari passu* in all respects with, and will rank in full for all dividends and other distributions declared, made or paid in respect of, the Existing Ordinary Shares after Admission.

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## **GAMING REALMS PLC**

*(Incorporated and registered in England and Wales under the Companies Act 1985 with company number 04175777)*

### **Proposed acquisition of the entire issued and to be issued share capital of Blueburra Holdings Limited**

**Placing of 18,148,487 new Ordinary Shares of 10 pence each at a price of  
33 pence per share**

**and**

### **Notice of General Meeting**

#### **Cenkos Securities plc**

*Nominated Adviser and Broker*

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Your attention is drawn to the Letter from the Chairman of Gaming Realms Plc which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

The distribution of this document and/or the accompanying Form of Proxy in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

Cenkos Securities plc, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as Nominated Adviser and Broker to the Company in connection with the matters described in this document. Persons receiving this document should note that Cenkos Securities plc will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos Securities plc or for advising any other person on the arrangements described in this document. Cenkos Securities plc has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Cenkos Securities plc for the accuracy of any information or opinions contained in this document or for the omission of any information. Cenkos Securities plc as nominated adviser and broker to the Company owes certain responsibilities to the London Stock Exchange plc which are not owed to the Company or the Directors, Shareholders or any other person.

This document does not constitute a prospectus for the purposes of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”) and any offer to the public is exempt by virtue of section 86 of FSMA, nor does it constitute an admission document drawn up in accordance with the AIM Rules. This document has not been approved for issue by any person for the purposes of Section 21 of FSMA. This document does not constitute or form part of any offer or invitation to buy, subscribe for, or sell Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Placing Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the “Securities Act”) or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, the Republic of South Africa or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan. The distribution of this document in other jurisdictions may be restricted by law and, therefore, persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this document may not be distributed, directly or indirectly, in or into the United States, Canada, the Republic of South Africa, Australia or Japan. Overseas shareholders and any person (including, without limitation, nominees and trustees), who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

**You are recommended to read the whole of this document but your attention is drawn to the letter from the Chairman of the Company set out on pages 7 to 10 of this document which provides details of the Placing and the Acquisition, and recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.**

**Notice of a General Meeting of Gaming Realms plc, to be held at 44 Southampton Buildings, London WC2A 1AP on 4 September 2014 at 10 a.m., is set out at the end of this document. The action to be taken in respect of the General Meeting is set out in the letter from the Chairman of the Company on page 10.**

**Whether or not you intend to be present at the General Meeting, it is important that you complete, sign and return the Form of Proxy as soon as possible and, in any event, so as to reach the Company’s registrars, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, BS13 8AE by 10 a.m. on 2 September 2014 or 48 hours before any adjourned meeting. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish. The Form of Proxy should, to be valid, be completed in accordance with the instructions printed on it.**

**In accordance with the AIM Rules, this document will be available on the Company’s website ([www.gamingrealms.com](http://www.gamingrealms.com)) from the date of this document, free of charge.**

## **FORWARD LOOKING STATEMENTS**

This document includes “forward-looking statements” which include all statements other than statements of historical facts, including, without limitation, those regarding the Group’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. These forward looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

## DIRECTORS AND ADVISERS

<b>Directors</b>	Michael Buckley ( <i>Executive Chairman</i> ) Patrick Southon ( <i>Chief Executive Officer</i> ) Mark Segal ( <i>Finance Director</i> ) Simon Collins ( <i>Executive Director</i> ) Atul Bali ( <i>Non-executive Director</i> ) Jim Ryan ( <i>Non-executive Director</i> ) Mark Wilson ( <i>Non-executive Director</i> )
<b>Company Secretary</b>	Mark Segal
<b>Registered Office</b>	One Valentine Place London SE1 8QH
<b>Nominated Adviser and Broker</b>	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
<b>Solicitors to the Company</b>	Memery Crystal LLP 44 Southampton Buildings London WC2A 1AP
<b>Auditors</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>Registrars</b>	Computershare Investor Services Plc The Pavilions Bridgwater Road Bristol BS13 8AE
<b>Company Website</b>	<a href="http://www.gamingrealms.com/">http://www.gamingrealms.com/</a>

## KEY STATISTICS

Placing Price per Placing Share	33 pence
Number of Existing Ordinary Shares	160,809,880
Number of Placing Shares	18,148,487
Number of Completion Consideration Shares	7,575,758
Number of Ordinary Shares in issue following Admission of the Completion Consideration Shares and the Placing Shares	186,534,125
Number of Placing Shares as percentage of the Existing Ordinary Shares	Approximately 11.3 per cent.
Number of Completion Consideration Shares as percentage of the Existing Ordinary Shares	Approximately 4.7 per cent.
Amount being raised under the Placing (gross)	£5,989,000
Amount being raised under the Placing (net)	£5,800,000

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	19 August 2014
Latest time and date for receipt of Form of Proxy	10 a.m. on 2 September 2014
Voting Record Date	10 a.m. on 2 September 2014
General Meeting	10 a.m. on 4 September 2014
Completion of the Acquisition and Admission of Completion Consideration Shares and Placing Shares	5 September 2014

If any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through the Regulatory Information Service.

## DEFINITIONS

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

“Act”	the Companies Act 2006 (as amended);
“Acquisition”	the conditional acquisition by the Company of the Target Shares pursuant to the terms of the Agreement;
“Admission”	admission of the Completion Consideration Shares and the Placing Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules;
“Agreement”	the conditional acquisition agreement dated 19 August 2014 between the Sellers and the Company pursuant to which the Company has agreed, conditional on, <i>inter alia</i> , the passing of the Resolutions, to acquire the Target Shares;
“AIM”	the AIM Market operated by the London Stock Exchange plc;
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange plc from time to time;
“Business Day”	a day other than a Saturday, Sunday or public holiday on which the banks in London are open for business;
“Cenkos”	Cenkos Securities plc, the nominated adviser and broker of the Company;
“Circular”	this document;
“Closing Price”	the closing middle market quotation of an Ordinary Share as at close of business on 18 August, which is the latest practical date before the publication of this document;
“Code”	the City Code on Takeovers and Mergers;
“Company” or “Gaming Realms”	Gaming Realms Plc, a company registered in England and Wales with company number 04175777 and registered office One Valentine Place, London, SE1 8QH;
“Completion”	completion of the Agreement in accordance with its terms;
“Completion Consideration Shares”	the 7,575,758 new Ordinary Shares to be issued and allotted to the Sellers on Completion;
“Concert Party”	as set out in Part V of the Company’s admission document dated 15 July 2013, which can be found on the Company’s website: <a href="http://www.gamingrealms.com/wp-content/uploads/2013/05/Gaming-Realms-Admission-Document.pdf">www.gamingrealms.com/wp-content/uploads/2013/05/Gaming-Realms-Admission-Document.pdf</a> .
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in Uncertificated Securities Regulations 2001);
“Digital Blue”	Digital Blue Ltd, a wholly owned subsidiary of the Target, registered in the Isle of Man with company number 006278V;
“Directors” or “Board”	the directors of the Company whose names are set out on page 3 of this document;
“Enlarged Share Capital”	the number of issued Ordinary Shares immediately following Completion and Admission;
“Existing Ordinary Shares”	the Ordinary Shares in issue immediately prior to Completion;
“Form of Proxy”	the Form of Proxy for use at the General Meeting, which accompanies this document;
“General Meeting”	the general meeting of the Company to be held at 44 Southampton Buildings, London WC2A 1AP at 10 a.m. on 4 September 2014 and any adjournment of such meeting;
“Group”	the Company and its subsidiaries;

<b>“Notice of General Meeting”</b>	the notice convening the General Meeting, which is set out at the end of this document;
<b>“Ordinary Shares”</b>	ordinary shares of 10 pence each in the capital of the Company;
<b>“Placing”</b>	the proposed placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement;
<b>“Placing Agreement”</b>	the conditional agreement dated on 19 August 2014 between the Company and Cenkos;
<b>“Placing Price”</b>	33 pence per Placing Share;
<b>“Placing Shares”</b>	the 18,148,487 new Ordinary Shares which have been conditionally placed by Cenkos;
<b>“Pre-Tax Profits”</b>	profits before tax, as set out in the audited accounts of the Target Group for the relevant financial period;
<b>“Quickthink Media”</b>	Quickthink Media Limited, a company registered in England and Wales with company number 06703793;
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting which are set out in the Notice of General Meeting;
<b>“Sellers”</b>	Scott Logan, Ruihi Wright and Christopher Phillips;
<b>“Shareholders”</b>	holders of the Existing Ordinary Shares;
<b>“subsidiaries”</b>	has the meaning given in section 1159 of the Act;
<b>“Target” or “Blueburra Holdings”</b>	Blueburra Holdings Limited, a company registered in the Isle of Man with company number 004699V;
<b>“Target Group”</b>	Blueburra Holdings and Digital Blue;
<b>“Target Shares”</b>	2,000 ordinary shares of £1 each of the Target being all of the issued ordinary shares in the capital of the Target;
<b>“Voting Record Date”</b>	10 a.m. on 2 September 2014 or 48 hours before any adjournment of the General Meeting; and
<b>“£”</b>	pounds sterling, the lawful currency of the United Kingdom.

## LETTER FROM THE CHAIRMAN

# Gaming Realms Plc

*(Registered and incorporated in England and Wales under the Companies Act 1985 with company number 04175777)*

### Directors:

Michael Buckley *(Executive Chairman)*  
Patrick Southon *(Chief Executive Officer)*  
Mark Segal *(Finance Director)*  
Simon Collins *(Executive Director)*  
Atul Bali *(Non-executive Director)*  
Jim Ryan *(Non-executive Director)*  
Mark Wilson *(Non-executive Director)*

### Registered Office:

*One Valentine Place  
London  
SE1 8QH*

*To Shareholders and, for information only, to the holders of options over Ordinary Shares*

19 August 2014

Dear Shareholder,

## **Proposed Acquisition of Blueburra Holdings**

### **Proposed Placing**

**and**

### **Notice of General Meeting**

#### **Introduction**

The Company announced today that it has conditionally agreed to acquire the entire issued share capital of Blueburra Holdings (the holding company of Digital Blue) for up to £10.5 million (to be satisfied by a combination of cash and the issue of new Ordinary Shares).

In addition, the Company also announced a conditional placing by Cenkos to raise approximately £6 million (before expenses) by the issue and allotment by the Company of 18,148,487 Placing Shares with new and existing investors, at the Placing Price of 33 pence each in order to fund the cash consideration for the Acquisition, and also for ongoing working capital. The Placing Price represents a discount of approximately 14.8 per cent. to the price of 38.75 pence per Ordinary Share, being the Closing Price of the Company's Ordinary Shares on 18 August 2014.

The Acquisition and Placing are conditional upon (among other things) the passing of certain shareholder resolutions in order to ensure that the Directors have the necessary authority to allot the Placing Shares for cash on a non-pre-emptive basis. A General Meeting is therefore being convened at 10 a.m. on 4 September 2014 at 44 Southampton Buildings, London WC2A 1AP for the purpose of considering the Resolutions. The Notice of General Meeting and the Resolutions are set out at the end of this document.

The purpose of this document is to explain the terms of the proposed Acquisition, provide details of the proposed Placing, explain why the Directors are seeking authority from the Shareholders to issue and allot the Completion Consideration Shares and the Placing Shares, and why they recommend that you vote in favour of the Resolutions.

#### **Background to and reasons for the Placing and the Acquisition**

The Placing will provide funding for the initial £2.5 million cash consideration (and a further contingent cash payment of up to £2.75 million) relating to the Acquisition. The Company plans to acquire Blueburra Holdings to expedite its marketing strategy in the UK. The Board believes the Acquisition would achieve this by adding further reach and capability to its current affiliate marketing subsidiary, Quickthink Media, adding an enlarged database of players for cross promotion, as well as further DragonFish Bingo Skins, which will allow for greater group cross marketing and consequently, monetisation.

Additionally, the purchase will add approximately £1.1 million of EBIT to the Group per annum as well as further solidifying Gaming Realms as a leader in online digital gambling marketing. The Target Group is expected to benefit from the Group's experienced management team who will work to enhance customer service levels and improve operational efficiency. The Acquisition is intended to provide the Group with a stronger position in the online gambling market.

The Board believes that the Acquisition is consistent with the Group's long term strategy to increase the combined databases of the Company's subsidiaries and enhance the Group's revenues by focusing on product and marketing initiatives which:

- cover the substantial and overlapping fast growing audience;
- converge 'paid participation' business models; and
- include shared distribution on web, tablet and mobile platforms.

Additionally, it has been agreed that certain members of the existing management team of Blueburra Holdings will join the combined business, which the Directors believe will enhance the existing team and grow the enlarged business.

Finally, the Acquisition is expected to allow for a more rapid roll out of the Group's own gambling products which are planned to go live by the end of August 2014.

## **The Acquisition**

### *Key Terms of the Acquisition*

Under the terms of the Agreement, the Company has conditionally agreed to acquire the entire issued share capital of the Target (the holding company of Digital Blue), for the following consideration:

- payable on Completion:
  - £2.5 million in cash; and
  - £2.5 million to be satisfied by the issue of the Completion Consideration Shares, issued at a price of 33 pence per share, and
- payable over the next three years, subject to the fulfilment of certain earn-out targets and adjustments:
  - up to an additional £2.75 million in cash; and
  - up to an additional £2.75 million to be satisfied by the issue of new Ordinary Shares, issued at a price per share equal to the average closing share price for the Ordinary Shares on the last trading day of each week for the three month period prior to the date immediately prior to the date of the notice of the Company's AGM in each year following the relevant earn out period.

The detailed terms of the Acquisition are set out in the Appendix to this Circular.

## **Financial Information on the Target Group**

Blueburra Holdings was incorporated in 2010 and consists of two main revenue lines. The historic revenue source is affiliate marketing via its website BingoPort.co.uk on a revenue share for gambling clients such as GalaBingo, Ladbrokes and Cashcade. This revenue has been augmented by a number of white label bingo skins launched since March 2010 such as Butterfly Bingo and Diva Bingo, which have been launched via the marketing company Digital Blue.

In addition, below is key financial information on the Target Group, based upon audited financial statements for the eleven months to 31 January 2014:

- Total assets (as at 31 January 2014): £2.2 million;
- Turnover: £3.8 million; and
- Profit before tax: £1.9 million (which includes £0.75 million of additional exceptional income related to the sale of two domain names and connected IP in the period).

## **Current Trading and Prospects of Gaming Realms**

In June, the Company released its unaudited half yearly report for the six months ended 31 March 2014. Operational highlights included revenue increasing 400 per cent. to £3.6 million, depositing players increasing 61 per cent. to 47,174 in the period and daily active players increasing 234 per cent. to 4,576.

Following the acquisition of Quickthink Media in December 2013 for £2.3 million, the Board reported successful integration of this company, leading to a significant increase in player acquisitions and a reduction of 13 per cent. in average acquisition costs per new depositing player.

The Company continues to trade in-line with expectations.

### **The Placing**

By the issue of the Placing Shares at the Placing Price, the Company proposes to raise approximately £5.8 million net of expenses. The Placing Shares will represent approximately 9.7 per cent. of the Enlarged Share Capital.

The Placing Shares will, when issued, rank in full for all dividends declared, made or paid after the date of their issue and otherwise *pari passu* with the Existing Ordinary Shares.

### **The Placing Agreement**

Cenkos has entered into the Placing Agreement with the Company whereby it has agreed to use its reasonable endeavours, as agent for the Company, to procure placees for 18,148,487 Placing Shares.

The Placing Agreement contains warranties from the Company in favour of Cenkos in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Company and its business. In addition, the Company has agreed to indemnify Cenkos in relation to certain liabilities it may incur in respect of the Placing.

The Placing is conditional on the Placing Agreement becoming or being declared unconditional in all respects and it not being terminated before Admission and on Completion of the Acquisition (subject only to Admission) and Admission.

### **Use of Proceeds**

The net proceeds of the Placing will be used as set out below:

- approximately £2.5 million (and a further contingent cash payment of up to £2.75 million) will be used to satisfy the Company's obligation to make cash payments to the shareholders of the Target Group following Completion of the Acquisition;
- to enhance the Company's ability to develop and grow its products and to continue targeted marketing spend; and
- otherwise for general working capital purposes and to strengthen the Company's balance sheet.

### **Settlement and dealings**

Application will be made to the London Stock Exchange plc for the Completion Consideration Shares and the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Placing Shares will commence on AIM on 5 September 2014.

### **Effect of the Placing and Admission**

On Admission, the Enlarged Share Capital is expected to be 186,534,125 Ordinary Shares. On this basis, the Placing Shares will represent approximately 9.7 per cent. of the Enlarged Share Capital.

### **Concert Party**

As set out in the Company's Admission Document dated 15 July 2013, the existing Concert Party is interested in over 50 per cent. of the Existing Ordinary Shares. Upon completion of the Acquisition and the Placing, the Concert Party's aggregate interest in the Enlarged Share Capital will be 44.8 per cent. Under Rule 9 of the Code where any person, together with persons acting in concert with him (as defined in the Code) is interested in shares which, in aggregate, carry more than 30 per cent. of the voting rights of such company, but does not hold shares carrying 50 per cent. or more of such voting rights, a general offer will normally be required (in cash at the highest price paid in the last 12 months) if any further interest in shares is acquired by any such person. The members of the Concert Party will be informed that, save for pursuant to the exercise of certain options granted to them in connection with the readmission of the Company's shares to AIM in August 2013, they should not purchase, subscribe for or seek to increase their interest in any shares in the Company until they receive either confirmation that the Takeover Panel has agreed to waive the obligation to

make a general offer, or that the Concert Party's aggregate interest is below 30 per cent. of the issued share capital of the Company.

### **General Meeting**

Set out at the end of this document is a notice convening the General Meeting to be held at 44 Southampton Buildings, London WC2A 1AP at 10 a.m. on 4 September 2014 for the purposes of considering and, if thought fit, passing the Resolutions.

The Resolutions proposed are an ordinary resolution to authorise the Directors to allot and issue the Completion Consideration Shares and the Placing Shares, and also proposed will be a special resolution to permit the Directors to allot the Placing Shares for cash on a non-pre-emptive basis.

### **Action to be taken**

A Form of Proxy for use at the General Meeting accompanies this document. Whether or not you intend to attend the General Meeting it is important that you complete and sign the Form of Proxy. It should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE as soon as possible, but in any event, so as to be received by no later than 10 a.m. on 2 September 2014 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The completion and return of a Form of Proxy will not preclude the Shareholders from attending the General Meeting and voting in person should they so wish.

If you hold your shares in the Company in uncertificated form (that is, in CREST) you may vote using the CREST proxy appointment service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company by no later than 10 a.m. on 2 September 2014 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

### **Directors' Recommendation**

**The Board considers that the terms of the Acquisition and the Placing are fair and reasonable insofar as the Shareholders as a whole are concerned.**

**Accordingly, the Board unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do so in respect of their own beneficial holdings amounting, in aggregate, to 38,757,915 Existing Ordinary Shares, representing approximately 24.1 per cent. of the Existing Ordinary Shares of the Company.**

*Yours faithfully*

*Michael Buckley*  
**Chairman**

## Appendix

### Particulars of the Acquisition

The main terms of the Acquisition are as follows:

1. Consideration for the Target Shares, payable by the Company to the Sellers:
  - 1.1 The sum of £2,500,000 will be paid in cash on Completion.
  - 1.2 The sum of £2,500,000 to be satisfied on Completion by the issue of 7,575,758 new Ordinary Shares issued at 33 pence per Ordinary Share.
  - 1.3 Within 7 days of the Company's 2015 AGM, where the Pre-Tax Profits attributable to the Target Group as set out in the Target Group's audited financial statements for the 11 months ending 31 December 2014 are no less than £1 million:
    - (a) £1,250,000 in cash; and
    - (b) £1,250,000 to be satisfied by the issue of such number of new Ordinary Shares valued at a price per share equal to the average closing share price for the Ordinary Shares on the last trading day of each week for the 3 month period ending on the date immediately prior to the date of the notice convening the 2015 AGM (the "**First Earn-out Payment Shares**").
  - 1.4 Within 7 days of the Company's 2016 AGM, where the Pre-Tax Profits attributable to the Target Group as set out in the Target Group's audited accounts for the 12 months ending 31 December 2015 are no less than £1.5 million:
    - (a) £750,000 in cash; and
    - (b) £750,000 to be satisfied by the issue of such number of new Ordinary Shares valued at a price per share equal to the average closing price for the Ordinary Shares on the last trading day of each week for the 3 month period ending on the date immediately prior to the date of the notice convening the 2016 AGM (the "**Second Earn-out Payment Shares**").
  - 1.5 Within 7 days of the Company's 2017 AGM where the Pre-Tax Profits attributable to the Target Group as set out in the Target Group's audited accounts for the 12 months ending 31 December 2016 are no less than £1.75 million:
    - (a) £750,000 in cash; and
    - (b) £750,000 to be satisfied by the issue of such number of new Ordinary Shares valued at a price per share equal to the average closing share price for the Ordinary Shares on the last trading day of each week for the 3 month period ending on the date immediately prior to the date of the notice convening the 2017 AGM (the "**Third Earn-out Payment Shares**").
  - 1.6 In the event that Pre-Tax Profits are less than any of the thresholds above, the consideration shall be reduced *pro rata* to the actual level of Pre-Tax Profit achieved in the relevant period.
  - 1.7 For the avoidance of doubt, in the event that the relevant earn-out target is exceeded, the relevant consideration for such period will not be increased beyond that stated above.
  - 1.8 In the event of any combination or consolidation of all, or a material part of, the business or activities of any one or more of the members of the Target Group, with the Company or any of its subsidiaries in the period from Completion to 31 December 2016, for whatever reason, such that the measurement of the earn-out targets is not reasonably practicable, then these targets will be deemed to have been achieved and the Company will pay the consideration as set out above in full on the dates specified.
2. The Sellers shall enter into undertakings with the Company and Cenkos not to dispose of any of the relevant Ordinary Shares issued to them as part of the consideration (save in certain circumstances, which are market standard and include permitted transfers to affiliates of any of the Sellers who the Sellers will procure are bound by a matching obligation, in the event of an offer for the entire share capital of the Company, where required by law or regulation, or with the prior written consent of the Company and its nominated adviser). These undertakings will be for the following periods:

- 2.1 for the Completion Consideration Shares, 24 months from the allotment of such Ordinary Shares;
  - 2.2 for the First Earn-out Payment Shares, 18 months from the allotment of such Ordinary Shares;
  - 2.3 for the Second Earn-out Payment Shares, 3 months from the allotment of such Ordinary Shares; and
  - 2.4 for the Third Earn-out Payment Shares, 3 months from the allotment of such Ordinary Shares.
3. The Sellers have given a full set of warranties, as well as indemnities in respect of tax.
  4. Liability for warranties and indemnities (but not post-Completion covenants) are apportioned as follows:
    - 4.1 jointly and severally as between Scott Logan and Ruihi Wright; and
    - 4.2 severally only for Christopher Phillips.
  5. The cap on liability and time period for claims is:
    - 5.1 the aggregate cap for all warranty, indemnity and tax indemnity claims shall be the consideration paid by the Company at the date of settlement or determination of such claim;
    - 5.2 the period for claims excluding tax shall expire 28 days after the 2016 AGM; and
    - 5.3 the period for tax claims shall be 7 years from the Completion Date.
  6. Warranty claims have a de minimis level of £7,500 for an individual claim and £50,000 for aggregate claims.
  7. Non-compete, non-solicitation and confidentiality covenants, on a several basis have been provided by the Sellers.

**GAMING REALMS PLC (THE “COMPANY”)**  
**NOTICE OF GENERAL MEETING**

Notice is hereby given that a general meeting of the members of the Company will be held at 44 Southampton Buildings, London WC2A 1AP on 4 September 2014 at 10 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution.

**ORDINARY RESOLUTION**

1. In addition to the authorities granted to the Directors at the Annual General Meeting of the Company held on 20 March 2014, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “Act”) to exercise the powers of the Company to issue and allot:
  - a. the Completion Consideration Shares in accordance with the terms of the Acquisition, as defined in the circular to shareholders of the Company dated 19 August 2014 (the “Circular”); and
  - b. the Placing Shares, as defined in the Circular,provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire on the conclusion of the Annual General Meeting of the Company to be held in 2015, save that the Company may at any time before such expiry make an offer or agreement which might require such shares to be allotted after such expiry and the Directors may issue and allot shares in pursuance of such offer or agreement notwithstanding that the authority hereby conferred has expired.

**SPECIAL RESOLUTION**

2. In addition to the previous powers given to the Directors pursuant to section 570 of the Act at the Annual General Meeting of the Company held on 20 March 2014, that, subject and conditional upon the passing of Resolution 1, the Directors be generally empowered pursuant to section 570 of the Act to allot the Placing Shares (as defined in the Circular) for cash as if section 561(1) of the Act did not apply to any such allotment pursuant to the general authority conferred on them by Resolution 1 above (as varied from time to time by the Company in general meeting), and the power hereby conferred shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2015 (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the power hereby conferred has expired.

*Registered Office*  
One Valentine Place  
London  
SE1 8QH

DATE 19 August 2014

*By Order of the Board*  
  
Mark Segal  
*Company Secretary*

**Notes:**

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and its Articles of Association, the Company specifies that only those members registered on the Company's register of members at 10 a.m. on 2 September 2014 shall be entitled to attend and vote at the meeting, or, in the event of any adjournment, 48 hours (excluding non-business days) prior to the time of the adjourned meeting.
2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrars.
5. The notes to the proxy form explain how to direct your proxy how to vote on the resolutions or withhold their vote. To appoint a proxy using the proxy form, the form must be: (a) completed and signed; (b) sent or delivered to the Company's registrars, Computershare Investor Services plc, The Pavilions, Bridgwater Road, BS13 8AE; and (c) received by such registrars by the relevant cut off time, being 10 a.m. on 2 September 2014 or 48 hours before any adjourned meeting.
6. CREST members who wish to appoint a proxy or proxies by using the CREST electronic appointment service may do so by using the procedures described in the CREST Manual. To be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must be transmitted so as to be received by the Company by no later than 10 a.m. on 2 September 2014 or 48 hours before any adjourned meeting.
7. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
8. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
10. To change your proxy instructions simply submit a new proxy appointment using the method set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
11. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's registrars. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by the Company's registrars by the relevant cut off time.
12. As at 5.00 pm on the day immediately prior to the date of posting of this notice, the Company's issued share capital comprised 160,809,880 ordinary shares of 10 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 5.00 pm on the day immediately prior to the date of posting of this notice of meeting is 160,809,880.

