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This document, which comprises an admission document drawn up in accordance with the AIM Rules, has been issued in connection with the proposed admission of the Enlarged Issued Share Capital to trading on AIM, a market operated by the London Stock Exchange plc (“AIM”). This document does not contain an offer or constitute any part of an offer to the public within the meaning of sections 85 and 102B of FSMA, the Act or otherwise. This document is not an approved prospectus for the purposes of section 85 of FSMA and a copy of it has not been, and will not be, delivered to the Financial Conduct Authority (the “FCA”) in accordance with the Prospectus Rules or delivered to or approved by any other authority which could be a competent authority for the purposes of the Prospectus Directive.

Pursuit Dynamics PLC

(Incorporated and registered in England and Wales with registered number 4175777)

(to be renamed Gaming Realms PLC)

Acquisition of Gaming Realms Limited

Acquisition of BeJig Limited

Acquisition of AlchemyBet Limited

Disposal of Pursuit Marine Drive Limited

Amendments to Articles of Association

1 for 10 Share Consolidation

Waiver of the obligations under Rule 9 of the City Code

Granting of authority to issue/subscribe for shares

Dis-application of pre-emption rights

Changes to the Board

Name change to Gaming Realms PLC

Placing of 26,230,846 New Ordinary Shares of 10 pence each

**Admission of Enlarged Issued Share Capital to trading on AIM
and Notice of General Meeting**

Nominated Adviser and Broker



The Placing is conditional, *inter alia*, on Admission taking place on or before 1 August 2013 (or such later date as the Company and Cenkos Securities plc may agree). The Placing Shares and Consideration Shares will, on Admission, rank *pari passu* in all respects with the issued New Ordinary Share capital of the Company on Admission including the right to receive all dividends or other distributions declared, paid or made after Admission.

A copy of this document will be available, free of charge, during normal business hours on any weekday (except Saturdays, Sundays and public holidays) and in electronic format at www.pdx.biz, at the registered office of the Company and the offices of Cenkos Securities, the addresses of which are disclosed on page 12 of this document, for a period of one month from the date of Admission.

Application will be made for the Enlarged Issued Share Capital to be admitted to trading on AIM (“Admission”). It is expected that Admission will take place and that dealings in the issued and to be issued New Ordinary Shares will commence at 8.00 a.m. on 1 August 2013. **AIM is a market 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 securities are not admitted to the official list of the United Kingdom Listing Authority (the “Official List”). The Enlarged Issued Share Capital**

is not dealt on any other recognised investment exchange and no application has been made or is being made for the Enlarged Issued Share Capital to be admitted to any other exchange. 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. In particular, it should be remembered that the price of securities and the income from them can go down as well as up. The AIM Rules are less demanding than those of the Official List. **Each AIM company is required pursuant to the AIM Rules 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. Neither the London Stock Exchange nor the FCA has examined or approved the contents of this document.**

This document does not constitute an offer to sell, or a solicitation of an offer to buy New Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not for distribution in or into the United States, Canada, the Republic of South Africa, Australia, New Zealand or Japan except that the document may be provided in certain limited circumstances to persons in the United States in connection with a placing of New Ordinary Shares in private placements exempt from the registration requirements of the US Securities Act of 1933, as amended ("**Securities Act**"). The New Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, any state securities laws in the United States or any securities laws of Canada, the Republic of South Africa, the Republic of Ireland, Australia, New Zealand or Japan or in any country, territory or possession where to offer them without doing so may contravene local securities laws or regulations. Accordingly, the New Ordinary Shares may not, subject to certain limited exceptions, be offered or sold, directly or indirectly, in the United States, Canada, the Republic of South Africa or Japan or to, or for the account limited or benefit of, any person in, or any national, citizen or resident of the United States, Canada, the Republic of South Africa, the Republic of Ireland, Australia, New Zealand or Japan. The distribution of this document outside the United Kingdom may be restricted by law and therefore persons outside the United Kingdom into whose possession this document comes should inform themselves about and observe any restrictions as to the Placing, the New Ordinary Shares or the distribution of this document.

Cenkos Securities plc is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Placing and Admission (whether or not a recipient of this document), and is acting exclusively for the Company as nominated adviser and broker for the purpose of the AIM Rules. Cenkos Securities plc will not be responsible to any person other than the Company for providing the protections afforded to its customers, nor for providing advice in relation to the Placing and Admission or the contents of this document. In particular, the information contained in this document has been prepared solely for the purposes of the Placing and Admission and is not intended to inform or be relied upon by any subsequent purchasers of New Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them. Without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Cenkos Securities plc as to the contents of this document. No liability whatsoever is accepted by Cenkos Securities plc for the accuracy of any information or opinions contained in this document, for which the Directors, the Proposed Directors and the Company are solely responsible, or for the omission of any information from this document for which it is not responsible.

FORWARD-LOOKING STATEMENTS

This document contains forward looking statements relating to the Company's future prospects, developments and strategies, which have been made after due and careful enquiry and are based on the Directors' and the Proposed Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are subject to, *inter alia*, the risk factors described in Part III of this document. Prospective investors should therefore specifically consider the risk factors contained in Part III of this document that could cause actual results to differ before making an investment decision. The Directors and the Proposed Directors believe that the expectations reflected in these statements are reasonable, but may be affected by a number of variables which could cause actual results or trends to differ materially from those expressed or implied by those statements. Given the risks and uncertainties, potential investors should not place any reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement. Save as required by law or by the AIM 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 Directors' or the Proposed Directors' expectations or to reflect events or circumstances after the date of this document.

MARKET AND FINANCIAL INFORMATION

The data, statistics and information and other statements in this document regarding the markets in which the Company intends to operate, or the Company's position therein, are based on the Company's records or are taken or derived from statistical data and information derived from the sources described in this document.

In relation to these sources, such information has been accurately reproduced from the published information and, so far as the Directors and the Proposed Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading.

Various figures and percentages in tables in this document have been rounded and accordingly may not total. Certain financial data has also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

All times referred to in this document are, unless otherwise stated, references to London time.

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PLACING STATISTICS

Placing Price (on a post Share Consolidation basis)	13 pence
Existing Share Capital of the Company prior to the Share Consolidation	271,718,070
Basis of Share Consolidation	1 New Ordinary Share for every 10 Existing Ordinary Shares
New Ordinary Shares in issue following the Share Consolidation and immediately prior to Admission	27,171,807
New Ordinary Shares issued pursuant to the Placing (on a post Share Consolidation basis)	26,230,846
New Ordinary Shares issued pursuant to the Acquisitions (on a post Share Consolidation basis)	92,931,037
Enlarged Issued Share Capital on Admission (on a post Share Consolidation basis)	146,333,690
Expected market capitalisation on Admission (<i>approximately</i>) (at the Placing Price)	£19 million
Percentage of the issued New Ordinary Share capital being placed pursuant to the Placing	17.9 per cent.
Concert Party's interest in the Enlarged Issued Share Capital	57.09 per cent.
Concert Party's maximum interest in the Share Capital of the Enlarged Group assuming full conversion of the B Shares into New Ordinary Shares*	64.64 per cent.
Estimated proceeds of the Placing	£3.4 million
AIM 'ticker'	GMR
Current ISIN number	GB0030310964
ISIN on Admission	GB00BBHXD542

* Assuming the exercise of B Shares only and no other options

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	15 July 2013
General Meeting	10.00 a.m. on 31 July 2013
Record date for Share Consolidation	5.00 p.m. on 31 July 2013
Completion of Acquisitions	1 August 2013
Admission and dealings in the Enlarged Issued Share Capital to commence on AIM	1 August 2013
CREST accounts credited for Placing Shares in uncertificated form	1 August 2013
Despatch of definitive share certificates, where applicable	15 August 2013

Each of the times and dates above is subject to change. Any such change will be notified by an announcement on a Regulatory Information Service.

DEFINITIONS

In this document, where the context permits, the expressions set out below shall bear the following meaning:

“1985 Act”	the UK Companies Act 1985
“Act”	the UK Companies Act 2006, as amended from time to time
“Admission”	the admission of the Enlarged Issued Share Capital to trading on AIM and such admission becoming effective in accordance with the AIM Rules
“Acquisitions”	the Company’s proposed acquisitions of the Targets pursuant to the terms of the Acquisition Agreements
“Acquisition Agreements”	the conditional agreements between the Company and the Vendors relating to the Acquisitions, details of which are set out in paragraph 10.3 Part VI of this Document
“Acquisition Resolution”	Resolution 2 in the Notice of General Meeting
“Admission Document”	this document
“AIM”	the market of that name operated by London Stock Exchange plc
“AIM Rules”	the AIM Rules for Companies setting out the rules and responsibilities in relation to AIM companies published by the London Stock Exchange as amended from time to time
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers setting out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers published by the London Stock Exchange as amended from time to time
“AlchemyBet”	AlchemyBet Limited, a company registered in England & Wales with company number 07003018 whose registered office is at 3 Kenwood Road, Sheffield, South Yorkshire S7 1NP
“Articles”	the articles of association of the Company as at that date of this document, proposed to be replaced by the New Articles at the General Meeting
“B Shares”	B ordinary shares of £0.01 each in the capital of the Company
“B Shareholders”	the holders of B Shares from time to time
“Bede Gaming”	Bede Gaming Limited, a company registered in England & Wales with company number 08089112 whose registered office is at 1 Moor Road, South Gosforth, Newcastle Upon Tyne, Tyne & Wear NE3 1NN
“BeJig”	BeJig Limited, a company registered in England & Wales with company number 07467813 whose registered office is at 2nd Floor, Thames House, 18 Park Street, Borough, London SE1 9EQ
“Board”	the board of directors of the Company from time to time
“Business Day”	a day other than a Saturday or Sunday on which banks are open for commercial business in the City of London

“Bwin.party”	Bwin.party Digital Entertainment plc a company registered in Gibraltar with company number 91225 whose registered office is at 711 Eurosport, Gibraltar
“Cashcade”	Cashcade Limited, a company registered in England & Wales with company number 03831781 whose registered office is at 3rd Floor, One New Change, London ECM 9AF
“Cellulac”	Cellulac Limited a company registered in the Republic of Ireland with company number IE467549 whose registered office is at Second Floor, Unit 14, Galway Technology Park, Parkmore, Galway, Ireland
“Cenkos Securities” or “Cenkos”	Cenkos Securities plc, a company registered in England & Wales with company number 5210733 whose registered office is at 6.7.8 Tokenhouse Yard, London EC2R 7AS
“Cenkos Option”	the option agreement between the Company and Cenkos Securities dated 15 July 2013, further details of which are set out in paragraph 10.6 of Part VI of this document
“certificated” or “certificated form”	in the description of a share or other security which is not in uncertificated form (that is not in CREST)
“City Code” or “Takeover Code”	the City Code on Takeovers and Mergers
“Companies Acts”	the 1985 Act and the Act
“Company” or “Pursuit Dynamics”	Pursuit Dynamics plc, a company registered in England & Wales with company number 04175777, to be renamed Gaming Realms plc on Admission
“Completion”	completion of the Acquisitions
“Concert Party”	those persons described in Part V of this document
“Consideration Shares”	92,931,037 New Ordinary Shares to be issued to the Vendors on Completion as consideration for the Acquisitions pursuant to the terms of the Acquisition Agreements on a post Share Consolidation basis
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited
“CREST Manual”	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, CCSS Operations Manual, and the CREST Glossary of Terms
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
“CREST Rules”	the rules from time to time issued by Euroclear governing the admission of securities to and the operation of the CREST UK System
“CREST UK System”	the facilities and procedures of the relevant systems of which Euroclear is the Approved Operator pursuant to the CREST Regulations

“Deferred Shares”	deferred shares of £0.01 each in the capital of the Company
“Directors”	the existing directors of the Company whose names appear on page 12 of this document
“Disclosure Period”	means the period commencing on 11 July 2012 (being the date twelve months prior to the publication of this Admission Document) and ending on 12 July 2013 (being the latest practicable date prior to the publication of this Admission Document)
“Disclosure Rules” or “DTR”	the Disclosure and Transparency Rules made by the UKLA in accordance with section 73(A)(3) of FSMA relating to the disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market
“Disposal”	the proposed disposal by the Company of Pursuit Marine Drive pursuant to the terms of the Disposal Agreement
“Disposal Agreement”	the conditional agreement between the Company and Cellulac dated 1 July 2013 relating to the Disposal, details of which are set out in paragraph 10.2 Part VI of this Document
“Enlarged Group”	the Company and its subsidiaries (being the Targets) immediately following Completion and Admission
“Enlarged Issued Share Capital”	the enlarged share capital of the Company following Admission comprising (i) 27,171,807 New Ordinary Shares; (ii) the Consideration Shares; and (iii) the Placing Shares
“Euroclear”	Euroclear UK and Ireland Limited, the operator of the CREST UK System or such other person as may for the time being be approved by HM Treasury as operator under the CREST Regulations
“Existing Group”	the Company and its subsidiaries as at the date of this document and prior to Admission
“Existing Ordinary Shares”	the 271,718,070 ordinary shares of £0.01 each in the capital of the Company in issue at the date of this document and prior to the Share Consolidation
“Existing Share Option Schemes”	<ol style="list-style-type: none"> (1) The Pursuit Dynamics Share Option Plan 2001 established by the board on 22 March 2001, revised by the board on 15 March 2005 and readopted by the board on 15 June 2006; (2) The Pursuit Dynamics plc 2009 Employees’ Share Option Plan adopted by the board on 25 August 2009 and amended by the board on 24 October 2011; (3) Share Option Agreement between the Company and Paul Banner dated February 2013 (as amended); (4) Share Option Agreement between the Company and Dr Bernard J Bulkin dated 11 March 2012; (5) Share Option Agreement between the Company and Dr Bernard J Bulkin dated February 2013 (as amended); and (6) Share Option Agreement between the Company and Philip Corbishley dated February 2013 (as amended)

“Financial Services and Markets Act” or “FSMA”	the Financial Services and Markets Act 2000 (as amended)
“FCA”	the UK Financial Conduct Authority
“Founders”	the founders of Gaming Realms Limited being Michael Buckley, Patrick Southon, Simon Collins and Noel Rowse
“Gaming Realms”	Pursuit Dynamics plc, to be renamed Gaming Realms plc on Admission
“Gaming Realms Group”	together, Gaming Realms Limited, AlchemyBet and BeJig
“Gaming Realms Limited”	Gaming Realms Limited, a company registered in England and Wales with company number 08126409 whose registered office is at c/o Hansel Henson LLP, 4th Floor, 22 Newman Street, London W1T 1PH, to be renamed Bingo Realms Limited on Admission
“General Meeting”	the General Meeting of the Company to be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London, Greater London WC2A 1AP at 10.00 a.m. on 31 July 2013 and any adjournment thereof to be held for the purpose of considering and, if thought fit, approving the Resolutions
“IFRS”	International Financial Reporting Standards, as adopted for use in the European Union
“Independent Shareholders”	the Shareholders other than the Concert Party and Placees who are existing Shareholders
“IPS”	Intellectual Property & Software Limited, a company registered in Alderney with company number 1746 whose registered office is at Inchalla, Le Val, Alderney GY9 3LU
“LINK Collaboration”	a collaboration agreement under the LINK Research Grant Awards Scheme for a research programme entitled “development of physically modified hydrocolloids and starches for enhanced salt perception” between the Company, the University of Nottingham, Biopolymer Solutions Ltd, Clextral SAS, CP Kelco UK Ltd, Mettler-Toledo and Thermo Fisher dated 1 May 2012
“Lock-in Agreements”	the agreement by which each of the Proposed Directors and NewGame has agreed, with Cenkos and the Company, certain undertakings with respect to their holdings of the Company’s shares on Admission, as more particularly described in paragraph 10.8 of Part VI of this document
“London Stock Exchange”	London Stock Exchange plc
“New Articles” or “New Articles of Association”	the proposed articles of association of the Company to be adopted at the General Meeting, a summary being set out in paragraph 7 of Part VI of this document
“NewGame”	NewGame Capital LP
“New Ordinary Shares”	the proposed new ordinary shares of £0.10 each in the capital of the Company following the Share Consolidation

“New Share Option Scheme”	the Gaming Realms 2013 EMI Plan allowing the grant of Enterprise Management Incentives share options over New Ordinary Shares and B Shares
“Notice”	the notice convening the General Meeting, which is set out at the end of this document
“Placees”	purchasers of the Placing Shares
“Placing”	the conditional placing by Cenkos Securities of the Placing Shares all at the Placing Price pursuant to and on the terms of the Placing Agreement
“Placing Agreement”	the conditional agreement dated 11 July 2013 between (i) Cenkos; (ii) the Company; (iii) the Proposed Directors; and (iv) the Directors relating to the Placing, further details of which are set out in paragraph 10.4 of Part VI of this document
“Placing Price”	13 pence per Placing Share (on a post Share Consolidation basis)
“Placing Shares”	26,230,846 New Ordinary Shares to be issued pursuant to the Placing
“Proposals”	together, (i) the Disposal, (ii) the Acquisitions, (iii) the Share Consolidation, (iv) the Whitewash Resolution, (v) the change of name of the Company, (vi) the adoption of the New Articles, (vii) Admission, (viii) granting the Board authority to issue the Placing Shares, the Consideration Shares and allot/grant rights to subscribe for 2,195,005 New Ordinary Shares to Cenkos pursuant to the Cenkos Option and 1,538,460 New Ordinary Shares pursuant to the Unapproved Options and other equity securities up to an aggregate nominal amount of £1,463,337 being equal to 10 per cent. of the Enlarged Issued Share Capital, and (ix) disapplication of statutory pre-emption rights in relation to the foregoing allotments/granting of subscription rights, as set out in the Resolutions
“Proposed Directors”	the directors of Gaming Realms on Admission whose names appear on page 12 of this document
“Pursuit Marine Drive”	Pursuit Marine Drive Limited, a company registered in England and Wales with company number 04054383
“Registrar”	Computershare Investor Services plc, a company registered in England and Wales with company number 03498808
“Remuneration Committee”	the remuneration committee of the Board
“Resolutions”	the resolutions set out in the Notice
“Rule 9 Waiver”	the consent of the Takeover Panel to waive any obligations on members of the Concert Party to make a mandatory offer to Shareholders for the New Ordinary Shares not owned by members of the Concert Party upon completion of the Proposals which would otherwise arise under Rule 9 of the Takeover Code as a result of the issue of 81,328,115 New Ordinary Shares to members of the Concert Party in connection with the Acquisitions and the potential issue of 26,153,837 New Ordinary Shares pursuant to the full conversion of the B Shares under the New Share Option Scheme
“Securities Act”	the United States Securities Act 1933 (as amended)

“Share Consolidation”	the proposed reorganisation of the Company’s Existing Ordinary Shares pursuant to Resolution 5 in the Notice whereby every 10 Existing Ordinary Shares shall be consolidated into one New Ordinary Share
“Shareholders”	holders of Ordinary Shares and, following the Share Consolidation, New Ordinary Shares from time to time
“Takeover Panel”	the Panel on Takeovers and Mergers
“Targets”	Gaming Realms Limited, BeJig and AlchemyBet
“Unapproved Options”	the Unapproved Options granted, conditionally on the passing of the Resolutions and Admission to certain Proposed Directors, the terms of which are summarised in paragraph 6 of Part VI of the Admission Document
“Vendors”	the shareholders of the Targets who are party to the Acquisition Agreements
“Whitewash Proposals”	the Rule 9 Waiver, the Acquisitions and the options over B Shares, subject to Admission, granted under the New Share Option Scheme
“Whitewash Resolution”	Resolution 3 in the Notice of General Meeting

GLOSSARY

“Active player”	a customer who has made a deposit with his own funds
“Attrition” or “churn rate”	the percentage of players who become inactive on a monthly basis
“ARPU”	average revenue per user
“Beta”	refers to a form of external user acceptance testing based on the release of software to the public or limited audience
“CPA”	the cost of acquiring Active Players via paid-for online and offline marketing
“CRM”	customer relationship management
“DAU”	daily average users
“Freemium”	a business model by which a game is provided free of charge but money is charged for advanced features, functionality or virtual goods
“GGR”	total bets placed less winnings paid to players
“HTML5”	a markup language for structuring and presenting content for the World Wide Web and for use in cross-platform mobile applications
“KPI”	key performance indicator
“LTV”	the total revenue generated by each player over the playing lifetime of that player
“Mobile app”	a software application designed to run on smartphones, tablet computers and other mobile devices
“NGR”	GGR less free bets
“OTD”	one time deposit
“Registered player”	a customer who signs up and provides his details on a gaming website or equivalent
“RMP”	a new customer who has made a deposit with his own funds
“SEM”	search engine marketing
“SEO”	search engine optimisation

DIRECTORS, PROPOSED DIRECTORS, COMPANY SECRETARY AND ADVISERS

Existing Directors	<p>Bernard Bulkin Paul Banner Phil Corbishley</p> <p>The Directors will resign from the Board immediately prior to but conditional on Admission</p>	<p><i>Chairman & Non-Executive Director</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i></p>
Proposed Directors	<p>Michael Buckley Patrick Southon Mark Segal Simon Collins Jim Ryan Mark Wilson</p> <p>The Proposed Directors will be appointed to the Board immediately on Admission</p>	<p><i>Proposed Executive Chairman</i> <i>Proposed Chief Executive Officer</i> <i>Proposed Finance Director</i> <i>Proposed Executive Director</i> <i>Proposed Non-Executive Director</i> <i>Proposed Non-Executive Director</i></p>
Company Secretary	<p><i>Prior to Admission</i></p> <p>Sarah Gowing (the Company Secretary will resign immediately prior to but conditional on Admission)</p>	<p><i>Post Admission</i></p> <p>Proposed Company Secretary Mark Segal</p>
Website on Admission	www.gamingrealms.com	
Registered Office of the Company	<p><i>Prior to Admission</i></p> <p>Botanic House 100 Hills Road Cambridge CB2 1PH</p>	<p><i>Post Admission</i></p> <p>c/o Memery Crystal LLP 44 Southampton Buildings London WC2A 1AP</p>
Nominated Adviser and Broker	<p>Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS</p>	
Auditors to Pursuit Dynamics PLC	<p>PricewaterhouseCoopers LLP Abacus House Castle Park Cambridge CB3 0AN</p>	
Reporting Accountant to the Company	<p>BDO LLP 55 Baker Street London W1U 7EU</p>	
Solicitors to the Company	<p>Mills & Reeve LLP Botanic House 100 Hills Road Cambridge CB2 1PH</p>	
Solicitors to the Vendors and the Enlarged Group following Admission	<p>Memery Crystal LLP 44 Southampton Buildings London WC2A 1AP</p>	
Solicitors to the Nominated Adviser and Broker	<p>Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA</p>	
Registrars	<p>Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE</p>	

PART I

LETTER FROM THE CHAIRMAN OF

Pursuit Dynamics PLC

(Incorporated and registered in England and Wales with registered number 4175777)

Existing Directors:

Bernard Bulkin *(Chairman & Non-Executive Director)*
Paul Banner *(Non-Executive Director)*
Phil Corbishley *(Non-Executive Director)*

Registered Office:

Botanic House
100 Hills Road
Cambridge CB2 1PH

Proposed Directors on Admission:

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

15 July 2013

To Shareholders of Pursuit Dynamics PLC, and for information only to Optionholders

Dear Shareholder,

Acquisition of Gaming Realms Limited
Acquisition of BeJig Limited
Acquisition of AlchemyBet Limited
Disposal of Pursuit Marine Drive Limited
Amendments to Articles of Association
1 for 10 Share Consolidation
Waiver of the obligations under Rule 9 of the City Code
Granting of authority to issue/subscribe for shares
Dis-application of pre-emption rights
Changes to the Board
Name change to Gaming Realms plc
Placing of 26,230,846 New Ordinary Shares of 10 pence each
Admission of Enlarged Issued Share Capital to trading on AIM and
Notice of General Meeting

1. INTRODUCTION

As announced on 26 February 2013, the Company has been pursuing a programme to realise value from the Existing Group's intellectual property portfolio and reduce its liabilities. In addition, the Company has been investigating opportunities that could generate returns to Shareholders in the future.

As a result of the Company's programme to realise value from its assets, the Company has successfully:

- (1) disposed of the "food, beverage and brewing business" of its subsidiary Pursuit Marine Drive by way of a business and asset sale of the same to Olympus Automation Limited, which completed on 30 April 2013. In connection with such disposal, Pursuit Marine Drive also granted a licence of reactor patents and trade marks to Olympus Automation Limited;
- (2) entered into certain arrangements with Tyco Fire & Security GmbH for the sale/licence of certain intellectual property rights comprising (1) a licence from the Company of two of the reactor patents to be used by Tyco (a) exclusively in the field of fire suppression and control and (b) non-exclusively for

decontamination; (2) the sale of all the atomiser intellectual property from the Company; and (3) certain additional patents; and

- (3) withdrawn from the LINK Collaboration with the consent of the other parties to such Collaboration and the Biotechnology and Biological Sciences Research Council and granted the Department of Food Science, University of Nottingham a licence of certain intellectual property and a loan of equipment in connection with the withdrawal of the Company from the LINK Collaboration.

The Company has also, conditional on the approval of Shareholders, agreed to dispose of its remaining material asset, being its interest in Pursuit Marine Drive. Further information on the Disposal is set out in paragraph 2 below. Furthermore, the remaining subsidiaries of the Existing Group are now in the process of being wound up or liquidated.

Alongside the sale of the Existing Group's intellectual property, the Company believes, subject to the Disposal being approved by Shareholders at the General Meeting, that it has eliminated all material liabilities associated with Pursuit Dynamics. In addition, provisions have been made in the accounts of the Company for any non-material liabilities. Your attention is drawn to paragraphs 10.1 and 10.2 of Part VI of this document, which sets out the details of the disposals undertaken by the Existing Group.

Concurrently with its disposal programme, the Directors set out criteria for potential acquisitions. Over the previous months the Directors have evaluated a number of potential acquisition candidates that presented business plans to the Company. Following this evaluation, the Directors identified three businesses which are complementary to each other and have progressed these to the stage where conditional agreements have been signed in relation to each of the businesses. The Acquisitions constitute a reverse takeover for the purposes of the AIM Rules and are conditional upon Shareholder approval, which is being sought at the General Meeting to be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP at 10.00 a.m. on 31 July 2013.

The Acquisitions are conditional upon, *inter alia*, the passing of the Resolutions and Admission. It is expected that Admission will become effective and dealings in the Enlarged Issued Share Capital will commence on AIM on 1 August 2013.

In addition, the Company proposes to undertake a Share Consolidation whereby every holding of 10 Existing Ordinary Shares will be consolidated into one New Ordinary Share. It is also proposed that the New Articles are adopted in line with current best practice and in accordance with the Act, and to set out the rights of the B Shares in connection with the New Share Option Scheme.

Immediately following Completion, certain Shareholders of the Enlarged Group who are deemed to be acting in concert will hold, in aggregate, 83,664,401 New Ordinary Shares and will have the potential to hold a further 26,153,837 New Ordinary Shares pursuant to the full conversion of the B Shares giving the Concert Party an interest in excess of 30 per cent. of the Enlarged Issued Share Capital. Under Rule 9 of the Takeover Code this interest would normally result in the Concert Party being obliged to make an offer to all Shareholders (other than the Concert Party) to acquire their shares. Following an application by the Concert Party, the Takeover Panel has agreed to waive this obligation subject to the approval of the Independent Shareholders at the General Meeting. Your attention is drawn to the Rule 9 Waiver section contained in Part V of this document.

The nature of the Company's business will be transformed by the Acquisitions and, in order to reflect its new activities, it is proposed that the Company changes its name to Gaming Realms plc.

Immediately prior to but conditional on Admission, the Directors will resign from the Board and the Proposed Directors will be appointed to the Board immediately on Admission.

Shareholders are therefore invited to approve all of the Proposals, which are conditional upon the passing of the resolution in relation to the Disposal, which is a standalone resolution. If the resolution in relation to the Disposal is not approved by the Shareholders, none of the Proposals will be implemented.

The Acquisitions represent a complete change in strategy and direction for the Company, and, while not without risk, the Directors believe they represent a good opportunity to deliver value to Shareholders. The Directors consider the Acquisitions to be in the best interest of Shareholders.

2. BACKGROUND TO THE DISPOSAL

The Company entered into the Disposal Agreement with Cellulac for the sale of the entire issued share capital of its wholly-owned subsidiary, Pursuit Marine Drive, for an initial non-refundable deposit of £50,000 and an additional cash sum of £950,000, which may become payable on 31 December 2013 or earlier, subject to certain milestones being met by Cellulac. As the achievement of these milestones is uncertain and they are all outside the control of the Company, the Directors cannot assess the likelihood of these milestones being achieved. Completion of the Disposal Agreement is conditional upon i) the passing of Resolution 1; and ii) receipt by the Company of a deed of release of a charge granted by Pursuit Marine Drive in favour of Barclays Bank plc. Your attention is drawn to paragraph 9 of this document for details of the principal terms of the Disposal.

By virtue of its size, completion of the Disposal will result in a fundamental change of business for the Company. Following completion of the Disposal, the asset base of the Company will comprise cash, which is expected to be a minimum of £3.2 million as at the date of the General Meeting and limited IT and office equipment.

As such, the Disposal requires the prior approval of Shareholders, in accordance with the AIM Rules, to be sought at the General Meeting as Resolution 1. Should the Disposal not be approved, all other Proposals will not proceed.

3. BACKGROUND TO THE ACQUISITIONS AND EXECUTIVE MANAGEMENT TEAM

Gaming Realms Limited was founded by Michael Buckley, Patrick Southon, Simon Collins and Noel Rowse in 2012. The company was formed to develop a new bingo concept based on interactive next generation digital gambling games and its first development Bingo Godz is due to be soft launched in August 2013.

BeJig and AlchemyBet were founded independently and had subsequent financial and management support through the investments made by NewGame (then controlled by Patrick Southon, Simon Collins and NewShore Capital LLP). BeJig operates 'Freemium' social gaming applications, primarily through its Avatingo and 5 Star Slots games. AlchemyBet develops and operates real-money online slots through its PocketFruity brand which currently has 17 proprietary games.

The Proposed Directors believe the BeJig and AlchemyBet businesses will fit well with the Bingo Godz product and the Enlarged Group will have the potential to create a significantly larger platform through, *inter alia*, cross promotion, improved client retention and lower CPA.

The Founders were also the founders and executive team behind Cashcade, a leading UK-based online gambling company specialising in marketing bingo and casino games. Cashcade was sold to Bwin.party in 2009, for an aggregate consideration of approximately £96 million.

Cashcade was one of the first companies to market and promote online bingo to a mass audience. A focused marketing effort was instrumental in developing Foxy Bingo, the primary Cashcade brand. Cashcade was innovative in managing the user relationship to further drive growth and in providing an immersive and enjoyable user experience heightened by a "community feel". This propagated viral marketing thus reducing the CPA and adding to the highly scalable nature of the digital based business model.

Cashcade's leadership in online gaming and successful brand development was reflected in multiple industry awards.

In the financial year ended 31 December 2008 prior to its sale, Cashcade and its subsidiaries generated an EBITDA of approximately £12.2 million. Cashcade's management team continued to develop it and its subsidiaries following the sale, and the business generated an EBITDA of approximately £16.9 million in the year ended 31 December 2011.

4. STRATEGY OF THE ENLARGED GROUP AND MARKET OPPORTUNITY

The Enlarged Group's initial strategy will be to establish itself within the casino and bingo segment of the social gaming market as well as launch real money gambling games within the UK regulated market.

Gaming Realms will operate in the growing online gaming market which was worth approximately US\$35 billion in 2012. Social gaming, where the Company's activities will also be focused, is worth approximately US\$1.7 billion and is expected to grow to US\$4 billion by 2015.

Much of this market growth is expected to come from the increased adoption of smartphones by consumers, which currently account for 17 per cent. of mobile usage, facilitated by increased mobile internet capabilities. Games account for over 64 per cent. of smartphone app usage; and half of Facebook users go to the site to play games. Gaming Realms intends to grow its business by offering its products to a substantial and growing customer base.

Growth in mobile internet is one of the most powerful trends in the internet landscape and the global smartphone and tablet installed base is expected to exceed the PC installed base during 2013.¹ There were an estimated 1 billion smartphone users at the end of 2012 representing 17 per cent. of total mobile users. Despite the large growth in smartphones, the Proposed Directors concur with analysts who believe that user adoption has significant upside.²

Games dominate mobile app usage accounting for in excess of 50 per cent. of app usage, significantly higher than social networking which accounted for 22 per cent. of consumer time.³ Social networks, led by Facebook have created a substantial platform, with Facebook claiming in excess of 1 billion users. About 50 per cent. of Facebook sessions start with the user playing a game.⁴ Zynga, the global leader in social gaming, has approximately 70 per cent. penetration on Facebook and approximately 33 per cent. of all social gaming players.⁵ Whilst Facebook is the largest social network, research suggests that the potential revenue from non-Facebook social networks is greater than that of Facebook.⁶

The longer term strategy is to increase the combined databases of the company's subsidiaries, and enhance revenues, by focusing on product and marketing initiatives which:

- cover the substantial and overlapping fast growing audience
- converge 'paid participation' business models
- include shared distribution on web, tablet and mobile platforms
- share common success factors such as customer acquisition, retention, design and monetisation.

5. INTENTIONS OF THE CONCERT PARTY

Certain of the Proposed Directors are members of the Concert Party, details of which are set out in Part V of this document. The Concert Party has confirmed that it has no intentions to alter any of the existing employment rights of the employees and management of the Targets as such rights will be fully safeguarded and that there will be no material change in the conditions of employment of any person. The Enlarged Group will move its registered offices to c/o Memery Crystal, 44 Southampton Buildings, London WC2A 1AP but will retain its operational offices in their existing locations and does not intend to redeploy any of the fixed assets of the Targets. The Concert Party supports the strategy set out in paragraph 4 of this Part I.

Furthermore, the Proposed Directors intend to hire further employees in line with their strategy to grow and continue to develop and operate new games. The potential hiring will not alter any of the existing employment rights of the employees of the Targets. There are no pension arrangements existing or envisaged and no scheme deficits in the Targets, nor in the Company.

¹ Facebook/Morgan Stanley research

² Morgan Stanley research/Informa

³ Flurry analytics

⁴ Facebook

⁵ Dystillr

⁶ Super Data Research

Following completion of the Disposal, there will be no material legacy assets of the Company and the two remaining employees, both of whom have been served notice will leave the Company shortly after Admission. There is no current intention that Gaming Realms will renew these contracts.

The Existing Directors have taken into account the strategy of the Proposed Directors (including certain members of the Concert Party) and the intentions of the Concert Party set out above and believe such strategy and such intentions to be in the best interests of Shareholders and the Company.

6. BACKGROUND ON GAMING REALMS LIMITED, BEJIG AND ALCHEMYBET

Overview of the Acquisitions and the gaming offerings

	<i>Gaming Realms Limited</i>	<i>BeJig</i>	<i>AlchemyBet</i>
Brands	<ul style="list-style-type: none"> ● Bingo Godz ● CastleJackpot 	<ul style="list-style-type: none"> ● Avatingo ● Five Star Slots ● Sh*thead ● Skill Bingo 	<ul style="list-style-type: none"> ● PocketFruity (17 virtual slots)
Business model	<ul style="list-style-type: none"> ● Real money gambling 	<ul style="list-style-type: none"> ● 'Freemium' social gambling 	<ul style="list-style-type: none"> ● Real money gambling
Supported devices	<ul style="list-style-type: none"> ● Mobile ● Desktop ● Tablet 	<ul style="list-style-type: none"> ● Desktop ● Tablet ● Mobile to be launched 	<ul style="list-style-type: none"> ● Mobile ● Desktop ● Tablet
Development stage	<ul style="list-style-type: none"> ● Bingo Godz due to be soft launched in August 2013 and hard launch planned for September 2013 ● CastleJackpot launched in June 2013 	<ul style="list-style-type: none"> ● AvaTingo launched in August 2011 ● 5 Star Slots launched March 2013 ● Sh*thead soft launched in May 2013 	<ul style="list-style-type: none"> ● Pocket Fruity launched in May 2012 ● Additional games being added
Market	<ul style="list-style-type: none"> ● UK online bingo and casino gambling market 	<ul style="list-style-type: none"> ● Global Facebook and 'Freemium' social gaming market 	<ul style="list-style-type: none"> ● UK mobile casino/ slots gambling market
Revenue source and generation	<ul style="list-style-type: none"> ● Revenue share based on NGR (bingo rake or house win on slots) 	<ul style="list-style-type: none"> ● Users purchase virtual currency to progress within game levels 	<ul style="list-style-type: none"> ● NGR (house win on slots less promotional money)

6.1 Gaming Realms Limited (to be renamed Bingo Realms Limited on Admission)

Gaming Realms Limited was founded in 2012 by the Founders with the purpose of developing Bingo Godz, due to launch in August 2013. Bingo Godz is a new bingo concept which uses elements commonly found in social games

Since incorporation, Gaming Realms Limited has been developing, Bingo Godz, in conjunction with Bede Gaming, a software company based in Newcastle founded by the owners of Crown Bingo, a leading UK bingo site. The site will be operated by IPS which has a Category 1 and 2 Alderney eGambling Licence issued by the Alderney Gambling Control Commission. IPS will also be responsible for payment processing. Gaming Realms Limited will be responsible for marketing and continued development of the product in conjunction with Bede Gaming.

j) Bingo Godz

The Bingo Godz product is built with HTML 5 which allows cross device support with a single set of source code and offers users a simple yet immersive bingo game experience which can be played on the web, tablet and mobile platforms. On downloading the app or visiting the website, users will be able to play bingo, together with casino themed slots, for real money on their smart phones, tablets or desktops. The player will be able to participate in bingo free of charge, so as to encourage length and frequency of play. All players are encouraged to deposit funds and become real money players through incentives offered. Game play is focused around successful mobile and tablet games that encourage the user to return to the game to progress through various levels. Initially, players will have access to only one virtual world in which to play

but will be able to access additional rooms and levels through frequent and successful play. The bingo and casino themed slots playable in each virtual room will allow the player to wager, win and withdraw real money via a single wallet payment platform, provided by IPS.

The software for Bingo Godz has been fully tested for functionality and has been trialled on Facebook and Real Money Platforms for robustness and scalability. A soft launch of Bingo Godz is planned for August 2013 when users will be able to play via their smartphone and online devices with the hard launch planned in September 2013.

The game play is designed around a selection of Godz that provide players with bonus features (e.g. free marks of a bingo ticket, cash-back on tickets for a game if a player doesn't win), and each Godz offers a different power and bonus. The Proposed Directors believe that combining these social features may result in higher user times, better conversion and increased life time player value compared with existing online bingo operators. This is borne out by research provided by Optimove⁷, who provide analytics on online behavioural patterns.

Analytics are crucial to track user engagement and Gaming Realms Limited is currently in discussion with Bede Gaming and business intelligence company Optimove, who help to enhance CRM and ensure prompt feedback on user engagement. Such research undertaken by Optimove has discovered that:

- An active social player typically plays every two days, as opposed to an active gambling player who typically plays once every four days > 2x greater engagement
- 60 per cent. of single-payment OTD social players will continue to play after their one-time payment, compared with 7 per cent. of OTD players in traditional online gambling space > 9x greater engagement
- 50 per cent. of players engaged in social gaming are still active after six months, as opposed to only 8 per cent. in gambling > 6x greater engagement

Gaming Realms Limited will generate its revenue through a commission on gaming sales generated by players registering their credit cards, via IPS, and becoming an active RMP. Once registered as a RMP on Bingo Godz, the player can deposit money into his or her virtual wallet and wager either bingo games or casino themed slots.

Gaming Realms Limited is focussing its marketing efforts on branding for Bingo Godz and its launch will be driven by a TV marketing approach based on the approach used by Cashcade to market Foxy Bingo, which proved to be highly successful in growing users for a mass market gambling product. In addition, Gaming Realms Limited has agreed a solus test spend on ITV channels and digital agency Adotomi, to build liquidity and provide more behavioural feedback. There will be additional focus on SEO, SEM and Facebook initiatives.

Further growth opportunities are anticipated through the development of new distribution channels such as interactive TV as well as marketing the game initially as a 'non gambling' format and take advantage of real money gaming when it is legalised.

ii) CastleJackpot

CastleJackpot is a web based casino product provided by Bede and operated by IPS which launched in June 2013. It uses the same technology platform as Bingo Godz with a standalone registration process, and has shown an encouraging initial start since launch.

6.2 BeJig Limited

BeJig was formed in 2011 by an award winning team of engineers and game designers with proven experience in the online gambling space. BeJig's development team have had extensive exposure to large gambling applications and game development for a number of major industry players.

⁷ Optimove is a software application provided by an independent company Mobius that provides demographics and behavioural patterns of players in both casual and online gaming domains

BeJig is a developer and operator of online multiplayer social gambling games and soft launched its first product, the social, virtual currency gambling game “Avatingo”, in ‘beta’ on Facebook in August 2011. BeJig has three new Facebook apps currently running in pre-launch Beta phase which are described below.

j) Avatingo

Avatingo is a Facebook app set in a virtual town containing games, bingo and slot machines. Users create their own unique avatar character, which allows them to navigate around the world to different locations where they can participate in varied virtual gambling games and interact with other users.

Revenue is generated from this virtual platform through selling upgrades, premium access and virtual goods to players. The game is designed to encourage players to make purchases of virtual currency in order to improve their Avatar’s game experience.

Following management’s review of initial activity, key decisions were taken to redesign the game format, integrate a sophisticated data mining toolset and move to an iterative development process with updates and changes being released fortnightly.

The Avatingo desktop app was re-launched in early March 2012 and since then KPIs have improved steadily, particularly with the recent launch in April 2013 of the game on iPad – on which player numbers have doubled during May 2013. Further growth on mobile is expected with the launch of the game on the Android platform in early June 2013.

ii) Five Star Slots

This is a virtual currency online casino using content supplied by Leander Games. Players access a range of slot machines which they unlock through repeat play. Leander games recently won eGaming review’s “Social Gaming Supplier of the Year” award for their involvement with 5 Star slots.

BeJig are refining this game in consultation with Kontagent, the analytics partner on one of the largest and most profitable social slot machine apps to date (“Slottomania” by Playtika).

The beta version launched in March, this product has been monitored and iterated and has grown steadily in player numbers and revenue. Management anticipate aggressively taking this game to market now that it shows scalable KPIs.

iii) Sh*tHead

Sh*tHead is a multiplayer card game based on a popular offline format and is currently running in early Beta on Facebook (from March 2013) with exploratory marketing scheduled to begin imminently.

Development on a tablet version of this title is underway. Management hope that the multiplayer nature of this game and its first-to-market status on the Facebook platform will help it achieve viral growth beyond any BeJig titles to date, resulting in expansion at a low CPA.

iv) Skill Bingo

Skill Bingo is a project name for a new application targeting a wide variety of hardware. The theme of this game is to create a short yet engaging experience. The management team believe there is an opportunity to address audiences for traditional bingo dabbling with a multi-platform, high production/casual skill bingo game.

6.3 AlchemyBet Limited

AlchemyBet was founded in January 2011, with its primary activity and assets being similar to the business previously undertaken and held by Cometa, a premium-rate technology based mobile gaming business. Cometa was dissolved on 19 July 2011 and AlchemyBet was ‘reformed’ in January 2012, following a £700k investment from NewGame.

Since then, AlchemyBet has continued to be a developer and operator of mobile slot and casino themed 'real-money' gambling games, including fruit machines, obtaining a UK Gambling Commission Licence in May 2012 and launching its first brand, Pocket Fruity, in May 2012.

j) Pocket Fruity

PocketFruity™ develops and operates "fruit machine" games and currently has seventeen proprietary games. PocketFruity's new games are written in HTML5, allowing cross device support with a single set of source code. These 17 proprietary games have been, and continue to be designed and developed, to maintain interest with the existing depositing players and reengage old depositing players, while also trying to grow the new player base.

Revenue is gambling based and generated directly from the mobile slot machines. AlchemyBet currently generates CPA's of between £80 to £100, a life time value of between £250 and £300 and has a database of in excess of 5,000 depositing players.

AlchemyBet's strategy is to grow its user base in the UK via effective target marketing of the Pocket Fruity™ brand following its planned re-launch on the back of improvements to the gaming platform, along with establishing a number of Business to Business game licensing and/or distribution agreements.

6.4 Selected Financial Information

The financial information set out below has been extracted without material adjustment from the historical financial information of the Gaming Realms Group for the three years ended 31 March 2013, as set out in Section B of Part IV of this document.

	2011 £	2012 £	2013 £
Revenue	1,190	61,427	875,571
Cost of sales	–	(13,503)	(254,823)
Gross profit	1,190	47,924	620,748
Other operating income	9,000	3,950	5,934
Distribution expenses	–	(231,101)	(889,777)
Administrative expense	(101,534)	(746,199)	(1,627,021)
Operating loss	<u>(91,344)</u>	<u>(925,426)</u>	<u>(1,890,116)</u>

6.5 Competition

The Proposed Directors believe that, following the Acquisitions, the main competition for Bingo Godz will initially be confined to the incumbent online bingo sites such as Tombola, Gala, Jackpot Joy, Meccabingo and Foxy Bingo. However, these competitors are predominantly online based offerings as opposed to the HTML 5 platform designed for mobile and tablet platform which Bingo Godz intends to exploit.

The Proposed Directors believe the competition to BeJig's brands, Avatingo and Five Star Slots, are primarily from companies such as Caesars Interactive Entertainment Inc., Product Madness, IGT/Double Down and Plumbee. Whilst for AlchemyBet's PocketFruity brand, games operated by mFortune and Probability as a pure play mobile casino offering with William Hill, Ladbrokes, PaddyPower and Skybet providing competition using their broader sports biased products.

7. CURRENT TRADING AND PROSPECTS FOR THE ENLARGED GROUP AND USE OF PROCEEDS

The Gaming Realms Group has continued to strengthen its position over recent months. There has been further development of Bingo Godz, which has now been approved in the Apple App Store and is planned to be launched in the second half of 2013. Additionally, Gaming Realms also launched castlejackpot.com which has shown encouraging early results. Bejig is now realising the development of 3 out of its 4 products – Avatingo, Five Star Slots and sh*thead (which is in beta mode). Five Star Slots has been further developed since 1 April 2013 and is ready for a hard launch to the market. Tests in June showed positive ARPU and

growth through an increased marketing spend. Avatingo has now been rolled out onto Apple and Android platforms as it aims to reach a new audience. AlchemyBet has outperformed expectations, seeing an increase in active players and monthly revenue, and further development is planned to improve the platform. The Proposed Directors believe that the Enlarged Group may be well positioned for future growth and remain confident of the Company's future prospects.

The net Placing proceeds and the cash in the Company after payment of the expenses detailed in paragraph 15.2 of Part VI will be used from Admission by the Enlarged Group to develop and grow its products. The Proposed Directors believe that significant targeted marketing spend will be key to the launch and further growth of the Enlarged Group's products. The Proposed Directors intend to deploy the majority of the placing proceeds through TV advertising and SEO, SEM and Facebook initiatives and drive an increase in the number of active users, lower CPAs and increase LTVs. The Proposed Directors also intend to hire further employees in line with the Enlarged Group's strategy to grow and continue to develop and operate new games.

8. DIRECTORS ON ADMISSION

On Admission the Board shall comprise four executive directors and two independent non-executive directors. The biographical details of the Proposed Directors are set out below:

Michael Buckley, *Executive Chairman*, aged 66

Michael Buckley was Executive Chairman of Cashcade, which he founded with Patrick Southon and Simon Collins in 2000. Cashcade became a leading UK based online gaming company prior to its sale to PartyGaming plc in 2009. Amongst a number of functions he performed for the company during this period, Michael was responsible for raising the £7 million equity needed for the company's development, created a number of important commercial relationships for Cashcade, and led the sale process which generated an aggregate sale consideration of approximately £96 million for shareholders.

Michael has invested in and been Executive Chairman of a number of public companies. These include SelecTv plc, a producer of comedy and comedy drama series for television such as Lovejoy, Birds of a Feather and The New Statesman. SelecTv invested in a consortium which in 1991 won the franchise to create Meridian Television of which Michael was a founder director. He was also Executive Chairman of Pacific Media plc, which invested in a number of internet backbone companies in Asia during the 1990s as well as creating a chain of movie theatres in South East Asia in partnership with United Artists Theatre Circuit Inc.

Michael has held other public and private company directorships, having obtained a professional qualification as a Chartered Accountant in the UK.

Patrick Southon, *Chief Executive Officer*, aged 41

Patrick has been working within the online gambling sectors for the last 13 years. He is particularly focused on marketing, brand building and media buying. Patrick was Managing Director of Cashcade and Managing Partner of NewGame an investment fund focusing on innovation within the gambling sector. His marketing expertise allowed Cashcade to build a distinctive and prominent brand identity around, among others, its flagship 'Foxy Bingo' brand and turned the company into one of the most effective advertisers on British television. Based on research by TNS, Marketing Magazine cited Foxy Bingo as having the best-value television advertising between 2008 and 2010.

Mark Segal, *Finance Director*, aged 35

Mark recently left Bwin.party as Finance Director for the bingo vertical. Previous to that Mark was Finance Director of Cashcade until it was acquired by PartyGaming plc in July 2009. Mark was responsible for the full finance function, including commercial negotiations, business intelligence and operational support in the business, and was involved in the sale to PartyGaming plc and acquisition of Independent Technology Ventures in July 2007. Prior to joining Cashcade, in May 2005, Mark spent 5 years at the accountancy firm Martin Greene Ravden, where he qualified as a chartered accountant in 2003.

Simon Collins, *Executive Director*, aged 41

Simon was the co-founder and commercial director of Cashcade. He formed a range of profitable business-to-business and affiliate relationships for Cashcade and was an early adopter of both search engine

and social network marketing in the monetised digital gaming space. In 2008 and 2009, Cashcade featured in The Sunday Times Top 20 fastest growing technology companies and the business won numerous other industry awards. Following the sale of Cashcade Simon remained at Bwin.party until April 2011, where he focused on innovation, research and development as well as the ongoing development of Cashcade's brand in the social networking space. Since leaving Bwin.party, Simon joined Patrick Southon in setting up NewGame an investment fund focusing on innovation within the gambling sector.

Jim Ryan, *Non-executive Director*, aged 51

Jim Ryan recently retired as the Co-CEO of Bwin.party. He has spent the last 12 years of his career in leadership roles within the online gaming sector. Jim has led a number of the industry's largest merger and acquisition transactions which include the merger of PartyGaming plc and Bwin.party, the acquisitions of Cashcade (Foxy Bingo) and the World Poker Tour and the sale of St Minver Limited. Jim has held senior management posts at SXC Health Solutions Corp., Procuron Inc., Metcan Information Technologies Inc and Epson Canada Limited.

Educated at Brock University (Goodman School of Business) in Ontario, Canada, where he obtained a business degree with first class honours, Jim obtained professional qualifications as a Chartered Accountant and Certified Public Accountant from the Canadian Institute of Chartered Accountants.

Mark Wilson, *Non-executive Director*, aged 52

Mark Wilson is currently strategic adviser to Sky International for the Americas and is an investor in media, gaming and real estate. Mark has held senior level leadership positions at Television Games Network, Music Choice International, Hubbard Enterprises, New Mexico Gaming, LLC and Churchill Downs, Inc.

Mark received his undergraduate degree from Western Kentucky University with honours and a Juris Doctorate from the University of Louisville.

9. PRINCIPAL TERMS OF THE DISPOSAL

The Company entered into the Disposal Agreement with Cellulac for the sale of the entire issued share capital of its wholly owned subsidiary, Pursuit Marine Drive on 1 July 2013. Completion of the Disposal Agreement is conditional upon i) the passing of Resolution 1; and ii) receipt by the Company of a deed of release of a charge granted by Pursuit Marine Drive in favour of Barclays Bank plc. The conditions are required to be satisfied on or before 31 October 2013, or such later date as the parties agree. In the event that the conditions are not satisfied by such date, and the parties are unable to agree to extend the date for satisfaction of the conditions, then the Disposal Agreement shall automatically terminate.

An initial non-refundable deposit of £50,000 was paid by Cellulac to the Company. The deposit is non-refundable. The balance of the purchase price being £950,000 is to be paid by Cellulac to the Company on the earlier of 31 December 2013, and the date falling three business days after a sale or quotation, of Cellulac or a Cellulac group company. The instalment will be secured by way of a charge and guarantee granted by Pursuit Marine Drive in favour of the Company to be executed and delivered on completion of the Disposal Agreement. Pursuant to the Disposal Agreement, it is envisaged that certain contracts comprising the "AlgaeParc Contract", the "FP7 Projects" and the Contracts (each term as defined in the Disposal Agreement) will either before or after exchange be novated and/or assigned from the Company to Cellulac and/or Pursuit Marine Drive. Cellulac has agreed to hold the Company harmless in respect of the performance of any obligations arising out of or in respect of those transferring contracts unless and until such time as the contracts are novated or assigned, and also where any such contract is and/or has been assigned or terminated.

The Disposal Agreement contains limited commercial warranties and standard form warranties in relation to title, capacity and solvency of the Company, which are given by the Company at the date of the Disposal Agreement, in favour of Cellulac. The Disposal Agreement also contains certain customary protections in favour of the Company, limiting the scope of any breach of the terms of the Disposal Agreement.

Under the terms of the Disposal Agreement, Cellulac also provides certain customary warranties in favour of the Company.

10. PRINCIPAL TERMS OF THE ACQUISITIONS

On 15 July 2013, the Company entered into the three separate Acquisition Agreements under which it has conditionally agreed to acquire:

1. the entire issued share capital of Gaming Realms Limited for a purchase price of £7,500,000 satisfied by the issue of 57,692,309 Consideration Shares valued at the Placing Price;
2. 100 per cent. of the issued share capital of BeJig not already owned by Gaming Realms Limited for a purchase price £3,511,988.15 satisfied by the issue of 27,015,293 Consideration Shares valued at the Placing Price;
3. 100 per cent. of the issued share capital of AlchemyBet not already owned by Gaming Realms Limited for a purchase price £1,069,046.68 satisfied by the issue of 8,223,435 Consideration Shares valued at the Placing Price.

Each of the Acquisition Agreements is conditional upon, *inter alia*, Admission and each of the conditions precedent in the Placing Agreement having been satisfied or waived, including the passing of the Resolutions.

Further details of the Acquisition Agreements are set out in paragraph 10.3 of Part VI of this document.

11. THE PLACING

At the Placing Price, the Placing will raise approximately £3.4 million for the Company.

The Placing, which is not being underwritten, is conditional, *inter alia*, upon:

- the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission;
- the Acquisition Agreements becoming unconditional (save for Admission) and not having been terminated; and
- Admission becoming effective not later than 1 August 2013, or such later date as Cenkos and the Company may agree, being not later than 16 August 2013.

The Placing comprises an aggregate 26,230,846 New Ordinary Shares being issued by the Company.

The Placing Shares will rank *pari passu* in all respects with the other New Ordinary Shares including the right to receive all dividends and other distributions declared, paid or made after the date of issue.

None of the Placing Shares have been marketed to or will be made available in whole or in part to the public in conjunction with the application for Admission. The market capitalisation of the Company immediately following the Placing, at the Placing Price, will be approximately £19.0 million. Application has been made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM. Admission is expected to become effective and dealings in the Enlarged Issued Share Capital are expected to commence on 1 August 2013.

Jim Ryan and Mark Wilson have agreed to subscribe for 384,615 New Ordinary Shares each under the Placing.

Further details of the Placing Agreement are set out in paragraph 10.4 of Part VI of this document.

12. LOCK-INS AND ORDERLY MARKET ARRANGEMENTS

Immediately following Admission, the Proposed Directors will be interested, in aggregate, in 42,182,282 New Ordinary Shares representing approximately 28.8 per cent., of the Enlarged Issued Share Capital of the Company. In accordance with Rule 7 of the AIM Rules, each of the Proposed Directors and NewGame has undertaken to Cenkos Securities and the Company not to sell, transfer or dispose of any of the Company's securities save in accordance with the AIM Rules, for a period of 12 months following Admission (and shall procure that its related parties do the same). The Proposed Directors and NewGame further undertake that for a further 12 months they will only dispose of New Ordinary Shares through the Company's broker from time to time (and shall procure that its related parties do the same).

Further details of the Lock-in Agreements are set out in paragraph 10.8 of Part VI of this document.

13. NEW SHARE OPTION SCHEMES

The Proposed Directors believe that the success of the Company will depend to a high degree on the management team being appropriately motivated and rewarded. The Company has therefore established conditional on Admission the New Share Option Scheme which will reward the participants if shareholder value is created, thereby aligning the interests of the Proposed Directors directly with those of the Shareholders.

B Shares

The following options have, subject to Admission, been granted under the New Share Option Schemes.

<i>Name</i>	<i>Number of B Shares</i>
Patrick Southon	5,769,230
Michael Buckley	5,769,230
Simon Collins	4,615,384
Noel Rowse	4,615,384
Mark Segal	3,076,923
Irek Galecki	2,307,692

There are no B Shares currently in issue. It is intended that B Shares will be issued only when EMI Options granted under the New Share Option Scheme are exercised. As set out in paragraph 6 of Part VI, EMI options can only be granted to employees who meet the statutory working time requirement, and cannot normally be exercised before 15 July 2015.

Under the New Articles, the B Shares, once issued, will have no voting rights, will only be transferrable with the consent of the Board and will not be admitted to AIM. Their value will be 20 pence less than the prevailing price of the New Ordinary Shares. They will therefore have no value unless the value of the New Ordinary Shares exceeds 20 pence. On a takeover offer or on a winding up, subject to the Code, it is expected that the B Shareholders may be entitled to receive 20 pence in value per B Share they hold less than the Shareholders will receive per New Ordinary Share they hold. If a dividend is declared, they will receive a dividend calculated by reference to dividend payable per New Ordinary Share scaled back to reflect the relative value of the New Ordinary Shares and the B Shares.

If a B Shareholder wishes to sell their B Shares, they are entitled to require the Company to do one of three things. The Company can elect, at its discretion to either (i) buy the shares back, (ii) arrange for a third party to buy them or (iii) convert the relevant B Shares into New Ordinary Shares. The price at which the Company or a third party must buy the shares is calculated by deducting 20 pence from the average volume weighted average price of a New Ordinary Share measured over the 30 trading days prior to the B Shareholder notifying the Company they wish to sell. On a conversion, a B Shareholder receives New Ordinary Shares with an equivalent value to the cash they would have received if the relevant B Shares were purchased by the Company or a third party.

All options granted under the New Share Option Scheme on Admission will be exercisable over B Shares at their nominal value of £0.01 and will be capable of exercise, subject to certain exceptions, after two years of the date of grant.

The number of New Ordinary Shares a B Shareholder would receive if the Company elected to convert B Shares in these circumstances would depend on the then value of the New Ordinary Shares. As the value of the New Ordinary Shares increases, the number of New Ordinary Shares a B Shareholder would receive increases but will never exceed the number of B Shares held by a B Shareholder as the value of a B Share will always be less than the value of a New Ordinary Share of the time of conversion.

The maximum number of B Shares that could be issued if all the options over the B Shares were exercised and the resulting B Shares then converted into New Ordinary Shares is 26,153,837, representing 15.2 per cent. of the Enlarged Issued Share Capital and assuming all B Shares are converted into New Ordinary Shares.

In addition, a B Shareholder must sell their B Shares if they cease to be an employee or director of any group company in accordance with the same process as if they were a voluntary seller.

The table below sets out the shareholdings of the B Shareholders and their total interest in New Ordinary Shares assuming all options over the B Shares are exercised and all B Shares are converted into New Ordinary Shares.

Shareholder	Number of New Ordinary Shares in Enlarged Group	Percentage of New Ordinary Shares in Enlarged Group	Number of B Shares to be issued under the New Share Option Scheme	Maximum number of New Ordinary Shares assuming all options over B Shares are exercised in full	Percentage of Enlarged Issued Share Capital assuming options over B Shares are exercised in full and B Shares are converted into the maximum number of New Ordinary Shares possible
Michael Buckley	16,281,349	11.12	5,769,230	5,769,229	13.18
Patrick Southon	10,397,039	7.1	5,769,230	5,769,229	9.63
Simon Collins	10,347,039	7.07	4,615,384	4,615,383	8.93
Noel Rowse	4,512,248	3.08	4,615,384	4,615,383	5.40
Rachel Segal*	644,607	0.44	3,076,923	3,076,922	2.17
Irek Galecki	644,607	0.44	2,307,692	2,307,691	1.73

* Options over B Shares shown against Rachel Segal's name are being granted to her husband Mark Segal

Unapproved Options

In addition and conditional on Admission and the passing of the Resolutions the Company has granted the following Unapproved Options, all exercisable at the Placing Price:

Name	Number of New Ordinary Shares
Jim Ryan	769,230
Mark Wilson	769,230

The Unapproved Options will have the same rights as the options granted over the B Shares, save that the exercise price will be 13 pence per New Ordinary Share.

Further details of the New Share Option Scheme and the rights attaching to the B Shares are set out in paragraphs 6 and 7 of Part VI of this document

14. TAKEOVER CODE AND WHITEWASH RESOLUTION

The Takeover Code governs, *inter alia*, transactions which may result in a change of control of a company to which the Takeover Code applies. Under Rule 9 of the Takeover Code any person who acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested or in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, Rule 9 of the Takeover Code also provides that when any person, together with persons acting in concert with him, 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 if any further interest in shares is acquired by any such person.

Rule 9 of the Takeover 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, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares.

An offer under Rule 9 must be in cash and must be at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company in question during the 12 months prior to the announcement of the offer.

Persons acting in concert include persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate, to obtain or consolidate control of that company.

Waiver

Relationship between members of the Concert Party

The members of the Concert Party are made up of founding shareholders, employees and capital providers in each of the Targets. The majority of the members of the Concert Party have been influential in setting up and creating value in each of the Targets. NewGame provided seed capital to BeJig and AlchemyBet, alongside two of the Proposed Directors, Patrick Southon and Simon Collins. Bwin.party, through its large shareholding in NewGame is also a member of the Concert Party. Full details of the members of the Concert Party are set out in Part V of this document.

Effects of Proposals and requirement for the Waiver

Immediately following Completion, the members of the Concert Party will between them own 83,664,401 New Ordinary Shares (representing 57.09 per cent. of the Enlarged Share Capital). Furthermore, certain members of the Concert Party will have options over 26,153,843 B Shares proposed to be granted under the New Share Option Scheme which on full conversion into New Ordinary Shares would represent a maximum controlling position of 64.64 per cent. of the Enlarged Issued Share Capital assuming all B Shares are converted into 26,153,837 New Ordinary Shares (details of the B Shares are set out in paragraph 6 of Part VI). The earliest date on which the options can be exercised is the second anniversary following Admission. A table showing the respective individual holdings of the members of the Concert Party following Admission and following the implementation of the Proposals in full is set out in Part V of this document.

The Takeover Panel has agreed, however, to waive the obligation to make a general offer that would otherwise be required as a result of the allotment and issue of the Consideration Shares and full conversion of the B Shares into 26,153,837 New Ordinary Shares pursuant to the Proposals. Accordingly, the Whitewash Resolution seeks to waive the requirement under Rule 9 of the City Code that the Concert Party, having acquired a shareholding and percentage of voting rights exceeding 30 per cent., must make a general cash offer to all the remaining Shareholders to acquire their shares. In accordance with the City Code, the Whitewash Resolution is being proposed at the General Meeting and will be taken on a poll. The Concert Party will not be entitled to vote on the Whitewash Resolution. To be passed, the Whitewash Resolution will require a simple majority of votes entitled to be cast to vote in favour.

Following Completion, the Concert Party will have acquired in aggregate interests in shares carrying approximately 57.09 per cent. of the voting rights of the Company (or a maximum interest of approximately 64.64 per cent. of the voting rights assuming full conversion of the B Shares into 26,153,837 New Ordinary Shares) which, without a waiver of the obligations under Rule 9, would oblige the Concert Party to make a general offer to Shareholders under Rule 9. Further details concerning members of the Concert Party are set out in Part V of this document.

Shareholders should note that, following the completion of the Placing, the Concert Party will together hold over 50 per cent. of the voting rights of the Company and will therefore be entitled to increase their interest in the voting rights of the Company without incurring a further obligation under Rule 9 of the Code to make a general offer. However, should any individual member of the Concert Party acquire an interest in shares of the Company such that they are interested in 30 per cent. or more of the voting rights in the Company, the Panel may regard this as giving rise to an obligation upon that member of the Concert Party to make an offer for the entire issued share capital of the Company at a price no less than the highest price paid by the individual member of the Concert Party or any other member of the Concert Party in the previous 12 months.

15. SHARE CONSOLIDATION AND AMENDMENT TO ARTICLES

As part of the Proposals, the Company is seeking Shareholder consent to approve the Share Consolidation and to amend the Articles.

The purpose of the Share Consolidation is to reduce the total number of shares in issue following completion of the Proposals. The Directors and the Proposed Directors believe that this may reduce the volatility in the price of the Company's shares, lead to more meaningful earnings per share figures, may avoid large dealing spreads in the shares and may ensure that the price of the shares is more appropriate for a company of Pursuit Dynamics's or Gaming Realm's size.

Under the terms of the Share Consolidation, it is proposed that the issued Existing Ordinary Shares will be consolidated so that every 10 such Existing Ordinary Shares of 1 pence each will be consolidated into one New Ordinary Share of 10 pence. Shareholders with a holding of Existing Ordinary Shares which is not exactly divisible by 10 will have their holdings rounded down to the nearest whole number of New Ordinary Shares. Holders of fewer than 10 Existing Ordinary Shares will not be entitled to receive any New Ordinary Shares following the Share Consolidation. Any fractions arising from the Share Consolidation (being less than 10 Existing Ordinary Shares) will be aggregated, sold and the benefit retained by the Company.

All outstanding options granted under the Existing Share Option Schemes will be adjusted so that the shares under option will be consolidated in the same way as the Existing Ordinary Shares and the exercise price per share adjusted accordingly and relevant Optionholders will be notified accordingly. Any adjustment to such options will be carried out in accordance with the rules of the applicable Existing Share Option Scheme, which may, in some cases, require prior confirmation from the Company's auditors that such adjustment is fair and reasonable.

All Consideration Shares and all Placing Shares will be allotted on a post-Share Consolidation basis, as will be options granted to option holders pursuant to both the New Share Option Scheme and the Unapproved Options.

The purpose of amending the Articles is to update the provisions contained therein to reflect the requirements of current legislation the requirements of the Enlarged Group post Admission and to incorporate the rights of the B Shares and the Deferred Shares.

Authority for the Share Consolidation and to adopt the New Articles will be sought by the proposal of the relevant Resolutions at the General Meeting. Following the Share Consolidation, replacement share certificates will be despatched to Shareholders in respect of newly denominated New Ordinary Shares held in certificated form. Share certificates are expected to be despatched by 15 August 2013. Existing certificates will be void. In respect of Existing Ordinary Shares held in uncertificated form, CREST accounts will be credited with the newly denominated New Ordinary Shares on the record date for the Share Consolidation, being 31 July 2013.

16. AUTHORITY TO ALLOT/SUBSCRIBE FOR SHARES AND DISAPPLICATION OF PRE-EMPTION RIGHTS

Authority will be sought by the proposal of the relevant Resolution at the General Meeting to grant the Directors authority to allot the Consideration Shares and the Placing Shares. In addition, the Company is also seeking shareholder authority to grant the Unapproved Options and to grant the Cenkos Option, and a general shareholder authority to authorise the Board to allot and issue shares and/or grant rights to subscribe for or to convert any security into shares following Admission equal to 10 per cent. of the Enlarged issued Share Capital.

Authority will also be sought at the General Meeting to disapply statutory pre-emption rights in relation to such share allotments and/or rights to subscribe for shares.

17. CHANGE OF NAME

To reflect the proposed changes to the Company, its management and its operations as a result of the Acquisitions, it is proposed that the Company will change its name to Gaming Realms plc pursuant to Resolution 8 in the Notice. At the same time Gaming Realms Limited will change its name to Bingo Realms Limited.

18. CORPORATE GOVERNANCE

The Company intends following Admission, so far as is practicable and appropriate for a company of its size and nature, to comply with the provisions of the UK Corporate Governance Code. The Company will on Admission appoint two, independent, non-executive directors to bring an independent view to the Board, and to provide a balance to the executive Directors.

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. The Proposed Directors intend to hold meetings of the Board four times per annum, and at other times as and when required. Conditional on Admission, the Group has established audit and remuneration committees with formally delegated duties and responsibilities.

Audit Committee

The Audit Committee will have the primary responsibility of monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It will receive and review reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee will meet not less than twice in each financial year and will have unrestricted access to the Group's external auditors. At Admission, the Audit Committee shall be chaired by Jim Ryan and will also comprise Mark Wilson and Michael Buckley.

Remuneration Committee

The Remuneration Committee will review the performance of the executive directors and make recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee will meet as and when necessary. In exercising this role, the directors shall have regard to the recommendations put forward in the QCA Guidelines and, where appropriate, the UK Corporate Governance Code guidelines. At Admission, the Remuneration Committee shall be chaired by Mark Wilson and will also comprise Jim Ryan and Michael Buckley.

Share Dealing Code

The Board intends to comply, and to procure compliance, with Rule 21 of the AIM Rules relating to dealings in the Company's securities by the directors and other applicable employees. To this end, the Company has adopted a code for directors' dealings appropriate for a company whose shares are admitted to trading on AIM and will take all reasonable steps to ensure compliance by the directors and any relevant employees. The form of this code is substantially the same as the model code contained in the rules of the Official List.

19. DIVIDEND POLICY

The Company has never declared or paid cash dividends on the Existing Ordinary Shares. The payment of any future dividends will depend on the future earnings of the Company. The Board has no current intention of paying a cash dividend to Shareholders as the Company currently intends to invest its cash reserves and any cash generated into funding the Enlarged Group's planned development.

20. REGULATORY RIGHTS AND OBLIGATIONS

Regulatory rights and obligations attaching to the Existing Ordinary Shares and, from Admission, the New Ordinary Shares.

Disclosure and Transparency Rules

Shareholders are required pursuant to DTR 5, to notify the Company when they acquire or dispose of a major proportion of their voting rights (either as Shareholder or through their direct or indirect holding or certain financial instruments, or a combination of such holdings) of the Company equal to or in excess of 3 per cent. of the nominal value of that share capital (and every 1 per cent. thereafter).

The Takeover Code

As the Company is a public limited company, it is subject to the provisions of the Takeover Code. The Takeover Code is based upon a set of 'General Principles' (which are essentially statements of standards of commercial behaviour) and has been designed to ensure:

- that Shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover; and
- that Shareholders of the same class are afforded equivalent treatment by an offeror.

The Takeover Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

Mandatory Offers

Under the Takeover Code, if an acquisition of shares were to increase the aggregate holding of the acquirer and its concert parties to shares carrying 30 per cent. of more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for the shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

Takeover Bids

As at the date of this document, there has been no public takeover bid by a third party for all or any part of the Company's equity share capital since its incorporation.

Squeeze-out

Under the Act, a person who makes an offer to acquire shares in the Company (an "offeror") may require Shareholders to transfer their shares to the offeror, on the terms of that offer, provided that the offer is approved or accepted by the holders of 90 per cent. or more of the shares to which the offer relates within three months of the last day on which the offer can be accepted. In order to enforce this right, the offeror must give notice to any Shareholder not approving or accepting the offer within certain time limits, notifying them of the offeror's wish to acquire their shares in the Company (the "Squeeze-out Notice"). After the expiration of six weeks after the giving of the Squeeze-out Notice, the offeror can require that the Company registers the shares in their name provided that the consideration due to the holders of such shares is delivered to the Company to be held on trust for such Shareholders. The consideration offered to such Shareholders whose shares are acquired compulsorily under the Act must, in general, be the same as the consideration that was available under the offer.

Sell-out

The Act also gives 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 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 shares, any holder of the shares to which the offer relates who has not accepted the offer can by a written communication to the offeror require it to acquire those shares.

The offeror would be 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. If a shareholder exercises its rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

21. TAXATION

Your attention is drawn to the taxation section contained in paragraph 14 of Part VI of this document. These details are, however, intended only as a general guide to the current tax position under UK taxation law. If you are in any doubt as to your tax position, or are subject to tax in jurisdictions other than the UK you are strongly advised to consult your own independent financial adviser immediately.

22. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Part VI of this document.

23. GENERAL MEETING

There is a notice convening the General Meeting on pages 109-112 of this document, which is to be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP at 10.00 a.m. on 31 July 2013, for the purpose of considering, and if thought fit, passing the following Resolutions:

1. to approve the Disposal;
2. to approve the Acquisitions;
3. to approve the Rule 9 Waiver;
4. to authorise the directors of the Company to allot and issue the Consideration Shares, the Placing Shares and allot/grant rights to subscribe for 2,195,005 New Ordinary Shares to Cenkos pursuant to the Cenkos Option and 1,538,460 New Ordinary Shares pursuant to the Unapproved Options and other equity securities up to an aggregate nominal amount of £1,463,337 ("Authorised Shares") being equal to 10 per cent. of the Enlarged Issued Share Capital;
5. to disapply pre-emption rights in relation to the allotment and issue of the Placing Shares, Unapproved Options, the Cenkos Option and the Authorised Shares;
6. to approve the Share Consolidation;
7. to approve the adoption by the Company of the New Articles of Association;
8. to approve the change of name to "Gaming Realms plc".

To be passed, the Resolutions (other than the Whitewash Resolution) proposed to be passed as ordinary resolutions will require a simple majority, and the Resolutions proposed to be passed as special resolutions will require a majority of not less than 75 per cent. voting in person or on a poll by proxy in favour of the relevant Resolution. The Whitewash Resolution will require the approval of a majority of the Independent Shareholders. The Whitewash Resolution will be taken on a poll vote of the Independent Shareholders.

A copy of the New Articles will be available at the General Meeting and is also available for inspection at the Company's registered office and on the Company's website.

24. ADMISSION, CREST AND SETTLEMENT

Application has been made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Enlarged Issued Share Capital will commence on AIM at 8.00 a.m. on 1 August 2013 (whereupon an announcement will be made by the Company to a Regulatory Information Service).

Application has been made for all of the Enlarged Issued Share Capital to be eligible for admission to CREST with effect from Admission. Accordingly, settlement of transactions in the Enlarged Issued Share Capital following Admission may take place in CREST if the relevant Shareholder so wishes. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a share certificate and transferred otherwise than by written instrument. The New Articles permit the holding and transfer of New Ordinary Shares under the CREST system. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. Persons acquiring shares as a part of the Placing may elect to receive New Ordinary Shares in uncertificated form if, but only if, that person is a "system-member" (as defined in the CREST Regulations) in relation to CREST.

25. ACTION TO BE TAKEN

Enclosed with this document you will find a form of proxy for use by Shareholders in connection with the General Meeting. Whether or not you intend to be present at the General Meeting, Shareholders are asked to complete, sign and return the form of proxy to the Registrar as soon as possible but in any event so as to arrive no later than 10.00 a.m. on 29 July 2013. The completion and return of a form of proxy will not preclude Shareholders from attending at the General Meeting and voting in person should they wish to do so. Accordingly, whether or not Shareholders intend to attend the General Meeting, they are urged to complete and return the form of proxy as soon as possible.

26. RECOMMENDATION

Michael Buckley, Patrick Southon, Simon Collins and Mark Segal are Proposed Directors, and have not taken part in any decision of the Directors relating to any proposal to seek a waiver of Rule 9 from the Panel since it is their potential shareholdings which are the subject of the Rule 9 Waiver. No members of the Concert Party are able to vote on the Rule 9 Waiver.

In addition, the Directors, who have been so advised by Cenkos Securities, consider that the approval of the terms of the Whitewash Proposals are fair and reasonable and in the best interests of the Shareholders and the Company as a whole. In providing advice to the Directors, Cenkos Securities plc has taken account of the Directors' commercial assessment.

Additionally, the Directors consider that the Proposals are in the best interests of the Company and Shareholders as a whole. Furthermore, Cenkos Securities considers that the options over the B Shares under the New Share Option Scheme are fair and reasonable so far as the Company's shareholders are concerned.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to in respect of their own beneficial shareholdings amounting to, in aggregate, 2,362 Existing Ordinary Shares representing 0.001 per cent. of the existing issued share capital of the Company as at the date of this document.

Furthermore, Michael Buckley, one of the Proposed Directors, has confirmed that he intends to vote in favour of the Resolutions to be proposed at the General Meeting (save for Resolution 3) in respect of his own beneficial shareholding amounting to, in aggregate, 21,000,000 Existing Ordinary Shares representing approximately 7.73 per cent. of the existing issued share capital of the Company as at the date of this document.

Yours faithfully,

Dr Bernard J. Bulkin

Chairman

PART II

RISK FACTORS

An investment in New Ordinary Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risks set out below in addition to all of the other information set out in this document before investing in New Ordinary Shares. The investment offered in this document may not be suitable for all of its recipients. Potential investors are accordingly advised to consult a professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities before making any investment decision. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her.

THE FOLLOWING FACTORS DO NOT PURPORT TO BE AN EXHAUSTIVE LIST OR EXPLANATION OF ALL THE RISK FACTORS INVOLVED IN INVESTING IN THE COMPANY. IN PARTICULAR, THE ENLARGED GROUP'S PERFORMANCE MIGHT BE AFFECTED BY CHANGES IN MARKET AND/OR ECONOMIC CONDITIONS AND IN LEGAL, REGULATORY AND TAX REQUIREMENTS. ADDITIONALLY, THERE MAY BE RISKS OF WHICH THE BOARD IS NOT AWARE OR BELIEVES TO BE IMMATERIAL WHICH MAY, IN THE FUTURE, ADVERSELY AFFECT THE ENLARGED GROUP'S BUSINESS AND THE MARKET PRICE OF THE ENLARGED GROUP'S SHARES. IN SUCH CASES, THE MARKET PRICE OF THE ENLARGED GROUP'S SHARES MAY DECLINE AND HOLDERS OF THE ENLARGED GROUP'S SHARES MAY LOSE ALL OR PART OF THEIR INVESTMENT.

RISKS RELATING TO THE ENLARGED GROUP'S BUSINESS

The Enlarged Group has a new business model and a short operating history, which makes it difficult to evaluate its prospects and future financial results and may increase the risk that it is not successful

The first of the Targets only began operations in 2011 (and Bingo Godz has not yet launched), and therefore have a short operating history, while the Enlarged Group has not operated on a group basis. This alone makes it very difficult to effectively assess the Enlarged Group's future prospects. There can be no assurance that losses will not occur or that the Enlarged Group will be profitable in the future.

The Enlarged Group's business model is largely based on novel business models in the on-line gaming industry such as offering games that are free to play. While the Proposed Directors believe that the market is quickly developing, only a small portion of the Enlarged Group's players currently play such games and pay for virtual goods.

Cost Base

The Enlarged Group will have a level of fixed costs mostly related to salaries and associated costs. In the event of a failure to grow as anticipated, the Enlarged Group may not be able to reduce costs very quickly in the short term. This could have an adverse effect on the Enlarged Group's operating results in the event of lower than expected revenue growth.

Internet disruption

The Enlarged Group's business is highly dependent on the efficient functioning of the individual products and their affiliated websites as well as the accessibility of the wider internet and mobile internet infrastructure. As such, the Enlarged Group is reliant on complex IT systems and servers to maintain the availability of its website and internet traffic and any substantial disruption to the internet on a micro or macro basis could disrupt the Enlarged Group's ability to generate sales from the products and their affiliated websites.

Business continuity and incident management

The Enlarged Group's businesses are at risk from disruption of key systems and assets on which they depend. The functioning of the IT systems within the Enlarged Group's businesses or those of third parties on which it relies could be disrupted for reasons either within or beyond their control, including but not limited to: accidental damage; disruption to the supply of utilities or services; extreme weather events; safety issues; systems failure; workforce actions; or environmental contamination. There is a risk that such disruption may materially and adversely affect the Enlarged Group's businesses' ability to offer services to customers and therefore materially and adversely affect their reputation, performance or financial condition.

Reliance on Major Partners/Suppliers

The Enlarged Group will rely on relationships with third parties including the current arrangements with Bede Gaming and IPS. These relationships, *inter alia*, support the Enlarged Group's product development, operation and sales activities.

There is no guarantee that the Enlarged Group will be able to maintain these alliances, enter into further alliances or that existing business partners will not enter into relationships with the Enlarged Group's competitors. The loss of any of these relationships could have a material adverse effect on the Enlarged Group's ability to develop, operate and successfully market its products and services and may require the Enlarged Group to establish new relationships with other business partners or to develop its own platform to provide similar services which will take some months to implement and will disrupt the performance and operation of its business.

It is intended that the "Bingo Godz" website will be operated by IPS, a company incorporated and registered in Alderney. IPS are licensed by the Alderney Gambling Control Commission ("AGCC") to organise and prepare gambling operations (authorised by way of a Category 1 licence) and to effect gambling transactions (authorised by way of a Category 2 licence). IPS has submitted a new game request to the AGCC for testing to ensure the game meets the AGCC's technical standards. In the event that IPS's licences are suspended or revoked for any reason, Gaming Realms Limited and IPS will need to secure an alternative licence for IPS to operate the Bingo Godz website. To this extent, Gaming Realms Limited is reliant on IPS complying with all of the conditions of its Alderney licences, Alderney legislation, technical standards and technical requirements.

If IPS becomes insolvent or in substantial dispute with Gaming Realms Limited such that the agreement between IPS and Gaming Realms Limited is terminated or IPS' technology process not fit for purpose then Gaming Realms Limited will have to find an alternative business partner to develop and operate the Bingo Godz website. There is a risk that such disruption may materially and adversely affect the Enlarged Group's growth and financial performance.

Dependence on relations with third parties

The Enlarged Group's business and technology is dependent on mobile networks and manufacturers' products, mobile content providers and media groups such as:

- Facebook
- Apple App Store
- Google Play
- Windows Phone Store
- Nokia Store
- BlackBerry app store.

In addition to Gaming Realms Limited's reliance on IPS, AlchemyBet are reliant on third party service providers such as Velti, PayPoint/AIB and its hosting provider Rackspace.

In the event that there is any interruption to the products or services provided by other third parties or if there are problems in supplying the products or services, one or more of these products or services ceased

to be provided or is provided on onerous terms to the Enlarged Group, this could have an adverse effect on the Enlarged Group's business and performance.

Reliance upon third party age and ID verification systems

In order to comply with anti-money laundering and regulatory protection of minors, the Enlarged Group relies upon third party services to source official data and provide software and online services for checking data provided by customers against this data. There is a risk of incomplete or inaccurate data held by the third parties. There is a risk of error in the application services provided which may incorrectly approve or decline any particular check. This may create a regulatory and reputational risk to the Enlarged Group.

Market Perception

The successful operation of the Enlarged Group's business depends, in part, on its marketing, advertising and promotional activities as well as maintaining a positive public perception of its products and services.

Whilst the Enlarged Group will endeavour to comply with all applicable regulations and guidelines the high profile nature of its business, operations and approach (which encourages dialogue with the public through social media platforms) means that it is particularly susceptible to adverse public opinion and comment. Accordingly, any negative publicity about advertising, underage gambling, gambling addiction, fraud (including money laundering) or corruption even if not directly or indirectly connected with the Enlarged Group or its products, may adversely impact the Enlarged Group's reputation and the willingness of the public to participate in gaming or a particular form of gaming.

As a result, the number of potential customers available to the Enlarged Group could be adversely affected. The occurrence of any of these events could materially adversely affect the operations, financial performance and prospects of the Enlarged Group.

Online Fraud

Online transactions may be subject to sophisticated schemes or collusion to defraud (including to increase gaming winnings), launder money or other illegal activities, and there is a risk that the Enlarged Group's products may be used for those purposes either by its customers or its employees.

While the Enlarged Group has implemented controls and procedures to detect and guard against fraudulent play and other collusion between customers, money laundering and other fraudulent activities and cyber attacks, including distributed denial of service (DDoS) attacks, the Enlarged Group could lose the confidence of its customers and its reputation could be damaged if these controls and procedures are not effective in all cases, or are circumvented or if the Enlarged Group fails to implement new controls and procedures or to counter new money laundering, collusion and fraud techniques.

This could lead to customers becoming dissatisfied with the Enlarged Group's products. Moreover, failure of the Enlarged Group to protect itself and its customers from fraudulent activity, either by customers or employees, could result in reputational damage to the Enlarged Group and could materially adversely affect its 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 the Enlarged Group.

Market Competition

The Enlarged Group will operate in a competitive market and will face pressure to keep its pricing and product features competitive. Failure to do either could result in an adverse impact on the Enlarged Group's financial performance. The Enlarged Group intends to initially integrate with local CRM and other suitable software companies in order to mitigate this risk.

Retention of Key Personnel

The Enlarged Group's future success is heavily dependent on the personal efforts and abilities of the key management. Any loss of these key management and any senior employee could have a material adverse effect on the Enlarged Group's results of operations and financial condition.

Holding company structure and restriction on dividends

The Company's operating results and its financial condition are dependent on the trading performance of members of the Enlarged Group. The Company's ability to pay dividends will depend on the level of distributions, received from the Company's subsidiaries. Members of the Enlarged Group may from time to time be subject to restrictions on their ability to make distributions to the Company, as a result of factors such as restrictive covenants contained within loan agreements, regulatory, fiscal or other restrictions. There can be no assurance that such restrictions will not have a material adverse effect on the Enlarged Group's business, operating results and financial condition.

The Proposed Directors do not intend to distribute dividends in the near future. The declaration, payment and amount of any future dividends will be made at the discretion of the Board, and will depend upon, among other things, the results of the Enlarged Group's operations, cash flows and financial condition, operating and capital requirements and other factors as the Board consider relevant. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividend.

The Acquisitions may not complete

Completion of the Acquisitions is subject to the satisfaction (or waiver) of a number of conditions precedent contained in the Acquisition Agreements including the conditions precedent in the Placing Agreement and Admission. The Acquisitions also require the approval of the Shareholders at the General Meeting. If Shareholders do not approve the Acquisitions at the General Meeting, the Acquisitions will not complete and Admission will not take place.

Recourse under Acquisition Agreements

Under the terms of the Acquisition Agreements, the Company has recourse for breaches of warranty and other breaches of the Acquisition Agreements by the Vendors. In order to satisfy a warranty claim, it may necessitate the sale of Consideration Shares on behalf of the relevant Vendor. If the Company has a claim under the Acquisition Agreements, the relevant Vendor may not have the resources to meet the claim in full. Further details of the terms of the Acquisition Agreements are set out in paragraph 10.3 of Part VI of this document.

Intellectual Property

Protecting Trade Marks: The Enlarged Group has protected a number of its key game and platform titles with registered trademarks and domain name registrations. The trade mark protection in place is mainly limited to the UK. As the Enlarged Group expands beyond the UK it will need to register those marks in the relevant countries (subject to availability of the marks and local laws in registerability). In the case of Gaming Realms, it has a number of trade mark applications for both its game title and also for certain of the 'Bingo Godz' characters. Whilst Gaming Realms has carried out trade mark searches there is no guarantee these applications will be registered.

Third Party Infringement: The Enlarged Group cannot guarantee that the games it develops, markets, promotes and publishes (as applicable), either developed internally or used under licence and the game titles that are used do not infringe the intellectual property rights of third parties. If a third party asserts a claim against one or more members of the Enlarged Group with respect to any game in the Enlarged Group's portfolio, it may be obliged to modify the relevant game or cease to market and promote or publish the relevant game, failing which it may be exposed to infringement proceedings. The Enlarged Group may incur substantial expenses in defending against these third party infringement claims, regardless of their merit. The materialisation of any such claims may have a materially adverse effect on the Enlarged Group's business, results of operations and future growth.

Gambling Commission

On 5 July 2013 the Gambling Commission wrote to AlchemyBet confirming the key findings arising from a compliance assessment undertaken on 14 June 2013. The Gambling Commission has the power to carry out a programme of random visits to its licensees but the Proposed Directors believe that this inspection is likely to have arisen as a result of the Gambling Commission's concern that AlchemyBet breached its licence

by operating in excess of its allowable gross gambling yield. AlchemyBet has since submitted a successful application to vary the licence to a higher category, which permits an annual gross gambling yield up to £5,000,000.

The Gambling Commission has asked that AlchemyBet respond in writing to each of the findings identified within four weeks of 5 July 2013 but has otherwise determined that the circumstances do not merit the commencement of a formal review under section 116 of the Gambling Act 2005. In the event that AlchemyBet is unable to implement certain findings identified by the Gambling Commission or comes under further scrutiny from the Gambling Commission, the result may have a material adverse effect on the Enlarged Group's growth and financial performance.

The Acquisitions will be deemed to be a change of corporate control of AlchemyBet within the meaning of section 422 of the Financial Services and Markets Act 2000 ("Change of Control"). Accordingly, the Gambling Commission will require AlchemyBet, as the holder of a gambling licence in the United Kingdom, to surrender its operating licence or make an application for a determination that the licence shall continue to have effect. This application must be made within five weeks from the date of Completion, failing which the Gambling Commission would have the power to revoke AlchemyBet's operating licence. The Proposed Directors intend to complete the application within five weeks of Admission. In considering the application, the Gambling Commission must make a determination that the licence shall continue to have effect if it is satisfied that it would have granted the operating licence had the Company (as constituted post Admission) been a controller of AlchemyBet when the original application for an operating licence was made. In practice, the Gambling Commission is likely to raise any concerns it has in respect of the Change of Control with AlchemyBet so it has an opportunity to address these concerns before the Gambling Commission would revoke the licence. There is however an inherent risk in any Change of Control application that the Gambling Commission would not grant the application if the applicant poses a substantial risk to the licensing objectives, or if there are significant concerns about an applicant's suitability, or if there is a risk of significant non-compliance with the requirements of the Gambling Act 2005 and the Gambling Commission's Licence Conditions and Code of Practice.

Changes to the Gambling Act and other regulations in terms of operations and in particular Social Media

The United Kingdom is preparing to make a significant change to the basis on which gambling operators are licensed, moving from a point of supply to a point of consumption basis. The principal financial effect will be increased costs primarily in the form of tax, currently levied at 15 per cent. on all UK based online revenue. This amendment to the law will be effected by the Gambling (Licensing and Advertising) Bill. The primary change will be that any operators accepting wagers from customers located in Great Britain will be required to hold a UK operating licence, issued by the Gambling Commission, regardless of the location of their remote gambling equipment. This licensing requirement will also apply in respect of the ability of operators to advertise gambling products in Great Britain, rather than relying on the existing exemption allowing operators based in the EEA, Gibraltar and whitelisted jurisdictions such as Alderney to advertise directly to UK customers. Both IPS, as the operator of Bingo Godz, and potentially Gaming Realms Limited, which is responsible for marketing the game, will be required to obtain licences from the Gambling Commission when the new law comes into force. The Government in the United Kingdom has confirmed that there will be a period of transition which will enable operators already licensed in EEA or white listed jurisdictions to be awarded an automatic provisional licence, pending determination of their UK gambling licence application. The Proposed Directors anticipate that the Gambling Commission will be well disposed to process applications made by existing license holders in Alderney, such as IPS. On the evidence currently available to the Proposed Directors, the Proposed Directors consider that the risk that IPS, as an existing Alderney licensee, would not be granted an operating licence by the Gambling Commission to be low. Gaming Realms Limited is however not currently required to be licensed to carry out its marketing activities and may have to apply to the Gambling Commission for an appropriate licence if it is to continue to undertake its marketing activities following the enactment of the proposed legislation.

Both Gaming Realms Limited and BeJig will operate social gaming products whereby players can access the core product for free and acquired players can pay for additional game content or privileges. Most social games engender some degree of chance but do not offer prizes which are reducible to monetary value. Accordingly, such social games are not currently subject to regulation in the United Kingdom. The Gambling Commission are currently assessing whether social games, particularly those which comprise a casino theme, should be subject to some form of regulation. Similarly, the Office of Fair Trading are investigating

whether social gaming operators are pressurising children to pay for extra in-game content and expect to publish its findings in October 2013. The possibility of regulation of social gaming in the United Kingdom, as well as other jurisdictions, presents some unknown risks. If the outcome of the findings of the OFT and the Gambling Commission lead to the development of a regulatory regime for social games, then Gaming Realms Limited and BeJig will become subject to certain regulatory requirements, all of which could have technical, compliance, resource and tax implications.

Litigation

While the Enlarged Group currently has no material outstanding litigation there can be no guarantee that the current or future actions of the Enlarged Group will not result in litigation since the technology industry, as with all industries, may be subject to legal claims, both with and without merit, from time to time. The Directors and Proposed Directors cannot preclude that such litigation may be brought against the Enlarged Group in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Enlarged Group's financial position, results or operations. The Enlarged Group's business may be materially adversely affected if the Enlarged Group and/or its employees or agents are found not to have met the appropriate standard of care or not exercised their discretion or authority in a prudent or appropriate manner in accordance with accepted standards.

Contracts

Cometa: One of AlchemyBet's core technologies is its "Arcadia" software platform which powers AlchemyBet's slot and casino-themed games and provides their 'back-end' functionality. AlchemyBet acquired a non-exclusive, perpetual, royalty-free and worldwide licence to use the platform from the English company, Cometa Wireless Gaming Systems Limited ("Cometa") pursuant to a licence agreement dated 1 September 2009. Under this agreement, Cometa also undertook to AlchemyBet not to grant any third party the right to use Arcadia. Cometa was dissolved on 19 July 2011. Whilst the AlchemyBet Directors have confirmed that Cometa did not appoint a liquidator and are not aware of any other third party claim to Arcadia they cannot discount this and intends to approach the Treasury Solicitors post-Admission to acquire a confirmatory assignment of Arcadia from the Crown.

Pursuit Dynamics

Whilst the Company has been pursuing a programme to reduce its liabilities and the Directors expect, subject to the approval of the Disposal, all material liabilities to be eliminated by the date of the General Meeting, the use of the Company by the Targets to seek Admission of the Enlarged Group involves certain risks including:

- the Directors and the Company may not have identified all contingent or existing liabilities;
- contingent or existing liabilities may not be wholly eliminated;
- warranty and indemnity claims under historic contracts performed;
- unanticipated liabilities as a result of the restructuring steps taken by the Company;
- there may be a degree of 'run off' of existing contractual obligations; and
- the Enlarged Group may assume liabilities which it is not aware of as at the date of this document.

Whilst the Directors are not aware of any such risks, should any such risks emerge the Enlarged Group may be subject to unanticipated liabilities which may have a material adverse effect on the Enlarged Group's business, results of operations and financial condition.

The Disposal may not complete

Completion of the Disposal is subject to the satisfaction of a number of conditions precedent contained in the Disposal Agreement. The Disposal also requires the approval of the Shareholders at the General Meeting. If Shareholders do not approve the Disposal at the General Meeting, the Disposal and, in consequence, the Acquisitions and Placing will not complete.

Taxation

This document has been prepared in accordance with current UK tax legislation, practice and concession and interpretation thereof. Any change in the Enlarged Group's tax status or the tax applicable to a holding of New Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Enlarged Group, affect the Enlarged Group's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. It should be noted that the information contained in Part VI of this document relating to the taxation of the Enlarged Group and its investors is based upon current tax law and practice which is subject to legislative change. The taxation of an investment in the Company depends on the individual circumstances of investors.

RISKS RELATING TO THE ENLARGED GROUP'S INDUSTRY

Technological/industry standards change

Investors should be aware that as with every technology company there may be challenges in rolling out new products which could adversely affect the Enlarged Group's growth and financial performance.

The markets for the Enlarged Group's games and the mobile phones on which they are operated are characterised by rapidly changing technology, evolving industry standards and increasingly sophisticated customer requirements. Changing customer requirements and the introduction of new games and mobile phones embodying new technology and the emergence of new industry standards may render the Enlarged Group's existing products obsolete and unmarketable.

It is critical to the success of the Enlarged Group to be able to anticipate changes in technology or in industry standards and to successfully develop and introduce new, enhanced and competitive games and mobile content on a timely basis. The Enlarged Group cannot give assurances that it will successfully develop new products or enhance and improve its existing products, that new products and enhanced and improved existing products will achieve market acceptance or that the introduction of new products or the enhancement of existing products by others, or changing customer requirements, will not render the Enlarged Group's products obsolete. The Enlarged Group's inability to develop products that are competitive in technology and price and that meet customer needs could have a material adverse effect on the Enlarged Group's business, financial condition or operating results.

The technological solutions that operating partners have in place to block the access to services by customers, in certain jurisdictions, may fail

The Enlarged Group is reliant on its operating partners to block access to its products by customers located in certain jurisdictions. Furthermore, any marketing of such products to customers in such jurisdictions is similarly prohibited. The Enlarged Group, through its operating partners, currently adopts such a stance in jurisdictions, including the United States, Israel, Bulgaria, Cyprus, Hong Kong, the Philippines, Estonia, Italy, Germany, Belgium, France and Spain.

There is no guarantee that the technical blocks the operating partners are required to implement will be effective, which could place such operating partners (and potentially, the Enlarged Group) in breach of the relevant laws and regulations and/or in breach of specific licences they hold, which would also have a detrimental effect on the financial position of such operating partners and the Enlarged Group.

Moreover, there is an additional, ongoing risk that the current list of jurisdictions from which the Enlarged Group must require its operating partners to block access is enlarged, as there is a possibility that regulators who grant licences to operating partners and/or the Enlarged Group will require the blocking of specific additional jurisdictions. Furthermore, the fact that voluntary blocking has not occurred may be considered to be incompatible with suitability for licensing. Similarly, jurisdictions may update their laws and regulations in such a way as to render the supply of gambling services into that jurisdiction legally unsustainable. In all such circumstances, additional blocking activity may have a detrimental effect on the financial position of the Enlarged Group.

System failures and breaches of security

The successful operation of the Enlarged Group's business depends upon maintaining the operation and integrity of the Enlarged Group's computer, mobile, communication and information technology systems

and those of the third party service providers on which it typically relies. However, these systems and operations are vulnerable to damage, breakdown or interruption from events which are beyond the Enlarged Group's control, such as fire, flood and other natural disasters; power loss or telecommunications or data network failures; improper or negligent operation of the Enlarged Group's system or third party service provider systems by employees, or unauthorised physical or electronic access; and interruptions to the Internet system's integrity generally as a result of attacks by computer hackers or viruses or other types of security breaches. Any such damage or interruption could cause significant disruption to the operations of the Enlarged Group. This could be harmful to the Enlarged Group's business, operating results, financial condition and/or reputation and could deter current or potential customers from using its services.

There can be no guarantee that the Enlarged Group's security measures or those of third party service providers in relation to its computer, communication and information systems will protect it from all potential breaches of security, and any such breach of security could have an adverse effect on the Enlarged Group's business, operating results and/or financial condition.

The primary market for the Enlarged Group's products is a highly competitive market. If the Enlarged Group is unable to compete in this highly competitive market, the results of its operations will be materially and adversely affected

The Enlarged Group's competitors include large, technically competent and well capitalised companies. As a result, the markets which the Enlarged Group operates in are highly competitive. This competition may place downward pressure on operating margins in the Enlarged Group's industry. As a result of pricing pressure and new entrants to the market, the Enlarged Group may not be able to establish or maintain operating margins for its product offerings in the future.

Any reductions in margins will require that the Enlarged Group effectively manages its cost structure. If the Enlarged Group fails to manage effectively its cost structure during periods with declining margins, its results of operations will be adversely affected.

Changes in the methods of distribution and transactions fees

The majority of transactions in the Enlarged Group's industry currently take place within a small number of third party marketplaces or distribution channels, including Facebook and the App Store. These channels are owned and managed by large companies who determine the fees all publishers pay on each transaction, and they have the ability to change these levels at their discretion. The Enlarged Group's margins could be adversely affected if the fees payable are increased.

These companies also impose a set of rules and regulations within the marketplaces and distribution channels in which they operate, and may make changes which require the Enlarged Group to incur additional costs to comply, or may restrict its operations adversely in the future.

The industry has seen rapid growth and decline in different distribution channels, and if the user base on the platforms that the Enlarged Group supports declines, the Enlarged Group may need to incur additional costs to convert its products to new growth platforms and distribution channels and to meet different sets of rules imposed.

Changes in industry regulation

The Enlarged Group's operations are subject to various governmental regulations which cover many issues, such as user privacy, gambling, taxation, advertising, intellectual property rights and information security. Data collection, protection, security and privacy issues are a growing concern in the United Kingdom, the United States, and in many other countries around the world. Government regulation is evolving in these areas and could limit or restrict the Enlarged Group's ability to market its products and services to consumers, increase the Enlarged Group's costs of operation and lead to a decrease in demand for our products and services. US federal, state and local governmental organisations, as well as foreign governments and regulatory agencies, are also considering legislative and regulatory proposals that directly govern internet commerce, and will likely consider additional proposals in the future.

The Enlarged Group does not know how courts will interpret laws governing internet commerce or the extent to which they will apply existing laws regulating issues such as property ownership, sales and other taxes, libel and personal privacy to the Internet. The growth and development of the market for online commerce has prompted calls for more stringent consumer protection laws that may impose additional burdens on companies that conduct business online.

The potential regulation of social gaming is also being considered in other jurisdictions where the definition of “gaming” can vary. By way of example only, Belgium is actively seeking to regulate social gaming and a draft decree to update legislation to specifically encompass social gaming has been lodged with the Belgium government. Even if the Gambling Commission ultimately decides that social gaming should not be subject to regulation in the United Kingdom, it is highly possible that other jurisdictions may decide to regulate. The outcome of any such regulation in other jurisdictions may give rise to licensing requirements that could effect the Enlarged Group’s operations or, in the alternative, a requirement to implement technical measures to block persons located in those jurisdictions from accessing the Enlarged Group’s social gaming products.

Gaming Realms Limited has not obtained external legal advice in relation to the gambling laws of each jurisdiction in which Bingo Godz may be made available. In this respect, it is relying on the position adopted by IPS, as determined by the Alderney Gambling Control Commission.

Although the Proposed Directors believe that the Enlarged Group has all necessary permits in relation to its material assets, should the Enlarged Group identify future operations there is a risk that the necessary permits, consents, authorisations and agreements to implement planned operations may not be obtained or renewed under conditions or within time frames that make such plans economic, that applicable laws, regulations or the governing authorities will change or that such changes will result in additional material expenditures or time delays.

RISKS RELATING TO THE NEW ORDINARY SHARES

Investment in AIM securities

Although the Company is applying for the admission of its Enlarged Issued Share Capital to trading on AIM, there can be no assurance that an active trading market for the New Ordinary Shares will develop, or if developed, that the market will be maintained. Investment in shares traded on AIM is perceived to involve a higher degree of risk and to be less liquid than investment in companies whose shares are listed on the Official List. An investment in New Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the New Ordinary Shares may go down as well as up and that the market price of the New Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

AIM Rules

The rules of AIM are less onerous than those of the Official List. Neither the FCA nor the London Stock Exchange has itself examined or approved the contents of this document. Shareholders and prospective investors (as appropriate) should be aware of the risks of investing in such shares and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Suitability

An investment in the New Ordinary Shares may not be suitable for all recipients of this document. Investors are accordingly advised to consult an appropriate person authorised under the FSMA before making their decision to invest in the New Ordinary Shares.

Share price volatility and liquidity

The share price of quoted emerging companies can be highly volatile and shareholdings illiquid. The price at which the New Ordinary Shares are quoted and the price which investors may realise for their New Ordinary Shares will be influenced by a large number of factors, some specific to the Enlarged Group and its operations and some which may affect quoted companies generally. These factors could include the performance of the Enlarged Group, large purchases or sales of the New Ordinary Shares, currency

fluctuations, legislative changes and general market, economic, political or regulatory conditions. The share price for publicly traded companies, particularly those at an early stage of development such as the Company, can be highly volatile. These fluctuations may adversely affect the trading price of New Ordinary Shares regardless of the Enlarged Group's performance.

Access to further capital

The Enlarged Group may require additional funds to respond to business challenges or to enhance existing products and services. Accordingly, the Enlarged Group may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities could have rights, preferences and privileges superior to those of current shareholders. Any debt financing secured by the Enlarged Group in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Enlarged Group to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may not be able to obtain additional financing on terms favourable to it, if at all. If the Enlarged Group is unable to obtain adequate financing or financing on terms satisfactory to it, when the Enlarged Group requires it, the Enlarged Group's ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

Future sale of New Ordinary Shares

The Company is unable to predict when and if substantial numbers of New Ordinary Shares will be sold in the open market following Admission. Any such sales, or the perception that such sales might occur, could result in a material adverse effect on the market price of the New Ordinary Shares. The Enlarged Group may require additional capital in the future which may not be available to it. If available, future financings to provide this capital may dilute shareholders' proportionate ownership in the Company. The Company may raise capital in the future through public or private equity financings or by raising debt securities convertible into New Ordinary Shares, or rights to acquire these securities. Any such issues may exclude the pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the Shareholders. Moreover, the further issue of New Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the New Ordinary Shares. The Company may also issue further New Ordinary Shares, or create further options over New Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a substantial dilution in the value of the New Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

Market perception

Market perception of the Company may change for a number of reasons, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds by the issue of further New Ordinary Shares or otherwise. Some of the reasons affecting the market perception of the Company may be outside the control of the Company.

The Proposed Directors will have broad discretion over the use and investment of the net proceeds that it receives in the Placing and might not apply the proceeds in ways that increase the value of a shareholders investment

The Proposed Directors will have broad discretion over the use and investment of the net proceeds from the Placing, and Shareholders will be relying on the judgment of the Proposed Directors regarding the application of these net proceeds. The Proposed Directors intend to use the net proceeds of the Placing to progress the Enlarged Group's business plan and to provide general working capital.

Shareholders will, however, have very little opportunity to influence decisions on how the net proceeds from the Placing are used.

The New Ordinary Shares are subject to restrictions on transfers under US legislation

The New Ordinary Shares have not been registered in the United States under the Securities Act or under other applicable securities law and are subject to restrictions on transfer contained in such law. They may

not be resold in the United States, except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities law.

The Company does not intend to create a public market in the United States for resales of the New Ordinary Shares

The Ordinary Shares constitute “restricted securities,” as defined in Rule 144 under the Securities Act, and, accordingly, are not freely tradable in the United States. The Company does not intend to list the New Ordinary Shares on an established securities exchange, have them quoted on an automated inter-dealer quotation system or otherwise create a public market in the United States for resale of the New Ordinary Shares.

It should be noted that the factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Enlarged Group is or may be exposed or all those associated with an investment in the Company. In particular, the Enlarged Group’s performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors and Proposed Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Enlarged Group.

If any of the risks referred to in this Part II crystallise, the Enlarged Group’s business, financial condition, results or future operations could all be materially adversely affected. In such case, the price of its shares could decline and investors may lose all or part of their investment.

PART III

FINANCIAL INFORMATION ON PURSUIT DYNAMICS PLC

Basis of financial information

The annual reports, including audited accounts (including their respective audit reports), of the Company for the financial years ended 30 September 2011 and 2012 and the unaudited interim financial information for the six months to 31 March 2012 and 2013 are incorporated in this document by reference.

The information listed below relating to Pursuit Dynamics is hereby incorporated by reference into this document:

Number Information

1 Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for Pursuit Dynamics for the years ended 30 September 2012 and 2011, as well as for the six months to 31 March 2013.

Source of Information

Pursuit Dynamics Annual Report & Accounts 2012, Consolidated Income Statement on page 15.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

*[www.pdx.biz/index.php/pursuit-dynamics-plc/
company-investors/company-reports](http://www.pdx.biz/index.php/pursuit-dynamics-plc/company-investors/company-reports)*

Pursuit Dynamics Annual Report & Accounts 2011, Consolidated Income Statement on page 22.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

*[www.pdx.biz/index.php/pursuit-dynamics-plc/
company-investors/company-reports](http://www.pdx.biz/index.php/pursuit-dynamics-plc/company-investors/company-reports)*

Pursuit Dynamics Interim Report for the six months ended 31 March 2013, Consolidated Income Statement on page 2.

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*[www.pdx.biz/index.php/pursuit-dynamics-plc/
company-investors/company-reports](http://www.pdx.biz/index.php/pursuit-dynamics-plc/company-investors/company-reports)*

Number Information

2 A statement of the assets and liabilities shown in the audited accounts for Pursuit Dynamics for the two ended 30 September 2011 and 2012, as well as for the six months to 31 March 2013.

Source of Information

Pursuit Dynamics Annual Report & Accounts 2012, Consolidated Balance Sheet on page 16.

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www.pdx.biz/index.php/pursuit-dynamics-plc/company-investors/company-reports

Pursuit Dynamics Annual Report & Accounts 2011, Consolidated Balance Sheet on page 38.

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www.pdx.biz/index.php/pursuit-dynamics-plc/company-investors/company-reports

Pursuit Dynamics Interim Report for the six months ended 31 March 2013, Consolidated Balance Sheet on page 4.

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www.pdx.biz/index.php/pursuit-dynamics-plc/company-investors/company-reports

Number Information

3 A cash flow statement as provided in the audited accounts for Pursuit Dynamics for the two years ended 30 September 2011 and 2012, as well as for the six months to 31 March 2013.

Source of Information

Pursuit Dynamics Annual Report & Accounts 2012, Consolidated Cash Flow Statement on page 17.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

www.pdx.biz/index.php/pursuit-dynamics-plc/company-investors/company-reports

Pursuit Dynamics Annual Report & Accounts 2011, Consolidated Cash Flow Statement on page 39.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

www.pdx.biz/index.php/pursuit-dynamics-plc/company-investors/company-reports

Pursuit Dynamics Interim Report for the six months ended 31 March 2013, Consolidated Cash Flow Statement on page 6.

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www.pdx.biz/index.php/pursuit-dynamics-plc/company-investors/company-reports

Number Information

Source of Information

4 Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures.

Pursuit Dynamics Annual Report & Accounts 2012, the Notes to the Accounts on pages 19 to 40.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

www.pdx.biz/index.php/pursuit-dynamics-plc/company-investors/company-reports

Pursuit Dynamics Annual Report & Accounts 2011, the Notes to the Accounts on pages 41 to 62.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

www.pdx.biz/index.php/pursuit-dynamics-plc/company-investors/company-reports

Pursuit Dynamics Interim Report for the six months ended 31 March 2013, the Notes to the Accounts on pages 7 to 9.

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www.pdx.biz/index.php/pursuit-dynamics-plc/company-investors/company-reports

The results for Pursuit Dynamics for the two years ended 31 December 2011 and 31 December 2012 and for the six months ended 31 March 2013 are available free of charge on the Company's website at

www.pdx.biz/index.php/pursuit-dynamics-plc/company-investors/company-reports

Information in relation to 1, 2 and 3 above has not been published in an inflation adjusted form.

Information in relation to 1, 2 and 3 above has not been published on an inflation adjusted form.

These annual reports are available in "read-only" format and can be printed from the Pursuit Dynamics website. Pursuit Dynamics will provide within two Business Days, without charge, to each person to whom a copy of this document has been sent, upon their written or verbal request, a copy of any information incorporated by reference in this document. Copies of any information incorporated by reference in this document will not be provided unless such a request is made. To request a hard copy please call 01223 364422 or email on info@pdx.biz.

Requests for copies of any such document should be directed to the Company Secretary of Pursuit Dynamics.

PART IV

FINANCIAL INFORMATION ON GAMING REALMS LIMITED, BEJIG LIMITED AND ALCHEMYBET LIMITED (TOGETHER THE “GAMING REALMS GROUP”)

SECTION A: ACCOUNTANT’S REPORT ON HISTORICAL FINANCIAL INFORMATION OF THE GAMING REALMS GROUP



BDO LLP
55 Baker Street
London
W1U 7EU

The Directors
Pursuit Dynamics plc
Botanic House
100 Hills Road
Cambridge CB2 1PH

15 July 2013

Cenkos Securities plc
6.7.8 Tokenhouse Yard
London EC2R 7AS

Dear Sirs

Gaming Realms Limited, BeJig Limited and AlchemyBet Limited (together the “Gaming Realms Group”)

Introduction

We report on the financial information set out in Section B of Part IV. This financial information has been prepared for inclusion in the admission document dated 15 July 2013 of Pursuit Dynamics 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 is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors and the Proposed Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information.

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 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 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 Gaming Realms Group as at 31 March 2011, 2012 and 2013 and of its losses, changes in equity and cash flows for the years then ended in accordance with the basis of preparation set out in note 1 to the financial information.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM 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.

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 OF THE GAMING REALMS GROUP

Aggregated statement of comprehensive income

	Note	For the year ended 31 March		
		2011 £	2012 £	2013 £
Revenues	4	1,190	61,427	875,571
Cost of Sales		–	(13,503)	(254,823)
Gross profit		1,190	47,924	620,748
Other operating income		9,000	3,950	5,934
Distribution expenses		–	(231,101)	(889,777)
Administrative expenses		(101,534)	(746,199)	(1,627,021)
Operating loss	5	(91,344)	(925,426)	(1,890,116)
Financing income		–	–	–
Financing cost		–	–	–
Loss before taxation		(91,344)	(925,426)	(1,890,116)
Tax expense	6	–	–	–
Loss and total comprehensive income for the year		<u>(91,344)</u>	<u>(925,426)</u>	<u>(1,890,116)</u>

Aggregated statement of changes in net invested capital

	<i>Total invested capital £</i>
Balance at 1 April 2010	(9,137)
Total comprehensive income for the year	(91,344)
Net capital invested	<u>2,002,540</u>
Balance at 31 March 2011	1,902,059
Total comprehensive income for the year	(925,426)
Net capital invested	<u>197,518</u>
Balance at 31 March 2012	1,174,151
Total comprehensive income for the year	(1,890,116)
Net capital invested	<u>2,342,770</u>
Balance at 31 March 2013	<u><u>1,626,805</u></u>

Aggregated statement of financial position

		As at 31 March		
	Note	2011 £	2012 £	2013 £
Non-current assets				
Property, plant and equipment	8	10,359	19,614	19,548
Intangible assets	9	121,982	371,437	778,363
		<u>132,341</u>	<u>391,051</u>	<u>797,911</u>
Current assets				
Trade and other receivables	10	1,809,474	954,677	372,663
Cash and cash equivalents	11	59,319	35,179	1,166,134
		<u>1,868,793</u>	<u>989,856</u>	<u>1,538,797</u>
Total assets		<u>2,001,134</u>	<u>1,380,907</u>	<u>2,336,708</u>
Current liabilities				
Trade and other payables	12	22,571	150,252	677,399
Non-current liabilities				
Other non-current liabilities	13	76,504	56,504	32,504
Total liabilities		<u>99,075</u>	<u>206,756</u>	<u>709,903</u>
Net assets		<u>1,902,059</u>	<u>1,174,151</u>	<u>1,626,805</u>
Net invested capital		<u>1,902,059</u>	<u>1,174,151</u>	<u>1,626,805</u>

Aggregated statement of cash flows

		<i>For the year ended 31 March</i>		
		<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>Note</i>	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Cash flows from operating activities				
Loss after tax		(91,344)	(925,426)	(1,890,116)
Adjustments to reconcile net income to net cash provided by operating activities (see below)		29,312	199,945	507,999
Net cash used in operating activities		<u>(62,032)</u>	<u>(725,481)</u>	<u>(1,382,117)</u>
Cash flows from investing activities				
Acquisition of property, plant and equipment	8	(11,256)	(14,966)	(9,263)
Acquisition of intangible assets	9	<u>(70,980)</u>	<u>(381,211)</u>	<u>(700,435)</u>
Net cash used in investing activities		<u>(82,236)</u>	<u>(396,177)</u>	<u>(709,698)</u>
Cash flows from financing activities				
Net cash movements in capital invested		202,540	1,097,518	3,242,770
Repayment of loans		<u>–</u>	<u>–</u>	<u>(20,000)</u>
Net cash provided by financing activities		<u>202,540</u>	<u>1,097,518</u>	<u>3,222,770</u>
Increase/(decrease) in cash and cash equivalents		58,272	(24,140)	1,130,955
Cash and cash equivalents at beginning of year		<u>1,047</u>	<u>59,319</u>	<u>35,179</u>
Cash and cash equivalents at end of year		<u><u>59,319</u></u>	<u><u>35,179</u></u>	<u><u>1,166,134</u></u>

Adjustment to reconcile net income to net cash used in operating activities

	<i>For the year ended 31 March</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Income and expenses not affecting operating cash flows			
Depreciation	897	5,711	9,329
Amortisation	25,502	131,756	293,509
	<u>26,399</u>	<u>137,467</u>	<u>302,838</u>
Changes in operating assets and liabilities			
Increase in trade and other receivables	(9,474)	(45,203)	(317,985)
Increase in trade and other payables	12,387	107,681	523,146
	<u>29,312</u>	<u>199,945</u>	<u>507,999</u>

Notes to the aggregated financial information

1. Basis of preparation

The financial information provided is for Gaming Realms Limited, BeJig Limited and AlchemyBet Limited (together the "Gaming Realms Group") in respect of the three financial years ended 31 March 2011, 2012 and 2013.

The financial information relating to the Gaming Realms Group has been derived from the aggregation of results, cash flows and balance sheets of Gaming Realms Limited, BeJig Limited and AlchemyBet Limited, which jointly comprise the Operations.

The presentational format adopted for the financial information (which has been prepared solely for the purposes of this document) reflects the proposed acquisition of the three corporate entities as if it were a transaction under common control. Accordingly, the financial information is drawn up on the basis of aggregating issued share capital, accumulated reserves and appropriations (referred to as invested capital).

Other than as described below, 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). In the current year the Gaming Realms 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 that are relevant to its operations and effective for accounting periods beginning on 1 April 2012.

In preparing the financial information certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements of historical financial information) issued by the UK Auditing Practices Board have been applied. The application of these conventions results in the following material departure(s) from IFRSs as adopted by the EU. In other respects IFRSs as adopted by the EU have been applied.

Aggregation

The entities comprising the Gaming Realms Group do not include a single overall holding company for the three years ended 31 March 2013 and therefore do not form a legal group or group for accounting purposes. However, their results and net assets have been combined and, where applicable, consolidation adjustments have been included to show this combination of businesses as a group. In particular all transactions, balances and unrealised gains on transactions between the aggregated entities have been eliminated.

Earnings per share

It has not been possible to calculate the earnings per share in accordance with IAS 33 as the Gaming Realms Group did not have a single parent company throughout the three years ended 31 March 2013. Illustrative earnings per share information has not been provided on the basis that the Gaming Realms Group will be owned by Pursuit Dynamics plc and any future earnings per share will be based on the results and number of shares of the group headed by Pursuit Dynamics plc and not a group headed by Gaming Realms Group.

New standards, interpretations and amendments not yet effective

None of the new standards, interpretations and amendments, effective for the first time from 1 April 2012, have had a material effect on the financial statements.

The following new standards, interpretations and amendments, are effective for annual periods beginning on or after 1 April 2013:

- IFRS 10 Consolidated Financial Statements;
- IFRS 12 Disclosure of interests in other entities;
- IFRS 13 Fair Value Measurement;
- Disclosures – Offsetting Financial Assets and Liabilities (Amendments to IFRS 7);
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) (effective for annual periods beginning on or after 1 January 2014);
- IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2015);

The Gaming Realms Group is currently assessing the impact, if any, that these standards will have on the presentation of its consolidated results.

None of the other new standards, interpretations and amendments, which are effective for periods beginning after 1 April 2013 and which have not been adopted early, are expected to have a material effect on the Gaming Realms Group's future financial statements.

2. Significant accounting policies

Revenue

Revenue comprises net gaming revenue derived from online gambling operations, commissions on marketing services and social gaming.

- *Net gaming revenue derived from real money gaming*

Net gaming revenue derives from online gambling operations and is defined as the difference between the amounts of bets placed by the players less amounts won by players. It is stated after deduction of certain bonuses, jackpots and prizes granted to players.

Net gaming revenue is recognised to the extent that its probable economic benefits will flow to the Gaming Realms Group and the revenue can be reliably measured. Revenue is recognised in the accounting periods in which the transactions occur.

- *Marketing services*

Revenue is commissions on marketing services to online bingo and casino software services. The sales revenue derives as a percentage of net gaming revenue from the operators.

Sales revenue is recognised to the extent that its probable economic benefits will flow to the Gaming Realms Group and the revenue can be reliably measured. Revenue is recognised in the accounting periods in which the transactions occur.

- *Social gaming revenue*

Social gaming revenue derives from the purchase of credits and awards on the social gaming sites. Social gaming revenue is recognised to the extent that it is probable economic benefits will flow to the Gaming Realms Group and the revenue can be reliably measured. Revenue is recognised in the accounting periods in which the transactions occur.

Foreign currency

Transactions entered into by the Gaming Realms Group entities in a currency other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are similarly recognised immediately in the income statement.

Income taxes

The Gaming Realms Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the company recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when, despite the company's belief that its tax return positions are supportable, the company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. The company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

Deferred Taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs to its tax base, except for differences arising on:

- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- Investments in subsidiaries and jointly controlled entities where the Gaming Realms Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Gaming Realms Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable group company; or
- Different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future costs of dismantling and removing items.

Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost less estimated residual value, of each asset evenly over its expected useful life as follows:

	%
Fixtures and fittings	20% per annum straight line
Computer equipment	33% per annum straight line

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.

Internally generated intangible assets

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- It is technically feasible to develop the product for it to be sold;
- Adequate resources are available to complete the development;
- There is an intention to complete and sell the product;
- The Gaming Realms Group is able to sell the product;
- Sale of the product will generate future economic benefits; and
- Expenditure on the project can be measured reliably.

Capitalised development costs are amortised from when ready for use over the periods the Gaming Realms Group expects to benefit from selling the products developed.

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

The intangible assets of the Gaming Realms Group are amortised at the following rates:

	%
Patents and domain names	33% per annum straight line
Technology IP	33% per annum straight line
Development costs	33% per annum straight line

Financial assets

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost.

They principally comprise amounts due from credit card companies, mobile networks and from e-payment companies. An estimate for doubtful debts is made when recovery is no longer probable. Bad debts are written off when there is objective evidence that they will not be recovered.

Financial liabilities

The Gaming Realms Group classifies its financial liabilities as other financial liabilities.

Trade and other payables

Trade and other payables are recognised at fair value and subsequently carried at amortised cost.

Player liabilities

Player liabilities are the amount that clients place in the Gaming Realms Group's electronic "wallet" or bankroll, including provision for bonuses granted by the Gaming Realms Group. These amounts are repayable on demand in accordance with the applicable terms and conditions. Player liabilities are initially recognised at fair value and subsequently measured at amortised cost.

Loans and borrowings

Loans and borrowings are recognised at fair value and subsequently carried at amortised cost.

Provisions

Provisions are recognised when the Gaming Realms Group has a present or constructive obligation as a result of a past event from which it is probable that it will result in an outflow of economic benefit that can be reasonably estimated

Share based payments

Certain employees participate in the Gaming Realms Group's share option plans. Where equity settled share options are awarded to employee, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period.

Leased assets

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Gaming Realms Group (“operating lease”), the total rentals payable under the lease are charged to the aggregated statement of comprehensive income on a straight-line basis over the lease term.

3. Significant accounting estimates and judgements

The preparation of aggregated financial information under IFRS requires the Directors to make estimates and judgements that effect the application of policies and reported amounts.

The areas requiring the use of estimates and critical judgements that may significantly impact the Gaming Realms Group’s earnings and financial position are revenue, capitalisation and amortisation of development costs and deferred tax. Estimates and judgements are continually evaluated and are based on historic experience and other factors including expectations of future events that are believed to be reasonable. Actual results may differ from these estimates and assumptions.

Revenue

Social gaming revenue is recognised as the service is delivered. This is deemed to be when the player buys credits to play the game.

Net gaming revenue is recognised as the total wagers placed less promotional money awarded to players less player liabilities at the balance sheet date.

Capitalisation and amortisation of development costs

Development costs are capitalised where the requirements of IAS 38 are met and amortised over the life of the product. This is carried out for development work to games and the gaming platform which are to be used beyond the current balance sheet date.

Deferred tax

Deferred tax is recognised when there is sufficient certainty of sufficient profits being achieved in future years to utilise this asset.

4. Segmental analysis

The Gaming Realms Group has 3 main revenue streams:

- Net gaming revenue derived from real money gaming
- Social gaming revenue
- Marketing services

	<i>For the year ended 31 March 2013</i>			
	<i>Social Gaming £'s</i>	<i>Real Money Gaming £'s</i>	<i>Marketing Services £'s</i>	<i>Total £'s</i>
Revenue	630,582	244,989	–	875,571
Cost of sales	(189,518)	(65,305)	–	(254,823)
Gross Profit	441,064	179,684	–	620,748
Other operating income	5,934	–	–	5,934
Distribution costs	(459,097)	(383,555)	(47,125)	(889,777)
Administration expenses	(1,051,173)	(424,828)	(151,020)	(1,627,021)
Net operating loss	<u>(1,063,272)</u>	<u>(628,699)</u>	<u>(198,145)</u>	<u>(1,890,116)</u>

	<i>For the year ended 31 March 2012</i>			
	<i>Social Gaming £'s</i>	<i>Real Money Gaming £'s</i>	<i>Marketing Services £'s</i>	<i>Total £'s</i>
Revenue	52,208	9,219	–	61,427
Cost of sales	(13,503)	–	–	(13,503)
Gross Profit	38,705	9,219	–	47,924
Other operating income	3,950	–	–	3,950
Distribution costs	(156,175)	(74,926)	–	(231,101)
Administration expenses	(562,583)	(183,616)	–	(746,199)
Net operating loss	<u>(676,103)</u>	<u>(249,323)</u>	<u>–</u>	<u>(925,426)</u>

	<i>For the year ended 31 March 2011</i>			
	<i>Social Gaming £'s</i>	<i>Real Money Gaming £'s</i>	<i>Marketing Services £'s</i>	<i>Total £'s</i>
Revenue	–	1,190	–	1,190
Cost of sales	–	–	–	–
Gross Profit	–	1,190	–	1,190
Other operating income	9,000	–	–	9,000
Administration expenses	(72,757)	(28,777)	–	(101,534)
Net operating loss	<u>(63,757)</u>	<u>(27,587)</u>	<u>–</u>	<u>(91,344)</u>

Geographical Analysis of Revenue

The Gaming Realms Group's performance can be reviewed by considering the geographical locations from which the Gaming Realms Group derives revenue. This information is outlined below:

	<i>Geographical analysis of revenue</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
UK	1,190	20,600	282,655
USA	–	24,536	451,594
Other	–	16,291	141,322
	<u>1,190</u>	<u>61,427</u>	<u>875,571</u>

No revenue is derived from real money gaming in the United States of America.

	<i>Segment Assets as at 31 March 2013</i>			
	<i>Social Gaming</i>	<i>Real Money Gaming</i>	<i>Marketing Services</i>	<i>Total</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Segment assets	962,515	210,542	1,163,651	2,336,708
Segment liabilities	(253,145)	(325,986)	(130,772)	(709,903)

	<i>Segment Assets as at 31 March 2012</i>			
	<i>Social Gaming</i>	<i>Real Money Gaming</i>	<i>Marketing Services</i>	<i>Total</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Segment assets	1,310,297	70,610	–	1,380,907
Segment liabilities	(51,047)	(155,709)	–	(206,756)

	<i>Segment Assets as at 31 March 2011</i>			
	<i>Social Gaming</i>	<i>Real Money Gaming</i>	<i>Marketing Services</i>	<i>Total</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Segment assets	1,948,871	52,263	–	2,001,134
Segment liabilities	(12,571)	(86,504)	–	(99,075)

5. Operating loss

Operating loss is stated after charging:

	<i>For the year ended 31 March</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Directors' compensation – short term employee benefits	<u>54,286</u>	<u>238,033</u>	<u>455,387</u>

Directors' compensation represents the short term employee benefits of the directors of each company within the Gaming Realms Group.

	<i>For the year ended 31 March</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Amortisation of intangibles	25,502	131,756	293,509
Operating lease expense	4,688	29,263	48,510
Depreciation of property, plant and equipment	<u>897</u>	<u>5,711</u>	<u>9,329</u>

6. Taxation

	<i>For the year ended 31 March</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Current income tax			
Income tax on profits of subsidiary operations	<u>–</u>	<u>–</u>	<u>–</u>

The tax charge for the year can be reconciled to accounting profit as follows:

	<i>For the year ended 31 March</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Loss on ordinary activities before tax	(91,344)	(925,426)	(1,890,116)
Expected tax at effective rate of corporation tax in the UK (28%; 26%; 24%)	(25,576)	(240,611)	(453,628)
Expenses not deductible for tax purposes	1,286	16	(102)
Tax losses carried forward	24,039	238,369	450,024
Depreciation in excess of capital allowances	251	1,485	2,239
Other short term timing differences	<u>–</u>	<u>741</u>	<u>1,467</u>
Total tax expense	<u>–</u>	<u>–</u>	<u>–</u>

As at 31 March 2013, there is an unrecognised deferred tax asset of approximately £697,000, arising from unused tax losses and temporary differences. This has not been recognised, as the recoverability of any asset is dependent upon sufficient profits being achieved in future years to utilise this asset. The timings of such profits are uncertain.

7. Employee benefits

Total staff costs (including directors') comprise the following:

	<i>For the year ended 31 March</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Wages and salaries	97,214	563,551	1,031,897
Employers' National Insurance and similar taxes	10,714	67,569	117,173
Other Benefits	–	1,929	10,834
	<u>107,928</u>	<u>633,049</u>	<u>1,159,904</u>
Of the above costs the following were capitalised in the year:	<u>60,980</u>	<u>336,101</u>	<u>399,847</u>

	<i>For the year ended 31 March</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>Number</i>	<i>Number</i>	<i>Number</i>
Average number of employees	<u>8</u>	<u>15</u>	<u>24</u>

8. Property, plant and equipment

	<i>Computers and related equipment £'s</i>	<i>Office furniture and equipment £'s</i>	<i>Total £'s</i>
Cost			
At 1 April 2010	–	–	–
Additions	10,699	557	11,256
At 31 March 2011	10,699	557	11,256
Additions	14,549	417	14,966
At 31 March 2012	25,248	974	26,222
Additions	4,395	4,868	9,263
At 31 March 2013	<u>29,643</u>	<u>5,842</u>	<u>35,485</u>
Accumulated depreciation			
At 1 April 2010	–	–	–
Depreciation charge	(882)	(15)	(897)
At 31 March 2011	(882)	(15)	(897)
Depreciation charge	(5,390)	(321)	(5,711)
At 31 March 2012	(6,272)	(336)	(6,608)
Depreciation charge	(8,898)	(431)	(9,329)
At 31 March 2013	<u>(15,170)</u>	<u>(767)</u>	<u>(15,937)</u>

	<i>Computers and related equipment £'s</i>	<i>Office furniture and equipment £'s</i>	<i>Total £'s</i>
Net book value			
As at 31 March 2011	9,817	542	10,359
As at 31 March 2012	18,976	638	19,614
As at 31 March 2013	14,473	5,075	19,548

9. Intangible assets

	<i>Patents and domain names £'s</i>	<i>Technology IP £'s</i>	<i>Development costs £'s</i>	<i>Total £'s</i>
Cost				
At 1 April 2010	–	–	–	–
Additions	–	86,504	60,980	147,484
At 31 March 2011	–	86,504	60,980	147,484
Additions	–	–	381,211	381,211
At 31 March 2012	–	86,504	442,191	528,695
Additions	4,852	–	695,583	700,435
At 31 March 2013	4,852	86,504	1,137,774	1,229,130
Accumulated amortisation				
At 1 April 2010	–	–	–	–
Amortisation charge	–	(25,502)	–	(25,502)
At 31 March 2011	–	(25,502)	–	(25,502)
Amortisation charge	–	(25,501)	(106,255)	(131,756)
At 31 March 2012	–	(51,003)	(106,255)	(157,258)
Amortisation charge	–	(25,501)	(268,008)	(293,509)
At 31 March 2013	–	(76,504)	(374,263)	(450,767)
Net book value				
As at 31 March 2011	–	61,002	60,980	121,982
As at 31 March 2012	–	35,501	335,936	371,437
As at 31 March 2013	4,852	10,000	763,511	778,363

10. Trade & Other receivables

	<i>As at 31 March</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Trade receivables	–	2,012	2,002
Payment service providers	–	–	72,825
VAT and other taxes	6,115	46,304	53,123
Prepayments & accrued income	–	6,361	211,142
Related party receivable (note 14)	3,359	–	2,571
Unpaid called up share capital	1,800,000	900,000	–
Directors' loans	–	–	31,000
	<u>1,809,474</u>	<u>954,677</u>	<u>372,663</u>

11. Cash and cash equivalents

	<i>As at 31 March</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Cash at bank	<u>59,319</u>	<u>35,179</u>	<u>1,166,134</u>

Cash comprises cash in hand and balances kept with banks. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash. They include short-term bank deposits originally purchased with maturities of three months or less.

	<i>As at 31 March</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Funds attributable to player liabilities and jackpots	<u>–</u>	<u>–</u>	<u>136,052</u>

12. Trade & Other payables

	<i>As at 31 March</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Trade payables	–	123	87,014
Player liabilities	–	–	100,853
Jackpot liability	–	–	35,199
Related parties (note 14)	–	4,681	241
Loans and borrowings	–	20,000	24,000
Accruals and deferred income	–	86,006	199,557
Other tax and social security	12,452	24,086	35,835
Other	10,119	15,356	194,700
	<u>22,571</u>	<u>150,252</u>	<u>677,399</u>

13. Non-current liabilities

	<i>As at 31 March</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Loans and borrowings	76,504	56,504	32,504
	<u>76,504</u>	<u>56,504</u>	<u>32,504</u>

14. Related parties and shareholders

During the three years ended 31 March 2013, the Gaming Realms Group received and provided marketing services from and to Quick Think Media Limited, a company in which there are common shareholders and directors. The following tables summarise the transactions in the period and the outstanding balances at each year end.

The following transactions arose with related parties:

	<i>For the year ended 31 March</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Revenue and other operating income	–	13,000	20,226
Operating expenses	5,967	16,881	24,284
	<u>–</u>	<u>13,000</u>	<u>20,226</u>
	<u>5,967</u>	<u>16,881</u>	<u>24,284</u>

The following are year-end balances:

	<i>As at 31 March</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Related party creditors			
Quick Think Media Limited	–	4,681	241
	<u>–</u>	<u>4,681</u>	<u>241</u>
Related party debtors			
Quick Think Media Limited	3,600	–	2,571
	<u>3,600</u>	<u>–</u>	<u>2,571</u>

During the three years ended 31 March 2013, the Gaming Realms Group received accounting services from M2Ventures, a company in which there are common shareholders. The amounts paid in each of the three years were: 2011 – £Nil; 2012 – £11,250 and 2013 – £10,200. No amounts were outstanding at any of the three year ends.

During years ended 31 March 2012 and 2013, the Gaming Realms Group received customer support services from Tamacre Limited, a company in which there are common shareholders and directors. The amounts paid in each of the years were: 2011 – £Nil; 2012 – £29,372 and 2013 – £17,576. No amounts were outstanding at any of the three year ends.

In 2011, AlchemyBet Limited acquired certain IP and intangible assets from Cometa Wireless Gaming Systems Ltd. In consideration for these assets Gaming Realms Limited committed to repay an outstanding loan balance of £76,504. Cometa Wireless Gaming Systems Limited is a related party by virtue of common ownership and common directors.

The details of key management compensation (being the remuneration of the directors) are set out in note 5.

The amount owed from directors is £31,000 as at 31 March 2013 (2011 & 2012 – Nil). The amount owed to directors was 2011 – £10,000; 2012 – £9,265 and 2013 – £7,165.

In January 2013, BeJig Limited granted options to certain directors to subscribe for up to 783 ordinary shares in aggregate in that company at an exercise price of £249.066 per share. Of these options, as described in note 17, 441 have been exercised since the year end and the remainder have been cancelled.

15. Companies included within the Gaming Realms Group

Details of the companies included within the Gaming Realms Group, in accordance with the basis of preparation as set out in note 2, are as follows:

<i>Name</i>	<i>Country of incorporation</i>	<i>Nature of business</i>
Gaming Realms Limited	United Kingdom	Marketing services
BeJig Limited	United Kingdom	Social Gaming operator
AlchemyBet Limited	United Kingdom	Gaming Services

16. Financial Instruments and risk management

The Gaming Realms Group is exposed to certain risks arising from its use of financial instruments.

The Gaming Realms Group's financial assets and liabilities are shown in the table below and they can be classified wholly as either receivables or payables. The Gaming Realms Group has operated with a positive cash balance throughout the period.

Financial assets and liabilities

The fair value together with the carrying amount of the financial assets and liabilities shown in the balance sheet are as follows:

	2011		2012		2013	
	<i>Fair value</i>	<i>Carrying amount</i>	<i>Fair value</i>	<i>Carrying amount</i>	<i>Fair value</i>	<i>Carrying amount</i>
	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>	<i>£'s</i>
Cash and cash equivalents	59,319	59,319	35,179	35,179	1,166,134	1,166,134
Trade receivables	–	–	2,012	2,012	2,002	2,002
Accrued income	–	–	6,362	6,362	166,612	166,612
Related party receivable	3,359	3,359	–	–	2,571	2,571
Other receivables	1,800,000	1,800,000	900,000	900,000	–	–
Trade payables	–	–	(123)	(123)	(87,014)	(87,014)
Player liabilities	–	–	–	–	(100,853)	(100,853)
Related party payables	–	–	(4,681)	(4,681)	(241)	(241)
Loans and borrowings	(76,504)	(76,504)	(76,504)	(76,504)	(56,504)	(56,504)
Accruals and deferred income	–	–	(86,006)	(86,006)	(199,557)	(199,557)
Other payables	(10,119)	(10,119)	(15,356)	(15,356)	(194,700)	(194,700)

All financial assets are classified as loans and receivables and all financial liabilities are held at amortised cost. In the Directors' opinion there is no material difference between the book value and the fair value of any of the financial instruments given the short maturity of these balances.

The Gaming Realms Group has some exposure to credit risk and liquidity risk. The Gaming Realms Group does not have any material exposure to interest rate risk or market price risk. The Gaming Realms Group has a commercial exposure to currency risk through its social gaming business as its revenues are denominated in US Dollars. Revenues denominated in US Dollars are settled into the Gaming Realms Group's bank accounts in Sterling and therefore there is limited balance sheet exposure to currency risk. The Gaming Realms Group's policy, where possible, is for group entities to manage foreign exchange risk at a local level by matching the currency in which revenue is generated to the expenses incurred and by settling liabilities denominated in their functional currency with cash generated from their own operations in that currency.

There has been no material change to the financial instruments used within the business during the period and therefore no material changes to the risk management policies put in place by the board of directors which are now disclosed below.

The directors of each group company have overall responsibility for the determination of that company's risk management objectives and policies. Whilst acknowledging this responsibility, it has delegated the authority and day-to-day responsibility for designing and operating systems and controls, which meet these, risk management objectives to the finance and administration functions.

Credit risk

Credit risk is the risk of financial loss to the Gaming Realms Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Due to the nature of the Gaming Realms Group's operations exposure to credit risk is limited.

Credit risk also arises from cash and cash equivalents with banks and financial institutions. For banks and financial institutions only independently rated parties with a minimum rating "A-" are accepted.

	<i>Total</i> £'s	<i>Financial institutes with A- and above rating</i> £'s
<i>Cash and cash equivalents</i>		
As at 31 March 2011	59,319	59,319
As at 31 March 2012	35,179	35,179
As at 31 March 2013	<u>1,166,134</u>	<u>1,166,134</u>

The ageing of trade receivables can be analysed as follows:

	<i>Total</i> £'s	<i>Not past due</i> £'s
As at 31 March 2011	3,359	3,359
As at 31 March 2012	2,102	2,102
As at 31 March 2013	<u>4,573</u>	<u>4,573</u>

The above balances relate to customers with no default history.

Related party receivables of £Nil were not past due at 31 March 2011, 2012 and 2013 respectively.

Liquidity risk

The following table sets out the contractual maturities of financial liabilities:

As at 31 March 2011

	<i>Total</i> £'s	<i>Within 1 year</i> £'s	<i>1-2 years</i> £'s	<i>More than 2 years</i> £'s
Other accounts payable	22,571	22,571	–	–
Loans and borrowings	<u>76,504</u>	<u>–</u>	<u>20,000</u>	<u>56,504</u>

As at 31 March 2012

	<i>Total</i> £'s	<i>Within 1 year</i> £'s	<i>1-2 years</i> £'s	<i>More than 2 years</i> £'s
Trade payables	123	123	–	–
Related parties	4,681	4,681	–	–
Accruals and deferred income	86,006	86,006	–	–
Other payables	15,356	15,356	–	–
Loans and borrowings	<u>76,504</u>	<u>20,000</u>	<u>24,000</u>	<u>32,504</u>

As at 31 March 2013

	<i>Total</i> £'s	<i>Within</i> <i>1 year</i> £'s	<i>1-2 years</i> £'s	<i>More than</i> <i>2 years</i> £'s
Trade payables	87,014	87,014	–	–
Related parties	241	241	–	–
Accruals and deferred income	199,557	199,557	–	–
Other payables	194,700	194,700	–	–
Player liabilities	100,853	100,853	–	–
Loans and borrowings	56,504	24,000	24,000	8,504

17. Post balance sheet events

Share subscriptions:

On 8 May 2013 Gaming Realms Limited issued further shares for a total consideration of £1.5 million, of which £750,000 had been received by 31 March 2013 and is included in Net Invested Capital at 31 March 2013 and £750,000 was received since the 31 March 2013.

In June 2013, certain directors of BeJig Limited subscribed for 441 ordinary shares in BeJig Limited for a total consideration of £109,838.

SECTION C: UNAUDITED PRO FORMA FINANCIAL INFORMATION FOR THE ENLARGED GROUP

The following unaudited pro forma statement of net assets of the Enlarged Group (the “pro forma financial information”) has been prepared to illustrate the effect on the consolidated net assets of the Enlarged Group as if the Acquisitions, the Disposals and the Placing had taken place on 31 March 2013.

The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Enlarged Group’s actual financial position or results.

The pro forma financial information is based on the consolidated net assets of the Group as at 31 March 2013, set out in the unaudited consolidated interim financial statements for the period ended 31 March 2013, and has been prepared in a manner consistent with the accounting policies adopted by the Company in preparing such information and on the basis set out in the notes set out below.

	<i>Adjustments</i>					<i>Pro forma net assets of the Enlarged Group</i>
	<i>The Existing Group as at 31 March 2013</i>	<i>The Gaming Realms Group as at 31 March 2013</i>	<i>Acquisition of the Gaming Realms Group</i>	<i>Disposals by the Existing Group</i>	<i>Net placing proceeds</i>	
	<i>(note 1)</i>	<i>(note 2)</i>	<i>(note 3)</i>	<i>(note 4)</i>	<i>(note 5)</i>	
	£	£	£	£	£	£
Assets						
Non-current assets						
Property, plant and equipment	–	19,548	–	–	–	19,548
Intangible assets	–	778,363	10,454,230	–	–	11,232,593
	–	797,911	10,454,230	–	–	11,252,141
Current assets						
Trade and other receivables	41,364	372,663	–	–	–	414,027
Assets of disposal group held for re-sale	1,143,507	–	–	(37,152)	–	1,106,355
Cash and cash equivalents	5,090,454	1,166,134	–	231,682	2,536,000	9,024,270
	6,275,325	1,538,797	–	194,530	2,536,000	10,544,652
Total assets	6,275,325	2,336,708	10,454,230	194,530	2,536,000	21,796,793
Liabilities						
Non-current liabilities						
Loans and borrowings	–	32,504	–	–	–	32,504
	–	32,504	–	–	–	32,504
Current liabilities						
Trade and other payables	34,661	653,399	–	–	–	688,060
Loans and borrowings	–	24,000	–	–	–	24,000
Liabilities of disposal group held for re-sale	2,460,943	–	–	(32,474)	–	2,428,469
	2,495,604	677,399	–	(32,474)	–	3,140,529
Total liabilities	2,495,604	709,903	–	(32,474)	–	3,173,033
Net assets	3,779,721	1,626,805	10,454,230	227,004	2,536,000	18,623,760

Notes:

1. The net assets of the Existing Group at 31 March 2013 have been extracted without material adjustment from the unaudited consolidated interim financial statements of the Existing Group for the period ended 31 March 2013.

Adjustments:

2. The consolidated net assets of the Gaming Realms Group have been extracted without material adjustment from the financial information on the Gaming Realms Group for the year ended 31 March 2013, set out in Section B of Part IV of this document.
3. An adjustment has been made to reflect the estimated intangible assets arising on the acquisition of the Gaming Realms Group.

For the purposes of this pro forma information, no adjustment has been made to the separate assets and liabilities of the Gaming Realms Group to reflect their fair value. The difference between the net assets of the Gaming Realms Group as stated at their book value at 31 March 2013 and the estimated consideration has therefore been presented as a single value in "Intangible assets". The net assets of the Gaming Realms Group will be subject to a fair value restatement as at the effective date of the transaction. Actual intangible assets included in the Enlarged Group's next published financial statements may therefore be materially different from that included in the pro forma statement of net assets.

The estimated consideration for the Gaming Realms Group is approximately £12.08 million based on the Placing Price of the Company's shares issued as Consideration Shares.

	£
Consideration payable in Company shares	12,081,035
Book value of net assets of the Gaming Realms Group as at 31 March 2013	<u>1,626,805</u>
Estimated intangible assets arising on the Transaction	<u><u>10,454,230</u></u>

4. The estimated profit on completed disposals of certain business, assets and liabilities by the Existing Group, entered into subsequent to 31 March 2013, have been included as detailed below:

	£	£
Consideration receivable for:		
Food, Beverage and Brewing business		115,815
Atomiser intellectual property rights, patents and related assets		65,867
Pursuit Marine Drive business		<u>50,000</u>
Total cash consideration		231,682
Book value of assets for:		
Food, Beverage and Brewing business	28,315	
Atomiser intellectual property rights, patents and related assets	(23,637)	
Pursuit Marine Drive business	<u>-</u>	
Total book value of net assets disposed of		<u>4,678</u>
Estimated profit arising on disposals		<u><u>227,004</u></u>

5. The Placing is estimated to raise net proceeds of £2.536 million (£3.4 million gross proceeds less estimated expenses of, and incidental to the Admission, inclusive of VAT, of £0.864 million).
6. No account has been taken of the financial performance of the Existing Group since 31 March 2013, the financial performance of the Gaming Realms Group since 31 March 2013, nor of any other event save as disclosed above.

PART V

INFORMATION ON THE CONCERT PARTY

1.1 The Concert Party

The members of the Concert Party are made up of founding shareholders, employees and capital providers in each of the Targets. The majority of the members of the Concert Party have been influential in setting up and in creating value in each of the Targets. NewGame provided seed capital to BeJig and AlchemyBet, alongside two of the Proposed Directors, Patrick Southon and Simon Collins. Bwin.party, through its large shareholding in NewGame is also a member of the Concert Party. Full details of the members of the Concert Party are set out in this Part V.

Set out below is a table showing the interests of the members of the Concert Party in the Existing Issued Share Capital of the Company at the Disclosure Date, the share capital of the Targets and the potential interests of the Concert Party in the Enlarged Issued Share Capital following Admission:

Shareholder	Address	No. of Existing Ordinary Shares in Pursuit of Dynamics plc	Percentage Existing Ordinary Shares in Pursuit of Dynamics plc	Number of shares in Gaming Realms Limited	Percentage of shares in Gaming Realms Limited	Number of shares in BeJig	Percentage of shares in BeJig	Number of shares in AlchemyBet	Percentage of shares in AlchemyBet	Number of New Ordinary Shares in Enlarged Group	Percentage of New Ordinary Shares in Enlarged Group
Michael Buckley	c/o Hansel Henson LLP, 4th Floor, 22 Newman Street, London W1T 1PH	21,000,000	7.73	55,000	24.58	-	-	-	-	16,281,349	11.12
Simon Collins	c/o Hansel Henson LLP, 4th Floor, 22 Newman Street, London W1T 1PH	333,000	0.12	40,000	17.88	-	-	-	-	10,347,037	7.07
Patrick Southon	c/o Hansel Henson LLP, 4th Floor, 22 Newman Street, London W1T 1PH	833,300	0.31	40,000	17.88	-	-	-	-	10,397,039	7.10
Noel Rowse	c/o Hansel Henson LLP, 4th Floor, 22 Newman Street, London W1T 1PH	-	-	17,500	7.82	-	-	-	-	4,512,248	3.08
Rachel Segal	c/o Hansel Henson LLP, 4th Floor, 22 Newman Street, London W1T 1PH	-	-	2,500	1.12	-	-	-	-	644,607	0.44
Irek Gatecki	c/o Hansel Henson LLP, 4th Floor, 22 Newman Street, London W1T 1PH	-	-	2,500	1.12	-	-	-	-	644,607	0.44
Cosham Assets Limited	c/o Sofaer Administration Limited, 13/F Onifem Tower, Wyndham Street, Central, Hong Kong	-	-	21,250	9.50	9,149	53.20	172	58.11	5,479,158	3.74
NewGame Capital LP	21 Engineer Lane, Gibraltar	-	-	-	-	-	-	-	-	20,769,246	14.19
Gaming Realms Limited	C/o Hansel Henson LLP, 4th floor, 22 Newman Street, London W1T 1PH	-	-	-	-	1,606	9.34	29	9.80	-	-
Tom Gooding	2nd Floor, Thames House, 18 Park Street Borough, London SE1 9EQ	-	-	-	-	2,047	11.90	-	-	3,653,313	2.50
David Hampstead	2nd Floor, Thames House, 18 Park Street Borough, London SE1 9EQ	-	-	-	-	2,047	11.90	-	-	3,653,313	2.50
Simon Smiley	2nd Floor, Thames House, 18 Park Street Borough, London SW16 2UL	-	-	-	-	2,047	11.90	-	-	3,653,313	2.50
Phil Halston	2nd Floor, Thames House, 18 Park Street Borough, London SE1 9EQ	-	-	-	-	100	0.60	-	-	178,472	0.12
Paul Gambrell	2nd Floor, Thames House, 18 Park Street Borough, London SE1 9EQ	-	-	-	-	100	0.60	-	-	178,472	0.12
Guy Coleman	2nd Floor, Thames House, 18 Park Street Borough, London SE1 9EQ	-	-	-	-	100	0.60	-	-	178,472	0.12
Paul Stewart	3 Kenwood Road, Sheffield, South Yorkshire S7 1NP	-	-	-	-	-	-	5	1.69	162,829	0.11
Martin Manning	3 Kenwood Road, Sheffield, South Yorkshire S7 1NP	-	-	-	-	-	-	5	1.69	162,829	0.11
Sebastian Coope	3 Kenwood Road, Sheffield, South Yorkshire S7 1NP	-	-	-	-	-	-	15	5.07	488,488	0.33
Robert Anderson	3 Kenwood Road, Sheffield, South Yorkshire S7 1NP	-	-	-	-	-	-	35	11.82	1,139,805	0.78
Adam Lewis	3 Kenwood Road, Sheffield, South Yorkshire S7 1NP	-	-	-	-	-	-	35	11.82	1,139,805	0.78
Bwin.Party*	711 Europort, Gibraltar	0	0	0	0	0	0	0	0	0	0

* Bwin.Party has no direct holding but has an indirect holding through NewGame Capital LP and as a result has been deemed a member of the Concert Party

Shareholder	Number of New Ordinary Shares in Enlarged Group	Percentage of New Ordinary Shares in Enlarged Group	Number of options over B Shares to be issued under the New Share Option Scheme	New Ordinary Shares assuming all options over B Shares are exercised in full	Percentage of Enlarged Issued Share Capital assuming options over B Shares are Maximum exercised in full number of and B Shares are converted into the maximum number of New Ordinary Shares possible	
Michael Buckley	16,281,349	11.12	5,769,230	5,769,229		13.18
Patrick Southon	10,397,039	7.1	5,769,230	5,769,229		9.63
Simon Collins	10,347,039	7.07	4,615,384	4,615,383		8.93
Noel Rowse	4,512,248	3.08	4,615,384	4,615,383		5.40
Rachel Segal*	644,607	0.44	3,076,923	3,076,922		2.17
Irek Galecki	644,607	0.44	2,307,692	2,307,691		1.73

* Options over B Shares shown against Rachel Segal's name are being granted to her husband Mark Segal

The maximum controlling position based on full conversion of the B Share into 26,153,837 New Ordinary Shares as illustrated in the above table would result in members of the Concert Party controlling 64.64 per cent. of the Enlarged Issued Share Capital.

Further information on the B Shares is set out in paragraph 13 of Part I and paragraph 7 of Part VI of this document.

1.2 Information on certain members of the Concert Party

- (i) Michael Buckley is a founder and director of Gaming Realms Limited and will become Chairman of the Company on Completion. Further details regarding Michael Buckley are set out on page 21 of this document.
- (ii) Simon Collins is a founder and director of Gaming Realms Limited and will become Executive Director of the Company on Completion. Further details regarding Simon Collins are set out on page 22 of this document.
- (iii) Patrick Southon is a founder and director of Gaming Realms Limited and will become Chief Executive Officer of the Company on Completion. Further details regarding Patrick Southon are set out on page 21 of this document.
- (iv) Noel Rowse is a founder and director of Gaming Realms Limited. On Admission Noel will become a member of the executive management team and will be responsible for the operations and product development.
- (v) Mrs Segal, wife of Mark Segal who will become Finance Director of the Company on Completion. Further details of Mark Segal are set out on page 21 of this document.
- (vi) Irek Galecki is a director and shareholder of Advisario Limited, with whom Gaming Realms Limited has entered into an IT services contract. Irek Galecki will become an employee of the Company from July 2013.
- (vii) Cosham Assets Limited ("Cosham"), incorporated in the British Virgin Islands on 6 September 2011 with registration number 46184, invested in Gaming Realms Limited in its second round of fundraising and is controlled by Michael Sofaer, a private investor. Cosham invests in a number of sectors including real estate, telecoms, online gaming, media and insurance and was previously an investor in Cashcade. Cosham has 13 investments of which Gaming Realms makes up 2 per cent. of its portfolio. There are two directors of Cosham, being Michael Sofaer and Winnie Leung.

- (viii) NewGame is a private equity limited partnership under the laws of Gibraltar which was formed to invest in early-stage investments in high-potential companies active in, or supporting, the monetised digital gaming sector. NewGame has two directors (David Abdoo & James Lasry) who have overall responsibility for operating and managing the Fund and for taking the ultimate investment decisions.

NewGame was incorporated in August 2011 with Bwin.party and Patrick Southon ("PS") and Simon Collins ("SC") as seed investors. Bwin.party committed funds of up to £15 million and PS and SC a combined amount of up to £1 million. NewGame was an initiative of NewGame Capital Advisers LLP and NewShore Partners LLP ("NewShore"). Due to a change in strategy at Bwin.Party the fund was closed to new investments from January 2013 and in a deed of variation NewShore resigned all control from NewGame. PS and SC continue to advise the directors of NewGame, although only in as far as the current investments as no new funds will be committed.

Before January 2013 NewGame acquired interests in BeJig and AlchemyBet. The two acquisitions required NewGame to drawdown a total of £2.7 million, 1/16th (split equally) from PS and SC and 15/16th from Bwin.party and these remain its only assets as at the date of this document.

Registration Number: OC366515

Registered address: 111 Buckingham Palace Road, London SW1W 0SR

Incorporated: 15 August 2011

Directors: David Abdoo & James Lasry

- (ix) Gaming Realms Limited is a shareholder in BeJig. Further information on Gaming Realms can be found on page 17 of this document. Its only assets at the date of this document are its Bingo Godz and CastleJackpot products and its investments in BeJig and AlchemyBet.
- (x) Tom Gooding is a founder and chief executive officer at BeJig and will continue in that role post completion.
- (xi) David Hampstead is a founder and director of BeJig. He is company CTO at BeJig and will continue in that role post completion.
- (xii) Simon Smiley is a founder and director of BeJig. He is head of operations at BeJig and will continue in that role post completion.
- (xiii) Phil Halston is an employee of BeJig. He is the Lead game developer at BeJig and will continue in that role post completion.
- (xiv) Paul Gambrell is an employee of BeJig. He is a software architect at BeJig and will continue in that role post completion.
- (xv) Guy Coleman is an employee of BeJig. He is a software architect at BeJig and will continue in that role post completion.
- (xvi) Martin Manning is a private shareholder in AlchemyBet who was a founder investor. He is currently contracted by AlchemyBet and is responsible for various finance functions.
- (xvii) Sebastien Coope is a private shareholder in AlchemyBet who was a founder investor. He is currently contracted by AlchemyBet in a game development role.
- (xviii) Robert Anderson is a director of AlchemyBet and is responsible for games design through his role as Head of Games and will continue in that role post completion.
- (xix) Adam Lewis is a private shareholder in AlchemyBet and has no involvement with the business pre or post the Acquisitions.
- (xx) Bwin.party is considered to be acting in concert, being a shareholder of NewGame. In addition, Cashcade was purchased by Bwin.party in 2009 and Jim Ryan, a Proposed Director, was co-Chief Executive Officer of Bwin.party until January 2013.

Following the merger of bwin and PartyGaming plc that completed in March 2011, bwin.party is listed on the London Stock Exchange under the ticker: BPTY and a member of the FTSE250 Index. A leader in digital entertainment, Bwin.party is a global online gaming business with millions of customers worldwide and pro forma net revenue in 2012 of €801.6 million and Clean EBITDA of €164.9 million. It is regulated and licensed in multiple territories including Gibraltar, Alderney, Belgium, France, Denmark, Italy, Spain and Schleswig-Holstein in Germany with over 3,000 employees in offices worldwide. Further information on Bwin.party and their financial information can be found at <http://www.bwinparty.com/Investors/FinancialReports.aspx>.

Registration Number: 91225

Registered address: 711 Europort, Gibraltar

Incorporated: 28 April 2004

Directors: Simon Duffy, Norbert Teufelberger, Martin Weigold, Per Afrell, Geoff Baldwin, Manfred Bodner, Tim Bristow, Helmut Kern, Lord Moonie, Rod Perry, Georg Riedl, Sylvia Coleman

1.3 Interests and dealings in relevant securities

Interests and Dealings in relevant securities

(a) *Definitions:*

For the purpose of this paragraph:

acting in concert has the meaning attributed to it in the City Code;

arrangement includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;

connected person has the meaning attributed to it in section 252 of the 2006 Act;

control means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holding gives de facto control;

dealing or **dealt** includes the following:

- (i) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities;
- (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a trade option contract) in respect of any relevant securities;
- (iii) subscribing or agreeing to subscribe for relevant securities;
- (iv) the exercise or conversion of any relevant securities carrying conversion or subscription rights (whether in respect of new or existing securities);
- (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
- (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
- (vii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

derivative includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;

disclosure date means 12 July 2013, being the latest practicable date prior to the posting of this document;

disclosure period means the period commencing on 11 July 2012, being the date 12 months prior to the date of the posting of this document and ending on the disclosure date;

being “**interested**” in relevant securities includes where a person:

- (i) owns relevant securities;
- (ii) has a right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
- (iii) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- (iv) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;

relevant securities means shares in Pursuit Dynamics (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;

short position means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, agreement to sell or any delivery obligation or right to require any other person to purchase or take delivery.

(b) Concert Party interest in Pursuit Dynamics at the Disclosure Date

This information can be found in the table in paragraph 1.1 above.

(c) Market dealings in relevant securities

The dealings by the members of the Concert Party in Existing Ordinary Shares of the Company during the Disclosure Period were as follows:

<i>Person Dealing</i>	<i>Description</i>	<i>Number of Existing Ordinary Shares acquired</i>	<i>% of Existing Ordinary Shares</i>	<i>Price per Ordinary Share</i>	<i>Date</i>
Michael Buckley*	placing and open offer	19,485,366	7.39	3 pence	4 December 2012
Patrick Southon	placing and open offer	833,300	0.31	3 pence	4 December 2012
Simon Collins	placing and open offer	333,300	0.12	3 pence	4 December 2012
Michael Buckley	market purchase	64,634	0.02	1.88 pence	27 February 2013

* Michael Buckley purchased 14,485,366 Existing Ordinary Shares and Dawnglen Finance Limited (a company controlled by Michael Buckley purchased 5,000,000 Existing Ordinary Shares)

The dealings by members of the Concert Party in ordinary shares of the Targets during the Disclosure Period were as follows:

<i>Person Dealing</i>	<i>Description</i>	<i>Number of ordinary shares acquired in Gaming Realms Limited</i>	<i>% of ordinary shares in Gaming Realms Limited</i>	<i>Price per ordinary share</i>	<i>Date</i>
Michael Buckley	subscription	1	0.00	£1.00	6 September 2012
	subscription	24,999	11.2	£1.00	19 December 2012
	subscription	30,000	13.4	£1.00	9 May 2013
Patrick Southon	subscription	25,000	11.2	£1.00	19 December 2012
	subscription	15,000	6.7	£1.00	9 May 2013
Simon Collins	subscription	25,000	11.2	£1.00	19 December 2012
	subscription	15,000	6.7	£1.00	9 May 2013

- (i) Save as disclosed in paragraph 1.4 of this document, as at the disclosure date each member of the Concert Party and/or directors of members of the Concert Party and persons acting in concert with them had no interest in or a right to subscribe for, or had any short position in relation to, any relevant Pursuit Dynamics securities, nor had he dealt in any relevant Pursuit Dynamics securities during the disclosure period;
- (ii) Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between any member of the Concert Party and any of the directors, recent directors, shareholders or recent shareholders of the Company, or any person interested or recently interested in shares of the Company, having any connection with or dependence upon the offer, and full particulars of any such agreement, arrangement or understanding;
- (iii) As at the Disclosure Date, no member of the Concert Party and/nor directors of members of the Concert Party nor any persons acting in concert with them had borrowed or lent any relevant Pursuit Dynamics securities, save for any borrowed shares which have either been on-lent or sold;
- (iv) The Company nor any of the Directors had an interest in or a right to subscribe for, or had any short position in relation to any relevant securities of members of the Concert Party nor persons acting in concert with them, nor had he dealt in any relevant securities of members of the Concert Party during the disclosure period; and
- (v) As at the Disclosure Date, neither the Company nor any of the Directors nor any persons acting in concert with them has borrowed or lent any relevant Pursuit Dynamics securities, save for any borrowed shares which have either been on-lent or sold.

Other than set out above, none of the Directors or Proposed Directors have dealt in any ordinary shares in any of the Targets during the Disclosure Period.

For further information see paragraph 8.8 in Part VI of this document.

1.4 General Information on the members of the Concert Party

- (i) No members of the Concert Party are participating in the Placing.
- (ii) As at the date of this document, the Proposed Directors have entered into the service contracts and letters of appointment with the Company, conditional upon Admission. Furthermore, on Admission the Proposed Directors will be granted options over 1,538,460 New Ordinary Shares and 26,153,843 B Shares under the New Share Option Scheme, further details of which are set out in paragraph 6 of Part VI of this document.
- (iii) There is no agreement, arrangement or understanding whereby the legal or beneficial interest in any Existing Ordinary Share held by members of the Concert Party will be transferred to another person.

1.5 Middle Market Quotation

The following table sets out the closing middle market quotations for an Existing Ordinary Share (as derived from the Daily Official List of the London Stock Exchange) for the first Business Day of each of the six months immediately preceding the date of this document and for 12 July 2013 (being the latest practicable date prior to the publication of this document):

<i>Date</i>	<i>Price per Ordinary Share (pence)</i>
1 February 2013	2.725
1 March 2013	1.775
2 April 2013	1.525
1 May 2013	1.560
3 June 2013	2.185
1 July 2013	1.600
12 July 2013	Suspended

PART VI

ADDITIONAL INFORMATION

1. Responsibility Statement

- 1.1 The Directors and the Proposed Directors, whose names are set out on page 12 of this document, and the Company accept responsibility, both individually and collectively, for the information contained in this document, other than the information referred to in paragraph 1.2 of this Part VI. To the best of the knowledge of the Directors, the Proposed 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.
- 1.2 Each member of the Concert Party (and for the purposes of Cosham Assets Limited, NewGame Capital, Gaming Realms Limited and Bwin.party Digital Entertainment plc, the directors of these members of the Concert Party as disclosed in paragraph 1.1 of Part V) accepts responsibility for the information contained in this document that relates to him or her. To the best of the knowledge and belief of each member of the Concert Party (having taken all reasonable care to ensure that such is the case), the information contained in this document for which he or she is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

- 2.1 The Company was incorporated under the 1985 Act and registered in England and Wales on 8 March 2001 with registered number 04175777 as a public limited company under the name of Pursuit Marine Drive plc.
- 2.2 On 16 March 2001, the Company changed its name to Pursuit Dynamics plc. On 17 May 2001 the Company obtained a certificate to commence trading under section 117 of the 1985 Act. The liability of the members of the Company is limited.
- 2.3 The Existing Ordinary Shares were admitted to trading on AIM on 23 May 2001 and are not traded on any other regulated or equivalent market. The Acquisitions constitute a Reverse Takeover under the AIM Rules, as a result of which, the Existing Ordinary Shares were suspended from trading on AIM on 2 July 2013, pending Completion.
- 2.4 The Company is governed by and its securities were created under the Companies Acts.
- 2.5 The Company is domiciled in the United Kingdom with its registered office and principal place of business located at Botanic House, 100 Hills Road, Cambridge CB2 1PH. The telephone number of the Company's registered address and principal place of business is 01480 422 050.
- 2.6 The Company is currently the holding company of the following subsidiaries:

<i>Company</i>	<i>Company number</i>	<i>Activity</i>	<i>Proportion of ownership interest/ voting power</i>	<i>Status</i>
Pursuit Marine Drive Limited	40543836	Trading	100%	Subject to the Disposal
Pursuit Processing Equipment Limited	05050416	Not trading	100%	Being struck off
Pursuit Dynamics, Inc	20-2532321	Not trading	100%	Dissolved and now in a "liquidation plan" under US law
DDX Solutions AG	CH-290.3.017.158-1	Not trading	100% via ownership of PDX Businessgroup AG and PDX Decon AG (of which DDX Solutions AG is a wholly owned subsidiary)	Being liquidated under Swiss law

<i>Company</i>	<i>Company number</i>	<i>Activity</i>	<i>Proportion of ownership interest/ voting power</i>	<i>Status</i>
PDX Businessgroup AG	CH-290.3.016.385-7	Not trading	100%	Being liquidated under Swiss law
BFX Solutions (BioFuels) AG	CH-290.3.017.156-5	Not trading	100% via ownership of PDX Businessgroup AG of which this company is a wholly owned subsidiary	Being liquidated under Swiss law
PDX Decon AG	CH-290.3.017.184-4	Not trading	100% via ownership of PDX Businessgroup AG of which this company is a wholly owned subsidiary	Being liquidated under Swiss law
Not trading	CH-290.3.017.292-0		100% via ownership of PDX Businessgroup AG of which this company is a wholly owned subsidiary	Being liquidated under Swiss law
PDX Technologies AG	CH-290.3.016.886-5	Not trading	100% via ownership of PDX Businessgroup AG of which this company is a wholly owned subsidiary	Being liquidated under Swiss law

2.7 Immediately following Admission, the Company will have in addition to the subsidiaries listed in paragraph 2.6 above, the following subsidiaries, each of which is incorporated in England and Wales:

<i>Company number</i>	<i>Company</i>	<i>Activity</i>	<i>Proportion of ownership interest</i>	<i>Proportion of voting power</i>
Gaming Realms	08126409	Investment & marketing of gambling services	100%	100%
AlchemyBet	07003018	Operator of online mobile gambling services	88.9% (11.1% is owned by Gaming Realms Limited)	100%
BeJig	07467813	Developer of social gambling games	90.7% (9.3% is owned by Gaming Realms Limited)	100%

2.8 As at the date of this document, the Company has no administrative, management or supervisory bodies other than the Board, the remuneration committee, the audit committee and the nomination committee, all of whose members are Directors.

2.9 The Company's auditors are PricewaterhouseCoopers LLP of Abacus House, Castle Park, Cambridge CB3 0AN who are members of the Institute of Chartered Accountants.

3. Share Capital of the Company

3.1 As at the date of this document the Company has:

- (a) an issued share capital of £2,717,180.70, comprising 271,718,070 issued Existing Ordinary Shares; and
- (b) 3,931,456 Existing Ordinary Shares under outstanding options granted under the Existing Share Option Schemes (on a pre-Share Consolidation basis).

3.2 Immediately following the passing of the Resolutions, the Share Consolidation, completion of the Acquisitions, the Placing and Admission, the Company will have:

- (a) an issued share capital of £14,633,369, comprising 146,333,690 issued New Ordinary Shares;
- (b) 383,144 New Ordinary Shares under outstanding options granted under the Existing Share Option Schemes (on a post-Share Consolidation basis); and
- (c) Options outstanding under the New Share Option Scheme over a total of 26,153,843 B Shares. Options outstanding over 1,538,460 New Ordinary Shares granted on Admission.

The Placing will result in the allotment and issue of 26,230,846 New Ordinary Shares representing 17.9 per cent of the Enlarged Issued Share Capital.

- 3.3 The par value of each Existing Ordinary Share is £0.01. Following the Share Consolidation, the par value of each New Ordinary Share will be £0.10.
- 3.4 The Company has no issued Existing Ordinary Shares that are not fully paid up.
- 3.5 The International Security Identification Number of the Existing Ordinary Shares is GB0030310964 and, following the Consolidation, the New Ordinary Shares is GB00BBHXD542.
- 3.6 The dividend and voting rights attaching to the Existing Ordinary Shares and which will attach to the New Ordinary Shares are set out in the summary of the New Articles at paragraph 7.1 of this Part VI.
- 3.7 The rights attached to the Existing Ordinary Shares and which will attach to the New Ordinary Shares in respect of a return of capital on the winding up of the Company are set out in the summary of the New Articles at paragraph 7.1 of this Part VI.
- 3.8 The Existing Ordinary Shares have and the New Ordinary Shares will have no redemption or conversion provisions.
- 3.9 The procedure for the variation of rights attached to the Existing Ordinary Shares and which will attach to the New Ordinary Shares is set out in the summary of the New Articles at paragraph 7.5 of this Part VI.
- 3.10 The pre-emption rights attached to the Existing Ordinary Shares and which will attach to the New Ordinary Shares are set out in the summary of the New Articles at paragraph 7.2 of this Part VI.
- 3.11 The Existing Ordinary Shares are, and the New Ordinary Shares will be, freely transferable provided that such shares are fully paid, the Company has no lien over such shares, the instrument of transfer is fully stamped, is in favour of not more than four joint transferees and is in respect of only one class of shares.
- 3.12 The Existing Ordinary Shares (and the New Ordinary Shares) may be held in certificated form or under the CREST system, which is a paperless settlement procedure enabling securities to be evidenced and transferred, otherwise than by a written instrument in accordance with the Uncertificated Securities Regulations 2001. The Registrars are responsible for keeping the Company's register of members.
- 3.13 Save as disclosed in this document no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.
- 3.14 As at 1 October 2009, being the first day covered by the historical financial information set out in Part III of this document, the Company's issued share capital amounted to £650,581 and comprised 65,058,118 Existing Ordinary Shares.
- 3.15 Between 10 December 2009 and 2 February 2010, the Company allotted 741,333 Existing Ordinary Shares for £0.566 each.
- 3.16 Between 8 April and 6 May 2010, the Company allotted 4,029,444 Existing Ordinary Shares for £2.4929 each.

- 3.17 Between 22 July and 17 August 2010, the Company allotted 21,666 Existing Ordinary Shares for £0.95 each.
- 3.18 Between 27 September 2010 and 2 February 2011, the Company allotted 458,615 Existing Ordinary Shares for £1.51 each.
- 3.19 On 28 February 2011, the Company allotted 15,609 Existing Ordinary Shares for £1.417 each.
- 3.20 On 28 April 2011, the Company allotted 3,200,000 Existing Ordinary Shares for £2.50 each.
- 3.21 On 23 June 2011, the Company allotted 941,864 Existing Ordinary Shares for £1.018 each.
- 3.22 Between 12 July and 25 July 2011, the Company allotted 596,614 Existing Ordinary Shares for £1.318 each.
- 3.23 Between 22 February and 9 March 2012, the Company allotted in aggregate 11,182,908 Existing Ordinary Shares each for £1.00 each, and 40,363 Existing Ordinary Shares for £0.605 each.
- 3.24 On 4 December 2012, the Company allotted in aggregate 185,438,887 Existing Ordinary Shares for £0.03 each.
- 3.25 Save as disclosed in this Part VI since 31 March 2013 (being the date of the most recent balance sheet of the Company included in the historical financial information):
- (a) No share or loan capital of the Company has been issued or is proposed to be issued;
 - (b) There are currently no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company;
 - (c) There are no shares in the Company not representing capital;
 - (d) There are no shares in the Company held by or on behalf of the Company itself or by subsidiaries of the Company;
 - (e) There are no acquisition rights and/or obligations over authorised but unissued share capital of the Company and the Company has made no undertaking to increase its share capital;
 - (f) No person has any preferential or subscription rights for any share capital of the Company; and
 - (g) No share or loan capital of the Company or any member of the Existing Group is under option or agreed conditionally or unconditionally to be put under option.
- 3.26 On 8 July 2013, the Company allotted 1 Existing Ordinary Share for £0.01 to facilitate the Share Consolidation.

4. Directors' and the Proposed Directors' Service Agreements/Letters of Appointment

Set out below are details of the terms and conditions governing the engagement by the Company of the Directors (who intend to resign immediately prior to, and conditional on Admission without compensation) and the Proposed Directors:

Directors

Name: Professor Bernard Joseph Bulkin

Date of Appointment: 14 June 2011.

Term/Notice: Initial period up to the date of the next Annual General Meeting with termination on six month's written notice by either party.

Fees: £50,000 pa. For details of options granted to Bernard Bulkin see paragraph 6 of this Part VI.

Restrictive Covenants: During the term of appointment the individual must not be involved with a competing business.

Confidentiality: During the term of the appointment the individual must not communicate, use or disclose confidential information. All written material will remain the property of the Company.

Time Commitment: Preparation and attendance at ten formal board meetings, service on one or more board committees, attendance at ad hoc meetings or conference calls as required and availability to travel outside of the UK.

Payments due on termination: None (other than directorship fees due under the appointment letter).

Name: **Paul Banner**

Date of Appointment: 3 December 2012.

Term/Notice: Initial period up to the date of the next Annual General Meeting with termination on one month's written notice by either party.

Fees: £36,000 pa plus a grant of 1 million share options at an exercise price of 3p per share.

For details of option grants actually made to Paul Banner see paragraph 6 of this Part VI.

Restrictive Covenants: During the term of appointment the individual must not be involved with a competing business.

Confidentiality: During the term of the appointment the individual must not communicate, use or disclose confidential information All written material will remain the property of the Company.

Time Commitment: Preparation and attendance at ten formal board meetings, service on one or more board committees and attendance at ad hoc meetings or conference calls.

Payments due on termination: None (other than directorship fees due under the appointment letter).

Name: **Philip Corbishley**

Date of Appointment: 3 December 2012.

Term/Notice: Initial period up to the date of the next Annual General Meeting with termination on one month's written notice by either party.

Fees: £36,000 pa except where consultancy fees are paid more than ten days in a month where this fee is waived.

For details of option grants actually made to Philip Corbishley see paragraph 6 of this Part VI.

Restrictive Covenants: During the term of appointment the individual must not be involved with a competing business.

Confidentiality: During the term of the appointment the individual must not communicate, use or disclose confidential information. All written material will remain the property of the Company.

Time Commitment: Preparation and attendance at ten formal board meetings, service on one or more board committees and attendance at ad hoc meetings or conference calls.

Payments due on termination: None (other than directorship fees due under the appointment letter)

Proposed Directors

Name: **Michael Buckley**
Date of Appointment: 15 July 2013 (subject and conditional upon Admission).
Role: Executive Chairman.
Term/Notice: Initial period of three years.
Subject to termination on six months written notice by either party.
Fees: £40,000 pa (subject to Admission) and reimbursement of reasonable expenses but no other remuneration.
Confidentiality: The letter of appointment includes restrictions on the disclosure of the Group's confidential information.
Payments due on termination: None other than accrued fees as at the date of termination plus reimbursement of expenses properly incurred to that date.

Name: **Dawnglen Finance Limited (Michael Buckley)**
Date of Appointment: 15 July 2013 (subject and conditional upon Admission).
Role: Consultant.
Term/Notice: Termination on six months written notice by either party.
Fees: £80,000 pa and reimbursement of prior Company-approved expenses but no other remuneration.
Confidentiality: The consultancy agreement contains provisions protecting confidential information and intellectual property.
Payments due on termination: None other than those which would apply during the notice period.

Name: **Patrick Southon**
Date of Appointment: 15 July 2013 (subject and conditional upon Admission).
Role: Chief Executive Officer.
Term/Notice: Termination on six months written notice by either party.
Fees: £120,000 pa, together with a bonus payable at the sole discretion of the Board.
Restrictive Covenants: The individual must not hold in excess of 1 per cent. of the issued share capital in any company whose securities are admitted to trading on the London Stock Exchange or AIM, or on any recognised stock exchange.
The individual must not be engaged in activities which may be harmful to the interests of the Company or the Enlarged Group, or might reasonably be considered to interfere with his duties to the Company.
In the event of a termination, the individual is restricted from: engaging in or having an interest in a competitor; soliciting or dealing with the Enlarged Group's customers (and prospective customers); interfering with the Enlarged Group's suppliers, distributors, licensees and licensors; and poaching key employees of the Enlarged Group. Each of the restrictions apply for a period of twelve months following the termination of employment.

Confidentiality: The agreement contains provisions protecting the Enlarged Group's confidential information and intellectual property.

Payments due on termination: None other than those which would apply during his notice period (although if a payment in lieu of notice is made this is confined to his basic salary only).

The individual is entitled to be covered by directors and officers liability insurance for six years following termination of employment.

Name: **Mark Segal**

Date of Appointment: 15 July 2013 (subject and conditional upon Admission).

Role: Finance Director.

Term/Notice: Termination on six months written notice by either party.

Fees: £110,000 pa, together with a bonus payable at the sole discretion of the Board.

Restrictive Covenants: The individual must not hold in excess of 1 per cent. of the issued share capital in any company whose securities are admitted to trading on the London Stock Exchange or AIM, or on any recognised stock exchange.

The individual must not be engaged in activities which may be harmful to the interests of the Company or the Enlarged Group, or might reasonably be considered to interfere with his duties to the Enlarged Group.

In the event of a termination, the individual is restricted from: engaging in or having an interest in a competitor; soliciting or dealing with the Enlarged Group's customers (and prospective customers); interfering with the Enlarged Group's suppliers, distributors, licensees and licensors; and poaching key employees of the Enlarged Group. Each of the restrictions apply for a period of 12 months following the termination of employment.

Confidentiality: The agreement contains provisions protecting the Enlarged Group's confidential information and intellectual property.

Payments due on termination: None other than those which would apply during his notice period (although if a payment in lieu of notice is made this is confined to his basic salary only).

The individual is entitled to be covered by directors and officers liability insurance for six years following termination of employment.

Name: **Simon Collins**

Date of Appointment: 15 July 2013 (subject and conditional upon Admission).

Role: Executive Director.

Term/Notice: Termination on six months written notice by either party.

Fees: £110,000 pa, together with a bonus payable at the sole discretion of the Board.

Restrictive Covenants: The individual must not hold in excess of 1 per cent. of the issued share capital in any company whose securities are admitted to trading on the London Stock Exchange or AIM, or on any recognised stock exchange.

The individual must not be engaged in activities which may be harmful to the interests of the Company or the Enlarged Group, or might reasonably be considered to interfere with his duties to the Enlarged Group.

In the event of a termination, the individual is restricted from: engaging in or having an interest in a competitor; soliciting or dealing with the Enlarged Group's customers (and prospective customers); interfering with the Enlarged Group's

suppliers, distributors, licensees and licensors; and poaching key employees of the Enlarged Group. Each of the restrictions apply for a period of 12 months following the termination of employment.

Confidentiality: The agreement contains provisions protecting the Enlarged Group's confidential information and intellectual property.

Payments due on termination: None other than those which would apply during his notice period (although if a payment in lieu of notice is made this is confined to his basic salary only).

The individual is entitled to be covered by directors and officers liability insurance for six years following termination of employment.

Name: **Jim Ryan**

Date of Appointment: 15 July 2013 (subject and conditional upon Admission).

Role: Non-Executive Director, the individual will also chair the Audit Committee.

Term/Notice: Initial period of three years.

Subject to termination on three months written notice by either party.

Fees: £40,000 pa (subject to Admission) and reimbursement of reasonable expenses but no other remuneration.

Confidentiality: The letter of appointment includes restrictions on the disclosure of the Group's confidential information.

Payments due on termination: None other than accrued fees as at the date of termination plus reimbursement of expenses properly incurred to that date.

Name: **Mark Wilson**

Date of Appointment: 15 July 2013 (subject and conditional upon Admission).

Role: Non-Executive Director, the individual will also chair the Remuneration Committee.

Term/Notice: Initial period of three years.

Subject to termination on three months written notice by either party.

Fees: £40,000 pa (subject to admission) and reimbursement of reasonable expenses but no other remuneration.

Confidentiality: The letter of appointment includes restrictions on the disclosure of the Group's confidential information.

Payments due on termination: None other than accrued fees as at the date of termination plus reimbursement of expenses properly incurred to that date.

Save as disclosed, the Existing Directors and the Proposed Directors are not entitled and will not be entitled to any commissions or profit sharing arrangement and in relation to Existing Directors there have been no changes to their service agreements in the last six months.

5. Additional Information on the Directors and the Proposed Directors

5.1 Jim Ryan and Mark Wilson have agreed to subscribe for 384,615 New Ordinary Shares each under the Placing.

5.2 Listed below are the names of all companies, partnerships and limited liability partnerships of which the Directors and Proposed Directors have held directorships, partnerships or memberships (as the case may be), other than in respect of the Enlarged Group, incorporated in the United Kingdom and overseas (as the case may be) within the five years prior to the date of this document. In addition to directorships of the Company, the Directors and the Proposed Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this document:

<i>Director (insert any previous names)</i>	<i>Age</i>	<i>Current Directorships and Partnerships</i>	<i>Past Directorships and Partnerships</i>
Bernard Bulkin	71	Jewish Community Centre UK Severn Trent Plc Severn Trent Water Limited Ludgate Capital Limited Ludgate Investments Limited Pursuit Marine Drive Limited Pursuit Processing Equipment Limited	AEA Technology Plc Pinehurst Freeholding Company Limited
Paul Banner	60	Tissuemed Limited Bluebell Telecom Group Limited Pursuit Marine Drive Limited Pursuit Processing Equipment Limited	Epsilon Telecommunications Holdings Limited Alive and Kicking U.K.
Phil Corbishley	59	Pursuit Marine Drive Limited Pursuit Processing Equipment Limited	Peach Amber Limited Northamptonshire Independent Grammar School Charity Trust Limited Epsilon Telecommunications Limited Epsilon Telecommunications Holdings Limited Epsilon Global Hub Limited
Michael Buckley	66	Dawnglen Finance Limited Limousine Productions Limited Gaming Realms Limited	Cashcade Limited
Patrick Southon	41	NewGame Capital Advisers LLP (OC366515) BeJig Limited Gaming Realms Limited AlchemyBet Limited	Cashcade Limited
Mark Segal	35	None	Bwin.Party UK Trustee Limited Cashcade Interactive Limited Herotech Limited
Simon Collins	41	NewGame Capital Advisers LLP The Brew Shoreditch Stables Company The Brew Spaces Limited The Brew Partnership LLP The Brew Design Limited The Brew Victoria House Limited Gaming Realms Limited	Cashcade Limited Matchpoints.Co.UK Limited BeJig Limited

<i>Director (insert any previous names)</i>	<i>Age</i>	<i>Current Directorships and Partnerships</i>	<i>Past Directorships and Partnerships</i>
Jim Ryan	51	RealTime Edge Software Inc	Bwin.party digital entertainment plc BP Gaming Entertainment, Inc Peerles Media Limited St Endoc Holdings Limited St Minver Limited
Mark Wilson	52	New Mexico Gaming, LLC MDW Investments, LLC MDW Realty, LLC	MDW Media, LLC Sportsxchange Limited

5.3 Save as disclosed above none of the Directors or the Proposed Directors has:

- (a) any unspent convictions in relation to indictable offences;
- (b) had any bankruptcy order made against him or entered into any voluntary arrangements;
- (c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- (d) been a partner in any partnership which has been placed in compulsory liquidation, administration or partnership voluntary arrangement where such director was a partner at the time of or within the 12 months preceding such event;
- (e) been subject to the receivership of any asset of such director or of a partnership of which the director was a partner at the time of or within 12 months preceding such event; or
- (f) received public criticisms by statutory or regulatory authorities (including designated professional bodies) and no director has been disqualified from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

Save as disclosed in his document, no Director and Proposed Director has been interested in any transaction with the Company which was unusual in its nature or conditions or significant to the business of the Company during the current financial year which remains outstanding or unperformed.

6. Options

As at the date of this document, there are options over a total of 3,931,456 Existing Ordinary Shares outstanding under the Existing Share Option Schemes, which either have or may vest and which therefore are or may become exercisable. This number is expected to reduce to 393,144 New Ordinary Shares once the options have been adjusted to reflect the Share Consolidation.

<i>Existing Share Option Scheme</i>	<i>(1) Number of Existing Ordinary Shares under exercisable/potentially exercisable options before the Share Consolidation</i>	<i>(2) Number of New Ordinary Shares under exercisable/potentially exercisable options post the Share Consolidation</i>	<i>(3) Exercise Price (post Share Consolidation)</i>
The Pursuit Dynamics Share Option Plan 2001 established by the board on 22 March 2001, revised by the board on 15 March 2005 and readopted by the board on 15 June 2006	15,007	1,500	£15.30
The Pursuit Dynamics PLC 2009 Employees' Share Option Plan adopted by the board on 25 August 2009 and amended by the board on 24 October 2011	16,449	1,644	£10.00 and £18.60
Share Option Agreement between the Company and Paul Banner dated February 2013	1,000,000	100,000	30 pence
Share Option Agreement between the Company and Dr Bernard J Bulkin dated 11 March 2012*	100,000	10,000*	£10.00
Share Option Agreement between the Company and Dr Bernard J Bulkin dated February 2013	1,400,000	140,000	30 pence
Share Option Agreement between the Company and Philip Corbishley dated February 2013	1,400,000	140,000	30 pence

* In accordance with the provisions of the applicable share option agreement this option will not have vested at the time of share consolidation, and will not be capable of vesting before it lapses when the resignation of Dr Bernard Bulkin takes effect immediately prior to (but conditional on) Admission.

Please note, the figures in column (2) have been calculated by consolidating each applicable individual optionholder's option(s) and then aggregating the consolidated option figures.

The Company has, conditional on Admission, adopted the New Share Option Scheme. The following options will, subject to Admission, be granted under the New Share Option Scheme all exercisable at £0.01 per share:

<i>Name</i>	<i>Number of B Shares</i>
Patrick Southon	5,769,230
Michael Buckley	5,769,230
Simon Collins	4,615,384
Noel Rowse	4,615,384
Mark Segal	3,076,923
Irek Galecki	2,307,692

In addition and conditional on Admission and the passing of the Resolutions, the Company has granted the following Unapproved Options all exercisable at the Placing Price:

<i>Name</i>	<i>Number of New Ordinary Shares</i>
Jim Ryan	769,230
Mark Wilson	769,230

New Share Option Scheme

The Company has adopted the New Share Option Scheme conditional on Admission. The New Share Option Scheme allows the grant of tax efficient Enterprise Management Incentives (“EMI”) share options (where qualifying criteria are met) and unapproved share options. Options may be granted under the New Share Option Scheme by the Remuneration Committee.

6.1 Eligibility

At the discretion of the Remuneration Committee, all employees and executive directors of participating companies in the Enlarged Group will be eligible to participate. Where options are to be EMI qualifying options, individuals must meet applicable HM Revenue & Customs (“HMRC”) qualifying conditions.

6.2 Grant of options

6.2.1 It is intended that on Admission EMI qualifying options will be granted over B Shares, but in future options will be granted over New Ordinary Shares.

6.2.2 Options may be granted during the period of 42 days immediately following the adoption of the New Share Option Scheme and, thereafter, within 42 days following the announcement by the Company of its annual or interim results.

Options may also be granted at any other time when the circumstances are considered by the Remuneration Committee to be exceptional but may not be granted during a proscribed period for dealings by directors or certain employees of the Company or Enlarged Group (whether by the AIM Rules or otherwise).

6.2.3 No option may be granted later than ten years after the adoption of the New Share Option Scheme.

6.2.4 An option is personal to the option holder and is not transferable (other than on death when it may become exercisable by the option holder’s personal representative).

6.3 Exercise price

The exercise price payable for each share subject to an option shall be determined by the Remuneration Committee and may be nil. It is intended that the first grant of EMI qualifying options will have a nil exercise price.

6.4 Limits on issue of shares

On any grant date the total number of New Ordinary Shares (excluding treasury shares) that can be issued under options granted under the New Share Option Scheme over any ten year period, together with shares issued and issuable under any other employees’ share schemes of the Company (including “all-employee” schemes), may not exceed 10 per cent. of the issued ordinary share capital of the Company, disregarding any options issued prior to the date of this document and the number of B Shares issuable under the New Share Option Plan will not exceed 26,153,843.

6.5 Individual limits

There are no limits on the total value of options that may be granted to any individual.

6.6 Performance conditions

It is not intended that the options should be subject to any performance conditions. However, it should be noted that the EMI options will be granted over B Shares, which will have no intrinsic value unless the price of a New Ordinary Share is at least 20 pence.

6.7 Vesting of options

Except in certain specific circumstances such as those detailed below, an option will be capable of exercise (subject to the satisfaction of any conditions and continuing employment) two years after the grant date and will then remain exercisable for a further five years.

6.8 **Cessation of employment**

Options will lapse on cessation of employment except if any employee dies or leaves employment due to ill-health, injury, disability, retirement, redundancy or the employing company or business being sold or transferred outside the Enlarged Group or any circumstances the Board decides, where if the employee dies or leaves employment within two years of the grant date, a proportion of the options will vest to be determined at the discretion of the Board. The Remuneration Committee can also decide that the options will continue until the normal time of vesting and with any condition being considered at the normal time of vesting. Unless the Board decides otherwise, the number of options will reduce *pro rata* to reflect the amount of the vesting period that remains.

6.9 **Change of control**

If there is a change of control of the Company, options will vest in full. The Remuneration Committee may declare such options to be exercisable shortly before the change of control for tax or administrative efficiency.

6.10 **Pensionability**

Options under the New Share Option Scheme shall not count towards pensionable remuneration for a defined benefit pension scheme or calculating a mandatory employer contribution under a defined contribution pension scheme.

6.11 **Rights attaching to shares**

New Ordinary Shares allotted under the New Share Option Scheme or in exchange for B Shares shall rank equally with the New Ordinary Shares already in issue (save as regards any rights attaching to such shares by reference to a record date prior to the date of issue).

6.12 **Adjustment of options**

In the event of any variation in the Company's share capital, the Remuneration Committee may make such adjustments as they consider appropriate to the total number of shares subject to an option and the exercise price, if any.

6.13 **Amendments to the New Share Option Scheme**

The Remuneration Committee may at any time amend the New Share Option Plan in any respect provided that no such amendment shall adversely affect the rights of existing option holders unless they have approved such amendment.

6.14 **Employee Benefit Trust**

The New Share Option Scheme may be operated in conjunction with an employee benefit trust established by the Company. Any such employee benefit trust may be used to hold shares for the purposes of the New Share Option Plan or other employee share schemes established by the Enlarged Group from time to time.

6.15 **Summary of the Unapproved Options**

The terms of the Unapproved Options are the same as the terms of the New Share Option Scheme and the exercise price shall be the Placing Price.

7. Articles of Association

The Articles were adopted by special a resolution passed on 29 March 2010. Following a review of the Articles, the Proposed Directors have proposed that the following amendments be made to the Articles, which amendments will be incorporated in the New Articles to be adopted by the Company and subject to the passing of Resolution 7.

Summary of Key Changes to the Articles

Quorum at general meeting	<p>The Articles provide that any two shareholders entitled to attend and vote at any meeting of the Company's shareholders will constitute a quorum.</p> <p>This provision will be amended in the New Articles so that the quorum is two shareholders entitled to attend and vote, or, in the event that there is only one shareholder entitled to attend and vote, then the quorum would be one shareholder.</p>
Calling a poll	<p>The Articles currently provide that three shareholders are required to call a poll. This provision will be amended in the New Articles so that two shareholders can call a poll.</p>
Quorum at a board Meeting	<p>Following a review of the Articles, the Proposed Directors noted an inconsistency in the quorum provisions for board meetings.</p> <p>The New Articles will remove any inconsistency and provide that the quorum for a board meeting is always three directors, of which at least one must be a non-executive director.</p>
Retirement by rotation	<p>The Articles provide that one third of the directors of the Company from time to time, together with any director not appointed at the previous two AGMs, must retire and stand for re-appointment.</p> <p>The New Articles will not include the provision requiring one third of the directors resign.</p>
Directors' remuneration	<p>The Articles include a provision which limits directors' remuneration to an aggregate amount of £750,000 divided between all the directors as the directors may from time to time determine.</p> <p>The New Articles will limit directors' remuneration to an aggregate of £300,000 per non-executive director.</p>
Remuneration Committee	<p>Certain provisions in the Articles duplicate provisions which are set out in the terms of reference of the Remuneration Committee.</p> <p>All such provisions will be removed and will not be included in the New Articles.</p>
Borrowing powers	<p>The current borrowing powers of the Company are restricted to twice the sum of the Company's Adjusted Capital and Reserves (as defined in the Articles).</p> <p>The New Articles will increase this limit to five times the Company's Adjusted Capital and Reserves.</p>
Fractions on a share consolidation	<p>The New Articles will permit the Company to retain the benefit of the proceeds of the sale of fractional entitlements arising on a consolidation, where a member is due less than £10.</p>
Additional changes	<p>Please see paragraph 7.1 below for details of the rights attaching to New Ordinary Shares, B Shares and Deferred Shares following adoption of the New Articles.</p>

Pursuant to section 31 of the Act, the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by law.

Summary of New Articles

The New Articles contain, *inter alia*, provisions to the following effect:

7.1 Rights attaching to New Ordinary Shares, B Shares and Deferred Shares

The Company's share capital consists of New Ordinary Shares, B Shares and Deferred Shares. The following rights attach to the New Ordinary Shares, the B Shares and the Deferred Shares, equally as between the shareholders of each class of share:

- (i) **Dividends:** The Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. The Board may declare and pay such interim dividends as appears to the Board to be justified by the profits of the Company available for distribution. The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared be satisfied wholly or partly by the distribution of assets and in particular, of paid up shares or debentures of any other company. If a dividend is paid to the Shareholders, the B Shareholders shall be entitled to receive a dividend. If the Market Price is less than or equal to 20 pence, the B Shareholders shall be entitled to receive £0.01 per B Share for every penny paid, with the balance payable to the Ordinary Shareholders. If the Market Price exceeds 20 pence, then the B Shareholders shall be entitled to receive a dividend of £X; where

$$\text{£X} = \text{Ordinary Share Dividend} \times \frac{\text{Market Price less 20 pence}}{\text{Market Price}}$$

In this paragraph 7.1.1, Market Price means the average volume weighted average price of an Ordinary Share on AIM measured over the 30 days prior to the record date for the dividend.

The holders of Deferred Shares shall not be entitled to receive a dividend.

- (ii) **Winding up:** if the Company is wound up the liquidator may, with the sanction of a special resolution (and as otherwise required by law), 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. On a winding up, the Shareholders shall be entitled to receive 0.99 pence out of every 1 penny distributed, with the balance payable to the B Shareholders until the Shareholders have received 20 pence per Ordinary Share; the holders of Deferred Shares shall, if there is a distribution of £1 million or more per Ordinary Share, be entitled to be repaid the nominal value of their Deferred Shares and the balance of any distribution shall be made to Shareholders and B Shareholders as if they were one class of share.
- (iii) **Voting:** at any general meeting, every Ordinary Shareholder who is present in person or by proxy (including by corporate representative) shall on a show of hands have one vote and every Ordinary Shareholder present in person or by proxy shall on a poll have one vote for each Ordinary Share that they hold. The B Shareholders and holders of Deferred Shares shall have no voting rights.
- (iv) **a Takeover Offer:** each holder of Deferred Shares shall be entitled to receive a total consideration of £1 for all the Deferred Shares they hold. Subject to the Code, it is expected that each holder of B shares shall be entitled to receive 20 pence in value less than the Shareholders on a per share basis. If the consideration is being settled in shares, the value of the consideration shares is calculated by reference to the average volume weighted average price of the bidder's shares over the 30 trading days prior to the bidder making an announcement pursuant to Rule 2.7 of the City Code. If the consideration payable by the bidder is less than 20 pence, then upon the offer becoming unconditional each issued B Share shall automatically convert into one B Share.
- (v) **B Shares/Right/obligation to sell:** There are no B Shares currently in issue. It is intended that B Shares will be issued only when EMI Options granted under the New Share Option Scheme are exercised. As set out in paragraph 6 of Part VI, EMI options can only be granted to employees who meet the statutory working time requirement, and cannot normally be exercised before 15 July 2015.

Under the New Articles the B Shares, once issued, will have no voting rights, will only be transferrable with the consent of the Board and will not be admitted to AIM. Their value will be 20 pence less than the prevailing price of the New Ordinary Shares. They will therefore have no value unless the value of the New Ordinary Shares exceeds 20 pence. On a takeover offer or on a winding up, subject to the Code, it is expected that the B Shareholders may be entitled to receive 20 pence in value per B Share they hold less than the Shareholders will receive per New Ordinary Share they hold. If a dividend is declared, they will receive a dividend calculated by reference to dividend payable per New Ordinary Share scaled back to reflect the relative value of the New Ordinary Shares and the B Shares.

If a B Shareholder wishes to sell their B Shares, they are entitled to require the Company to do one of three things. The Company can elect, at its discretion to either (i) buy the shares back, (ii) arrange for a third party to buy them or (iii) convert the relevant B Shares into New Ordinary Shares. The price at which the Company or a third party must buy the shares is calculated by deducting 20 pence from the average volume weighted average price of a New Ordinary Share measured over the 30 trading days prior to the B Shareholder notifying the Company they wish to sell. On a conversion, a B Shareholder receives New Ordinary Shares with an equivalent value to the cash they would have received if the relevant B Shares were purchased by the Company or a third party.

All options granted under the New Share Option Scheme on Admission will be exercisable over B Shares at their nominal value of £0.01 and will be capable of exercise, subject to certain exceptions, after two years of the date of grant.

The number of New Ordinary Shares a B Shareholder would receive if the Company elected to convert B Shares in these circumstances would depend on the then value of the New Ordinary Shares. As the value of the New Ordinary Shares increases, the number of New Ordinary Shares a B Shareholder would receive increases that will never exceed the number of B Shares held by a B Shareholder as the value of a B Share will always be less than the value of a New Ordinary Share of the name of conversion.

The maximum number of B Shares that could be issued if all the options over the B Shares were exercised and the resulting B Shares then converted into New Ordinary Shares is 26,153,837, representing 15.2 per cent. of the Enlarged Issued Share Capital and assuming all B Shares are converted into New Ordinary Shares.

In addition, a B Shareholder must sell their B Shares if they cease to be an employee or director of any group company in accordance with the same process as if they were a voluntary seller.

- (vi) **Drag/Tag Right:** if an offer is made for all or part of the share capital of the Company which becomes unconditional and results in the bidder holding 50 per cent. or more of the New Ordinary Shares in issue, then the B Shareholders and the holders of Deferred Shares may be required to sell their B Shares and Deferred Shares to the bidder and the B Shareholders may require that the bidder purchases their B Shares at the price calculated in accordance with paragraph (v) above.
- (vii) **B Shares/Time Expiry:** on the seventh anniversary of the date of Admission, the holders of B Shares shall be deemed to have served a Sale Notice, if the relevant price is in excess of 20 pence. If the relevant price is less than 20 pence, then each B Share shall convert into one Deferred Share. In this paragraph 7.1 (vii), relevant price means 20 pence less than the average volume weighted average price over the 30 trading days prior to the seventh anniversary of the date of Admission.

7.2 Pre-emption on allotment

- (i) Subject to the provisions of the Act the Board is effectively free to issue shares, grant options over, offer or otherwise deal with or dispose of shares or rights or subscribe for or convert any security into shares as the Board may decide.
- (ii) The Articles having not disapplied the same, the statutory pre-emption rights contained in section 561 of the Act apply to the Company. As such, any new shares proposed to be issued must first be offered to existing shareholders of the Company on a *pro rata* basis.

7.3 Transfers

- (i) There are no pre-emption rights arising on a transfer of shares in the Company.
- (ii) The Board may refuse to register a transfer of uncertificated shares “in such other circumstances as may be permitted or required by the CREST Regulations and the relevant system”.
- (iii) The Directors may, in the case of certificated shares, refuse to register any transfer of such shares (not being fully-paid shares) provided that, where any such shares are admitted to the Official List or AIM, such decision must not prevent dealings in such share from taking place on an open and proper basis.
- (iv) Nothing in the Articles shall preclude the Board from recognising a renunciation of the allotment of any share by the allottee in favour of some other person, or, authorising a person to execute an instrument of transfer in accordance with any procedures implemented pursuant to Article 16 (enforcement of a lien by sale).
- (v) The B Shares may only be transferred with the prior written consent of the Board.

7.4 Alteration of share capital

- (i) **Consolidation and sub-division:** The Company may, in general meeting, by ordinary resolution, consolidate and divide all or any of its share capital into shares of larger or smaller amount than its existing shares.
- (ii) **Fractions:** where a member would be entitled to fractions of shares as a result of consolidation or sub-division of any shares the Directors may deal with the fractions as they see fit and may, on behalf of those members, sell the shares representing the fractions for the best price obtainable to any person and distribute the net proceeds (after deduction of expenses) among the members of the Company in due proportion or if any member would receive less than £5, retain the proceeds for the benefit of the Company.
- (iii) **Reduction of capital:** The Company may (subject to the Act), by special resolution, reduce its share capital or any capital redemption reserve or share premium account or other undistributable reserve in any way.
- (iv) **Purchase of own shares:** The Company may purchase any of its own shares subject to certain conditions in the event that there are in issue any shares admitted to the Official List and which are convertible into equity share capital of the Company of the class proposed to be purchased by the Company.

7.5 Variation of class rights/deemed variation

- (i) Class rights can be varied by a special resolution passed at a class meeting, or with the consent in writing of the holders of not less than three-quarters of the issued shares of the class in question.
- (ii) Rights attaching to shares will not be deemed to be varied because new shares ranking *pari passu* are issued.

7.6 General meetings

- (i) **Quorum:** the quorum for meetings of the shareholders of the Company is two persons entitled to attend and to vote on the business to be transacted or, in the event that there is only one shareholder entitled to attend and vote, the quorum will be reduced to one shareholder.
- (ii) **Calling a Poll** at any general meeting a resolution will be put to vote on a show of hand unless a poll is duly demanded by; the Chairman of the meeting, by at least two members present in person or by proxy, by a member or members present representing not less than one tenth of the total voting rights of all the members with the right to vote, or by a member or members present or by proxy holding shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
- (iii) **Requisition:** the Board may convene a general meeting, other than an AGM whenever it thinks fit. In addition, members representing at least 5 per cent. of the paid-up capital of the Company as carries the right of voting at general meetings.

- (iv) **Notice:** an annual general meeting must be called by at least 21 days' notice and any other meeting requires at least 14 days' notice. A general meeting may be called on short notice in accordance with the provisions of section 307 of the Act.
- (v) **Chairman:** the chairman of the Board shall preside as chairman at every general meeting and shall have a casting vote.

7.7 Proxies

Where a proxy has been appointed by more than one member, if his appointers have instructed him to vote in the same way, he shall have one vote on a show of hands. If his appointers have instructed him to vote in different ways he shall have one vote for and one vote against on a show of hands.

7.8 Untraced shareholders

The Company is entitled to sell at the best price reasonably attainable any share of a member, or any share to which a person is entitled by transmission on death or bankruptcy or otherwise by operation of law, if such member is untraceable.

7.9 President

The Board may appoint any person who is or has been a Director and who in the opinion of the Board has rendered outstanding services to the Company to be "President" and may determine the period for which he is to hold office. Any such appointment may be made on such terms as to remuneration and otherwise as the Board may think fit and may be determined by the Board.

The "President's" duty is to advise the Board on such matters as he or it may deem to be of interest to the Company. The "President" shall not have any powers or duties in relation to the management of the business of the Company and shall not by virtue of his status as "President" be a Director.

7.10 Directors

- (i) **Quorum:** three directors of which at least one is a non-executive director (subject to variation by ordinary resolution).
- (ii) **Notice of meetings:** reasonable notice.
- (iii) **Number:** the maximum number of directors is 10.
- (iv) **Appointment:** subject to the Articles the Company may by ordinary resolution appoint a person who is willing to act to be a director. The Board has power at any time to appoint any person who is willing to act as a director.
- (v) **Appointment of executive directors:** the Board may from time to time appoint one or more of its body to hold any employment or executive office (including Chief Executive or Managing Director) for such term (subject to applicable laws) and subject to such other conditions as the Board thinks fit. The Board may revoke or terminate any such appointment.
- (vi) **Eligibility of new directors:** no person, other than a director retiring shall be appointed or reappointed a director at any general meeting unless he is recommended by the Board, or not less than seven nor more than 42 clear days before the date appointed for the meeting, notice by a member (not being the proposed director) qualified to vote at the meeting has been given to the Company of the intention to propose such appointment, stating the requisite particulars in order to complete the register of directors, together with notice executed by such person of his willingness to act.
- (vii) **Retirement:** At every annual general meeting any directors who have not; been appointed by the directors since the last annual general meeting, or who were not appointed or reappointed at one of the preceding two annual general meetings must retire from office and may offer themselves for reappointment by the members. If a director is not reappointed he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.
- (viii) **Removal:** The Company may by ordinary resolution of which special notice has been given remove any Director from office.
- (ix) **Alternates:** any Director may appoint, by notice in writing delivered to the secretary, or in any other manner approved by the Board, appoint an alternate.

- (x) **Remuneration:** limited to £300,000 for each non-executive director, subject to any increase approved by ordinary resolution. If by arrangement with the Board any Director shall perform any special services outside his ordinary duties and not in his capacity as a holder or employment or executive office he may be paid such additional reasonable additional remuneration as the Board may determine. The salary or remuneration of any executive Director may be either a fixed sum of money or may governed by business done or profits made or otherwise determined by the Board and may be in addition to or in lieu of any fee payable to him for his services as Director.
- (xi) **Powers of executive directors:** the Board may delegate to any Director holding executive office such of its powers, authorities and discretions for such time on such terms and subject to such conditions as it thinks fit, and revoke, withdraw, alter or vary all or any of such powers.
- (xii) **Delegation to committees:** the Board may delegate its powers, authorities and discretions to any committee consisting of one or more Directors and one or more other persons.
- (xiii) **Chairman:** the Board may appoint one or more of its body as chairman, who shall have a casting vote.
- (xiv) **Participation in meetings:** any Director or his alternate may validly participate in a meeting of the Board or a committee of the Board via conference call or any other form of communications equipment (including fax), provided all participants in the meeting are able to hear and speak to each other throughout such meeting. Such Director will be entitled to vote and shall be counted in the quorum.
- (xv) **Resolution in writing:** a resolution in writing signed by all the Directors entitled to receive notice of a Board meeting and not being less than a quorum or by all the members of a committee of the Board entitled to receive notice of a committee meeting and not being less than a quorum shall be valid as a resolution duly passed at a meeting of the Board (or committee).

7.11 *Borrowing powers*

- (i) The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or part of the undertaking (present and future), property and assets and uncalled capital of the Company and to create and issue debenture and other loan stock and debentures and other securities.
- (ii) The Board shall restrict the borrowings of the Company such that the aggregate principal amount outstanding at any one time in respect of moneys borrowed by the Group (excluding intra-group borrowings shall not, at any time, without the previous sanction of an ordinary resolution, exceed an amount equal to five times the "Adjusted Capital and Reserves".

7.12 *Directors' interests*

Other than in respect of resolutions concerning certain listed matters, a Director shall not vote on or be counted in the quorum in relation to any resolution of the Board or a committee of the Board concerning any contract, arrangement or transaction in which he has an interest (other than by virtue of his interest in shares, debentures or other securities in or through the Company).

A Director shall not vote or be counted in the quorum on any resolution of the Board or a committee of the Board concerning his own appointment.

7.13 *Change of name*

The Company may change its name by ordinary resolution.

7.14 *Indemnity*

Subject to the provisions of the Act, the Company may indemnify any Director, alternate director and other officer of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties.

7.15 *Disclosure of interests in shares*

- (i) Section 793 of the Act provides a public company with the statutory means to ascertain the persons who are, or have within the last three years been, interested in its relevant share capital and the nature of such interests.
- (ii) Where notice is served by the Company under section 793 of the Act (“**section 793 notice**”) on a member, or on another person appearing to be interested in shares held by that member, and that member or other person has failed to give the Company the information required within the period set out in the section 793 notice, certain sanctions may apply (as determined by the Board) including:
 - (a) the member shall not be entitled to be present or vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll in respect of the default shares; and
 - (b) where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class:
 - (1) the member shall not be entitled to receive any dividend or other distribution, or shares in place of a dividend; and
 - (2) no transfer of the shares shall be registered except in certain specified circumstances; and
- (iii) Subject to certain restrictions, the above sanctions shall cease to apply with effect from the date that the Company receives notice of an excepted transfer (but only in respect of the shares transferred) or seven days after receipt by the Company of all the information required in the section 793 notice.
- (iv) The New Articles do not restrict in any way the provisions of section 794 of the Companies Act.

8. Directors’, Proposed Directors’ and Other Interests

- 8.1 As at the date of this document and as expected to be immediately following completion of the Acquisitions, the Placing and Admission, the holdings of the Directors, the Proposed Directors, and their families in the share capital of the Company (i) which would have been required to be notified by the Company pursuant to Rule 17 of the AIM Rules; or (ii) which are holdings of a person connected with a Director or the Proposed Directors which would, if the connected person were a Director or the Proposed Directors, be required to be disclosed under (i) above and the existence of which is known to or could with reasonable diligence be ascertained by the Directors and the Proposed Directors are as follows:

<i>Name</i>	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Number of New Ordinary Shares following Admission</i>	<i>Percentage of Enlarged Issued Share Capital</i>	<i>Options over New Ordinary Shares/ B Shares immediately following Admission</i>
Bernard Bulkin	2,362	0.00	236	0.00	140,000 New Ordinary Shares
Paul Banner	0	0	0	0.00	100,000 New Ordinary Shares
Phil Corbishley	0	0	0	0.00	140,000 New Ordinary Shares
Michael Buckley	21,000,000	7.73	16,272,271	11.13	5,769,230 B Shares
Patrick Southon	833,300	0.31	10,395,137	7.11	5,769,230 B Shares
Mark Segal	0	0	644,488	0.44	3,076,923 B Shares
Jim Ryan	0	0	384,615	0.26	769,230 New Ordinary Shares
Simon Collins	333,300	0.12	10,345,137	7.07	4,615,384 B Shares
Mark Wilson	0	0	384,615	0.26	769,230 New Ordinary Shares

8.2 The options held by Bernard Bulkin, Paul Banner and Philip Corbishley in respect of 140,000 New Ordinary Shares, 100,000 New Ordinary Shares and 140,000 New Ordinary Shares respectively following the Share Consolidation will vest in full immediately prior to Admission, and will be exercisable at a price per New Ordinary Share of 30p during the period of 180 days following Admission.

8.3 Save as disclosed in sub-paragraph 8.1 above and this sub-paragraph 8.3 the Company is not aware of any beneficial holding in the Company's Existing Issued Share Capital or Enlarged Issued Share Capital (as applicable) which amounts or would, immediately following Admission, amount to 3 per cent. or more of the Existing Issued Share Capital or Enlarged Issued Share Capital (as applicable):

<i>Name</i>	<i>Number of Existing Ordinary Shares prior to Admission*</i>	<i>% of the Issued Existing Ordinary Share Capital prior to Admission*</i>	<i>Number of New Ordinary Shares following the Admission*</i>	<i>% of Enlarged Issued Share Capital following Admission</i>
M&G Investment Management	43,090,001	15.86	4,309,000	2.94
Michael Buckley	21,000,000	7.73	16,281,349	11.12
Union Bancaire Privee	20,591,308	7.58	2,059,131	1.41
Morgan Stanley as principal	18,573,740	6.84	1,857,374	1.27
Nicholas Barham	15,031,667	5.53	1,503,167	1.03
Andrew Black	13,333,333	4.91	1,333,333	0.91
NewGame Capital LP	0	0	20,769,246	14.19
Artemis Alpha Trust plc	0	0	7,692,308	5.26
Rich Ricci	0	0	7,692,308	5.26

The voting rights of the Shareholders set out in paragraphs 8.1 and 8.3 do not differ from the voting rights held by other Shareholders.

- 8.4 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors or the Proposed Directors, nor are there any outstanding loans or guarantees provided by the Directors or the Proposed Directors to or for the benefit of the Company.
- 8.5 Save as disclosed in this paragraph 8, no Director or Proposed Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.
- 8.6 Save as otherwise disclosed in this document, none of the Directors or the Proposed Directors nor any member of their respective families nor any person connected with the Directors or the Proposed Directors (within the meaning of section 252 of the Act) has any holding, whether beneficial or otherwise, in the share capital of the Company.
- 8.7 None of the Directors or the Proposed Directors nor any member of a Director's or the Proposed Directors' family is dealing in any related financial product (as defined in the AIM Rules) whose value in whole or in part is determined directly or indirectly by reference to the price of the Existing or New Ordinary Shares, including a contract for differences or a fixed odds bet.
- 8.8 Neither the Company nor any of the Directors (including any members of such Directors' respective immediate families, related trusts or connected persons) nor any person acting in concert with the Company had any interest in or right to subscribe for, or had any short position, including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, in relation to any relevant securities in the Company, save as set out in paragraph 8 of this Part VI.
- 8.9 So far as the Directors and Proposed Directors are aware there are no arrangements or persons who, directly or indirectly, jointly or severally, exercise control over the Company.

9. Employees

As at the date of this document, the Company has 2 employees.

As from Admission the Enlarged Group will have 32 employees.

10. Material Contracts

The following contracts are the only contracts (not being contracts entered into in the ordinary course of business), to which the Company or a member of the Existing Group or the Enlarged Group is or has been a party during the two years immediately preceding the date of this document, that are, or may be, material or contain any provision under which the Company or any member of the Enlarged Group has any obligation or entitlement which is, or may be, material to the Company or the Enlarged Group as at the date of this document:

10.1 Admission Related Documents

- (a) The Company disposed of the "food, beverage and brewing business" of its subsidiary Pursuit Marine Drive by way of a business and asset sale of the same to Olympus Automation Limited, which completed on 30 April 2013. In connection with such disposal, Pursuit Marine Drive also granted a licence of reactor patents and trade marks to Olympus Automation Limited on 30 April 2013. Pursuant to the terms of the business and asset disposal agreement, a number of contracts are to be novated to Olympus Automation Limited, to which the Company is a party. To the extent that such novations are not secured prior to Admission, the Company may have ongoing liabilities under the contracts pending their termination. The Directors do not believe that any such liabilities are material to the Enlarged Group.
- (b) On 18 June 2013, the Company entered into certain arrangements with Tyco Fire & Security GmbH for the sale/licence of certain intellectual property rights comprising (1) a license from the Company of two of the reactor patents to be used by Tyco (a) exclusively in the field of fire

- suppression and control and (b) non-exclusively for decontamination; (2) the sale of all the atomiser intellectual property from the Company; and (3) certain additional patents.
- (c) On 18 June 2013 the Company withdrew from the LINK Collaboration with the consent of the other parties to such collaboration and the Biotechnology and Biological Sciences Research Council and granted the Department of Food Science, University of Nottingham a licence of certain intellectual property and a loan of equipment in connection with the withdrawal of the Company from the LINK Collaboration.
- (d) The Company sold The Boeing Company an item of R&D equipment (a blue box spraying machine) for in the region of US\$50,000. As at the date of this document, there have been no issues raised by The Boeing Company in relation to such equipment. The terms and conditions governing the arrangement contain ongoing warranties which the Company is subject to. If there are any ongoing warranty liabilities, these will remain with the Company.
- (e) On 27 June 2013, the Company and Pursuit Marine Drive entered into an agreement pursuant to which Pursuit Marine Drive granted the Company:
- an exclusive licence to use the domain name pdx.biz and the trade mark PDX; and
 - a non-exclusive licence to use, operate and modify the website at <http://www.pdx.biz/> and its content (and have this done on the Company's behalf)

for all purposes for and relating to the business, operations, products, services and compliance with any law or regulations and any other legal and regulatory duties and responsibilities of the Company worldwide.

10.2 **Disposal Agreement**

Your attention is drawn to paragraph 9 of Part I of this document for a summary.

If the Disposal Agreement is not approved by shareholders at the General Meeting (or the other Conditions (as defined in the Disposal Agreement (is not satisfied and completion of the Disposal Agreement does not occur, certain contracts which prior to completion have not been novated or assigned to Pursuit Marine Drive and are intended to be assigned or novated to Cellulac /or Pursuit Marine Drive as part of the terms of the Disposal Agreement will remain with the Company. Provided completion occurs, the Company will be indemnified and held harmless by Cellulac pursuant to the terms of the Disposal Agreement in relation to any loss or liabilities under such agreements arising (*inter alia*) in connection with any failure by Cellulac to perform any obligations of the Company under those contracts. The Company is in the process of liaising with the relevant parties (which has included instructing relevant advisers overseas to assist where necessary) in order to secure assignment/novation of the remaining relevant arrangements to Cellulac and/or Pursuit Marine Drive as part of the terms of the Disposal Agreement.

The Company has also received notice of termination (dated 10 June 2013) from Marquis Energy LLC in relation to two supply contracts and has completed an assignment of a letter of intent for agreement for supply and installation of "Ethanol Reactor System" between the Company and Red Trail Energy LLC dated 1 December 2010 to Pursuit Marine Drive. Under the terms of the Disposal Agreement, the Company will be indemnified and held harmless in respect of any liabilities arising under such agreements on the same basis as set out above.

10.3 **Acquisition Agreements**

On 15 July 2013, the Company entered into the three separate Acquisition Agreements under which it has conditionally agreed to acquire:

1. the entire issued share capital of Gaming Realms Limited for a purchase price £7,500,000 satisfied by the issue of 57,692,309 Consideration Shares valued at the Placing Price;
2. 100 per cent. of the issued share capital of BeJig not already owned by Gaming Realms Limited for a purchase price £3,511,988.15 satisfied by the issue of 27,015,293 Consideration Shares valued at the Placing Price;
3. 100 per cent. of the issued share capital of AlchemyBet not already owned by Gaming Realms Limited for a purchase price £1,069,046.68 satisfied by the issue of 8,223,435 Consideration Shares valued at the Placing Price.

Each of the Acquisition Agreements is conditional, *inter alia*, on Admission and each of the conditions precedent to completion of the Placing Agreement having been satisfied or waived.

If all the relevant conditions have not been satisfied or waived on or by the Longstop Date (being 31 August 2013), the parties are entitled to terminate the relevant Acquisition Agreement.

In each Acquisition Agreement:

- there are limited warranties on a several basis from each of the relevant Vendors in favour of the Company in the following areas: title to the shares being sold by them, their capacity to enter into the relevant Acquisition Agreement and bankruptcy/insolvency warranties in relation to the relevant Vendors. The Company has given certain limited warranties to the Vendors, *inter alia* in the following areas: it has the capacity to enter into the Acquisition Agreement and perform its obligations thereunder, solvency of the Company and in relation to the issue of the Consideration Shares;
- the relevant Vendors have agreed to certain provisions in relation to how each of the Targets are run between the date of the relevant Acquisition Agreement and completion of the Acquisitions. Similar provisions are included in the Acquisition Agreements in favour of the relevant Vendors in relation to the running of the Company during this period;
- there are provisions that in the event of the Vendors being in breach of any of their warranties or any other material term of an Acquisition Agreement or there is a material adverse event in relation to the relevant Target, the Company has the ability to rescind the relevant Acquisition Agreement. A similar right exists in each Acquisition Agreement in favour of the relevant Vendors;
- the Company has recourse for breaches of warranty. A warranty liability can be satisfied at the election by the relevant Vendor in cash or by agreeing for the relevant Considerations Shares to be sold on behalf of the relevant Vendor.

10.4 **Placing Agreement**

The Placing Agreement dated 15 July 2013 between the Company (1), the Proposed Directors (2) the Directors (3) and Cenkos Securities (4) pursuant to which conditional upon, *inter alia*, Admission taking place on or before 8.00 a.m. on 1 August 2013 (or such later time and or date as the parties may agree being not later than 31 August 2013) Cenkos Securities has agreed to use reasonable endeavours to procure subscribers for the Placing Shares. Under the Placing Agreement a corporate finance fee of £100,000 is payable to Cenkos Securities on Admission.

The Placing Agreement contains warranties from the Company and the Proposed Directors and indemnities from the Company and Patrick Southon, Michael Buckley and Simon Collins in favour of Cenkos Securities together with provisions which enable Cenkos Securities to terminate the Placing Agreement in certain circumstances prior to Admission including circumstances where any warranties are found to be untrue or inaccurate and Cenkos Securities is of the opinion (acting reasonably) that it is material to the Placing. The liabilities of the Proposed Directors under the Placing Agreement is limited.

10.5 **Nominated Advisor and Broker Agreement**

A Nominated Advisor and Broker Agreement dated 15 July 2013 between the Company (1), and Cenkos Securities (2) pursuant to which the Company has appointed Cenkos Securities plc to act as Nominated Advisor to the Company for the purposes of the AIM Rules. The Company has agreed to pay Cenkos Securities a fee of £60,000 per annum for its services as Nominated Advisor and Broker under this agreement. The agreement contains certain undertakings and indemnities given by the Company and the Proposed Directors in respect of, *inter alia*, compliance with all applicable laws and regulations.

10.6 **Cenkos Option Agreement**

An instrument entered into by the Company on 15 July 2013 under which the Company granted Cenkos, conditional on Admission, an option to subscribe for 2,195,005 New Ordinary Shares at 14.3 pence per New Ordinary Share (approximately 1.5 per cent. of the Enlarged Share Capital). The options are exercisable at any time commencing on the first anniversary of Admission and expiring on the sixth anniversary of Admission.

10.7 **Registrars' Agreement**

Under the terms of the agreement with the Registrar dated 21 May 2001 (as amended by a letter dated 15 October 2012), the Registrar will provide registrar services, including arranging the settlement of transactions in the securities of the Company and maintaining the register of Shareholders. The Registrar is entitled to a fee of £1.25 per Shareholder account per annum subject to a minimum aggregate annual fee of £700 together with other agreed transaction fees.

10.8 **Lock-in Agreements**

Lock-in agreements dated 15 July 2013 between the Company (1), Cenkos Securities (2) and NewGame (3) and the Company (1), Cenkos Securities (2) and each of the Proposed Directors (3) (NewGame and the Proposed Directors being the "Covenators"), pursuant to which the Covenators have undertaken to Cenkos Securities, and the Company that they will not (and shall procure that its or their related parties will not) dispose of any interests in the Company's securities save in accordance with the AIM Rules until one year from the date of Admission and then for a further twelve months, the Covenators have undertaken only to dispose of New Ordinary Shares through the Company's broker from time to time (and shall procure that its or their related parties do the same).

Commercial and Other Contracts

Gaming Realms

10.9 **Subscription & Shareholders' Agreement in relation to Gaming Realms Limited ("GR SSA") and Deed of Subscription, Adherence and Variation (the "Deed")**

The GR SSA between Gaming Realms (1) and Michael Buckley, Simon Collins, Noel Rowse, Patrick Southon, Rachel Segal, Tim Tyrell, Matthew Carter and Irek Galecki (the "GR SSA Shareholders") (2) dated 19 December 2012. The Deed to the GR SSA was entered into between Gaming Realms Limited (1), the GR SSA Shareholders (2) and Cosham Assets Limited (3) on 9 May 2013. The GR SSA and the Deed were terminated on 8 July 2013, conditional on Admission.

10.10 **BeJig Secured Convertible Loan Note**

BeJig created £180,000 secured convertible loan notes ("BeJig Loan Notes") over the ordinary share capital of BeJig in favour of Gaming Realms Limited on 24 May 2013. The BeJig Loan Notes were secured by a debenture issued in favour of Gaming Realms Limited. On 8 July 2013, conditional on Admission, Gaming Realms Limited irrevocably waived its rights of conversion under the BeJig Loan Notes.

10.11 **AlchemyBet Secured Convertible Loan Note**

AlchemyBet created £100,000 secured convertible loan notes ("AlchemyBet Loan Notes") over the capital of AlchemyBet in favour of Gaming Realms Limited on 24 May 2013. The AlchemyBet Loan Notes were secured by a debenture issued in favour of Gaming Realms Limited. On 8 July 2013, Gaming Realms Limited irrevocably waived its rights of conversion under the AlchemyBet Loan Notes.

10.12 **Subscription & Shareholders' Agreement in relation to BeJig ("BeJig SSA")**

The BeJig SSA was entered into between BeJig (1) Patrick Southon and Simon Collins (2) and Tom Gooding, David Hampstead and Simon Smiley (3) dated 22 December 2010. The BeJig SSA was terminated on 8 July 2013, conditional on Admission.

10.13 **Bede Software Platform Development Agreement**

Software platform development agreement between Gaming Realms Limited (1) and Bede Gaming (2) dated 24 January 2013 pursuant to which Gaming Realms Limited commissioned Bede Gaming to develop and deliver a bingo gaming platform from which players will be able to use their web browser, smart phone and tablet devices to participate in Bingo Godz and also offer other games such as casino slots.

Under the terms of the software platform development agreement Bede Gaming agreed to develop the platform and the Bingo Godz game in accordance with an implementation plan and agreed target dates for final acceptance, testing and commercial release. The game is to be built on Bede's own proprietary software platform (which is used in relation to the products of third party gaming products).

Under the terms of the software platform development agreement Gaming Realms Limited owns the “Bingo Godz” format and will own the database of end users, but will rely on the Bede platform and, (pursuant to the IPS Marketing Agreement (summarised at paragraph 10.15 of this Part VI)), will rely on IPS to operate it under its Alderney gaming licence.

As well as retaining ownership of materials created for it by third parties (such as artwork), Gaming Realms Limited owns all intellectual property in the get-up and format, materials incorporating the Bingo Godz brand, wording and imagery. Bede Gaming is the owner of all intellectual property in the underlying software and databases.

The agreement, subject to standard early termination rights (including failure by Bede Gaming to meet applicable milestones) terminates on final acceptance of the platform and the Bingo Godz game.

10.14 **Zeph Sequeria Consultancy Agreement**

Zeph Sequeria, an independent financial consultant, has worked on various aspects of the transaction outlined in this document on behalf of the Targets. His total consideration for the provision of these services is £20,000 plus VAT for which he will receive 77,000 New Ordinary Shares issued and fully paid at £0.13 per share. The remainder will be settled in cash.

10.15 **IPS Marketing Agreement**

Marketing agreement between Gaming Realms Limited (1) and IPS (2) dated 24 January 2013 pursuant to which IPS has agreed to maintain an Alderney e-gaming licence to operate Bingo Godz and process payments made by players through the bingo gaming platform developed by Bede Gaming (pursuant to the Bede Software Development Agreement summarised in paragraph 10.15 of this Part VI (the “Platform”)).

Under the terms of the IPS marketing agreement Gaming Realms Limited is to provide IPS with marketing services in relation to Bingo Godz and third party games in consideration for a share of the revenue generated by the Platform and the games offered on it. Gaming Realms Limited shall decide how Bingo Godz is promoted and marketed as well as deciding the layout, look and feel of the game. Such decisions shall be subject to applicable law and in particular the UK Gambling Act 2005 and the conditions of IPS’s Alderney Gambling licence.

IPS agrees to meet a number of responsibilities to facilitate the delivery of the marketing services as well as various other obligations in relation to the hosting, support and maintenance of the Platform and games offered on it in accordance with a service level agreement.

IPS agrees to procure and maintain an exclusive licence from Bede Gaming for IPS and Gaming Realms Limited to use Bingo Godz. The parties agree to cooperate with Bede Gaming at their own costs to assist with the carrying out the acceptance tests detailed in the Bede Software Development Agreement. Following acceptance, IPS must make Bingo Godz (and any third party games selected by Gaming Realms Limited) available to the public.

BeJig

10.16 **Convertible Loan Agreement (“CLA”)**

On 21 December 2010, BeJig entered into a CLA with Patrick Southon and Simon Collins (together the “CLA Investors”), pursuant to the CLA, the CLA Investors made a loan of £500,000 to BeJig. The loan was fully converted into 3,600 ordinary shares in the capital of BeJig on 2 November 2011,

10.17 **BeJig Investment Agreement (“BeJig IA”) and Adherence Agreement**

The BeJig IA was entered into between BeJig (1) NewGame (2) and Tom Gooding, David Hampstead and Simon Smiley (3) on 3 November 2011. Pursuant to the BeJig IA, NewGame Capital LP agreed to subscribe for 5,349 preferred C shares in the capital of BeJig for an aggregate amount of £1,500,000. Pursuant to a subscription for 1,606 ordinary shares in BeJig by Gaming Realms Limited on 30 January 2013, BeJig (1); Gaming Realms Limited (2); Tom Gooding David Hampstead, Simon Smiley (3) and NewGame Capital LP (4) entered into an Adherence Agreement supplemental to the BeJig IA whereby Gaming Realms Limited agreed to be bound by the BeJig IA. Both the BeJig IA and the Adherence Agreement terminated on 8 July 2013, conditional on Admission.

10.18 *Intellectual Property Assignment and Limited Licence Agreement with Quick Think Media Limited*

Intellectual property assignment and limited licence agreement between Bejig (2); Quick Think Media Limited (“QTM”) (2), and Tom Gooding, Simon Smiley and David Hampstead (the “Bejig Founders”) (3) dated 22 December 2010. Pursuant to the terms of the assignment Bejig acquired the intellectual property in a bingo gaming platform as then developed by QTM so that Bejig could further develop and launch it commercially as what is now known as the social bingo game “AvaTingo”.

Under the terms of the assignment, Bejig granted QTM a worldwide, royalty-free and perpetual licence (with no right to sub-licence) to continue to use the platform to offer free bingo gaming and QTM undertook to Bejig and the Bejig Founders not to use the IP for ‘pay-to-play’ games.

10.19 *Development Agreement with HotGen Limited*

Development agreement between Bejig (1) and HotGen Limited (“HotGen”) (2) dated 26 June 2013, further to heads of agreement between the parties dated 2 November 2012. Under the terms of the development agreement HotGen agreed to develop a version of AvaTingo for use on Apple’s for iOS platform, Android and Amazon apps for Kindle Fire and assign all intellectual property arising from such development to Bejig and provide Bejig with access to the source code in a private source code depository.

10.20 *Licence Agreement with Xterra Games Limited*

Licence agreement between Bejig (1) and Xterra Games Limited (known as ‘Leander Games’) (“Leander”) (2) dated 23 December 2011 pursuant to which Leander granted Bejig the right to: (i) integrate Leander’s ‘LeGa’ gaming engine with Bejig’s website; (ii) make Leander’s slot games available on Bejig’s website for wager-free play by players within Facebook. Under the terms of the licence agreement Bejig pays Leander a revenue share based on ‘collections’ being gross proceeds (net of tax) actually collected by Bejig from the use and/or exploitation of Leander’s games.

AlchemyBet

10.21 *AlchemyBet Investment Agreement (“AlchemyBet IA”) and Adherence Agreement*

The AlchemyBet IA was entered into between AlchemyBet (1) James Harrison, Martin Manning, Paul Stewart, Sebastian Coope, Robert Anderson and Adam Lewis (2) and NewGame (3) on 24 January 2012. Pursuant to the AlchemyBet IA, NewGame agreed to subscribe for up to £800,000 preferred A shares in the capital of AlchemyBet. Pursuant to a subscription for 24 preferred A shares in AlchemyBet by Gaming Realms on 29 January 2013, AlchemyBet (1); Gaming Realms (2); Paul Stewart, Martin Manning, Sebastian Coope, Robert Anderson, Adam Lewis and NewGame entered into an Adherence Agreement supplemental to the AlchemyBet IA whereby Gaming Realms agreed to be bound by the AlchemyBet IA. Both the AlchemyBet IA and the Adherence Agreement terminated on 8 July 2013, conditional on Admission.

10.22 *Licence Agreement with Cometa Wireless Gaming Systems Limited*

Licence agreement between AlchemyBet (1) and Cometa Wireless Gaming Systems Limited (dissolved on 19 July 2011) (“Cometa”) (2), on 1 September 2009 pursuant to which Cometa granted AlchemyBet a non-exclusive, perpetual, royalty-free worldwide licence to use its ‘Arcadia’ on-line casino platform and Cometa undertook to AlchemyBet not to grant licences to anyone else to use ‘Arcadia’.

10.23 *Combined Remote Operating Licence*

Combined Remote Operating Licence granted to AlchemyBet by the UK Gambling Commission on 18 May 2012 which gives AlchemyBet the right to manufacture, supply, install or adapt gambling software; to operate a casino; to provide facilities for playing bingo. AlchemyBet’s licence can be revoked and AlchemyBet can be fined if it fails to adhere to the terms of the licence.

10.24 *Permission Certificate*

Permission Certificate granted to AlchemyBet by PhonePayPlus on 28 May 2012 which gives AlchemyBet the right to offer premium rate SMS as a way of registering for and paying to participate in its gambling services. AlchemyBet’s permission can be revoked and AlchemyBet can be fined if it

fails to adhere to PhonePlayPlus's code of practice. PhonePayPlus may also revoke the permission after giving AlchemyBet reasonable notice.

10.25 **Service Agreement with Mobile Interactive Group Limited**

Mobile telephony services agreement between AlchemyBet (1) and Mobile Interactive Group Limited known as 'Velti' ("Velti") (2) dated 17 May 2012 (as amended on 1 January 2013) pursuant to which Velti provides AlchemyBet with SMS and premium rate SMS (together 'SMS') aggregation and management services in relation to players who use SMS to register and pay to play AlchemyBet's games.

11. **Related Party Transactions**

Other than the related party transactions disclosed in the notes to the historical financial information for the Gaming Realms Group set out in Section B of Part IV of this document, the Company has not entered into any related party transactions during the period of such historical financial information and up to the date of this document.

12. **Litigation**

The Enlarged Group is not involved nor has been involved in any governmental, legal or arbitration proceedings in the previous twelve months which have or may have had in the recent past, a significant effect on the Enlarged Group's financial position or profitability nor, so far as the Directors and the Proposed Directors are aware are any such proceedings pending or threatened against any member of the Enlarged Group.

13. **Working Capital**

The Directors and Proposed Directors, having made due and careful enquiry, are of the opinion that the working capital available to the Enlarged Group, taking into account the estimated net proceeds of the Placing receivable by the Company, will be sufficient for its present requirements, that is for at least the 12 months from the date of Admission.

14. **United Kingdom Taxation**

General

The following paragraphs are intended as a general guide only and summarise advice received by the Directors about the UK tax position of Shareholders who are resident (and in the case of individuals ordinarily resident) and domiciled in the UK, holding shares as investments. We have not considered the implications for Shareholders who acquire any shares or rights over shares in connection with any office or employment. The position of certain Shareholders who are subject to special rules, such as dealers in securities, broker-dealers, insurance companies and collective investment schemes is not considered in this section. The paragraphs below are based on current UK legislation and HMRC practice. It should be noted that although a number of UK tax treatments referred to below refer to unquoted shares, shares traded on AIM are generally treated as unquoted for these purposes.

Any person who is in any doubt about their tax position or who is subject to taxation in a jurisdiction other than the UK should consult their own professional adviser.

The information in these paragraphs is intended as a general summary of the UK tax position and should not be construed as constituting advice.

Taxation of dividends

Under current UK legislation, no UK tax is required to be withheld from dividend payments by the Company.

A UK tax 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). Dividend income from the Company will be treated as forming the highest part of a Shareholder's income.

A UK tax resident Shareholder who receives a dividend paid by the Company will be liable to UK income tax on the gross dividend. The income tax rates in respect of dividends are 10 per cent., 32.5 per cent. or 37.5 per cent. depending on the taxable income of the individual but the individual will be able to set off the tax credit against this liability.

UK tax resident Shareholders who do not pay income tax or whose liability to income tax on the dividend and related tax credit is less than the tax credit, including pension funds, charities and certain individuals, are not generally entitled to claim repayment of any part of the tax credit associated with the dividend from HMRC.

A UK tax resident corporate holder of Ordinary Shares which receives a dividend paid by the Company will not generally be subject to tax in respect of that dividend, subject to certain exceptions.

Trustees of discretionary trusts receiving dividends from Ordinary Shares are also liable to account for income tax generally at the rate of 37.5 per cent.

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.

Taxation of chargeable gains

For the purpose of UK tax on chargeable gains, the acquisition of Ordinary Shares pursuant to the Placing will be regarded as an acquisition of a new holding in the share capital of the Company. The amount paid for the Ordinary Shares will usually constitute the base cost of a Shareholder's holding.

If a Shareholder disposes of all or some of his or her Ordinary Shares, a liability to tax on chargeable gains may, depending on his or her circumstances and subject to any available exemptions or reliefs, arise.

A UK tax resident or ordinarily resident individual Shareholder who disposes (or is deemed to dispose) of all or any of their Ordinary Shares may be liable to capital gains tax in relation thereto at rates up to 28 per cent., subject to any available exemptions or reliefs. In addition, an individual UK Shareholder who ceases to be resident or ordinarily resident in the UK for a period of less than five complete tax years and who disposes of the Ordinary Shares held prior to departure during that period of temporary non residence may, under anti-avoidance legislation, be liable to capital gains tax on his or her return to the UK.

A UK tax resident corporate Shareholder disposing of its Ordinary Shares may be liable to corporation tax on chargeable gains arising on the disposal at the corporation tax rate applicable to its taxable profits (the main rate currently being 23 per cent.).

In computing the chargeable gain liable to corporation tax, the corporate Shareholder is entitled to deduct from the disposal proceeds the cost to it of the Ordinary Shares as increased by an indexation allowance to adjust for inflation, together with incidental costs of acquisition and disposal costs.

The UK operates a substantial shareholding exemption regime which may apply to the disposal of Ordinary Shares by corporate Shareholders subject to certain conditions being met.

Inheritance tax

Ordinary Shares are assets situated in the UK for the purposes of UK inheritance tax.

Individuals and trustees subject to UK inheritance tax in relation to a holding of Ordinary Shares may be entitled to business property relief of up to 100 per cent. after a holding period of two years, provided that all the relevant conditions for the relief are satisfied at the appropriate time.

You should consult your taxation adviser if you are concerned with the potential UK inheritance tax implications of your Ordinary Shares.

Stamp Duty and Stamp Duty Reserve Tax

No stamp duty or stamp duty reserve tax ("SDRT") will generally be payable on the issue of the New Ordinary Shares.

Paperless transfers of Ordinary Shares within CREST will generally be liable to SDRT (usually at a rate of 0.5 per cent. of the amount or value of the consideration).

The transfer of Ordinary Shares outside CREST will be liable to ad valorem stamp duty normally at the rate of 0.5 per cent. of the amount or value of the chargeable consideration (with such stamp duty being rounded up to the nearest £5).

The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

15. Other Information

- 15.1 The accounting reference date of the Company is 30 September.
- 15.2 The fees and expenses of, and incidental to, the Admission are estimated at £720,000 exclusive of VAT and are payable by the Company. These include (but are not limited to) accountancy fees, solicitors' fees and the fees payable under the agreements summarised at paragraph 10.4 of this Part VI, respectively.
- 15.3 Save as disclosed in this document, the Company is not dependent on any patents, licences, industrial or commercial or financial contracts or new manufacturing processes which have a material effect on the Company's business or profitability.
- 15.4 None of the Directors or Proposed Directors perform any principal activities outside the Company that are significant with respect to the Company.
- 15.5 Except as stated in this document, there have been no principal investments made by the Company during the last three financial years and there are no principal future investments on which firm commitments have been made.
- 15.6 Except as otherwise stated in this document, the Enlarged Group's professional advisers, the Vendors and the holders of options granted under the New Share Option Scheme and the Existing Share Option Scheme (as set out in paragraph 6 of this Part VI) and trade suppliers, no person has received, directly or indirectly, from the Company within the 12 months preceding the Company's application to AIM, or has entered into any contractual arrangements with the Company to receive, directly or indirectly, from the Company on or after Admission fees totalling £10,000 or more, securities which have a value of £10,000 or more or any other benefit with a value of £10,000 or more at the date of Admission.
- 15.7 The Existing Group's statutory accounts for the financial years ended 30 September 2010, 2011 and 2012 were audited by PricewaterhouseCoopers LLP of Abacus House, Castle Park, Cambridge CB2 1PH, a member of the Institute of Chartered Accountants in England and Wales.
- 15.8 Where information has been sourced from a third party, this information has been accurately reproduced. So far as the Company, the Directors and the Proposed Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

- 15.9 BDO LLP, as the reporting accountant, has given and not withdrawn its written consent to the inclusion of its report in Section A of Part IV of this document in the form and context in which it is included.
- 15.10 Cenkos Securities plc, as nominated adviser and broker, has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which it appears.
- 15.11 Cenkos Securities plc is regulated by the Financial Conduct Authority.
- 15.12 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Existing Group since the period ended 31 March 2013 (being the date to which the last interim accounts were prepared), or of the Gaming Realms Group since the period ended 31 March 2013 (being the date to which the historical financial information included in Section B of Part IV was prepared).
- 15.13 There are no environmental issues that the Directors or Proposed Directors have determined may affect the Enlarged Group's utilisation of tangible fixed assets and the Directors or Proposed Directors have not identified any environmental events that have occurred since the end of the last financial year and which are considered to be likely to have a material effect on the Company's prospects for the current financial year.
- 15.14 The financial information set out in Section B of Part IV of this document relating to the Gaming Realms Group does not comprise statutory accounts within the meaning of section 434(3) of the Act.
- 15.15 The Placing Price of 13 pence represents a premium of 30 per cent. to the 10p nominal value of a New Ordinary Share post Share Consolidation.
- 15.16 It is expected that CREST accounts will be credited in respect of entitlements to New Ordinary Shares issued pursuant to Admission at the Placing. Where Placees have requested to receive their New Ordinary Shares in certificated form, share certificates will be despatched by first class post within 14 days of the date of Admission.

16. Availability of Admission Document

Copies of this document and the following documents will be available to the public free of charge on any weekday (Saturdays, Sundays and public holidays excepted) and in electronic form at www.pdx.biz or by calling the Company on +44 1223 364422 prior to Admission and +44 207 242 5905 post Admission for a period of one month from the date of Admission at the Company's registered office and the offices of Cenkos Securities, the addresses of which are disclosed on page 12 of this document:

- (i) the articles of association and New Articles of the Company;
- (ii) the interim accounts for the period ended 31 March 2013 and the audited financial statements of the Company for the financial years ended 30 September 2010, 2011 and 2012;
- (iii) the Proposed Directors' service agreements referred to in paragraph 4 above;
- (iv) the consent letters from Cenkos Securities and BDO referred to in paragraph 15 above; and
- (v) the last two years audited annual consolidated accounts for Cosham Assets Limited, NewGame Capital LP, Gaming Realms Limited and Bwin.party Digital Entertainment plc;
- (vi) Memorandum and articles of association for each of Cosham Assets Limited, NewGame Capital LP, Gaming Realms Limited and Bwin.party Digital Entertainment plc;
- (vii) copies of letters of intent to vote in favour of certain Resolutions;
- (viii) the rules of the New Share Option Scheme and the Unapproved Options;
- (ix) copies of the material contracts summarised in paragraph 10 of Part VI of this document; and
- (x) copies of letters of consent from the members of the Concert Party.

Dated: 15 July 2013

NOTICE OF GENERAL MEETING

Pursuit Dynamics PLC

(Incorporated and registered in England and Wales with registered number 4175777)

NOTICE IS HEREBY GIVEN that a General Meeting of Pursuit Dynamics Plc (the “**Company**”) will be held at the offices of Memery Crystal LLP at 44 Southampton Building, London WC2A 1AP on 31 July 2013 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions of which Resolutions 1 to 5 (inclusive) will be proposed as ordinary resolutions, (of which Resolution 3 will be taken on a poll of Shareholders (all of whom are independent of the Concert Party) and Resolutions 6 to 8 (inclusive) will be proposed as a Special Resolutions.

Terms used in this notice shall be as set out in the in the circular to shareholders of the Company dated 15 July 2013 (“**Admission Document**”), unless the context requires otherwise.

ORDINARY RESOLUTIONS

1. **THAT**, the proposed Disposal on the terms and subject to the conditions contained in the Disposal Agreement be and is hereby approved and that the Directors (or any duly constituted committee thereof) be and are hereby authorised to vary, amend, revise, waive or extend any of such terms and conditions (not being of a material nature in the context of the Disposal taken as a whole) as they think fit and take such steps on behalf of the Company as they may in their absolute discretion consider necessary, expedient or desirable to complete and give effect to the Disposal;
2. **THAT**, subject to and conditional on the passing of Resolution 1 and Resolutions 3 to 8 (inclusive), the Acquisitions by the Company on the terms and subject to the conditions in the Acquisition Agreements, be and are hereby approved for the purposes of Rule 14 of the AIM Rules for Companies and that the Directors (or any duly constituted committee thereof) be and are hereby authorised to vary, amend, revise, waive or extend any of such terms and conditions (not being of a material nature in the context of the Acquisitions taken as a whole) as they think fit and take such steps on behalf of the Company as they may in their absolute discretion consider necessary, expedient or desirable to complete and give effect to the Acquisitions.
3. **THAT**, subject to and conditional on the passing of Resolutions 1 and 2, and Resolutions 4 to 8 (inclusive), the waiver granted by the Panel on Takeovers and Mergers of the requirement under Rule 9 of the City Code on Takeovers and Mergers that would otherwise arise on the members of the Concert Party (as defined in the Admission Document) to make a general offer to shareholders of the Company as a result of the allotment and issue of 81,328,115 New Ordinary Shares in the Company to members of the Concert Party pursuant to the Acquisitions (which when combined with members of the Concert Party’s shareholdings will represent approximately 57.09 per cent. of the Enlarged Issued Share Capital of the Company) and the potential issue of 26,153,837 New Ordinary Shares pursuant to the full conversion of the B Shares (representing approximately 64.67 per cent. of the Enlarged Issued Share Capital of the Company) as described in the Admission Document of which this notice forms part, be and is hereby approved.
4. **THAT**, subject to and conditional upon the passing of Resolutions 1 to 3 (inclusive) and Resolutions 5 to 8 (inclusive), in substitution for any existing and unexercised authorities, the directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “**Act**”) to exercise all the powers of the Company to allot equity securities (as defined in section 560(1) of the Act) and/or grant rights to subscribe for or to convert any security into shares provided this authority shall be limited to:
 - (a) the allotment of 92,931,037 Consideration Shares pursuant to the Acquisition Agreements;
 - (b) the allotment of 26,230,846 Placing Shares in connection with the Placing Agreement;
 - (c) the granting of options over 2,195,005 New Ordinary Shares to Cenkos Securities plc as detailed in the Admission Document;
 - (d) the granting of options over 1,538,460 New Ordinary Shares pursuant to the Unapproved Options;

- (e) the allotment of equity securities and/or the granting of rights to subscribe for or to convert any security into shares (other than in sub-paragraphs (a), (b), (c) and (d) above) to any person or persons up to an aggregate nominal amount of £1,463,337, being 10 per cent. of the Enlarged Issued Share Capital.

The authorities conferred by this Resolution shall expire at the conclusion of the next annual general meeting of the Company, provided that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares be granted after such expiry and the directors of the Company may allot shares or grant rights to subscribe for or convert securities into shares in pursuance of such offer or agreement notwithstanding that the authority conferred hereby has expired.

- 5. **THAT**, subject to and conditional upon the passing of Resolutions 1 to 4 (inclusive) and Resolutions 6 to 8 (inclusive) set out in this notice of general meeting, with effect from 23.59 hours on the date of the passing of this Resolution:
 - a. every ten Existing Ordinary Shares of £0.01 each be consolidated into one New Ordinary Share of £0.10 each provided that where such consolidation would result in any member being entitled to a fraction of a New Ordinary Share, such fraction shall, so far as possible, be aggregated with the fractions of a New Ordinary Share (if any) to which other members of the Company would be similarly so entitled and the Directors be authorised to sell (or appoint any other person to sell) to any person all the New Ordinary Shares representing such fractions at the best price reasonably obtainable to any person(s), and the proceeds of sale (net of expenses) be retained for the benefit of the Company;
 - b. the New Ordinary Shares will have the same rights and be subject to the same restrictions as the Existing Ordinary Shares in the Company's articles of association;

SPECIAL RESOLUTIONS

- 6. **THAT**, subject to and conditional upon the passing of Resolutions 1 to 5 (inclusive) and Resolution 7 and 8 (inclusive), and in accordance with section 570 of the Act, the Directors be and generally and unconditionally authorised, in substitution for any existing and unexercised authorities to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by Resolution 4, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - (a) the allotment of 26,230,846 Placing Shares in connection with the Placing Agreement;
 - (b) the granting of options over 2,195,005 New Ordinary Shares to Cenkos Securities plc as detailed in the Admission Document;
 - (c) the allotment of equity securities in connection with a rights issue, open offer or other offer of securities in favour of the holders of New Ordinary Shares where the equity securities respectively attributable to the interests of all holders of New Ordinary Shares are proportionate (as nearly as may be) to the respective number of New Ordinary Shares held by them but subject to such exclusions or arrangements as the directors of the Company may deem necessary or expedient to deal with fractional entitlements arising or any legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or stock exchange;
 - (d) the granting of options over 1,538,460 New Ordinary Shares pursuant to the Unapproved Options; and
 - (e) the allotment of New Ordinary Shares otherwise than pursuant to sub paragraphs 6 (a) to (d) above up to an aggregate nominal amount of £1,463,337;

and provided that this power shall expire on conclusion of the next annual general meeting of the Company (unless previously renewed, varied or revoked by the Company in general meeting) 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 of the Company may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this Resolution has expired.

7. **THAT**, subject to the passing of Resolutions 1 to 6 (inclusive), and Resolution 8, the Articles of Association produced to the meeting marked “A” and initialled by the Chairman of the meeting (for the purposes of identification only) be and are hereby adopted as the Articles of Association of the Company with effect from the end of this meeting to the exclusion of and in substitution for, the existing Articles of Association of the Company.
8. **THAT**, subject to and conditional upon the passing of Resolutions 1 to 7 (inclusive), the name of the Company be changed to “Gaming Realms plc”.

By order of the Board

Registered office:
Botanic House
100 Hills Road
Cambridge CB2 1PH

Sarah Gowing
Secretary

Notes:

Entitlement to attend and vote

1. To be entitled to attend and to speak and vote at the meeting (and for the purpose of the determination by the Company of the number of votes that can be cast), members must be entered on the Company’s register of members at 10.00 a.m. on 29 July 2013 (the “Specified Time”). If the meeting is adjourned to a time not more than 48 hours after the Specified Time applicable to the original meeting, the Specified Time will also apply for the purpose of determining the entitlement of members to attend and to speak and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If, however, the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company’s register of members 48 hours (excluding non-working days) before the time of the adjourned meeting or, if the Company gives notice of this adjourned meeting and an entitlement time is specified in that notice, at the time specified in that notice.

Poll

2. Resolution 3 will be taken on a poll of independent shareholders in accordance with the requirements of the Panel on Takeovers and Mergers.

Appointment of proxies

3. A shareholder entitled to attend and vote at the meeting is entitled to appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the meeting (their proxy). A shareholder can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by the member.
4. An appointment of proxy is provided with this notice and instructions for use are shown on the form. In order to be valid, a completed appointment of proxy must be returned to the Company by one of the following methods:
 - (i) in hard copy form by post, by courier or by hand to the Company’s Registrar at the address shown on the form of proxy by no later than 10.00 a.m. on 29 July 2013 (or, if the meeting is adjourned for more than 48 days after the Specified Time, 10.00 a.m. on the day which is two days (excluding non-working days) before the date fixed for the adjourned meeting); or
 - (ii) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below, and in each case must be received by the Company by no later than 10.00 a.m. on 29 July 2013 (or, if the meeting is adjourned for more than 48 hours after the Specified Time, 10.00 a.m. on the day which is two days (excluding non-working days) before the date fixed for the adjourned meeting). Please note that any electronic communication sent to us/our registrars in respect of the appointment of a proxy that is found to contain a computer virus will not be accepted.

5. In the case of joint shareholders, the vote of the first named in the Register of Members who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other shareholder(s).
6. In the case of a shareholder which is a corporation, this form must be executed either under its common seal, or under the hand of an officer or attorney duly authorised in writing in that behalf.
7. Completion and return of the Form of Proxy or appointing your proxy electronically will not prevent you from attending and voting at the meeting instead of your proxy, if you so wish.
8. Your proxy could be the Chairman, another Director of the Company or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must attend the meeting for your vote to be counted. Details of how to appoint the Chairman or another person as your proxy using the proxy form are set out in the notes to the proxy form. Appointing a proxy does not preclude you from attending the meeting and voting in person. If you attend the meeting in person, your proxy appointment will automatically be terminated.
9. To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Computershare at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions.

Appointment of proxy via CREST

10. CREST

- (i) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual, which can be viewed at www.euroclear.com/CREST. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (ii) In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID: 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- (iii) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

