THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other financial adviser or other person authorised for the purposes of the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities.

This document is an AIM admission document prepared in accordance with the AIM Rules for Companies in connection with the proposed admission to trading of the Ordinary Shares on AIM. This document contains no offer to the public within the meaning of the Financial Services and Markets Act 2000 and, accordingly, it does not comprise a prospectus for the purposes of the Prospectus Rules and has not been approved by or filed with the FCA. No offer of securities to the public (for the purposes of section 102B of the Financial Services and Markets Act 2000) is being made in connection with the Placing.

Application will be made for the Ordinary Shares in issue as at the date of this document and to be issued pursuant to the Placing, to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Ordinary Shares will commence on AIM on 21 March 2014. **Although the whole text of this document should be read, the attention of persons receiving this document is drawn to the section headed "Risk Factors" contained in Part 3 of this document.** All statements regarding the Company's business, financial position and prospects should be viewed in light of the Risk Factors set out in Part 3 of this document.

The AIM Rules for Companies are less demanding than those of the Official List of the UK Listing Authority. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List. No application has been made for the Ordinary Shares to be listed on any other recognised investment exchange.

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 UK Listing Authority. 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. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. Neither the London Stock Exchange nor the UK Listing Authority have examined or approved the contents of this document.

XLMEDIA PLC

(incorporated in Jersey under the Companies (Jersey) Law 1991 (as amended) with company number 114467)

Placing of 85,356,838 Ordinary Shares at a price of 49p per Ordinary Share

Admission to trading on AIM

Cenkos Securities plc

Nominated Adviser and Broker to the Company

Ordinary Share Capital immediately following Admission

Authorised			Issued and fully paid	
Amount	Number	Nominal Value	Amount	Number
US$100,000	100,000,000,000	US$0.000001	US$189.56	189,563,652

The Directors whose names appear on page 6, and the Company accept responsibility for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (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.

A copy of this document has been delivered to the registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and he has given, and has not withdrawn, his consent to its circulation. The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of shares in the Company. It must be distinctly understood that, in giving these consents, neither the registrar of companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability from the discharge of its functions under that law.

Cenkos Securities plc, which is authorised and regulated in the United Kingdom by the FCA for the conduct of investment business, is acting exclusively for the Company and for no one else in connection with Admission and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos Securities plc or for providing advice in relation to Admission or any other matter referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Cenkos Securities plc by FSMA, no representation or warranty, express or implied, is made by Cenkos Securities plc as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued). No liability whatsoever is accepted by Cenkos Securities plc for the accuracy of any information or opinion contained in this document or for the omission of any material information for which it is not responsible.

Copies of this document will be available during normal business hours on any day (except Saturdays, Sundays, bank and public holidays) free of charge to the public at the offices of Berwin Leighton Paisner LLP at Adelaide House, London Bridge, London EC4R 9HA from the date of this document to the date one month from the date of Admission. A copy of this document will also be available, from Admission, at the Company's website at www.xlmedia.com.

This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or to subscribe for, Ordinary Shares in any jurisdiction in which such an offer or solicitation is unlawful and this document is not for distribution in or into any jurisdiction where action to that purpose is required. The Ordinary Shares have not nor will they be registered under the US Securities Act or with any securities regulatory authority or under the applicable securities laws of any state or other jurisdiction and, unless an exemption under such act or laws is available, may not be offered for sale or subscription or sold or subscribed directly or indirectly within any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations for the account or benefit of any national, resident or citizen of such jurisdictions. The distribution of this document may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. It should be remembered that the price of securities and the income from them can go down as well as up.

Forward-looking Statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, among other things, the Company's results of operations, financial position, liquidity, prospects, growth, strategies and expectations of the online marketing and online betting and gambling sectors.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the development of the markets and the online marketing and online betting and gambling sectors may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. In addition, even if the development of the markets and those sectors are consistent with the forward-looking statements contained in this document, those developments may not be indicative of developments in subsequent periods. A number of factors could cause developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in law or regulation, currency fluctuations, political and economic uncertainty and other factors discussed in the sections Part 1 "Information on the Company" and Part 3 "Risk Factors".

Any forward-looking statements in this document reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's investing strategy. Investors should specifically consider the factors identified in this document which could cause results to differ before making an investment decision. These forward-looking statements speak only as at the date of this document. Subject to any applicable obligations, none of the Company, the Directors or Cenkos Securities plc undertakes any obligation to update publicly or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document (including the Risk Factors set out in Part 3 of this document) which could cause actual results to differ before making an investment decision. Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statement made as to sufficiency of working capital in paragraph 14 of Part 5 of this document.

Certain figures in this document have been subject to rounding adjustments. Accordingly, any apparent discrepancies in tables between the totals and the sums of the relevant amounts are due to rounding.

CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	17 March 2014
Admission effective and dealings commence in the Enlarged Share Capital on AIM	8.00 a.m. on 21 March 2014
Expected date for CREST accounts to be credited with Placing Shares	8.00 a.m. on 21 March 2014
Definitive share certificates for Placing Shares (where applicable) expected to be despatched by	4 April 2014

All references to times and dates in this document are to London time unless otherwise stated

PLACING STATISTICS[1]

Number of Ordinary Shares in issue at the date of this document	120,160,000
Number of Subscription Shares to be issued pursuant to the Placing	67,026,152
Placing Price	49p
Number of Sale Shares	18,330,686
Number of Ordinary Shares in issue following Admission	189,563,652
Proportion of Enlarged Share Capital represented by the Subscription Shares	35.4 per cent.
Market capitalisation at the Placing Price	£92.9 million
Gross proceeds of the Placing for the Company	approx. £32.8 million
Net proceeds of the Placing for the Company	approx. £29.1 million
Ticker	XLM
ISIN code	JE00BH6XDL31
SEDOL	BH6XDL31
Website address	www.xlmedia.com

1 Assumes that all of the Placing Shares are subscribed for pursuant to the Placing and 2,377,500 additional Ordinary Shares are issued to IVPL on Admission pursuant to the Investment Agreement

FOREIGN CURRENCY AMOUNT

Where relevant in this document, US Dollar and Sterling amounts have been converted at USD1.6631 : £1 (being the mid point exchange rate on Bloomberg at 16.34 GMT on 14 March 2014 (being the latest practicable date prior to publication of this document).

DIRECTORS, SECRETARY AND ADVISERS

Directors	Christopher ("Chris") Bell *(Independent Non-Executive Chairman)* Ory Weihs *(Chief Executive Officer)* Richard Rosenberg *(Independent Non-Executive Director)* Alicia Rotbard *(Independent Non-Executive Director)* Yaron Eitan *(Non-Executive Director)*
Company Secretary	Jane Catterson
Registered Office	12 Castle Street St. Helier Jersey JE2 3RT
Website	www.xlmedia.com
Nominated Adviser and Broker	Cenkos Securities plc 6.7.8. Tokenhouse Yard London EC2R 7AS
Legal advisers to the Company	*As to English Law* Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA *As to Jersey law* Carey Olsen 47 Esplanade St. Helier Jersey JE1 0RD
Legal advisers to the Nominated Adviser and Broker	Nabarro LLP Lacon House 84 Theobald's Road London WC1X 8RW
Auditors and Reporting Accountant to the Company	Kost Forer Gabbay & Kasierer (a member of Ernst & Young Global) 3 Aminadav Street Tel Aviv 67067 Israel
Registrar	Capita Registrars (Jersey) Limited 12 Castle Street, St. Helier, Jersey, JE2 3RT
Public Relations adviser to the Company	Buchanan 107 Cheapside London EC2V 6DN
Principal bankers	Barclays Bank plc 1 Churchill Place London E14 5HP

DEFINITIONS

Act	the UK Companies Act 2006
Admission	admission of the issued and to be issued share capital of the Company to trading on AIM becoming effective in accordance with the AIM Rules
AIM	AIM, a market operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange from time to time
Articles	the articles of association of the Company from time to time
Board or **Directors**	the board of directors of the Company as at the date of this document
Cenkos	Cenkos Securities plc of 6.7.8. Tokenhouse Yard, London, EC2R 7AS, nominated adviser and broker to the Company
CAGR	compound annual growth rate
certificated or **in certificated form**	in relation to an Ordinary Share, recorded on the Company's register as being held in certificated form (that is, not in CREST)
City Code	the UK City Code on Takeovers and Mergers as amended from time to time
Company or **XLMedia**	XLMedia PLC
Concert Party	those persons whose details are set out in paragraph 19 of Part 1 of this document
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form
CREST Regulations	the Uncertificated Securities Regulations 2001 (as applicable) or the Companies (Uncertificated Securities) (Jersey) Order 1999 (as applicable), as amended from time to time
DTR	means the UK Disclosure and Transparency Rules as amended from time to time relating to the disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market or for which a request for admission to trading on such a market has been made, as published by the FCA
DTR5	means the provisions of Chapter 5 of DTR
EBITDA	earnings before interest, tax, depreciation and amortisation
Enlarged Share Capital	the issued ordinary share capital of the Company immediately following Admission assuming the Placing Shares are subscribed for in full
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
Existing Shares	the 120,160,000 Ordinary Shares in issue as at the date of this document
FCA	the UK Financial Conduct Authority
Founders	Ory Weihs, Yaron Nahari and Assaf Levy
FSMA	the UK Financial Services and Markets Act 2000, as amended from time to time
FY	the financial year of the Company ended 31 December
Group	the Company and its subsidiaries from time to time

Group Share Incentive Plan or **GSIP**	the 2013 Global Share Incentive Plan adopted by the Company on 13 August 2013 as amended on 11 March 2014, details of which are set out in paragraph 4 of Part 5 of this document
Income Tax Law	means the Income Tax (Jersey) Law 1961
Investment Agreement	means the share purchase agreement dated 5 December 2013 between (1) the Company and (2) IVPL, further details of which are set out in paragraph 12 of Part 5 of this document
IVPL	Israeli VC Partners LP, an exempted limited partnership registered in the Cayman Islands with partnership number 71842, of which Viktor Vekselberg is the ultimate beneficial owner
Jersey	the Bailiwick of Jersey
Jersey Companies Law	the Companies (Jersey) Law 1991 (as amended) and subordinate legislation thereunder
Letters of Undertaking	the letters of undertaking each dated 17 March 2014 between the Company, Cenkos and each of Zvika Barinboim, Avner Yassur, Shay Ben-Yitzhak and Ory Weihs, further details of which are set out in paragraph 12 of Part 5
Lock-in and Orderly Market Agreements	the conditional lock-in and orderly market agreements each dated 17 March 2014 between the Company, Cenkos and each of WELP and IVPL, further details of which are set out in paragraph 12 of Part 5 of this document
London Stock Exchange	London Stock Exchange plc
Option	an option to subscribe for new Ordinary Shares pursuant to the terms of the Group Share Incentive Plan
Ordinary Shares	ordinary shares of US$0.000001 each in the capital of the Company
Placees	the subscribers for Placing Shares pursuant to the Placing
Placing	the conditional placing by Cenkos of the Placing Shares pursuant, *inter alia*, to and on the terms and conditions set out in the Placing Agreement
Placing Agreement	the conditional agreement dated 17 March 2014 relating to the Placing between (1) the Company, (2) the Directors, (3) Cenkos, (4) WELP and (5) IVPL, further details of which are set out in paragraph 8 of Part 5 of this document
Placing Price	49p per Placing Share
Placing Shares	the Sale Shares and the Subscription Shares
Registrars	Capita Registrars (Jersey) Limited of 12 Castle Street, St. Helier, Jersey JE2 3RT, the Company's registrar
Regulation S	Regulation S under the US Securities Act
Reporting Accountant	Kost Forer Gabbay & Kasierer (a member of Ernst & Young Global)
ROI	return on investment
Sale Shares	the 18,330,686 Existing Shares to be sold at the Placing Price by the Selling Shareholders as part of the Placing
Scandinavia	means, for the purposes of this document, Norway, Sweden, Finland and Denmark
Selling Shareholders	IVPL and WELP
Shareholders	holders of Ordinary Shares from time to time
Subscription Shares	the 67,026,152 new Ordinary Shares to be issued to the Placees at the Placing Price

uncertificated or **held in uncertificated form**	Ordinary Shares held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United Kingdom or **UK**	the United Kingdom of Great Britain and Northern Ireland
UK Corporate Governance Code	the Corporate Governance Code on the principles of good corporate governance and code of best practice published by the Financial Reporting Council from time to time
UIGEA	the US Unlawful Internet Gambling Enforcement Act 2006
US or **United States**	the United States of America, it territories and possessions, any state of the United States of America, the District of Columbia and all the other areas subject to the jurisdictions of the United States of America
US Person	a US Person as defined in Rule 902(k) of Regulation S
US Securities Act	the US Securities Act of 1933 (as amended)
£ and **p**	respectively pounds sterling and pence sterling, the lawful currency of the United Kingdom
$** or **US$ or **US**	dollars, the lawful currency of the United States of America
VAT	Value Added Tax
WELP	Webpals Enterprises Limited Partnership, a limited partnership registered in the Cayman Islands with registration number HL-62013 and, where the context requires it, Webpals Enterprises Limited, a company incorporated in the Cayman Islands with registration number HL-268880 acting as general partner of Webpals Enterprises Limited Partnership
WPS	Webpals Systems S.C. Ltd

Any reference to any provision of any legislation includes any amendment, modification, re-enactment or extension of it. Words importing the singular include the plural and vice versa and words importing the masculine gender shall include the feminine or neuter gender.

GLOSSARY OF TECHNICAL TERMS

"**B2B**"	business to business;
"**B2C**"	business to customer;
"**betting**"	making or accepting a bet on: (i) the outcome of a race, competition or other event or process; (ii) the likelihood of anything occurring or not occurring; or (iii) whether anything is true or not;
"**CPA**"	cost per acquisition;
"**CRM**"	client relationship management;
"**gambling**"	both betting and gaming;
"**gaming**"	playing a game of chance for a prize (and a game of chance shall also include: (i) a game that involves an element of chance and an element of skill; (ii) a game that involves an element of chance that can be eliminated by superlative skill; and (iii) a game that is presented as involving an element of chance but does not include a sport;
"**gross gambling yield**"	the total value of bets or stakes placed less winnings paid to end users;
"**online**" or "**remote**"	in this document, the terms "online" and "remote" are used interchangeably and, unless the context otherwise requires, shall include communications using the internet, mobile or tablet;
"**operator**"	an entity which operates a B2C gambling business which interacts and/or contracts with players, unless the context otherwise requires; and
"**SEO**"	content and search engine optimisation.

PART 1

INFORMATION RELATING TO THE GROUP

1. Introduction

XLMedia PLC, whose operations were established in 2008, is a global digital publisher and marketing company which attracts paying users from different online channels and directs them to online gambling operators. The Company was incorporated in the Seychelles in 2012 and, on 26 November 2013, transferred its place of incorporation, by way of continuance, from the Seychelles to Jersey.

The Group provides marketing services to online gambling operators. The Group attracts players through online marketing techniques and subsequently seeks to channel high value "traffic" (i.e. players) to gambling operators who, in turn, convert such traffic into paying customers. Online gamblers are attracted by the Group's publications and advertisements and are then directed, by the Group, to online gambling operators in return for a share of the revenue generated by such players, a fee generated per player acquired, fixed fees or a hybrid of any of these three models.

Online gambling operators typically invest heavily in brand building through online and offline advertising to attract online players, and also use a network of marketing partners, known as affiliates, to promote their products and services. These partners are remunerated by the gambling operators for each player they refer to them.

The Group generates revenue using three primary marketing methodologies:

- SEO;
- digital media buying; and
- through its own affiliate network,

with each segment contributing approximately 58.6 per cent., 24.8 per cent. and 16.6 per cent. respectively of the Group's revenue for the six months ended 30 June 2013.

The Directors believe that the Group is one of the largest independent online traffic providers to the gambling industry, generating customer traffic for over 120 online gambling operators including Betsson, Mr. Green, Vera & John (all in Scandinavia) and other established industry brands such as 888.com, Bet365, Ladbrokes, Unibet and William Hill.

The Company's business model is largely performance based. Approximately 75 per cent. of the Group's revenues for the six months ended 30 June 2013 came from a lifetime revenue share model in respect of players that the Group originates for the gambling operators. The rest of the Group's revenues for the same period were derived from models such as CPA or fixed payments. The Directors believe that this revenue model aligns the Group's interests with those of the gambling operators, deepening the business relationship, facilitates XLMedia's high client retention levels and also provides the Group with high quality recurring revenues.

The Group's business has a consistent track record of profitable growth and cash generation. Since 2008, it has generated year on year growth in revenue, EBITDA and profit after tax. In FY 2012, revenues were $26.1 million with EBITDA of $12.5 million, representing compound annual growth rates of 61.0 per cent. and 78.0 per cent. respectively since FY 2009. Revenue and EBITDA for the six months ended 30 June 2013 was approximately $16.0 million and $7.2 million respectively.

The global gambling industry was estimated to be worth $302 billion in 2012, with the online gambling component gaining an increasing share. As regulation of the online gambling market continues to develop, the Directors expect this market to continue to grow and see significant opportunities for the Group to expand its reach into new and existing territories and other verticals.

2. Key Strengths and Opportunities

The Directors believe that the Group has the following key strengths and opportunities:

Strong online asset base

The Group controls over 2,000 websites providing content in 17 languages. Certain of these websites are highly ranked on the most popular search engines and provide consistent, high value traffic to gambling operators. In FY 2012 and the six months ended 30 June 2013, these websites generated approximately $14.9 million and $9.4 million of revenue respectively.

Highly skilled and innovative talent base

The Group now has approximately 120 staff with significant experience and understanding of targeted online marketing for the online gambling sector. The Directors believe that the Group's employees are highly motivated as demonstrated by the Group's low staff turnover.

Significant scale and strong financial position

The Directors believe that the Group is one of the largest independent online traffic providers to the online gambling industry. This, together with its strong financial position, allows it to engage with leading gambling operators and attract affiliates who wish to partner with the Group.

Large customer base

The Group supplies traffic to over 120 online gambling operators including well known and established companies such as 888.com, Bet365, Betsson, Ladbrokes, Mr. Green, Unibet, Vera & John and William Hill. The Group has very high customer retention and there is a high degree of customer satisfaction.

Significant growth and market opportunity

Data compiled by gambling industry consultants H2 Gambling Capital suggests that the global gambling market was worth over €302 billion in 2012 growing, on average, at four per cent. per annum since 2007. The online gambling market was estimated to be worth approximately €24 billion in 2012 and is estimated to grow at an average annual growth rate of 10 per cent. per annum to 2018. The online gambling market has benefitted from improved broadband penetration and speed, technological advances, a growing number of market participants and greater acceptance of online gambling as a mainstream leisure pastime. The majority of markets in which the Group operates have experienced substantial double-digit revenue in the past six years. The Directors believe that the prospect of further liberalisation of the US market and the expansion of other regulated markets represents a significant growth opportunity for the Group.

Well positioned to consolidate a fragmented market place

The online gambling marketing sector is highly fragmented. The Directors believe the Group is well placed to consolidate this market through investments and acquisitions in existing and new territories. The Group has successfully acquired valuable online assets and marketing affiliates and has also identified a pipeline of attractive potential targets.

Strength and depth of the leadership team

The Group's senior leadership team, consisting of Chris Bell, the Group's Chairman, Ory Weihs, the Group's CEO, and other senior executives, has extensive experience within the online gambling sector. In 2003, Mr. Weihs set up his own affiliate network, adding SEO capabilities and has since overseen the growth of the business to where it is today. Mr. Bell was formerly Chief Executive of Ladbrokes plc and is currently a member of the UK Government's Responsible Gambling Strategy Board. Inbal Levi, the General Manager of Webpals Systems S.C. Ltd (the Company's subsidiary), has over ten years' of experience within the sector and previously served as VP Marketing for 888's poker business prior to joining the Group.

Effective systems for analysing the success of its marketing campaigns

The Group utilises a variety of business intelligence tools in order to track the flow of traffic to its customers and to analyse the quality and conversion of such traffic into revenue so as to improve the Group's return on investment as well as providing high quality services to its affiliates.

New Verticals

The Directors believe that the Group's core skill set of digital marketing could readily be transferred to adjacent market verticals, such as specialist financial services including forex, spreadbetting and CFDs, and that, over time, there will be significant opportunities to leverage these skills.

3. History and Organisational Structure

The Group's operations were established in 2008 by the combination of two separate businesses created by the Founders. Yaron Nahari and Assaf Levy founded WebPals Ltd in 2007, a company generating traffic for online gambling operators, predominantly through paid search advertising. At the same time, Ory Weihs was independently generating traffic for online gambling operators through the recruitment of affiliates and developing content for online gambling operators. Shortly thereafter, the Founders merged their operations in order to bring them within a single trading group. Whilst the business was initially focussed on poker websites, it has gradually expanded its focus to online casino, sports betting and bingo. From a team of nine people in 2008, the Group now has approximately 120 staff.

The Group has grown through a combination of organic growth and bolt on acquisitions of affiliates and high potential domain sites in the languages of the jurisdictions in which the Group operates. Once acquired, the Company works to improve such websites, adding content and value to the sites to increase traffic and, therefore revenues for the Group.

4. Overview of the Group's Business

Overview

The Group's clients are online gambling operators seeking to acquire players online. The Group has three divisions: (i) SEO; (ii) media buying; and (iii) an affiliate network. These divisions represented approximately 58.6 per cent., 24.8 per cent. and 16.6 per cent. respectively of the Group's revenue in the six months ended 30 June 2013. The Group enters into business relationships with gambling operators in one of four ways: on a revenue share; CPA; fixed fee; or a hybrid of any of these models.

SEO

The Group earns the majority of its revenue from the monetisation of traffic generated by its own portfolio of websites. The Group owns more than 2,000 websites which provide gambling related content, in 17 languages, to potential players. Approximately 200 of the Group's sites generated over 70 per cent. of the SEO division's revenue for the six months ended 30 June 2013. The sites' content, written by professional writers, is designed to attract online gamblers which the Group then directs to gambling operators. The sites either direct players to a certain operator or will allow the players to select the operator most relevant to their requirements.

The Group's strategy is to maintain a high ranking of its sites on leading search engines by continuously adding content and features. The Group seeks to optimise the user interface and experience by utilising sophisticated key word research, on page, off page and content optimisation techniques. The Group tracks the flow and quality of traffic to its customers using a number of in-house platforms to analyse the quality and conversion of traffic generated by its websites into revenue to achieve an improved return on investment.

Once a player is directed through a Group website to the site of an operator, that player is "tagged" in the operator's system as a player that was generated by the Group.

In this division, the Group's revenues are usually earned once a player generates a win for a gambling operator. The Group's typical remuneration is based on a lifetime revenue share model which can see the Group earn between 30 and 55 per cent. of the operator's winnings related to the relevant player. In certain circumstances, the Group receives either a one off CPA in lieu of a lifetime revenue share or a fixed periodic fee.

Creation and Deployment of Marketing Campaigns ("Media Buying")

Approximately 25 per cent. of the Group's revenue for the six months ended 30 June 2013 was generated from online media campaigns deployed across a range of platforms including display, mobile and social.

The Group's Media Buying division acquires online advertising media targeted at potential players with the objective of directing them to the Group's customers. The Group buys advertising space on search engines, websites and social networks and places adverts referring potential players to the Group's customers' websites or to its own websites.

The Group has the ability to run a large number of simultaneous marketing campaigns across different platforms and in different languages focussing on key word searches and display adverts on popular websites. The Directors believe that the Group's established industry relationships, scale and track record help it to achieve favourable media buying terms when compared to new entrants in the market.

The Group uses in house developed platforms and iterative testing of adverts and placements as well as frequent analysis of traffic generation to ensure that returns from this division are maximised.

The Group has recently hired a team of experienced individuals to focus on media buying for display, mobile, in app advertising and social networks to address the growing opportunity that the Directors believe exists on these platforms.

Affiliate network

Approximately 16 per cent., of the Group's revenue for the six months ended 30 June 2013 was generated from its marketing affiliate network.

The Group currently manages approximately 300 active affiliates, whose role is to direct potential players to the Group's customers for which the Group receives revenues. The Group is then responsible for paying its affiliate partners. The Directors believe that the Group's affiliate programme is attractive to existing and potential affiliates as it enables them to have a single point of contact to direct traffic to, and receive monies from, rather than engaging in multilateral negotiation, administration and collection of revenues from the operators.

Having a large affiliate network provides the Group with additional scale to negotiate with the gambling operators. The Directors believe that the Group is adept at driving volumes in this segment, that it provides the Group with valuable business flow and it will help identify potential acquisition targets for the Group. As the network offers marketing affiliates the ability to promote many brands, the Group often obtains a large share of traffic from the total traffic that that individual affiliate generates.

5. Industry Overview and Market Potential

Data compiled by gambling industry consultants H2 Gambling Capital suggests that the global gambling market grew from €248 billion in 2007 to over €302 billion in 2012, as defined by gross gambling yield to the operator.

During such time, the global online gambling market, which developed in the mid-1990's, grew from €15 billion in 2007 to over €24 billion in 2012. Of this amount, sports betting is estimated to have accounted for approximately €11 billion, followed by casino at approximately €5 billion, poker at approximately €3 billion and bingo at approximately €1.3 billion.

Increased broadband penetration, speed and technological advances have greatly benefitted the online gambling market, with the number of market participants growing year on year as online gambling becomes increasingly accepted as a mainstream leisure activity. Additionally, the market has benefitted from significant investment by the online gambling industry to promote its services, increased consumer confidence in effective and low cost payment mechanisms and from traditional land based businesses making their products available on the internet.

The EU represents the largest online gambling market worldwide, with an estimated 45 per cent. share of the market in 2012. The annual growth rate of the online global market in the EU was approximately 15 per cent. between 2007 and 2012 and annual revenues are expected to reach approximately €14 billion by 2015.

Scandinavia forms an important part of the Group's target markets and the online gambling market there was estimated in 2012 to be worth approximately €2 billion, accounting for approximately 6.9 per cent of the global online gambling market. H2 Gambling Capital expects the online gambling industry in Scandinavia to have grown significantly by 2015. In Sweden, online gambling revenues are expected to grow from €603 million in 2012 to €717 million in 2015, a 19 per cent. increase whilst in Denmark, online gambling revenues are expected to grow from €392 million to €455 million during the same period, a 16 per cent. increase. In Norway, revenues from online gambling are expected to grow more quickly, from €282 million in 2012 to €378 million in 2015, a 34 per cent. increase whilst in Finland, growth is predicted to be even faster, with revenues from online gambling increasing by 40 per cent. from €637 million to €890 million over the same period.

With the US a key target market for the Group, H2 Gambling Capital estimates that whilst the gambling market generally in the US will grow from €94 billion in 2012 to €104 billion in 2015, a 10 per cent increase, the online gambling segment is estimated to grow by 34 per cent, from €3.5 billion in 2012 to €4.7 billion in 2015.

6. Competitors

In terms of scale, the Directors are not aware of any stand alone, marketing businesses in Europe focused solely on the online gambling market. The Directors believe that the Group is one of the largest independent digital marketing companies able to promote a large number of online gambling brands.

The Directors believe that the Group's primary competition comes from the marketing departments of online gambling operators seeking to promote their own brands, who often outsource part of their marketing activities to a variety of small affiliates, and from other online gambling service providers (such as Playtech plc) or digital marketing companies (such as Highlight Media Group) where affiliate marketing, media buying and/or SEO services are ancillary to their main offering or where the online gambling market is not their sole focus.

7. Strategy

The Group's intention is to continue being a leading traffic supplier to the online gambling industry while expanding and diversifying the Group's activities and methodologies. The Directors expect the Group to achieve this through the adoption of three strategies as follows:

Geographic Market Strategy

The Group has a scalable platform which, the Directors believe, provides the basis for growth in existing markets and entry into new territories. While the business has a strong presence in Scandinavia, the Group still has a small market share in those markets and intends to continue to invest and organically develop the Group's position there.

The Group also intends to expand its operations into jurisdictions where the Directors believe significant opportunities exist, with an initial focus on the US. In implementing its international expansion strategy, the Company will take into consideration the overall market potential, the regulatory environment and the competitive landscape already existing in such jurisdictions.

US Strategy

The US online gambling market, which was previously the largest in the world, effectively closed following the enactment of the UIGEA in 2006. It has only recently started to re-open with the US states of Delaware, Nevada and New Jersey operating a licensing regime with further US states expected to follow suit. The Group has already received authorisation from the state regulator in New Jersey enabling it to contract with operators targetting players in that US state on a fixed fee basis and is in the process of applying for a licence which will enable the Group to operate on a more flexible revenue model based on receiving fees per player referred. The Group has signed agreements with 888.com (for New Jersey) and with Caesars Interactive Entertainment Inc (for New Jersey and Nevada) to serve as an online marketing partner for certain of each entity's respective brands, and is in ongoing discussions with other licenced gambling operators. Further, the Group intends to expand its affiliate network in the US to capitalise on the early mover advantage that the Directors believe that the Group has from being one of the first affiliate marketing companies to commence operations in the US online gambling sector.

Acquisition Strategy

The Directors believe that the Group is well positioned, through its scale and financial resources, to engage in consolidation of a highly fragmented market and have identified a pipeline of potential acquisition opportunities. The Group is currently at advanced stages of due diligence with respect of three such opportunities as follows:

(a) "*Target A*" is a profitable network of gambling content sites which the Directors believe have high value added content supported by an established brand in the gambling community. The Board believes that the business of Target A is complementary to the Group and will allow the Group to extend its reach into other European markets where, to date, the Group has been less active. Furthermore the Directors believe that the acquisition of Target A would be strategically important in facilitating the Group's penetration of the US market due to Target A's brand value and also by augmenting the Group's product offering.

(b) "*Target B*" is a profitable affiliate site focussed on sports betting. The Directors believe that the acquisition of Target B would complement the Group's existing efforts in the sports betting vertical as well as in non-search dependent websites and further diversify the Group's presence in Europe.

(c) *"Target C"* is an established European domain name generating traffic for a number of operators. The Directors believe that, by leveraging the Group's platform and resources, Target C could be monetised further through a significant increase in traffic generation.

Prospective investors should note that there can be no guarantee that any of these opportunities will proceed.

8. Selected Financial Information

The financial information for the Group set out below has been extracted without material adjustment from the historical financial information for the three years ended 31 December 2012 and the six months ended 30 June 2013 set out in Part 4 of this document.

The historical financial information combines the entities forming the current Group structure together with the entities that operate the business activities in the former ownership structure in order to reflect the ongoing business activities and common management of all of these entities.

Prospective investors should read the whole of the information set out in this document and not rely solely on the summary information set out below.

	Year ended 31 December 2010 (audited) $'000	**Year ended 31 December 2011 (audited) $'000**	**Year ended 31 December 2012 (audited) $'000**	**Six months ended 30 June 2013 (unaudited) $'000**
Revenue	11,181	20,896	26,135	16,005
Operating profit	3,996	8,747	12,069	6,918
Profit before tax	3,948	8,361	13,474	6,626
Net Assets	6,203	13,264	8,072	13,507

9. Current Trading and Prospects

For the first six months ended 30 June 2013, the Group's revenues amounted to $16 million, representing 25 per cent growth over the same period in 2012. During the period since 30 June 2013, the Group's revenues have continued to grow and record levels were achieved in the fourth quarter of 2013. FY 2013 ended with revenues of $34.5 million and EBITDA (excluding share based payments) of $13.3 million.

The Group has had a positive start to the current financial year and trading continues in line with the Directors' expectations. In January 2014, the Group commenced driving traffic to operators in New Jersey and Nevada and is seeing the number of players from these US states continue to grow. The Group is in the process of submitting a full licence application in both New Jersey and Nevada which will allow a closer partnership with local operators and enable the Group to transact on a more flexible revenue model based on receiving fees per player referred. The Group is currently investing in the recruitment of dedicated staff, developing traffic channels and expanding its US client base.

Given the positive start to the current financial year and their assessment of the strength of the Group's strategy and business model, the Directors have confidence in the Group's prospects for the current financial year and beyond. The Board is focused on the Group's strategy to continue being a leading supplier of traffic to the online gambling industry while expanding and diversifying the Group's activities and methodologies.

The net proceeds of the Placing available to the Group will enable it to raise the profile, transparency and status of the Company, benefitting the Group's relationships with gambling operators, as well as facilitating access to capital and providing currency for acquisitions assisting the Group's ability to grow and expand into new geographic markets.

10. Reasons for Admission and Use of Proceeds

The net proceeds from the Placing receivable by the Company are expected to be approximately £29.1 million ($48.4 million) and are intended to be used as follows:

- the acquisition of qualified marketing companies in the EU and US from an identified pipeline of opportunities to accelerate organic growth and expansion into new territories;
- to fund the acquisitions of high potential domains and country specific joint ventures with operators; and
- for investment in IT systems.

The Directors believe that Admission will assist XLMedia in its development by (i) raising its profile in the sector; (ii) providing investment to fund growth; (iii) facilitating access to capital and providing currency for acquisitions, thereby assisting the Group's ability to grow; and (iv) providing transparent incentives for existing and future management and employees.

11. Directors and Senior Management

On Admission, the Board of the Company will comprise one executive Director and four non-executive Directors.

Board

Ory Weihs, 33 – Chief Executive Officer

Mr. Weihs is one of the Founders and leads the Group's business development and key strategy. Mr. Weihs is an entrepreneur who has been deeply involved in the online gambling industry for over ten years. He is a common speaker at industry events and is known as an expert in online marketing. He has a B.Sc. in Industrial Engineering from the Technion – Israeli Institute of Technology from 2007.

Chris Bell, 56 – Independent Non-Executive Chairman

Mr. Bell was Ladbrokes plc's CEO for nine years before leaving in 2010. Mr. Bell has 20 years' experience in the gambling industry. Having joined Ladbrokes in 1991, he became managing director in 1994 and joined the Hilton board in 2000. Mr. Bell is also a senior independent director at Quintain Estates and Development plc, a non-executive director at Spirit plc and a member of the Responsible Gambling Strategy board which advises government on gambling policy. Prior to joining Ladbrokes plc, Mr. Bell held senior marketing positions at Victoria Wine Co and Allied Lyons plc.

Richard Rosenberg, 58 – Independent Non-Executive Director

Mr. Rosenberg is a qualified chartered accountant and a partner in SRLV, a London-based multi-disciplinary accountancy and consultancy firm which he co-founded in 1988. Mr. Rosenberg is the Non-Executive Chairman of Livermore Investments Group Limited, an AIM quoted investment company.

Alicia Rotbard, 68 – Independent Non-Executive Director

Ms. Rotbard is an experienced entrepreneur, founding and managing technology companies. Ms. Rotbard serves on a number of boards including Israel Discount Bank, the third largest bank in Israel, Pointer, a fleet management company traded on NASDAQ, Hadera Paper, a public company trading on the Tel Aviv Stock Exchange and Queenco Leisure International Ltd, a public hotels and leisure company traded on the London Stock Exchange. Ms. Rotbard served as the deputy General Manager of the Tel Aviv Stock Exchange from 1980 – 1985.

Yaron Eitan, 57 – Non-Executive Director

Mr. Eitan is a partner of Columbus Nova Technology Partners, a technology-focused venture capital fund and joined the Board in conjuction with an investment by IVPL (a shareholder of the Company which will own approximately 10.11 per cent. of the Enlarged Share Capital) and is also the founder and managing partner of Selway Capital, an investment management firm whose portfolio includes equity holdings in private and public companies in the technology and healthcare industries. Prior to launching Selway, Mr. Eitan ran several companies including Reshef Technologies, Patlex, and Geotek Communications. He currently serves as Chairman of a number of companies including Healthcare Corporation of America, DVTel Inc, Magnolia Broadband, and Software Technology, Inc. He is also a director of LifePrint Group and Cyalume Technologies Holdings, Inc. Mr. Eitan served in the Israeli Defense Forces for six years, where he reached the rank of Major. He received his bachelor's degree in economics from Haifa University and an M.B.A. from the Wharton School of Business at the University of Pennsylvania.

Senior Management

Liat Hellman – Chief Financial Officer (Israel)

Ms. Hellman has served as the CFO of WPS since its incorporation. Previously, Ms. Hellman served as CFO of Satcom Systems Group, a group of companies in the field of satellite telecommunications listed on the Tel Aviv Stock Exchange. From 2000 to 2002, Ms. Hellman held a senior financial position at Gilat Communications Ltd. From 1997 to 1999, she worked as an auditor for BDO Ziv and Co. Ms. Hellman has a BA in Economics and Accounting from the Hebrew University of Jerusalem, an M.B.A. from Tel Aviv University and is a licensed CPA (Israel).

Yehuda Dahan – Director of Finance

Mr. Dahan has over 11 years' experience in accounting and finance and worked previously as CFO for both Milomor Group, Israel and Barinboim Investment Group. Mr. Dahan holds a B.A in Economics and Accounting from Tel Aviv University.

Inbal Lavi – Managing Director (Israel)

Mrs. Lavi has over 10 years' experience in the online gambling industry and a diverse background in marketing strategy, operations and financial management. Prior to joining the Company, she served as VP Marketing for the poker division of 888.com until January 2014. From 2002 to 2004, Mrs. Lavi worked at El-Al Israeli Airways as Operations Research Engineer, having graduated from Tel Aviv University with a BSc and MSc in Industrial Engineering.

Amit Maor – Chief Technology Officer

Mr. Maor has more than 20 years' experience in IT. Prior to his appointment as CTO of the Company in 2013, he was Chief Technical Officer of Efix Financial Solutions Ltd (operator of iForex.com). Mr. Maor holds a BA in Economics & Computer Science from Bar Ilan University, Israel, as well as an MBA from College of Management, Israel.

Ofer Yahav – VP Media

Mr. Yahav has extensive experience in sponsored marketing for various platforms including social marketing, mobile marketing and media buying. He joined the business in 2008 and was responsible for building the Group's Media Buying division and leading the Group's marketing campaigns.

Guy Shlaifer – Content & Search

Mr. Shlaifer joined the business in 2009 to head the Group's SEO division. Prior to this, he held a number of senior marketing and R&D roles for technology companies. Mr. Shlaifer has over 14 years' experience in marketing and R&D and holds an MBA from Tel Aviv University as well as a BSc in Computer Science from Ben Gurion University, Beer-Sheva.

12. Corporate Governance

There are no specific corporate governance guidelines which apply generally to companies incorporated in Jersey. However, the Directors are subject to various general fiduciary duties and duties of skill and diligence under Jersey company laws and statute. In addition, the Directors recognise the value and importance of high standards of corporate governance. Accordingly, whilst the UK Corporate Governance Code does not apply to AIM companies, the Directors intend to observe the requirements of the UK Corporate Governance Code to the extent they consider appropriate in light of the Group's size, stage of development and resources. The Board also proposes, so far as practicable, to follow the recommendations set out in the corporate governance guidelines for smaller quoted companies published by the Quoted Companies Alliance.

Board

The Board will be responsible for the overall management of the Group including the formulation and approval of the Group's long term objectives and strategy, the approval of budgets, the oversight of the Group's operations, the maintenance of sound internal control and risk management systems and the implementation of Group strategy, policies and plans. Whilst the Board may delegate specific responsibilities, there is a formal schedule of matters specifically reserved for decision by the Board; such reserved matters will include, amongst other things, approval of significant capital expenditure, material business contracts and major corporate transactions. The Board will formally meet on a regular basis to review performance.

The Board has established an audit committee, a remuneration committee and a risk committee with formally delegated duties and responsibilities as described below.

Audit committee

The audit committee will be responsible for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems, monitoring the effectiveness of the internal audit function and overseeing the relationship with the external auditors (including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings).

The audit committee will initially comprise Chris Bell, Richard Rosenberg and Alicia Rotbard and will be chaired by Mr. Rosenberg. The audit committee will meet at least four times a year at appropriate times in the reporting and audit cycle and otherwise as required. The audit committee will also meet regularly with the Company's external auditors.

Remuneration committee

The remuneration committee will be responsible for determining and agreeing with the Board the framework for the remuneration of the chairman, the executive director(s) and other designated senior executives and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments and share options or other share awards. The remuneration of non-executive directors will be a matter for the chairman and the executive director(s) to determine. No Director will be involved in any decision as to his or her own remuneration.

The remuneration committee will initially comprise Chris Bell, Richard Rosenberg and Alicia Rotbard who will chair the committee. The remuneration committee will meet at least twice a year and otherwise as required.

Risk committee

The Company has established a risk committee chaired by Chris Bell. The other members consist of Richard Rosenberg and Ory Weihs. The risk committee receives presentations from management on risk, compliance and regulatory issues and reviews the related internal control systems. From time to time, representatives of the Company's lawyers will be invited to attend committee meetings and/or present at them.

Share dealing code

The Company has adopted a share dealing code for Directors and applicable employees of the Group for the purpose of ensuring compliance by such persons with the provisions of the AIM Rules relating to dealings in the Company's securities (including, in particular, Rule 21 of the AIM Rules). The Directors consider that this share dealing code is appropriate for a company whose shares are admitted to trading on AIM.

The Company will take proper steps to ensure compliance by the Directors and applicable employees with the terms of the share dealing code and the relevant provisions of the AIM Rules (including Rule 21).

13. Dividend Policy

The Company has historically paid dividends and intends to continue doing so. The Board's proposed policy is to pay out at least 50 per cent. of retained earnings in any financial year by way of dividend. The Directors will continue to monitor the level of cash retained within the business as well as investment opportunities available to the Group and, from time to time, review the continued appropriateness of such policy.

14. Details of the Placing

Cenkos has entered into the Placing Agreement with the Company, the Directors and the Selling Shareholders. Under the Placing Agreement, Cenkos has conditionally agreed, as agent of the Company and the Selling Shareholders to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Shares are being placed with institutional and other investors including two of the Directors, Chris Bell and Richard Rosenberg who have agreed to subscribe for 357,000 Placing Shares and 51,000 Placing Shares respectively. The Placing is not being underwritten.

The Placing is conditional, amongst other things, on Admission taking place on or before 21 March 2014 (or such later date as the Company and Cenkos may agree, but in any event not later than 4 April 2014) and on the Placing Agreement becoming unconditional and not being terminated prior to Admission.

The Subscription Shares to be issued pursuant to the Placing will be issued credited as fully paid and will, on Admission, rank *pari passu* in all respects with the Existing Shares (including the Sale Shares) including the right to receive all dividends or other distributions declared, made or paid after Admission. The Subscription Shares and the Sale Shares are expected to represent approximately 35.4 per cent. and 9.7 per cent. respectively of the Enlarged Share Capital.

After deduction of fees, commissions and expenses payable by the Company, the net proceeds of the Placing receivable by the Company are expected to be approximately £29.1 million ($48.4 million)

million. A commentary on the proposed use of the net proceeds of the Placing is given in the paragraph headed "Reasons for Admission and Use of Proceeds" in paragraph 10 above.

Further details of the Placing Agreement are set out in paragraph 8 of Part 5 of this document.

15. Employees and Incentive Arrangements

As at 30 June 2013 the Group had 100 employees and consultants.

The Company intends to attract, retain and incentivise employees, directors, officers and consultants through the Group Share Incentive Plan. As at the date of this document, Options have been granted over 8,250,000 Ordinary Shares. Details of the key terms of the Group Share Incentive Plan and the Options granted pursuant to such plan are set out in paragraph 4 of Part 5 of this document.

16. Lock In and Orderly Market Agreements

WELP and IVPL have each agreed, pursuant to the terms of Lock-in and Orderly Market Agreements, that (subject to certain limited exceptions) for a period of twelve months from Admission, they will not dispose of Ordinary Shares (or any interest therein) except with the prior written consent of the Company and Cenkos. In addition, they have each agreed that (subject to certain limited exceptions) any disposal of Ordinary Shares between the first anniversary of Admission and the second anniversary of Admission, will be made through Cenkos, or the Company's broker from time to time (as applicable), in such orderly manner as they shall reasonably determine.

WELP is ultimately controlled by Zvika Barinboim and Avner Yassur and they have entered into Letters of Undertaking pursuant to the terms of which they have agreed with the Company and Cenkos that, except with the prior consent of the Company and Cenkos and subject to certain limited exceptions, they will continue to ultimately control their interests in WELP until the second anniversary of Admission. In addition, Mr. Barinboim and Mr. Yassur have each agreed to exercise all rights available to them to procure that WELP complies with the terms of the Lock-In and Orderly Market Agreement entered into by WELP.

Ory Weihs, the Chief Executive Officer of the Company, and Shay Ben-Yitzhak who have an indirect interest in WELP have entered into Letters of Undertaking pursuant to the terms of which they have agreed that they will not, except with the prior consent of the Company and Cenkos and subject to certain limited exceptions, transfer any of such interests prior to the second anniversary of Admission.

Further details of the Lock-in and Orderly Market Agreements and Letters of Undertaking are set out in paragraph 12 of Part 5 of this document.

17. Admission, Settlement and Dealings

Application has been made to the London Stock Exchange for the Existing Shares and the Subscription Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM on 21 March 2014.

The Ordinary Shares will be in registered form and will be eligible for settlement through CREST.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles contain provisions concerning the holding and transfer of Ordinary Shares in uncertificated form in accordance with the CREST Regulations. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission and Euroclear has agreed to such admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if the relevant Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

In the case of Placees who have requested to receive Placing Shares in uncertificated form, it is expected that CREST accounts will be credited with effect from 21 March 2014. In the case of Placees who have requested to receive Placing Shares in certificated form, it is expected that share certificates will be despatched by post within 14 days of the date of Admission.

No temporary documents of title will be issued. All documents sent by or to a Placee who elects to hold Ordinary Shares in certificated form, or at his or her direction, will be sent through the post at the Placee's risk. Pending the despatch of definitive share certificates, transfers will be certified against the register of members of the Company.

18. Relationship Agreement

Immediately following Admission, WELP will be entitled to exercise or control voting rights in respect of approximately 44.9 per cent. of the Enlarged Share Capital and will have the ability to exercise a controlling influence on the business of the Company and may cause or take actions that are not in, or may conflict with, the best interests of the Company or its Shareholders as a whole. Accordingly, the Company and WELP have entered into a Relationship Agreement which regulates the relationship between WELP and the Company and ensures that the Company is capable of carrying on its business at an arm's length from WELP. The principal terms of the Relationship Agreement are summarised in paragraph 12 of Part 5 of this document. In addition, under the Letters of Undertaking entered into by Zvika Barinboim and Avner Yassur (who, together, ultimately control WELP) which are referred to above and further described in paragraph 12 of Part 5 of this document, Messrs. Barinboim and Yassur have agreed to exercise all rights available to them to procure that WELP complies with the terms of the Relationship Agreement.

19. Concert Party

Certain persons are considered to be acting in concert with WELP in relation to the Company for the purposes of the City Code by virtue of their interests in WELP, the Company's largest shareholder post Admission. Following Admission, members of the Concert Party will hold, in aggregate, 85,040,327 issued Ordinary Shares (all of which will be held by WELP), representing approximately 44.86 per cent. of the Enlarged Share Capital. In addition, Ory Weihs and Gil Moram, each of whom is a member of the Concert Party, hold Options to acquire a total of 2,540,000 and 1,260,000 new Ordinary Shares respectively, further details of which are set out in paragraphs 4 and 5 of Part 5 of this document. Assuming that these Options, which are not fully vested, were exercised in full (and that there are no other changes to the Company's issued share capital), the members of the Concert Party would hold, in aggregate, 88,840,327 Ordinary Shares, representing approximately 45.94 per cent. of the Enlarged Share Capital.

Details of the Concert Party, whose members comprise WELP, Zvika Barinboim, Avner Yassur, Marc Zalcman, Gil Moram, Shay Ben-Yitzhak, Alex Rabinovitch and Dejan Nikolic as well as the Founders, Ory Weihs, Assaf Levy and Yaron Nahari are set out below:

a. Mr. Barinboim and Mr. Yassur together have sole ultimate control of the voting rights in WELP (and, accordingly, sole ultimate control of the exercise of voting rights attaching to WELP's 44.86 per cent. holding in the Company on Admission. Mr. Barinboim holds his interest in WELP indirectly through S.G. Textile Holdings Limited ("SG Textile"), a company in which he ultimately holds an 86 per cent. interest with the remaining 14 per cent. interest held by Mr. Zalcman;

b. Mr Moram is chief executive officer of SG Textile. As described above, he holds Options to acquire 1,260,000 new Ordinary Shares but has no other direct or indirect interest in WELP or the Company. He would hold any shares resulting from the exercise of these Options directly in the Company and not indirectly through WELP;

c. Mr. Ben-Yitzhak, Mr. Rabinovitch and Mr. Nikolic each hold an indirect economic interest in WELP (with no control over the exercise of the voting rights in WELP). Each of them has other common investments with Mr. Yassur; and

d. The Founders, namely Mr. Weihs, Mr. Levy and Mr. Nahari, each hold an indirect economic interest in WELP (with no control over the exercise of the voting rights in WELP). Mr. Weihs is the Company's CEO but Mr. Levy and Mr. Nahari are no longer involved with the Company. In addition, as described above, Mr. Weihs has Options to acquire, in aggregate, 2,540,000 new Ordinary Shares. He would hold any shares resulting from the exercise of his Options directly in the Company and not indirectly through WELP.

20. The City Code on Takeovers and Mergers and the Concert Party

Brief details of the Panel on Takeovers and Mergers (the "Panel"), the City Code and the protections they afford are given below.

The Company is a public company incorporated in Jersey and its Ordinary Shares will be admitted to trading on AIM. Accordingly, the City Code applies to all takeover and merger transactions in relation to the Company and operates principally to ensure that shareholders of the Company 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. The City Code also provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers has now been placed on a statutory footing.

The City Code governs, *inter alia*, transactions which may result in a change of control of a company to which the City Code applies. Under Rule 9 of the City Code any person who acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the City 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 City 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 City 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 City Code further provides, among other things, that where any person who, together with persons acting in concert with him holds over 50 per cent. of the voting rights of a company, 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.

Immediately following Admission, the Concert Party will be interested in, in aggregate, 85,040,327 issued Ordinary Shares (all of which will be held by WELP), representing approximately 44.86 per cent. of the Enlarged Share Capital. As described in paragraph 19 above, certain members of the Concert Party will have Options to acquire, in aggregate, 3,800,000 new Ordinary Shares which, if exercised in full would result in members of the Concert Party holding, in aggregate, 88,840,327 Ordinary Shares representing approximately 45.94 per cent. of the issued share capital following the exercise of those Options (assuming that there are no other changes to the Company's issued share capital prior to such exercise). As these Options were in existence prior to Admission, the Panel has confirmed that any exercise of these Options will not result in the Concert Party incurring an obligation to make an offer under Rule 9 of the City Code.

However, should any member of the Concert Party acquire any interest in Ordinary Shares apart from pursuant to the exercise of these Options (or should any individual member of the Concert Party acquire any interest in Ordinary Shares such that they are interested in 30 per cent. of more of the voting rights of 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.

21. Taxation Information for investors

The attention of investors is drawn to the information regarding taxation set out in paragraphs 10 and 11 of Part 5 of this document. The information is intended only as a general guide to the current tax position under UK and Jersey taxation law for certain types of investor. **Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their professional adivsers.**

22. Further Information

The attention of prospective investors is drawn to the financial and other information set out in Parts 4 and 5 of this document, which provide additional information on the Group. In particular, prospective investors are advised to consider carefully the risk factors relating to any investment in Ordinary Shares set out in Part 3 of this document.

PART 2

REGULATION

INTRODUCTION

This section sets out the regulatory issues that are pertinent to the supply of marketing services to online gambling operators. While marketing service providers are generally not subject to specific regulation themselves (in the form of any requirement to hold licences, although it should be noted that the new regulatory regimes in Nevada and New Jersey have introduced a licensing regime for gambling marketing), they operate in a regulated sector and must therefore be cognisant of the regulations that affects their gambling operator customers. Further, in many jurisdictions, there are laws that that restrict the ability of both gambling operators and marketing service providers to provide marketing to residents of those jurisdictions.

Attention is also drawn to the section headed ''Risk Factors'' in Part 3 of this document.

OVERVIEW OF REGULATORY ISSUES

Worldwide there are laws and regulations that seek to prohibit or to regulate gambling activities (conducted both offline and online). Accompanying those laws and regulations are often restrictions on the marketing and promotion of gambling. In some instances, the restrictions on marketing will arise from social concerns and a wish to limit gambling activities within a jurisdiction. In other cases, the restrictions will be there to protect a national monopoly (and the tax revenues that flow from such a monopoly).

Marketing restrictions may be drafted in such a way as to apply to activities conducted both within and outside of a jurisdiction. In those cases it is necessary to consider not only the actual restrictions but importantly the risk of enforcement where an entity has no connection (in terms of people, assets and offices) in that jurisdiction. While most jurisdictions do not seek to enforce laws and regulations outside of their borders, there have been instances where extra territorial enforcement action has been taken against gambling operators and other service providers.

A further risk for companies providing affiliate marketing services is that they do not themselves vet or conduct checks in relation to players who may access gambling websites from links on the affiliate's website (merely acting as a conduit for such players). The onus is placed therefore on the gambling operator to conduct such checks so as to ensure that players are of qualifying age or are not accessing gambling products and services from territories where the activities are expressly prohibited. Reputable (and licensed) operators will have the necessary systems in place to vet their customers and therefore marketing service providers such as the Group can mitigate any risk posed by only entering into agreements with licensed operators.

Consideration also has to be given as to whether, if promoting gambling services in jurisdictions where the activity is illegal, affiliate marketing companies could be seen to be aiding and abetting a criminal offence. While the Group is aware of instances (e.g. in France) where this charge has been brought against marketing companies, the risk is generally considered to be low.

Attitudes and approaches to gambling activities (and the marketing of those activities) are changing constantly. From the complete shutdown of online gambling in the US in 2006 following the passage of the UIGEA, the market is now slowly opening up. Jurisdictions such as Denmark, Italy and France have introduced licensing regimes. Others, such as Germany, have limited the opportunities for private enterprises to offer gambling to their citizens and have sought instead to protect national monopoly operators. It is therefore important for marketing services businesses such as the Group to constantly monitor change to regulations and to assess its risk profile in light of such changes.

THE EU

While the Treaty on the Functioning of the European Union (''TFEU'') encompasses the principle of the free trade between the various member states of the EU, in practice this is subject to the ability of member states to derogate from the TFEU and to impose restrictions on the right to trade where it does so for the purposes of protecting the public interest. The right to derogate for gambling activities has been successfully claimed by some member states (such as Portugal) but has prompted others to introduce local licensing regimes (such as France and Italy).

Given that such licensing regimes are open to applicants from throughout the EU (and where jurisdictions such as Belgium have tried to link residency requirements to the right to apply for a licence, these requirements have been confirmed as being in contravention of the TFEU), they have been accepted by the European Commission. The European Commission is continuing to investigate the gambling regulations in a number of member states and has brought enforcement proceedings against some for contravention of the TFEU. However, despite hopes in the past that the investigations undertaken by the European Commission would lead to a harmonised licensing regime for gambling operators (with a right to "passport" licences from the EU jurisdiction to another, as applies in the financial services sector) this has not transpired and the reality now appears to be that gambling operators (and hence the service providers to such operators) will be subject to a myriad of licensing laws and regimes throughout the EU.

SPECIFIC JURISDICTION ISSUES

The Group's primary markets are Finland, Sweden, Norway and, increasingly, the US, which is a key target market for the Group. The Group previously operated in Turkey but has now ceased direct operations there. Set out below is a summary of the position in each of these jurisdictions as well as:

Finland

Finland has laws in place that restrict gambling activities from within the country to the national lottery operator. Although there are laws that seek to limit the marketing of gambling (which are technologically neutral and so apply equally to offline and online marketing), they are not (and have not been) enforced outside of Finland. It is not a criminal offence for Finnish customers to participate in online gambling offered by operators outside of Finland and, therefore, while marketing to such customers may be considered to infringe Finnish marketing laws, the risk of enforcement is regarded as low.

The Group seeks to minimise its risk by conducting all its marketing activities with respect to Finnish customers from outside of the jurisdiction. The laws in Finland have not been tested to date as to whether or not conducting marketing activities from websites based outside of the jurisdiction (albeit in the Finnish language) would be considered to fall within the prohibition against directing marketing targeting Finnish customers but given the low risk of enforcement activity to date (both against gambling operators, the more likely targets – and affiliate marketing companies) the Group considers that its operations with respect to Finnish customers are not high risk.

Sweden

As with Finland, Sweden has in force laws that seek to restrict the provision of gambling services only to companies based and licensed in Sweden and in turn, the only licensed operator is the national monopoly operator, Svenska Spel. While enforcement action has been taken against companies promoting foreign gambling operators (such as newspapers), the action has only been against Swedish established businesses (which is determined by reference to the place of residence of a business' organisation and management as well as the residence of management, board members and employees). The Directors are not aware of any enforcement action having been taken against either gambling operators or marketing companies based outside of Sweden and there are restrictions under Swedish law that prevent the Swedish authorities from doing so.

It is not a criminal offence for Swedish citizens to participate in online gambling products offered by foreign operators. Nor is it an offence for Swedish operators such as Betsson and Unibet to be based in Sweden provided that the servers making their gambling services available are based outside of Sweden.

The Group considers that the enforcement risk for providing its marketing services targeting Swedish customers is low.

Norway

Norway has a more restrictive regime than either Finland or Sweden as it seeks, in addition to prohibitions against foreign operated gambling and marketing, to restrict the payment processing of bets and wagers taken from Norwegian customers. Although the laws have been in place since 2010 this has seen little restriction on Norwegian customers placing bets and wagers and the Directors are not aware of any enforcement action having been taken against operators outside of Norway.

Although there are restrictions on marketing to Norwegian customers, these have not been enforced outside of Norway. The Group bases all of its operations outside of Norway (albeit that it operates using a Norwegian language website) and on the basis that the Norwegian authorities have demonstrated no inclination to enforce the restrictions against non-Norwegian entities, the Directors consider the risk of its Norwegian operations to be low.

The actions of the player in Norway are not criminalised, further evidence that the risk of marketing to Norwegian customers is low.

Turkey

The Group previously provided marketing services for businesses operating in Turkey. Turkey has laws which expressly prohibit both the provision of unlicensed gambling as well the marketing of such unlicensed gambling. The Turkish authorities have previously arrested employees of online gambling operators and charged those employees with criminal offences related to the provision of illegal gambling in Turkey. As a result of these arrests and statements issued by the Turkish authorities with respect to the enforcement of its laws relating to illegal gambling, Turkey is now perceived as a high risk jurisdiction.

In light of the enhanced risk presented by marketing to Turkish customers, the Group sold the assets comprising its Turkish facing business in October 2013. The consideration for the sale is payable on a deferred basis and the Group has agreed to provide certain on-going consultancy services to the purchaser of the business.

In theory, the legacy operations of the Group could attract criminal sanction from the Turkish authorities. However, Turkish lawyers have advised that this is unlikely given that the Group has no presence in Turkey (and generally punitive sanctions are brought only against individuals and not corporate entities). The Group can mitigate any risk to individuals by exercising a travel ban with respect to travel to Turkey.

While the receipt of the deferred consideration from the sale of the Group's Turkish business and the fees paid for the ongoing consultancy services may not, in theory, constitute money laundering, but could, instead constitute the crime of receiving proceeds of a crime – the crime in this case being the illegal activity of marketing unauthorised gambling – again, Turkish lawyers have advised that this is not a material risk under current Turkish laws as the criteria to prosecute foreigners in Turkey are not met.

The US

With the introduction of the UIGEA in the US in 2006, the US online gambling market was effectively closed. Although the UIGEA remains in force, generally federal gambling laws defer to state laws which has led to the decision by certain US states (namely Nevada, Delaware and New Jersey) to introduce online gambling licensing regimes. A number of others (such as California, Hawaii, Illinois, Iowa, Massachusetts, Mississippi, Pennsylvania and Texas) have also expressed an interest in introducing such regimes but have yet to do so.

Each of the Nevada, Delaware and New Jersey regimes permit the offering of online gambling products to residents of the US state only and licensed operators (which are required to be resident in each US state) are required to have in place systems designed to ensure that appropriate checks are made to effectively police this. As online gambling remains illegal in the majority of other US states, it will be important for operators to ensure that they comply with this obligation. Businesses (such as the Group) providing marketing services to licensed operators will be required by the operators with which they have entered into agreements to ensure that they are not targeting customers outside of the US state in question (and for products not licensed by the applicable authority). A failure to do so will mean that the marketing company will be in breach of its agreement with the operator but may also mean that it is infringing other state (and possibly federal) laws.

Companies wishing to provide marketing services to licensed operators will be required to comply with applicable federal and state legislation. Where advertising is permitted (and it will not be in all cases) it must be "truthful" and not make claims that cannot be substantiated and must clearly set out the terms on which offers are made. This is not so very different from advertising regimes in other jurisdictions in which gambling marketing is permitted.

However (and more importantly), the licensing regimes in Nevada, Delaware and New Jersey all have some requirement for marketing services companies to obtain authorisation and/or a licence to provide their services to licensed operators. The Group has already received authorisation from the state regulator in New Jersey enabling it to provide marketing services on a fixed fee basis (and has entered into arrangements to supply marketing services to operators licensed there). The Group is currently in the process of applying for a licence in New Jersey which will enable it to provide its marketing services to state licensed operators in New Jersey on more flexible revenue arrangements. In due course, the Group may also have to obtain licences from the Nevada and Delaware authorities (and indeed elsewhere in the US), depending upon regulatory developments and the nature of the services it provides and the business models under which it operates with respect to the operator in question.

PART 3

RISK FACTORS

An investment in 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 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 Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors or which the Directors currently deem immaterial may also have an adverse effect on the Group and the information set out below does not purport to be an exhaustive summary of the risks affecting the Group. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements.

If any of the following risks were to materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. In such cases, the market price of the Company's shares could decline and an investor may lose part or all of his or her investment.

1 Risks relating to the online gambling regulatory environment

1.1 Overview

1.1.1 The Group does not itself operate a gambling business but, as the Group's principal clients are online gambling operators, gambling legislation has a significant effect on the business of the Group (either directly or indirectly through its effect on the Group's clients' businesses), and in particular, the Group's marketing activities for certain gambling operators.

1.1.2 The Directors have taken legal advice with regard to the Group's activities in those countries which the Directors consider to be the principal countries of operation for the Group's primary customers, namely Finland, Norway and Sweden. Investors should be aware that, for the purposes of this document, the Directors have not taken advice or made investigations in relation to the legal position as it relates to the Group's activities in jurisdictions where the Group has a lower level of revenue (i.e. accounting for less than three per cent of total revenue for the six months ended 30 June 2013). However, in the course of carrying on its business, the Group has established a Risk Committee and also seeks to take legal advice in relation to such matters as and when the Directors believe it appropriate.

1.1.3 Online gambling is prohibited or restricted in some countries and regulated in others. In a number of countries the legal position is subject to much debate and the position is uncertain. In general terms, it is possible that, subject to the courts in the relevant countries being able to establish jurisdiction, online gambling and the Group's activities in relation to it does or may constitute (in a manner and to a degree which varies between countries) a breach of the applicable legislation in these countries. This may potentially expose the Group and/or its Directors to fines and other sanctions (including imprisonment), the nature and magnitude of which the Directors are presently not able to estimate.

1.1.4 Furthermore, the Directors cannot predict when (or if) the regulatory or legislative regime in any such countries will change, what changes (if any) will be made and what effect (if any) such changes will have on the Group's activities (although the Group does monitor (and where appropriate seek advice in relation to) changes in regulation or legislation). For example, it is possible that legislation in any relevant jurisdiction may make it illegal for players in that jurisdiction to participate in online gambling (and consequently the marketing of that activity will likely be also subject to regulation or prohibition). There is also a possibility that a tax authority in a relevant jurisdiction could seek to contend that the profits which the Group generates in that jurisdiction could be subject to tax there by virtue of the online facilities constituting a permanent establishment, branch or agency in that jurisdiction. Investors should be aware that any such changes could have a material adverse effect on the Group's business, financial position and future prospects.

1.1.5 Any future legal proceedings against the Group relating to the provision of online marketing services for operators could involve substantial litigation expense, penalties, fines, injunctions or other prohibitions being invoked against it or its directors and officers or others and the diversion of the attention of key executives. The outcome of any litigation cannot be predicted.

1.2 Legislation or regulation may be interpreted in such a way as to criminalise certain activities of the Group or any of its agents, affiliates or intermediaries, particularly in certain territories

1.2.1 The Group generates the majority of its income through providing online marketing services, specialising in generating traffic for gambling operators in return for a fixed payment, commission and/or a share of the revenue those gambling operators make by referring players to gambling operators as a result of the marketing activities provided to those operators by the Group. One of the consequences of the Group's provision of such online marketing (in return for a fixed payment, a commission and/or a share of an operator's revenue) is the potential regulatory risk associated with doing so. Whilst in many jurisdictions laws and regulations may not specifically apply to the provision of such online marketing services, this is not universally the case and, indeed, a number of jurisdictions have sought to regulate or prohibit such supply explicitly.

1.2.2 Laws and regulations relating to the supply of gambling services are complex, inconsistent and evolving and the Group may be subject to such laws indirectly insofar as it has assisted by generating traffic to gambling operators who are themselves subject to such laws.

1.2.3 Operators within the remote gambling industry have sought, in the past, to justify their activities by asserting that if remote gambling is permitted from the country of origin (i.e. from the point of supply) then such activities are legal regardless of the laws in the country of receipt, or that the laws in the country of receipt would have to specifically outlaw the activity of the customer (remotely accessing online gambling services or an entity in that jurisdiction) or have the authority to implement laws that impacted outside the jurisdiction in order to render the activity illegal, or entitle the country of receipt to assert jurisdiction. Operators have sought to reduce any associated risks of jurisdictions forming a contrary view by limiting or omitting to have physical presence in such jurisdictions where any connected activities are not clearly legal.

1.2.4 There are a number of jurisdictions that consider this rationale to be unjustified. Indeed in some territories, laws have been passed to expressly criminalise the provision of (and sometimes the participation in) gambling, irrespective of where the operator is located and licensed. For the greater part these laws have not been tested. However, in 2008 the Turkish government arrested two employees of Sportingbet who were in Turkey at the time for committing the offence of arranging facilities for gambling (an offence under the Turkish Criminal Code) and there have been other instances where executives from operators have been arrested and detained in other jurisdictions although charges have not always been brought thereafter.

1.2.5 There is a corresponding, continuing risk to any participant in the gambling industry (be they an operator, supplier or other service provider) that jurisdictions in which customers are located may seek to argue that such a participant was acting illegally in accepting or assisting in the acceptance of wagers from its residents. This could lead to actions being brought against gambling operators which, in turn, could have a detrimental effect on the financial performance and the reputation of the Group.

1.2.6 Some jurisdictions (primarily those outside of Europe) have not updated their laws to address the supply of online gambling, which by its nature is a multi-jurisdictional activity. Moreover, the legality of online gambling and the provision of services is subject to uncertainties arising from differing approaches by legislatures, regulators and enforcement agents including in relation to determining in which jurisdiction the game or the bet takes place and therefore which law applies. This uncertainty creates a risk for the Group that even in instances where older laws have not been updated to address new technology, courts may interpret older legislation in an unfavourable way and determine the operators' and/or the Group's activities to be illegal. This could lead to actions being brought against operators' and/or the Group or any of its directors, all or any of which may, individually or collectively, have a detrimental effect on the financial performance and the reputation of the Group.

1.2.7 Whilst the Directors have taken legal advice with regard to the Group's activities in those countries which the Directors consider to be the principal countries of operation for the Group's principal customers, the Group does not necessarily monitor, on a continuous basis, the laws and regulations in every jurisdiction where operators to which it provides marketing services derive their business and, correspondingly, from where the Group may derive its income. The Group adapts its regulatory policy as it considers necessary and, therefore, the scope of its ongoing monitoring on the basis that an individual market's materiality to both any relevant operator and to the Group may change. Despite this precaution, it nevertheless may continue to receive fixed payments, commissions and/or a share of revenue from operators dealing in jurisdictions where the Group may be unaware of the full extent of enforcement risk. However it is possible for these protections to be circumvented which may lead to the Group carrying out an unlawful activity, potentially exposing the Group and/ or its directors to fines and other sanctions which may have a material adverse effect on the financial performance and the reputation of the Group.

1.2.8 Despite the monitoring undertaken by the Group and the precautions it takes as to the location of employees or assets, there remains a prospect that, in the event of legislation being interpreted in an unfavourable or unanticipated way, such measures are not sufficient and result in actions being brought against the Group or its directors, all of which would have a detrimental effect on the financial performance and the reputation of the Group. Furthermore, similar actions could be brought against gambling operators with the consequence that revenue streams from such operators may be frozen or traced at the behest of authorities even if no Group entity is made a party to any legal proceedings against any such operators. Finally, there is also a risk that directors or employees of the Group or individuals engaged by it may face extradition, arrest and/or detention in (or from) such territories even if they are only temporarily present.

1.2.9 There are a number of jurisdictions in which operators may have players where it may be unlawful or may become unlawful for individuals to engage in online gambling. In these circumstances, any attempt in the future by regulatory authorities to take enforcement action against such individuals could significantly affect demand for the services supplied to operators by the Group and have a detrimental effect on its financial performance and reputation.

1.2.10 There are three territories from where certain operators to which the Group provides SEO services derive business and which accounted for more than 80 per cent. of the Group's revenues in respect of SEO for the six months ended 30 June 2013, in relation to which the Directors believe it is appropriate to draw specific attention to the associated risks. These are Finland, Sweden and Norway.

(a) Finland

There are laws in place in Finland that restrict gambling activities and limit marketing of gambling within Finland. While it is the case that these laws have not been enforced against service providers outside Finland, there is no certainty that status quo will remain. Any change of approach by the Finnish government could have a material adverse effect on the financial position of the Group.

(b) Sweden

There are laws in place in Sweden that restrict gambling activities and limit marketing of gambling within Sweden. While it is the case that these laws have not been enforced against service providers outside Sweden, there is no certainty that status quo will remain. Any change of approach by the Swedish government could have a material adverse effect on the financial position of the Group.

(c) Norway

There are laws in place that prohibit foreign operated gambling and/or marketing of gambling activities. While it is the case that these laws have not been enforced against service providers outside Norway, there is no certainty that status quo will remain. Any change of approach by the Norwegian government could have a material adverse effect on the financial position of the Group.

1.2.11 In addition to the principal territories above, the US is now considered by the Group to be a strategic market and hence it is appropriate to also draw attention to the specific risks attached to the regulation in the US states that have introduced a licensing regime (Nevada, New Jersey and Delaware) (and broadly the requirements of each of these states is similar). Each of the US states will only license operators who are based in the US state (and in the case of Nevada and New Jersey the operator must be an entity holding a licence to operate a land based casino but who may partner with an independent gambling intermediary). Only players who have an account with the casino and are physically present in the state are permitted to gamble using the facilities offered by the operator. In addition, providers of services to the gambling industry, such as the Group will also be required to obtain a licence (and/or similar authorisation) to provide such services. The Group will therefore have to ensure that it has appropriate systems in place to ensure that it operates in accordance with any authorisation and/or licence and that it can effectively block access to its websites from players who are based outside of any of the states in which it intends to operate. A failure to do so could result in the Group becoming blacklisted both by regulators and operators which in turn would have a material adverse impact on its US strategy and the financial position of the Group.

1.3 The activities of the Group and its own affiliates could give rise to legal and regulatory risks

1.3.1 The gambling industry relies on networks of marketing affiliates to promote its services, often by way of localised advertising initiatives, which are vital for maximising player acquisition opportunities and assisting with player retention programmes. As well as the Group acting as an affiliate marketer for online gambling operators, the Group works with third party sub-affiliates who work as sub-contractors and provide the same services as the Group does to operators or otherwise further sub-contracts the provision of such services to third parties.

1.3.2 If local gambling laws or regulations are applied to prevent the Group or such affiliates from continuing to conduct business in any given territory, this would have a material adverse effect on the business of the Group. Alternatively, legislation may be passed that seeks to regulate and/or restrict such business activity which could render such affiliate networks less efficient or less effective. The Group's financial position may be adversely affected in such circumstances.

1.3.3 The Group has no formal registration procedure when engaging third party sub-affiliates and, as a consequence, could expose the Group to risks associated with the activities of affiliates (including in connection with bribery and corruption). Should an affiliate carry out its activities in a manner which is unauthorised by the Group, this could give rise to reputational and legal risks, which in turn could have a material adverse effect on the Group's reputation, business, financial condition and operating results.

1.3.4 Further, the Group has not investigated the local laws and regulations which may apply to its affiliates' activities or the relationship between the Group and its affiliates, and the Group has no visibility or control over whether the affiliates are conducting their advertising activities in accordance with such laws and regulations. There is a risk that liability for activities of affiliates which are in breach of local laws and regulations could attach to the Group and result in civil, criminal, regulatory or other penalties being imposed upon the Group or its Directors, or that such activities could result in or contribute to action being taken against the Group by a regulator in any relevant jurisdiction. In order to mitigate the impact of this risk on the Group, the Company has introduced a standard agreement to be entered into with the Group's affiliates, which includes an indemnity in favour of the Group in relation to losses arising in connection with an affiliate's operations, although there is no guarantee that the Group will be able to impose such indemnity against all its affiliates. There is also a risk that activities of affiliates could result in adverse tax, legal or regulatory consequences for the Group or that the application of laws and regulations in any jurisdiction could imply certain terms into the relationship between the Group and its affiliates which could have a material adverse effect on the Group's business, financial condition and operating results.

1.3.5 By their nature, affiliate networks operate in such a way that it can be a challenge to monitor their day-to-day activities. Whilst the Group seeks to impose terms and conditions on the affiliate networks it manages nevertheless there may be a commercial incentive in the networks' arrangements with operators for such affiliates to operate in a way that contravenes local laws and regulations, such as local data protection laws. Where such activity does occur, the Group has the ability to terminate such relationships but, in the interim, it may suffer damage to its reputation. Moreover, in such circumstances operators may choose to cease using the Group for affiliate management services, thereby damaging its financial performance.

1.4 The evolution of the gambling regulatory environment within the European Union, where the majority of the Group's revenue is generated, may not result in an open and thriving online gambling market

1.4.1 The application of European laws designed to enshrine EU-wide trade freedoms is the subject of ongoing and developing jurisprudence which, ultimately, may result in a regulatory environment that impacts negatively on multi-national stakeholders in the gambling industry.

1.4.2 The Treaty on the Functionality of the European Union embodies the principle that, within the European Union, each member state and their constituent citizens, can freely trade with other member states and their constituent citizens. It arguably follows that restrictions on supply and movement of goods, services, people and capital are not permitted unless certain justifications are evident. Accordingly, if a gambling operator is prohibited from freely operating in Europe by an EU member state's domestic law, such an approach may be unlawful under EU law (which is supreme over a member state's domestic law). However, member states are permitted to derogate from such principles and to legislate and impose discriminatory restrictions where to do so would be justifiable to achieve the aim of safeguarding public interest. The ability for member states to introduce or seek to maintain such restrictive legal systems or to introduce punitive tax or duty regimes alongside new regulation of online gambling, with respect to gambling activities, could impede the financial growth of online gambling operators and, by implication, the Group.

1.4.3 A number of member states have recently introduced local licensing regimes, some as a result of pressure brought by the European Commission. However, the way in which national laws are evolving is unpredictable and in some instances laws have appeared to have been fully implemented by certain member states in contravention of the jurisprudence of the European Court of Justice and in contravention of guidance given to member states by the European Commission following review and comment on draft laws and regulations. While the European Commission has the authority to take action against such member states, (including initiating proceedings in front of the European Court of Justice) this is a process that can take many years before resolution and in the intervening period, the member state may continue to operate in apparent breach of EU regulation. As a result, the Group remain subject to on-going uncertainty and to the associated risks that such laws may, ultimately, be interpreted and implemented in a disadvantageous way.

1.5 Legislation or regulation appears to be developing in a way that requires online gambling operators and service providers to obtain a variety of local licences which could be detrimental to the long-term commercial interests of the Group

1.5.1 The law and regulation pertaining to gambling is in a constant state of change. Various jurisdictions, particularly those in Europe, have recently implemented (or are in the process of implementing) changes to their markets by introducing licensing and regulatory frameworks. Whilst these developments may provide growth opportunities for operators, and hence for the Group, such new licensing regimes may evolve in such a way as to prove commercially disadvantageous.

1.5.2 New licensing regimes may impose licensing conditions, such as the requirement to locate significant technical infrastructure within the relevant territory or establish and maintain real-time data interfaces with the regulator, that present operational challenges. The effect on an operator's businesses may be exacerbated by commercially onerous taxes or the requirement to pay retrospective taxes, as a condition of licence grant. Further, operators may face a potential loss of competitiveness to the extent that restrictions are imposed on customer choice. Those restrictions may combine with an incoherent and inconsistent policy of enforcement against entities without a licence, so as to reduce the perceived value of such a licence.

1.5.3 Local licence application procedures can be onerous. A degree of business disruption would likely to be caused by the requirement on operators to obtain any number of licences. Operators' revenues could also be impacted by the imposition of licence fees and additional indirect taxes (including retrospective taxes) and such costs could impact the Group's revenues. Regulations can also be ill-considered, exposing operators to double taxation for the same transaction (in some jurisdictions the requirement to pay tax is determined where the customer is based and in others where critical equipment and functions are carried out). In addition, in some jurisdictions there is a requirement to register to pay taxes with retrospective effect, before an entity can qualify to apply for a licence. Even if this requirement is of questionable validity, it is a difficult one to challenge where an entity wishes to obtain a licence. Moreover, there is likewise no guarantee that the retrospective period currently required will not be extended.

1.5.4 Conversely, to the extent that local licences are not obtained by operators (whether through a strategic decision or as a result of limited availability), such operators may risk heightened enforcement exposure from local authorities in the relevant jurisdictions (not least in light of the probability of legislation expressly banning the offering of unauthorised online gambling locally, thereby removing all ambiguity in preceding legislation).

1.5.5 With respect to the US, a potential new market for the Group, certain US states have introduced licensing regimes for online gambling operators and, in addition, the requirement that companies providing marketing services to licensed operators also obtain a licence (and/or similar form of authorisation). As the legislation is new and developing the extent of the licensing requirements (and the possible disruption to the business of the Group as referred to above) is currently unclear. Further, any requirement to obtain or maintain a licence (and/or similar form of authorisation) presents ongoing compliance challenges especially for a business that has not previously had to undergo licensing or regulation directly. Although the Group is currently unaware of any specific information or issue which would preclude its authorisation or licensing in any US jurisdiction, a risk always exists that the Group could fail to obtain an authorisation or licence or, having obtained such authorisation or licence, could have such authorisation or licence revoked or otherwise limited as a result of regulatory action.

1.5.6 The evolution of local licensing regimes, in any number of territories, may prove to be detrimental to the financial performance of operators and ultimately the Group on the basis of operational or other requirements and associated restrictions.

1.6 The technological solutions that operators have in place to block the access to services by customers in certain jurisdictions may fail

Operators often block access to their products to players located in certain jurisdictions (and for those operating in the US, to states other than those in which the operator is licenced). There is no guarantee that the technical blocks the operators implement will be effective, which could place such operators 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 operators and the Group.

1.7 As an international business, the Group is subject to a variety of local laws and regulations, which are ever-evolving.

In addition to the laws and regulations relating to gambling, the Group is subject to a wide variety of laws and regulatory requirements, non-compliance or deemed non-compliance with which could result in serious financial and other penalties for the Group. Compliance with all such laws and regulations laws is complex and expensive.

1.8 Legislation may be introduced to effect taxation of newly regulated gambling activities in a way that is detrimental to the profitability of the Group

1.8.1 Generally speaking, regulated gambling activities will not only be subject to direct corporate taxation, but also indirect taxes and gambling duties. As the regulatory environment has developed, particularly in the European market, it is becoming clear that the favourable taxation environment to which online gambling operators have previously been subject may become less favourable, as jurisdictions seek to impose their own regulation and taxation regimes on what was, traditionally, an offshore activity. In particular, it is increasingly common for a licensing regime to be accompanied by a point of consumption tax so that as a condition of holding a licence, operators will be required to pay tax on the proceeds of gambling derived from the operations (and customers) in that jurisdiction. As a consequence of an increased burden affecting operators, the Group may see a reduction in related revenue share with its primary operator customers.

1.8.2 Furthermore, although in many jurisdictions gambling winnings are currently not subject to income tax or are taxed at low rates, this is not the case universally and future regulatory regimes may introduce such taxation and make participation less attractive for players in those jurisdictions in turn having an effect of the profitability of the Group.

2 Risks relating to the Group's business

2.1 Competition may affect the Group's financial performance

2.1.1 The gambling industry is extremely competitive and so is the online marketing industry that supports it. Failure to compete effectively may result in a reduction of the traffic that the Group directs to operators which may lead to a reduction of the income the Group receives from operators.

2.1.2 Such a competitive environment can lead to pressure from operators in respect of the fixed payments, commissions, revenue sharing arrangements and other fees received by the Group.

2.1.3 The provision of marketing and advertising services is also a competitive market. Operators rely on third party affiliate marketers to assist in the acquisition and retention of players. The Group undertakes such affiliate marketing activities for certain operators. In doing so, it relies on third party affiliates itself, who may provide corresponding services to a variety of gambling solution providers and operators. There is a risk that the Group may not be able to offer remuneration for new or existing affiliates that is as attractive as that offered by competitive affiliate networks or by operators' directly and, consequently, the Group may make its marketing services less attractive to operators.

2.1.4 Operators have their own marketing departments and any growth and development of those departments may reduce the operator's need to use the Group's services. Any such reduction may have a material adverse effect on the financial position of the Group.

2.2 The Group must continue to innovate in order to compete

2.2.1 The Group's success is dependent on the continued popularity of online gambling.

2.2.2 The online gambling industry is highly competitive and the Group must offer and develop new features and perform regular system updates that will continue to attract a broad range of players in order to continue generate traffic to operators' websites. If the Group is unable to adapt its technology to ensure that it continues to generate significant volumes of traffic to operators its revenues and profitability could be significantly reduced which would negatively impact upon the Group's financial performance.

2.2.3 The Group uses business intelligence tools in order to track the flow of traffic to operators and analyses its quality and conversion into revenue using these tools to improve return on investment. Any inability of the Group to access these tools, for whatever reason, could have a material impact on the Group's ability to analyse its business which could have an adverse effect on financial position of the Group.

2.3 The Group is reliant on its top 10 operators

The top 10 operators (in terms of revenue generated) for the six months ended 30 June 2013 contributed 78.0 per cent. of the revenue of the Group and the top such operator contributed 30.7 per cent. To the extent that the businesses of these operators deteriorate, or are adversely affected, whether by any of the issues described in this section or otherwise, the Group's revenue streams from these sources may also be adversely impacted.

2.4 The Group does not have signed agreements with a number of its operators and agreements can be terminated on short notice.

2.4.1 As the Group does not have signed agreements with a number of the operators it provides marketing services to, it is exposed to a collection risk regarding these operators. Failure for the Group to be able to enforce any contractual arrangements with these operators may have a material adverse effect on the financial position of the Group.

2.4.2 Many of the contracts that the Group has entered into can be terminated on short notice or at will. To the extent that operators terminate such contracts, this could have an immediate and material adverse effect on the financial position of the Group.

2.5 The Group recently sold its operations in Turkey

2.5.1 The Group previously provided marketing services for operators offering online gambling in Turkey. The law in Turkey prohibits both the provision of unlicensed gambling as well as the marketing of such unlicensed gambling. The Group sold its Turkish facing business in October 2013, however any residual liability arising from the Group's past operations in Turkey could have a material adverse impact on the Group's financial position.

2.5.2 Further, the Group has agreed a deferred consideration structure for the sale of its Turkish facing business and is providing ongoing consultancy services to the purchaser of the business which means that it may continue to receive revenues derived from the marketing of unlicensed activities. The Group has been advised that as Turkish law is currently interpreted, the receipt of such revenues would not constitute a money laundering offence under the Turkish Criminal Code but any change in such laws could have a material adverse impact on the Group's financial position.

2.6 The Group is reliant on its key personnel and employees

2.6.1 Whilst the Group has entered into employment and/or consulting arrangements with each of its executive directors, senior management and key personnel with the aim of securing their services, the Group's future success depends in large part on their continued service, the retention of which cannot be guaranteed. In particular, the loss of the Group's Chief Executive Officer and certain other members of senior management could materially adversely affect the Group's business. The loss of any such member could harm or delay the plans of the business either whilst management time is directed to finding suitable replacements (who, in any event, may not be available to the Group), or, if not, covering such vacancy until suitable replacements can be found. In either case, this may have a material adverse effect on the future of the Group's business.

2.6.2 The Group's ability to compete effectively in the markets in which it operates depends upon its ability to retain and motivate its existing workforce. The loss of a significant number of its employees or any of its key employees, or any increased costs that the Group may incur in order to retain any such employees, may adversely affect the business of the Group.

2.7 The Group's SEO business in Finland is operated under a joint venture arrangement

Finland is one of the Group's primary markets with respect to SEO where it provides its services through an exclusive contractual joint venture arrangement. This has the effect, therefore, of preventing the Group from providing marketing services other than through the joint venture and therefore limits the business that the Group can derive directly from Finland.

2.8 The blocking by search engines of its pay-per-click services in certain jurisdictions

A key element of the services provided by the Group is the use of pay-per-click campaigns operated using search engines, such as Google. Google has a policy in place that enables it to block the use of PPC in certain jurisdictions including these where gambling (and the marketing of gambling) is illegal. This, and similar policies adopted by other search engines may therefore impact the range of marketing services that the Group can provide with respect to that jurisdiction (although it is likely that if the law in a particular jurisdiction clearly prohibits gambling and the marketing of services that the Group will have taken the decision not to operate in that jurisdiction) and may have an adverse impact on the Group's business.

2.9 Search engine algorithm updates may have an adverse material impact on the Group's search engine optimisation business

The Group's search engine optimisation business relies on the use of specific algorithms to be used by search engines. Any material update to those algorithms may damage the ranking of the Group's sites in search results and would therefore require adjustments to obtain full recovery. Any delay in the Group making a full recovery, or if the Group was unable to fully recover, following such an update could have a material adverse effect on the financial position of the Group.

2.10 Maintenance of computer and communication systems and lack of an information security policy or a disaster recover strategy

2.10.1 The successful operation of the Group's business depends upon it and its operators maintaining the integrity and operation of its and their respective computer and communication systems. However, these systems and operations are vulnerable to damage or interruption from events which are beyond the Group's control such as:

- fire, flood and other natural disasters;
- power loss or telecommunications or data network failure;

- improper or negligent operation of the Group's or operators' system by employees of the relevant party, or unauthorised physical or electronic access; and
- interruptions to internet system integrity generally as the result of attacks by computer hackers, viruses or other types of security breaches.

In addition, the operation and maintenance of the operator's software is the sole responsibility of the relevant operator and the Company can give no guarantee that such gambling operators will continue to maintain and operate their systems in an effective manner or that such operators have appropriate disaster recovery plans in place to deal with any damage or interruption to their systems.

2.10.2 Any such damage or interruption could impair the Group's ability to provide its services and result in significant disruption to the Group revenues. This could be harmful to the Group's reputation. There can be no guarantee that either the Group's or its operator's security measures will protect it from all breaches of security, and any such breach of security could have a material adverse effect on the operations, financial condition or reputation of the Group's businesses.

2.10.3 The Group has in place business continuity procedures, data and recently adopted disaster recovery systems and security measures in the event of a failure or disruption of, or damage to, the Group's network or IT systems. Such procedures may not, however, be sufficient to ensure that the Group is able to carry on its business in the ordinary course if they fail or are disrupted, such that the Group may not be able to anticipate, prevent or mitigate any material adverse effect of any failure on its operations or financial performance.

2.11 The Group's media business relies on the ability to acquire advertising space on websites and social networks and utilise "pay-per-click" to promote its websites

2.11.1 The Group's media business buys advertising space on websites and social networks (such as Google) which it uses to refer potential players to its websites and operators websites. If the advertising space were to become unavailable, for whatever reason, or materially more expensive to acquire it may have a materially adverse effect on the financial position of the Group and the future of the Group's business.

2.11.2 The Group's media business also uses certain search engine's "pay-per-click" services which ensures that the Group's websites appear in the top searches of the search engine's results. If this service were withdrawn or became materially more expensive it may have a material adverse effect on the financial position of the Group and the Group's future business.

2.12 The business of the Group is dependent on the continued growth and maintenance of the internet

2.12.1 The Group's business is dependent on the internet and on the continued growth and maintenance of the internet infrastructure. There can be no assurance that the internet infrastructure will continue to be able to support the demands placed on it by continued growth in the number of users of and amount of traffic on the internet.

2.12.2 To the extent that the internet infrastructure is unable to support the demands placed upon it, the Group's business may be adversely affected. For example, the internet has experienced outages and delays, and future interruptions would significantly reduce the volume of traffic that the Group is able to direct to operators' websites.

2.13 Reliance on third party suppliers

The Group relies on hosting providers, marketing support services, communications carriers and other third parties for the day-to-day operation of its business. Any failure by one or more of these third parties may jeopardise the business and operations of the Group and may have a material adverse impact on its financial performance.

2.14 The international nature of the Group's business is key to its revenue but further international expansion cannot be assured

2.14.1 A key element of the Group's strategy involves expanding the Group's business internationally. However, there can be no assurance that international marketing efforts will continue to be successful and that its services will maintain current levels of international revenue or generate significant additional international revenues.

2.14.2 The planned expansion of the Group's business will place additional demands on the Group's management, administrative and technological resources. Management cannot be certain that it will be able to manage successfully the Group's anticipated growth. If the Group is unable to manage its growth effectively, its business, financial condition or results of operations could be adversely affected.

2.15 Operators are vulnerable to player fraud and need to have effective internal controls

2.15.1 The online gambling industry may be vulnerable to attack by customers through collusion and fraud on operators' websites. Such attempts, if not detected and stopped, could result in a loss in confidence in the customer base of such websites.

2.15.2 In addition, the Group is reliant on operators having effective internal controls to prevent fraud as it derives the majority of its revenue from fixed payments, commissions and revenue sharing arrangements with its operators that would be adversely impacted by such activities. The Group cannot ensure that operators financial processes and reporting systems provide reliable financial reports and effectively prevent fraud.

2.16 The Group is reliant on operators maintaining and enhancing their brands

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

2.17 The Group is subject to on going reputational challenge of dealing in the gambling industry and the market's perception of the lack of a distinction between gambling operators and service providers

2.17.1 The gambling industry is subject to negative publicity relating to perceptions of underage gambling, exploitation of vulnerable customers and the historic link of the gambling industry to criminal enterprise. As a service provider to the industry, such negative publicity can affect the reputation and correspondingly affect the financial performance of the Group.

2.17.2 Typically, all operators are required, under the terms of the various regulatory licences they maintain, to ensure their services are not accessible by minors and that they take steps to prevent individuals with actual or suspected gambling addiction from participating in their services. To the extent that the Group's and/or the operators' sites are accessed by minors and/or problem gamblers, brand reputation could be tarnished. Situations can arise where minors or compulsive gamblers could access an operator's websites. Where they do so, as well as negative publicity and potential regulatory censure, litigation by way of class action against the operators could ensue, all of which would have a corresponding detrimental effect on the Group.

2.17.3 Whilst from an enforcement perspective, operators that directly provide gambling services to their customers are generally perceived to be exposed to a greater degree of enforcement risk than their service providers; in some jurisdictions laws extend to directly impact companies providing online marketing services to such operators. Furthermore, a service provider's nexus with a particular jurisdiction may expose it to specific enforcement risks, irrespective of whether there has been an attempt to bring proceedings against any supported operator.

2.17.4 Ultimately, the market may view, or in the future may view, the regulatory risk associated with the business of supplying online marketing services to operators as being comparable with the regulatory risk attaching to operators themselves. In such circumstances, there is an associated risk that investors may apply valuation methods to any such service provider that are the same as the valuation methods used to value operators, and which build in the same regulatory risk even though, in many territories, such service providers would be considered sufficiently removed from the transactional activity to warrant the application of a discrete risk analysis.

2.18 The taxation that the Group is subject to may change and adversely affect the Group's business

2.18.1 The Group's operations are principally located in Israel and Cyprus. The Group's operations in these jurisdictions are currently subject to different rates of taxation than its Jersey operations. There can be no assurance that the levels of taxation to which the Group is subject in Jersey and other jurisdictions, including those referred to above, will not be increased or changed, which could have a material adverse effect on the amount of tax payable by the Group and its financial condition and results of operations.

2.18.2 The operators' customers are located in a number of different jurisdictions. Revenues earned from customers located in a particular jurisdiction may give rise to the imposition of direct, indirect or turnover taxes in that jurisdiction. In addition, as operators need to continue to obtain local licences to enable them to target specific markets, they may be obliged to pay non-gaming local taxes too. This potentially could erode operators' margins for particular markets, which in turn may affect the financial viability of a specific market, and/or result in the operators wishing to re-negotiate further arrangements with the Group.

2.18.3 If a member of the Group is found to be, or to have been, tax resident in any jurisdiction other than that in which it is incorporated or domiciled or to have a taxable permanent establishment or other taxable presence elsewhere, other than in the case of certain members of the Group providing services which may have permanent establishments in any of the countries mentioned above whether on the basis of existing law or the current practice of any tax authority or by reason of a change in law or practice, this may have a material adverse effect on the amount of tax payable by members of the Group.

2.18.4 Any change in any member of the Group's tax status or in taxation legislation, practice or its interpretation, could adversely affect the post-tax returns to shareholders.

2.19 Intellectual Property

The principal intellectual property rights of the Group are its domain names and rights to acquire domain names. The Group has historically acquired a number of domain names which it utilises as a means of providing its marketing services. However, if the Group is unable to acquire or use a suitable domain name in the countries in which it operates, or into which it may seek to expand its operations, its ability to trade or compete effectively may be impaired. Whilst it is relatively easy to register a domain name, it does not follow that the Group is free to use its domain names in all jurisdictions in which it operates. It is possible that the Group's domain names could infringe a prior third party trade mark registration in certain jurisdictions or someone may have common law or other related rights (based on reputation in the name) which may prevent the Group from using its domain name. The global nature of the internet means competing or conflicting intellectual property rights can exist anywhere and are very difficult to monitor.

The Group intends to continue to acquire domain names as suitable opportunities arise. The acquisition and maintenance of domain names generally is regulated by applicable laws, as they are applied by the courts, government agencies and their designees and internet domain name regulatory bodies, and is subject to change. Internet domain name regulatory bodies may establish additional top level domains, appoint additional domain name registrars or modify the requirements for holding domain names.

2.20 Current operating results as an indication of future results

The Group's operating results may fluctuate significantly in the future due to a variety of factors, many of which are outside its control. Accordingly, investors should not rely on comparisons with the Group's results to date as an indication of future performance. Factors that may affect the Group's operating results include increased competition, an increased level of expenses, technological change necessitating additional capital expenditure, slower than expected sales and changes to the statutory and regulatory regime in which it operates. It is possible that, in the future, the Group's operating results may fall below the expectations of market analyst or investors. If this occurs, the trading price of the Ordinary Shares may decline significantly.

2.21 Acquisition risks

The Company's future strategy includes making acquisitions in circumstances where the Directors believe that such acquisitions would support the Company's strategy. However, there can be no assurances that the Company will be able to identify, complete and integrate suitable acquisitions successfully including those acquisitions identified as potential pipeline opportunities in paragraph 8 of Part 1 of this document. Acquiring new businesses can place significant strain on management, employees, systems and resources. The acquired businesses may not perform in line with expectations to justify the expense of acquisition. Furthermore, it may not prove possible to achieve the desired level of synergy benefits on integration of new businesses and/or the cost of achieving those benefits may exceed the expected cost.

2.22 Foreign exchange risks

The Group generates revenues predominantly in Euros and US dollars and prepares its financial statements in US dollars. In addition, most of the Group's expenses are in US dollars or Israeli shekels. In addition, the Group may be subject to foreign exchange risk as it has operations in Cyprus and Israel where the functional currency of is the Euro and Israeli shekel respectively. In addition, foreign exchange risk may also arise where Group revenues and expenses are paid in currencies other than Euros. Whilst the Group's policy is not to enter into any currency hedging transactions, the Directors believe that the Group maintains appropriate treasury policies to manage currency fluctuations.

3 General Risk Factors

3.1 Global economic outlook

3.1.1 Demand for the Group's services is influenced by general economic and consumer trends beyond the Group's control. There can be no assurance that its business and corresponding financial performance will not be adversely affected by general economic or consumer trends. In particular, the current difficult global economic conditions are unprecedented in the Group's operating history, and if such conditions continue or worsen, there can be no assurance that they will not have a material adverse effect on the Group's business, financial condition and results of operations.

3.1.2 These conditions have produced downward pressure on stock prices and on the availability of credit for financial institutions and corporations. If these levels of market disruption and volatility continue, the Group might experience reductions in business activity, increased funding costs and funding pressures, a decrease in the market price of its Ordinary Shares, a decrease in asset values, additional write-downs and impairment charges and lower profitability.

4 Risks relating to the Ordinary Shares

4.1 If the Company is wound up, distributions to holders of the Ordinary Shares will be subordinated to the claims of creditors

On a return of capital on a winding-up, holders of Ordinary Shares shall be entitled to be paid out of the assets of the Company available for distribution to members only after the claims of creditors of the Company have been settled.

4.2 Dividends

The ability of the Company to pay a dividend on the Ordinary Shares will depend on, *inter alia*, the solvency position of the Company. In particular, before any dividend can be paid by the Company, Jersey Companies Law requires that the directors who are to authorise the dividend must make a solvency statement in respect of the dividend in the prescribed form. In effect, the solvency statement is a 12 month forward-looking cash flow test. Therefore if at the time any dividend is to be authorised, or at any time before any dividend is to be made, the directors who are to authorise the dividend do not make the required solvency statement, then no dividend may be paid to Shareholders.

4.3 AIM

4.3.1 AIM securities are not admitted to the Official List of the UK Listing Authority. An investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List of the UK Listing Authority. AIM has been in existence since June 1995 but its future success and liquidity in the market for the Company's securities cannot be guaranteed.

4.3.2 AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached rather than for larger or more established companies. 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 authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

4.4 Investment risk

4.4.1 An investment in a share which is traded on AIM, such as the Ordinary Shares, may be difficult to realise and carries a high degree of risk. The ability of an investor to sell Ordinary

Shares will depend on there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realise his/her investment in the Company and he/she may lose all of his/her investment.

4.4.2 Investors should be aware that, following Admission, the market price of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore be unable to recover their original investment and could even lose their entire investment. This volatility could be attributable to various facts and events, including the availability of information for determining the market value of an investment in the Company, any regulatory or economic changes affecting the Company's operations, variations in the Company's operating results, developments in the Company's business or its competitors, or changes in market sentiment towards the Ordinary Shares. In addition, the Company's operating results and prospects from time to time may be below the expectations of market analysts and investors.

4.4.3 Market conditions may affect the Ordinary Shares regardless of the Company's operating performance or the overall performance of the sector in which the Company operates. Share market conditions are affected by many factors, including general economic outlook, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the demand for and supply of capital. Accordingly, the market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets, and the price at which investors may dispose of their Ordinary Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Company while others of which may be outside the Company's control.

4.4.4 If the Company's revenues do not grow, or grow more slowly than anticipated, or if its operating or capital expenditures exceed expectations and cannot be adjusted sufficiently, the market price of its Ordinary Shares may decline. In addition, if the market for securities of companies in the same sector or the stock market in general experiences a loss in investor confidence or otherwise falls, the market price of the Ordinary Shares may fall for reasons unrelated to the Company's business, results of operations or financial condition. Therefore, investors might be unable to resell their Ordinary Shares at or above the Placing Price.

4.5 Illiquidity

There will have been no public trading market for the Ordinary Shares prior to Admission. The Ordinary Shares may therefore be illiquid in the short to medium term and, accordingly, an investor may find it difficult to sell Ordinary Shares, either at all or at an acceptable price. Further, the Company can give no assurance that an active trading market for the Ordinary Shares will develop, or if such a market develops, that it will be sustained. If an active trading market does not develop or is not maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected and investors may have difficulty selling their Ordinary Shares. The market price of the Ordinary Shares may drop below the Placing Price. Any investment in the Ordinary Shares should be viewed as a long term investment.

PART 4

HISTORICAL FINANCIAL INFORMATION ON THE GROUP

PART 4A

ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE GROUP'S BUSINESS FOR THE THREE YEARS ENDED 31 DECEMBER 2012

EY
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The Directors
XLMedia PLC
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17 March 2014

Dear Sirs

XLMedia PLC

We report on the combined financial information of the Group's business (the "Online Marketing Business") as prepared by XLMedia PLC which comprises the combined statements of financial position as at 31 December 2012, 2011 and 2010 and the combined statements of income and comprehensive income, changes in equity and cash flows for the years ended 31 December 2012, 2011 and 2010. This combined financial information has been prepared for inclusion in the AIM admission document dated 17 March 2014 of XLMedia PLC on the basis of the accounting policies set out in Note 2. This report is required by Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that schedule and for no other purpose.

Save for any responsibility arising under Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by 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 AIM admission document.

Responsibilities

The Directors of XLMedia PLC are responsible for preparing the combined financial information on the basis of preparation set out in Note 2 to the combined financial information.

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

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 combined financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the combined 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 combined 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 other jurisdictions 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 combined financial information gives, for the purposes of the AIM admission document dated 17 March 2014, a true and fair view of the state of affairs of the Online Marketing Business as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in Note 2.

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 AIM 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 AIM admission document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

Kost Forer Gabbay & Kasierer
A member of Ernst & Young Global

PART 4B

HISTORICAL FINANCIAL INFORMATION OF THE GROUP'S BUSINESS FOR THE THREE YEARS ENDED 31 DECEMBER 2012

COMBINED STATEMENTS OF FINANCIAL POSITION

		As of 31 December		
		2012	**2011**	**2010**
	Note	**USD in thousands**		
Assets				
Current assets:				
Cash and cash equivalents		2,562	7,883	671
Short term investments	6	130	250	178
Trade receivables		2,952	2,187	1,267
Related parties	19	692	728	2,452
Other accounts receivable	7	856	740	563
		7,192	11,788	5,131
Non-current assets:				
Property, plant and equipment	8	454	306	162
Intangible assets	9	7,285	2,472	1,050
Goodwill	9	2,416	1,004	1,004
Deferred taxes	16	—	19	11
		10,155	3,801	2,227
		17,347	15,589	7,358

The accompanying notes are an integral part of the combined financial information.

COMBINED STATEMENTS OF FINANCIAL POSITION

		As of 31 December		
		2012	2011	2010
	Note	USD in thousands		
Liabilities and equity				
Current liabilities:				
Trade payables	10	854	130	55
Other liabilities and accounts payable	11	891	2,072	1,056
Contingent consideration payable	5	2,000	—	—
		3,745	2,202	1,111
Non-current liabilities:				
Liabilities to Related Parties	5, 12	2,499	—	—
Contingent consideration payable	5, 12	2,690	—	—
Employee benefit liabilities, net	14	—	123	44
Other account payable	12	341	—	—
		5,530	123	44
Equity attributable to equity holders of the company:	15			
Share capital		—	10	10
Share premium		—	765	765
Capital reserve from transaction with non-controlling interests		106	—	—
Retained earnings		6,856	12,489	5,428
		6,962	13,264	6,203
Non-controlling interests		1,110	—	—
Total equity		8,072	13,264	6,203
		17,347	15,589	7,358

The accompanying notes are an integral part of the combined financial information.

COMBINED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

		Year ended 31 December		
		2012	2011	2010
	Note	USD in thousands (except per share data)		
Revenues		26,135	20,896	11,181
Cost of revenues	20	9,863	9,780	5,948
Gross profit		16,272	11,116	5,233
Research and development expenses		581	361	132
Selling and marketing expenses		1,002	521	195
General and administrative expenses		2,620	1,487	910
		4,203	2,369	1,237
Operating income		12,069	8,747	3,996
Finance expenses		78	436	50
Finance income		105	53	2
Income before other income (expenses)		12,096	8,364	3,948
Other income (expenses), net		1,378	(3)	—
Profit before taxes		13,474	8,361	3,948
Taxes	16	159	790	397
Net income and other comprehensive income		13,315	7,571	3,551
Attributable to:				
Equity holders of the Company		12,237	7,571	3,551
Non-controlling interests		1,078	—	—
		13,315	7,571	3,551
Illustrative Earnings Per Share(*):				
Net earnings per share attributable to equity holders of the Company (in USD)		0.12	0.08	0.04
Number of Ordinary Shares (taking account of the share splits during 2013 – see Note 21(c))		100,000,000	100,000,000	100,000,000

(*) See Note 2q.

The accompanying notes are an integral part of the combined financial information.

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company						
	Share capital	**Share premium**	**Retained earnings**	**Capital reserve from transactions with non-controlling interests**	**Total**	**Non-controlling interests**	**Total Equity**
Balance as of 1 January 2010	10	765	1,877	—	2,652	—	2,652
Net income and comprehensive income	—	—	3,551	—	3,551	—	3,551
Balance as of 31 December 2010	10	765	5,428	—	6,203	—	6,203
Net income and comprehensive income	—	—	7,571	—	7,571	7,571	
Dividend	—	—	(510)	—	(510)	—	(510)
Balance as of 31 December 2011	10	765	12,489	—	13,264	—	13,264
Non-controlling interests arising from business acquisition	—	—	—	—	—	759	759
Net income and comprehensive income	—	—	12,237	—	12,237	1,078	13,315
Increase of non-controlling interest	—	—	—	—	—	75	75
Sale to non-controlling interests	—	—	—	106	106	287	393
Adjustment of equity arising from business combination(*)	(10)	(765)	(17,870)	—	(18,645)	—	(18,645)
Dividend to non-controlling interests	—	—	—	—	—	(1,089)	(1,089)
Balance as of 31 December 2012	—	—	6,856	106	6,962	1,110	8,072

(*) see Note 5(a).

The accompanying notes are an integral part of the combined financial information.

COMBINED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2012	2011	2010
	USD in thousands		
Cash flows from operating activities:			
Net income and comprehensive income	13,315	7,571	3,551
Adjustments to reconcile net income to net cash provided by operating activities:			
Adjustments to the profit or loss items:			
Depreciation and amortisation	415	57	40
Finance expense (income), net	(145)	(34)	2
Loss from sale of property, plant and equipment	—	4	—
Gain from remeasurement of investment in initially consolidated subsidiary	(1,389)	—	—
Gain on bargain purchase	(179)	—	—
Taxes on income	159	790	397
Change in employee benefit liabilities, net	—	79	31
	(1,139)	896	470
Changes in asset and liability items:			
Increase in trade receivables	(765)	(920)	(476)
Increase in other accounts receivable	(148)	(177)	(351)
Decrease (increase) in related parties	(53)	1,633	(1,605)
Increase in trade payable	865	75	26
Increase in other accounts payable	1,068	148	307
	967	759	(2,099)
Cash paid and received during the year for:			
Interest received	15	53	2
Taxes paid	(212)	(100)	(675)
Taxes received	—	59	—
	(197)	12	(673)
Net cash provided by operating activities	12,946	9,238	1,249

The accompanying notes are an integral part of the combined financial information.

COMBINED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2012	2011	2010
	USD in thousands		
Cash flows from investing activities:			
Purchase of property, plant and equipment	(241)	(235)	(86)
Acquisition of initially consolidated subsidiary (a)	(1,469)	—	—
Purchase of intangible assets	(732)	(1,422)	(515)
Proceeds from sale of property, plant and equipment	—	30	—
Short term investments	(156)	(72)	(34)
Net cash used in investing activities	(2,598)	(1,699)	(635)
Cash flows from financing activities:			
Sale of shares to non-controlling interests	393	—	—
Financing by non-controlling interest	75	—	—
Adjustment of equity arising from business combination	(7,848)	—	—
Dividend paid to equity holders	—	(327)	—
Dividend paid to non-controlling interests	(1,089)	—	—
Repayment of liabilities to Related Parties	(7,200)	—	—
Net cash used in financing activities	(15,669)	(327)	—
Increase (decrease) in cash and cash equivalents	(5,321)	7,212	614
Cash and cash equivalents at the beginning of the year	7,883	671	57
Cash and cash equivalents at the end of the year	2,562	7,883	671
(a) **Acquisition of initially consolidated subsidiary**			
The subsidiary's assets and liabilities at date of acquisition:			
Intangible assets	3,796	—	—
Gain on bargain purchase	(179)	—	—
Non-controlling interests	(759)	—	—
Gain from remeasurement of initially consolidated subsidiary	(1,389)	—	—
Acquisition of initially consolidated subsidiary	1,469	—	—
Significant non-cash transactions:			
Purchase of intangible assets	341	—	—
Dividend payable	—	183	—
Adjustment of equity arising from business combination	10,797	—	—
Loans from Related Party	5,388	—	—
Liabilities to Related Parties incurred in business combinations	9,125	—	—

The accompanying notes are an integral part of the combined financial information.

XLMEDIA PLC

NOTES TO COMBINED FINANCIAL INFORMATION

NOTE 1: GENERAL

(a) General description of the Group and its operations:

The Group (as defined below) is a global digital publisher and marketing company which attracts paying users from different online channels and directs them to online gambling operators (the ''Online Marketing Business'').

The Group is a marketing affiliate to multiple gambling operators. The Group attracts players through online marketing techniques and subsequently seeks to channel high value ''traffic'' (i.e. players) to gambling operators who, in turn, convert such traffic into paying customers. Online gamblers are attracted by the Group's publications and advertisements and are then directed, by the Group, to online gambling operators in return for a share of the revenue generated by such players, a fee generated per player acquired, fixed fees or a hybrid of any of these three models.

For further information regarding online marketing and the Group's business segments see Note 17.

(b) Definitions:

In this financial information:

Company	—	XLMedia PLC (formerly known as Webpals Marketing Systems Ltd. – for details regarding change of the Company's name see Note 21(g).
Parent Company	—	the controlling shareholder of the Company, Webpals Enterprises Limited
Subsidiary	—	Webpals Systems S.C. Ltd, an affiliated company (both the Company and the Subsidiary were held by the Parent Company during the reporting period). The Company acquired 100% of the share capital of the Subsidiary subsequent to the end of the reporting period- see Note 21(f).
Group	—	the Company and its combined companies, as described in Note 2(a) and Note 5.
subsidiary	—	entity that is controlled by the Company (as defined in IAS 27 (2008)) and whose accounts are consolidated with those of the Company.
related parties	—	as defined in IAS 24
Dollar/USD	—	U.S. dollar

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The basis of preparation and accounting policies used in preparing the combined financial information are described below. These accounting policies have been applied consistently in the combined financial information for all periods presented, unless otherwise stated.

(a) Combined financial information

The Company and the Subsidiary (together ''Successor Companies'') were established in April 2012, for the purpose of entering into Asset Purchase Agreements (''APA''), to purchase all the business activity and the related business activity assets and liabilities of Webpals Marketing Limited (''Old WPM Co'') and Webpals Ltd (''Old WPS Co''), respectively. These acquisitions occurred on 22 April 2012 – see Note 5(a). Old WPM Co and Old WPS Co (together ''Predecessor Companies'') were affiliated companies under common ownership.

As described in Note 21(f), subsequent to the reporting period, the Company signed an agreement to acquire the Subsidiary from the Parent Company. Since the acquisition of the Subsidiary is a business combination involving entities under common control, this acquisition is not a business combination within the scope of IFRS 3, *Business Combinations*. The Company will account for the acquisition in a manner similar to a pooling of interests, and accordingly, the excess cash paid over the carrying amount of the net assets acquired of the Subsidiary will be recorded as a reduction of equity.

In order to reflect the ongoing business activities and common management of all of these companies for the periods presented herein, the Company has prepared combined financial information both for the Predecessor Companies and for the Successor Companies and presented them together as a single set of financial information for the three-year period ended 31 December 2012. Thus, the combined financial information comprises the combined financial position, results of operations and cash flows of the Predecessor Companies from 1 January 2010 to 21 April 2012 and the combined financial position, results of operations and cash flows of the Successor Companies from 22 April 2012 to 31 December 2012.

The acquisitions of the Predecessor Companies' business activity by the Successor Companies are business combinations and are accounted for by applying the acquisition method. Accordingly, at the date of acquisition on 22 April 2012, the assets acquired and liabilities assumed of the Predecessor Companies were measured at fair value and goodwill was recorded for the excess of the consideration paid over the net identifiable assets acquired and liabilities assumed (see Note 5(a)). These fair value adjustments have not been reflected in the combined statements of financial position of the Predecessor Companies as of 31 December 2011 and 2010 nor in the combined statements of income and comprehensive income of the Predecessor Companies for the periods prior to 22 April 2012.

In the consolidated financial statements of the Company subsequent to the admission of the ordinary shares of the Company to trading on AIM, a market operated by London Stock Exchange plc ("IPO"), the comparative data will only include the financial position, results of operations and cash flows of the Successor Companies from the date of business acquisition on 22 April 2012.

(b) Basis of preparation of the financial information:

The combined statements of financial position as at 31 December 2012, 2011 and 2010 and the combined statements of income and comprehensive income, changes in equity and cash flows for the years ended 31 December 2012, 2011 and 2010, have been prepared in accordance with the requirements of the AIM Rules for Companies and in accordance with this basis of preparation.

The basis of preparation describes how the combined financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS as adopted by the EU"), except as described herein. IFRS as adopted by the EU do not provide for the preparation of combined financial information, and accordingly in preparing the combined 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 on historical financial information) issued by the UK Auditing Practices Board have been applied. The application of these conventions results in the following material departures from IFRS as adopted by the EU. In other respects, IFRS as adopted by the EU have been applied.

- the combined financial information does not comply with IAS 27, *Consolidated and Separate Financial Statements,* because for the period from 22 April 2012 to 31 December 2012, the Company did not have control over The Subsidiary, and for the period from 1 January 2010 to 21 April 2012 the Company did not have control over the Predecessor Companies nor were the Predecessor Companies under the common control of the current Parent Company. Consequently the Company is not permitted by IAS 27 to present consolidated financial information. The combined financial information has therefore been prepared on a combined basis by applying the principles underlying the consolidation procedures of IAS 27;
- As the financial information has been prepared on a combined basis, the Company is unable to measure earnings per share in compliance with IFRS as adopted by the EU, as required by IAS 33, *Earnings per Share*; and
- the combined financial information does not constitute a set of general purpose financial statements under IAS 1, *Presentation of Financial Statements,* and consequently, the Company does not make an explicit and unreserved statement of compliance with IFRS as adopted by the EU, as required by IAS 1.

The financial information of the Company and of the combined companies are prepared as of the same dates and periods. The combined financial information is prepared using uniform accounting policies by all companies in the Group. Significant intragroup balances and transactions and gains or losses resulting from intragroup transactions are eliminated in full in the combined financial information.

The financial statements have been prepared on a cost basis.

The Group has elected to present profit or loss items using the function of expense method.

(c) Business combinations and goodwill:

Business combinations are accounted for by applying the acquisition method. The cost of the acquisition is measured at the fair value of the consideration transferred on the date of acquisition with the addition of non-controlling interests in the acquiree. In each business combination, the Group chooses whether to measure the non-controlling interests in the acquiree based on their fair value on the date of acquisition or at their proportionate share in the fair value of the acquiree's net identifiable assets.

Direct acquisition costs are expensed as incurred.

Upon the acquisition of a business, the assets acquired and liabilities assumed are classified and designated in accordance with the contractual terms, economic circumstances and other pertinent conditions that exist at the acquisition date, including separation of embedded derivatives from the host contract of the acquiree.

In a business combination achieved in stages, equity interests in the acquiree that had been held by the acquirer prior to obtaining control are measured at the acquisition date fair value while recognising a gain or loss resulting from the revaluation of the prior investment on the date of achieving control.

Contingent consideration is recognised at fair value on the acquisition date and classified as a financial asset or liability in accordance with IAS 39. Subsequent changes in the fair value of the contingent consideration are recognised in the statement of income or in the statement of comprehensive income. If the contingent consideration is classified as an equity instrument, it is measured at fair value on the acquisition date without subsequent remeasurement.

Goodwill is initially measured at cost which represents the excess of the acquisition consideration and the amount of non-controlling interests over the net identifiable assets acquired and liabilities assumed. If the resulting amount is negative, the acquirer recognises the resulting gain on the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of evaluation of impairment of goodwill, goodwill purchased in a business combination is evaluated and attributed to the cash-generating units to which it had been allocated.

Non-controlling interests of an entity represent the non-controlling shareholders' share of the net income and comprehensive income of the entity and their share of the net assets at fair value upon the acquisition of the entity. The non-controlling interests are presented in equity separately from the equity attributable to the equity holders of the Company.

Business combinations in which the Group acquires an entity that is under the common control of the Parent Company is accounted for in a manner similar to a pooling of interests. The effect of this accounting is to reflect the financial position, results of operations and cash flows of the acquiree as if it had been a subsidiary of the Company for the entire period in which the acquiree had been under the control of the Parent Company. Accordingly, the assets acquired and liabilities assumed are recorded based on their carrying amounts as reflected in the financial statements of the acquiree prior to the business combination. The excess of the consideration paid by the Company over the carrying amount of the net assets acquired is recorded as a reduction of equity in the statement of equity.

(d) Investment in entity under joint arrangement:

The financial statements of a joint venture that is a joint operation in which the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement are accounted for in proportion to their relative share of the joint operation as determined in the joint arrangement.

(e) Functional currency, presentation currency and foreign currency:

1. Functional currency and presentation currency:

   The functional and presentation currency of the Company and its investees is the U.S. dollar (''Dollar'' or ''USD'').

   The Group determines the functional currency of each Group entity, including companies accounted for at equity, and this currency is used to separately measure each Group entity's financial position and operating results.

2. Transactions, assets and liabilities in foreign currency:

   Transactions denominated in foreign currency are recorded upon initial recognition at the exchange rate at the date of the transaction. After initial recognition, monetary assets and liabilities denominated in foreign currency are translated at the end of each reporting period into the functional currency at the exchange rate at that date. Exchange rate differences, other than those capitalised to qualifying assets or recorded in equity in hedges, are recognised in profit or loss. Non-monetary assets and liabilities measured at cost in foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated into the functional currency using the exchange rate prevailing at the date when the fair value was determined.

(f) Cash equivalents:

Cash equivalents are considered as highly liquid investments, including unrestricted short-term bank deposits with an original maturity of three months or less from the date of acquisition or with a maturity of more than three months, but which are redeemable on demand without penalty and which form part of the Group's cash management.

(g) Short-term deposits:

Short-term bank deposits are deposits with an original maturity of more than three months from the date of acquisition. The deposits are presented according to their terms of deposit.

(h) Revenue recognition:

Revenues are recognised in profit or loss when the services are provided, the revenues can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenues are measured at the fair value of the consideration received.

The Group usually works with its customers on performance basis, and recognises revenues according to revenue share model or one-time payment per user acquisition.

(i) Taxes on income:

Taxes on income in profit or loss comprise current and deferred taxes. Current or deferred taxes are recognised in profit or loss, except to the extent that the tax arises from items which are recognised directly in other comprehensive income or in equity. In such cases, the tax effect is also recognised in the relevant item.

1. Current taxes:

   The current tax liability is measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period as well as adjustments required in connection with the tax liability in respect of previous years.

2. Deferred taxes:

   Deferred taxes are computed in respect of temporary differences between the carrying amounts in the financial statements and the amounts attributed for tax purposes.

   Deferred taxes are measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes in profit or loss represent the changes in the carrying amount of deferred tax balances during the reporting period, excluding changes attributable to items recognised in other comprehensive income or in equity.

Deferred tax assets and deferred tax liabilities are presented in the statement of financial position as non-current assets or non-current liabilities, respectively. Deferred taxes are offset in the statement of financial position if there is a legally enforceable right to offset a current tax asset against a current tax liability and the deferred taxes relate to the same taxpayer and the same taxation authority.

(j) Property, plant and equipment:

Property, plant and equipment are measured at cost, including directly attributable costs, less accumulated depreciation. Cost includes spare parts and auxiliary equipment that are used in connection with plant and equipment.

A part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation is calculated on a straight-line basis over the useful life of the assets at annual rates as follows:

	%
Motor vehicles	15%
Office furniture and equipment	10%
Computers and peripheral equipment	33%

Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term (including any extension option held by the Group and intended to be exercised) and the expected life of the improvement.

The useful life, depreciation method and residual value of an asset are reviewed at least each year-end and any changes are accounted for prospectively as a change in accounting estimate.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. An asset is derecognised on disposal or when no further economic benefits are expected from its use.

(k) Intangible assets:

Separately acquired intangible assets are measured on initial recognition at cost including directly attributable costs. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. After initial recognition, intangible assets are carried at their cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with a finite useful life are amortised over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively as changes in accounting estimates. The amortisation of intangible assets with finite useful lives is recognised in profit or loss.

Intangible assets with indefinite useful lives are not systematically amortised and are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired. The useful life of these assets is reviewed annually to determine whether their indefinite life assessment continues to be supportable. If the events and circumstances do not continue to support the assessment, the change in the useful life assessment from indefinite to finite is accounted for prospectively as a change in accounting estimate and on that date the asset is tested for impairment. Commencing from that date, the asset is amortised systematically over its useful life.

Gains or losses arising from the derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss.

Software:

The Group's assets include computer systems comprising hardware and software. Software forming an integral part of the hardware to the extent that the hardware cannot function without the programs installed on it is classified as property, plant and equipment. In contrast, software that adds functionality to the hardware is classified as an intangible asset.

Intangible assets with a finite life are amortised on a straight-line basis over the useful life as follows:

	%
Non-competition	33%
Software (purchased)	33%

Non-competition is amortised over the non-competition agreement term.

(l) Impairment of non-financial assets:

The Group evaluates the need to record an impairment of the carrying amount of non-financial assets whenever events or changes in circumstances indicate that the carrying amount is not recoverable. If the carrying amount of non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the higher of fair value less costs of sale and value in use. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. The recoverable amount of an asset that does not generate independent cash flows is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in profit or loss.

An impairment loss of an asset, other than goodwill, is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Reversal of an impairment loss, as above, shall not be increased above the lower of the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior years, and its recoverable amount. The reversal of impairment loss of an asset presented at cost is recognised in profit or loss. The following criteria are applied in assessing impairment of these specific assets:

1. Goodwill in respect of subsidiaries:

   The Group reviews goodwill for impairment once a year as of 31 December or more frequently if events or changes in circumstances indicate that there is an impairment.

   Goodwill is tested for impairment by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill has been allocated. An impairment loss is recognised if the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is less than the carrying amount of the cash-generating unit (or group of cash-generating units). Any impairment loss is allocated first to goodwill.

   Impairment losses recognised for goodwill cannot be reversed in subsequent periods.

2. Intangible assets with an indefinite useful life that have not yet been systematically amortised:

   The impairment test is performed annually, on 31 December, or more frequently if events or changes in circumstances indicate that there is an impairment.

(m) Financial instruments:

1. Financial assets:

   The financial assets of the Group include cash and cash equivalents, short term investments, and trade and other receivables. The financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured based on its terms at amortised cost, using the effective interest method. The amortisation of the effective interest is recognised in profit or loss in as finance expenses or income.

2. Financial liabilities:

   The financial liabilities of the Group include trade and other accounts payables, liabilities to related parties and contingent consideration payable. The financial liabilities are initially recognised at fair value less directly attributable transaction costs and subsequently measured based on their terms at amortised costs, using the effective interest method. The amortisation of the effective interest is recognised in profit or loss as finance expenses or income.

3. Offsetting financial instruments:

   Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position if there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4. Derecognition of financial instruments:

   a) Financial assets:

      A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire.

   b) Financial liabilities:

      A financial liability is derecognised when it is extinguished, that is when the obligation is discharged or cancelled or expires. A financial liability is extinguished when the debtor (the Group) discharges the liability by paying in cash, other financial assets, goods or services; or is legally released from the liability.

(n) Provisions:

A provision in accordance with IAS 37 is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the Group expects part or all of the expense to be reimbursed to the Group, such as in an insurance contract, the reimbursement is recognised as a separate asset only when it is virtually certain that it will be received by the Group. The expense is recognised in the income statement net of the reimbursed amount.

(o) Employee benefit liabilities:

The Group has several employee benefit plans:

1. Short-term employee benefits:

   Short-term employee benefits include salaries, paid annual leave, paid sick leave, recreation and social security contributions and are recognised as expenses as the services are rendered. A liability in respect of a cash bonus or a profit-sharing plan is recognised when the Group has a legal or constructive obligation to make such payment as a result of past service rendered by an employee and a reliable estimate of the amount can be made.

2. Post-employment benefits:

   The plans are financed by contributions to insurance companies and classified as defined contribution plans.

   The Subsidiary has defined contribution plans pursuant to Section 14 to the Severance Pay Law under which the Subsidiary pays fixed contributions and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient amounts to pay all employee benefits relating to employee service in the current and prior periods. Contributions to the defined contribution plan in respect of severance or retirement pay are recognised as an expense when contributed concurrently with performance of the employee's services.

(p) Illustrative earnings per share:

Illustrative earnings per share are calculated for all periods presented by dividing the net income attributable to equity holders of the Company by the number of Ordinary Shares outstanding as of the reporting date. The calculation of illustrative earnings per share for all periods presented has been adjusted retrospectively for share splits subsequent to 31 December 2012, but not for issuances of shares for new funds raised subsequent to 31 December 2012.

(q) Research and development:

Research and development costs are charged to profit and loss as incurred as development costs do not met the criteria for recognition as an intangible asset.

NOTE 3: SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS USED IN THE PREPARATION OF THE COMBINED FINANCIAL INFORMATION

(a) Judgments:

In the process of applying the significant accounting policies, the Group has made the following judgments which have the most significant effect on the amounts recognised in the financial statements:

– Business combinations:

The Group is required to allocate the acquisition cost of entities and activities through business combinations on the basis of the fair value of the acquired assets and assumed liabilities. The Group uses external and internal valuations to determine the fair value. The valuations include management estimates and assumptions as for future cash flow projections from the acquired business and selection of models to compute the fair value of the acquired components and their depreciation period. Management estimate influences the balance of the acquired assets and assumed liabilities and the depreciation and amortisation in the combined statements of income.

(b) Estimates and assumptions:

The preparation of the financial statements requires management to make estimates and assumptions that have an effect on the application of the accounting policies and on the reported amounts of assets, liabilities, revenues and expenses. Changes in accounting estimates are reported in the period of the change in estimate.

The key assumptions made in the financial information concerning uncertainties at the end of the reporting period and the critical estimates computed by the Group that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

– Impairment of goodwill and other intangible assets:

The Group reviews goodwill and other intangible assets for impairment at least once a year. This requires management to make an estimate of the projected future cash flows from the continuing use of the cash-generating unit (or a group of cash-generating units) to which the assets are allocated and also to choose a suitable discount rate for those cash flows.

NOTE 4: DISCLOSURE OF NEW STANDARDS

Standards and interpretations that have been issued and are relevant to the Group's financial statements and activities, but are not yet effective, are described below.

IFRS 10 – Consolidated Financial Statements:

IFRS 10 supersedes IAS 27 regarding the accounting treatment in respect of consolidated financial statements and includes the accounting treatment for the consolidation of structured entities previously accounted for under SIC 12, "*Consolidation – Special Purpose Entities*".

According to IFRS 10, in order for an investor to control an investee, the investor must have power over the investee and exposure, or rights, to variable returns from the investee. Power is defined as the ability to influence and direct the investee's activities that significantly affect the investor's return. According to IFRS 10, when assessing the existence of control, potential voting rights should be considered only if they are substantive.

IFRS 10 also prescribes that an investor may have control even if it holds less than a majority of the investee's voting rights (de facto control), as opposed to the provisions of the existing IAS 27 which permits a choice between two consolidation models – the de facto control model and the legal control model.

The new standard is to be applied retrospectively in financial statements for annual periods commencing on 1 January 2013.

The Group believes that the adoption of IFRS 10 is not expected to have a material effect on the financial statements.

IFRS 11 – Joint Arrangements:

IFRS 11 supersedes IAS 31 regarding the accounting treatment of interests in joint ventures. The accounting treatment for joint operations under the new standard is the same as under the current standard.

The new standard is to be applied retrospectively in financial statements for annual periods commencing on 1 January 2013.

The Group believes that the adoption of IFRS 11 is not expected to have a material effect on the financial statements.

IFRS 12 – Disclosure of Interests in Other Entities:

IFRS 12 prescribes disclosure requirements for the Group's investees, including subsidiaries, joint arrangements, associates and structured entities. IFRS 12 expands the disclosure requirements to include the judgments and assumptions used by management in determining the existence of control, joint control or significant influence over investees, and in determining the type of joint arrangement. IFRS 12 also provides disclosure requirements for material investees.

The new standard is to be applied retrospectively in financial statements for annual periods commencing on 1 January, 2013.

The Group believes that the adoption of IFRS 12 is not expected to have a material effect on the financial statements.

NOTE 5: BUSINESS COMBINATIONS

(a) Assets Purchase Agreements ("APA")

As discussed in Note 2(a) the following agreements were all executed on 22 April 2012:

(i) Asset Purchase Agreement by the Company:

The Company acquired the business activities and the related business activity assets and liabilities (excluding cash and cash equivalents and certain non-trading liabilities) of Old WPM Co for the consideration of USD 4.2 million**.** In addition, the agreement provided that in the event the Company's net profits within the two year period commencing on 1 January 2012 exceed USD 5 million, the Company will be obligated to pay old WPM additional consideration of USD 5 million ("contingent consideration") within 60 days of the publication of the company's audited accounts for the period ending 31 December 2013. In addition, in the event that on 31 December 2012 a net cash amount of at least USD 4 million has accumulated in the Company, USD 2 million shall be paid to Old WPM Co on account of the aforesaid additional USD 5 million.

As of the acquisition date, the acquiree's key performance indicators clearly indicated that the achievement of the profit target was probable. Accordingly, the fair value of the contingent consideration was recorded in full to reflect the additional consideration.

The contingent consideration payable was initially recognised at its fair value and is measured at amortised costs, using effective interest method. The amortisation of the effective interest is recognised in profit or loss as finance income or expenses.

As of 31 December 2012 the carrying amount of this liability was USD 4.69 million comprised of the following: USD 2 million is included in current liabilities and the remaining amount of USD 2.69 million is included in non-current liabilities.

In January 2013 the Company paid USD 2 million on account of the contingent consideration.

(ii) Asset Purchase Agreement by the Subsidiary

The Subsidiary, which was established shortly prior to the APA, acquired the business activities and the related business activity assets and liabilities (excluding certain non-trading liabilities) of Old WPS Co for consideration of USD 800 thousands**.** In addition, the Subsidiary undertook to enter into employment or service agreements with the Old WPS Co employees.

(iii) Shareholders Loan Agreements

The Company and the Subsidiary each signed Loan Agreement with Z.E.M.L.H Israel – Limited Partnership, the controlling shareholder of the Parent Company ("ZEMLH"). The Company received a loan of USD 4.2 million in two installments (on 25 April 2012 and

31 July 2012). The Subsidiary received a loan of USD 800 thousands in two installments (on 25 April 2012 and 31 July 2012). Both loans bear annual interest of 9%. Repayment of each loan was agreed to occur no later than 24 months from 22 April 2012. The interest shall be paid each quarter at the beginning of the quarter starting July 2012 until full repayment of the loan.

Repayment of the loans is prior and preferable to any dividend or other distribution of the Company or the Subsidiary, and is superior and senior to the repayment of any other loan provided to the Company and the Subsidiary, unless determined otherwise by their boards of directors.

The loans were initially recognised at their fair value and were measured based on their terms at amortised costs, using effective interest method. The amortisation of the effective interest was recognised in profit or loss as finance income or expenses.

In November and December 2012 the Company repaid the amount of USD 3.24 million and USD 648 thousands, including interest, respectively. The carrying amount of the loan as of 31 December 2012 was USD 510 thousands. The loan was fully repaid in March 2013.

As of 31 December 2012 the carrying amount of the loan received by the Subsidiary was USD 840 thousands. The loan was fully repaid in May 2013.

(iv) Service Agreements

The Company and the Subsidiary each (through their Parent Company) entered into management service agreements with the shareholders of the Predecessor Companies ("Founders"). According to the service agreements, the companies will pay the Founders management fees at an amount determined by the following formula: for each payment made in favor of ZEMLH with respect to the loans (see (iii) above) the Founders shall receive a total amount equal to the amount actually repaid to ZEMLH with respect to the loans, multiplied by the holding percentage of the Founders in the holding in the company that repays the loan, divided by the holding percentage held by ZEMLH in that company on the time of such repayment. In other words, the management fees will be paid according to the loan repayments, pro-rata to the actual Founders' holdings in the company.

The liabilities for management fees were initially recognised at their fair value and were measured based on their terms at amortised costs, using effective interest method. The amortisation of the effective interest was recognised in profit or loss as finance income or expenses.

In November and December 2012, subsequently to the loan payments (see (iii) above), the Company repaid the amount of USD 2.76 million and USD 552 thousands, including interest, respectively. The carrying amount of the liability as of 31 December 2012 was USD 434 thousands. The liability was fully repaid in March 2013.

The carrying amount of the liability for payment management fees by the Subsidiary as of 31 December 2012 was USD 715 thousands. The liability was fully repaid in May 2013.

The total cost of the above agreements which are accounted for as business combination was USD 14.513 million and comprised a cash payment on closing date of USD 5 million, financed by the ZEMLH loans, and an amount due of approximately USD 9.513 million, as detailed in the table below.

Acquisition costs that were directly attributable to the transaction of approximately USD 190 thousands were expensed.

Total acquisition cost:	**As of 22 April 2012**		
	The Company	**The Subsidiary**	**Total**
	USD in thousands, the fair value		
The loans (used for cash payment) – see (iii) above	4,526	862	5,388
Liability for management fees – see (iv) above	3,856	734	4,590
Contingent consideration payable	4,535	—	4,535
Total acquisition cost	12,917	1,596	14,513

Acquisition cost allocation:	**As of 22 April 2012**		
	The Company	**The Subsidiary**	**Total**
	USD in thousands		
Total acquisition cost	12,917	1,596	14,513
Non-controlling interests	759	—	759
	13,676	1,596	15,272
Fair value of the acquired assets and liabilities:			
Working capital	1,851	28	1,879
Other financial assets, net	3,573	502	4,075
Property, plant and equipment	—	336	336
Intangible assets	6,486	80	6,566
Total fair value of the acquired assets and liabilities	11,910	946	12,856
Goodwill	1,766	650	2,416

The Group has elected to measure the non-controlling interests at their proportionate share in the fair value of the net acquired identifiable assets.

Prior to 22 April 2012 the Company and the Subsidiary did not have any business activity and therefore the combined financial information following the closing date reflect the contribution of the purchased assets and activity at their fair value. Concurrently the carrying value of these assets included in the combined financial information prior to the acquisition are reflected as adjustments of equity arising from business combination in the combined statement of changes in equity.

(b) Joint Venture Purchase Agreement (''JV purchase'')

As of the reporting date, the Company controls over the business of a Joint Venture (''JV'') in which the Company holds 72% interest. The JV is active in promoting websites in Finland, under the SEO business segment (see Note 17).

The Group previously held 36.6% interest in the JV. On 1 April 2012, the Group acquired an additional 43.4% interest in the JV for the consideration of EURO 1.1 million (about USD 1.469 million), increasing its ownership interest to 80% and gaining control over the business.

Following the above acquisition of 43.4%, the Company signed a new JV agreement with the minority shareholders dated 29 August 2012. According to the new JV agreement the minority shareholders have the right to buy up to 8% of the Company's holdings in the JV for consideration of EURO 331 thousands (about USD 425 thousands). This option was exercised in September 2012 and as of 31 December 2012 the Company held 72% interest in the JV. As a result of the sale of 8%, the difference between the consideration and the increase in the non-controlling interests the Company recorded a capital reserve in the amount of USD 106 thousands.

In addition, according to the new JV agreement the Company has the option to purchase the minority's share in the JV based on a valuation determined by the JV's profits for the last 12 months preceding the exercise multiplied by 9. The option was recognised at a zero fair value, and therefore no asset is recorded in the financial statements.

Until April 2012 the Group's 36.6% interest in the JV was accounted for as a joint operation. Upon the acquisition of the controlling interest the Group has elected to measure the non-controlling interests in the acquiree at their proportionate share of the non-controlling interests of the fair value of the acquiree's net identifiable assets. On the acquisition date, the Group recorded a gain in the amount of USD 1.389 million from the remeasurement to fair value of its previous holdings in the JV.

The consideration of EUR 1.1 million (USD 1.469 million) was paid in installments over a period of 6 months following the acquisition.

Total acquisition cost and its allocation:

	As of 1 April 2012
	USD in thousands
Intangible assets – at fair value	3,796
Remeasured investment (for 36.6% previously held)	(1,389)
Gain on bargain purchase	(179)
Non-controlling interests	(759)
Cash paid (for 43.4% of shares purchased)	1,469

(c) Effects of fair value adjustments on profit or loss in 2012

The statement of income for 2012 includes the following material fair value and other adjustments arising from the business combinations described in (a) and (b) above:

	Income (expense)
	USD in thousands
Gain from remeasurement of investment in initially consolidated subsidiary and gain on bargain purchase (other income)	1,568
Acquisition costs charged to profit or loss (other income)	(190)
Amortisation of intangible assets (general and administrative expense)	(327)
Total fair value adjustments	1,051

(d) 2009 Purchase Agreement

On 31 January 2009 Old WPM Co acquired the business activity and assets of WLM Ltd for consideration of approximately USD 533 thousands and shares of Old WPM Co which reflected 33.3% of its share capital after the closing.

The total cost of business combination was USD 1.298 million.

Total acquisition cost:

	As of 31 January 2009
	USD in thousands
Cash paid	533
Shares issued at fair value	765
Total acquisition cost	1,298

Acquisition cost allocation:

	As of 31 January 2009
	USD in thousands
Intangible assets	294
Goodwill	1,004
Total acquisition cost	1,298

NOTE 6: SHORT-TERM INVESTMENTS

	As of 31 December		
	2012	2011	2010
	USD in thousands		
Bank deposits	130	250	178

The Group recorded fixed lien on bank deposit, against bank guarantee provided in connection with its lease agreement on property. The bank guarantee issued as of 31 December 2012 was USD 45 thousands.

In addition, the Group recorded fixed liens on bank deposits against credit card transactions in connection with advertising campaigns and other online purchasing over the internet. The total amount of deposits in connection with credit card transactions as of 31 December 2012 was USD 80 thousands.

NOTE 7: OTHER ACCOUNTS RECEIVABLE

	As of 31 December		
	2012	2011	2010
	USD in thousands		
Government authorities	435	53	9
Prepaid expenses	421	687	554
	1,548	1,468	3,015

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Computers, furniture and office equipment	Motor vehicles	Leasehold improvements	Total
	USD in thousands			
Cost:				
Balance as of 1 January 2010	60	62	16	138
Acquisitions during the year	48	37	1	86
Balance as of 31 December 2010	108	99	17	224
Acquisitions during the year	160	37	38	235
Disposal during the year	—	(58)	—	(58)
Balance as of 31 December 2011	268	78	55	401
Changes arising from business combination (see Note 5)	(98)	(18)	(10)	(126)
Acquisitions during the year	233	—	8	241
Balance as of 31 December 2012	403	60	53	516
Accumulated depreciation:				
Balance as of 1 January 2010	12	9	1	22
Depreciation during the year	23	15	2	40
Balance as of 31 December 2010	35	24	3	62
Depreciation during the year	41	13	3	57
Disposal during the year	—	(24)	—	(24)
Balance as of 31 December 2011	76	13	6	95
Changes arising from business combination (see Note 5)	(94)	(17)	(8)	(119)
Depreciation during the year	68	12	6	86
Balance as of 31 December 2012	50	8	4	62
Depreciated cost as of 31 December 2012	353	52	49	454
Depreciated cost as of 31 December 2011	192	65	49	306
Depreciated cost as of 31 December 2010	73	75	14	162

Depreciation expenses of property, plant and equipment are classified in General and Administrative expenses.

NOTE 9: GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill	Domains	Non-competition	Systems and software	Total
Cost:					
Balance as of 1 January 2010	1,004	535	—	—	1,539
Acquisitions during the year	—	515	—	—	515
Balance as of 31 December 2010	1,004	1,050	—	—	2,054
Acquisitions during the year	—	1,422	—	—	1,422
Disposal during the year	—	—	—	—	—
Balance as of 31 December 2011	1,004	2,472	—	—	3,476
Changes arising from business combinations (see Note 5)	1,412	2,663	1,401	—	5,476
Acquisitions during the year	—	787	—	286	1,073
Balance as of 31 December 2012	2,416	5,922	1,401	286	10,025
Accumulated depreciation:					
Balance as of 1 January 2010	—	—	—	—	—
Depreciation during the year	—	—	—	—	—
Balance as of 31 December 2010	—	—	—	—	—
Depreciation during the year	—	—	—	—	—
Disposal during the year	—	—	—	—	—
Balance as of 31 December 2011	—	—	—	—	—
Changes arising from business combinations (see Note 5)	—	—	(5)	—	(5)
Depreciation during the year	—	—	327	2	329
Balance as of 31 December 2012	—	—	322	2	324
Depreciated cost as of 31 December 2012	2,416	5,922	1,079	284	9,701
Depreciated cost as of 31 December 2011	1,004	2,472	—	—	3,476
Depreciated cost as of 31 December 2010	1,004	1,050	—	—	2,054

Depreciation expenses of intangible assets are classified in General and Administrative expenses.

Amortisation expenses:

Amortisation expenses of intangible assets (non-competition) are classified in profit or loss in general and administrative expenses.

Impairment of goodwill and intangible assets with an indefinite useful life:

The goodwill and domains are mainly allocated to the cash generating unit representing SEO segment ("the unit"). The recoverable amount of this unit was determined based on the value in use which is calculated at the expected estimated future cash flows from the unit, as determined according to the budget for the next three years and approved by the Company's management. The pre-tax discount rate of the cash flows is 27.1% (2011 – 25.6%). The projected cash flows for the period exceeding three years are estimated using a fixed growth rate of 3% (2011 – 3%).

The key assumptions used in calculating the value in use:

The value in use for the unit is liable to change if any change occurs in the following assumptions:

- Direct profit.
- Discount rate.
- Market share during the budget period.
- Growth rate for the period exceeding the three budget years.

Direct profit – the profit rate assumed approximately 50% per annum based on management expectations as reflected in the three year budget approved by the Company's management.

Discount rate – the discount rate reflects management's assumptions regarding unit's specific risk premium. This discount rate forms a standard basis used by management to estimate its operations and assess prospective investments.

Market share – management's assumptions regarding market share are highly important since, in addition to being used to calculate the growth rate, management's assumptions regarding the operation of the unit compared to the competition might change over the budget period. The Group anticipates that its average market share in the different markets it operates in will remain stable over the budget period.

Growth rate – the growth rate is based on the long-term average growth rate as customary in similar industries as well as on the Group's historical growth rates.

Sensitivity analyses of changes in assumptions:

With respect to the assumptions used in determining the value in use of the unit, management believes that there have been no potential changes in the key assumptions detailed above which might lead to a significant increase in the carrying amount of the unit over its recoverable amount.

NOTE 10: TRADE PAYABLES

	As of 31 December		
	2012	2011	2010
	USD in thousands		
Open accounts	382	60	23
Notes payable	472	70	32
	854	130	55

NOTE 11: OTHER LIABILITIES AND ACCOUNTS PAYABLE

	As of 31 December		
	2012	2011	2010
	USD in thousands		
Advances from customers	51	—	147
Accrued expenses	414	473	250
Employees and payroll accruals	317	193	131
Government authorities	109	1,100	314
Related parties	—	306	214
	891	2,072	1,056

NOTE 12: NON-CURRENT LIABILITIES

	As of 31 December		
	2012	2011	2010
	USD in thousands		
Contingent consideration payable – see Note 5 (i)	2,690	—	—
Liabilities to Related Parties:			
Liabilities for managements fees – see Note 5 (iv)	1,149	—	—
Loans from related party – see Note 5 (iii)	1,350	—	—
	2,499	—	—
Employee benefit liabilities, net	—	123	44
Other account payable	341	—	—
	5,530	123	44

NOTE 13: FINANCIAL INSTRUMENTS

(a) Classification of financial assets and liabilities:

The financial assets and financial liabilities in the statement of financial position are classified by groups of financial instruments pursuant to IAS 39:

	As of 31 December		
	2012	2011	2010
	USD in thousands		
Financial assets measured at amortised cost:			
Cash and cash equivalents	2,562	7,883	671
Short-term investments	130	250	178
Trade receivables	2,952	2,187	1,267
Related parties	692	728	2,452
	6,336	11,048	4,568
Financial liabilities measured at amortised cost:			
Trade payables	854	130	55
Other payables	731	972	595
Liabilities to Related Parties	2,499	—	—
Contingent consideration payable	4,690	—	—
Other non-current account payable	341	—	—
	9,115	1,102	650

(b) Financial risks factors:

The Group's activities expose it to various financial risks.

1. Market risk – Foreign exchange risk:

A significant portion of the Company's revenues are received in EURO. The majority of the Subsidiary's expenses in Israel are paid in New Israeli Shekels ("NIS"). Therefore, the Group is exposed to fluctuations in the foreign exchange rates in EURO and NIS against the USD. The Group does not invest in foreign currency contracts to mitigate the risks.

2. Credit risk:

The Group has one major customer (see Note 17).

The Group extends 30-day term to its customers. The Group regularly monitors the credit extended to its customers and their general financial condition but does not require collateral as security for these receivables.

The Group maintains cash and cash equivalents and short-term investments in various financial institutions. These financial institutions are located in different geographical areas around the world. The Group's policy is to diversify its investments among the various institutions. According to the Group's policy, the relative credit stability of the various financial institutions is evaluated on a regular basis.

3. Liquidity risk:

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (including interest payments):

As of 31 December 2012:

	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years	Total
	USD in thousands						
Trade payables	854	—	—	—	—	—	854
Payables	731	—	—	—	—	—	731
Other non-current liabilities	—	—	—	198	198	—	396
Liabilities to Related Parties	—	2,381	—	—	—	—	2,381
Contingent consideration payable	2,000	3,000	—	—	—	—	5,000
	3,585	5,381	—	198	198	—	9,362

As of 31 December 2011:

	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years	Total
	USD in thousands						
Trade payables	130	—	—	—	—	—	130
Payables	972	—	—	—	—	—	972
	1,102						1,102

As of 31 December 2010:

	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years	Total
	USD in thousands						
Trade payables	55	—	—	—	—	—	55
Payables	595	—	—	—	—	—	595
	650						650

(c) Fair value:

The carrying amounts of the Group's financial instruments approximate their fair value.

The fair value of shareholder loan, contingent consideration payable, liability for management fees and other non-current liability is based on the computation of the present value of cash flows using an interest rate of 5% that is currently available for loans with similar terms.

(d) Sensitivity tests relating to changes in market factors:

	As of 31 December		
	2012	**2011**	**2010**
	USD in thousands		
Sensitivity test to changes in EURO exchange rate:			
Gain (loss) from the change:			
Increase of 10% in exchange rate	(118)	(89)	(28)
Decrease of 10% in exchange rate	145	109	34
Sensitivity test to changes in NIS exchange rate:			
Gain (loss) from the change:			
Increase of 10% in exchange rate	47	7	17
Decrease of 10% in exchange rate	(58)	(9)	(21)

Sensitivity tests and principal work assumptions:

The selected changes in the relevant risk variables were determined based on management's estimate as to reasonable possible changes in these risk variables.

The Group has performed sensitivity tests of principal market risk factors that are liable to affect its reported operating results or financial position. The sensitivity tests present the profit or loss and/or change in equity (before tax) in respect of each financial instrument for the relevant risk variable chosen for that instrument as of each reporting date. The test of risk factors was determined based on the materiality of the exposure of the operating results or financial condition of each risk with reference to the functional currency and assuming that all the other variables are constant.

The Group is not exposed to interest rate risk in respect of long-term loans with fixed interest.

NOTE 14: EMPLOYEE BENEFIT LIABILITIES, NET

Employee benefits consist of short-term benefits and post-employment benefits.

(a) Post-employment benefits:

According to the labour laws and Severance Pay Law in Israel, the Group is required to pay compensation to an employee upon dismissal or retirement or to make current contributions in defined contribution plans pursuant to Section 14 to the Severance Pay Law, as specified below. The Group's liability is accounted for as a post-employment benefit. The computation of the Group's employee benefit liability is made in accordance with a valid employment contract based on the employee's salary and employment term which establish the entitlement to receive the compensation.

The post-employment employee benefits are financed by contributions classified as defined contribution plans, as detailed below.

Defined contribution plans:

Section 14 to the Severance Pay Law, 1963 applies to part of the compensation payments, pursuant to which the fixed contributions paid by the Group into pension funds and/or policies of insurance companies release the Group from any additional liability to employees for whom said contributions were made. These contributions and contributions for compensation represent defined contribution plans.

	Year ended 31 December		
	2012	**2011**	**2010**
	USD in thousands		
Expenses in respect of defined contribution plans	154	—	—

NOTE 15: EQUITY

(a) Composition of share capital:

	As of 31 December 2012	
	Authorised	Issued and outstanding
	numbers of shares	
Ordinary Shares of USD 1.00 par value	100,000	100

The Company was established in 2012 and therefore did not have a share capital prior to that.

(b) Movement in share capital:

1. For details regarding Share Splits in July and December 2013 see Note 21(c).
2. For shares issued in December 2013 see Note 21(h).

(c) Dividends:

1. On 22 April 2012, prior to the business acquisition described in Note 5(a), the equity of Old WPM Co in amount of USD 18,645 thousands was recorded as an adjustment of equity arising from business combination.
2. During 2012, the Company paid dividend to the non-controlling interests in amount of USD 1,089 thousands.
3. For details regarding dividend declared and paid in 2013 see Note 21(e).

(d) For details regarding Option Plan adopted in August 2013 see Note 21(d).

NOTE 16: TAXES ON INCOME

(a) During the reporting period the Company was incorporated in Seychelles under the International Business Companies Act, 1994, and was a tax-free corporation. Subsequent to the reporting period the Company moved its place of incorporation to Jersey (see Note 21(g)). The change in place of incorporation does not expect to change the Company's tax status.

Tax law applicable to the Subsidiary and Old WPS Co is the Israeli tax law – Income Tax Ordinance (new version) 1961.

The Israeli corporate tax rates applicable are 25% in 2010, 24% in 2011 and 25% in 2012.

In July 2013, the Israeli Parliament approved the Economic Plan for 2013-2014 which consists, among others, of the changes in the Israeli corporate tax rate from 25% to 26.5% effective from January 2014.

(b) Final tax assessments:

The Old WPS co received final tax assessments through 2012. The Company and the Subsidiary have not received final tax assessments since their incorporation.

(c) Deferred taxes:

Composition:

	Statements of financial position			Statements of income		
	As of 31 December			Year ended 31 December		
	2012	2011	2010	2012	2011	2010
	USD in thousands					
Deferred tax liabilities:						
Goodwill	12	—	—	(12)	—	—
Prepaid expenses (deductible on a cash basis)	—	103	89	103	(14)	(89)
	12	103	89			
Deferred tax assets:						
Prepaid income (taxable on a cash basis)	—	92	89	(92)	3	89
Employee benefits, net	12	30	11	(18)	19	11
	12	122	100			
Deferred tax income (expenses)				(19)	8	11
Deferred tax assets, net	—	19	11			

The deferred taxes are computed at tax rate of 25%, based on the tax rates that are expected to apply upon realisation.

(d) Taxes on income included in profit or loss:

	Year ended 31 December		
	2012	2011	2010
	USD in thousands		
Current taxes	140	798	408
Deferred taxes, see also (c) above	19	(8)	(11)
	159	790	397

(e) Theoretical tax:

The reconciliation between the tax expense, assuming that all the income and expenses, gains and losses in the statement of income were taxed at the statutory tax rate (principally in Seychelles) and the taxes on income recorded in profit or loss is as follows:

	Year ended 31 December		
	2012	2011	2010
	USD in thousands		
Income before taxes on income	13,474	8,361	3,948
Tax at the domestic rates applicable to profits in the country concerned	144	790	379
Increase in taxes on income resulting from the following factors:			
Tax effect of expenses that are not deductible for tax purposes	15	—	—
Taxes on income	159	790	379

NOTE 17: OPERATING SEGMENTS

(a) General:

The operating segments are identified on the basis of information that is reviewed by the chief operating decision maker ("CODM") to make decisions about resources to be allocated and assess its performance. Accordingly, for management purposes, the Group is organed into operating segments based on the products and services of the business units and has operating segments as follows

Content and Search Engine Optimisation ("SEO") — The Group earns the majority of its revenue from the monetisation of traffic generated by its own portfolio of websites. The Group owns more than 2,000 websites which provide gambling related content, in 17 languages, to potential players. The sites' content, written by professional writers, is designed to attract online gamblers which the Group then directs to gambling operators. The sites either direct players to a certain operator or will allow the players to select the operator most relevant to their requirements.

Media — The Group's Media Buying division acquires online advertising media targeted at potential players with the objective of directing them to the Group's customers. The Group buys advertising space on search engines, websites and social networks and places adverts referring potential players to the Group's customers' websites or to its own websites.

Affiliates Network — The Group manages affiliates, whose role is to direct potential players to the Group's customers for which the Group receives revenues. The Group is the responsible for paying its affiliate partners. The Group's affiliate programme enables affiliates to have a single point of contact to direct traffic to, and receive monies from, rather than engaging in multilateral negotiation, administration and collection of revenues.

Segment performance (segment income) is evaluated based on revenues less direct operating costs.

Items that were not allocated are managed on a group basis.

(b) Reporting on operating segments:

	SEO segment	Media segment	Affiliates Network segment	Total
	USD in thousands			
Year ended 31 December 2012:				
Revenues	14,922	8,183	3,030	26,135
Segment profit	10,188	5,607	477	16,272
Unallocated corporate expenses				(4,203)
Other income, net				1,378
Finance income, net				27
Income before taxes on income				13,474
Year ended 31 December 2011:				
Revenues	11,170	8,180	1,546	20,896
Segment profit	5,182	5,412	522	11,116
Unallocated corporate expenses				(2,369)
Other expenses, net				(3)
Finance expense, net				(383)
Income before taxes on income				8,361

	SEO segment	Media segment	Affiliates Network segment	Total
	USD in thousands			
Year ended 31 December 2010:				
Revenues	5,320	4,178	1,682	11,180
Segment profit	2,392	2,411	430	5,233
Unallocated corporate expenses				(1,237)
Finance expense, net				(48)
Income before taxes on income				3,948

(c) Additional information about revenues:

Revenues from major customer, the revenues of whom amounted to 10% or more of total revenues reported in the financial information:

	Year ended 31 December		
	2012	2011	2010
Customer A – all segments	31%	21%	27%

(d) The customers of the Group are located mainly in Europe, however the Group is unable to identify the specific country in which these customers are located.

NOTE 18: CONTINGENT LIABILITIES AND COMMITMENTS

(a) The Group (as lessee) has entered into commercial real estate lease agreements with annual lease fees in amount of approximately USD 197 thousands. In August 2013 the Group has entered into a new commercial real estate lease agreement and terminated its previous lease agreements (for more details see Note 21(a)).

(b) For business combinations agreements and commitments see Note 5.

(c) For agreements with related parties and commitments see Note 5.

(d) For fixed liens on deposits see Notes 7.

NOTE 19: BALANCES AND TRANSACTIONS WITH RELATED PARTIES

(a) Balances:

	As of 31 December		
	2012	**2011**	**2010**
	USD in thousands		
Assets			
Related parties – shareholders	132	728	2,452
Old WPM Co and Old WPS Co – balances arising from business combination	560	—	—
Liabilities			
Current liabilities:			
Other payables – shareholders	—	306	214
Contingent consideration payable – see Note 5(a)(i)	2,000	—	
Non-current liabilities:			
Shareholders loans – see Note 5(a) (iii)	1,350	—	—
Liabilities to shareholders for management fees- see Note 5(a) (iv)	1,149	—	—
Contingent consideration payable – see Note 5(a)(i)	2,690	—	—

(b) Compensation of key management personnel of the Company:

	Year ended 31 December		
	2012	**2011**	**2010**
	USD in thousands		
Total compensation	512	428	201

Represents the total compensation to shareholders, including annual social benefits of USD 10 thousands and USD 17 thousands in 2011 and 2010 respectively.

(c) Transactions with related parties:

	Year ended 31 December		
	2012	2011	2010
	USD in thousands		
Finance costs, on liabilities to shareholders, net	46	—	—

(d) Significant agreements with related parties:
Business combinations – see Note 5:

- Asset Purchase Agreement by the Company – 5(a)(i)
- Asset Purchase Agreement by the Subsidiary – 5(a)(ii)
- Shareholders loan agreements – 5(a)(iii)
- Service Agreements – 5(a)(iv)
- Acquisition agreement of the Subsidiary's shares- see Note 21(f)

NOTE 20: SUPPLEMENTARY INFORMATION TO THE STATEMENTS OF INCOME

	Year ended 31 December		
	2012	2011	2010
	USD in thousands		
Cost of revenues:			
Salaries and wages	3,371	2,305	1,159
Media buying costs	1,710	2,215	1,498
Websites promotions and content	1,741	1,481	765
Joint arrangement	581	2,804	1,342
Affiliates	2,460	975	1,184
	9,863	9,780	5,948

NOTE 21: SUBSEQUENT EVENTS

(a) In June 2013 the Group (as lessee) has entered into new commercial real estate lease agreements. The leases are under non-cancellable terms and mature over 2-4 years with annual lease fees in amount of approximately USD 517 thousands, started from August 2013.

(b) In July 2013 the Company entered into an agreement to sell its assets and business activity in Turkey (the "Sale Agreement"), for consideration of USD 1,500 thousands to be paid in 60 monthly installments beginning 30 days after closing of the Sale Agreement. The Sale Agreement also sets that the parties will enter into a service agreement (the "Sale Service Agreement") to be provided by the Company to the purchaser. The closing took place on 31 October 2013.

In addition the Company entered into Sale Service Agreement under which the Company will provide certain services including marketing and IT services to the purchaser for consideration of USD 150 thousands per quarter. The Company will also be entitled to an annual bonus as will be agreed between the parties. The Sale Service Agreement will be in force for at least 60 months commencing from the closing date. However, following a change of control in the Company, the purchaser will have the right to immediately terminate the service agreement within a period of 60 days following such change of control.

(c) In June 2013 the Company's shareholders authorised and approved the effectuation of a 1:100 share split of the authorised share capital of the Company ("Split I"), so that all the Company's shares shall be subject to the Split I (i.e. each share, USD 1.00 par value, shall be split into 100 shares, USD 0.01 par value each). Following the Split I the Company's authorised share capital consisted of 10,000,000 Ordinary Shares par value USD 0.01, of which 10,000 shares were issued and outstanding.

In addition in December 2013 the Company's shareholders authorised and approved the effectuation of 1:10,000 share split of the authorised share capital of the Company ("Split II"), so that all the Company's shares shall be subject to the Split II (i.e. each share, USD 0.01 par value, shall split into 10,000 shares, USD 0.000001 par value each), and adjustment of all the Company's securities effectuated by the Split II, to correspond with the Split II. Following the Split II the Company's authorised share capital consists of 100,000,000,000 Ordinary Shares par value USD 0.000001, of which 100,000,000 shares are issued and outstanding.

(d) In August 2013 the Company adopted a Share Option Plan. According to the plan, the Company's Board of Directors is entitled to grant certain employees/other service providers of the Company (including its present and future subsidiaries) remuneration in the form of equity-settled share-based payment transactions that are measured based on the increase in the Company's share price.

Pursuant to the plan, subject to the Company's Board of Directors' approval, the Company's employees/other service providers will be granted with options exercisable into a corresponding number of the Company's ordinary shares. Grants to Israeli employees will be made in accordance with Section 102 of the Income Tax Ordinance, capital-gains track (with a trustee).

These options may be exercised, subject to the continuance of engagement of such employees/other service providers with the Company, within a period of eight years, at an exercise price to be determined by the Company's Board of Directors.

In October 2013 the Company granted, within the framework of the plan, certain employees/service providers of the Company, an aggregate amount of 3,250,000 options, exercisable into 3,250,000 ordinary shares of par value USD 0.000001 of the Company ("Options A"). The exercise price of Options A is USD 0.154 per each share.

Subject to the terms of the plan, each of the Option A optionees will be entitled to exercise the options into shares in accordance with the following vesting scheme: 25% of the options have vested on 22 April 2013 ('cliff') and the remaining 75% of the options will vest on a quarterly basis over a period of 3 years, in equal portions, i.e. 6.25% per each calendar quarter.

In February 2014, the Company granted the CEO 1,540,000 options to purchase 1,540,000 ordinary shares ("Options B"). The exercise price of Options B is USD 0.154 per share. Options B vest over a period of three years from 1 January 2014. 25% of these options are deemed to have vested on 1 January 2014 with the remaining options vesting *pro rata* on a quarterly basis over the three year period.

In February 2014, the Company granted 1,260,000 options to purchase 1,260,000 ordinary shares at an exercise price of $0.154 ("Options C"). Options C vest over a period of 27 months from 1 January 2014. 44% of Options C are deemed to have vested on 22 January 2014 with the remaining options vesting *pro rata* on a quarterly basis over the 27 months period.

In February 2014, the Company granted 1,200,000 options to purchase 1,200,000 ordinary shares at an exercise price equal to the price per share on admission to AIM ("Options D"). Options D vest over a period of four years from 1 January 2014. 25% of Options D shall vest on 1 January 2015 with the remaining options vesting *pro rata* on a quarterly basis over the remaining three year period.

In March 2014, the Company granted the CEO 1,000,000 options to purchase 1,000,000 ordinary shares. The exercise price of these options is the Placing Price. These options vest over a period of three years from the date of Admission *pro rata* on a quarterly basis over the three year period.

(e) In August 2013 the Company declared and paid a dividend in amount of USD 1.8 million.

(f) In November 2013 the Company (through a subsidiary founded for this purpose) entered into an agreement to buy 100% of the shares of the Subsidiary for the consideration of USD 3,4 million. According to the agreement the consideration will be paid in two installments, the first of USD 1,2 million to be paid immediately, and the remainder to be paid no later than

31 December 2013. This transaction is a business combination involving entities under the common control of the Parent Company and will be accounted for in a manner similar to a pooling of interests. For further details in the accounting policy see Note 2(c).

(g) In November 2013 the Company changed its name from Webpals Marketing Systems Ltd. to its current name and moved its place of incorporation from Seychelles to Jersey.

(h) In December 2013 the Company has entered into a Share Purchase Agreement ("SPA") with a new investor under which the Company issued 20,160,000 ordinary shares, par value USD 0.000001 each constituting 16.78% of the Company's capital for consideration for USD 15 million.

The agreement provides for the investor being issued with additional ordinary shares to the extent that an IPO is completed within six months of closing at a price per share that is less than 25 per cent. higher than the price per ordinary (as may be adjusted in the interim) paid by the investor under the terms of the agreement. As a consequence of this, the investor will be issued with additional 2,377,500 ordinary shares on Admission.

PART 4C

UNAUDITED INTERIM FINANCIAL INFORMATION OF THE GROUP FOR THE SIX MONTHS ENDED 30 JUNE 2013 (WITH COMPARATIVES FOR THE GROUP'S BUSINESS FOR THE SIX MONTHS ENDED 30 JUNE 2012)

COMBINED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

	As of 30 June 2013	As of 31 December 2012
	USD in thousands	
Assets		
Current assets:		
Cash and cash equivalents	4,170	2,562
Short term investments	401	130
Trade receivables	2,893	2,952
Related parties	417	692
Other accounts receivable	905	856
	8,786	7,192
Non-current assets:		
Property, plant and equipment	488	454
Intangible assets	7,416	7,285
Goodwill	2,416	2,416
Deferred taxes	2	—
	10,322	10,155
	19,108	17,347

The accompanying notes are an integral part of the combined financial information.

COMBINED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

	As of 30 June 2013	As of 31 December 2012
	USD in thousands	
Liabilities and equity		
Current liabilities:		
Trade payables	1,387	854
Other liabilities and account payable	984	891
Contingent consideration payable	2,884	2,000
	5,255	3,745
Non-current liabilities:		
Contingent consideration payable	—	2,690
Liabilities to Related Parties	—	2,499
Other liabilities	346	341
	346	5,530
	5,601	9,275
Equity attributable to equity holders of the company:		
Share capital	—	—
Share premium	—	—
Capital reserve from transaction with non-controlling interests	106	106
Retained earnings	12,271	6,856
	12,377	6,962
Non-controlling interests	1,130	1,110
Total equity	13,507	8,072
	19,108	17,347

The accompanying notes are an integral part of the combined financial information.

COMBINED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (UNAUDITED)

	Six months ended 30 June		Year ended 31 December
	2013	**2012**	**2012**
	USD in thousands (except share and per share data)		
Revenues	16,005	12,754	26,135
Cost of revenues	5,747	4,843	9,863
Gross profit	10,258	7,911	16,272
Research and development expenses	392	259	581
Selling and marketing expenses	826	593	1,002
General and administrative expenses	2,122	955	2,620
	3,340	1,807	4,203
Operating income	6,918	6,104	12,069
Finance expense	428	178	78
Finance income	136	177	105
Income before other income	6,626	6,103	12,096
Other income, net	—	1,536	1,378
Profit before taxes	6,626	7,639	13,474
Taxes	124	84	159
Net income and other comprehensive income	6,502	7,555	13,315
Attributable to:			
Equity holders of the Company	5,415	7,242	12,237
Non-controlling interests	1,087	313	1,078
	6,502	7,555	13,315
Illustrative Earnings per Share:			
Net earnings per share attributable to equity holders of the Company (in USD)	0.05	0.07	0.12
Number of Ordinary Shares (after Share Splits during 2013 – see Note 5(b))	100,000,000	100,000,000	100,000,000

The accompanying notes are an integral part of the combined financial information.

COMBINED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to equity holders of the Company						
	Share capital	Share premium	Retained earnings	Capital reserve from transactions with non-controlling interests	Total	Non-controlling interests	Total equity
	USD in thousands						
Balance as of 1 January 2013	—	—	6,856	106	6,962	1,110	8,072
Net income and comprehensive income for the period of six months ended 30 June 2013	—	—	5,415	—	5,415	1,087	6,502
Sale to non-controlling interests	—	—	—	—	—	31	31
Dividend to non-controlling interests	—	—	—	—	—	(1,098)	(1,098)
Balance as of 30 June 2013	—	—	12,271	106	12,377	1,130	13,507
Balance as of 1 January 2012	10	765	12,489	—	13,264	—	13,264
Non-controlling interests arising from business acquisition	—	—	—	—	—	759	759
Adjustment of equity arising from business combination	(10)	(765)	(17,870)	—	(18,645)	—	(18,645)
Dividend to non-controlling interests	—	—	—	—	—	(238)	(238)
Net income and comprehensive income for the period of six months ended 30 June 2012	—	—	7,242	—	7,242	235	7,477
Balance as of 30 June 2012	—	—	1,861	—	1,861	756	2,617

The accompanying notes are an integral part of the combined financial information.

COMBINED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to equity holders of the Company						
	Share capital	Share premium	Retained earnings	Capital reserve from transactions with non-controlling interests	Total	Non-controlling interests	Total equity
	USD in thousands						
Balance as of 1 January 2012	10	765	12,489	—	13,264	—	13,264
Non-controlling interests arising from business acquisition	—	—	—	—	—	759	759
Net income and comprehensive income	—	—	12,237	—	12,237	1,078	13,315
Increase of non- controlling interests	—	—	—	—	—	75	75
Sale to non-controlling interests	—	—	—	106	106	287	393
Adjustment of equity arising from business combination	(10)	(765)	(17,870)	—	(18,645)	—	(18,645)
Dividend to non-controlling interests	—	—	—	—	—	(1,089)	(1,089)
Balance as of 31 December 2012	—	—	6,856	106	6,962	1,110	8,072

The accompanying notes are an integral part of the combined financial information.

COMBINED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six months ended 30 June		Year ended 31 December
	2013	**2012**	**2012**
	USD in thousands		
Cash flows from operating activities:			
Net income and comprehensive income	6,502	7,555	13,315
Adjustments to reconcile net income to net cash provided by operating activities:			
Adjustments to the profit or loss items:			
Depreciation and amortisation	317	135	415
Finance expense (income), net	119	(118)	(145)
Gain from remeasurement of investment in initially consolidated subsidiary	—	(1,389)	(1,389)
Gain on bargain purchase	—	(179)	(179)
Taxes on income	124	84	159
Changes in asset and liability items :			
Decrease (increase) in trade receivables	59	(253)	(765)
Decrease (increase) in other accounts receivable	79	(186)	(148)
Decrease (increase) in related parties	275	(2,822)	(53)
Increase in trade payable	533	413	865
Increase in other accounts payable	171	736	1,068
	1,677	(3,579)	(172)
Cash paid and received during the period for:			
Interest paid	(131)	—	—
Interest received	4	—	15
Taxes paid	(249)	(72)	(212)
	(376)	(72)	(197)
Net cash provided by operating activities	7,803	3,904	12,946

The accompanying notes are an integral part of the combined financial information

COMBINED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six months ended 30 June		Year ended 31 December
	2013	2012	2012
	USD in thousands		
Cash flows used in investing activities:			
Purchase of property, plant and equipment	(99)	(104)	(241)
Acquisition of initially consolidated subsidiaries (a)	—	(1,033)	(1,469)
Purchase of intangible assets	(383)	(78)	(732)
Short term investments	(265)	—	(156)
Net cash used in investing activities	(747)	(1,215)	(2,598)
Cash flows used in financing activities:			
Sale of shares to non-controlling interests	31	—	393
Financing by non-controlling interests	—	—	75
Adjustment of equity arising from business combination	—	(7,848)	(7,848)
Dividend paid to non-controlling interests	(1,098)	(316)	(1,089)
Payment on account of contingent consideration payable	(2,000)	—	—
Repayment of liabilities to Related Parties	(2,381)	—	(7,200)
Net cash used in financing activities	(5,448)	(8,164)	(15,669)
Increase (decrease) in cash and cash equivalents	1,608	(5,475)	(5,321)
Cash and cash equivalents at beginning of the period	2,562	7,883	7,883
Cash and cash equivalents at end of period	4,170	2,408	2,562

The accompanying notes are an integral part of the combined financial information

COMBINED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six months ended 30 June		Year ended 31 December
	2013	**2012**	**2012**
	USD in thousands		
(a) Acquisition of initially consolidated subsidiary			
The subsidiary's assets and liabilities at date of acquisition:			
Intangible assets	—	3,796	3,796
Gain on bargain purchase	—	(179)	(179)
Non-controlling interests	—	(759)	(759)
Gain from remeasurement of initially consolidated subsidiary	—	(1,389)	(1,389)
Acquisition of initially consolidated subsidiary	—	1,469	1,469
The liability for the consideration payable	—	(436)	—
	—	1,033	1,469
(b) Significant non-cash transactions:			
Purchase of intangible assets	—	—	341
Adjustment of equity arising from business combination	—	10,797	10,797
Loans from Related Party	—	5,388	5,388
Liabilities to Related Parties incurred in business combinations	—	9,125	9,125

The accompanying notes are an integral part of the combined financial information.

XLMEDIA PLC

NOTES TO COMBINED FINANCIAL INFORMATION (UNAUDITED)

NOTE 1: GENERAL

The combined financial information of the Group has been prepared by XLMedia PLC (the "Company") in a condensed format as of 30 June 2013 and for the six months then ended ("interim combined financial information"). The interim combined financial information should be read in conjunction with the Group's annual combined financial information as of 31 December 2012 for the Group's business and for the year then ended and accompanying notes ("annual combined financial information") as included in the AIM admission document.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the interim combined financial information:

The interim combined financial information has been prepared using the same accounting policies as those followed in the preparation of the annual combined financial information, as included in the AIM admission document, except for the adoption of new standards effective as of 1 January 2013, as described below. The interim combined financial information is prepared in accordance with International Financial Reporting Standards as adopted by the European Union as applicable to interim condensed financial statements, except in respect of certain matters as more fully described in the annual combined financial information.

Adoption of new standards:

The Group applies, for the first time, the following new Standards which had no material effect on the combined financial information:

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements

NOTE 3: OPERATING SEGMENTS

(a) General:

The operating segments are identified on the basis of information that is reviewed by the chief operating decision maker ("CODM") to make decisions about resources to be allocated and assess its performance. Accordingly, for management purposes, the Group is organised into operating segments based on the products and services of the business units and has operating segments as follows

Content and Search Engine Optimisation ("SEO")	—	The Group earns the majority of its revenue from the monetisation of traffic generated by its own portfolio of websites. The Group owns more than 2,000 websites which provide gambling related content, in 17 languages, to potential players. The sites' content, written by professional writers, is designed to attract online gamblers which the Group then directs to gambling operators. The sites either direct players to a certain operator or will allow the players to select the operator most relevant to their requirements.
Media	—	The Group's Media Buying division acquires online advertising media targeted at potential players with the objective of directing them to the Group's customers. The Group buys advertising space on search engines, websites and social networks and places adverts referring potential players to the Group's customers' websites or to its own websites.
Affiliates Network	—	The Group manages affiliates, whose role is to direct potential players to the Group's customers for which the Group receives revenues. The Group is the

responsible for paying its affiliate partners. The Group's affiliate programme enables affiliates to have a single point of contact to direct traffic to, and receive monies from, rather than engaging in multilateral negotiation, administration and collection of revenues.

Segment performance (segment income) is evaluated based on revenues less direct operating costs.

Items that were not allocated are managed on a group basis.

(b) Reporting on operating segments:

	SEO segment	Media segment	Affiliates Network segment	Total
	USD in thousands			
Period ended 30 June 2013:				
Revenues	9,374	3,976	2,655	16,005
Segment profit	7,340	2,567	351	10,258
Unallocated corporate expenses				(3,340)
Finance expense, net				(292)
Income before taxes on income				6,626
Period ended 30 June 2012:				
Revenues	7,335	4,404	1,015	12,754
Segment profit	4,575	3,170	166	7,911
Unallocated corporate expenses				(1,807)
Other income, net				1,536
Finance expense, net				(1)
Income before taxes on income				7,639

	SEO segment	Media segment	Affiliates Network segment	Total
	USD in thousands			
Year ended 31 December 2012:				
Revenues	14,922	8,183	3,030	26,135
Segment profit	10,188	5,607	477	16,272
Unallocated corporate expenses				(4,203)
Other income, net				1,378
Finance income, net				27
Income before taxes on income				13,474

NOTE 4: SIGNIFICANT EVENTS DURING THE PERIOD

(a) In January 2013 the Company paid USD 2 million on account of the contingent consideration (for more details see Note 5(a)(i) for the annual combined financial information).

(b) In May 2013 the Company fully repaid the liabilities to Related Parties in amount of USD 2,381 thousands (for more details see Note 5(a)(iii) and (iv) for the annual combined financial information).

(c) In June 2013 the Group (as lessee) has entered into new commercial real estate lease agreements. The leases are under non-cancellable terms and mature over 2-4 years with annual lease fees in amount of about USD 517 thousands, started from August 2013.

NOTE 5: SUBSEQUENT EVENTS

(a) In July 2013 the Company entered into an agreement to sell its assets and business activity in Turkey (the ''Sale Agreement''), for consideration of USD 1,500 thousands to be paid in 60 monthly installments beginning 30 days after closing of the Sale Agreement. The Sale Agreement also sets that the parties will enter into a service agreement (the ''Sale Service Agreement'') to be provided by the Company to the purchaser. The closing took place on 31 October 2013.

In addition the Company entered into Sale Service Agreement under which the Company will provide certain services including marketing and IT services to the purchaser for consideration of USD 150 thousands per quarter. The Company will also be entitled to an annual bonus as will be agreed between the parties. The Sale Service Agreement will be in force for at least 60 months commencing from the closing date. However, following a change of control in the Company, the purchaser will have the right to immediately terminate the service agreement within a period of 60 days following such change of control.

(b) In June 2013, the Company's shareholders authorised and approved the effectuation of a 1:100 share split of the authorised share capital of the Company (''Split I''), so that all the Company's shares shall be subject to the Split I (i.e. each share, USD 1.00 par value, shall be split into 100 shares, USD 0.01 par value each). Following the Split I the Company's authorised share capital consisted of 10,000,000 Ordinary Shares par value USD 0.01, of which 10,000 shares were issued and outstanding.

In addition in December 2013 the Company's shareholders authorised and approved the effectuation of 1:10,000 share split of the authorised share capital of the Company (''Split II''), so that all the Company's shares shall be subject to the Split II (i.e. each share, USD 0.01 par value, shall be split into 10,000 shares, USD 0.000001 par value each), and adjustment of all the Company's securities effectuated by the Split II, to correspond with the Split II. Following the Split II the Company's authorised share capital consists of 100,000,000,000 Ordinary Shares par value USD 0.000001, of which 100,000,000 shares are issued and outstanding.

(c) In August 2013 the Company adopted a Share Option Plan. According to the plan, The Company's Board of Directors is entitled to grant certain employees/other service providers of the Company (including its present and future subsidiaries) remuneration in the form of equity-settled share-based payment transactions that are measured based on the increase in the Company's share price.

Pursuant to the plan, subject to the Company's Board of Directors' approval, the Company's employees/other service providers will be granted with options exercisable into a corresponding number of the Company's ordinary shares. Grants to Israeli employees will be made in accordance with Section 102 of the Income Tax Ordinance, capital-gains track (with a trustee).

These options may be exercised, subject to the continuance of engagement of such employees/other service providers with the Company, within a period of eight years, at an exercise price to be determined by the Company's Board of Directors.

In October 2013, the Company granted, within the framework of the plan, certain employees/service providers of the Company, an aggregate amount of 3,250,000 options, exercisable into 3,250,000 ordinary shares of the Company (''Options A''). The exercise price of these Options A is USD 0.154 per each share.

Subject to the terms of the plan, each of Options A optionees will be entitled to exercise the options into shares in accordance with the following vesting scheme: 25% of the options have vested on 22 April 2013 ('cliff') and the remaining 75% of the options will vest on a quarterly basis over a period of 3 years, in equal portions, i.e. 6.25% per each calendar quarter.

In February 2014 the Company granted the CEO 1,540,000 options to purchase 1,540,000 ordinary shares. The exercise price of Options B is USD 0.154 per share. Options B vest over a period of three years from 1 January 2014. 25% of Options B are deemed to have vested on 1 January 2014 with the remaining options vesting *pro rata* on a quarterly basis over the three year period.

In February 2014 the Company granted 1,260,000 options to purchase 1,260,000 ordinary shares at an exercise price of $0.154 ("Options C"). Options C vest over a period of 27 months from 1 January 2014. 44% of Options C are deemed to have vested on 22 January 2014 with the remaining options vesting *pro rata* on a quarterly basis over the 27 months period.

In February 2014 the Company granted 1,200,000 options to purchase 1,200,000 ordinary shares at an exercise price equal to the price per share on admission to AIM ("Options D"). Options D vest over a period of four years from 1 January 2014. 25% of Options D shall vest on 1 January 2015 with the remaining options vesting *pro rata* on a quarterly basis over the remaining three year period.

In March 2014, the Company granted the CEO 1,000,000 options to purchase 1,000,000 shares. The exercise price of these options is the Placing Price. These options vest over a period of three years from the date of Admission *pro rata* on a quarterly basis over the three year period.

(d) In August 2013 the Company declared and paid a dividend in amount of USD 1.8 million.

(e) In November 2013 the Company (through a subsidiary founded for this purpose) entered into an agreement to buy 100% of the shares of the Subsidiary for the consideration of USD 3,4 million. According to the agreement the consideration will be paid in two installments, the first of USD 1,2 million to be paid immediately, and the remainder to be paid no later than 31 December 2013. This transaction is a business combination involving entities under the common control of the Parent Company and will be accounted for in a manner similar to a pooling of interests. For further details in the accounting policy see Note 2(c) for the annual combined financial information.

(f) In November 2013 the Company changed its name from Webpals Marketing Systems Ltd. to its current name and moved its place of incorporation from Seychelles to Jersey.

(g) In December 2013 the Company has entered into a Share Purchase Agreement ("SPA") with a new investor under which the Company issued 2,016 ordinary shares, par value USD 0.01 each constituting 16.78% of the Company's capital for consideration for USD 15 million.

The agreement provides for the investor being issued with additional ordinary shares to the extent that an IPO is completed within six months of closing at a price per share that is less than 25 per cent. higher than the price per ordinary (as may be adjusted in the interim) paid by the investor under the terms of the agreement. As a consequence of this, the investor will be issued with additional 2,377,500 ordinary shares on Admission.

PART 4D

UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION

The following unaudited *pro forma* combined statement of financial position of the Group has been prepared to show the effect on the net assets of the Group as of 30 June 2013 of the following transactions: the acquisition of the Subsidiary, the dividend payment, the net proceeds from new investment and net proceeds from IPO, as if they had occurred at 30 June 2013.

The unaudited *pro forma* combined statement of financial position has been prepared on a basis consistent with the Group's accounting policies and reflects the adjustments described below. This information is prepared for an illustrative purpose only, and because of its nature, addresses a hypothetical situation and it does not represent the Group's actual financial position.

		Adjustments				
	As of 30 June 2013 (Note 1)	**Acquisition of the Subsidiary (Note 2)**	**Dividend payment (Note 3)**	**Net proceeds from new investment (Note 4)**	**Net proceeds from IPO (Note 5)**	**Pro forma statement of financial position**
	USD in thousands					
Assets						
Current assets:						
Cash and cash equivalents	4,170	(3,400)	(1,800)	14,311	78,323	61,604
Short term investments	401	—	—	—	—	401
Trade receivables	2,893	—	—	—	—	2,893
Related parties	417	—	—	—	—	417
Other accounts receivable	905	—	—	—	—	905
	8,786	(3,400)	(1,800)	14,311	78,323	66,220
Non-current assets:						
Property, plant and equipment	488	—	—	—	—	488
Intangible assets	7,416	—	—	—	—	7,416
Goodwill	2,416	—	—	—	—	2,416
Deferred taxes	2	—	—	—	—	2
	10,322	—	—	—	—	10,322
	19,108	(3,400)	(1,800)	14,311	78,323	76,542

UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION

		Adjustments				
	As of 30 June 2013 (Note 1)	Acquisition of the Subsidiary (Note 2)	Dividend payment (Note 3)	Net proceeds from new investment (Note 4)	Net proceeds from IPO (Note 5)	Pro forma statement of financial position
	USD in thousands					
Liabilities and equity						
Current liabilities:						
Trade payables	1,387	—	—	—	—	1,387
Other liabilities and account payable	984	—	—	—	—	984
Contingent consideration payable	2,884	—	—	—	—	2,884
	5,255	—	—	—	—	5,255
Non-current liabilities:						
Other liabilities	346	—	—	—	—	346
Equity:						
Equity attributable to equity holders of the company	12,377	(3,400)	(1,800)	14,311	48,323	69,811
Non-controlling interests	1,130	—	—	—	—	1,130
	13,507	(3,400)	(1,800)	14,311	48,323	70,941
	19,108	(3,400)	(1,800)	14,311	48,323	76,542

Notes:

(1) The unadjusted financial information in respect of the Group is extracted from the financial information included in Part 4B and 4C of this document.

(2) Adjustment to reflect payment of USD 3.4 million subsequent to 30 June 2013 for the acquisition of 100% of the shares of the Subsidiary. This acquisition is a business combination involving entities under the common control of the Parent Company and will be accounted for in a manner similar to a pooling of interests. Accordingly any excess of the consideration paid over the carrying amount of the net assets acquired is recorded as a reduction of equity. As all the assets and liabilities of the Subsidiary are included in the combined financial information as of 30 June 2013, and therefore reflected as an increase in equity, the adjustment in respect of the entire payment is reflected as a reduction of equity.

(3) Adjustment to reflect the dividend paid in August 2013.

(4) Adjustment to reflect the net consideration received (net of transaction costs of USD 689 thousands) for 20,160,000 Ordinary shares of the Company issued to new investor in December 2013 (further details of which are set out at paragraph 12 of Part 5 of this document).

(5) Adjustment to reflect gross funds raised from an Initial Public Offering (IPO) of GBP32.5 million (equal to USD54.5 million at an exchange rate of GBP 1: USD1.675), net of IPO related costs of USD6.2 million.

(6) No other adjustments have been made to reflect trading or other transactions since 30 June 2013.

PART 5

ADDITIONAL INFORMATION

1 Incorporation and status of the Company

1.1 The Company was incorporated in the Republic of Seychelles on 4 April 2012 as an International Business Company in accordance with the International Business Companies Act 1994 with registration number 106064.

1.2 The Company transferred its place of incorporation, by way of continuance, from the Seychelles to Jersey on 26 November 2013. It is currently domiciled and registered under the Jersey Companies Law with registered no 114467, having re-registered as a public company limited by shares with the name XLMedia PLC in March 2014.

1.3 The address of the Company's website which discloses information required by Rule 26 of the AIM Rules for Companies is www.xlmedia.com.

1.4 The Company's registered office is at 12 Castle Street, St Helier, Jersey JE2 3RT. The Company's principal telephone number is +357-25-745770. The Company's head office and principal place of business is at Pindarsu 14, 3095, Limassol, Cyprus.

1.5 The principal law and legislation under which the Company operates is the Jersey Companies Law 1991. The Ordinary Shares in issue as at 25 November 2013 (being the latest practicable date prior to the date on which the Company transferred its place of incorporation) were created under the International Business Companies Act 1994. The Ordinary Shares issued since that date were, and Placing Shares will be, in each case created under the Jersey Companies Law 1991. The rights and responsibilities attaching to all Ordinary Shares shall be determined by reference to Jersey Companies Law and the Articles (as summarised below).

2 Share capital of the Company

2.1 The Company was incorporated with a share capital of US$100,000 divided into 100,000 ordinary shares of US$1.00 each, of which 100 ordinary shares of US$1.00 each were issued on incorporation.

2.2 By a resolution passed on 3 June 2013, the 10,000 ordinary shares of US$1.00 each were subdivided into 10,000,000 ordinary shares of US$0.01 each, resulting in an authorised share capital of US$100,000 divided into 10,000,000 ordinary shares of US$0.01 each, of which 10,000 ordinary shares of US$0.01 were in issue.

2.3 By a special resolution passed on 1 December 2013, the 10,000,000 ordinary shares of US$0.01 each were subdivided into 100,000,000,000 ordinary shares of US$0.000001 each, resulting in an authorised share capital of US$100,000 divided into 100,000,000,000 Ordinary Shares of US$0.000001 each, of which 100,000,000 ordinary shares of US$0.000001 were in issue.

2.4 As at 14 March 2014 (being the latest practicable date prior to the date of this document) the authorised and issued share capital of the Company is:

Class of shares	Nominal value	Authorised		Issued[(i)]	
		US$	number	US$	number
Ordinary Shares	US$0.000001	100,000	100,000,000,000	120.16	120,160,000

(i) All shares are fully paid.

2.5 The issued share capital of the Company immediately following Admission will be:

Class of shares	Nominal value	Authorised		Issued[(i)]	
		US$	number	US$	number
Ordinary Shares	US$0.000001	100,000	100,000,000,000	189.56	189,563,652

(i) All shares are fully paid.

2.6 The summary below sets out the changes to the share capital of the Company which have occurred between incorporation and 14 March 2014 (being the latest practicable date prior to the date of this document):

2.6.1 On incorporation, the Company issued 100 ordinary shares of US$1 each to WELP.

2.6.2 On 5 December 2013, the Company issued 20,160,000 Ordinary Shares to Israeli VC Partners LP.

2.7 As at 14 March 2014 (being the latest practicable date prior to the date of this document) the Company did not hold any Ordinary Shares in treasury.

2.8 The authorised but unissued share capital of the Company immediately following Admission will be US$99,810.44 representing approximately 99.8 per cent. of the authorised share capital. 8,250,000 Ordinary Shares have been reserved for the issue on the exercise of the Options issued under the Group Share Incentive Plan, as referred to in paragraph 4 below.

2.9 Other than the issue of Ordinary Shares pursuant to the Placing, under the terms of the Investment Agreement and on exercise of the Options as described in paragraph 4 below, the Company has no present intention to issue any of the authorised but unissued share capital of the Company.

2.10 The Company does not have in issue any securities not representing share capital.

2.11 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

2.12 Save as disclosed in this paragraph 2, there has been no issue of share or loan capital of the Company or any other member of the Group (other than intra-group issues by wholly owned subsidiaries) since incorporation and (other than pursuant to the Placing, under the terms of the Investment Agreement or on the exercise of the Options issued under the Group Share Incentive Plan, as referred to in paragraph 4 below) no such issues are proposed.

2.13 Save as disclosed in paragraphs 8 and 12 below, no commissions, discounts, brokerages or other special terms have been granted by the Company or any other member of the Group in connection with the issue or sale of any share or loan capital of the Company or any other member of the Group since incorporation.

2.14 Save as disclosed in paragraph 4 below, on Admission no share or loan capital of the Company or any other member of the Group will be under option or has been agreed conditionally or unconditionally to be put under option.

2.15 Other than pursuant to the Placing, none of the Ordinary Shares have been sold or are available in whole or in part to the public in conjunction with the application for the Ordinary Shares to be admitted to AIM.

2.16 The Ordinary Shares will be in registered form. No temporary documents of title will be issued and prior to the issue of definitive certificates, transfers will be certified against the register. It is expected that definitive share certificates for the Ordinary Shares not to be held through CREST will be posted to allottees by 4 April 2014. Ordinary Shares to be held through CREST will be credited to CREST accounts on Admission.

3 Memorandum and Articles of Association

The Articles, which will be effective from Admission, were approved pursuant to a resolution of the Company passed on 11 March 2014.

There are a number of differences between Jersey Companies Law and English law that may impact on the rights of shareholders of the Company. As such, where appropriate and subject to Jersey Companies Law, provisions have been incorporated into the Articles to replicate (as closely as possible) certain rights and protections that are available currently to shareholders in an English company as a matter of English law but which would not otherwise have been available as a matter of Jersey law.

The Articles contain, among others, provisions to the following effect (references in this paragraph 3 to "Directors" are references to the directors of the Company from time to time):

3.1 Resolution thresholds

Matters which are required by the Articles or by Jersey Companies Law to be passed as an ordinary resolution of the Company require to be passed by a simple majority of the Company's shareholders who (being entitled to do so) vote in person, or by proxy, at a general meeting of the Company. Pursuant to the Articles, matters which are required by the Articles or Jersey Companies Law to be passed as a special resolution of the Company require to be passed by three-quarters of the Company's shareholders who (being entitled to do so) vote in person, or by proxy, at a general meeting of the Company.

3.2 Alteration of share capital

The Company may by special resolution increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe or alter its share capital in any manner permitted by Jersey Companies Law. In accordance with and subject to the provisions of Jersey Companies Law, the Company may by special resolution reduce its capital accounts in any way. Subject to certain limited exceptions, such a reduction of capital is subject to confirmation by the Royal Court of Jersey.

3.3 Purchase of own shares

Subject to and in accordance with Jersey Companies Law and without prejudice to any special rights attaching to any class of shares, the Company may purchase any of its own shares of any class (including without limitation redeemable shares) in any way and at any price and may hold such shares as treasury shares. To hold such shares as treasury shares, Jersey Companies Law provides that a company must first be authorised by a resolution of the company. The Company will consider whether to propose such a resolution in the future.

3.4 Share rights

Subject to Jersey Companies Law and without prejudice to any rights attached to any existing shares or class of shares:

(i) any share in the Company may be issued with such rights and restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board may determine; and

(ii) shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the shareholder on such terms and in such manner as may be provided by the Articles.

3.5 Allotment of securities and pre-emption rights

Subject to the provisions of Jersey Companies Law, the Articles and any ordinary resolution of the Company conferring authority on the Directors to allot shares in accordance with the Articles, as referred to below, all unissued shares in the Company are at the disposal of the Board and the Board may reclassify, allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to persons at such times and on such terms and conditions as it thinks fit.

Although Jersey Companies Law does not provide any statutory pre-emption rights, the Articles provide that equity securities allotted by the Company must first be offered to existing shareholders in proportion to their respective holdings of Ordinary Shares (i.e., the provisions relating to statutory pre-emption rights under the Act have been broadly replicated in the Articles) except that such pre-emption rights shall not apply: where they are disapplied by way of special resolution of the Company, or where the equity securities to be allotted are: (i) bonus shares; (ii) equity securities which are or are to be wholly or partly paid up otherwise than in cash; or (iii) equity securities which would, apart from any renunciation or assignment of the right to their allotment, be held under a share scheme (such term as defined in the Articles, and which captures the Group Share Incentive Plan). These pre-emption rights have been disapplied in respect of Ordinary Shares which may be issued (i) pursuant to: (A) the Placing; (B) the terms of the Investment Agreement; (C) the exercise of Options; and (ii) otherwise (until the Company's annual general meeting in 2015) in respect of 10 per cent. of the Enlarged Share Capital.

Although there is no requirement under Jersey Companies Law for shares of a public company (such as the Company) to be issued paid-up as to any minimum amount, the Articles provide that the Company shall not allot or issue any share except as paid up at least as to one-quarter of its nominal value, except that this shall not apply to (i) shares allotted in pursuance of a share scheme; and (ii) the allotment and issue of bonus shares, unless the allottee knew or ought to have known the shares were allotted in contravention of that provision.

3.6 Share certificates

Every shareholder on becoming the holder of any certificated share (except a "recognised person" (as defined in the Articles with reference to the associated definitions specified in FSMA) in respect of whom the Company is not by law required to issue a certificate) whose name is entered on the Company's register of members as a holder of any certificated shares is entitled, without payment, to one certificate in respect of all shares of any class held by him (and such shareholder may elect to receive one or more additional certificate for any of his certificated shares if he pays for every certificate after the first a reasonable sum determined from time to time by the Board). In the case of joint holders, delivery of a certificate to one of the joint holders shall be sufficient delivery to all. Shares of different classes may not be included in the same certificate.

Pursuant and subject to the CREST Regulations and the Articles, the Board may permit title to some or all of the shares of any class to be evidenced otherwise than by a certificate and title to such shares to be transferred in accordance with the rules of a relevant system. Therefore the Articles permit settlement of the Ordinary Shares via CREST.

3.7 Call, forfeiture, surrender, lien and untraced shares

Subject to the terms of allotment, the Board may from time to time make calls upon the shareholders in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium). Each shareholder shall (subject to being given at least 14 clear days' notice specifying where and when payment is to be made) pay to the Company the specified amount called on his shares. If any call or instalment of a call remains unpaid on or after the due date for payment, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid. Interest shall be paid at a fixed rate, fixed by the terms of the allotment of the share or in the notice of call or if no rate is fixed, the rate determined by the Board not exceeding 5 per cent. per annum, or, if higher, the appropriate rate (as defined in the Act). The Board may in respect of any individual shareholder waive payment of such interest wholly or in part.

If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the Board may also (on giving not less than 14 clear days' notice requiring payment of the amount unpaid together with interest and costs incurred) forfeit the shares by resolution of the Board. The forfeiture shall include all dividends or monies payable in respect of the forfeited share. The forfeited shares may be sold, re-allotted or otherwise disposed of by the Board in such manner as it determines. The Board may also accept the surrender of any share which it is in a position to forfeit on such terms and conditions as may be agreed.

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all monies payable to the Company (whether presently or not) in respect of that share. The Board may at any time (generally or in a particular case) waive any lien or declare any share to be wholly or in part exempt from the lien provisions of the Articles. The Company's lien on a share shall extend to any amount (including without limitation dividends) payable in respect of it. The Company may sell, in such manner as the Board determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been sent to the shareholder, or to the person entitled to it by transmission, demanding payment and stating that if the notice is not complied with the share may be sold. To give effect to the sale the Board may: (a) if the share is a certificated share, authorise any person on behalf of the relevant shareholder to execute an instrument of transfer, or a Director may do so under an irrevocable power of attorney in favour of any Director which is deemed to be granted by the relevant shareholder under the Power of Attorney (Jersey) Law 1995 (as amended) pursuant to the Articles; or (b) if the share is an uncertificated share, the Board may exercise certain rights under the Articles to give effect to the sale to, or in accordance with the directions of, the buyer.

The Company may sell, subject to certain conditions, at the best price reasonably obtainable any share of a shareholder who cannot be traced if, during a period of 12 years, at least three cash dividends in respect of the share have become payable and no such dividend during that period has been claimed.

3.8 Variation of rights

Subject to the provisions of Jersey Companies Law and to any rights attached to existing shares (and except in the case where there is only one holder of the issued shares in which case all rights attached to an existing class of shares may be varied only with the consent in writing of that holder), all or any of the rights attached to any class of shares may be varied either with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of the class or the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held (but not otherwise).

3.9 Transfer of shares

Without prejudice to any power of the Company to register as a shareholder a person to whom the right to any share has been transmitted by operation of law, the instrument of transfer of a certificated share may be in the usual form or in any other form approved by the Board and shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.

Subject to such restrictions of the Articles as may be applicable, any shareholder may transfer all or any of his shares which are in uncertificated form, subject to the CREST Regulations, by means of a relevant system provided that legal title to such shares shall not pass until the transfer is entered in the register.

The Board may refuse to register the transfer of a share in certificated form unless the instrument of transfer:

(i) is lodged, duly stamped (if stampable), at the office or at another place appointed by the Board accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(ii) is in respect of only one class of shares; and

(iii) is in favour of not more than four transferees.

The Board may also refuse to register the transfer of a certificated share if, in the sole discretion of the Company, such transfer would be in violation of any applicable transfer restriction or in violation of any applicable securities law or regulation. As described below, the Board may suspend the right of a shareholder to transfer shares for failure to comply with the requirements of DTR 5.

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

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

The Articles provide that the Board may suspend the registration of transfers of shares or of transfers of any class of shares at such times and for such periods (not exceeding 30 days in any year) as the Board may determine, except that the Board may not suspend the registration of transfers of any "participating class" (being a class of shares title to which is permitted to be transferred by a relevant system) without the consent of the operator (as defined in the CREST Regulations) of the relevant system.

3.10 Disclosure of interests in shares

The provisions of DTR5 shall be deemed to be incorporated by reference into the Articles and will therefore apply to the Company (which will be deemed to be a "UK issuer" for the purposes of DTR5), so that shareholders are required under the Articles to notify the Company of the percentage of their voting rights if the percentage of voting rights which they hold as a shareholder or through their direct or indirect holding of financial instruments falling within paragraph 5.1.3R of DTR5 (or a combination of such holdings) reaches, exceeds or falls below 3%, 4%, 5%, 6%, 7%, 8%, 9%, 10%, and each 1% threshold thereafter up to 100%, or reaches or exceeds or falls below any of these thresholds as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company in accordance with paragraph 5.6.1R of DTR5. If the Company determines that a shareholder has not complied with the provisions of DTR5 with respect to some or all of its shares and provided that such shares represent at least 0.25% of the issued shares of the Company, the Company shall have the right by delivery of notice to the shareholder (subject to certain time limits and conditions) to: (i) suspend the shareholder's rights to vote the relevant shares; (ii) withhold any dividend or other amount payable with respect to the relevant shares; (iii) render ineffective any election to receive shares instead of cash in respect of any dividend or part thereof; and/or (iv) prohibit the transfer of any shares by that shareholder.

The Directors have the power, by giving notice, to require any shareholder to disclose to the Company the identity of any person other than the shareholder who is interested in the shares held by the shareholder or who has been at any time during the preceding 3 years been so interested, in both cases together with details of the nature of such interest. If any shareholder has been duly served with such a notice and is in default of the prescribed period in supplying the information required then certain restrictions shall apply. Among other restrictions, where the default shares represent at least 0.25% of the issued shares of that class, any dividend or other money which would otherwise be payable may also be retained by the Company and transfers of default shares will be restricted until the restrictions cease to apply.

3.11 General meetings

The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with Jersey Companies Law. The Board may convene general meetings whenever and at such times and places as it shall determine. The quorum for a general meeting is 2 persons present and entitled to vote (not representing the same corporation or appointed as proxy for the same shareholder).

At least 14 clear days' notice shall be given of every general meeting (including all annual general meetings). Subject to the provisions of Jersey Companies Law, the Articles and to any restrictions imposed on shares, notice of such general meetings shall be sent to all the shareholders and each of the Directors. The notice shall specify the place (including any satellite meetings), day and time of the meeting and the general nature of the business to be transacted at the meeting. In the case of an annual general meeting, the notice shall specify the meeting as such. In the case of a meeting to pass a special resolution the notice shall specify the intention to propose the resolution as a special resolution.

The Company may determine that the shareholders entitled to receive notice of a general meeting of the Company are the shareholders on the register at the close of business on a day determined by the Company, which day may not be more than 21 days before the day that notices of the meeting are sent. For the purpose of determining whether a person is entitled as a shareholder to attend or vote at a meeting and how many votes such person may cast, the Company may specify in the notice of the meeting a time not more than 48 hours before the time fixed for the meeting, by which a person who holds shares in registered form must be entered on the register in order to have the right to attend or vote at the meeting or to appoint a proxy to do so.

Shareholders who hold shares representing at least:

(i) 5% of the total voting rights of all shareholders who have a right to vote on a resolution at a general meeting to which the request relates (excluding any voting rights attached to any shares in the Company held as treasury shares) may require the Company to circulate, to shareholders of the Company entitled to receive notice of the next general meeting, notice of a resolution which may be properly moved and is intended to be moved at that meeting and if so required the Company shall, unless the resolution: (i) would, if passed, be ineffective; or (ii) is defamatory of any person; or (iii) is frivolous or vexatious, give such notice in the same manner as provided for in the Act; or

(ii) 10% of the total voting rights of all shareholders who have a relevant right to vote (excluding any voting rights attached to any shares in the Company held as treasury shares) may request that the Company shall circulate to shareholders entitled to receive notice of a general meeting a statement of not more than 1,000 words with respect to a matter referred to in the proposed resolution to be dealt with at the meeting or to any other business to be dealt with at that meeting. However, the Company has the right to apply to the Royal Court of Jersey to seek a ruling that it is not required to circulate a shareholders' statement on the basis that the rights in the Articles are being abused.

A shareholder may nominate a person, on whose behalf he holds shares, to enjoy rights to receive a copy of all communications that the Company sends to its shareholders.

All resolutions put to the vote of a general meeting shall be decided upon by a show of hands unless a poll is validly demanded. Subject to any rights and restrictions attached to any shares, shareholders and their duly appointed proxies shall have the right to attend and speak at general meetings and to vote, and to demand, or join in demanding, a poll.

A Director shall, notwithstanding that he is not a shareholder, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the capital of the Company.

The chairman may with the consent of a meeting at which a quorum is present adjourn the meeting from time to time and from place to place.

3.12 Voting rights

Subject to any rights or restrictions attached to any shares, on a show of hands every shareholder who is present in person or by proxy shall have one vote and on a poll every shareholder who is present in person or by proxy shall have one vote for every share of which he is the shareholder. On a poll, a shareholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. A shareholder may appoint more than one proxy.

No shareholder shall be entitled to vote at any general meeting, either in person or by proxy, unless all monies presently payable by him in respect of shares in the Company have been paid.

In the case of joint shareholders only the vote of the senior joint holder shall be accepted. For this purpose seniority shall be determined by the order in which the names of the shareholders stand in the register.

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a casting vote.

3.13 Appointment of Directors

Unless otherwise determined by ordinary resolution, the number of Directors shall be not less than 2 or more than 10. Directors may be appointed by ordinary resolution of the Company or by the Board (subject to the requirement to the retirement process summarised below). Any Director (other than an alternate director) may appoint any other Director or other person approved by resolution of the Board and willing to act, to be an alternate Director.

Subject to the provisions of Jersey Companies Law, the Board may appoint one or more of its body to be the holder of any executive office (except that of auditor) in the Company and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made on such terms, including without limitation terms as to remuneration, as the Board determines. The Board may revoke or vary any such appointment but without prejudice to any rights or claims which the person whose appointment is revoked or varied may have against the Company because of the revocation or variation.

3.14 No share qualification

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

3.15 Retirement of Directors

At every annual general meeting any Director: (i) who has been appointed by the Board since the previous annual general meeting; (ii) who held office at the time of the 2 preceding annual general meetings and who did not retire at either of them; or (iii) who has held office with the Company, other than employment or executive office, for a continuous period of 9 years or more at the date of the meeting, shall retire from office and may offer himself for re-appointment by the shareholders.

3.16 Remuneration of Directors

The remuneration of the Directors shall be determined by the Board or, as appropriate, the Remuneration Committee, from time to time.

The Directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board, general meetings or separate meetings of the shareholders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

The Board may (by establishment of, or maintenance of, schemes or otherwise) provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present Director or employee of the Company or any of its subsidiary undertakings or any body corporate associated with, or any business acquired by, any of them, and for any member of his family (including a spouse, a civil partner, a former spouse and a former civil partner) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit. In addition, the Board may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit for certain categories of person (including, but not limited to, any Director, officer or employee of the Company).

3.17 Permitted interests of Directors

Subject to the provisions of Jersey Companies Law and provided that a Director has given appropriate notice as required pursuant to the Articles, a Director, notwithstanding his office:

(i) may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company (including in relation to any insurance proposal which the Company proposes to maintain or purchase for the benefit of the Directors) or in which the Company is otherwise interested, either in regard to his tenure of any office or place of profit or as vendor, purchaser or otherwise;

(ii) may hold any other office or place of profit under the Company (except that of auditor or of auditor of a subsidiary of the Company) in conjunction with the office of Director and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as the Board may arrange, either in addition to or in lieu of any remuneration provided for by any other provision of the Articles;

(iii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and

(iv) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, contract, arrangement, transaction or proposal,

and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

3.18 Powers of Directors

Subject to the provisions of Jersey Companies Law and the Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board which may exercise all powers of the Company (including, without limitation, the power to borrow money and to mortgage or charge its undertaking, property and assets both present and future and uncalled capital, or any part thereof, and to issue debentures and other securities, whether outright or as security for any debt, liability or obligation of the Company or its parent undertaking (if any) or any subsidiary undertaking of the Company or of any third party). The Board may delegate any of its powers to any committee consisting of one or more Directors. The Board may also delegate any of its powers to any Director holding any executive office.

3.19 Proceedings of Directors

A Director may, and the secretary at the request of a Director shall, call a meeting of the Board by giving not less than 48 hours' notice of the meeting (or such shorter notice period as is unanimously agreed by the Directors) to each Director. Any Director may waive notice of a meeting and any such waiver may be retrospective.

Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall not have a second or casting vote.

The quorum for the transaction of the business of the Board may be fixed by the Board and unless so fixed at any other number shall be 2. A person who holds office only as an alternate Director may, if his appointor is not present, be counted in the quorum.

A resolution in writing agreed by all the Directors entitled to receive notice of and vote at a meeting of the Board or of a committee of the Board (not being less than the number of Directors required to form a quorum of the Board) shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held.

A person entitled to be present at a meeting of the Board or of a committee of the Board shall be deemed to be present for all purposes if he is able (directly or by electronic communication) to speak to and be heard by all those present or deemed to be present simultaneously. A Director so deemed to be present shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where it is convened to be held or (if no Director is present in that place) where the majority/largest group of those participating is assembled, or, if there is no such group, where the Chairman of the meeting is physically located.

3.20 Restrictions on voting

Except as otherwise provided in the Articles, a Director shall not vote on (but shall still be counted in the quorum in relation to) any resolution of the Board or a committee of the Board concerning a contract, transaction or arrangement in which he has an interest which (taken together with any interests of any person connected with him) is, to his knowledge, a material interest, otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company, unless the resolution concerns any of the following matters:

(i) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;

(ii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(iii) other than a rights issue offered to all of the shareholders of the Company, any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(iv) any proposal concerning any other body corporate in which he (together with any person connected with him) does not to his knowledge have an interest in 1% or more of the issued equity share capital of any class of such body corporate or of the voting rights available to shareholders of such body corporate;

(v) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or

(vi) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors.

Subject to Jersey Companies Law, the Company may by ordinary resolution suspend or relax the above provisions to any extent or ratify any transaction not duly authorised by reason of a contravention of such provisions.

A Director shall not vote (but shall be counted in the quorum) on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any body corporate in which the Company is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or its termination) of two or more Directors to offices or places of profit with the Company or any body corporate in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each Director. In such case each of the Directors concerned (if not otherwise debarred from voting under the Articles) shall be entitled to vote in respect of each resolution except that concerning his own appointment and for the avoidance of doubt shall be still be counted in the quorum for any resolution concerning his own appointment.

3.21 Indemnity of officers

In so far as Jersey Companies Law allows and subject to the rules made by the competent authority of any other regulated or exchange regulated market on which the shares of the Company may be listed, every present and former Director, alternate Director, secretary or other officer of the Company shall be indemnified out of the assets of the Company against any costs, charges, losses, damages and liabilities incurred by him in the actual or purported execution or discharge of his duties or exercise of his powers or otherwise in relation thereto, including any liability incurred in defending any proceedings (whether civil or criminal) which relates to anything done or omitted or alleged to have been done or omitted by him in any such capacity, and in which judgment is given in his favour or in which he is acquitted or in connection with any application under Jersey Companies Law in which relief is granted to him by any court of competent jurisdiction, provided that the Company shall not indemnify any such person pursuant to the Articles or otherwise insofar as the provisions of such indemnity would be void under the Act. The Company has entered into indemnity agreements with each of the Directors and certain of the Group's offices.

3.22 Dividends and other distributions

A Jersey par value company (such as the Company) can make a distribution out of any source (except its nominal capital account or a capital redemption reserve) provided (i) its articles of association permit it, and (ii) the Directors who are to authorise the distribution make the required solvency statement (confirming that the company is cash flow solvent and will be able to carry on business and discharge its liabilities as they fall due for 12 months).

Subject to the provisions of Jersey Companies Law, the Company may by ordinary resolution declare dividends but no such dividend shall exceed the amount recommended by the Board. A general meeting declaring a dividend may, on the recommendation of the Board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, including without limitation paid up shares or debentures of another body corporate.

Subject to the provisions of Jersey Companies Law, the Board may pay interim dividends if it appears to the Board that they are justified by the cash flow position of the Company. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid; but no amount paid on a share in advance of the date on which a call is payable shall be treated for the purpose of the Articles as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is allotted or issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share. The Board may deduct from any dividend or other monies payable to any shareholder in respect of a share any monies presently payable by him to the Company in respect of that share.

Any dividend or other moneys payable in respect of a share may be paid: (i) by any direct debit, bank or other funds transfer system to the shareholder or person entitled to payment or, if practicable, to a person designated by notice to the Company by the shareholder or person entitled to payment; or (ii) by any other method approved by the Board and agreed (in such form as the Company thinks appropriate) by the shareholder or person entitled to payment including without limitation in respect of an uncertificated share by means of the relevant system (subject to the facilities and requirements of the relevant system).

Subject to applicable law, any dividend or other moneys payable in respect of a share which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company.

The Board may, if authorised by an ordinary resolution of the Company, offer any holders of any particular class of shares the right to elect to receive further shares (whether or not of that class), credited as fully paid, instead of cash (i.e., scrip dividends) in respect of all or part of any dividend specified by the ordinary resolution in accordance with the Articles.

3.23 Capitalisation of profits and reserves

The Board may with the authority of an ordinary resolution of the Company (or a special resolution if required under Jersey Companies Law) resolve to capitalise any undistributed profits of the Company not required for paying any preferential dividend or any sum standing to the credit of any reserve or other fund of the Company, including without limitation the Company's share premium account and any capital redemption reserve.

3.24 Distribution of assets in liquidation

Pursuant to Jersey Companies Law, subject to any enactment as to the order of payment of debts, the Company's property on a winding up will be applied in satisfaction of the Company's liabilities *pari passu* and any remaining property of the Company will be distributed among the shareholders according to their rights and interests in the Company.

If the Company is wound up, the Directors or the liquidator (as the case may be) may, with the sanction of a special resolution of the Company and any other sanction required by Jersey Companies Law, divide among the shareholders 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 shareholders or different classes of shareholders. Any such division may be otherwise than in accordance with the existing rights of the shareholders, but if any division is resolved otherwise than in accordance with such rights, the shareholders shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to section 110 of the UK Insolvency Act 1986.

The Directors or the liquidator may, with the like sanction, vest the whole or any part of the assets in trustees on such trusts for the benefit of the shareholders as they/he with the like sanction shall determine, but no shareholder shall be compelled to accept any assets on which there is a liability.

3.25 CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Ordinary Shares have been made eligible for settlement in CREST by means of a resolution of the Board passed on 11 March 2014, with the necessary notice having been given to all members of the Company at that time, as contemplated by the CREST Regulations. The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted, and accordingly enabled for settlement in CREST, as soon as practicable after Admission has occurred.

4 Group Share Incentive Plan

The principal terms of the Group Share Incentive Plan are as follows:

The Group Share Incentive Plan ("**GSIP**") was adopted by the Company on 13 August 2013 (as amended on 11 March 2014) in order to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to employees, directors, officers and consultants of the Group and to promote the Company's business through strengthening the sense of common interest between participants of the GSIP and Shareholders.

The principal terms of the GSIP are as follows:

4.1 Administration

The GSIP is administered by the remuneration committee of the Board (the "Committee"). The Committee has authority to determine eligibility for the GSIP, the number of Options or Ordinary Shares in each award, the time at which awards are granted, the terms and conditions of the awards (including the content of the award agreements) and the acceleration of the right of a participant in the GSIP to exercise any award on an IPO or on the sale of the business.

4.2 Eligibility

Any employee, director, office holder or consultant of the Company or its subsidiaries or affiliates are eligible to participate in the GSIP. No member of the Committee nor any Board member is eligible to participate in the GSIP unless the Committee approves of such participation.

4.3 Nature of awards

Awards under the GSIP may be in the form of Options over new Ordinary Shares or the award of issued Ordinary Shares, which will be issued subject to any restrictions (and ultimately the right for the Company to forfeit such Ordinary Shares) to be set out in the terms of the GSIP and any award agreement ("restricted shares"). As at the date of this document, the only awards made under the GSIP are in the form of Options.

4.4 Exercise price

The exercise price of an Option shall be determined by the Committee in its discretion and, except in exceptional circumstances where the Committee may in its discretion authorise grants to be made with an exercise price per Ordinary Share which is less than market value the exercise price per Option shall not be less than the market value of an Ordinary Share at the date of grant.

4.5 Performance conditions

The GSIP allows the Committee to impose specified performance targets on the grant or vesting of Options or as the release of Ordinary Shares where restricted shares have been issued to a participant.

4.6 Grant of Options

Grants may only be made within 42 days of the announcement of the Company's final or interim results or otherwise in exceptional circumstances.

Awards are not transferable, except on death, and can only be exercised by the relevant participant.

4.7 Share Limit

Following the passing of a resolution of the Shareholders on 11 March 2014, and subject to any further adjustment by ordinary resolution of the Shareholders, the aggregate number of Ordinary Shares which may be reserved for issue or transfer to satisfy awards under the GSIP is ten per cent. of the issued ordinary share capital of the Company from time to time.

4.8 Exercise and vesting of Options

Unless otherwise set out in an award agreement, no Option is exercisable and/or all rights to acquire restricted shares shall terminate, in each case, at the eighth anniversary of the date of grant.

4.9 Terms of Options and issue of Ordinary Shares

Each award agreement will state the number and type of Options subject to the award, the exercise/ purchase price, the vesting schedule, the right to acceleration and the terms of any other specific provisions.

4.10 Variation of capital

Subject to any specific action required to be taken by Shareholders, the number of Ordinary Shares subject to an award shall automatically be proportionally adjusted for any increase or decrease in the number of issued Ordinary Shares resulting from a share split, reverse share split, share dividend, combination or reclassification of the Ordinary Shares, or any other increase or decrease in the number of issued Ordinary Shares effected.

4.11 Amendment and termination

The Board may at any time amend the GSIP in whole or in part, or suspend or terminate it entirely, retroactively or otherwise. The Committee may amend the terms of any award.

In the event that a participant ceases to be engaged by the Group, such a participant may exercise any outstanding Option within the time period specified in the award agreement to the extent the Options are vested on the date of termination. If any Options remain unvested, the Ordinary Shares covered by the unvested portion of the Option(s) revert to the GSIP.

In the absence of specific provisions in the relevant award agreement, the following apply applies where a participant ceases to be engaged by the Group:

(a) for any reason other than termination for cause (as defined in the relevant service agreement), death or disability, the vested portions of any Option remains exercisable until 3 months from the date of termination. Any restricted shares still subject to a restriction as at the date of termination shall be forfeited;

(b) for cause, any Option terminates immediately on the date of termination. Any restricted shares still subject to a restriction as at the date of termination shall be forfeited;

(c) as a result of the participant disability, the vested portion of any Option remains exercisable for a period of 12 months from the date of termination. Any restricted shares still subject to a restriction as at the date of termination shall be forfeited; and

(d) in the event that the participant dies while engaged by the Group, the vested portion of any Option remains exercisable by the participants' estate or by a person acquiring the right to exercise the Option by inheritance for 12 months following the participant's death. Any restricted shares still subject to a restriction as at the date of termination shall be forfeited.

The GSIP is governed by Jersey law and disputes arising out of or in connection with the GSIP must be resolved under the laws of Jersey.

The following Options have been granted under the terms of the GSIP as at the date of this document:

Number of Options granted	Date of grant	Exercise Price	Commencement Date of Vesting Period	Vesting Schedule
3,250,000	10 October 2013	US$0.154	22 April 2012	See note 1 below
1,540,000	26 February 2014	US$0.154	1 January 2014	See note 2 below
1,260,000	26 February 2014	US$0.154	22 January 2014	See note 3 below
1,200,000	26 February 2014	Placing Price	1 January 2014	See note 4 below
1,000,000	11 March 2014	Placing Price	21 March 2014	See note 5 below

(1) These Options vest over a period of four years from 22 April 2012 and are currently vested as to 43.75%. 25% of these Options vested on 22 April 2013 with the remaining Options vesting *pro rata* on a quarterly basis over the remaining three years (i.e. 6.25% per quarter).

(2) These Options vest over a period of three years from 1 January 2014. 25% of these Options are deemed to have vested on 1 January 2014 with the remaining Options vesting *pro rata* on a quarterly basis over the three year period (i.e. 6.25% per quarter).

(3) These Options vest over a period of 27 months from 1 January 2014. 44% of these Options are deemed to have vested on 22 January 2014 with the remaining Options vesting *pro rata* on a quarterly basis over the 27 month period (i.e. approximately 6.22% per quarter).

(4) These Options vest over a period of four years from 1 January 2014. 25% of these Options shall vest on 1 January 2015 with the remaining Options vesting *pro rata* on a quarterly basis over the remaining three years (i.e. 6.25% per quarter).

(5) These Options will vest over a period of three years from Admission *pro rata* on a quarterly basis (i.e. 8.33% per quarter).

Under the terms of each Option grant, any unvested Options will immediately vest upon the sale of 100 per cent. of the Company's issued share capital to an unrelated third party.

5 Directors' and other interests

5.1 As at 14 March 2014 (being the latest practicable date prior to the date of this document) and as expected to be held on Admission, the interests (all of which are beneficial) of the Directors (including any interest known to that Director or which could with reasonable diligence be ascertained by him or any person connected with a Director within the meaning of section 252 to 255 of the Act) in the Company's issued share capital are or are expected to be as follows:

	Before Admission		Following Admission[1]		
Director	Number of Ordinary Shares	Percentage of issued share capital	Number of Ordinary Shares	Percentage of Enlarged Share Capital	Number of Ordinary Shares under option
Chris Bell	0	0	357,000	0.19	0
Ory Weihs[2]	0	0	0	0	2,540,000[3]
Richard Rosenberg	0	0	51,000	0.03	0
Alicia Rotbard	0	0	0	0	0
Yaron Eitan	0	0	0	0	0

[1] Assuming the Placing Shares are subscribed for in full

[2] Ory Weihs has an indirect economic interest in (but no control of the voting rights attaching to) the Ordinary Shares held by WELP (see paragraph 5.2 below) by virtue of WLM Ltd's interest in WELP. WLM Ltd. is a company wholly owned by Mr. Weihs. On Admission, Mr. Weihs will have an effective indirect economic interest in 8,362,299 issued Ordinary Shares.

[3] These Options vest: (a) as to 1,540,000 Options, over a period of three years from 1 January 2014. 25% of these Options are deemed to have vested on 1 January 2014 with the remaining Options vesting *pro rata* on a quarterly basis over the three year period (i.e. 6.25% per quarter); and (b) as to 1,000,000 Options, over a period of three years from Admission *pro rata* on a quarterly basis (i.e. 8.33% per quarter).

5.2 As at 14 March 2014 (being the latest practicable date prior to the date of this document) and as expected to be held on Admission the Company is aware of the following existing Shareholders (other than any Director), are or will be immediately following Admission be interested, directly or indirectly, in three per cent. or more of the Company's issued share capital:

	Before Admission		Following Admission[1]	
Name	**Number of Ordinary Shares**	**Percentage of voting rights**	**Number of Ordinary Shares**	**Percentage of voting rights**
WELP	100,000,000	81.61	85,040,327	44.86
Israeli VC Partners LP[2]	22,537,500	18.39	19,166,487	10.11
River & Mercantile Asset Management LLP	0	0	10,625,000	5.60
Slater Investments Limited	0	0	9,918,000	5.23
BlackRock Investment Management (UK) Limited	0	0	9,490,000	5.01
Miton Asset Management Ltd.	0	0	7,653,000	4.04
Investec Asset Management Limited	0	0	6,425,000	3.39
Inflection Point Investments LP	0	0	6,120,000	3.23
Hargreave Hale Limited	0	0	5,867,000	3.10

1 Assuming the Placing Shares are subscribed for in full

2 IVCP's current holding is 20,160,000 but they are entitled to be issued with a further 2,377,500 Ordinary Shares prior to Admission pursuant to the terms of the SPA

5.3 Save as disclosed in paragraphs 5.1 and 5.2 above, the Company is not aware of any person who directly or indirectly, jointly or severally, exercises or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

5.4 The persons including the Directors, referred to in paragraphs 5.1 and 5.2 above, do not have voting rights that differ from those of other Shareholders.

5.5 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

5.6 Save with respect to Group companies, the Directors currently hold, and have during the five years preceding the date of this document held, the following directorships or partnerships:

Name	Current directorships/partnerships	Previous directorships/partnerships
Chris Bell	Quintain Estates and Development plc Spirit Pub Company plc Star Tea Ltd.	Ladbrokes plc The Game Group plc Bet Butler Ltd Business In Sport and Leisure Limited Ladbrokes Contact Centre Limited Association of British Bookmakers Limited Responsible Gaming Trust Betclearer Limited Stachels Limited Shernborne Arms Ltd
Ory Weihs	WLM Ltd Reef Media Ltd (Belize) Playgem Technologies Ltd	Reef Media Ltd (Israel) Upedia Ltd CND Consulting S.R.O
Richard Rosenberg	17 Brompton Square Limited Beecreative.com Limited Bond Street Registrars Limited Devonshire Registrars Limited Earl of Sandwich (No1) plc Elite Team Solutions Limited	Bleinheim Bishop LLP Concise Publishing Limited DCS Media Holdings Limited Earl of Sandwich Holdings Limited Ingenious Film Partners LLP Ingenious Film Partners 2 LLP

Name	Current directorships/partnerships	Previous directorships/partnerships
	Greenback Touring Limited Highcroft Hats LLP Inside Track 2 LLP Inside Track 3 LLP Inside Track Productions LLP Livermore Investments Group Limited Phoenix Film Partners LLP Portland Registrars Limited Ripples Advance Solutions Limited Ripples Homeland Security Group Limited Robert Galbraith Limited RR 89 Limited Sedley Richard Laurence Voulters LLP Soundstyle Limited SRLV Chiswick Limited SRLV Employment Services Limited SRLV Financial LLP SRLV Financial Services Limited SRLV Limited SRLV Trustees Limited SRLVN Limited Teenage Cancer Trust The Teenage Trust (Trading) Limited Warhol Limited Williams Jeffery Barber Limited	Mount Audley LLP Remember Them Limited The Bimah Partnership LLP Valefox Limited Ventured Limited Ventured 2 Limited
Alicia Rotbard	Pointer Telocation Ltd Israel Discount Bank Ltd. Proseed Venture Capital Fund Kamada Ltd RVB Holding Ltd. Red-Hill Biopharma Ltd. Hadera Paper Ltd Queenco Leisure International Ltd AIG Israel	Hilan-Tech Ltd WideMed Ltd B.G.I. Investment Ltd. OrAd Kamur (BMW)
Yaron Eitan	Selway Capital Cyalume Technologies Holdings, Inc. Healthcare Corporation of America DVTel, Inc. Software Technology, Inc. Magnolia Broadband, Inc. LifePrint Group, Inc. Columbus Nova Technology Partners Israeli VC Partners Ltd. Selway Partners LLC Selway Capital Holdings LLC Selway Print Holdings LLC	Reshef Technologies Ltd. Patlex Corp. Geotek Communications, Inc.

5.7 None of the Directors has any unspent convictions in relation to indictable offences.

5.8 None of the Directors have been the subject of any public criticism by any statutory or regulatory authority (including a recognised professional body).

5.9 Save as disclosed in paragraph 5.10 below, none of the Directors has been a director of a company at the time of, or within the 12 months preceding the date of, that company being the subject of a receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors.

5.10 Chris Bell was the Chairman of The Game Group plc at the time it was placed into administration on 26 March 2012.

5.11 None of the Directors has been a partner of a partnership at the time of, or within 12 months preceding the date of, that partnership being placed into compulsory liquidation or administration or being entered into a partnership voluntary arrangement nor in that time have the assets of any such partnership been the subject of a receivership.

5.12 No asset of any Director has at any time been the subject of a receivership.

5.13 None of the Directors is or has been bankrupt nor been the subject of any form of individual voluntary arrangement.

5.14 None of the Directors is or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

6 Directors' service agreements

6.1 Executive Director

The Company has entered into a services agreement dated 24 June 2013 (as amended on 11 March 2014) with Ory Weihs and WLM Ltd. (a company wholly owned by Mr. Weihs ("**WLM**")) pursuant to the terms of which Mr. Weihs has agreed to provide his services as director and (through WLM Ltd.) as Chief Executive Officer of the Company.

The agreement has a fixed term until the first anniversary of Admission and thereafter may be terminated by either party on six months' prior written notice. WLM receives a monthly consulting fee of US$20,000 and is entitled to receive certain other benefits commensurate with Mr. Weihs' position as Chief Executive Officer. Under the terms of the services agreement, Mr. Weihs undertakes to personally provide the Company with all the services under the agreement and confirms that all the obligations of WLM under the services agreement shall bind him personally. In doing so, Mr. Weihs agrees to devote all of his expertise and efforts required for the performance of the services set out in the services agreement and to promote the success of the Company. Mr. Weihs is subject to post-termination restrictions, confidentiality obligations and provisions relating to conflicts of interest.

6.2 Non-executive Directors

The following agreements have been entered into between the non-executive Directors and the Company:

(a) a letter of appointment dated 12 March 2014 pursuant to which Chris Bell is to be appointed as a non-executive chairman of the Company, the appointment being for an initial period of three years unless terminated earlier by either party on 3 months written notice, at an annual fee (exclusive of VAT) of £70,000. Mr. Bell has agreed to provide his professional services to the Company through Star Tea Ltd. In addition, Star Tea Ltd. will receive a performance related bonus of £30,000 on Admission in connection with Admission;

(b) a letter of appointment dated 12 March 2014 pursuant to which Richard Rosenberg is to be appointed as a non-executive director of the Company, the appointment being for an initial period of three years unless terminated earlier by either party on 3 months written notice, at an annual fee (exclusive of VAT) of £40,000. Mr. Rosenberg has agreed to provide his professional services to the Company through SRLV, a partnership;

(c) a letter of appointment dated 12 March 2014 pursuant to which Alicia Rotbard is to be appointed as a non-executive director of the Company, the appointment being for an initial period of three years unless terminated earlier by either party on 3 months written notice, at an annual fee (exclusive of VAT) of £40,000; and

(d) a letter of appointment dated 12 March 2014 pursuant to which Yaron Eitan is is to be appointed as a non-executive director of the Company, the appointment being for an initial period of three years unless terminated earlier by either party on 3 months written notice, at an annual fee (exclusive of VAT) of £20,000. Mr. Eitan has agreed to provide his professional services to the Company through Columbus Nova Technology Partners.

7 The Company and its subsidiaries

The Company is the holding company of the Group and has the following principal (direct or indirect) subsidiaries:

Name	Country of registration or incorporation	Principal activity	Percentage of issued share capital held and (if different) proportion of voting power held
Webpals Holdings Ltd	Israel	Holding company	100%
Webpals Systems S.C. Ltd	Israel	Operating company	100%
Webpals Marketing Systems (US) Ltd.	Seychelles	Incorporated for the purpose of the Group's expansion into the US Markets	100%
International Domains Holdings Limited	Seychelles	Holder of various domain names for marketing purposes	100%
Domains Holdings Group Limited	Seychelles	Holder of various domain names for marketing purposes	100%
International Internet Development Limited	Seychelles	Holder of various domain names for marketing purposes	100%
Casino and Poker Portugal Ltd	Israel	Holder of various domain names for marketing purposes	100%
Lenomesk Holdings Limited	Cyprus	Holder of various domain names for marketing purposes	100%
Domains International League Limited	Nevis	Holder of various domain names for marketing purposes	100%
Domains Ocean Limited	British Virgin Islands	Holder of various domain names for marketing purposes	100%
Internet World Domains Limited	Belize	Holder of various domain names for marketing purposes	100%
Domain Planet Limited	Gibraltar	Holder of various domain names for marketing purposes	100%
Domains for All Ltd	Canada	Holder of various domain names for marketing purposes	100%

8 Placing

Under an agreement dated 17 March 2014 (the "**Placing Agreement**") and made between the Company, the Directors, Cenkos, WELP and IVPL, Cenkos has agreed (conditionally, *inter alia*, on Admission taking place not later than 4 April 2014) to use its reasonable endeavours to procure Placees to subscribe for the Subscription Shares and the Sales Shares at the Placing Price.

Under the Placing Agreement and subject to its becoming unconditional, the Company has agreed to pay Cenkos a commission of five per cent. of the value at the Placing Price of the Subscription

Shares (excluding the 424,661 Subscription Shares being subscribed for by Cenkos at the Placing Price), a corporate finance fee of £175,000, together in each case with any applicable VAT. In addition, each of the Selling Shareholders has agreed to pay Cenkos a commission of five per cent. of the value, at the Placing Price, of the Sale Shares sold on its behalf, together with any applicable VAT.

The Company will pay certain other costs and expenses (including any applicable VAT) of, or incidental to, the Placing including all fees and expenses payable in connection with Admission, expenses of the registrars, printing and advertising expenses, postage and all other legal, accounting and other professional fees and expenses (subject to certain caps, as appropriate).

The Placing Agreement contains customary warranties given by the Company and the Directors to Cenkos as to the accuracy of the information contained in this document and other matters relating to the Group and its business. The Company has also given a customary indemnity to Cenkos in respect of the Placing and Admission. In addition, each of the Selling Shareholders has given customary warranties to Cenkos in connection with their ownership of the Sale Shares. Cenkos is entitled to terminate the Placing Agreement in certain specified circumstances prior to Admission.

9 The City Code

9.1 Mandatory takeover bids

The City Code applies to all takeover and merger transactions in relation to the Company, and operates principally 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. The City Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers has now been placed on a statutory footing.

The City Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company, the other holders of securities must be protected. This is reinforced by Rule 9 of the City Code which requires a person, together with persons acting in concert with him, who acquires shares carrying voting rights which amount to 30 per cent. or more of the voting rights to make a general offer. "**Voting rights**" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. A general offer will also generally be required where a person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights, acquires additional shares which increase his percentage of the voting rights. Unless the Panel consents (and, in this regard, you are referred to paragraph 20 of Part 1 of this document), the offer must be made to all other shareholders, be in cash (or have a cash alternative) and cannot be conditional on anything other than the securing of acceptances which will result in the offeror and persons acting in concert with him holding shares carrying more than 50 per cent. of the voting rights.

There are not in existence any current mandatory takeover bids in relation to the Company.

9.2 Takeover Offers

Articles 116 to 124A of the Jersey Companies Law set out the provisions dealing with takeover offers of Jersey companies and details certain "squeeze out" provisions. Under the Jersey Companies Law, if, following a take-over offer (which is defined as "an offer to acquire all the shares, or all the shares of any class or classes, in a company (other than shares which at the date of the offer are already held by the offeror), being an offer on terms which are the same in relation to all the shares to which the offer relates"), an offeror has acquired or contracted to acquire not less than nine-tenths in nominal value of the shares of a par value company (such as XLMedia) to which the offer relates, the offeror may give notice, in accordance with the Jersey Companies Law to the holders of those shares to which the offer relates which the offeror has not acquired or contracted to acquire, that it desires to acquire those shares.

Subject to the provisions of the Jersey Companies Law, upon service of the notice by the offeror, it shall become entitled and be bound to acquire the shares. A minority shareholder also has a right, pursuant to the Jersey Companies Law, to be bought out by an offeror.

Where a notice is given under the Jersey Companies Law to the holder of any shares, the Royal Court of Jersey may, on an application made by the shareholder within 6 weeks from the date on which the notice was given, order that the offeror shall not be entitled and bound to acquire the shares or specify terms of acquisition different from those of the offer.

Jersey Companies Law permits two or more companies (which need not all be Jersey incorporated companies) to merge to form one successor company. In the case of any company incorporated in Jersey, any such merger is subject to approval of its board of directors and to approval by special resolution of the company (and, where applicable, by special resolution of each class of shares where there is more than one class of shares in issue), in addition to certain other substantive and procedural requirements.

10 UK TAXATION

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding, or disposing of Ordinary Shares. They are based on current UK legislation and what is understood to be the current practice of HM Revenue & Customs as at the date of this document, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident (and, in the case of individuals, domiciled) for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Ordinary Shares as an investment (other than under an "Individual Savings Account" or "Self Invested Personal Pension") and who are the absolute beneficial owner of both the Ordinary Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring their Ordinary Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes or those who hold 10 per cent. or more of the Shares) is not considered.

Prospective investors who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own professional advisers.

10.1 Taxation of Dividends

The Company is not required to withhold tax at source when paying a dividend. Liability to tax on dividends will depend upon the individual circumstances of an Shareholder. An individual Shareholder who is resident for tax purposes in the UK and who receives a dividend from the Company will generally be entitled to a tax credit equal to one-ninth of the amount of the dividend received, which is equivalent to 10 per cent. of the aggregate of the dividend received and the tax credit (the gross dividend), and will be subject to income tax on the gross dividend. An individual UK resident Shareholder who is subject to income tax at a rate or rates not exceeding the basic rate will be liable to tax on the gross dividend at the rate of 10 per cent., so that the tax credit will satisfy the income tax liability of such a Shareholder in full. A Shareholder who is subject to income tax at the higher rate will be liable to income tax on the gross dividend at the rate of 32.5 per cent. to the extent that such sum, when treated as the top slice of that Shareholder's income, falls above the threshold for higher rate income tax. After taking into account the 10 per cent. Tax credit, a higher rate taxpayer will therefore be liable to additional income tax of 22.5 per cent. of the gross dividend, equal to 25 per cent. of the net dividend. Where the tax credit exceeds the Shareholder's tax liability the Shareholder cannot claim repayment of the tax credit from HM Revenue & Customs.

With effect from 6 April 2013, an additional tax rate of 45 per cent. applies for individuals with nonsavings and savings income above £150,000. If and to the extent that the gross dividend received by a UK resident individual Shareholder falls above the threshold for income tax at the additional tax rate of 45 per cent., that individual will be subject to tax on the gross dividend at the rate of 37.5 per cent. A Shareholder liable for tax at the 45 per cent. rate will be able to set the tax credit off against part of his liability with the effect that the Shareholder would have to account for additional tax equal to 27.5 per cent. of the gross dividend, equal to 30.56 per cent. of the net dividend. Corporate Shareholders who are UK resident should note that the Finance Act 2009 made significant changes to the corporation tax treatment of dividends. Although it is likely that most dividends paid on the Ordinary Shares to UK resident corporate Shareholders would fall within one or more of the classes of dividend qualifying for exemption from corporation tax the exemptions are not comprehensive and are also subject to anti-avoidance rules.

UK resident Shareholders who are not liable to income tax in respect of the gross dividend and other UK resident taxpayers who are not liable to UK tax on dividends, including pension funds and charities, are not entitled to claim repayment of the tax credit attaching to dividends paid by the company.

Shareholders who are resident outside the UK for tax purposes will not generally be able to claim repayment from HMRC of any part of the tax credit attaching to dividends received from the Company, although this will depend on the existence and terms of any double taxation convention between the UK and the country in which such Shareholder is resident. A Shareholder resident outside the UK may also be subject to taxation on dividend income under local law. A Shareholder who is resident outside the UK for tax purposes should consult his own tax adviser concerning his tax position on dividends received from the Company.

10.2 Taxation of Disposals

A disposal or deemed disposal of Ordinary Shares by a Shareholder who is (at any time in the relevant UK tax year) resident in the UK for tax purposes may, depending upon the Shareholder's circumstances and subject to any available exemption or relief (such as the annual exempt amount for individuals and indexation for corporate Shareholders), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains.

For individuals, trustees and personal representatives, capital gains tax is charged on the disposal of Ordinary Shares at the rate of 18 per cent. or 28 per cent. (depending on the total amount of income and gains on which the Shareholder is liable to tax), irrespective of how long the shares have been held. No indexation allowance will be available to such Shareholders.

Where a Shareholder is within the charge to corporation tax, corporation tax is charged on chargeable gains at the rate applicable to that company. Indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax but may not create or increase any allowable loss.

Shareholders who are not resident in the UK will not generally be subject to UK taxation of capital gains on the disposal or deemed disposal of Ordinary Shares unless they are carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, carrying on a trade in the UK through a permanent establishment) in connection with which the Ordinary Shares are used, held or acquired.

An individual Shareholder who has ceased to be resident for tax purposes in the UK for a period of less than five tax years and who disposes of all or part of his Ordinary Shares during that period may be liable to capital gains tax in respect of chargeable gains arising from such sale or disposal on his return to the UK, subject to any available exemptions or reliefs.

10.3 Stamp duty and Stamp Duty Reserve Tax ("SDRT")

No stamp duty or SDRT will be payable on the issue of Ordinary Shares under the Placing. Broadly, stamp duty arises on an instrument whereby the beneficial ownership of shares is transferred for consideration in the form of cash, shares or debt. However, no stamp duty will be payable in respect of a transfer of Ordinary Shares provided that the instrument of transfer is not executed in the UK, and wheresoever executed, does not relate to any property situated or to any matter or thing done or to be done in the UK.

Broadly, SDRT arises on the unconditional agreement to transfer the beneficial ownership of UK shares for consideration in money or money's worth. "UK Shares" for SDRT purposes includes shares of a company that is incorporated in the UK or that maintains its share register in the UK. Settlement of certain transfers of Ordinary Shares pursuant to the Placing will take place electronically through CREST. SDRT is generally deducted automatically by CREST and paid to the UK tax authorities. However, as the Company is incorporated in Jersey no SDRT will be payable in respect of an unconditional agreement to transfer Ordinary Shares as they are not registered on a register kept in the UK.

To the extent that an instrument of transfer in relation to the Ordinary Shares is executed in the UK, stamp duty at the rate of 0.5 per cent. may arise on the value of the consideration given for the shares. As such, any purchaser wishing to rely on that instrument in the UK would theoretically be required to settle the stamp duty as an unstamped instrument may not be relied upon as evidence in civil proceedings in the UK. However, any stamp duty charge arising should not need to be paid in practice. This is because stamp duty is not directly enforceable and is paid primarily to cancel the SDRT charge, which is enforceable, and to allow for the register of members of a UK company to be updated. Provided that the Ordinary Shares are not registered on a register in the UK, the transfer would not fall into the scope of SDRT. Furthermore, ownership of the Ordinary Shares may be evidenced by way of the Jersey register, which may be updated absent an instrument which has been stamped by the UK tax authorities.

11 JERSEY TAXATION

The following summary of the anticipated treatment of the Company and holders of Ordinary Shares (other than residents of Jersey) is based on Jersey taxation law and practice as it is understood to apply at the date of this document. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice (including such tax law and practice as it applies to any land or building situate in Jersey). Prospective investors in the Ordinary Shares should consult their professional advisers on the implications of acquiring, buying, selling or otherwise disposing of Ordinary Shares in the Company under the laws of any jurisdiction in which they may be liable to taxation.

11.1 Company Residence

The company shall be regarded as resident in Jersey if:

(a) it is incorporated under the Loi (1861) sur les Sociétés à Responsabilité Limitée or the Jersey Companies Law unless:

  (i) its business is centrally managed and controlled outside Jersey in a country or territory where the highest rate at which any company may be charged to tax on any part of its income is 20 per cent. or higher; and

  (ii) the company is resident for tax purposes in that country or territory; or

(b) it is incorporated outside Jersey but is managed and controlled in Jersey.

11.2 Jersey Taxation of the Company

The Income Tax Law, as amended, provides that the general basic rate of income tax on the profits or gains of companies will be zero per cent. and that companies that meet the definition of either a ''financial services company'' or a ''utility company'' shall be subject to Jersey income tax at a rate greater than this (rates of 10 per cent. and 20 per cent. respectively). The corporate income tax regime in Jersey is known as the ''Zero/Ten Regime''.

A ''financial services company'' is defined in the Income Tax Law, as amended, as any company that:

(a) is registered under the Financial Services (Jersey) Law 1998 to carry out:

  (i) investment business; or

  (ii) trust company business; or

  (iii) fund services business, as an administrator or custodian in relation to an unclassified fund or an unregulated fund; or

(b) is registered under the Banking Business (Jersey) Law 1991, other than a company registered for business continuity under that law, pursuant to Article 9A of the Banking Business (General Provisions) (Jersey) Order 2002; or

(c) holds a permit under the Collective Investment Funds (Jersey) Law 1988 by virtue of being a functionary who is an administrator or custodian mentioned in Part 2 of the Schedule to that Law.

In addition, Jersey property income including profits from Jersey property development and profits from Jersey quarrying (and similar) activities, and, with effect from 1 January 2012, profits from the importation and supply of hydrocarbon oils in Jersey will be taxed at the rate of 20 per cent.

On the basis that the company will not be carrying out any activities profits from which are subject to the higher rates of tax mentioned above, it should be subject to the basic rate of income tax of zero per cent.

11.3 Taxation of Dividends

Shareholders, including Jersey resident Shareholders, will not suffer deduction of tax on payment of dividends by the Company. The attention of Jersey resident investors is drawn to Article 134A of the Income Tax Law, as amended, the effect of which may be, in certain circumstances, to render such a Jersey resident liable to income tax on undistributed income or profits of the Company.

Prior to 2012, the Income Tax Law made provision for the taxation of an individual who is a Shareholder or ultimate beneficial owner resident in Jersey who owns two per cent. or more of the shares of a company resident in Jersey or with a permanent establishment in Jersey, however with effect from 1 January 2012 these rules have been repealed. New anti-avoidance rules came into force from 1 January 2013 which extends the range of what is a potentially taxable distribution to Jersey resident Shareholders and this may now include repayment of loan principal, proceeds received in the course of winding up, share repurchase/redemption etc.

In the case of any immediate Jersey resident Shareholders, the Company may be required to notify the Comptroller of Taxes of amounts paid to those individuals by way of dividends or distributions. Furthermore, the company may be required to make a return to the Comptroller of Taxes, on request, of the names, addresses and shareholdings of immediate Jersey resident Shareholders.

11.4 Goods and Services Tax

Jersey has introduced a five per cent. tax on goods and services supplied in the island ("GST"). On the basis that the Company has obtained international services entity status, GST is not chargeable on supplies of goods and/or services made by the Company. The Directors intend to conduct the business of the Company such that no GST will be incurred by the Company.

11.5 Stamp duty

In Jersey, no stamp duty is levied on the issue or transfer of the Ordinary Shares unless such transfer conveys a right to occupy Jersey property. Probate Stamp Duty ("PSD") is payable on Jersey grants of probate and letters of administration, which will generally be required to transfer Ordinary Shares on the death of a holder of such Ordinary Shares. In the case of a grant of probate or letters of administration, PSD is levied according to the size of the estate (wherever situate in respect of a holder of Ordinary Shares domiciled in Jersey, or situate in Jersey in respect of a holder of Ordinary Shares domiciled outside Jersey). The current rates of PSD are:

(a) on estates which do not exceed £10,000, no PSD is due;

(b) on estates of more than £10,000, which do not exceed £100,000, PSD is due at a rate of 0.5 per cent.; and

(c) on estates of more than £100,000, PSD of £500 is due on the first £100,000 of value and a rate of 0.75 per cent. on the value exceeding £100,000. However, PSD may not exceed £100,000. Jersey does not otherwise levy taxes upon capital, inheritances, capital gains or gifts nor are there otherwise estate duties.

Jersey does not otherwise levy taxes upon capital, inheritances, capital gains or gifts nor are there other estate duties.

12 Material contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by members of the Group in the two years immediately preceding the date of this document or which are expected to be entered into prior to Admission and which are, or may be, material or which have been entered into at any time by any member of the Group and which contain any provision under which any member of the Group has any obligation or entitlement which is, or may be, material to the Group as at the date of this document:

(a) the Placing Agreement, details of which are set out in paragraph 8 above;

(b) a nominated adviser and broker agreement dated 17 March 2014 between the Company and Cenkos pursuant to which the Company has appointed Cenkos to act as its Nominated Adviser and broker for the purposes of the AIM Rules. The Company has agreed to pay Cenkos an annual retainer fee of £65,000 (payable six monthly in advance). The agreement contains certain undertakings by the Company and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable regulations. The agreement may be terminated by either the Company or Cenkos without cause at any time after the first anniversary of Admission on three months' prior notice;

(c) a relationship agreement dated 17 March 2014 between the Company and WELP (the "**Relationship Agreement**") which is conditional on Admission and regulates the on-going relationship between the Company and WELP. The principal purpose of the Relationship

Agreement is to ensure that the Company is capable of carrying on its business independently of WELP and that transactions and relationships with WELP are at arm's length and on normal commercial terms.

The Relationship Agreement will continue for so long as the Ordinary Shares are admitted to trading on AIM and, for so long as WELP owns or controls in aggregate 30 per cent. or more of the issued shares or voting rights of the Company.

WELP has also agreed that it will not exercise its voting or other rights and powers to: (i) vote on any transaction with WELP or (ii) vote in relation to any resolution put to the other Shareholders of the Company to cancel the Company's admission to AIM pursuant to Rule 41 of the AIM Rules for a period of two years following Admission provided this will not prevent WELP from accepting a takeover offer or making a takeover offer for the entire issued share capital of the Company and delisting the Company's shares;

(d) a Lock-in and Orderly Market Agreement dated 17 March 2014 between the Company (1) Cenkos (2) and WELP and conditional on Admission pursuant to which, for a period of twelve months from Admission, WELP shall not dispose of Ordinary Shares (or any interest therein) except with the prior written consent of the Company and (for so long as Cenkos remains the nominated adviser to the Company) Cenkos. In addition, any disposal of Ordinary Shares between the expiry of the first anniversary of Admission and the second anniversary of Admission will (subject to certain limited exceptions) be made through Cenkos or such other person as may be the broker of the Company from time to time in such orderly manner as they may reasonably determine with a view to maintaining an orderly market;

(e) a Lock-in and Orderly Market Agreement dated 17 March 2014 between the Company (1) Cenkos (2) and IVPL and conditional on Admission pursuant to which, for a period of twelve months from Admission, IVPL shall not dispose of Ordinary Shares (or any interest therein) except with the prior written consent of the Company and (for so long as Cenkos remains the nominated adviser to the Company) Cenkos. In addition, any disposal of Ordinary Shares between the expiry of the first anniversary of Admission and the second anniversary of Admission will (subject to certain limited exceptions) be made through Cenkos or such other person as may be the broker of the Company from time to time in such orderly manner as they may reasonably determine with a view to maintaining an orderly market;

(f) Letters of Undertaking dated 17 March 2014 between the Company, Cenkos and each of Zvika Barinboim and Avner Yassur, pursuant to which, conditional on Admission, each of Mr. Barinboim and Mr. Yassur have agreed that, except with the prior written consent of the Company and (for so long as Cenkos remains nominated adviser to the Company) Cenkos and subject to certain limited exceptions, he will continue to ultimately control his interests in WELP until the second anniversary of Admission. In addition, Mr. Barinboim and Mr. Yassur have each agreed to exercise all rights available to them to procure that WELP complies with the terms of the Relationship Agreement and the Lock-In and Orderly Market Agreement entered into by WELP;

(g) Letters of Undertaking dated 17 March 2014 between the Company and each of Ory Weihs and Shay Ben-Yitzhak pursuant to which, conditional on Admission, each of Mr. Weihs and Mr. Ben-Yitzhak have agreed that, except with the prior written consent of the Company and (for so long as Cenkos remains nominated adviser to the Company) Cenkos and subject to certain limited exceptions, he will not transfer any of his indirect interests in WELP prior to the second anniversary of Admission;

(h) an asset purchase agreement dated 11 March 2012 (as amended on 26 July 2012) between the Company, Webpals Marketing Limited and WLM Ltd in respect of the transfer of the business of Webpals Marketing Limited to the Company. Under the terms of the agreement, the Company acquired the business of Webpals Marketing Ltd. including the entire issued share capital of International Internet Development Limited, International Domains Holdings Limited, Domains Holdings Group Limited and Casino Poker Portugal Ltd. and numerous domain names as well as assuming the benefit of an agreement of business co-operation dated 10 May 2009 which governed the formation of the Finnish Project (as defined below) in consideration for US$4,200,000.

Under the terms of the agreement, in the event that the Company's net profits (as calculated in accordance with the terms of the agreement) within the two year period commencing on 1 January 2012 exceed US$5,000,000 (the "**Company Target**"), the Company will be obliged to pay Webpals Marketing Limited additional consideration of US$5,000,000 within 60 days of the publication of a the Company's audited accounts for the period ending 31 December 2013. On 28 January 2013, the Company made a payment of US$2,000,000 (the "**WML Advance**") to WML Ltd. as an advance on such additional consideration given;

(i) a loan agreement dated 29 July 2012 between the Company and Z.E.M.L.H Internet Enterprises Ltd (as general partner for Z.E.M.L.H Israel – Limited Partnership) ("**ZIEL**") pursuant to the terms of which ZIEL agreed to provide the Company with an interest bearing loan of, in aggregate, US$4,200,000 to fund the acquisition detailed at paragraph 12(h) above. The loan was repaid on 6 March 2013;

(j) an asset purchase agreement dated 11 March 2012 between WPS, Webpals Ltd, Assaf Levy and Yaron Nahari in respect of the transfer of the business of Webpals Ltd to WPS. Under the terms of the agreement, WPS acquired all title, interests and rights, in and to all of Webpals Ltd.'s assets, tangible and non-tangible, including, without limitation all intellectual property rights and assumed certain of the liabilities, of Webpals Ltd. in consideration for US$800,000;

(k) a loan agreement dated 29 July 2012 between the Company and ZIEL (as general partner for Z.E.M.L.H Israel – Limited Partnership) pursuant to the terms of which ZIEL agreed to provide WPS with an interest bearing loan of, in aggregate, US$800,000 to fund the acquisition detailed at paragraph 12(j) above. The loan was repaid on 6 March 2013;

(l) a joint venture agreement dated 29 August 2012 between the Company, Condor Services Ltd ("**Condor**") and Painava Sana Oy Ltd ("**Painava**") (the "**JV Agreement**") relating to a joint venture in the field of marketing websites and internet games in Finland (the "**Finnish Project**"). The management of the Finnish Project is conducted by the Company and, under the terms of the JV Agreement, the Company has the right to 72 per cent. of the profits generated by the Finnish Project.

Pursuant to the terms of the JV Agreement, the Company has the right, exercisable at any time, to purchase both Condor's and Painava's entire rights in the Finnish Project for a pre-determined price calculated by reference to a multiple of the profit of the Finnish Project for the twelve month period preceding the notice to exercise such option being delivered to the parties.

The JV Agreement contains "right of first offer" provisions in relation to the proposed transfer by any party of any of their rights in the Finnish Project as well as "drag along" provisions in the event that the Company accepts to sell all of its interest in the Finnish Project to a third party, and such sale is conditional upon the sale of all remaining holdings, the remaining parties will be required to sell their rights.

The JV Agreement may be terminated by any party by giving the other parties 90 days prior written notice. On termination, the terminating party shall waive all of its rights, but not its obligations, under the terms of the agreement;

(m) a purchase agreement between the Company and Nvine Ltd. ("**Nvine**") dated 1 April 2012, pursuant to which the Company acquired Nvine's 43.4 per cent. interest in the Finnish Project in consideration for the payment, in aggregate, of €1,100,000 on a staged payment basis. The final payment was made on 1 September 2012. The agreement contained customary warranties for a transaction of this nature in favour of the Company;

(n) a sale and purchase agreement dated 21 July 2013 (as amended on 31 December 2013) between the Company and Eden Isles Corporation ("**Eden Isles**") governing the disposal of certain accounts and domains by the Company to Eden Isles, being all assets and activities historically carried on by the Company in Turkey, for a consideration of US$1,500,000 (payable in 60 consecutive equal monthly instalments from completion of US$25,000 a month). Completion of the agreement occurred on 31 October 2013;

(o) a share purchase agreement entered into between Webpals Holdings Ltd, WPS and WELP dated 18 November 2013 governing the sale of the entire issued share capital of WPS by WELP to Webpals Holdings Ltd (a wholly owned subsidiary of the Company) for consideration of US$3,400,000. The agreement contained customary warranties for a transaction of this nature in favour of Webpals Holdings Ltd.;

(p) the Investment Agreement pursuant to the terms of which IVPL was issued 2,016 ordinary shares of US$0.01 in the capital of the Company for US$15,000,000.

The agreement provides for IVPL being issued with additional Ordinary Shares to the extent that an IPO is completed within six months of closing at a price per share that is less than 25 per cent. higher than the price per ordinary share (as may be adjusted in the interim) paid by IVPL under the terms of the agreement. As a consequence of this, IVPL is being issued with 2,377,500 new Ordinary Shares in connection with Admission.

The agreement contains detailed representations, warranties and an indemnity from the Company in favour of IVPL and standard representations and warranties from the Investor.

In connection with entering into Investment Agreement, the Company paid to Be'eri Capital Ltd (the "**Finder**") a fee of US$450,000 pursuant to the terms of a services agreement dated 4 December 2013, as a consequence of the Finder introducing IVPL to the Company. In addition, the Finder is entitled to receive a service fee of US$11,800 for the period from 4 December 2013 to 1 June 2014 and, on Admission, is entitled to receive a services success fee of US$118,000; and

(q) Pursuant to the terms of a consultancy agreement dated 15 July 2013 between the Company and Impact Equity Corporation (the "Consultant"), the Company has engaged the Consultant as a non-exclusive provider of services in connection with, amongst other things, the proposed listing of its shares in London. The Consultant is entitled throughout the period commencing on 15 July 2013 and ending on 1 June 2014 to a fee of £90,000 plus VAT, payable in three equal instalments. The Consultant is also entitled to be paid a success fee in certain circumstances, including upon Admission, whereupon the Consultant will receive a fee of US$545,000.

13 Related party transactions

Details of related party transactions entered into by members of the Group during the period covered by the financial information set out in this document are referred to in Notes 19 and 21 of the Historical Financial Information of the Group for the three years ended 31 December 2012 set out in Part 4B of this document and in paragraph 12 of this Part 5.

14 Working capital

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

15 Litigation

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this document, a significant effect on the Group's financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against any member of the Group.

16 General

16.1 Save as set out in this document, there has been no significant change in the financial or trading position of the Group since 30 June 2013, the date to which unaudited interim financial information of the Group for the six months ended 30 June 2013 were prepared.

16.2 The estimated costs and expenses relating to the Placing (including those fees and commissions referred to in paragraph 8 above) payable by the Company are estimated to amount to approximately £3.7 million ($6.15 million) (excluding VAT). The total net proceeds of the Placing, after settling fees, will be £29.1 million ($48.4 million).

16.3 Kost Forer Gabbay & Kasierer (a member of Ernst & Young Global) of 3 Aminadav Street, Tel Aviv 67067, Israel have been the auditors of the Company since incorporation.

16.4 Kost Forer Gabbay & Kasierer (a member of Ernst & Young Global) has given and not withdrawn its written consent to the inclusion in this document report in Part 4 and the references to its report and to its name in the form and in the context in which it is included.

16.5 Cenkos is registered in England and Wales under number 5210733 and its registered office is at 6.7.8 Tokenhouse Yard, London, EC2R 7AS. Cenkos is regulated by the Financial Conduct Authority and is acting in the capacity as nominated adviser and broker to the Company.

16.6 Cenkos has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

16.7 Save as otherwise disclosed in this document there are no patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Group's business or profitability.

16.8 No person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:

(a) received, directly or indirectly, from the Company within the 12 months preceding the date of application for Admission; or

(b) entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission,

any of the following:

(i) fees totalling £10,000 or more;

(ii) securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or

(iii) any other benefit with a value of £10,000 or more at the date of Admission.

16.9 The Placing will result in the interests of existing shareholders being diluted by 35.4 per cent.

16.10 Where information has been sourced from a third party as specifically noted in this document, the Company confirms that this information has been accurately reproduced and that, as far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Unless otherwise stated, such information has not been audited.

Dated 17 March 2014

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