



Invitation to Subscribe for Shares with  
Attached Warrants in Angler Gaming  
PLC

**MAN GOLD™**

## IMPORTANT INFORMATION

In this memorandum the following definitions shall apply unless otherwise defined: the "Company" or "Angler" means, depending on the context, Angler Gaming plc incorporated in Malta with reg. no. C 55255 or the group in which Angler is the parent company. "Angler Group" means Angler with its subsidiary. "Starfish" means Angler's wholly-owned subsidiary Starfish Media N.V., incorporated in the constituent country of Curaçao in the Kingdom of the Netherlands with reg. no. 125528. "Betsson" or "Betsson Group" means Betsson AB (publ), reg. no. 556090-4251, with its subsidiaries unless the context requires otherwise. "AktieTorget" means AktieTorget Sverige Aktiebolag, reg. no. 556533-0395. "Euroclear Sweden" means Euroclear Sweden AB, reg. no. 556112-8074.

This memorandum has been prepared by the board of directors of Angler in connection with the extraordinary general meeting of the Company, held on 8 April 2014, resolving on a rights issue of shares and warrants in the Company (the "**Rights Issue**"). The Rights Issue is not of such kind and/or not, directly or indirectly, directed to such persons that would, according to Swedish and Maltese law, require any other memorandum, prospectus, registration or other measure.

This memorandum has not been reviewed and/or approved by the Swedish Financial Supervisory Authority. AktieTorget is since 1 November 2007 authorised by the Swedish Financial Supervisory Authority to operate a Multilateral Trading Facility. AktieTorget has its own rules and regulations, imposing the companies to present a memorandum, which in principle corresponds to the Swedish Financial Supervisor Authority's prospectus requirements. This memorandum has been approved by AktieTorget.

In several countries, particularly the United States, Australia, Canada, Singapore, South Africa, Switzerland, Japan and Hong Kong, distribution of this memorandum may be subject to restrictions. In conformity therewith, this memorandum may not be distributed or published in any jurisdiction unless it is made in accordance with applicable rules and legislation.

The board of directors of Angler is responsible for the information in this memorandum. The memorandum is available in English.

This memorandum contains forward-looking statements. These forward-looking statements are based on the Company's current plans, estimates, forecasts and expectations. They are based on expectations that, while currently seeming adequate, might turn out to be incorrect. The forward-looking statements are based on assumptions and circumstances which are associated with risks and uncertainty. The reader should not rely on these forward-looking statements to an unreasonable extent. A large number of circumstances may cause that actual results, revenues and the development in general materially deviate from the results, revenues and the development which is accounted for, explicitly or implicitly, in the forward-looking statements provided by the Company. Consequently, the Company, its board of directors or its management, cannot warrant the correctness and completeness in any of the forward-looking statements mentioned in this memorandum, nor that predicted events will occur. The Company explicitly resign, except for when prescribed by law, from any responsibility to update forward-looking statements and to adjust them in the light of future events or future development.

The memorandum contains historical market information, including information about the size of the markets in which Angler is active. The information has been obtained from a number of sources and Angler is responsible for the correctness of the representation of such information. Although Angler regards these sources as reliable, no independent verification has been performed, why the correctness or completeness of the information cannot be guaranteed. As far as Angler is aware and can gain assurance of through comparison with other information that has been published by the parties from whom the information has been obtained, no information that would make the represented information incorrect or misleading has been excluded from this memorandum.

This memorandum is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this memorandum.

The shares in Angler are not subject to trading in any country other than Sweden and no application to engage in such trading has been made. The shares in Angler have not been registered, and are not intended to be registered, under the United States Securities Act of 1933, as amended, or any other foreign equivalent. It is incumbent on each and every one to adhere to any restrictions regarding this memorandum according to laws and regulations outside of Sweden.

This memorandum is available at the Company's head office, on the Company's website, [www.anglergaming.com](http://www.anglergaming.com) and on Mangold Fondkommission AB's website, [www.mangold.se](http://www.mangold.se). The memorandum will also be available, in connection with the subscription period, on AktieTorget's website, [www.aktietorget.se](http://www.aktietorget.se).

Angler's memorandum of association and articles of association and other relevant corporate documentation in relation to the Rights issue will, in connection with the subscription period, be available in electronic format on Angler's website, [www.anglergaming.com](http://www.anglergaming.com). Historical financial information regarding Angler is available on Angler's website, [www.anglergaming.com](http://www.anglergaming.com).

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**The Q1 Progress and Financial Report will be released on 30 April 2014.**

**Definitions and Abbreviations:*****Angler or the Company***

Angler Gaming PLC, incorporated in Malta with company registration number C 55255 with or without subsidiaries depending on the context.

***AktieTorget***

AktieTorget AB, with registration number 556533-0395

***Angler Group***

Angler with its subsidiary.

***Euroclear Sweden***

Euroclear Sweden AB, with registration number 556112-8074.

***Starfish***

Angler's wholly owned subsidiary Starfish Media N.V., incorporated in the constituent country of Curaçao in the Kingdom of the Netherlands with registration number 125528.

***Mangold***

Mangold Fondkommission AB (publ), company registration number: 556585-1267.

***Rights Issue***

The rights issue of shares and warrants in the Company resolved upon by the Extraordinary General Meeting held on 8 April 2014.

***Warrants***

The warrants to be allotted free of charge to those who have subscribed in the Rights Issue.

***Subscription Right***

For each share held on the record date in the Rights Issue, shareholders will receive one (1) subscription right.

***New Share***

The shares issued in the Rights Issue.

## Summary

*The following summary renounces all claims to be complete, and shall be considered as an introduction to this memorandum. The summary does not contain all the information and every decision which is based on this memorandum must therefore be based on an assessment of the content in this memorandum in its entirety. A person may be made liable for information which is included or excluded from the summary only if the summary or the translation of the summary is deceiving or incorrect in relation to other parts of this memorandum. Investors who bring a claim before a court relating to the information in this memorandum may be required to bear the costs of translating the memorandum.*

## Background and reasons

Angler Gaming Group was initially setup as a new gaming group within Betsson Group, with Angler Gaming PLC as a holding company and Starfish N.V. as an operating subsidiary. In 2012 the new gaming group was distributed to Betsson's shareholders. As a small, independent operator Angler's operational subsidiary functions as a niche gaming company able to compete outside Betsson's core markets, in approximately 30 countries in South America, Africa and Europe, with varying future potential.

Angler has been developing and expanding its database and reach since the launch of the online operations by its subsidiary Starfish in late 2012. However, since Angler operates in markets of varying potential the Company has not yet been able to turn its operations into profitability. Several factors have contributed to this, including marketing restrictions, an inhibited marketing budget and a loss of initial B2B partners due to new policies and market restrictions. The Company has seen growth in its proprietary brands, and is now focusing on developing newly established B2B partnerships, which have started showing encouraging results.

The Board of Directors has evaluated this growth strategy against recent performance and concluded that it is proving to be effective. As a result, more favourable conditions now exist to implement a solid campaign to attract and develop more B2B partnerships, continuing the focus on growing the business through white label solutions. At the same time, a less inhibited marketing spend capability is required to allow ongoing development and growth of Starfish's own brands. The reducing dependence of Starfish upon Angler, in terms of funding, has freed up some working capital but if the Company is to show good growth in the reasonable short term, additional funding is required.

In the light of the considerations and taking into account the elemental business factors outlined above, the Board of Directors of Angler has decided to carry out a Rights Issue of MSEK 10.6 in order to strengthen the Company's working capital. The capital will be used i) to underpin increased marketing capability, ii) for staffing requirements as the business expands, and iii) to allow continued development of the technical gaming platform. It will also ensure that the Company can manage the group's working capital needs and realistically identify future investment opportunities in accord with its corporate philosophy.

## Operations and market

Angler's subsidiary offers its services via the Internet and the market is thereby global. Initially, Starfish has mainly focused its activities on (i) markets where Betsson previously has been active, but chosen not to focus on, and (ii) new target markets outside of Betsson's core markets. Betsson had previously operated in those jurisdictions and the customer databases for those jurisdictions were passed over to Starfish but produced little activity and poor results. Concurrently Starfish continued

to pro-actively evaluate possibilities to acquire customer databases offered by third parties from other jurisdictions within its target areas.

Geographically, Starfish has focused its offerings towards approximately 30 countries in South America, Africa and Europe, and other markets that are considered to be more viable for a smaller and more flexible gaming operator with Starfish's product offering. As the business expands, focus markets will be extended to other similar jurisdictions.

Angler's business consists of investing and administering shareholding in companies which offer gaming to the end users via the Internet. Angler's mission is to invest in and manage fast-growing companies operating in the online gaming industry. Angler's objective is to generate long-term growth and profitability in order to provide shareholders with the best possible returns in the long term. Angler's and its subsidiaries' strategic plan is to grow organically on a global market.

Starfish's operation focuses on Internet gaming, primarily in various forms of casino games. The games offered are based on proprietary software acquired from Betsson's subsidiaries' as well as software from external gaming providers. Focus markets are countries that are well-suited for a small gaming operator with more flexibility than larger operators. Based on these conditions, Starfish with its flexibility and its niche product offerings, will operate with limited competition, which enables higher profit margins from the same gross revenue, compared to local competitors.

For more information, see the sections *Market Overview* and *Description of Business and Operations*.

## **Financial information and development**

The activities in Starfish started to produce revenue during the year 2013, increasing revenue by 1670 % from 2012. This was significantly below forecasted numbers, due to factors such as marketing restrictions in key markets, a strict marketing budget and loss of B2B partners due to new policies and market restrictions.

The Company suffered an operating loss of KEUR 1,606 in 2013, compared to KEUR 732 in 2012. The costs remained under control, with only 5 % over budget, whereas lower than expected revenue and growth was the major driver for the operating loss.

The investments in 2013 were negligible, at around 1 % of the investments made in 2012. Since the needed software and hardware is in place, no large investments are planned in the near future.

For more information, see the sections *Summary of Financial Information* and *Comments on the Financial Development*.

## **Risk Factors**

Some of the risk factors that an investor shall consider is assessed to be related to Angler being a newly established company without history, personnel and technical knowledge, customer base, intellectual property, regulatory development on the gaming market, dependency on a license for the operations, gambling addiction, macroeconomic factors, competition, tax and uncertainty regarding the liquidity in the share and fluctuations in the price of the share. An investor must also consider the other information in this memorandum. For further information concerning risk factors, see the section Risk factors.

## **Share capital, ownership structure and legal considerations, etc.**

Angler is a Maltese public limited liability company with its registered office in Malta. Its activities and corporate actions are governed by the laws of Malta. The Company's shares are denominated in Euros. The authorised and issued share capital of Angler amounts to EUR 422,149.57 divided into 42,214,957 ordinary shares having nominal value of €0.01 each. The Company's shares are affiliated with Euroclear and traded on AktieTorget. All shares are paid-up and of the same class and have the same equal rights. Each share has 1 vote. The shares in Angler are registered in holders' names in a computerized account system for registration of shares which is managed by Euroclear Sweden. No share certificates are issued for the shares in Angler. The ISIN code for the shares in Anger is MT0000650102.

The Company has no share-based incentive arrangement, outstanding options or warrants, or convertible securities.

For more information on the share capital, ownership structure, the company law to which Anger is subject and certain legal matters, see *Share Capital and Ownership Structure*.

## **Board of directors, senior management and auditor**

Angler's board of directors currently consist of the chairman David Gray and the directors Michael Bennett and Sarah Borg. Michael Bennett is chief executive office in Angler. Walter Rizzo & Associates are the auditors of Angler. For more information, see the section *Board of Directors, Senior Management and Auditor*.

## **Risk Factors**

*An investment in Subscription Rights, BTA and/or New Shares in Angler is associated with risks. Angler's operations are affected by a number of factors, which are, wholly or partially, not within the Company's control. These factors could have a negative impact on Angler's operations, earnings or financial position and cause the value of the Company's existing shares, New Shares, BTA and Subscription Rights to be reduced, and investors could lose part or all of their investment.*

*The risks described below must be considered together with the other information contained in this memorandum. The risk factors are not presented in any order of priority or potential financial impact on the Company. They are mere examples and should not be considered to be comprehensive. Additional risks and uncertainties which the Company is currently not aware of or which are currently not considered to be material could develop into factors which may materially affect the Company's operations, earnings or financial position.*

## **Company specific risks**

### ***History***

Angler was incorporated in 2012. This considerably limits the data upon which an evaluation of the Company and its long-term prospects can be based. The Company's contacts with partners, suppliers and other industry players are also relatively newly established. For this reason the relationships are difficult to evaluate, which may affect the prospects the Company has.

### ***Personnel and technical knowledge***

Angler's future progress will be dependent of the technical development pursued by its subsidiary Starfish and its ability to benefit from the gaming integration platform which has been transferred to Starfish. The technical skills of the employees are thus to a large extent decisive for the future development. The recruitment of new personnel in the subsidiary will be very important. If key individuals leave Starfish and appropriate successors cannot be recruited, this could adversely affect the Company's operations, financial position and earnings, as is the case with most companies.

### ***Larger customer base***

Angler's profitability is currently dependent on that its subsidiary Starfish quickly can broaden its customer base to increase its revenues and profitability. Angler is dependent on dividends from Starfish.

### ***Intellectual property***

Angler's most important intellectual property rights consist of Starfish's technical gaming integration platform and the products coming out of it. It is of material importance that the subsidiary will develop this platform.

## **Market and industry related risks**

### ***Regulatory development***

Angler's subsidiary operates in the gaming market. On most national markets gambling is rigorously regulated by law and all gambling operations are essentially subject to official approval. Political decisions could have a rapid and adverse effect on the operations of the subsidiary. The operations

are therefore dependent on the legal situation for the gambling industry in the countries where the subsidiary's customers are active.

In addition to the regulatory development the general regulation of the Internet must be considered. This includes rules and regulations applicable to commercial operations on the Internet. It cannot be ruled out that the subsidiary's customer offer is affected by national regulation in jurisdictions other than the one where its equipment is situated or against which its operations are targeted. A regulatory development which makes a subsidiary's operations more difficult or prohibits them will over time affect the dividend to Angler. This also means Angler's operations and profitability may over time be threatened, as is the situation with all online gaming operators.

#### ***Operations subject to official approval***

Starfish has, by decision of Curaçao's licensing authority, been granted a gaming license, which in effect means that Starfish may, supported by the license, operate gaming activities over the Internet for its customers. For Angler it is essential that the subsidiary's license is maintained and prolonged.

#### ***Gambling addiction***

Although Angler itself does not pursue any gaming activities, people suffering from gambling addiction may sue the Company's subsidiaries as the gaming originator and facilitator. While such claims are very likely to be dismissed, if this was to happen it could give rise to legal costs.

#### ***Risks related to macroeconomic factors***

The business conducted by Angler's subsidiary is quite non-cyclical, meaning online gaming is quite unaffected by a recession. A negative outlook for the global economy and disruptions on the global capital markets may however, as is the case for most companies, make possibilities to finance the Company and its possible future investments more difficult.

#### ***Competition***

The Company's subsidiary competes with a large number of bigger actors with substantially larger financial and operational resources than Starfish. Despite such entry barriers, further actors may enter the market. If Angler's subsidiary cannot successfully meet the competition and develop its customer offering it may affect the dividend to Angler and correspondingly Angler's result and financial situation.

#### ***Tax risks***

The operations are conducted according to Angler's interpretation of prevailing tax legislation, tax agreements and the provisions in the various countries involved as well as the requirements of the tax authorities. However, it cannot be generally precluded, that Angler's interpretation of applicable legislation, practice, tax agreements and provisions or the relevant authorities interpretation of such rules, may be incorrect. Furthermore, these rules may change, perhaps with a retroactive effect. By decisions made by any tax authority, Angler's previous or current tax situation may deteriorate. To the best of the Company's knowledge, Angler is currently not the subject of any type of tax investigation. For further information regarding tax risk, see the section *Tax issues*.

#### ***Currency exchange rate risks***

Since Angler is a Maltese holding company, with subsidiaries operating on a global market, Angler is exposed to currency fluctuations. This may result in transaction exposure and translation exposure. Most of the Company's operating revenues, operating expenditures and financing is however

denominated in euro, which means the Company's exposure to foreign exchange risk is not that significant.

## **Risks related to the shares and the Rights Issue**

### ***Share-related risks***

Risk and risk-taking is an inevitable part of investing in shares. Since a share investment may increase or decrease in value, there can be no guarantee that an investor will have its invested capital returned in full. The price of the shares may fall below the subscription price in the Rights Issue. A person that decides to subscribe to New Shares in the Rights Issue could make a loss on the sale of such shares. The progress of the share price depends on a number of factors, some of which are company specific and others that are related to the stock market in general. Such factors may also increase the volatility of the shares price. It is impossible for Angler to control all the factors that may affect its share price and, accordingly, all decisions to invest in the New Shares should be preceded by a thorough research.

### ***The subscription undertakings and underwriting commitments are unsecured***

The Company has received subscription undertakings and underwriting commitments from existing owners, equivalent to 100 percent of the total proceeds in the Rights Issue. The Company has not received, nor requested, any collateral from the parties that made subscription undertakings or underwriting commitments.

If one or several shareholders who have made subscription undertakings were to commit a breach to the undertaking to subscribe for New Shares in the Company, the commitments in the subscription undertakings may hence not be fulfilled. Such breach to an underwriting agreement or subscription undertaking could negatively affect the Company's possibilities to successfully carry out the Rights Issue.

### ***Shareholders with substantial influence***

Assuming that all Subscription Rights under the Rights Issue are utilised to subscribe for New Shares, Bowline Investments S.a.r.l. will hold and control approximately 12.4 percent of the shares and the votes in the Company. In the event of the Rights Issue not being subscribed in full, Bowline Investment S.a.r.l., Bengt Eriksson and Berit Lindwall will, as a result of the subscription undertakings and underwriting commitments, increase their shareholding in Angler to over 5 percent each.

Bowline Investments S.a.r.l. will therefore, irrespective of whether the underwriting commitment will be invoked or not, exercise a significant influence over the Company after the Rights Issue and will, to a certain extent, be able to affect the outcome of matters that are dealt with at shareholders' meetings. Such matters include election of board members, share issues and dividend. Bowline Investment S.a.r.l.'s interests may differ or be competing with the Company's, and/or the other shareholders' interests and it cannot be ruled out that Bowline Investment S.a.r.l., in certain aspects, will exert its influence in a manner that is not in the other shareholders' interests.

### ***Trading in Subscription Rights***

Subscription Rights for the New Shares will be traded on AktieTorget during the period between 17 April 2014 and 30 April 2014, both dates inclusive. There can be no guarantee that active trading in the Subscription Rights develops, or that there will be sufficient liquidity. If active trading develops,

the price of Subscription Rights will be dependent on factors including the price performance of the shares and may be subject to greater volatility than such shares.

***Dilution***

Shareholders that choose not to exercise their Subscription Rights to subscribe for New Shares in the Rights Issue will have a lower portion of Angler's share capital and votes as a result of the increase in the total number of shares and votes in the Company when the New Shares are allotted in the Rights Issue.

## **Invitation to subscribe for shares at Angler Gaming PLC**

On 14 March 2014 the board of directors of Angler decided on a Rights Issue with preferential rights for the Company's shareholders, subject to the subsequent approval by the Company's Extraordinary General Meeting. The board of directors' decision was approved at the Extraordinary General Meeting held on 8 April 2014.

The Company's shareholders have preferential rights to subscribe for New Shares in proportion to the number of shares already held. Registered shareholders on the record date 15 April 2014 receive one (1) Subscription Right for each existing share. Three (3) Subscription Rights entitle to subscription of one (1) New Share to a price of SEK 0.75. Subscription will take place during the period from and including 17 April 2014 up to and including 6 May 2014, or a later date decided by the board of directors. The New Shares will have the same rights as the existing ordinary shares in the Company. The Rights Issue will, if fully subscribed, generate SEK 10.6 million to Angler before costs related to the Rights Issue, which amount to approximately SEK 0.7 million, meaning SEK 9.9 million after costs related to the Rights Issue. If the Rights Issue is fully subscribed for, the Company's share capital will increase by EUR 140,716.52 from EUR 422,149.57 to a maximum of EUR 562,866.09 in total, and the number of shares will increase with a maximum of 14,071,652 from 42,214,957 to a maximum of 56,286,609. The New Shares correspond to 25 percent of the share capital and 25 percent of the votes in the Company after a completed and fully subscribed Rights Issue. The pre-money valuation of the Company is MSEK 31.7, calculated as the number of shares before the Rights Issue multiplied by the subscription price.

On 14 March 2014 the board of directors also decided, subject to subsequent approval by the Company's Extraordinary General Meeting, on an issue of a maximum of 7,035,826 warrants to be allotted free of charge to those who have subscribed in the Rights Issue ("Warrants"). The board of directors' decision was approved at the Extraordinary General Meeting held on 8 April 2014.

For every two (2) subscribed, paid for and allotted shares in the Rights Issue one (1) Warrant is allotted free of charge. Each Warrant entitles to the subscription of one (1) new share during the period from and including 12 January 2015 up to and including 30 January 2015 to a subscription price of SEK 1 per share. Through the subscription of the Warrants the Company's share capital will increase by a maximum of EUR 70,358.26 through the issue of 7,035,826 new shares.

Shareholders that choose not to participate in the Rights Issue will have their shareholdings diluted, but will have the opportunity to sell their Subscription Rights on AktieTorget. In the event that not all shares are subscribed for on the basis of Subscription Rights, the board of directors shall resolve to allocate the remaining shares, under the maximum amount of the Rights Issue, to subscribers that have subscribed for New Shares without Subscription Rights. It is therefore possible to, in addition to the subscription through Subscription Rights, sign up for subscription of New Shares without preferential rights by using a separate application form.

Four existing shareholders in the Company, representing approximately 16.4 percent of the capital and votes in Angler, have through subscription undertakings committed to subscribe for shares in the Rights Issue corresponding to their shareholding in Angler. The same shareholders have through underwriting commitments committed to subscribe for the shares in the Rights Issue which

potentially have not been subscribed for with or without Subscription Rights, which corresponds to approximately 83.6 percent of the shares in the Rights Issue.

*The board of directors hereby invites, in accordance with the terms and conditions of this Information Memorandum, the Company's shareholders to subscribe for shares in the Company.*

Stockholm, 8 April 2014  
Angler Gaming PLC  
Board of directors

## Background and Rationale

Angler Gaming Group was initially setup as a new gaming group within Betsson Group, with Angler Gaming PLC as a holding company and Starfish N.V. as an operating subsidiary. In 2012 the new gaming group was distributed to Betsson's shareholders. As a small, independent operator Angler's operational subsidiary functions as a niche gaming company able to compete outside Betsson's core markets, in approximately 30 countries in South America, Africa and Europe, with varying future potential.

Angler has been developing and expanding its database and reach since the launch of the online operations by its subsidiary Starfish in late 2012. However, since Angler operates in markets of varying potential the Company has not yet been able to turn its operations into profitability. Several factors have contributed to this, including marketing restrictions, an inhibited marketing budget and a loss of initial B2B partners due to new policies and market restrictions. The Company has seen growth in its proprietary brands, and is now focusing on developing newly established B2B partnerships, which have started showing encouraging results.

The Board of Directors has evaluated this growth strategy against recent performance and concluded that it is proving to be effective. As a result, more favourable conditions now exist to implement a solid campaign to attract and develop more B2B partnerships, continuing the focus on growing the business through white label solutions. At the same time, a less inhibited marketing spend capability is required to allow ongoing development and growth of Starfish's own brands. The reducing dependence of Starfish upon Angler, in terms of funding, has freed up some working capital but if the Company is to show good growth in the reasonable short term, additional funding is required.

In the light of the considerations and taking into account the elemental business factors outlined above, the Board of Directors of Angler has decided to carry out a Rights Issue of MSEK 10.6 in order to strengthen the Company's working capital. The capital will be used i) to underpin increased marketing capability, ii) for staffing requirements as the business expands, and iii) to allow continued development of the technical gaming platform. It will also ensure that the Company can manage the group's working capital needs and realistically identify future investment opportunities in accord with its corporate philosophy.

*In addition, reference is made to the information in this memorandum. The board of directors of Angler Holding plc., which is responsible for this memorandum, has taken all reasonable measures to ensure that the given information is, to the best of their knowledge, in accordance with facts and contains no omission likely to affect the evaluation of the Company.*

Stockholm, 8 April 2014

Angler Gaming PLC

Board of directors

## **Terms, Conditions and Instructions**

### **The Rights Issue**

On 14 March 2014 the board of directors of Angler decided on a Rights Issue with preferential rights for the Company's shareholders, subject to the subsequent approval by the Company's Extraordinary General Meeting. The board of directors' decision was approved at the Extraordinary General Meeting held on 8 April 2014. The share capital of the Company may increase by a maximum of EUR 140,716.52 in the Rights Issue by issue of up to 14,071,652 shares, each with a quota value of EUR 0.01.

### **Preferential right to subscribe**

Those persons who on the record date of 15 April 2014 are registered as shareholders in Angler Gaming PLC shall have preferential rights to subscribe for New Shares, where three (3) existing shares carry an entitlement to subscribe for one (1) New Share.

### **Subscription Rights**

For each share held on the record date, shareholders will receive one (1) Subscription Right. Three (3) Subscription Rights are required to subscribe for one (1) New Share.

### **Subscription price**

The New Shares will be issued at a price of SEK 0.75 per share. No commission will be charged.

### **Warrants**

Two (2) allotted, subscribed and paid shares in the Rights Issue entitle to one (1) Warrant free of charge. One (1) Warrant gives the holder the right to subscribe for one (1) new share in the Company to a subscription price of SEK 1.00. Subscription may only be made in respect to a whole share during the period from and including 12 January 2015 up to and including 30 January 2015. The Company will apply for trading of the Warrants on AktieTorget. For more information see *Terms and Conditions for Warrants 2014/2015* in this Memorandum.

Issue of the Warrants is subject to requisite approvals by Euroclear and the central security depository.

### **Record date**

The record date in Euroclear Sweden AB ("Euroclear") for determination of which persons are entitled to receive Subscription Rights is 15 April 2014. Last day of trading in Angler's shares including the right to participate in the Rights Issue is 10 April 2014. First day of trading in Angler's shares excluding the right to participate in the Rights Issue is 11 April 2014.

### **Subscription period**

Subscription for New Shares will take place during the period from and including 17 April 2014 up to and including 6 May 2014. After the subscription period, unexercised Subscription Rights will expire and thereby will hold no value. Unexercised Subscription Rights will be deleted from the securities account without notification from Euroclear. The board of directors of Angler reserves the right to extend the subscription and payment period. In the event that a decision to extend the subscription

period is taken, the decision will be communicated to the shareholders on the Company's website and by press release no later than 6 May 2014.

### **Trading in Subscription Rights**

Trading in Subscription Rights will take place during the period from and including 17 April 2014 up to and including 30 April 2014 on AktieTorget. Subscription Rights received must be used to subscribe for New Shares by 6 May 2014 at the latest in order not to become worthless.

### **Dilution effect**

Shareholders who choose not to exercise their Subscription Rights to subscribe for New Shares will under current conditions sustain a dilution of their shareholdings in the Company of 25.0 percent as an effect of the Rights Issue. Added to this, shareholders who choose not to exercise the Warrants, may sustain an added maximum dilution of approximately 10.9 percent upon full exercise of the Warrants.

The dilution is calculated by taking the number of shares after the transaction divided by the number of issued shares.

### **Information from Euroclear – account of the new issue and application forms**

#### ***Directly registered shareholders***

Shareholders or their representatives who on the above date are registered in the share register maintained by Euroclear, on behalf of the Company, will receive a pre-printed issue statement from Euroclear with an attached payment form and a special application form. The pre-printed issue statement indicates, for example, the number of Subscription Rights received and the full number of shares that may be subscribed for. Those who are included in the special listing of pledge holders and others kept in connection with the share register will not receive any issue statement, but will be notified separately. No securities notification will be sent out regarding the registration of Subscription Rights on shareholders' securities account.

#### ***Nominee-registered holdings***

Shareholders whose holding of shares in Angler are nominee-registered with a bank or other nominee will receive neither an issue statement nor special application form. Subscription and payment will instead take place in accordance with the instructions of their nominees.

### **Subscription for New Shares with Subscription Rights**

Subscription for New Shares on the basis of Subscription Rights shall take place by cash payment by 6 May 2014 at the latest. Subscription by cash payment shall either be made with the pre-printed payment form enclosed with the issue statement or with the payment slip attached to the special application form in accordance with the following alternatives:

- 1) Pre-printed payment form

If all Subscription Rights received on the record date are exercised for subscription, only the pre-printed payment form should be used as a basis to subscribe by cash payment. The special application form shall not be used in this case. **Please note that subscription is binding.**

## 2) Special application form

In case Subscription Rights are acquired or disposed of, or if the number of Subscription Rights to be exercised for New Shares differs from the number on the pre-printed issue statement, the special application form shall be used as a basis to subscribe by cash payment. Application for subscription through payment shall be made in accordance with the instructions on the special application form. The pre-printed payment form must therefore not be used. Application forms that are incomplete or incorrectly filled out may be disregarded.

The special application form can be obtained from Mangold by phone, e-mail or by downloading it from Mangold's website. Completed application forms in conjunction with payment must be sent by post or dropped off at the address provided below, reaching Mangold not later than by 15:00 CET on 6 May 2014. Application forms sent by post should be posted in sufficient time to ensure delivery before the specified deadline. Only one (1) special application form may be submitted. If more than one is submitted, only the last one received will be considered. **Please note that subscription is binding.**

### **Mangold Fondkommission AB**

Re: Angler  
Box 55691  
102 51 Stockholm  
Sweden  
Street address: Engelbrektsplan 2

Email: [emissioner@mangold.se](mailto:emissioner@mangold.se)  
Phone: +46 8-503 01 580  
Fax: +46 8-503 01 551  
Website: [www.mangold.se](http://www.mangold.se)

### **Subscription for New Shares without Subscription Rights (notification of interest)**

An application to subscribe for New Shares without Subscription Rights can be made to any amount and shall take place during the same period as subscription on the basis of Subscription Rights, that is, during the period from and including 17 April 2014 up to and including 6 May 2014. The application must be made on the intended application form marked "Application form for subscription of New Shares without Subscription Rights" by completing, signing and returning it to Mangold at the address above. The application form can be obtained from Mangold by phone, e-mail or by downloading it from Mangold's website. The application form can also be filled out and submitted electronically to Mangold via the website.

No payment shall be made in conjunction with the application form for subscription of New Shares without Subscription Rights, but in accordance with what is stated below. The application form must be provided to Mangold by 3 pm on 6 May 2014. It is only allowed to submit one (1) Application form for subscription for New Shares without Subscription Rights. In the event that more than one Application form for subscription for New Shares without Subscription Rights is sent, only the last one received will be considered.

**Please note that subscription is binding.**

## **Allotment**

In the event that not all New Shares are subscribed for by exercise of Subscription Rights, the board of directors shall determine the allocation, under the maximum amount of the Rights Issue, to those who subscribed without Subscription Rights in accordance with the following allocation basis:

- Allotment of the New Shares shall firstly be made to those who have also subscribed for New Shares through the use of Subscription Rights, and in the event allotment cannot be made in full to those, allotment shall be made pro rata in relation to the number of Subscription Rights that have been used for subscription of New Shares and, should this not be possible, by lot;
- Secondly, allotment of New Shares shall be made to those who have subscribed for New Shares only without Subscription Rights, and in the event that allotment cannot be made in full to those, allotment shall be made pro rata in relation to the number of New Shares that each one subscribed for, and should this not be possible, by lot;
- Thirdly, any remaining New Shares shall be allotted to the underwriters, subject to the terms and conditions of the underwriting commitment.

## **Confirmation of allocation of shares without preferential rights**

Confirmation of allocation of shares subscribed for without preferential rights will be sent out in the form of a settlement note. Payment shall be made in cash no later than three (3) banking days from the issuance of the settlement note. No notice will be sent to persons who have not received an allocation. If payment is not made within the specified timeframe the shares may be allocated to another applicant. Should the selling price during such transfer fall below the original price, the person who was originally allocated the shares may be held liable for all or part of the difference in price.

## **Shareholders residing outside Sweden**

Shareholders residing outside Sweden (this information does not concern shareholders in the United States, Canada, Australia, Singapore, South Africa, Switzerland, Japan, Hong Kong or other jurisdictions in which participation in the Rights Issue is unlawful) who are entitled to subscribe for shares in the Rights Issue may contact Mangold by telephone in accordance with the information above for information about subscription and payment.

## **Paid subscribed shares (BTA)**

Subscription through payment is registered at Euroclear as soon as possible, which is normally a few banking days after payment. Thereafter, the subscriber receives a securities notification confirming that paid subscribed shares ("BTAs") have been registered on the subscriber's securities account. The newly subscribed shares are entered as BTAs until such time as the issue has been fully registered with the Maltese Registry of Companies. According to Maltese Law part of the share issue under certain conditions may be registered with the Maltese Registry of Companies.

According to Maltese Law part of the share issue under certain conditions may be registered with the Maltese Registry of Companies. If this possibility is utilized in the Rights Issue a number of BTA series will be issued, with the first series named BTA 1 in the Euroclear system. BTA 1 will be converted to shares as soon as the first part of the issue is registered. A second series of BTAs (BTA 2) will be issued for subscriptions made at such a point in time that they could not be included in the

first round of registration and will be converted to shares as soon as a second part of the issue is registered.

### **Trading in BTA**

Trading in BTA will take place on AktieTorget from and including 17 April 2014, and will be traded up until the issue has been registered with the Maltese Registry of Companies. In the event of partial registration and several series of BTA being issued, these series may be traded simultaneously.

### **Delivery of shares**

As soon as the share issue is registered with the Maltese Registry of Companies, which is expected to be during the week 22, 2014, the BTAs will be re-registered as ordinary shares without special notification from Euroclear. Shareholders whose holdings are nominee-registered will receive information from their respective nominee.

### **Applicable law**

The shares are issued in accordance with the Maltese Companies Act and are regulated by Maltese law.

### **Right to dividend**

The New Shares entitle to dividend for the first time at the record date for dividend nearest occurring after the New Shares have been registered with the Maltese Registry of Companies.

### **Announcement of the subscription take-up in the Rights Issue**

As soon as possible after the end of the subscription period and at the latest around 12 May 2014 the Company will publish the outcome of the Rights Issue. The publication will be made through a press release and will be available on the Company's website.

### **Other information**

The board of directors, or a person appointed by the board of directors, shall be authorized to make the minor adjustments to this decision which may be deemed necessary in order to register the decision with the Maltese Registry of Companies, Euroclear or due to other formal requirements.

The board of directors may, in accept that payment for subscribed shares are made by means of set-off.

## Summary of Terms and Conditions for Warrants 2014/2015

### General

On 14 March 2014 the board of directors of Angler decided, subject to subsequent approval by the Company's Extraordinary General Meeting, on an issue of a maximum of 7,035,826 Warrants to be allotted free of charge to those who have subscribed in the Rights Issue. The board of directors' decision was approved at the Extraordinary General Meeting held on 8 April 2014. Each Warrant entitles to the subscription of one (1) new share during the period from and including 12 January 2015 up to and including 30 January 2015 to a subscription price of SEK 1.00 per share (however, such price may not amount to less than the quota value of the Company's shares being EUR 0.01). Through the subscription of the Warrants the Company's share capital will increase by a maximum of EUR 70,358.26 through the issue of 7,035,826 new shares.

The complete terms and conditions of the Warrants are reproduced in the section *Terms and Conditions for Warrants 2014/2015* of this Memorandum. Below is a summary of some of the material conditions of the Warrants.

Issue of the Warrants is subject to requisite approvals by Euroclear and the central security depository.

### Warrants and the right to subscribe for new shares

The maximum number of Warrants is 7,035,826. One (1) Warrant entitles the holder to subscribe for one (1) new share in the Company at a subscription price of SEK 1.00. Subscriptions can only be made in respect to a whole share.

### Notification of subscription

The subscription period for the subscription of new shares upon exercise of Warrants will take place during the period from and including 12 January 2015 up to and including 30 January 2015. However, the actual subscription period with the Swedish issuer agent may be a few days shorter in order for Euroclear Sweden to process all subscriptions and payments before the subscription period ends on Malta.

### Adjustment of subscription price

The exercise price and number of shares of the Company which each Warrant entitles the holder to subscribe for may be recalculated if the share capital and/or number of shares before subscription increases or decreases, as well as in the situation of a bonus issue, a consolidation or division of shares, a new issue of shares, warrants or convertibles or in certain other situations in accordance with the terms of the Warrants, see *Terms and Conditions for Warrants 2014/2015*.

### Dividends from new shares

Shares subscribed to pursuant to the exercise of a Warrant carry rights to dividends as of the first record date for dividends after the subscription is executed.

### Trading in Warrants

The Company will apply for admission to trading of the Warrants primarily on AktieTorget. In the event AktieTorget does not approve the Warrants for trading the board of directors of the Company will examine the possibility of trading the Warrants in another way.

**Other**

Mangold shall subscribe for the Warrants on behalf of the subscriber, with the right and obligation to transfer the Warrants to those who have subscribed, been allotted and paid for the New Shares in the Rights Issue in accordance with what is stated above and elsewhere in the Memorandum.

**Please observe that only those who subscribe, are allotted and pay for the New Shares will receive Warrants, not those who subsequently acquire BTA.**

## Message from the CEO

As our Chairman clearly identified with his remarks in the Q4 reports for 2012 and 2013 the company has not progressed entirely in the manner envisaged.

From the outset, a clearly unrealistic timeframe coupled with over-optimistic financial projections - as shown in the original business plan – meant that the performance of our subsidiary – Starfish - was always likely to fall short of the expectations engendered by the Betsson Memorandum, and so it proved to be.

It then transpired that in 2013 we encountered an even more difficult trading environment than was envisaged. Various obstacles and delays, mostly out of our control but which were clearly identified and reported, restricted our progress and we saw a protracted growth in revenues. During this period costs continued to be tightly controlled and the company remained focused about its direction, strategies and commercial objectives.

Despite the slow beginnings, even for a “startup”, we continued to endorse our stated belief that the original projection, that the company would move into a positive cash flow position during the year 2014, could still be achieved.

So where are we now with that ambition, having completed the first quarter of 2014?

In June 2013 the introduction of “Live-streaming” of real casino play slowly but steadily generated a positive impact and allowed us to penetrate into new markets and find new players. However, this product did not start to produce significant results until December 2013, since which time it has continued to contribute to the overall upturn in deposits.

In January and February the requests for funding from Starfish fell dramatically each month, by 5% and 21% respectively against 2013 funding levels. This was underpinned by a steady financial growth. February was our best ever month for deposits, almost €150,000, and we saw a widening gap between deposits and withdrawals despite some big winners in February.

Deposits overall for Q1 2014 were up by 63% compared to Q3 2013 and the hold percentages for all deposits during these periods stabilised at 30%.

Good gaming win percentages were achieved and these combined factors contributed to the increase in Starfish's cash-flow and reduced their dependancy on Angler to the point where in March the funding request was Zero.

“CasinoExtra” - the highly anticipated B2B brand that we had been trying to launch for several months - managed to generate 7% of deposits in February, operating “quietly” without a full suite of games to offer players and zero marketing spend.

CasinoExtra finally went fully live on 6th March with a limited initial spend Marketing Budget. Initial turnover figures were positive and in line with our expectations.

There are negotiations in hand with two “land based” casino operators to launch more white label sites through Starfish, indications are that this could happen in Q2, 2014.

To summarise, after enduring a difficult trading and financial scenario for eighteen months since the launch of the Starfish operations, the subsidiary is now enjoying positive cash flow and has reduced its financial dependency upon Angler in each month of Q1, 2014.

On a less positive note the protracted nature of the business growth has resulted in a depletion of Angler's cash reserves. Going forward, we will need to balance the lessening dependency of Starfish upon Angler with the recognition that Starfish will need to employ more staff if we are to continue the development and growth of the business. This will, in the short term, reduce the positive impact of Starfish's improving cash flow to the point where Starfish will probably need financial support from Angler again.

Angler's corporate philosophy states: "Our mission is to invest in and manage fast-growing companies operating in the online gaming industry."

Right now, when we are seeing an exciting time for Starfish with new partners, new product offerings and a dramatic upturn in revenues, we need to increase the working capital in Angler.

This will allow us not just to manage our investment in Starfish, but to ensure we can fund further growth so that Starfish will become the "fast-growing company operating in the online gaming industry" that we have always expected and wanted it to be.

Michael Bennett - CEO

ANGLER GAMING PLC

## Market Overview

Angler's subsidiary offers its services via the Internet and the market is thereby global. Initially, Starfish has mainly focused its activities on (i) markets where Betsson previously has been active, but chosen not to focus on, and (ii) new target markets outside of Betsson's core markets. Betsson had previously operated in those jurisdictions and the customer databases for those jurisdictions were passed over to Starfish but produced little activity and poor results. Concurrently Starfish continued to pro-actively evaluate possibilities to acquire customer databases offered by third parties from other jurisdictions within its target areas.

Geographically, Starfish has focused its offerings towards approximately 30 countries in South America, Africa and Europe, and other markets that are considered to be more viable for a smaller and more flexible gaming operator with Starfish's product offering. As the business expands, focus markets will be extended to other similar jurisdictions.

## Driving factors for a growing market

Angler believes the market for Internet gaming will continue to develop strongly. The number of Internet users is growing rapidly, which is a major driving force in the industry. At the same time, large parts of the world population still have no, or inadequate, access to the Internet.

Non-cyclical revenues and earnings in recent recessions show that online gaming is more or less unaffected by a recession.

There is now an established confidence in online shopping and millions of users use the web daily for banking, stock trading, insurance, bookings and other activities. The changing behavior and increasing confidence in online services and e-commerce is important for the development of the online gaming market. Developments driving the growth of global online gaming are many but key factors include the following:

**Increased Internet penetration:** Increased access to the Internet in households, leading to additional potential players.

**Improved broadband capacity:** Improved bandwidth enables increasingly advanced gaming functions, which attracts more potential players.

**Mobile devices:** Mobile devices like smartphones are revolutionizing the mobile Internet experience and have been key drivers of growth. Angler expects, especially on Starfish's markets, this trend to continue in the coming years. Because of this Starfish already has smartphone and other mobile device capability, through its platform, for its gaming products.

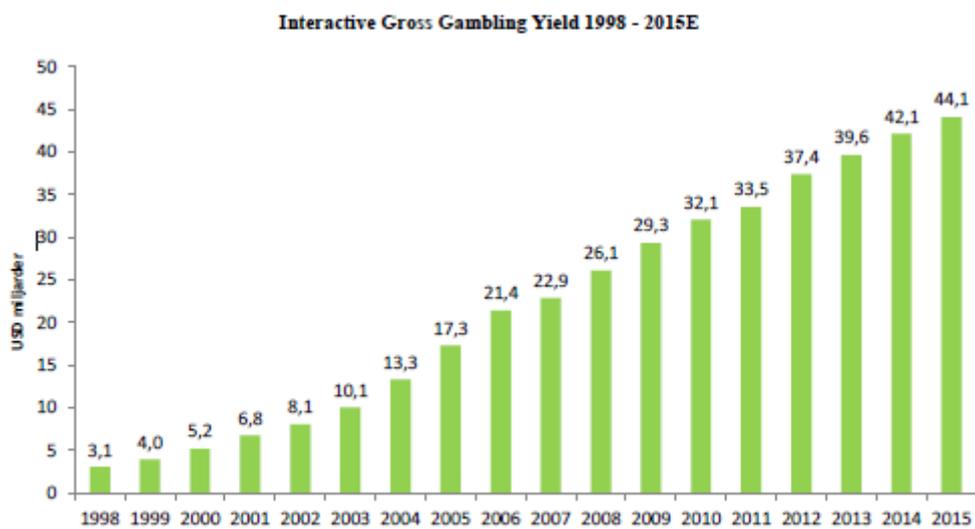
**Increased confidence in online payment services:** Confidence in online gaming operators and payment services is on the rise, which contributes to the increase in the number of potential players.

**Market share shift from offline to online:** A steadily increasing number of people are attracted to play online, ahead of traditional land based gaming. For younger players who have grown up with the Internet, online gaming is a natural choice.

## The Global Market

In 2012, the global online gambling market was estimated to be worth USD 37 billion at the end of 2012. This compared to USD 8 billion in 2002. In ten years the market grew at a compounded annual growth of 17 percent and ended up nearly five times larger. For casino gambling on the Internet, that percentage was 19 percent, with an estimated market value of about USD 9 billion at the end of 2012.

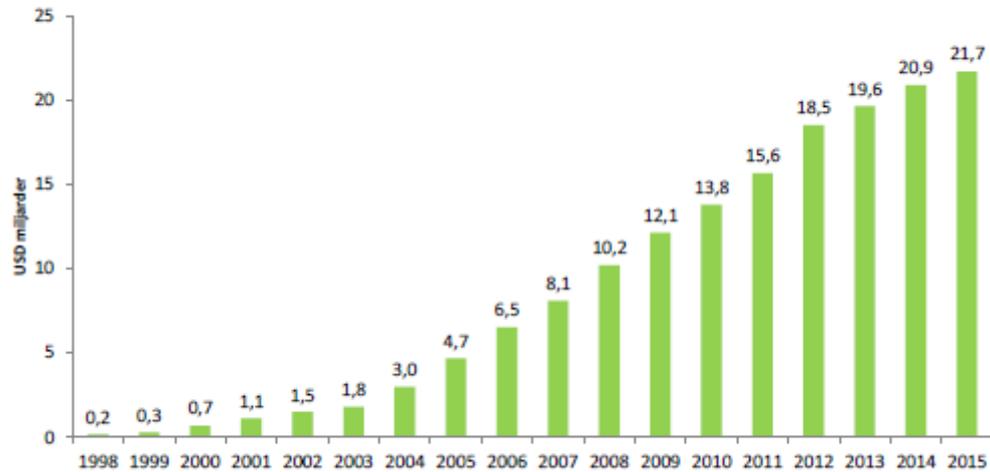
Despite this strong performance, the gaming market was expected to grow globally with a compounded annual growth of 7 percent over the period 2011-2015. According to estimations in 2012 the total market in 2015 was expected to be worth USD 44 billion while the casino market was estimated to be USD 11 billion, up 36 percent since 2011.



Source: H2 Gambling Capital

## Europe

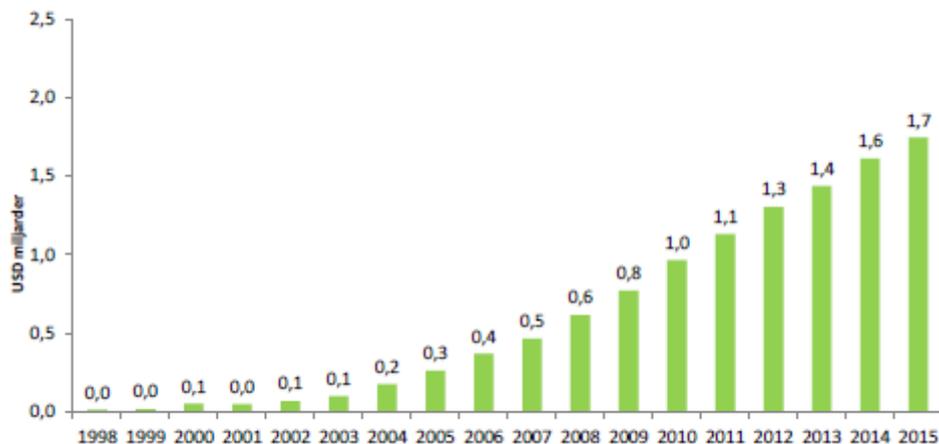
According to H2 Gambling Capital in 2012, the European gaming market on the Internet was to continue to grow in the coming year to an estimated market size of USD 18.5 billion in 2012, equivalent to an increase of 18 percent from 2011. According to 2012 estimates, the market in 2015 was estimated to be worth USD 21.6 billion meaning an additional market growth of 39 percent, a compounded annual growth rate of 8.5 percent. From 2001 to 2011 the online gaming market actually increased more than 14 times.

**Interactive Gross Gambling Yield Europe 1998 - 2015E**

Source: H2 Gambling Capital

### Africa and South & Central America

The gaming market on the Internet in Africa and South & Central America is still a small part of the global gaming market. In 2011, the market size for both regions was estimated to be worth approximately USD 1 billion. These markets were expected to grow stronger than Europe with a combined average annual growth of 11.4 percent over the period 2011-2015. Central & South America account for most of this increase with an estimated annual growth of 11.6 percent between 2011 and 2015. According to 2012 estimates the market size in Central & South America was expected to be USD 1.3 billion in 2015 while in Africa it was expected to be USD 0.5 billion.

**Interactive Gross Gambling Yield Afrika och Central- & Sydamerika 1998 - 2015E**

Source: H2 Gambling Capital

## Description of Business and Operations

### Angler's business concept

Angler's business consists of investing and administering shareholding in companies which offer gaming to the end users via the Internet.

### Mission

Angler's mission is to invest in and manage fast-growing companies operating in the online gaming industry.

### Objective

Angler's objective is to generate long-term growth and profitability in order to provide shareholders with the best possible returns in the long term.

### Strategy

Angler's and its subsidiaries' strategic plan is to grow organically on a global market.

### History

Angler was founded in 2012 within the Betsson Group as a holding company. In the spring 2012 Angler was distributed to Betsson's shareholders. The idea behind Angler was to create a small, independent operator that could in a more flexible way function as a niched holding company investing in gaming companies competing outside Betsson's core markets. In June 2012 the Company was listed on AktieTorget.

In September 2012 Starfish, Angler's wholly-owned subsidiary, launched its first proprietary brand, CasinoEstrella, an online casino targeted towards Latin America.

Starfish's second proprietary brand, Lucky31, was launched in March 2013. Lucky31 was launched as a global brand with initial marketing efforts on Europe.

### Starfish's operation

Starfish's operation focuses on Internet gaming, primarily in various forms of casino games. The games offered are based on proprietary software acquired from Betsson's subsidiaries' as well as software from external gaming providers. Focus markets are countries that are well-suited for a small gaming operator with more flexibility than larger operators. Based on these conditions, Starfish with its flexibility and its niche product offerings, will operate with limited competition, which enables higher profit margins from the same gross revenue, compared to local competitors.

Starfish mainly focuses its offering towards approximately 30 countries in South America, Africa and in Europe, and towards other markets that are considered as most suitable for Starfish's product range. Operations are to start with based on customer databases that Starfish has acquired from Betsson's subsidiaries' and on new customers approached through marketing partnerships with third parties. The customer data bases acquired by Starfish consist primarily of inactive customers who were formerly, to some degree, active in online casinos operated by Betsson.

At the moment Starfish has two proprietary brands offering online casino games: Casino Estrella, which targets the Latin American market, and Lucky31, which is a global brand. Both brands operate in a very similar way, with the same kind of games. These games include a variety of slot machines,

video poker and board games such as roulette, blackjack, baccarat and craps. The white label brand CasinoExtra also utilizes Starfish's gaming platform and infrastructure.

With these gaming products, the customer bets against the house (the Company) and the Company makes its profit based on probabilities in the long run of different events occurring. The house always has a statistical advantage, which varies depending on the game, over the player.

## Organisation

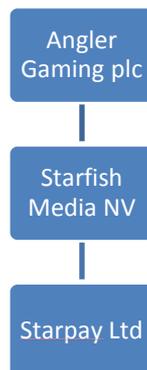
### *Employees*

Angler has two employees where the chief executive officer is responsible for the daily operation of Angler and all inquiries in relation to investors.

Starfish has 9 employees, including the chief executive officer, based in Curaçao. The employees are divided within the different business areas marketing, technology development, customer service, finance and general administration. In addition to the employees, Starfish is dependent on consultant services from third parties.

### *Legal structure*

The Group comprises the parent company Angler, its wholly owned subsidiary Starfish, which in turn holds shares in Starpay Ltd. Angler is a holding company with no operating activities.



## Summary of Financial Information

The following summary of financial information for the fiscal years 2012 and 2013 are taken from the Company's consolidated financial statements. The section should be read in conjunction with the section "Comments on the Financial Development", Angler's Annual Report 2012 and Angler's Year End Report 2013, both incorporated in this Memorandum by reference. The consolidated and stand-alone parent company financial statements of Angler Gaming PLC presented in the Annual Report 2012 have been audited in accordance with International Standards on Auditing. The Year End Report 2013 has not been reviewed by the Company's auditor, nor has the financial information summarized in this section.

### Consolidated statement of comprehensive income

EUR	2013	2012
Revenue	323 986	18 307
Direct costs	(126 040)	(2 501)
Direct wages costs	(301 547)	(204 610)
<b>Gross loss</b>	<b>(103 601)</b>	<b>(188 804)</b>
Administrative expenses	(749 867)	(323 419)
Marketing and sales expenses	(586 627)	(127 312)
Depreciation	(163 437)	(92 481)
<b>Operating loss</b>	<b>(1 603 532)</b>	<b>(732 016)</b>
Finance cost	(50 363)	(14 287)
Finance income	7 467	4 323
<b>Loss for the period</b>	<b>(1 646 428)</b>	<b>(741 980)</b>
Taxation	-	-
<b>Loss and total comprehensive income for the financial period</b>	<b>(1 646 428)</b>	<b>(741 980)</b>

### Consolidated statement of financial position

EUR	2013-12-31	2012-12-31
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	518 662	630 183
Property, plant and equipment	71 674	115 118
<b>Total non-current assets</b>	<b>590 336</b>	<b>745 301</b>
<b>Current assets</b>		
Trade and other receivables	86 145	29 483
Cash and cash equivalents	271 174	1 678 889
<b>Total current assets</b>	<b>357 319</b>	<b>1 708 372</b>
<b>Total assets</b>	<b>947 655</b>	<b>2 453 673</b>

<b>Equity and liabilities</b>		
<b>Capital reserves</b>		
Paid up capital	422 150	422 150
Non-refundable shareholder contribution	2 680 030	2 680 030
Retained earnings	(2 388 408)	(741 980)
	<b>713 772</b>	<b>2 360 200</b>
<b>Current liabilities</b>		
Trade and other payables	233 883	93 473
<b>Total liabilities</b>	<b>233 883</b>	<b>93 473</b>
<b>Total equity and liabilities</b>	<b>947 655</b>	<b>2 453 673</b>

### Statement of cash flows

EUR	<b>2013</b>	<b>2012</b>
<b>Cash flow from operating activities</b>		
Loss before taxation	(1 646 428)	(741 980)
Depreciation	163 437	92 481
Operating loss before working capital changes	(1 482 991)	(649 499)
Movements in trade receivables	(2 408)	(4 000)
Movements in other receivables	(54 254)	(25 483)
Movement in trade payables	10 678	59 290
Movement in other payables	129 732	34 183
<b>Net cash in operating activities</b>	<b>(1 399 243)</b>	<b>(585 509)</b>
<b>Cash flows from investing activities</b>		
Cash issue by shareholders	-	422 150
Intangible fixed assets	(6 586)	(702 857)
Tangible fixed assets	(1 886)	(134 925)
<b>Net cash generated from/used in investing activities</b>	<b>(8 472)</b>	<b>(415 632)</b>
<b>Cash flows from financing activities</b>		
Non-refundable shareholder contribution	-	2 680 030
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>2 680 030</b>
<b>Net movement in cash and cash equivalents in the period</b>	<b>(1 407 715)</b>	<b>1 678 889</b>
Cash and cash equivalents at beginning of the period	1 678 889	-
<b>Cash and cash equivalents at end of the period</b>	<b>271 174</b>	<b>1 678 889</b>

## **Comments on the Financial Development**

### **Financial position and working capital**

Per 2013-12-31 Angler had cash and cash equivalents of KEUR 271, as well as short-term receivables amounting to KEUR 86. The Company had no interest-bearing liabilities, and payables totaling KEUR 234. This adds up to a Net debt of KEUR -357, and a net debt to equity of -50 %.

Since Angler is still in a growing phase and did not meet revenue expectations in 2013 the board of directors of Angler decided on a Rights Issue, approved by the Company's Extraordinary General Meeting on 8 April 2014. Once the Rights Issue has been performed, the board of directors judges the cash position to be sufficient for the coming 12 month period.

### **Tangible and intangible assets**

Angler's tangible assets reduced from KEUR 630 in 2012 to KEUR 519 in 2013, meaning a change of -18 %. This was due to normal depreciation.

The Company's intangible assets declined from KEUR 115 in 2012 to KEUR 72 in 2013.

### **Investments**

To start its operations the Company made investments of KEUR 703 in intangible fixed assets and KEUR 135 in tangible fixed assets in 2012. The investments in 2013, however, were negligible, at around 1 % of the investments made in 2012. Since the needed software and hardware is in place, no large investments are planned in the near future.

### **Revenue**

The activities in Starfish started to produce revenue during the year 2013, increasing revenue by 1670 % from 2012 to 2013, to KEUR 324. This was significantly below forecasted numbers, due to factors such as marketing restrictions in key markets, a strict marketing budget and loss of B2B partners due to new policies and market restrictions.

### **Operating loss**

The Company suffered an operating loss of KEUR 1,606 in 2013, compared to KEUR 732 in 2012. The costs remained under control, with only 5 % over budget, whereas lower than expected revenue and growth was the major driver for the operating loss.

## Share Capital and Ownership Structure

### Share Capital

The registered and issued share capital of Angler amounts to EUR 422,149.57 divided into 42,214,957 shares. This is also the maximum capital according to the articles of association.

The Company's shares are denominated in euro (EUR) and have been issued according to the Maltese Companies Act. The Company has one series of shares and all shares are paid-up and of the same class and have the same equal rights. Each share entitles to one vote. Each share confers equal right to distribution of dividends and a possible surplus in case of liquidation. An amendment of the shareholders voting right or right to the Company's profits require an amendment of the articles of association, which requires extraordinary resolution.

The shares in Angler are issued to the holder and are registered in a computerised account system for registration of shares which is managed by Euroclear Sweden with postal address Euroclear Sweden AB, Box 191, SE-101 23 Stockholm. No share certificates have been issued for the shares in Angler. The ISIN code for the shares in Angler is MT0000650102. The nominal value of each share amounts to EUR 0.01. The shares in Angler are traded on AktieTorget.

Date of registration	Type of change	Change of the number of shares	Total number of shares	Change of the share capital	Total share capital	Nominal value (EUR)
2012-02-08	Incorporation	4,660,000	4,660,000	46,660.00	46,660.00	0.1
2012-04-01	New Issue	37,336,983	41,996,983	373,369.83	419,969.83	0.01
2012-06-22	New Issue	217,974	42,214,957	2,179.74	422,149.57	0.01

### Authorisation

The Extraordinary General Meeting held on 8 April 2014 resolved to authorize the board of directors to approve, upon verification, the issue and allotment as fully paid-up of new ordinary shares issued in the Rights Issue. The maximum number of shares that can be issued by virtue of the authorization shall not exceed 15,247,787 shares (with a corresponding increase of the issued share capital of the Company by up to 15,247,787 shares). The board of directors was further authorized to approve, upon verification, the issue and allotment as fully paid up of all new ordinary shares issued and allotted as a result of the exercise of the Warrants.

### Distribution Policy

All shares have the same rights to distribution of dividends. The New Shares confer the right to receive dividends commencing the business year of 2014. Any person who is registered with Euroclear Sweden as a shareholder on the adopted record date shall be deemed authorised to receive dividends and, in case of a bonus issue, New Shares which vest in shareholders, and to exercise preemption rights to participate in an issue.

In the event a shareholder cannot be reached via Euroclear Sweden, the shareholder's claim for the dividend amount remains and is solely limited by the relevant statute of limitations. If the limitation period is passed, the entire amount will be allotted to the Company.

There are no restrictions concerning dividends or special procedures for shareholders residing outside Sweden and payments are made through Euroclear Sweden (or equivalent) in the same manners as for shareholders residing in Sweden. For a summary of potential tax consequences, see the section *Tax issues*.

Financially Angler shall have the possibility to a continuous good growth of the business and preparedness to capture business opportunities. According to the Company subsequent focus should be on expansion, with maintained high financial strength and freedom of action.

Against this background, Angler's board of directors has ascertained that the distribution share shall be equivalent to 50 percent of the net profit. In addition, the board of directors may also propose that additional liquidity is distributed. The board of directors in Angler assess that no distribution can be expected during the coming three business years.

## Ownership Structure

Angler had 42,214,957 shares divided on approximately 8,700 shareholders on 30 December 2013. The following table illustrates the ownership structure on 30 December 2013, and known changes thereafter.

Name	Ownership	Ownership %	Votes	Votes %
BP2S PARIS/EFG BANK AG	5 246 544	12,4%	5 246 544	12,4%
SWISS LIFE (LIECHTENSTEIN) AG	2 723 850	6,5%	2 723 850	6,5%
KNUTSSON HOLDINGS AB	2 200 000	5,2%	2 200 000	5,2%
SEB LIFE INTERNATIONAL ASSURANCE	2 100 000	5,0%	2 100 000	5,0%
PROVOBIS INVEST AB	2 081 458	4,9%	2 081 458	4,9%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	1 450 662	3,4%	1 450 662	3,4%
BANQUE ÖHMAN S.A.	1 303 000	3,1%	1 303 000	3,1%
KLING, LARS	1 009 594	2,4%	1 009 594	2,4%
Morten Klein As	900 000	2,1%	900 000	2,1%
ERIKSSON, NICLAS	850 000	2,0%	850 000	2,0%
OTHER	22 349 849	52,9%	22 349 849	52,9%
<b>TOTAL</b>	<b>42 214 957</b>	<b>100,0%</b>	<b>42 214 957</b>	<b>100,0%</b>

## Share-based incentive programmes

The company has no share-based incentive arrangement.

## Stock options and warrants

The Company has no outstanding options or warrants.

## Convertible bonds

The Company has no outstanding convertible securities.

## Board of Directors, Senior Management and Auditor

The members of the board were elected at the annual general meeting 2013 for the period through the annual general meeting 2014. There are no specific agreements between larger shareholders, customers, suppliers or other parties pursuant to which members of the board or senior management have been elected or appointed. Should any agreement have been entered into by Angler or its subsidiaries regarding benefits subsequent to the completion of an engagement, such agreement is stated in the section *Remuneration and benefits*.

During the past five years, none of the members of the board of directors or senior management has been found guilty in any fraud-related cases, been involved in any bankruptcy, liquidation or receivership as a member of a company's administration, management or controlling bodies, been subject to official accusations or sanctions by inspection or legislative or designated professional bodies or been prohibited by a court of law to be active as member of a board or management or controlling body of a company.

There are no family ties between the members of the board and senior management stated in the section below. Neither exists any conflicts of interest between these persons or between their private and the Company's interests. None of these persons have accepted any restrictions in the right to dispose of their shares in the company.

All persons can be reached on the Company's head office's address, see the section *Addresses*. The company is not obliged to comply with the Swedish Code of Corporate Governance.

### Board of directors

Angler's board of directors is currently comprised by three members, including the chairman of the board. The members of the board are elected annually at the annual general meeting for the period until the end of the next annual general meeting. The board of the directors' registered office is Valetta, Malta. The current members of the board are presented below.

<b>Name</b>	<b>Director since</b>	<b>Date of birth</b>	<b>Position</b>
David Gray	2012	21 April 1951	Chairman
Michael Bennett	2012	16 November 1945	Director
Sarah Borg	2012	19 August 1978	Director

#### ***David Gray, born 1951***

David Gray has 39 years of global experience at all levels of casino operations. He was previously the co-owner in an online casino site and an online poker site.

David Gray has been the chairman of the board of Angler since 1 April 2012. David Gray holds 25,000 shares in Angler. In addition to his roles in Angler, David Gray has the following assignments and / or is a partner in the following companies:

<b>Company</b>	<b>Position</b>
Anglo-Turkish Associates Ltd (dormant)	Shareholder

Since 1 January 2009, David Gray ended having a minority stake in the following companies and has ended the following assignments:

<b>Company</b>	<b>Position</b>
Dragonara Casino Ltd, Malta	Chief Executive Officer

### ***Michael Bennett, born 1945***

Michael Bennett has over 40 years of experience in the gaming industry at a senior management level, and has been an online gaming operator, consultant and director since 2001. He has previously been Director of 18 companies within the Ladbrokes Group – UK, former Area Director of Hilton Hotel-Casinos, Caribbean, as well as Director of various GTECH companies since 2006 to date.

Michael Bennett has been a member of the board of Angler since 1 April 2012. Michael Bennett holds 25,000 shares in Angler. In addition to his roles in Angler, Michael Bennett has the following assignments and / or is a partner in the following companies:

<b>Company</b>	<b>Position</b>
Pullman Associates Limited	Director/Sole Beneficial Owner
Boss Media Malta Poker Ltd	Director/Key Official
Boss Media Malta Casino Ltd	Director/Key Official
PlaynGo Malta Ltd (Malta)	Director/Key Official
GTECH Malta Poker Ltd*	Director/Key Official
GTECH Malta Casino Ltd*	Director/Key Official
Dot Net Gaming Ltd (Malta)	Director/Key Official

\* These GTECH entities are currently in formation and will replace the Boss Media Malta entities listed above.

Since 1 January 2009, Michael Bennett ended having a minority stake in the following companies and has ended the following assignments:

<b>Company</b>	<b>Position</b>
International Poker Network (Malta)	Director/Key Official
United Media AB	Director/Key Official
Redbet Holdings AB	Director/Key Official
Paddy Power Bookmakers (Malta) Ltd	Director/Key Official
Admirals Media Ltd (Malta)	Director/Key Official
Integra Gaming Ltd (Malta)	Director/Key Official

### ***Sarah Borg, born 1978***

Sarah Borg has been a member of the board of Angler since 1 April 2012. Sarah Borg holds no shares in Angler. In addition to her role in Angler, Sarah Borg has the following assignments and / or is a partner in the following companies:

<b>Company</b>	<b>Position</b>
HBM Group	Director

Sarah Borg has not ended having a minority stake in any companies nor has she completed any assignments since 1 January 2009.

## **Senior management**

Anglers' senior management is currently comprised by the chief executive officer Michael Bennett (see information under *Board of directors* above).

## **Auditors**

The Company's independent auditors are Joe Azzopardi CPA and Walter Rizzo of Walter Rizzo & Associates. Their addresses can be found at the end of the Memorandum under *Addresses*.

## **Other information on the board of directors and senior management**

### ***Remuneration and benefits***

The board of directors' remuneration is resolved upon by the general meeting. Remuneration to the group chief executive officer is decided by the board of directors. Remuneration to officers of the company directly subordinated to the chief executive officer is decided by the chief executive officer after consultation with the board of directors. The principle that each manager's manager shall approve decisions on remuneration issues is applied within the group. The following principles apply to the group senior management.

- 1) The remuneration shall be adjusted to conditions on the market and competitive in order to enable to attract and keep qualified managers. The remuneration shall consist of a fixed salary and, where appropriate, a variable salary.
- 2) Any variable remuneration that may be offered to senior management shall be determined by the accomplishment of targets, for the Angler Group as well as for the individual, in relation to management result and the Company's financial development taking into account the personal development of the manager concerned. Such targets shall be set in advance.

If there are particular reasons, the board of directors may deviate from the remuneration policy in specific cases.

The company has no warrant incentive programme or similar.

## **Corporate Governance and Summary of the Articles of Association and Maltese Company Law**

### **Corporate Governance**

Annual or extraordinary general meetings of Angler are according to the articles of association held in Stockholm or where the board of directors resolves.

Accounting and remuneration matters are handled by the board.

The Company plans to establish nomination committee by the next annual meeting for the appointment of the members to the board of directors.

### **Summary of the Company's Articles of Association and Maltese Company Law**

The Company's activities are governed by Maltese law, primarily by the Companies Act 1995, Cap.386 of the Laws of Malta (the "Companies Act"), and the articles of association of the Company (the "Articles").

The following is a summary of the rights of the shareholders of the Company based on current Maltese law and the Articles. This summary is not, and does not purport to be, a complete analysis of Maltese company law. A copy of the Articles is available on the Company's web site.

#### ***Shares***

The Articles of the Company provide that the shares of the Company shall be dematerialised and registered with a Central Securities Depository in Malta and/or Sweden and/or elsewhere as allowed by applicable law. Accordingly, the terms and conditions relating to the shares of the Company, including their issuance, transfer, redemption and/or cancellation, shall be governed by the rules of the Central Securities Depository providing dematerialisation.

The register of members of the Company shall be maintained by the relevant Central Securities Depository in the form of a CSD register. No person shall be entitled to receive a certificate in respect of any share which has been issued by the Company for so long as the title to a share is evidenced in a dematerialised and uncertificated form.

#### ***Shareholders meetings***

The Company is to hold an annual general meeting once every year. Not more than fifteen (15) months shall elapse between the date of one annual general meeting of the Company and the next. General meetings other than annual general meetings are extraordinary general meetings.

The Articles provide that general meetings, whether annual or extraordinary, are to be held in Stockholm, Sweden, or at a place as may be determined by the board of directors of the Company. Extraordinary general meetings are convened by the board of directors of the Company. The board of directors may whenever they think fit and upon requisition of a member/s holding at the date of the requisition not less than 10 % of the paid up share capital of the Company carrying the right to vote at general meetings of the Company. General meetings, whether annual or extraordinary, must be called by at least twenty-one (21) days' notice in writing. In terms of the Articles of the Company, the requirement to serve notice of a general meeting shall be satisfied if such notice is published in

“Dagens Industri” and on the Company’s web-page in English and in Swedish. Notices shall include information concerning the place, date and time of the meeting, as well as the general nature of the business to be transacted and if any resolution is to be proposed as an Extraordinary Resolution the notice shall contain a statement to that effect. Notices must also clearly state that a shareholder entitled to attend and vote at the meeting has the right to appoint a proxy or proxies to attend and vote on behalf of him and that a proxy need not be a member of the Company. The quorum required for a general meeting to transact any business is two (2) members entitled to vote at the general meeting, present in person or by proxy. At a general meeting, the chairman of the board of directors shall preside as chairman of the meeting.

### ***Voting Rights***

In terms of the Articles, each share of the Company shall carry one (1) vote at any general meeting of the Company. Persons wishing to participate in and vote at a general meeting must be entered as shareholders in the relevant Register of Members kept by the relevant Central Securities Depository updated five (5) business days prior to the date of the proposed general meeting. Every member shall be entitled to appoint a proxy. A proxy does not need to be a shareholder in the Company. In the case of an equality of votes, the Chairman presiding over the general meeting shall be entitled to a casting vote.

### ***Transfer of Shares***

Article 118 of the Companies Act stipulates that a transfer of shares shall be made in writing and that a company shall not register a transfer of shares unless a proper instrument of transfer (or an authenticated copy thereof) shall be delivered to the company. The Article however states that such requirement shall not apply to shares of a public company held or evidenced in a dematerialised or uncertificated form, such as those of the Company. This position is also supported by Article 28 of the Financial Markets Act. In terms of this the shares of the Company may be transferred by an entry or person on the register maintained at the relevant Central Securities Depository and no instrument in writing shall be required for this purpose. In terms of the Articles of the Company, transfers of shares which are dematerialised shall be subject to the applicable laws, rules, regulations and bye-laws of the relevant Central Securities Depository and, when such shares are listed on the Stock Exchange, the rules and regulations of the Stock Exchange. The shares shall be eligible for electronic trading and settlement in accordance with the said rules and regulations.

There are no pre-emption rights under the Articles or in terms of applicable law in favour of existing members upon the transfer of shares in the Company.

### ***Changes in Capital***

Under the Articles, the Company may by a resolution:

1. increase its issued share capital;
2. divide and consolidate all or any of its shares into shares of larger amount than the existing shares;
3. cancel any shares which, at the date of passing of the resolution, have not been taken (or agreed to be taken) by any person and diminish the amount of its capital by the amount of the shares so cancelled, and

4. subdivide all or any of its shares into shares of smaller amount than that fixed by the memorandum and articles of association (subject to the provisions of the Companies Act). Where subdivided, the resolution may determine that, as between the shares resulting from the subdivision, one or more shares may have any such preferred, deferred or other special rights or be subject to any such restrictions as may be determined by the Company.

The shareholders may also, by extraordinary resolution and subject to any conditions and restrictions under the Companies Act:

1. reduce its share capital, share premium account or other undistributable reserve; and
2. buy-back any of its shares.

During such time as it holds any of its shares, the Company may not exercise any right attached to the shares, including any right to attend and vote at general meetings and the right to receive any distributions.

In terms of the Articles the board of directors are authorised, subject to an ordinary resolution of the shareholders, to allot all unissued shares of the Company to such persons as they think proper. Amendments to the memorandum and Articles, including variation of rights any alteration or amendment to the memorandum and/or articles of association of the Company requires an extraordinary resolution of the shareholders, provided that where the alternation consists in a change of registered office of the Company (such change may be effected by a resolution of the board of directors). In terms of the Articles, certain articles may not be amended, varied or deleted except with express written approval by the relevant Central Securities Depository. Although currently there are no classes of shares issued by the Company, new shares may be issued with such rights and restrictions (whether with respect to dividend, voting, return of capital or otherwise) as the Company may determine by means of an ordinary resolution, or in absence of such decision, as the directors may determine.

The current Articles do not allow for any change or variation to rights of different classes of shares.

### ***Minority Rights***

The Companies Act confers a number of individual membership rights and qualified minority rights on shareholders against the oppression by the majority, most notably:

1. the right to request the court to order the holding of a general meeting or board meeting;
2. the right to request the court to dissolve the company, which demand can be made on a number of grounds, the most important being that there exists sufficient gravity to warrant the dissolution and consequent winding up of the company;
3. the right to request an extraordinary general meeting by shareholders holding in the aggregate at least 10 % of the paid up share capital of the company;
4. the right, for shareholders holding in the aggregate at least 10 % of the paid up share capital of the company, to apply for an investigation into the affairs of the company at the request;

5. the right to bring a derivative action in respect of a wrong done to the company where the wrongdoers are in control and prevent the company from suing ('Fraud on the Minority'); and

6. the right to file an application to the court concerning the managing of the affairs of the company, or conduct or acts or omissions, that is/are oppressive, unfairly prejudicial or unfairly discriminatory to a member or members.

It should also be noted that there are no mandatory minority shareholder protection rules, with respect to the Board's composition. However, shares may be divided into classes of shares and a class of shares may be provided the right to appoint a number of directors. This may allow minority shareholders some representation at board level. Minority shareholders also enjoy other rights at law.

### ***Election and Removal of Directors***

As a public company, Angler shall have at least two (2) directors. In terms of the Company Act, there is no maximum number of directors that may be appointed to the Board, however it is customary for the Memorandum of Association of a company to stipulate a maximum number. The Memorandum of the Company provides that the directors of the Company shall not be less than two (2) and not more than five (5) in number. Directors of the Company are appointed by means of an ordinary resolution passed by the shareholders. A director shall be appointed for the term until next annual general meeting.

The shareholders of the Company may, by means of an ordinary resolution, remove any director from office. Such removal shall be without prejudice to any claim which the director may have for damages for breach of any private agreement between the Company and the director. In terms of the Companies Act, upon receipt of a notice of a proposed resolution to remove a director, the Company shall promptly send a copy thereof to the relevant director and the latter shall have the right to be heard on the resolution at the meeting.

### ***Dividends***

Under the Articles the shareholders may, by ordinary resolution, declare dividends provided that the dividend does not exceed the amount recommended by the board of directors and furthermore provided that no dividend shall be paid otherwise than out of profits available for distribution in terms of the Companies Act. Additionally, in so far as in the reasonable opinion of the directors the profits of the company justify such payments, the directors may pay fixed dividends on any class of shares giving right to a fixed dividend and/or interim dividends on shares of any class of such amounts as they think fit. No dividend shall bear interest as against the Company.

The directors may, if previously authorised by an ordinary resolution of the shareholders, offer to ordinary shareholders the right to receive an allotment of new shares credited as fully paid up instead of a cash dividend. Additionally, the company may by means of an ordinary resolution and upon a recommendation of the board of directors, resolve on direct payment of a dividend in whole or in part by the distribution of specific assets. The directors shall be bound to give effect to such resolution of the shareholders. The waiver of a dividend shall only be effective if it is in writing, signed by the relevant shareholder and delivered to and accepted by the Company.

Under the Articles, dividends are to be paid in accordance with the procedures stipulated by the relevant rules, regulations and/or bye-laws of the relevant Central Securities Depository. This Central Securities Depository shall also be responsible for the payment of dividends on behalf of the Company.

### ***Rights of Redemption and Purchase***

In terms of Maltese law, only preference shares may be issued as redeemable. In order for a company to issue preference shares which are to be redeemed or are liable to be redeemed at the option of the company, the memorandum or articles of association of the company must authorise the Company to issue the same. Additionally, in order to be validly carried out, the redemption of such preference shares must comply with a number of conditions contained in the Companies Act. The Articles of the Company currently do not contain any authorisation for the Company to issue redeemable preference shares.

In terms of the Company Act and the Articles, the Company may buy-back any of its shares, provided the requirements stipulated in the Companies Act are complied with, namely:

1. an extraordinary resolution is to be carried out to determine terms and conditions of acquisition, including the maximum number of shares to be acquired and the duration of the period for which authorization is given, which shall not exceed 18 months.
2. the shares already held by the company itself are to be treated as carrying no voting rights.
3. the nominal value of the acquired shares (including shares previously acquired by the company and held by it) must not exceed 10 percent of the issued share capital.
4. no acquisition may be made if on the closing date of its last accounting period the net assets are lower than the amount of issued share capital together with its undistributable reserves.
5. the acquisition must be made either out of the proceeds of a fresh issue of shares made specifically for that purpose, or out of its distributable profits.
6. the shares must be fully-paid up shares, and
7. a company may not become the only holder of its own shares as a result of the acquisition.

Certain conditions may be dispensed with in particular circumstances as provided for under the Companies Act. Where shares are acquired by the Company otherwise than in accordance with the conditions specified under the Companies Act, then the shares are to be disposed of within one year from their acquisition, and failing the same, the Company is required to cancel such shares within six (6) months from the expiry of the said year.

### ***Pre-emption Rights***

The Companies Act lay down mandatory pre-emption rights in favour of existing shareholders upon the allotment of new shares by a public company. For a public company, upon a fresh allotment, the shares shall first need to be offered to existing shareholders *pro rata* the share capital held by them. The statutory right of pre-emption may be restricted or withdrawn by extraordinary resolution of the general meeting following a proposal by the board of directors supported by a written report

from the board indicating the reasons for restriction or withdrawal of the right of pre-emption and justifying the issue price. Where such right is not withdrawn, upon a proposed allotment of shares, the Company will need to comply with specific procedures under the Companies Act. It is to be noted that where the memorandum or articles of association of a public company authorise the Board, subject to approval by means of an ordinary resolution of the shareholders, to issue shares up to a maximum amount as may be specified in the said Memorandum or Articles, then it may also authorise the board of directors to restrict or withdraw the right of pre-emption. This authorisation is not currently found in the Company's Articles and accordingly the board needs to obtain approval by the general meeting in order to withdraw the statutory pre-emption rights (as stated above). There are no pre-emption rights under the Articles or law, in favour of existing members upon the transfer of shares in the Company.

### ***Shareholders' Vote on Certain Reorganisations***

According to the Company Act the decision to convert, amalgamate or divide a company, in order to be valid, requires the approval of the shareholders by means of an extraordinary resolution.

### ***Liability of the Directors***

In terms of Maltese law, the directors of the Company have a number of duties and responsibilities which may be broadly classified as:

1. duties of a general nature such as duties of loyalty and duties of care and skill, and
2. statutory duties such as duties concerning the maintenance of statutory registers and minute books, returns and filings and duties relating to board and general meetings.

The personal liability of the directors in damages for any breach of their duties is joint and several. However, provided that a particular duty has been entrusted to one or more of the directors, only that director or directors shall be liable in damages. Furthermore a director shall not be liable for the acts of the other directors if he proves either:

1. that he did not know of the breach of duty before or at the time of its occurrence and that on becoming aware of it after its occurrence he signified forthwith to the co-directors his dissent in writing; or
2. that, knowing that the co-directors intended to commit a breach of duty; he took all reasonable steps to prevent it.

Sanctions imposed upon directors personally for breach of duties and obligations may range from penalties imposed by the Registrar of Companies (e.g. in the case of administrative duties) to damages.

Certain wrongdoings on the part of directors may also give rise to a criminal offence punishable by a fine and/or imprisonment. This exposure could, for example, arise from breaches of taxation laws and anti-money laundering legislation. Furthermore, certain tax legislation (such as the Social Security Act, the Income Tax Act, and the VAT Act) impose a personal liability on directors for certain debts which would in normal course be due and payable by the Company.

The Company Act provides that any stipulation exonerating a director for actions which are negligent or in breach of his/her duties shall always be void even if it is included in a private contract or in the memorandum and articles of association. Notwithstanding the general prohibition against indemnity provisions the Company may indemnify a director against any liability incurred by him/her in defending any proceedings in which judgement is given in his/her favour or in which he/she is acquitted. Furthermore, the Company may purchase, maintain in force and pay the relative premium for insurance packages against any such liability for the benefit of its directors. The director is also allowed to take out insurance in such regard.

### ***Directors Fees***

The remuneration of the directors is to be determined by the directors provided that such remuneration shall not exceed an aggregate amount per year as may from time to time be determined by ordinary resolution of the shareholders of the Company.

In terms of the Articles the directors are authorised to pay such extra remuneration by way of salary, commission or otherwise to any director who holds an executive office (such as the Chairman of the Board), or who serves on any Board committee or who otherwise performs services which are outside the scope of the ordinary duties of a director. The Company may also reimburse any director for all such reasonable expenses as he/she may incur in attending Board meetings, shareholders' meetings or Board committee meetings and may also pay, or agree to pay, to a director any gratuities or pensions.

### ***Disclosure of interests***

There is no requirement under the Companies Act for a person to notify a public company when he/she becomes the holder of a certain percentage of the share capital of the company. Yet the Financial Markets Abuse Act, which transposes the EU Directive dealing with insider dealing into Maltese law, provides that any person discharging managerial responsibilities within an issue of financial instruments and where applicable, persons closely associated to them, shall notify the Malta Financial Services Authority of the existence of transactions conducted on their own account relating to shares of the said issuer.

### ***Distribution of Assets on Liquidation***

In terms of applicable law, a company may be wound down voluntarily (outside of court) or by decision of the court. Any director, creditor or shareholder may petition the court for the Company to be wound in accordance with the conditions laid down in the Companies Act.

On a winding down of the Company the assets and property of the Company shall be applied in satisfaction of its liabilities *pari passu*, and any excess is then returned to its shareholders *pro rata* their shareholding. In terms of the Articles the liquidator of the Company may, with the authority of an extraordinary resolution of the shareholders, effect distributions in kind.

### ***Untraceable Shareholders***

The Articles do not contain any specific provision in relation to untraced shareholders. Article 89 does however provide that any dividend which remains unclaimed for a period of twelve (12) years from the date on which such dividend was declared or became due, shall be forfeited and shall revert to the Company.

## **Legal Considerations and Supplementary Information**

Angler does not conduct any operations and only holds shares in other companies. Angler's Curaçao-based subsidiary Starfish owns a gaming integration platform, certain gaming software and certain customer databases. Starfish conducts gaming via Internet and primarily offers casino gaming to customers from South America, Africa and Europe.

### **Regulatory Matters**

Angler's subsidiary Starfish has a gaming licence on Curaçao which is of major importance for the Company's operations. Starfish is considered to be dependent on the current – or similar – gaming licence. Angler considers that the Angler Group have all permits required for the operations.

### **Disputes**

The Company has not been party to any legal or arbitration proceedings (including not yet settled matters or matters that the company is aware of may arise) during the last twelve months, and that recently had or could have material negative effect on the Company's or the Angler Group's financial position or profitability.

### **Insurances**

Angler took up a professional liability insurance policy for the chief executive officer and the board of directors. The board of directors is of the opinion that currently the company has satisfactory insurance coverage.

### **Intellectual Property Rights**

Angler has no material intellectual property rights. Starfish has proprietary right and right of use (with some restrictions) to the gaming platform as well as certain gaming software and copyright to accompanying material that is developed within Starfish. In addition, Starfish has intellectual property rights to the customer database being developed by Starfish. Regulations in relation to this in employment and consultancy agreement are of material importance in order to limit the risk of employees or consultants claiming copyright to what is developed. The board of directors considers that the regulations in place in the employment agreements provide sufficient protection in relation to this matter.

### **Tangible Assets**

Angler and its subsidiaries hold no real estate.

Angler's subsidiary Starfish owns technical equipment of material importance to the operations. Existing technical equipment is maintained continuously and is considered sufficient for the estimated growth.

### **Significant agreements**

Angler is a holding company and, as such, has no agreements of material importance for the operations. Thus, what is stated below only relates to Starfish.

### ***Customer Agreements***

Starfish is not, and is not expected to become, dependent on any individual or a small number of customer agreements for its operations. The company's customer base comprises of a growing

number of customers who make relatively small stakes. The customer agreements will, thus, be of material importance for the operations, however in aggregate and not individually.

#### ***Gaming Services Supply Agreements***

Starfish will always strive towards having multiple gaming suppliers at any given time in order to cater to a wide audience of players, minimise the risk of income losses should a supplier suffer from service interruptions or decide to leave a core market. The selection criteria for suppliers of gaming services will be based on *inter alia* Starfish's needs in terms of marketability, implementation time, manageability of services and costs. Starfish currently has agreements with game suppliers such as Microgaming, Betsoft, Actual Gaming, ViG and Tain.

#### ***White label agreements***

Starfish has a white label agreement for the brand CasinoExtra.com which operates primarily in European markets but are also actively seeking out additional partners.

#### ***Supply agreements regarding payment processors***

Starfish has entered into agreements with several payment processors as well as payment gateway in order to offer a wide variety of deposit and withdrawal options. These include the standard ones such as Visa, MasterCard, Neteller and Skrill as well as several other e-wallet and Online Banking options. Different markets have different preferences by players and different risk profiles.

#### ***Supply agreements regarding support***

Starfish use LiveChatInc for live chat functionality which is also currently used by other companies in the industry.

#### ***Miscellaneous***

In addition to the above, Starfish has entered into a number of agreements regarding, *e.g.*, affiliate services, email systems and other supporting services which are important to its ongoing operations.

#### **Lock-up agreements and pre-emptive rights**

No lock-up agreements or pre-emptive rights exist.

#### **Related party transactions**

No related party transactions have been entered into during the year which might reasonably affect any decisions made by the users of this memorandum.

#### **Subscription undertakings and Underwriting commitments**

The Company's shareholders Berit Lindwall, Bowline Investments, Peter Hamberg and Bengt Eriksson have entered into subscription undertakings to the benefit of the Company and its shareholders by which they have undertaken to, in the Rights Issue, subscribe and pay for the number of shares equal in *pro rata* proportions to their respective current holdings of shares in the Company. These subscription undertakings amount to a total of 2,310,302 shares in the Rights Issue, equal to approximately 16.4 percent of the size of the Rights Issue.

The same four shareholders who have entered into subscription undertakings as above have further committed for additional shares in the form of underwriting commitments at the Subscription Price and otherwise in accordance with the terms and conditions of the Rights Issue. The four underwriters have committed to subscribe for a total of 11,761,350 shares in the Rights Issue, equal

to approximately 83.6 percent of the size of the Rights Issue. Allocation to the underwriters will take place only to the extent that the Offer is not fully subscribed by others. The allocation to the underwriters will in this case be in relation to the underwriting commitments taken. The compensation to underwriters will be paid in form of ten percent of the amount underwritten by offsetting of claims on guaranteed compensation against claims for payment for new shares in a set off issue decided by the Company. The Company's shareholders will sustain a dilution of their shareholdings in the Company of approximately 2.0 percent as an effect of the set off issue.

The subscription price for such set off issue will be 0.75 and otherwise in accordance with the terms and conditions of the Rights Issue. The Company has not demanded that the underwriters must ensure the amount underwritten by deposit of cash, pledges of securities, presenting of a bank guarantee or otherwise.

The subscription undertakings and underwriting commitments are summarized below.

Shareholder/Underwriter	Subscription undertaking, shares	Subscription undertaking, SEK	Underwriting, shares	Underwriting, SEK	Share of the Rights Issue, %	Total, shares	Total, SEK
Bowline Investments S.a.r.l.	1,746,348	1,309,761.00	4,000,000	3,000,000.00	40.8%	5,746,348	4,309,761.00
Bengt Eriksson	343,622	257,716.50	3,066,666	2,299,999.50	24.2%	3,410,288	2,557,716.00
Berit Lindwall	193,666	145,249.50	2,666,666	1,999,999.50	20.3%	2,860,332	2,145,249.00
Peter Hamberg	26,666	19,999.50	2,028,018	1,521,013.50	14.6%	2,054,684	1,541,013.00
<b>Sum</b>	<b>2,310,302</b>	<b>1,732,726.50</b>	<b>11,761,350</b>	<b>8,821,012.50</b>	<b>100.0%</b>	<b>14,071,652</b>	<b>10,553,739.00</b>

### Issuer agent and financial adviser

Mangold Fondkommission AB, organisation number 556585-1267, is financial adviser to Angler and issuer agent in connection with the Rights Issue.

## **Tax Issues**

The following is a summary of the tax consequences which, according to current applicable Swedish and Maltese tax regulations, can arise due to the holding of shares in Angler. This summary is intended for shareholders with unlimited tax liability in Sweden, unless stated otherwise.

### **Swedish tax considerations**

*The following summary of certain tax issues that may arise as a result of the Offer is based on current Swedish tax legislation and is intended only as general information for shareholders, who are resident or domiciled in Sweden for tax purposes (if not otherwise explicitly stated), and where shares representing less than 25% of the capital or voting rights in the Company are held or controlled, directly or indirectly, by the shareholder or related parties. The presentation does not deal comprehensively with all tax consequences that may occur in this context. Neither does it cover the specific rules on so-called qualified shares in closely held companies, cases where shares are held by a partnership or are held as current assets in a business operation or the specific rules for CFC companies. Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies, mutual funds and persons who are not resident or domiciled in Sweden. Each shareholder is recommended to consult a tax adviser for information with respect to the special tax consequences that may arise in each individual case, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules, which may be applicable.*

#### **Individual shareholders**

##### *General*

Shares and warrants are taxed separately. The acquisition cost should for tax purposes be divided between the shares and the warrants that the subscription right entitles to. The Company intends to apply for a recommendation with the Swedish Tax Agency in order to determine the allocation of the acquisition cost. The Company will subsequently inform about the recommendations on the Company's website.

##### *Exercise and disposal of subscription rights*

The exercise of the subscription right for acquiring new shares and the associated warrants does not trigger any taxation.

Shareholders that do not use the subscription right can dispose of these. A disposal of a subscription right triggers taxation. Subscription rights derived from existing shareholdings shall be considered acquired for zero (0) SEK. The entire sales proceeds, after deducting sales costs, will be subject to tax. The so called standardized method may not be used for this purpose.

Subscription rights acquired through a purchase or similar are considered acquired for the price paid for the subscription rights. In such a case, the acquisition cost of the subscription right shall also be taken into account when calculating the acquisition cost for the acquired shares and warrants.

Subscription rights that are not used or sold off will be considered disposed of for zero (0) SEK.

*Exercise and disposal of warrants*

The exercise of warrants for shares in the Company does not trigger any taxation. The acquisition cost for the warrants shall be added to the acquisition cost of the shares subscribed for. If the warrants are acquired in any other way than through the Offer, e.g. over the market, the acquisition cost will equal the purchase price paid.

A capital gain or loss on a disposal of warrants is calculated as the difference between the sales proceeds, after deducting sales costs, and the cost basis. The cost basis for all warrants is aggregated and calculated jointly by applying an average cost method.

*Taxation of dividends*

For individual Swedish shareholders dividends on listed shares are considered as capital income for tax purposes and subject to a 30 per cent taxation. Preliminary tax of 30 per cent is withheld on any dividends received.

*Taxation of capital gain/loss*

A capital gain or loss is calculated as the difference between the sales proceeds, after deducting sales costs, and the cost basis. The cost basis for all shares of the same class and type is aggregated and calculated jointly by applying an average cost method. When applying the average cost method, shares of different classes in the same company does not constitute shares of the same class and type. BTAs are not considered to be of the same kind as the existing shares until the resolution regarding the rights issue has been registered with the Swedish Companies Registration Office. Alternatively, in the case of a sale of listed shares, the so called standardized method may be used. Under this method, the cost basis is deemed to be equal to 20 per cent of the sales proceeds after deduction of sales costs. A taxable gain on listed shares is taxed as capital income subject to 30 per cent taxation.

Capital losses incurred from the sale of shares in a listed company and other listed securities taxed shares can be fully offset against capital gains occurring in the same year from the sale of shares in listed securities (with the exception of shares in Swedish investment funds holding only Swedish receivables, known as Swedish fixed income funds). Capital losses that have not been offset against capital gains are deductible to 70 per cent against other capital income. In case of a net capital loss, such loss may be used for tax reduction on earned income tax as well as central government and municipal property taxes. Tax reduction is granted with 30 per cent of the net capital loss up to SEK 100,000 and 21 per cent of any loss exceeding SEK 100,000. An excess net loss cannot be carried forward to future fiscal years.

***Corporate shareholders****Taxation of dividends*

For limited liability companies' capital income, including dividends, is taxed as business income at a tax rate of 22 per cent.

Dividends on listed shares in limited liability companies, including foreign equivalents, are tax exempt provided that the holding represents at least ten per cent of the voting rights of all shares ("ownership requirement") (or the holding is conditioned by the shareholder's, or affiliated company's, business). The dividend tax exemption only applies if the listed shares are not disposed of within one year from the day any of the above holding requirements were met ("holding period

requirement"). The shares must, however, not have been held continuously for one year at the date of distribution. Taxation will, however, be triggered if the shares are sold (or otherwise ceases to be entitled to the tax exemption) before the one year holding period requirement is met. The shares must also not be held as current assets/stock in order for the exemption to apply.

#### *Taxation of capital gain/loss*

For limited liability companies capital income, including capital gain is taxed as business income at a tax rate of 22 per cent.

Capital gains and losses are calculated in the same manner as for individuals (described above). Deductible capital losses from the sale of shares and other securities taxed as shares may only be offset against taxable capital gains deriving from shares and other securities taxed as shares. If a capital loss assignable to shares or other securities cannot be deducted by the company incurring the loss, such loss may be offset against taxable capital gains assignable to shares and securities in another company in the same corporate group if a right to exchange group contributions exists between the companies and both companies request this for a year which has the same assessment date. A capital loss on shares or other securities taxed as shares can, to the extent it is not deductible one year, be carried forward (in the limited liability company incurring the loss) and used to offset taxable capital gains on shares and other securities taxed as shares in later years without any limitation in time.

Capital gains on listed shares in limited liability companies, including foreign equivalents, are tax exempt (and capital losses on such shares are non-deductible) provided that the holding represents at least 10 per cent of the voting rights of all shares ("ownership requirement"). Exemption may also be available provided the holding is conditioned by the shareholder's (or affiliated company's) business. Capital gains on listed shares are only tax exempt if they are held for at least one year from the day any of the above holding requirements were met ("holding period requirement"). The shares must also not be held as current assets/stock in order for the exemption to apply.

## **Tax Considerations - Malta**

### ***Corporate income tax***

Corporate revenues are taxed at a rate of 35 percent in Malta. As Angler will not undertake any operations in Malta other than the management of share holdings, the company's revenues will only consist of dividends from subsidiaries. Such dividends are exempted from Maltese tax.

There are no CFC regulations or similar tax legislation on Malta.

### ***Tax on dividends***

Dividends from Angler to its Swedish shareholders are not subject to Maltese withholding tax.

## **Documents Incorporated by Reference**

The following documents are incorporated in this Memorandum by reference.

- Angler Gaming plc's Articles of Association
- Angler Gaming plc's Annual Report 2012
- Angler Gaming plc's Year End Report 2013

The information to which reference is made shall be read as part of this Memorandum. The information is available on Angler's website, [www.anglergaming.com](http://www.anglergaming.com).

## Terms and Conditions for Warrants 2014/2015

### Angler Gaming PLC

#### § 1 Definitions

As used in these terms and conditions, the following terms shall have the meanings set forth below.

“share”	An ordinary fully paid-up share in the company with a present quota value (nominal value) of EUR 0.01, at the time of the publication of these Terms and Conditions being equivalent to SEK 0.09;
“banking day”	a day in Sweden which is not a Sunday, or other public holiday or, with respect to the payment of debentures, is not deemed to be the equivalent of a public holiday in Sweden;
the “company”	Angler Gaming PLC, reg. no. C55255;
“Euroclear”	Euroclear Sweden AB or other securities depository in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) ( <i>Sw. lagen om kontoföring av finansiella instrument</i> ), Chapter 2;
“holder”	the holder of a warrant;
“subscription”	such subscription of new shares in the company as referred to in the Maltese Companies Act (Chapter 386 of the Laws of Malta);
“subscription price”	the price at which subscription for new shares may be made;
“warrant”	the right to subscribe for 1 (one) fully paid up share in the company upon payment in cash pursuant to these terms and conditions.

#### § 2 Warrants

The maximum number of warrants is 7,035,826.

The warrants shall be registered by Euroclear in dematerialised form in a record register as prescribed in the Financial Instruments Accounts Act (1998:1479), Chapter 4. As a consequence, no warrant certificates will be issued.

The warrants are registered for the account of the holder on an account in the company’s record register. Registration of warrants resulting from measures pursuant to §§ 6, 7, 8 and 11 shall be undertaken by Euroclear or by an account-operating institute or by the central securities depository. Other registration measures may be taken by Euroclear or by an account-operating institute or by the central securities depository, if necessary.

### **§ 3 Right to subscribe for new shares, subscription price**

For each warrant held, the holder shall be entitled to subscribe for 1 (one) new share in the company.

The subscription price shall be SEK 1.00 per share. The subscription price may not amount to less than the quota value (i.e. nominal value) of the company's shares.

Re-calculation of the subscription price, as well as the number of new shares which each warrant entitles subscription for, may take place in the circumstances set forth in § 8 below. Subscription may only be made in respect of the entire number of whole shares to which the total number of warrants entitles, *i.e.* fractions of shares cannot be subscribed for.

In relation to each holder, the company undertakes to guarantee that each holder is entitled to subscribe for shares in the company, on the terms and conditions set out below, for payment in cash.

### **§ 4 Notification of subscription**

Notification of subscription of shares by exercising warrants may be made during the period from and including January 12, 2015 up to and including January 30, 2015 or up to and including the earlier date as follows from § 8, (k), (l), and (m) below.

When such notification is made, an application form duly filled out as prescribed shall be presented to the company.

A notification of subscription is binding and may not be withdrawn.

If a notification of subscription is not made within the period set forth in the first paragraph, all rights attaching to the warrants shall cease to exist.

### **§ 5 Payment**

In connection with a subscription notification, cash payment must be remitted on a single occasion for the number of shares specified in the notification. Payment shall be made in cash to an account specified by the company.

### **§ 6 Entry in share register, etc.**

Allotment of shares will be effected by the new shares being registered as 'interim shares' by the company in share accounts. Once registration has taken place with the company's central securities depository and the Malta Registrar of Companies, registration in the register of members will become final. As indicated in § 8 below, the date of such final registration in the share account may be deferred in certain cases.

### **§ 7 Right to dividends for a new share**

Shares issued as a result of subscription will carry rights to dividends as of the first record date for dividends after the subscription is executed.

### **§ 8 Recalculation in certain cases**

With regard to the rights of the holders in certain situations, such as if the share capital and/or number of shares before subscription increases or decreases, as well as in certain other situations, what is set out below shall apply:

- (a) Should the company make a bonus issue, where the application to subscribe is made at such a time that it cannot be executed earlier than the fifth calendar day before the general meeting that resolves on the issue, the subscription shall not be executed until the meeting has resolved thereon. Shares added through subscriptions executed after the resolution on the issue shall be interimly recorded in a securities account, this means that they shall not be entitled to participate in the issue. Final registration in the securities account shall not take place until after the record day for the issue
- For subscriptions executed after a resolution on the bonus issue, a recalculated subscription price shall apply together with a recalculation of the number of shares to which each warrant gives the right to subscribe. The recalculations shall be carried out in accordance with the following formulas:

$$\begin{array}{l} \textit{recalculated subscription} \\ \textit{price} \end{array} = \frac{\text{previous subscription price x the number of} \\ \text{shares before the bonus issue}}{\text{the number of shares after the bonus issue}}$$

$$\begin{array}{l} \textit{recalculated number of} \\ \textit{shares which each} \\ \textit{warrant entitles} \\ \textit{subscription for} \end{array} = \frac{\text{previous number of shares to which each warrant} \\ \text{gives the right to subscribe for x the number of} \\ \text{shares after the bonus issue}}{\text{the number of shares before the bonus issue}}$$

The subscription price and number of shares recalculated in accordance with the above shall be determined as soon as possible after the general meeting's resolution on the bonus issue but shall not be applied until after the record day for the issue.

- (b) Should the company carry out a consolidation or division of shares, subsection (a) above shall apply correspondingly, whereby, where applicable, the record day shall be deemed to be the day on which, at the company's request, the consolidation or division takes place at Euroclear.
- (c) Should the company carry out a new issue – with preferential rights for shareholders to subscribe for new shares for payment in cash or for set-off – the following shall apply regarding the right to participate in the issue attached to shares added through subscription with the exercise of a warrant:
- (i) If the issue is decided by the board of directors subject to the approval of a general meeting or with the backing of the authority of a general meeting, the last day on which subscriptions shall be executed, in order for shares, added by subscription, to contain the right to participate in the issue, shall be stated in the resolution. Such date may not fall earlier than the tenth calendar day after the holder has been informed of the resolution regarding the new issue.
  - (ii) If the issue is resolved upon at a general meeting, subscriptions –applied for at such a time that they cannot be executed later than five calendar days before the general meeting resolving on the issue – shall not be executed until the company has carried out the recalculation in accordance with the second last paragraph of this subsection (c). Shares added through such a

subscription shall be interimly entered in the securities account, which means that they shall not have the right to participate in the issue.

When subscriptions are executed at such a time that no right to participate in the new issue arises, a recalculated subscription price shall be applied together with a recalculation of the number of shares to which each warrant gives the right to subscribe for. The recalculations shall be carried out in accordance with the following formulas:

$$\text{recalculated subscription price} = \frac{\text{previous subscription price} \times \text{stock exchange quotation of the share during the subscription period set forth in the resolution approving the issue (average share price)}}{\text{average share price increased by the theoretical value of the subscription right calculated on the basis thereof}}$$

$$\text{recalculated number of shares which each warrant entitles subscription for} = \frac{\text{previous number of shares to which each warrant entitles subscription for} \times (\text{average share price increased by the theoretical value of the subscription right calculated on the basis thereof})}{\text{average share price}}$$

The average share price shall be deemed to be equal to the average of the mean, calculated for each trading day during the subscription period, of the highest and lowest prices paid according to the price list of AktieTorget (or the price list of the stock exchange, authorized marketplace, or other regulated market on which the company's shares are listed or traded). In the absence of a quoted paid price, the last quoted bid price shall be used in the calculation. Days for which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

The theoretical value of the subscription right shall be calculated in accordance with the following formula:

$$\text{value of subscription right} = \frac{\text{maximum number of new shares that may be issued according to the resolution approving the issue} \times (\text{average share price reduced by the subscription price for the new share})}{\text{number of shares prior to the resolution approving the issue}}$$

Should a negative value result from the calculation, the theoretical value of the right to subscribe shall be set to zero.

The recalculated subscription price and recalculated number of shares in accordance with the above shall be determined two banking days after the expiry of the subscription period and shall be applied to subscriptions that are executed thereafter.

Should the company's shares not be quoted or traded on a stock exchange, authorized marketplace, or other regulated market, a recalculated subscription price and recalculated number of shares shall be fixed in accordance with this subsection (c). In such case, the value of the shares shall, instead of what is stated regarding the

average share price, be determined by an independent valuer appointed by the company.

During the period prior to the determination of the recalculated subscription price and the recalculated number of shares that each warrant entitles the holder to subscribe for, subscription shall only be executed on a preliminary basis, whereupon the number of shares that each warrant entitles the holder to subscribe for prior to recalculation shall be entered in the securities account on an interim basis. Further, it shall be noted that each warrant, after recalculation, may entitle the holder to subscribe for additional shares in accordance with § 3 above. Final registration on the securities account shall be effected following recalculation.

- (d) Where the company carries out an issue of convertibles or warrants – with preferential rights for shareholders – the provisions contained in subsection (c) above, shall apply correspondingly regarding the rights to participate in the share issue as a result of subscription pursuant to the exercise of a warrant.

In connection with subscriptions executed at such time that no right to participate in the share issue arises, a recalculated subscription price and a recalculated number of shares that each warrant entitles the holder to subscribe for shall be applied. The recalculations shall be made in accordance with the following formulas:

$$\text{recalculated subscription price} = \frac{\text{previous subscription price} \times \text{average stock exchange quotation of the share during the subscription period specified in the resolution approving the issue (average share price)}}{\text{average share price increased by the value of the subscription right}}$$

$$\text{recalculated number of shares which each warrant entitles subscription for} = \frac{\text{previous number of shares which each warrant entitles the holder to subscribe for} \times (\text{the average share price increased by the value of the subscription right})}{\text{the average share price}}$$

The average share price shall be calculated in accordance with the provisions of subsection (c) above.

The value of a subscription right shall be deemed to be equal to the average of the mean, calculated for each trading day during the subscription period, of the highest and lowest prices paid according to the price list at AktieTorget (or the corresponding information from a stock exchange, authorized marketplace or other regulated marketplace on which the company's shares are listed or traded). In the absence of a quoted paid price, the last quoted bid price shall be used in the calculation. Days for which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

The recalculated subscription price and recalculated number of shares in accordance with the above shall be determined two banking days after the expiry of the time for subscriptions and shall be applied to subscriptions executed thereafter.

Should the company's shares not be quoted or traded on a stock market, authorized marketplace, or other regulated marketplace, a recalculated subscription price and a recalculated number of shares shall be fixed in accordance with this subsection (d). In such case, the value of the shares shall, instead of what is stated regarding the average share price, be determined by an independent valuer appointed by the company.

The provisions of the last paragraph of subsection (d) above, shall apply correspondingly to subscriptions executed during the period until the recalculated subscription price and the recalculated number of shares are determined.

- (e) In the event the company, under circumstances other than those set forth in subsections (a) – (d) above, makes an offer to shareholders, based on preferential (pre-emption) rights in accordance with the principles set forth in the Maltese Companies Act to purchase securities or rights of any kind from the company or where the company resolves, in accordance with the above stated provisions, to distribute such securities or rights without consideration (the offer), then a recalculated subscription price and a recalculated number of shares that each warrant entitles the holder to subscribe for shall be applied in connection with subscriptions which are effected at such time that the shares subscribed for as a consequence thereof do not entitle the holder to participate in the offer. Recalculations shall be made in accordance with the following formulas:

$$\text{recalculated subscription price} = \frac{\text{previous subscription price} \times \text{average stock exchange quotation of the share during the application period specified in the offer (the average share price)}}{\text{average share price increased by the value of the right to participate in the offer (the value of the purchase right)}}$$

$$\text{recalculated number of shares which each warrant entitles subscription for} = \frac{\text{previous number of shares which each warrant entitles the holder to subscribe for} \times (\text{average share price increased by the value of the purchase right})}{\text{the average share price}}$$

The average share price shall be calculated in accordance with the provisions set forth in subsection (c) above.

In the event the shareholders have received purchase rights and trading of such rights has taken place, the value of the right to participate in the offer shall be deemed to be equal to the value of the purchase right. The value of a purchase right shall in such case be deemed to be equal to the average of the mean, calculated for each trading day during the subscription period, of the highest and lowest prices paid according to price list at AktieTorget (or the corresponding information on a stock market, authorized marketplace or other regulated marketplace on which such purchase rights are listed or traded). In the absence of a quoted paid price, the last quoted bid price shall be used in the calculation. Days for which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

In the event the shareholders have not received purchase rights or such trading in purchase rights as referred to in the preceding paragraph has otherwise not taken place, a recalculation of the subscription price and the number of shares which each warrant entitles the holder to subscribe for shall be determined, to the extent possible, by applying the principles set forth above in this subsection (e), whereupon the following shall apply. Where a listing is carried out in respect of the securities or rights that are offered to the shareholders, the value of the right to participate in the offer shall be deemed to be the average of the prices paid on each trading day during 25 trading days from and including the first day of listing calculated as the average mean of the highest and lowest paid prices in transactions in these securities or rights on AktieTorget (or the corresponding information on a stock exchange, authorized marketplace or other regulated market on which these securities or rights are listed or traded), where applicable reduced by any consideration that has been paid for these in connection with the offer. In the absence of a quoted paid price, the last quoted bid price shall be used in the calculation. Days for which neither a paid price nor a bid price is quoted shall be excluded from the calculation. When recalculating the subscription price and number of shares according to this paragraph, the application period determined in the offer shall be deemed to correspond to the above mentioned period of 25 trading days. In the event such listing should not occur, the value of the right to participate in the offer shall as far as possible be based upon the change in the market price of the company's shares that is deemed to have arisen as a consequence of the offer.

The recalculated subscription price and adjusted number of shares in accordance with the above shall be determined as soon as possible following expiration of the offer and shall be applied to subscriptions executed after such determination has been made.

Should the company's shares not be listed or traded on a stock exchange, authorized marketplace, or other regulated marketplace, a recalculated subscription price and a recalculated number of shares shall be determined in accordance with this subsection E. In such case, the value of the shares shall, instead of what is stated regarding the average share price, be determined by an independent valuer appointed by the company.

In the event that applications for subscription are made during the period until the time the recalculated subscription price and the recalculated number of shares has been determined, the provisions above set forth in the last paragraph of subsection (c) above shall apply correspondingly.

- (f) In the event the company conducts a new issue or an issue according to the Maltese Companies Act – with preferential (pre-emption) rights for shareholders – the company shall be entitled to grant all holders the same preferential rights which according to the resolution, will vest with the shareholders. In this connection, each holder, irrespective of whether the subscription has not been executed, shall be deemed to be the owner of the number of shares that the holder would have received, if subscription had been executed in respect of the number of shares which each

warrant entitled the holder to subscribe for at the time of the resolution to carry out the issue.

In the event the company resolves to direct an offer to the shareholders such as specified in subsection (e) above, the provisions of the preceding paragraph shall apply correspondingly. However, the number of shares which each holder shall be deemed to be the owner of shall, under such circumstances, be determined on the basis of the subscription price in effect at the time of the resolution to carry out the offer.

In the event the company resolves to grant the holders preferential rights in accordance with the provisions set forth in this subsection (f), no adjustment as set out above in subsections (c), (d) or (e) shall be carried out.

- (g) In the event it is decided to pay a cash dividend to shareholders such that the shareholders receive, combined with other dividends paid during the same fiscal year, a total dividend exceeding fifteen (15) per cent of the average price of the share during a period of 25 trading days immediately preceding the day on which the company's board of directors announced its intention to propose that the general meeting shall approve such a dividend, then an adjusted subscription price and an adjusted number of shares which each warrant entitles the holder to subscribe for shall be applied for subscriptions requested at such time where the shares received in such event do not carry rights to receive such dividend. The adjustments shall be based upon such part of the total dividend that exceeds fifteen (15) per cent of the average price of the shares during the above period (extraordinary dividend). Adjustments shall be made in accordance with the following formulas:

$$\text{recalculated subscription price} = \frac{\text{previous subscription price} \times \text{the average stock exchange quotation of the share during a period of 25 trading days calculated from and including the day the share is listed excluding rights to the extraordinary dividend (average share price)}}{\text{average share price increased by the extraordinary dividend paid per share}}$$

$$\text{recalculated number of shares which each warrant entitles subscription for} = \frac{\text{previous number of shares which each warrant entitled the holder to subscribe for} \times (\text{the average share price increased by the extraordinary dividend paid per share})}{\text{average share price}}$$

The average price of the share shall be deemed to be equal to the average of the mean of the highest and lowest prices paid each trading day during the above stated period of 25 trading days in accordance with the price list of AktieTorget (or the corresponding information from the stock exchange, authorized market or other regulated marketplace on which the company's shares are listed or traded). In the absence of a quoted paid price, the last quoted bid price for such date shall be used in the calculation instead. Days for which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

The adjusted subscription price and number of shares calculated in accordance with the above shall be determined two banking days after the expiration of such period of 25 trading days and shall apply to subscriptions effected after such time.

Should the company's shares not be listed or traded on a stock market, authorized marketplace or other regulated marketplace, and it is decided to pay a cash dividend to shareholders resulting in the shareholders receiving dividends which in the Company's opinion are to be considered as extraordinary, taking into consideration, to the highest extent possible the principles stated above in this subsection (g), a corresponding recalculation of the subscription price shall be carried out by the company, in which to the highest extent possible the principles stated above in this subsection (g) are taken into consideration.

In the event applications for subscription are made during the period until the time the recalculated subscription price and recalculated number of shares has been determined, the provisions above set forth in the last paragraph of subsection (c) shall apply correspondingly.

- (h) In the event the company's share capital or statutory reserve fund is reduced through a repayment to shareholders, where such reduction is compulsory, a recalculated subscription price and a recalculated number of shares which each warrant entitles the holder to subscribe for shall be applied. The recalculations shall be made in accordance with the following formulas:

$$\text{recalculated subscription price} = \frac{\text{previous subscription price} \times \text{average stock exchange quotation of the shares during a period of 25 trading days calculated from and including the day on which the share was listed without any right to repayment (average share price)}}{\text{average share price increased by the amount repaid for each share}}$$

$$\text{recalculated number of shares which each warrant entitles subscription for} = \frac{\text{previous number of shares which each warrant entitles the holder to subscribe for} \times (\text{average share price increased by the amount repaid for each share})}{\text{average share price}}$$

The average share price shall be calculated in accordance with the provisions set forth in subsection C. above.

In carrying out the recalculations according to the above, where the reduction is carried out through redemption of shares, an amount calculated as follows shall be applied instead of using the actual amount which is repaid for each share:

$$\begin{array}{l}
 \text{calculated amount to be} \\
 \text{repaid for each share}
 \end{array}
 =
 \frac{\begin{array}{l}
 \text{the actual amount repaid for each redeemed share} \\
 \text{reduced by the average stock exchange quotation} \\
 \text{of the share during a period of 25 trading days} \\
 \text{immediately prior to the day on which the share is} \\
 \text{listed without any right to participate in the} \\
 \text{reduction (average share price)}
 \end{array}}{\begin{array}{l}
 \text{the number of shares of the company that entitles} \\
 \text{to the redemption of one share reduced by 1}
 \end{array}}$$

The average share price shall be calculated in accordance with the provisions set forth in subsection (c) above.

The recalculated subscription price and recalculated number of shares pursuant to the above shall be determined two banking days after the expiration of the above stated period of 25 trading days, and shall apply to subscriptions executed after such time.

In the event applications for subscription are made during the period until the time the recalculated subscription price and recalculated number of shares has been determined, the provisions above set forth in the last paragraph of subsection (c) shall apply correspondingly.

Should the company's shares not be listed or traded on a stock exchange, authorized marketplace, or other regulated market, a recalculated subscription price and a recalculated number of shares shall be fixed in accordance with this subsection H. In such case, the value of the shares shall, instead of what is stated regarding the average share price, be determined by an independent valuer appointed by the company.

In the event the company's share capital is reduced through redemption of shares with repayment to the shareholders, where such reduction is not compulsory, or in case the company – without reducing the share capital – should carry out a repurchase of its own shares but where, in the company's opinion, the measure, due to its technical structure and financial effects, is equivalent to a compulsory reduction, a recalculation of the subscription price and the number of shares that each warrant entitles the holder to subscribe for shall be made in accordance with, to the extent possible, the principles stated above in this subsection (h).

- (i) In the event the company carries out measures set forth in subsections (a)-(h) above or another measure with similar effect, and if the application of the intended recalculation formula, according to the company's opinion, due to the technical structure or for another reason, may not be possible or results in the economic compensation to the holders becoming unreasonable in relation to the shareholders, recalculations of the subscription price and the number of shares that each warrant entitles the holder to subscribe for shall be made for the purpose of the recalculations leading to a reasonable result, provided that the company's board of directors so approves in writing.
- (j) In conjunction with adjustments in accordance with the above, the subscription price shall be rounded to the nearest SEK 0.01, whereupon SEK 0.005 shall be rounded upwards, and the number of shares shall be rounded to two decimal places.

- (k) In the event it is resolved that the company shall enter into liquidation (dissolution and consequential winding up) according to the Maltese Companies Act, regardless of the grounds for liquidation, applications for subscription may not be made thereafter. The right to make applications for subscription shall terminate in conjunction with the general meeting's resolution to place the company in liquidation, regardless of whether such resolution has entered into effect or not.

Immediately in conjunction with the decision by the company's board of directors to summon a general meeting which shall decide whether the company shall enter into voluntary liquidation according to the Art. 214(1)(b) of the Maltese Companies Act, notice shall be given to holders in accordance with the Company's Articles of Association in respect of the intended liquidation. The notice shall state that applications for subscription may not be made following the adoption of a resolution by the general meeting to place the company in liquidation.

In the event that the company gives notice of an intended liquidation in accordance with the above, each holder – irrespective of that which is set forth in § 4 above regarding the earliest time at which applications for subscription may be made – shall be entitled to apply for subscription from the day on which notice is given, provided it is possible to effect subscription not later than the tenth calendar day prior to the general meeting at which the issue of the company's liquidation shall be addressed.

- (l) In the event that the general meeting, in accordance with the Maltese Companies Act, approves a merger (amalgamation) plan, pursuant to which the company is to merge with another company, whether by acquisition or forming of a new company, or in the event that the general meeting, in accordance with the Maltese Companies Act, approves a demerger (division) plan, pursuant to which the company is about to demerge (divide, by any of the methods stated in Art 360(1) of the Maltese Companies Act) without liquidation, applications for subscription may not be made thereafter.

Immediately in conjunction with the decision by the company's board of directors to convene a general meeting which shall make a final decision in respect of a merger or demerger as set forth above notice shall be given to holders in accordance with § 9 below in respect of the intended merger or demerger. The notice shall set forth the principal contents of the intended merger or demerger plan and the holders shall be notified that subscription may not be made following a final decision regarding the merger or demerger, or following the signing of the merger or demerger plan, in accordance with the provisions set forth in the preceding paragraph.

In the event the company gives notice regarding a planned merger or demerger in accordance with the above, each holder – irrespective of what is set forth in § 4 regarding the earliest time at which applications for subscription can be made – shall be entitled to apply for subscription from the date on which notice is given regarding the intended merger or demerger, provided that it is possible to effect subscription no later than: (i) the tenth calendar day prior to the general meeting at which the merger plan, pursuant to which the company is to be merged with another company, or the demerger plan, pursuant to which the company is to be demerged without

liquidation is to be approved, or (ii) if the merger or demerger plan shall be signed by all shareholders in participating companies not later than the tenth calendar day prior to such signing.

- (m) Where the company's board of directors prepares a merger (amalgamation) plan, pursuant to which the company is to be merged with another company, or where the company's shares are subject to compulsory purchase procedures according to the applicable laws, the following shall apply.

Where a Swedish limited liability company owns all shares in the company, and where the board of directors publishes its intention to prepare a merger plan in accordance with the legislation referred to in the preceding paragraph, the company shall, provided that the final day for application for subscription pursuant to § 4 occurs after such publication, determine a new final day for application for subscription (expiration date). The expiration date must occur within 30 days of the publication.

A majority shareholder who exercises its right, pursuant to the applicable laws, to buy-out outstanding shares in the company shall also be entitled to buy-out warrants issued by the company. Where the majority shareholder has requested that a dispute regarding a buy-out be resolved by arbitrators pursuant to the rights afforded to such shareholder under applicable laws, the warrants may not be exercised for subscription until the buy-out dispute has been decided through an award or a decision which has become final. Where the period of time within which a warrant may be exercised expires prior thereto, or within three months after, the holders of the warrants shall nevertheless be entitled to exercise the warrants during a period of three months after the determination has become final.

When publication has been made as described above in this subsection (m), each holder – irrespective of what is set forth in § 4 regarding the earliest time at which applications for subscription may be made – shall be entitled to such application up until the expiration date. Not later than three weeks prior to the expiration date, the company shall notify the holders pursuant to § 9 in respect of this right and in respect of that applications for subscription may not be made after the expiration date.

- (n) Notwithstanding the provisions set forth in subsections (k), (l) and (m) above that applications for subscription may not be made following the adoption of a resolution to place the company in liquidation, the approval of a merger or demerger plan, or the expiry of a new expiration date in conjunction with a merger, the right to make an application for subscription shall apply in circumstances where the liquidation is terminated or the merger is not carried out.
- (o) In the event the company is declared bankrupt (insolvent) (Sw. *konkurs*), applications to subscribe may not be made thereafter. If, however, the bankruptcy order is revoked by a competent court, applications to subscribe may once again be made.

- (p) The company agrees not to undertake any measure set forth in this § 8 that would result in an adjustment of the subscription price to an amount less than the quota value of the company's shares.

## **§ 9 Notices**

Notices concerning the warrants shall be provided to each warrant holder by letter to the, for the company last known address, to the warrant holder, or be inserted in at least one of the Stockholm daily newspapers.

## **§ 10 Confidentiality**

Unless so authorized or required by applicable law, neither the company, account-operating institute nor Euroclear may provide information on holders of warrants to third parties.

The company is entitled to receive the following details from Euroclear regarding the holders of warrants' account in the company's record register.

- (a) the holder of warrants' name, personal identification number, or other identification number, and postal address; and
- (b) the number of warrants.

## **§ 11 Amendment of terms and conditions**

The company is entitled to amend these terms and conditions on behalf of the holder, if required by legislation, judicial decisions or decisions from authorities, or if it is otherwise in the opinion of the company, expedient or necessary due to a material practical reason, and the holders' rights are not materially impaired.

## **§ 12 Force majeure**

With respect to the actions incumbent on the company, the company cannot be held liable for loss due to Swedish or foreign legal decrees, Swedish or foreign action by public authorities, acts of war, acts of terrorism, strikes, blockades, boycotts, lockouts or other similar causes. The reservations with respect to strikes, blockades, boycotts and lockouts apply even if the company itself undertakes or is the object of such an action.

The company is not under any obligation to provide compensation for loss in other situations, if the company has exercised normal prudence. The company is under no circumstances liable for indirect loss or other consequential loss. Neither is the company liable for loss which is due to the holder's or another party's breach of law, decrees, regulations or these conditions. Holders are hereby informed that they are liable for the accuracy of documents sent to the company, and that such documents are duly signed. Holders are also liable for keeping the company informed on changes which occur in relation to previously provided information.

If the company is partially or fully hindered from taking action by circumstances such as those described above, the action may be deferred until the hindrance has ceased to exist. If the company is prevented from executing or receiving payment due to such circumstance, then neither the company nor the holder shall be liable for interest on overdue payments.

**§ 13 Limitation of the account-operating institute's, and Euroclear's liability**

With respect to the actions incumbent on the account-operating institute and Euroclear, the account-operating institute, and Euroclear can not be held liable for loss due to Swedish or foreign legal decrees, Swedish or foreign action by public authorities, acts of war, acts of terrorism, strikes, blockades, boycotts, lockouts or other similar acts. The reservations with respect to strikes, blockades, boycotts and lockouts apply even if the account-operating institute or Euroclear themselves undertake or are the objects of such actions.

What is stated above applies only in so far that it is consistent with the Financial Instruments Accounts Act (1998:1479).

Neither the account-operating institute nor Euroclear are under obligation to provide compensation for loss arising in other situations, if the account-operating institute and Euroclear exercised normal prudence. Account-operating institute and Euroclear are under no circumstances liable for indirect loss.

If the account-operating institute or Euroclear is hindered from taking action by circumstances such as those described in the first paragraph, the action may be deferred until the hindrance has ceased to exist.

**§ 14 Applicable law and jurisdiction**

These terms and conditions and any related legal matters shall be governed by Swedish law, provided that the substantive law applicable to the warrants of the company and their issue and registration shall be Maltese law. Any action, claim or appeal with respect to these warrants shall be brought before the applicable District Court in Sweden or other such forum that is accepted by the company in writing.

\* \* \*

## Addresses

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### **Account operator**

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### **Legal advisers to Angler**

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