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PROSPECTIVE INVESTORS SHOULD READ THE WHOLE TEXT OF THIS DOCUMENT AND SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ AND IN PARTICULAR YOUR ATTENTION IS DRAWN TO THE SECTION ENTITLED "RISK FACTORS" SET OUT IN PART 3 OF THIS DOCUMENT.

Gfinity plc (**Company**) and the Directors, whose names appear on page 7 of this Document, accept responsibility, individually and collectively, for the information contained in this Document and compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or make any representations other than those contained in this Document and, if given or made, such information or representations must not be relied upon as having been so authorised. Neither the delivery of this Document nor any subscription made pursuant to it will, under any circumstances, create any implication that there has been any change in the affairs of the Company since the date of this Document or that the information in it is correct at any time subsequent to this date.

Application has been made for the Enlarged Share Capital to be admitted to trading (**Admission**) on the AIM Market of the London Stock Exchange plc (**AIM**). It is expected that Admission will become effective and that dealings in the Enlarged Share Capital will commence on AIM on 22 December 2014. No application has been made, or is contemplated for the Enlarged Share Capital to be listed on any other recognised investment exchange.

This Document comprises an Admission Document prepared in accordance with the AIM Rules for Companies. This Document is not an approved prospectus for the purposes of section 85 of FSMA, has not been prepared in accordance with the Prospectus Rules published by the Financial Conduct Authority.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List and this Document is not an approved prospectus for the purposes of section 85 of FSMA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to trading on the Official List. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange plc on Admission in the form set out in Schedule Two of the AIM Rules for Nominated Advisers. The London Stock Exchange plc has not itself examined or approved the contents of this Document. The Ordinary Shares are not dealt in on any recognised investment exchange and, apart from the application for Admission, no other such applications have been or are intended to be made.

Gfinity plc

*(incorporated in England and Wales under the Companies Act 2006
with registered number 08232509)*

Placing of 20,588,235 Ordinary Shares at 17p per share and Admission to Trading on AIM Nominated Adviser and Broker Arden Partners plc

The Ordinary Shares being issued pursuant to the Placing will rank equally in all respects with the Existing Ordinary Shares.

Arden Partners plc (**Arden**), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the proposed admission of the Share Capital to trading on AIM. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange plc and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this Document. Arden is not acting for anyone else and will not be responsible to anyone other than the Company for providing the protections afforded to their clients or for providing advice in relation to the contents of this Document or the Admission of the Enlarged Share Capital to trading on AIM. No representation or warranty, express or implied, is made by Arden as to the contents of this Document, without limiting the statutory rights of any person to whom this Document is issued. Arden will not be offering advice, nor will they otherwise be responsible for providing customer protections to recipients of this Document or for advising them on the contents of this document or any other matter. The information contained in this Document is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them.

This Document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, ordinary shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the company.

Copies of this Document will be made available to the public during normal business hours on any weekday (Saturdays and public holidays excepted) free of charge from the offices of Arden, of 125 Old Broad Street, London EC2N 1AR and of Fladgate LLP, of 16 Great Queen Street, London WC2B 4DG and shall remain available for at least one month after the date of Admission.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	16 December 2014
Admission effective and dealings expected to commence in the Enlarged Share Capital on AIM	8:00 a.m. on 22 December 2014
CREST accounts to be credited with Ordinary Shares	22 December 2014
Despatch of definitive Share Certificates (where applicable)	On or prior to 5 January 2015

PLACING STATISTICS

Placing Price	17p
Number of Existing Ordinary Shares	56,210,000
Number of Placing Shares	20,588,235
Number of Fee Shares	1,046,915
Enlarged Share Capital	77,845,150
Market capitalisation of the Company at the Placing Price following Admission	£13.2m
Percentage of the Share Capital held by the Directors at Admission	24.4%
Proceeds of Placing	£3.5m
AIM symbol following Admission	GFIN
ISIN	GB00BT9QD572
SEDOL	BT9QD57

DEFINITIONS

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

£ or Sterling	the lawful currency of the UK
Admission	the effective admission of the Enlarged Share Capital to trading on AIM in accordance with the AIM Rules
AIM	the AIM market operated by the London Stock Exchange
AIM Rules	the rules applicable to companies whose shares are traded on AIM published by the London Stock Exchange from time to time
Arden	Arden Partners plc
Articles	the articles of association of the Company, details of which are set out in paragraph 6 of Part 5 of this document
Board	the board of directors of the Company from time to time
CA 2006	the Companies Act 2006, as amended
certificated or in certificated form	recorded on the relevant register of the share or security concerned as being held in certificated form
City Code	the City Code on Takeovers and Mergers
Company or Gfinity	Gfinity plc, incorporated and registered in England and Wales (with number 08232509) whose registered office is at 35 New Bridge Street, London, EC4V 6BW
Corporate Governance Code	the UK Corporate Governance Code published by the Financial Reporting Council
CREST	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the holding and transfer of title to shares in uncertificated form
CREST Regulations	the Uncertificated Securities Regulations 2001, including (i) any enactment or subordinate legislation which amends or supersedes those regulations and (ii) any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force
Directors	the directors of the Company whose names are listed on page 7 of this Document
Document or Admission Document	means this Admission Document
DTR or Disclosure and Transparency Rules	the Disclosure and Transparency Rules (in accordance with section 73A(4) of FSMA) of the FCA
EMI	the Enterprise Management Incentive scheme
Euroclear	Euroclear UK & Ireland Limited, a company incorporated in England and Wales and the operator of CREST
Enlarged Share Capital	the issued ordinary share capital of the Company immediately following completion of the Placing and the allotment and issue of the Fee Shares
Existing Ordinary Shares	the 56,210,000 Ordinary Shares in issue prior to Admission
FCA	the UK Financial Conduct Authority
Fee Shares	94,117 Ordinary Shares to be issued to Fladgate LLP on Admission in part settlement of legal fees and the 952,798 Ordinary Shares to be issued to Sports Resource Group Limited as set out in paragraph 13.4 of Part 5 in each case, at the Placing Price
FSMA	the UK Financial Services and Markets Act 2000, as amended
London Stock Exchange	London Stock Exchange plc

Official List	the Official List of the United Kingdom Listing Authority
Options	both the EMI options and the unapproved options issued under the Company's EMI option scheme and unapproved option scheme respectively
Ordinary Shares	ordinary shares of 0.1p nominal value each in the capital of the Company
Panel	the UK Panel on Takeovers and Mergers
Pitch	Pitch International LLP
Placees	the subscribers for Placing Shares pursuant to the Placing
Placing	the conditional placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement
Placing Agreement	the conditional agreement dated 16 December 2014 between the Company, the Directors and Arden relating to the Placing and Admission, further details of which are set out in paragraph 13 of Part 5 of this document
Placing Price	17p per Placing Share
Placing Shares	in aggregate, 20,588,235 Ordinary Shares, to be issued to Placees pursuant to the Placing
Pre-IPO Fundraising	the fundraising by way of a rights offer completed in November 2014 raising approximately £1.5 million before expenses to enable announcement of the 2015 Schedule
Prospectus Rules	the Prospectus Rules (in accordance with section 73A(3) of FSMA) of the FCA
Registrar	Capita Registrars Limited
Securities Act	the US Securities Act of 1933, as amended
Share Dealing Code	the code on dealings in the Company's securities adopted by the Company
Shareholders	holders of Ordinary Shares
SRG	Sports Resource Group Limited
subsidiary and subsidiary undertaking	have the meanings given to them by CA 2006
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
uncertificated or in uncertificated form	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
United Kingdom Listing Authority	the FCA, acting in its capacity as the competent authority for the purposes of Part VI of FSMA
US or United States	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and all other areas subject to its jurisdiction
US person	a citizen or permanent resident of the United States, as defined in Regulation S promulgated under the Securities Act 1933

References to a Part or Parts are to a part or parts of this Document.

GLOSSARY

2015 Schedule	the list of on-line and off-line events planned to date for 2015 and published on 28 November 2014 available at gfinity.net .
blog	a website containing a writer's or group of writers' own experiences, observations and opinions, and often having images and links to other websites.
bloggers	persons engaged in the activity of producing content on blogs.
CPM	Cost Per Mille, the advertising rate per 1,000 viewers reached, used as a basis of payment by advertisers;
eSports	electronic Sports, viewing of and participation in organised video game competitions, involving amateurs and professional players.
G1, G2 and G3	historic series of live LAN events run by the Company.
gamers	individuals engaged in the action of playing and viewing games.
games	interactive multimedia games used on a video game console such as Sony's Playstation and Microsoft's Xbox, or on a personal computer.
LAN	a Local Area Network is a computer network that interconnects computers within a limited area using network media and commonly using technology such as Ethernet cables or Wi-Fi.
LAN events	live events run using a Local Area Network.
publishers	the publishers and copyright owners of games.
Twitch TV	a live on-line video streaming platform using the website www.twitch.tv , largely focussed on games.
YouTubers	people who produce videos on YouTube.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Anthony David Collyer (<i>Non-Executive Chairman</i>) Neville Roderick Upton (<i>Chief Executive Officer</i>) Jonathan David Hall (<i>Finance Director</i>) Ginette Amanda Jarman (<i>Operations Director</i>) Murray Philip Shuldham-Legh (<i>Marketing Director</i>) Paul Kent (<i>Technology & eSports Director</i>) David Nigel Yarnton (<i>Non-Executive Director</i>) all of the Company's registered office at:
Registered office	35 New Bridge Street London EC4V 6BW
Company Secretary	Jonathan Hall A.C.A.
Nominated Adviser and Broker	Arden Partners plc 125 Old Broad Street London EC2N 1AR
Solicitors to the Company	Fladgate LLP 16 Great Queen Street London WC2B 5DG
Solicitors to the Nominated Adviser and Broker	Clyde & Co. LLP The St. Botolph Building 138 Houndsditch London EC3A 7AG
Auditors and Reporting Accountant	Rees Pollock 35 New Bridge Street London EC4V 6BW
Public Relations	Luther Pendragon Priory Court Pilgrim Street London EC4V 6DE
Registrar	Capita Registrars Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Company's investor website	www.gfinitypkc.com
Company's commercial website	www.gfinitypnet

IMPORTANT NOTICES

Investors should take independent advice and should carefully consider the section of this Document headed “*Risk Factors*” in Part 3 before making any decision to purchase Ordinary Shares.

Unless otherwise stated, all information contained in this Document is information on the Company.

Responsibility

Prospective investors should not assume that the information in this Document is accurate as of any other date than the date of its publication (**Publication Date**). The delivery of this Document at any time after the Publication Date will not, under any circumstances, create any implication that there has been no change in the Company’s affairs since the Publication Date or that the information set forth in this Document is correct as of any time since the Publication Date.

Prospective investors are responsible for making their own examination of the Company and the Company and their own assessment of the merits and risks of investing in the Ordinary Shares. By purchasing the Ordinary Shares, prospective investors acknowledge that:

- they have reviewed this Document; and
- no person has been authorised to give any information or to make any representation concerning the Company or the Ordinary Shares other than as contained in this Document. If given or made, any such information or representation should not be relied upon as being authorised by the Company.

The Company is not providing prospective investors with any legal, financial, business, tax or other advice. Prospective investors should consult with their own advisers as needed to assist them in making their investment decision and to advise them whether they are legally permitted to purchase the Ordinary Shares.

Forward looking statements

Some of the statements under Part 1 (*Summary Information*), Part 2 (*Information on the Company*) and in Part 3 (*Risk Factors*), and elsewhere in this Document, include forward-looking statements which reflect the Company’s or, as appropriate, the Directors’ current views with respect to financial performance, business strategy, plans and objectives of management for future operations. These statements include forward-looking statements both with respect to the Company and the sector and industry in which they operate. Statements which include the words “expects”, “intends”, “plans”, “believes”, “projects”, “anticipates”, “will”, “targets”, “aims”, “may”, “would”, “could”, “continue” and similar statements of a future or forward-looking nature identify forward-looking statements.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company’s actual results to differ materially from those indicated in these statements. Risks and uncertainties which are material and known to the Directors are listed in the section headed “*Risk Factors*”, which should be read in conjunction with the other cautionary statements that are included in this Document. Any forward-looking statements in this Document reflect the current views of the Company, the Directors with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company’s business, results of operations, financial conditions and growth strategy. Nothing in this paragraph qualifies the working capital statement set out in paragraph 14 of Part 5 (*Additional Information*) of this Document.

These forward-looking statements speak only as of the date of this Document. Subject to any obligations under the AIM Rules and the Disclosure and Transparency Rules and except as required by the FCA, the London Stock Exchange or applicable law and regulations, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of it are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this Document which could cause actual results to differ before making an investment decision.

No incorporation of contents from the Company's website

The contents of the Company's website, including any websites accessible from hyperlinks on the Company's website, do not form part of this Document.

Overseas investors

No action has been taken to permit the distribution of this Document in any jurisdiction outside the UK where such action is required to be taken. This Document may not therefore be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Accordingly, no person receiving a copy of this Document in any territory other than the UK may treat the same as constituting an offer or invitation to him to acquire, subscribe for or purchase Ordinary Shares nor should he in any event acquire, subscribe for or purchase Ordinary Shares unless such an invitation, acquisition, subscription or purchase complies with any registration or other legal requirements in the relevant territory. Any person outside the UK wishing to acquire, subscribe for or purchase Ordinary Shares should satisfy himself that, in doing so, he complies with the laws of any relevant territory, and that he obtains any requisite governmental or other consents and observes any other applicable formalities.

Restrictions on offer and sale

This Document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, ordinary shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the company.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (**Securities Act**), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa, or any province or territory thereof. Subject to certain exceptions, the Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly, and this Document may not be distributed by any means including electronic transmission within, into, in or from the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa or to as for the account of any national, resident or citizen of the United States or any person resident in Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa. The Ordinary Shares may only be offered or sold in offshore transactions as defined in and in accordance with Regulation S promulgated under the Securities Act. Acquirers of the Ordinary Shares may not offer to sell, pledge or otherwise transfer the Ordinary Shares in the United States, or to any US Person as defined in Regulation S under the Securities Act, including resident corporations, or other entities organised under the laws of the United States, or non-US branches or agencies of such corporations unless such offer, sale, pledge or transfer is registered under the Securities Act, or an exemption from registration is available. The Company does not currently plan to register the Ordinary Shares under the Securities Act. The distribution of this document in or into other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Industry and market data

Certain information relating to market and other industry data contained in this Document is based on independent industry publications, reports by research firms or other published independent sources. The Company has not independently verified market or other industry data from such third party sources. The Company cannot assure prospective investors that any of these statements are accurate or correctly reflected.

Currency

Unless otherwise indicated, all references in this Document to "GBP", "£", "pounds sterling", "pounds", "sterling", "pence" or "p" are to the lawful currency of the United Kingdom and all references to "\$", "US\$", "USD" or "US dollars" are to the lawful currency of the United States.

PART 1

SUMMARY INFORMATION

The following is a brief summary only and should be read in conjunction with the more detailed information and financial data and statements and the risk factors which follow in this Document.

Prospective investors should read the whole of this Document and not rely solely on the summarised information set out below.

1. Information on Gfinity

Gfinity is a leading electronic sports (eSports) business that provides a hub for a rapidly expanding global community who compete against or view on-line competitors playing a range of multi-million selling electronic games such as League of Legends, FIFA 2015 and Call of Duty: Advanced Warfare. The Company operates a website where subscribers gain access to information on the video games, watch streamed videos of competitions and themselves compete. This website, gfinity.net, has recently undergone a substantial investment to enhance functionality, which the Directors believe will greatly enhance its reputation within the gaming community and with publishers of the games.

In addition, Gfinity hosts live tournaments and has recently announced a series of events for 2015 (**2015 Schedule**) which the Directors expect will generate ticket sales, sponsorship and other merchandising income. It is expected that these events will be streamed live on-line, and the Company's strategy is to build sufficient audiences in order to attract broadcasting income in the future. The Directors believe that the major competitors will be drawn to Gfinity's events due to the quality of the tournaments, particularly the website, rules and Gfinity's arena infrastructure. The development of the business has been accelerated by collaborating with certain high profile YouTubers, such as PewDiePie, KSI and Ali-A, who are gamers and whose YouTube blogs attract their followers to gfinity.net.

Gfinity's objective is to become the leading promoter of eSports events and host of the most popular eSports website in Europe and eventually globally. In conjunction with its event calendar, Gfinity will seek to aggressively expand its registered user base and in turn develop a subscriber model providing subscribers with premium content.

On 11 December 2014, Gfinity entered into a 2 year sales and marketing contract with Pitch, a shareholder in the Company, for Pitch to package and sell sponsorship and broadcasting rights on the Company's behalf. Pitch is a leading sports marketing agency and distributor of sports media rights worldwide. Its current portfolio of rights include the Brazilian Football Association (CBF), The Football Association, The Football League, New Zealand Cricket, the Welsh, Scottish and Irish Rugby Unions, RBS Six Nations, the British & Irish Lions, Premiership Rugby and Pro 12 Rugby.

2. Key strengths and future opportunities

The Directors believe that Gfinity has a number of key strengths and future opportunities available which are important to the success of the business:

Strengths

- reputation amongst professional and recreational gamers;
- technology – website provides a user-friendly point of focus for the gaming community;
- tournament platform – the efficiency of Gfinity's platform and its scalability is attractive to gamers;
- strong management team;
- brand ambassadors such as Ali-A and KSI;
- relationship with publishers of games (the Company runs competitions for major publishers including Activision, Blizzard, Electronic Arts, Riot and Valve); and
- strong financial position relative to its perceived UK competition.

Opportunities

- eSports is a high growth market which is well placed to take advantage of a large established game playing population;
- a broad range of revenue opportunities; and
- 2015 Schedule provides a springboard for future years.

3. Reasons for Admission to AIM

The Directors believe that the Company's proposed admission to AIM is important in raising capital for the future development of the business. Other benefits include:

- increasing the Company's financial strength and credibility when dealing with publishers, players and teams;
- helping to retain key personnel and attract new talent;
- raising the profile of the business with publishers and media companies; and
- providing access to new investors and future capital.

4. The Placing

Arden has conditionally placed 20,588,235 Placing Shares at 17p with institutional and other investors, raising £3.5 million before expenses. The Placing is not underwritten and is conditional, amongst other things, on the Enlarged Share Capital being admitted to AIM.

5. Use of proceeds

The Placing is expected to raise approximately £3.0 million after expenses, which will be used to pursue the expansion of the business. The funds will be used principally to support the 2015 Schedule and, in addition, to help the Company to:

- create the UK's premier eSports studio to be used for both professional and community events;
- fund a series of marketing activities to promote the Gfinity brand and grow the registered user base; and
- develop gfinity.net into the premium hub for gaming news, content and interaction.

6. Gfinity Management

The Board comprises a blend of experience from general business backgrounds together with specific knowledge within the gaming industry:

Tony Collyer – Non-Executive Chairman. Tony is a qualified Chartered Accountant with broad commercial experience and finance director experience in three public companies: Allders plc, New Look Group plc and The Corporate Services Group plc.

Neville Upton – Chief Executive Officer. After qualifying as a Chartered Accountant, Neville joined Euromoney where he gained experience in Finance and M&A. In 1998 he established a call centre business, The Listening Company, which was sold in 2011 to Serco for a sum in excess of £50 million, at which time it had a turnover of £82 million and employed 4,000 people. Neville co-founded the Company in 2012 and is the largest shareholder in the Company.

Jonathan Hall – Finance Director. Jonathan qualified as a Chartered Accountant with Arthur Andersen followed by a period of six and a half years with PA Consulting, a management consultancy. More recently he spent five years as a finance director of Saracens Rugby Club before joining the Company in 2014.

Ginette Jarman – Operations Director. Ginette was a key member of the management team at The Listening Company and has extensive experience in the call centre business. She was the founding director of the Company and thus has been closely involved in the early development of the Company's business since inception. She is a significant shareholder.

Paul Kent – Director of eSports and Website. Paul has been involved in eSports since 1996, as both a top level player and team owner. He established the Warped Gaming League in 2009, which grew to be the UK's largest Xbox Live on-line league. Paul spent 10 years as a

software engineer with Creative Labs. He has responsibility for web and production technology and also for setting the rules and tournament structures for all Gfinity competitions.

Philip Shuldham-Legh – Marketing Director. Philip was Group Sales and Marketing Director for Neville Upton at The Listening Company until it was acquired by Serco in March 2011. In Serco he moved to Business Development Director until he joined Gfinity as Marketing Director in January 2013.

David Yarnton – Non-Executive Director. David has 18 years' experience of the games industry, first in Australia and later as General Manager of Nintendo UK for nine years. He is a member of the game publishers' trade association.

7. Key Shareholders

On Admission the Directors will represent 24.4 per cent of the Enlarged Share Capital with Neville Upton the largest holder at 18.7 per cent.. Nigel Wray (via Euroblue Investments Limited) is the largest independent shareholder and, having taken up 1,470,466 Ordinary Shares in the Placing will hold 13.72 per cent. of the Enlarged Share Capital.

8. Risk Factors

Gfinity is an early stage company with low revenues and relatively uncertain future income streams which indicate that it is likely not to be profitable in the short-term. Investors should be aware of this as well as the risks associated with the Company as set out in Part 3 of this Document.

PART 2

INFORMATION ON THE COMPANY

1. Introduction

Gfinity is a leading UK-based eSports company serving, in co-operation with games publishers, a rapidly-growing community of on-line gamers worldwide. Founded in September 2012, the Company has established a popular on-line brand, gfinity.net, where gamers can compete, socialise and enjoy a wide range of content relating to electronic games on a proprietary technology platform. This platform enables Gfinity to run a regular roster of on-line competitions, leagues and ladders with the opportunity for gamers to enter and potentially win substantial prize money and/or pit their skills against professional and widely-followed “star” players. Gfinity registered users can enter these events and competitions either without charge or on a pay-to-enter basis. Such events are based around several of the industry’s best selling games such as Call of Duty, League of Legends, Halo, Starcraft and FIFA and are available on both consoles (Xbox One and Playstation 4) and PCs.

A key part of the Company’s business strategy is to host live tournaments (off-line or LAN events) that generate ticket sales and feature professional and “star” gamers. These events are streamed live enabling a global audience to watch matches in real-time on any web-connected device such as a smart TV, smartphone, games console or PC. In the case of G3, a tournament held in August 2014 at the Olympic Park in London, the event was streamed in five languages (English, French, German, Russian and Polish) and achieved 8.7 million on-line views over a single weekend. The Directors believe that conventional terrestrial broadcasting opportunities may follow in the future. The Directors believe that in time the subscriber base should provide an opportunity to generate subscriptions for premium content.

Gfinity has quickly become a widely-recognised “destination” for gamers in the UK and internationally, a demographic which is typically aged 18 – 34 years old. The Directors believe that the growing user base and the demographic of Gfinity’s audience provide brand owners and advertisers with an attractive environment in which to promote their products and services, and consequently offer Gfinity an opportunity to generate significant revenues over the long term.

An industry report published in 2013 estimated that 300 million people in Europe play video games on a range of gaming consoles, PCs and portable devices. Although only a small proportion are currently competing in or viewing eSports events it is a fast expanding number as evidenced by the 8.7 million viewers of Gfinity’s G3 event and the growth in subscribers to gfinity.net from approximately 22,000 to approaching 300,000 between the re-launch of the website in June 2014 and the date of this Document.

Gfinity’s medium-term objective is to become Europe’s leading provider of eSports events and host of the most popular eSports website in Europe and thereafter globally.

2. Company history

The Company was established in September 2012 to capitalise on the growing popularity of competitive gaming. In July 2013 it staged its first event, G1, at Millbank Tower in London, attracting 2.5 million on-line views.

In August 2013 the Company brought Warped Gaming League (WGL), an on-line eSports platform, and its founder, Paul Kent, into the business. Paul is now Gfinity’s Director of eSports and in charge of Gfinity’s website. WGL was founded in 2009 and by August 2013 had become the largest and oldest Xbox Live on-line league in the UK. Paul has been involved in eSports since 1996, gaining experience as both a top level player and team owner before moving into both on-line and off-line competition organisation.

The Company staged its second event, G2, in October 2013. The event attracted approximately 2.8 million on-line views and 600 spectators to the Film Museum in Covent Garden.

The Company staged its third Gfinity branded event (G3) at the Copperbox in London’s Olympic Park in August 2014. This event attracted nearly 4,000 paying spectators across 2 days and received 8.7 million on-line views from over 25 countries.

In June 2014, the Company's website, gfinity.net was re-launched with a brand new platform designed to create a seamless user experience with enhanced features. For example, the automation of the new website allows more cups, ladders and leagues to be offered compared to the old website. Since this time, further improvements to the site have seen the embedding of videos from the Company's YouTube channel, the addition of news articles written by widely-followed eSports writers and a number of features popular with the eSports community included.

Following the re-launch of the website in June 2014, the number of registered users of gfinity.net has increased from approximately 22,000 to approaching 300,000 as at the date of this Admission Document.

During this time, Gfinity has staged a number of highly popular on-line tournaments, in addition to the leagues, ladders and cups that run throughout the year. These have included:

- the PewDiePie Cup in September 2014; an event run in conjunction with the world's most viewed YouTuber – a Swedish gaming enthusiast – which saw 10,833 games of Speed Runners played; and
- the KSI Cup in November 2014; an event which saw over 4,000 games of FIFA 15 played across a single weekend.

3. The Business

There are two principal strands to Gfinity's business:

- Competitions:
 - Off-line or LAN events; and
 - On-line competitions; and
- On-line community for gamers.

Competitions:

Off-line or LAN events

Since its inception, Gfinity has established a strong reputation for staging off-line events, which bring together the best players or teams for specific games at a single location, playing on the same Local Area Network (LAN) for prize money as well as prestige.

This reputation has been based on Gfinity's ability to:

- attract the top players and teams to participate in its events;
- work with publishers to ensure that their brands are well represented;
- develop sets of rules and tournament structures so as to create sporting events from the parameters of a standard game;
- provide a team of referees and administrators capable of applying the rules and maintaining the standards of behaviour desired by publishers and sponsors; and
- successfully deliver events that are complex both technologically and logistically.

To date Gfinity has staged three of its own branded events:

Event	Location	Date	Spectators/ Tickets	On-line views
G1	Millbank Tower	July 2013	not ticketed	2.5m
G2	London Film Museum, Covent Garden	October 2013	600	2.8m
G3	Copperbox Arena, Olympic Park	August 2014	3,830	8.7m

In addition to these events, the Company also staged the Call of Duty European Championships on behalf of Activision in March 2014 and ran a community event, 'Play Like a Pro', on behalf of Riot Games at Eurogamer, the UK's largest trade show for the gaming industry held at Earls Court.

Gfinity has recently published its 2015 Schedule, which includes a larger number of events on a more regular basis than has been provided previously. This reflects demand for more regular content, which the Directors believe exists with both fans and sponsors. The business plan contains provision for the establishment of a new studio in Greater London from where the Company expects the majority of its events will be staged. The 2015 Schedule culminates in a major arena event, G4, in September 2015. The envisaged revenue streams are:

- Sponsorship – with events attracting high numbers of views, particularly in the male, aged 18-34 sector with which sponsors are keen to engage, the potential for sponsorship is significant;
- Broadcast – the total views of 8.7 million achieved by Gfinity for G3 across one weekend exceeded the total UK viewership for live matches of Premiership Rugby achieved by BT Sport for the entire 2013/14 season. Gfinity would only need to achieve a fraction of the value per view paid for traditional sports to significantly exceed its own business plan;
- Advertising and CPM Revenue – with such a high level of viewership, the potential for advertising income is significant. The Directors believe that the number of views can be increased significantly over the 2015 Schedule from the already encouraging figures logged to date; and
- Ticket Sales – spectators who attend events in person.

In addition, there is the potential for a range of sundry income streams, as would be expected from any major event, including merchandising, food and beverage, and programme sales.

On-line events

In addition to its off-line events, where players compete in person, Gfinity also provides an on-line tournament platform for people to compete across the internet in leagues, ladders and cups which are staged on an ongoing basis throughout the year.

The on-line competitions provide a structure principally for the amateur gamer and offer the potential to win cash prizes. The structure also provides the ability for people to qualify to play in off-line events with the world's top players.

Gfinity has invested significant money as well as management's experience and know-how into developing its tournament platform. The Directors believe that the tournament platform is superior to its competitors as it is more automated and highly scalable. The Company organises over 3,500 competitive matches each week and this can be increased significantly without additional development expenditure.

Gfinity facilitates this by means of the tournament organising system built into its website. The Company sets the competition rules and provides a network of administrators who ensure that participants are playing in line with the rules and establish a framework for resolving disputes. Whilst this cannot eliminate the risk of cheating or disputes, the Directors believe that these measures place the Company ahead of its competition in this regard.

Gfinity currently organises tournaments for the following games:

Game	Publisher
Call of Duty: Advanced Warfare	Activision
Counter Strike: GO (CS:GO)	Valve
Starcraft 2	Blizzard
FIFA 15	EA Sports
Halo 2	Microsoft (343 Studios)
Speedrunners	Tiny Build
League of Legends	Riot
Hearthstone	Blizzard

The Directors believe that the list above represents a broad selection of games available across both consoles and PCs, and the Company intends to add further titles to its offering.

On-line community for gamers:

In addition to hosting competitions, gfinity.net has been designed to be much more than a competition platform. The site also includes:

- news and content articles from eSports writers;
- forums for visitors to the site to discuss any gaming related issues;
- videos, ranging from magazine style review shows to short “G-tip” videos designed to help viewers improve their playing ability; and
- the ability for registered users to create their profiles and find teams to play in.

As at the date of this Document, Gfinity is approaching 300,000 registered users. Gfinity has a panel of users who provide feedback which Gfinity then uses to help develop the website and on-line tournaments. The Directors expect the website to continue to evolve and improve to match the needs of gamers and publishers.

In addition to gfinity.net, the Company maintains a Twitter presence with over 100,000 followers and has a YouTube channel which currently has close to 20,000 subscribers and has achieved 1.7 million views to date.

Of the approaching 300,000 registered users, approximately 1 per cent. pay for premium access to the site, either by way of a monthly fee of £2.49, or an annual fee of £20. To date, however, there has been relatively little premium content and, accordingly, marketing the premium offering has not been a priority. Following Admission, the Company plans to add more premium content as part of its strategy to further expand its registered user base.

4. Development of eSports

From the time in the 1970s when the first arcade machines started appearing, gamers have competed with each other, initially simply to record the highest score on a machine. The first known organised competition took place in 1972 at Stanford University. In 1980, Atari’s Space Invaders World Championships attracted over 10,000 participants.

The spread of the internet during the 1990s allowed gamers to compete against each other on-line, a major development in the growth of competitive gaming.

From this point, competitive gaming developed at different speeds in different parts of the world; The most progressive was South Korea, where licensing of professional gamers to compete has been taking place since the year 2000. Subsequently, viewing of gaming programmes in South Korea became popular on mainstream TV and the transition from competitive gaming to eSports occurred.

In other parts of the world, by contrast, progress was slower. While the number of competitions continued to grow, these tended to be amateur events and were viewed by many as a niche activity for the ultra enthusiast. TV shows did start to emerge in a number of countries, including Gamesmaster in UK, but these did not achieve the same popularity as had been experienced in South Korea.

Developments in technology have provided a platform for multiplayer interactive gaming. In 2011, Twitch launched its on-line streaming platform, which enabled viewing of live and recorded gaming action. By 2013, Twitch reported that its viewers were watching 12 billion minutes of video streaming per annum on its platform. Twitch currently has 55 million viewers per month. In August 2014, Amazon announced that it was purchasing Twitch for \$970 million. Other streaming platforms in this market include YouTube, Daily Motion and MLG.

In its Digital Game Brief (April 2014) Super Data Research reported that during 2013:

- 71.5 million people globally viewed eSports during the year; double the total for 2012; and
- the total prize fund for competitions reached \$25 million, an increase of 350 per cent. in just 4 years.

To further illustrate the growing popularity of eSports:

- the League of Legends Season 3 World Championship in 2013 was attended by 18,000 people in the Staples Centre in Los Angeles. This event sold out in one hour, achieving 32 million on-line views, including a peak concurrent viewership of 8.5m;

- a 2014 Defence of the Ancients (DotA) event 'The International' in the USA saw a prize pot of just under \$11m the largest prize fund yet secured for an eSports event; and
- the League of Legends Season 4 World Championships in 2014 held in South Korea, sold out a stadium of over 40,000 spectators.

As if to reflect the move of eSports towards the mainstream, in 2013, the USA started to grant visas to eSports participants, under their visa category reserved for 'internationally recognised athletes.'

5. Competition

It is the opinion of the Directors that the European market is fragmented with several small country specific operators. The Directors consider that the only pan-European competitor is Electronics Sports League (ESL) which is based in Germany and which has also launched operations in the United States. The Directors believe that none of these country specific operators has managed to achieve a critical mass of followers or focus on particular games or genres. The US market however is much more developed with UMG, Major League Gaming and ESL particularly well established.

There are a number of competitors involved in eSports that operate in the UK. The most notable of these UK operators are the European Gaming League, Multi-Play and epic.LAN. Below is a summary of the Company's main competitors:

International:

Major League Gaming (MLG):

MLG was founded in 2002 and in 2013 MLG launched its own broadcast platform, MLG.TV. Whilst MLG primarily operates in the USA, it is a well known brand globally and has a large on-line following.

Electronic Sports League (ESL):

ESL was launched in 2000 by Turtle Entertainment, a company based in Germany. The business mainly operates in Europe, but has started expanding into the USA and Asia. In addition to organising large scale eSports events, ESL also runs on-line leagues and ladders through its website, which has around 4.5 million registered users, and offers its own channels through on-line broadcasters like YouTube and Twitch.

UMG Events LLC (UMG):

UMG runs an on-line tournament platform, supported by a limited number of live events, primarily using the Call of Duty Series. UMG is based entirely in the USA.

Dreamhack:

Dreamhack is based in Sweden and organises festivals that combine elite-level eSports with live music, typically aimed at younger audiences. Dreamhack is a well established company which owns its own studio and is expanding into other countries in Europe.

UK:

European Gaming League (EGL):

EGL was formed in 2007 and is based in London. It is part of the brands company and advertising agency BBH Zag. EGL organises both off-line and on-line competitions, in titles including Call of Duty, League of Legends and the FIFA series.

Multi-Play:

Formed in 2003 and based in Southampton, Multi-Play organises large scale open events for mass participation, with space for exhibitors to showcase themselves to those attending. Multi-play has particular strength among the Minecraft community in UK.

epic.LAN:

Formed in 2008 and based in Stoke, epic.LAN focus on community events, particularly in DoTA and FIFA.

ESL UK:

ESL UK is a franchise of Electronic Sports League which provides small events in partnership with epic.LAN. Due to franchise status, ESL UK only focuses on UK players, making it harder for it to secure high viewership for on-line streams.

6. Sales and Marketing

Sales:

On 11 December 2014, Gfinity entered into a 2 year sales and marketing contract with Pitch, a shareholder in the Company, for Pitch to package and sell sponsorship and broadcasting rights on the Company's behalf. Pitch is a leading sports marketing agency and distributor of sports media rights worldwide. Its current portfolio of rights include the Brazilian Football Association (CBF), The Football Association, The Football League, New Zealand Cricket, Welsh, Scottish, Irish Rugby Unions, RBS Six Nations, British & Irish Lions, Premiership Rugby and Pro 12 Rugby.

Gfinity's work with sponsors within the industry is led by Martin Wyatt, Head of Player and Client Relationships. Martin has a strong sales background and worked with Neville Upton in helping to grow The Listening Company. Since joining the Company in November 2013, Martin has established a strong network of contacts throughout the industry.

David Yarnton, a non-executive director of the Company, has spent a great deal of his career in the gaming industry and provides assistance through his experience and contacts.

Marketing to the Gaming Community:

To help with the strategic aim of building its subscriber base, the Company engages with key elements of the gaming community. This effort is led by Marketing Director, Phil Shuldham-Legh. The aim is to attract gamers to the website, encouraging them to register and continue to engage with the site and also to attract viewers to watch Gfinity events. This is achieved through a number of means:

- YouTubers: Gfinity has already established relationships with a number of the world's top industry related YouTubers. These relationships have included annual contracts, incorporating videos, social media mentions, endorsements, personal appearances and one off events, such as the PewDiePie Cup;
- broadcasts: Gfinity has partnered with a number of the top on-line broadcasters to promote viewership of Gfinity events and through these to attract people to gfinity.net. Over the next year, Gfinity is targeting a series of events designed to attract upwards of 50 million on-line views. Broadcasters, such as Twitch, promote directly to their large subscriber bases major upcoming events such as those staged by Gfinity;
- social media: Gfinity has a Twitter account with over 100,000 followers, a Facebook page with over 26,000 likes and a YouTube channel with close to 20,000 subscribers and 1.7 million video views to date;
- publishers: publishers help to promote the tournaments on their websites and gaming forums; and
- players: the combined social network of the professional players competing in the events runs into millions of followers and they help promote their presence at these events. The community is passionate about following the top athletes and top personalities.

7. Strategy for growth

In the past 12 months, the Directors have put in place a number of building blocks from which they believe the Company will be able to expand its business and enhance its revenue earning ability. These include hosting the G3 event, re-launching the website, launching YouTube channels and building the management team.

Following Admission, Gfinity intends to accelerate progress toward achieving its goal of becoming the leading eSports event promoter and web community in Europe and eventually further afield. The eSports partnership with Pitch is considered a crucial part of converting Gfinity's progress into revenue streams and bringing Gfinity to a wider audience. Specific steps to be achieved are:

- delivering the 2015 Schedule with the intention of building subscriber numbers;
- developing Gfinity's marketing strategy to generate sponsorship and advertising revenue;
- building on existing relationships with game publishers;
- development of premium content offering; and
- continuing to enhance the website to create the best gaming community site.

The Directors expect that, by focussing on these objectives, the Company will be able to build up a critical mass of registered users of the website and attendance at its events. The proceeds of the Placing will enable this to be pursued more rapidly and effectively.

8. Key strengths and opportunities

8.1 Reputation and brand recognition

The Directors believe that Gfinity has established a good reputation with professional and recreational gamers in a relatively short period of time. It has achieved this through management's experience of gaming, the infrastructure it provides at events such as the rules and supervision, and through its website. This is demonstrated by the quality of top professional teams, such as Optic Gaming, EnVyUs and Ninjas in Pyjamas who have participated in on-line and off-line events.

8.2 Technology

Gfinity has invested significant sums in the creation and development of an up-to-date gaming relevant website which has increased users from 22,198 in June 2014 to approaching 300,000 at the time of Admission. It has also invested in a studio in Kingston at which events can be held and streamed.

8.3 Tournament platform

The Directors believe that Gfinity has developed a tournament platform that is superior to its competitors, using the experience and know-how of management as well as financial investment.

8.4 Strong management team – experienced commercially and in gaming

Gfinity's management team contains a blend of people with strong commercial experience and those with a deep insight in gaming. Chief Executive and co-founder Neville Upton set up his previous business, The Listening Company, and grew it to a turnover of over £80m prior to its sale to Serco. Ginette Jarman, Philip Shuldham-Legh and Martin Wyatt all worked with Neville at the Listening Company in helping to achieve this growth. Jonathan Hall and Tony Collyer are both experienced Chartered Accountants, with a high level of commercial experience. David Yarnton brings a high level of sector specific knowledge having spent over 18 years in the gaming industry. Paul Kent meanwhile, together with a number of the junior members of the team, participate regularly in eSports and give the team a real understanding of the eSports enthusiast.

8.5 Brand Ambassadors

The Directors believe that having popular YouTubers as brand ambassadors for Gfinity brings additional credibility to the Company within the gaming community and with potential sponsors. YouTubers such as KSI and Ali-A tend to specialise in particular games and have over 7.5 million and over 5 million subscribers respectively on YouTube.

8.6 Relationships with publishers of games

Gfinity has run events for a broad range of games rather than being tied to a particular publisher. The Directors believe that Gfinity has established credibility with publishers by successfully delivering events over a broad range of games. These relationships mean that Gfinity is not reliant on any single publisher.

8.7 Financial position

Following Admission, Gfinity will have funds of approximately £4.5m which will allow future investment and provide financial credibility when dealing with advertisers and sponsors. The Directors believe that this gives Gfinity a significant advantage over its UK competitors who in many cases are believed by the Company to be less well capitalised.

In addition, the Directors believe that there are significant opportunities which Gfinity's strength should enable it to exploit such as:

- eSports is a high growth market which should benefit from a significant game playing population;
- with on-line and off-line events and its website, Gfinity has a broad range of potential revenue streams which it can attempt to exploit; and
- delivering the 2015 Schedule should give Gfinity a first-mover advantage in establishing itself as the top eSports event promoter in the UK.

9. Summary financial information

The table below, which has been extracted from the historical financial information set out in Part 4 of this Document, sets out a summary of the financial results of Gfinity for the period from 16 May 2013 to 31 December 2013 and the six month period ended 30 June 2014. Prospective investors should read the full historical financial information in Part 4 of this Document and not rely solely upon the summary below.

	1 January 2014 to 30 June 2014	16 May 2013 to 31 December 2013
	£'000	£'000
Revenue	197	16
Gross profit	4	-410
Loss before taxation	-345	-719

The Directors consider that Gfinity is an early stage company and its focus to date has been on establishing a platform for growth rather than revenue generation. As such the financial record is short and the Directors consider that it does not properly reflect the progress made.

Following Admission, the Company will have cash resources of approximately £4.5 million. Its current normalised net cash outflows (excluding major events) are estimated to be approximately £120,000 per month. The Directors expect this figure to increase to approximately £200,000 per month after Admission as the Company invests to support the 2015 Schedule as well as investing in sales and marketing to grow its registered user base.

Since 30 June 2014, there have been five key developments:

- staging of G3, the Company's third Gfinity branded off-line competition. The event drew nearly 4,000 people to London's Copperbox arena and attracted 8.7 million on-line views from over 25 countries. The Company invested £450,000 in the staging of this event;
- growth in registered user base from 43,387 as at 30 June 2014 to approaching 300,000 at the date of publication of this Document;
- signature of a deal for Pitch to act as a sales and marketing agency for sponsorship and broadcasting rights on the Company's behalf;
- increasing the level of content available on gfinity.net and the ease of accessing this content, including: an embedded video player, featured content articles and the launch of a new home page for the website; and
- a rights offer to raise approximately £1.5 million from existing and new investors in November 2014 together with a subscription by Pitch of £600,000 in December 2014.

10. Current trading and prospects

The Company has generated relatively low sales to date and this is not expected to change materially in the short-term. Gfinity announced the 2015 Schedule on 28 November 2014 and the Company believes that this schedule will provide both sponsors and broadcasters with a level of regular top level eSports content that has not been available in the UK before. The 2015 Schedule, coupled with the Company's recent deal with Pitch, means that the Company now has both a product which it believes will be of value to sponsors and broadcasters as well as a greatly enhanced capability to sell to such groups. The Directors believe that, once the success of the 2015 Schedule is evident, numbers of subscribers and possible future revenue streams will emerge. The Directors believe that the recent partnership with Pitch is an excellent first step in building revenues.

11. Reason for Admission

Gfinity's principal reason for Admission to AIM is to raise additional capital in order to grow the business more rapidly and take advantage of the platform for growth that has been built in the last 12 months.

Other benefits are expected to include:

- increased financial strength and credibility when dealing with publishers, players and teams;
- helping to retain key personnel and attracting new talent;
- raising the profile of the Company with publishers and media companies; and
- providing access to new investors and future capital.

12. Use of Placing Proceeds

The Company is raising approximately £3.5 million (before expenses) through the placing of 20,588,235 Placing Shares at 17p per share. The intention is that the majority of these funds will be used to support the 2015 Schedule. In addition, funds will be used to help the Company to:

- create the UK's premier eSports studio to be used for both professional and community events;
- fund a series of marketing activities to promote the Gfinity brand and grow the registered user base; and
- develop gfinity.net into the premium hub for gaming news, content and interaction.

13. Directors

The current composition of the Board of the Company is as follows:

Tony Collyer (aged 58), *Non-Executive Chairman*

Tony is a qualified Chartered Accountant with broad commercial experience and finance director experience in three public companies: Allders plc, New Look Group plc and The Corporate Services Group plc.

Neville Upton (aged 53), *Chief Executive Officer*

After qualifying as a Chartered Accountant, Neville joined Euromoney where he gained experience in Finance and M&A. In 1998 he established a call centre business, The Listening Company, which was sold in 2011 to Serco for a sum in excess of £50 million at which time it had a turnover of £82 million and employed 4,000 people. Neville co-founded the Company in 2012 and is the largest shareholder in the Company.

Jonathan Hall (aged 38), *Finance Director*

Jon qualified as a Chartered Accountant with Arthur Andersen followed by a period of 6½ years with PA Consulting, a management consultancy, specialising in organisation and business process design. He subsequently spent 5 years as a finance director of Saracens Ltd and the wider Premier Team Holdings Group, before joining Gfinity in August 2014.

Ginette Jarman (aged 42), *Operations Director*

Ginette was a key member of the management team at The Listening Company. She has responsibility for the operational delivery of Gfinity events and management of special projects. She was the founding director of the Company and thus has been closely involved in the early development of the business since inception.

Paul Kent (aged 32), *Technology and eSports Director*

Paul has been involved in eSports since 1996, as both a top level gamer and team owner. He established the Warped Gaming League in 2009, which grew to be the UK's largest Xbox Live on-line league. Paul spent 10 years as a software engineer with Creative Labs. He has responsibility for web and production technology and also for setting the rules and tournament structures for all Gfinity competitions.

Philip Shuldham-Legh (aged 45), *Marketing Director*

Philip was Group Sales and Marketing Director for Neville Upton at The Listening Company until it was acquired by Serco in March 2011. In Serco he moved to Business Development Director until he joined Gfinity as Marketing Director in January 2013. Phillip divides his time between this role and being Strategy Director at Voice Marketing Ltd.

David Yarnnton (aged 55), *Non-Executive Director*

David has 18 years' experience of the games industry first in Australia followed by 9 years as Managing Director of Nintendo UK. He is a member of the UK Interactive Entertainment Association, an organisation in which he was a Board Member and Vice-Chairman for 7 years.

14. Corporate governance

The Directors are committed to maintaining high standards of corporate governance and, in so far as is practicable and appropriate given the Company's size and nature, ensuring that the Company is in compliance with the QCA Corporate Governance Guidelines for Small and Mid-Size Quoted Companies.

The Company has adopted the Share Dealing Code for the Directors and key employees and will take steps to ensure compliance by the Board and any relevant employees with the terms of the Share Dealing Code.

The Directors have implemented corporate governance procedures and established committees of the Board, including audit and remuneration committees, which they believe are appropriate for a company of Gfinity's size.

The Company's audit committee currently comprises Tony Collyer (Chairman) and David Yarnnton. The audit committee is to meet at least twice a year to consider: the integrity of the financial statements of the Company, including its annual and interim accounts; the effectiveness of the Company's internal controls and risk management systems; auditor reports; and the terms of appointment and remuneration for the auditor.

The Company's remuneration committee currently comprises Tony Collyer (Chairman) and David Yarnnton. The remuneration committee is to meet at least twice a year and has as its remit the determination and review of the remuneration of executives on the Board and any share incentive plans of the Company.

The Directors have established financial controls and reporting procedures which they consider are appropriate given the size and structure of the Company.

15. The Placing and the Placing Agreement

The Company is proposing to issue up to 20,588,235 Placing Shares pursuant to the Placing at the Placing Price to raise up to £3.5 million before expenses (approximately £3.0 million net of expenses).

The Placing Shares will represent approximately 26.44 per cent. of the Enlarged Share Capital following Admission, be fully paid and rank equally in all respects with the Existing Ordinary Shares.

On Admission the Directors will hold 24.4 per cent., in aggregate, of the Enlarged Share Capital.

The Company, the Directors and Arden have entered into the Placing Agreement under which Arden has, conditionally, agreed to use reasonable endeavours to procure placees for all of the Placing Shares at the Placing Price and to make application, on behalf of the Company, for Admission. The Placing Agreement is conditional on, amongst other things, Admission occurring by 8:00 am on 22 December 2014 and in any event by no later than 31 December 2014. The Placing Agreement contains warranties from the Company and the Directors and an indemnity from the Company. Arden may terminate the Placing Agreement at any time before Admission if, among other reasons, any of the warranties is found to be untrue or inaccurate in any material respect.

Further details of the Placing Agreement are set out in paragraph 13 of Part 5 of this document.

16. Lock-in and orderly market arrangements

Each of the Directors, Euroblue Investments Ltd and Nigel Wray have undertaken to the Company and Arden in accordance with rule 7 of the AIM Rules for Companies that, except in certain limited circumstances, they will not dispose of any interest in the Ordinary Shares held by them for a period of 12 months and, for the following 12 months, that they will only dispose of their holdings with the consent of the Company's broker and nominated adviser from time to time in order to ensure an orderly market in the Ordinary Shares. Further details of the lock-in and orderly market arrangements are set out in paragraph 13 of Part 5 of this Document.

17. Dividend policy

It is the current intention of the Directors for the Company to retain its cash in order to develop the business and achieve capital growth. Accordingly, they do not intend to pay dividends in the near future. The declaration and payment by the Company of any future dividends and the amount of them will depend upon the Company's financial condition, future prospects, profits legally available for distribution and other factors deemed by the Board to be relevant at that time.

18. Taxation

Information regarding certain taxation considerations in the United Kingdom is set out in paragraph 9 of Part 5 of this Document. This information is, however, intended only as a general guide to the current position under UK taxation law. If you are in any doubt as to your tax position you should consult an appropriate professional adviser immediately.

19. Settlement and dealings

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. Euroclear is unable to take responsibility for the electronic settlement of shares issued by companies in certain non-UK jurisdictions.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

Application will be made for the Enlarged Share Capital to be admitted to AIM. Admission is expected to take place, and dealings in the Enlarged Share Capital to commence, on 22 December 2014. The Ordinary Shares will have the ISIN number GB00BT9QD572.

All Placing Shares will be issued payable in full at the Placing Price. It is intended that, if applicable (that is, if Placing Shares are to be held in certificated form), definitive share certificates in respect of the Placing Shares will be distributed by 5 January 2015 or as soon thereafter as is practicable. No temporary documents of title will be issued. The Ordinary Shares are not listed on any other multilateral trading facility or recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any such exchange.

20. Share Option Schemes

The Board believes that it is important that directors, employees of, and consultants to, the Company are appropriately and properly motivated and rewarded.

As at the date of this Document, the Company has granted options over, in aggregate, 2,826,000 Ordinary Shares to certain Directors (and to a company connected with one of them) and certain existing employees, further details of which are set out in paragraph 12 of Part 5 of this Document.

21. The City Code on Takeovers and Mergers

The Company is subject to the City Code. Accordingly, investors should note, in particular, the paragraph below on Rule 9 of the City Code.

Rule 9 of the City Code normally requires any person (or group of persons acting in concert) who acquires shares in a company subject to the provisions of the City Code which, taken together with shares already held by that person or group of persons, carry 30% or more of the voting rights of such a company to offer to acquire the balance of the equity share capital. Rule 9 of the City Code also normally requires any person who, together with persons acting in concert with him, holds between 30% and 50% of such a company's voting rights and who acquires additional shares which increases his holding of voting rights to make such a mandatory offer.

22. Further information

Your attention is drawn to the further information set out in:

- Part 3 of this Document relating to risk factors;
- Part 4 of this Document setting out financial information and an accountant's report on the Company; and
- Part 5 of this Document summarising statutory and general information on the Company.

PART 3

RISK FACTORS

The investment detailed in this Document may not be suitable for all its recipients and involves a higher than normal degree of risk. Before making an investment decision, prospective investors are advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of the kind described in this Document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

An investment in the Company constitutes a high risk investment and prospective subscribers for Ordinary Shares should carefully evaluate the factors below. An investment in the Company should be regarded as speculative and, given the inherent illiquidity of the Company's proposed underlying assets, should be considered long term in nature and as suitable only for sophisticated investors who understand the risks involved including the risk of a total loss of capital.

In addition to the other relevant information set out in this Document, the Directors consider that the following specific risk factors, which are not set out in any particular order of priority, should be taken into account when evaluating whether to make an investment in the Company:

1. Risks relating to the Company and its business

Limited operating history and uncertainty of future revenues

Gfinity has a limited operating history and, accordingly, potential investors will have a limited basis on which to evaluate its ability to achieve its business objectives.

The future success of the Company is dependent on the Directors' ability to implement its strategy. Whilst the Directors are optimistic about the Company's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved.

The Company faces risks frequently encountered by early-stage companies. In particular, its future growth and prospects will depend on its ability to expand its operation and gain additional revenue streams whilst at the same time maintaining effective cost controls. Any failure to expand is likely to have a material adverse effect on the Company's business, financial condition and results.

Publisher authorisation

Gfinity's business model depends upon being able to take footage from computer and console games, generated either by subscribers or at Gfinity events, and to stream live footage on-line. Technically, these activities infringe copyright in the games, and so could lead to an infringement claim against Gfinity if done without the licence or consent of the game publishers. To date, publishers have consented (expressly or implicitly) to the use of their games at Gfinity's events and on-line, as it provides a good advertisement for their games.

The Company has obtained assurances from the majority of the publishers whose games it intends to use in the 2015 Schedule but there remains the possibility that there may be a change in policy by one or more of the publishers in the future. Any such change of policy may result in publishers choosing to withdraw their consent for Gfinity to make use of their games at events and on-line subject to commercial terms, including payment obligations. The Directors have no reason to believe that a change in practice is imminent or likely and are confident that Gfinity could maintain its business if some games were excluded from the site or if a small licence fee were to be charged for use of the games.

Dependency on the internet infrastructure and third party networks

The Company is dependent on the on-going maintenance of the global, regional and local Internet infrastructure to provide its operations. In the event of low connection speeds or in the absence of an internet connection in the region of access, subscribers and viewers will not be able to access the Company's website or view its streams. There can be no assurance that the internet infrastructure will continue to be able to support the demands placed on it.

Disruption from failure of website or third party streaming

The Company's operations depend on the efficiency and "ease of use" of its website to attract registrations from users. In turn, the content for live events and recorded events depends on streaming provided by third parties such as Twitch, YouTube or MLG. Any disruption to these third parties or to the Company's website could damage the reputation of Gfinity as a host of on-line events. This could affect income from sponsors, advertisers and registered users which could damage the Company's business.

Actions of third parties, including partners and contractors

The Company is reliant to an extent on third parties, including game publishers, Pitch, Twitch (and other streaming platforms), web developers and contractors used in staging live events.

Some of the Company's activities may require third parties to provide contracting services. There can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships or failure to engage contractors could be detrimental to the future business, operating results and/or profitability of the Company.

In certain circumstances, the Company may be liable for the acts or omissions of its partners. If a third party pursues claims against the Company as a result of the acts or omissions of the Company's partners, Gfinity's ability to recover from such partners may be limited.

Dependence on key executives

The performance of the Company will depend heavily on its ability to retain the services of the Directors and to recruit, motivate and retain further suitably skilled personnel. The loss of the services of key individuals may have an adverse effect on the business, operations, customer relationships and results.

Reputational risk: control of minors attending on-line and off-line events

Controlling internet access for minors is extremely difficult even with strong parental control. There is therefore a risk that minors could view games rated "18+" by reason of their violent and/or explicit content or language on gfinity.net. In addition, minors could gain access to view games rated as "18+" at Gfinity events. Social media reaction increases the vulnerability of companies such as Gfinity to criticism and bad publicity, which could affect the popularity of the website and accordingly the Company's attractiveness to potential sponsors.

Gfinity takes the following steps to limit inappropriate access, which it believes are at the forefront of best industry practice:

- the website terms of use state that users must observe the PEGI ratings of each game;
- payment for subscriptions is by Paypal which is generally only available to adults;
- Gfinity does not include some, more controversial, games in its competitive schedule; and
- the ticketing website for the offline events draws applicants' attention to the PEGI ratings of the games, and this is also printed on the tickets.

Reputational risk: cheating by competitors

Whilst Gfinity endeavours to police its events in order to ensure that participants abide by the rules, it is not possible to rule out the risk of participants attempting to cheat, for example by colluding with one another to 'fix' a result. If this were to occur at one of Gfinity's major events, it could damage the reputation of the events and the Company, and the Company could be liable for ticket refunds and potentially other charges.

Reliance on participation by well-known professional players and teams

A key element of the Company's strategy is to make Gfinity the "go-to" location for live and on-line eSports competitions. A key element of the Company's ability to fulfil this strategy is to host the best known or most highly rated competitors. If Gfinity events lost the support of these gamers, this could affect the popularity of Gfinity's events with a consequential impact on the potential revenues from those events.

Requirement for further funds

Although the Company does not currently require funding and has funds in place for the foreseeable future, it may require additional financial resources to fund its long-term expansion. The Company may in the future raise such additional funds through public or private financing. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms favourable to the Company or its Shareholders.

Taxation

The Company's effective tax rate in any given financial year reflects a variety of factors that may not be present in succeeding financial years, and may be affected by changes in the tax laws of the jurisdictions in which the Company operates, or the interpretation of such laws. Changes in the tax rates, tax relief, tax laws or practice by a relevant tax authority, or changes in interpretation of the law or a relevant tax authority's practice, increasing challenges by relevant tax authorities or any failure to manage tax risks adequately could result in increased charges, penalties, financial condition and results of operations.

Economic climate

The trading activities of the Company will, to a certain extent, be dependent on the general economic environment. Factors such as inflation, currency fluctuations, interest rates, supply and demand of capital and industrial disruption have an impact on demand, business costs and stock market prices. The Company's operations, business and profitability can be affected by these factors, which are beyond the control of the Company.

Security

The Company cannot guarantee absolute protection against unauthorised attempts to access its IT systems, including malicious third party applications or denial of service attacks that may interfere with or exploit security flaws in its website. Viruses, worms and other malicious software programs could jeopardise the security of information stored in a user's computer or in the Company's computer systems or attempt to change the Internet experience of registered users by interfering with the Company's ability to connect with its registered users. If any compromise to the Company's security measure were to occur and the Company's efforts to combat this breach were unsuccessful, the Company's reputation may be harmed leading to an adverse effect on the Company's financial condition and future prospects.

Legal proceedings

The Company may in the future be involved in legal proceedings or otherwise subject to legal claims arising out of the ordinary course of its business, which include claims alleging intellectual property rights infringement, breach of contract, data protection laws, marketing laws and health and safety laws. The Company cannot predict the outcome of legal proceedings. Any insurance coverage that the Company maintains may not cover its losses fully, or at all. Regardless of the outcome, litigation may require expenditure of significant funds and resources, and harm the Company's reputation. It could also affect the Company's credit record.

2. Risks relating to the industry

Competition

The market in which the Company operates is competitive and fast moving and may become even more competitive. There can be no guarantee that the Company's competitors will not develop similar or superior services to the Company's services which may render the Company uncompetitive.

Regulation

The Company is subject to general business regulations and laws as well as regulations and laws specifically governing the internet, eCommerce and electronic devices. Existing and future laws and regulations may impede the Company's growth or strategy. These regulations and laws may cover taxation, privacy, data protection, pricing, content, copyrights, distribution, mobile communications, consumer protection, web services, the provision of online payment services, websites and the characteristics and quality of products and services. Unfavourable

changes in regulations and laws could decrease demand for the Company's events, online offering and merchandise, increase its cost of doing business or otherwise have a material adverse effect on the Company's reputation, popularity, results of operations and financial condition.

3. Risks relating to AIM and the Ordinary Shares

AIM

The Enlarged Share Capital will be admitted to AIM and it is emphasised that no application is being made for admission of any of the Ordinary Shares to the Official List or to any other stock exchange at this time. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List. The rules of AIM are less demanding than those of the Official List of the UK Listing Authority. Further, the London Stock Exchange has not itself examined or approved the contents of this document. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised for the purposes of FSMA who specialises in the acquisition of shares and other securities.

Share price

The share price of quoted companies can be highly volatile, which may prevent shareholders from being able to sell their Ordinary Shares at or above the price they paid for them. The Placing Price may not be indicative of prices that will prevail in the trading market and investors may be unable to resell the Ordinary Shares at or above the price they paid for them. The market price for the Ordinary Shares could fluctuate significantly for various reasons, many of which are outside the Company's control. These factors could include large purchases or sales of the Ordinary Shares, legislative changes and general economic, political, or regulatory conditions.

Liquidity

Admission should not be taken as implying that there will be a liquid market for the Ordinary Shares. Prior to Admission, there has been no public market for the Ordinary Shares and there is no guarantee that an active trading market will develop or be sustained after Admission. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares may be materially adversely affected.

Future dilution

Other than in connection with Admission or pursuant to employee share options or other similar incentive arrangements, the Company has no current plans to issue additional Ordinary Shares in the near future. However, the Company cannot rule out further equity fundraising activities in the future, which may dilute the holdings of shareholders.

The risk factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Company is exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in the market and/or economic conditions and in legal, accounting, regulatory and tax requirements. There may be additional risks that the Directors do not currently consider to be material or of which they are currently unaware.

If any of the risks referred to in this Part 3 materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its shares could decline and investors may lose all or part of their investment.

PART 4

ACCOUNTANTS' REPORT ON THE FINANCIAL INFORMATION ON THE COMPANY

The Directors
Gfinity plc
The Factory Unit 11
35 New Bridge Street
London
EC4V 6BW

and

The Directors
Arden Partners plc
125 Old Broad Street
London
EC2N 1AR

16 December 2014

Dear Sirs,

Gfinity plc

We report on the financial information set out below. This financial information has been prepared for inclusion in the Admission Document dated 16 December 2014 on the basis of the accounting policies set out in note 1. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibility

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

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information.

It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial information gives for the purpose of the Admission Document dated 16 December 2014 a true and fair view of the state of affairs of Gfinity plc as at 31 December 2013 and 30 June 2014 and of the losses, cash flows and statement of changes in shareholders' equity for the periods then ended in accordance with the basis of preparation set out in note 2 of the financial information.

Declaration

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

Yours faithfully

Rees Pollock
Chartered Accountants

**HISTORICAL FINANCIAL INFORMATION ON GFINITY PLC
FOR THE TWO PERIODS ENDED 30 JUNE 2014
STATEMENT OF COMPREHENSIVE INCOME**

	Notes	1 January 2014 to 30 June 2014 £'000	16 May 2013 to 31 December 2013 £'000
Continuing operations			
Revenue	3	197	16
Cost of sales		-193	-426
		<hr/>	<hr/>
Gross profit		4	-410
Administrative expenses		-349	-309
		<hr/>	<hr/>
Operating loss		-345	-719
Finance income		—	—
		<hr/>	<hr/>
Loss on ordinary activities before tax		-345	-719
Taxation	7	—	—
		<hr/>	<hr/>
Retained loss for the period		-345	-719
		<hr/> <hr/>	<hr/> <hr/>
Loss and total comprehensive income for the period		-345	-719
		<hr/> <hr/>	<hr/> <hr/>

STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2014 £'000	As at 31 December 2013 £'000
Assets			
Non-current assets			
Property, plant and equipment	8	15	5
		<u>15</u>	<u>5</u>
Current assets			
Trade and other receivables	9	141	56
Cash and cash equivalents		591	300
		<u>732</u>	<u>356</u>
Total assets		<u><u>747</u></u>	<u><u>361</u></u>
Equity and liabilities			
Equity			
Share capital	12	32	25
Share premium		1,330	662
Other reserves		8	—
Retained earnings		-1,064	-719
Total equity		<u>306</u>	<u>-32</u>
Non-current liabilities			
Borrowings	11	330	330
		<u>330</u>	<u>330</u>
Current liabilities			
Trade and other payables	10	111	63
		<u>111</u>	<u>63</u>
Total liabilities		<u>441</u>	<u>393</u>
Total equity and liabilities		<u><u>747</u></u>	<u><u>361</u></u>

STATEMENT OF CASH FLOWS

	Notes	1 January 2014 to 30 June 2014 £'000	16 May 2013 to 31 December 2013 £'000
Cash flow from operating activities			
Loss before taxation		-345	-719
Adjustments for:			
Depreciation		2	1
Share based payments		8	—
Increase in trade and other receivables		-85	-56
Increase in trade and other payables		48	63
		<hr/>	<hr/>
Net cash outflow from operating activities		-372	-711
		<hr/>	<hr/>
Cash flows from investing activities			
Interest paid		—	—
Interest received		—	—
Purchase of property, plant and equipment	8	-12	-6
		<hr/>	<hr/>
Net cash outflow from investing activities		-12	-6
		<hr/>	<hr/>
Cash flows from financing activities			
Cash inflow from director's loan		—	330
Proceeds from issue of ordinary share capital		675	687
		<hr/>	<hr/>
Net cash generated from financing activities		675	1,017
		<hr/>	<hr/>
Increase in cash and cash equivalents		291	300
		<hr/>	<hr/>
Cash and cash equivalents at beginning of period		300	—
		<hr/>	<hr/>
Cash and cash equivalents at end of period		591	300
		<hr/> <hr/>	<hr/> <hr/>

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

	Share capital £'000	Share premium account £'000	Share option reserve £'000	Retained earnings £'000	Total equity £'000
At 16 May 2013	—	—	—	—	—
Loss for the period	—	—	—	-719	-719
New shares issued	25	662	—	—	687
Total comprehensive income	25	662	—	-719	-32
At 31 December 2013	25	662	—	-719	-32
Loss for the period	—	—	—	-345	-345
New shares issued	7	668	—	—	675
Share options expensed	—	—	8	—	8
Total comprehensive income	7	668	8	-345	338
At 30 June 2014	32	1,330	8	-1,064	306

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the value of shares issued over the nominal value of the shares net of share issue expenses.

Share option reserve is the charge accruing in respect of employee share options granted but not yet exercised.

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

Gfinity Limited ("the Company") is a company incorporated in the United Kingdom under the Companies Act 2006.

The address of the registered office is 35 New Bridge Street, London EC4V 6BW.

The principal activity of the Company is that of eSports media business. The registered number of the company is 08232509. The functional and presentational currency is £ sterling.

Due to a change in accounting reference date, the current period covered by these accounts is the 6 months to 30 June 2014. The previous accounting period was the short period from the commencement of trade on 16 May 2013 to 31 December 2013. Therefore amounts presented in the financial statements are not entirely comparable.

2. ACCOUNTING POLICIES

Basis of preparation

The Company has prepared the Historical Financial Information on the basis of all applicable International Financial Reporting Standards (IFRS), including all International Accounting Standards (IAS), Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Board (IASB) with effective dates for accounting periods beginning on or after 1 July 2013, together with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The accounts have been prepared on the historical cost basis. The principal accounting policies, which have been consistently applied throughout the period presented, are set out below.

The preparation of financial statements in conformity with IFRS requires the use of certain estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Estimates and judgements are continually reviewed and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. These financial statements are not subject to any matters involving critical judgements or estimates.

Going concern

As referred to in note 16, since the period end the company has raised in excess of £2 million of new equity capital. Taking this into account and having considered the expected operating profits and cash flows through to 30 June 2016 the directors consider that the company has sufficient resources to continue in operational existence for the foreseeable future.

In addition, the company is seeking Admission to AIM in order to raise additional share capital which would be used to accelerate its expansion plans.

Accordingly, these accounts have been prepared on a going concern basis.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the normal course of the Company's activities. Revenue is shown net of value added tax.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, the stage of completion of the transaction at the balance sheet date can be measured reliably and the costs incurred and the costs required to complete the services in respect of the revenue can be measured reliably. If the amounts have been invoiced in advanced for services, these amounts are deferred until the service is delivered to the client at which point the income is recognised. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue comprises of:

- Ticket sales: Revenue is recognised on the date the relevant event is delivered.
- Event hosting: Revenue is recognised on the date the relevant event is delivered.
- Website subscriptions: Revenue is invoiced in advance and deferred over the subscription period.
- Advertising revenues: Fees are earned each time a user clicks on one of the ads that are displayed on the website. Revenue is recognised on a pay-per-click basis.
- Sponsorship revenues: Revenue is recognised on the date the relevant sponsored event takes place.

Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. The Company does not currently have any non-monetary assets and liabilities denominated in foreign currencies.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the year.

Taxation

The taxation expense represents the sum of the tax currently payable and deferred tax.

The charge for current tax is based on the results for the period as adjusted for items that a non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computations of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or any discount on acquisition) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets and liabilities are not discounted.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and that the cost of the item can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Company are obligated to incur when the asset is acquired, if applicable.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of tangible fixed assets to their residual values over their useful economic lives, as follows:

Office equipment	—	1 year straight line
Computer equipment	—	3 years straight line
Production equipment	—	3 years straight line

The residual values and useful economic lives of the assets are reviewed, and adjusted if appropriate, at each balance sheet date. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable value. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and are recognised within other gains or losses in the income statement.

Share based awards

The Company issues share options to its employees. The Company has applied the requirements of IFRS 2 Share-based Payments.

The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant.

The fair value determined at the grant date of the equity-settled, share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

Fair value of the equity-settled share-based payments is measured by use of a Black-Scholes model.

Financial liabilities

Financial liabilities are obligations to pay cash or other financial instruments and are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into. All interest-related charges are recognised as an expense in the income statement.

Trade and other payables are not interest bearing and are recorded initially at fair value net of transactions costs and thereafter at amortised cost using the effective interest rate method.

Financial instruments

Financial assets are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument and are recognised in the balance sheet at the lower of cost and net realisable value.

Financial assets

Financial assets are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument and are recognised in the balance sheet at the lower of cost and net realisable value.

Provision is made for diminution in value where appropriate.

Income and expenditure arising on financial instruments is recognised on the accruals basis, and credited or charged to the statement of comprehensive income in the financial period to which it relates.

Trade receivables do not carry any interest and are initially recognised at fair value, subsequently reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, and other short-term, highly liquid investments with original maturities of three months or less. These are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of value-added tax, from the proceeds.

Financial risk management

- (a) Financial risk management objectives and policies: the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the company's operations whilst managing its financial risks, including interest rate risk, market risk, credit risk, liquidity risk and cash flow risk.
- (b) Credit risk: the Company's exposure to credit risk arises mainly from receivables and cash holdings. Receivables are monitored on an ongoing basis via management reporting procedures and action is taken to recover debts when due. The company's cash holdings are all held with major financial institutions whose financial status is regularly reviewed.
- (c) Liquidity and cash flow risks: liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it maintains a sufficient level of cash and cash equivalents to meet its working capital requirements.
- (d) Market risk: the entity considers that it only operates in one main market and therefore does not consider that a sensitivity analysis between markets is appropriate.
- (e) Fair values: The aggregate fair values of all financial assets and liabilities are consistent with their carrying values. The following assumption is used to estimate the fair values of the following classes of financial instruments: The carrying amounts of cash and cash equivalents, trade and other receivables/payables approximate fair values due to the relatively short term maturity of these financial instruments.

3. REVENUE

	2014 £'000	2013 £'000
Continuing operations		
Event hosting	182	—
Advertising	9	3
Sponsorship	5	2
Website subscriptions	1	1
Ticket sales	—	10
	<u>197</u>	<u>16</u>

4. OPERATING LOSS FOR THE YEAR

Operating loss for the year has been arrived at after charging:

	2014 £'000	2013 £'000
Depreciation of property, plant and equipment	2	1
Rentals under operating leases	67	35
Staff costs	131	104
Auditors' remuneration for audit services	5	—
Auditors' remuneration for other non-audit services	10	10
Exchange (gains)/ losses	—	—
	<u>—</u>	<u>—</u>

5. STAFF COSTS

All staff costs in the Company are presented in overheads.

	2014 £'000	2013 £'000
Number of management and administrative staff	8	6

	2014 £'000	2013 £'000
Wages and salaries	115	97
Social security costs	8	7
Equity settled transactions	8	—
	<u>131</u>	<u>104</u>

6. DIRECTORS' EMOLUMENTS

The aggregate payroll costs of the directors were:

	2014 £'000	2013 £'000
Employment costs:		
Salaries and short-term employment benefits	45	37
	<u>45</u>	<u>37</u>

7. TAXATION

The Company has deferred tax assets arising from trading losses carried forward of £207,000 (2013: £142,000) calculated at the substantively enacted Corporation tax rate at the balance sheet date of 20% (2013: 20%). These trading losses will reverse against future taxable trading profits and no asset has been recognised due to uncertainties over the timing and nature of such gains in accordance with IAS 12.

8. PROPERTY, PLANT AND EQUIPMENT

	Office equipment £'000	Computer & production equipment £'000	Total £'000
Cost			
At 16 May 2013	—	—	—
Additions	—	6	6
At 31 December 2013	—	6	6
Additions	4	8	12
At 30 June 2014	<u>4</u>	<u>14</u>	<u>18</u>
Depreciation			
At 16 May 2013	—	—	—
Charge for the year	—	1	1
At 31 December 2013	—	1	1
Charge for the year	1	1	2
At 30 June 2014	<u>1</u>	<u>2</u>	<u>3</u>
Net book value			
At 30 June 2014	<u>3</u>	<u>12</u>	<u>15</u>
At 31 December 2013	<u>—</u>	<u>5</u>	<u>5</u>

9. TRADE AND OTHER RECEIVABLES

	2014 £'000	2013 £'000
Trade receivables	5	—
Other receivables	52	35
Prepayments and accrued income	84	21
	<u>141</u>	<u>56</u>

10. TRADE AND OTHER PAYABLES

	2014 £'000	2013 £'000
Trade payables	58	20
Other taxation and social security	6	6
Accrued expenditure and deferred revenue	47	37
	<u>111</u>	<u>63</u>

11. BORROWINGS

	2014 £'000	2013 £'000
Directors' loan	330	330

N Upton, a shareholder and a director of the Company, has loaned £330,000 (2013: £330,000) to the company. No interest is payable on this loan. The loan has no set repayment date and will not be repayable until a sale of the business. Since the period end this loan has been converted into ordinary share capital as part of the fund raising referred to in Note 16.

12. SHARE CAPITAL

	2014 No. '000	2014 £'000	2013 No. '000	2013 £'000
Issued and fully paid:				
Ordinary shares of £1 each	32	32	25	25

13. OPERATING LEASE ARRANGEMENTS

	2014 £'000	2013 £'000
The Company as lessee		
Minimum lease payments under operating leases recognised as an expense in the year	67	35

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2014 £'000	2013 £'000
Less than one year	46	52

Operating lease payments represent rentals payable by the Company for its office property.

14. RELATED PARTY TRANSACTIONS

During the period, N Upton, a director and shareholder, provided a loan of £nil (2013: £230,000) to the company as well as paid expenses of £nil (2013: £112,000) on behalf of the company. As at the period end, £330,000 (2013: £330,000) was due from the company and is included within creditors. No interest is payable on this loan. The loan has no set repayment date and will not be repayable until a sale of the business. Since the period end this loan has been converted to ordinary share capital as part of the fund raising referred to in Note 16.

During the period, consultancy fees of £nil (2013: £33,000) were paid to G Jarman, a director and shareholder. At the period end, £nil (2013: £4,000) was due from the company.

During the period, the company purchased a website for £nil (2013: £8,000) from P Kent, a director and shareholder. At the period end, £8,000 (2013: £8,000) was due from the Company.

15. SHARE BASED PAYMENTS

Options

The Board has authority to grant share options over up to 10% of the number of shares in issue.

The table below summarises the exercise terms of the various options over Ordinary shares of 1p each which had been granted, and were still outstanding, as at 30 June 2014. Of the 676 options granted, 323 were to P Shuldham-Legh, a director who served during the period.

The principal assumptions used to calculate the value of options issued for compliance with IFRS 2 "Share Based Payments" are included below where applicable.

	2014 Options	Weighted average exercise price	2013 Options	Weighted average exercise price
Outstanding at the beginning of the period	—	—	—	—
Granted during the period	676	90	—	—
Forfeited during the period	—	—	—	—
Exercised during the period	—	—	—	—
Outstanding at the end of the period	—	—	—	—
	<hr/>	<hr/>	<hr/>	<hr/>
Exercisable at the end of the period	676	90	—	—
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Company used the Black-Scholes model to obtain a fair value for the share options and the IFRS 2 charge was not material. The input factors for the Black-Scholes model are detailed below:

	26 June 2014
Date of grant	2014
Market value at date of grant (£)	90.00
Number of share options outstanding	676
Term of options (years)	1
Period of vesting (years)	1
Exercise price (£)	90.00
Risk-free rate	2.76%
Expected dividend yield	nil%
Expected volatility	30%
Fair value option (£)	11.85

16. POST BALANCE SHEET EVENTS

Since the period end the Company has successfully raised two additional tranches of equity funding. In August 2014 the Company raised £683,000 through the issue of 7,364 new ordinary shares at £92.69 per share and in November 2014 a further £1.51 million was raised by issuing 9,842 new ordinary shares at £153.53 per share. Coinciding with the November fundraising the director's loan (note 11) was capitalised through the issue of 2,149 ordinary shares.

Further to this fundraising the Company is currently seeking Admission to AIM in order to raise further capital to accelerate its expansion plans.

PART 5

ADDITIONAL INFORMATION

1. Responsibility

The Company and the Directors, whose names and functions are set out in paragraph 2 of this Part 5, accept responsibility for all the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

2. The Directors

2.1 The Directors and their respective functions are as follows:

Directors

Tony Collyer (*Non-Executive Chairman*), appointed 21 January 2014

Neville Upton (*Chief Executive Officer*), appointed 15 January 2014

Jonathan Hall (*Finance Director*), appointed 1 September 2014

Ginette Jarman (*Operations Director*), appointed 28 September 2012

Philip Shuldham-Legh (*Marketing Director*), appointed 16 June 2014

Paul Kent (*Technology and eSports Director*), appointed 31 July 2013

David Yarnton (*Non-Executive Director*), appointed 1 September 2014

2.2 The business address of the Directors is Unit 11, The Factory, 2 Acre Road, Kingston Upon Thames, Surrey KT2 6EF, telephone number 0330 223 0860.

3. The Company

3.1 The business of the Company and its principal activity is that of a trading company operating as an organiser of tournaments and other events in the on-line gaming and eSports sector.

3.2 The registered office of the Company is at 35 New Bridge Street, London EC4V 6BW and its principal place of business is at Unit 11, The Factory, 2 Acre Road, Kingston Upon Thames, Surrey KT2 6EF, telephone number 0330 223 0860.

3.3 The Company does not have any subsidiaries or significant investments.

3.4 The Company was incorporated on 28 September 2012 in England and Wales and was re-registered as a public limited company on 5 December 2014. The principal legislation under which the Company operates is the Companies Act 2006.

4. Share capital

4.1 The Company is a public company limited by shares and, with shareholder approval, can issue an unlimited number of Ordinary Shares.

4.2 The liability of Shareholders is limited to the amount payable in respect of the Ordinary Shares.

4.3 The issued share capital of the Company at the date of this Document is £56,210, comprising 56,210,000 ordinary shares of 0.1p each and on Admission will be £77,845.15 comprising 77,845,150 ordinary shares of £0.1p each. All Ordinary Shares in issue following Admission will be fully paid up.

- 4.4 The following table and paragraph 4.5 below describe the changes to the share capital of the Company that have taken place during the period covered by the historical financial information set out in Part 3 of this document and to be issued at Admission.

Date	Change in share capital	No. of shares	Issue price
28 September 2012	Subscriber share on incorporation	1	£1.00
26 March 2013	Subscription	1,622	£6.17
16 May 2013	Subscription pursuant to an agreement made in September 2012	12,299	£1.00
22 July 2013	Subscription	1,390	£71.94
16 August 2013	Subscription pursuant to an agreement made in March 2013	463	£6.17
28 August 2013	Subscription	1,390	£71.94
7 October 2013	Subscription	556	£90.00
28 October 2013	Subscription	250	£90.00
16 November 2013	Subscription pursuant to an agreement made in March 2013	463	£6.17
18 November 2013	Subscription by multiple new shareholders pursuant to an agreement made in March 2013	2,288	£6.17
5 December 2013	Subscription	28	£90.00
6 December 2013	Subscription by multiple new shareholders	4,111	£90.00
14 January 2014	Subscription by multiple new shareholders	7,506	£90.00
11 August 2014	Subscription by multiple existing and new shareholders	7,364	£92.69
24 November 2014	Subscription by multiple existing and new shareholders	12,246	£153.53
28 November 2014	Issue to Neville Upton by way of capitalisation of a loan	2,149	£153.53
4 December 2014	Subdivision of each ordinary share of £1.00 into 1,000 ordinary shares of £0.001 each		
7 December	Subscription by Arden	325,000	£0.15353
11 December	Subscription by Pitch	3,908	£153.53

- 4.5 The transactions in the above table involved ordinary shares with nominal value of £1.00 each other than Arden's subscription on 7 December 2014. On 4 December 2014, the Company's shareholders passed a special resolution to subdivide each ordinary share of £1.00 into 1,000 ordinary shares of £0.001 each. On 5 December 2014, the Company reduced its share capital by reducing its share premium account by 2,750,000.
- 4.6 The Company has granted certain options over Ordinary Shares, details of which are set out at paragraph 12 of this Part 5.
- 4.7 The subscriptions for Ordinary Shares on 11 August 2014 and 24 November 2014 included the issue of Ordinary Shares to certain individuals by way of commission in respect of the contribution of SRG to the Company's fundraising activities.
- 4.8 The Company does not have in issue any securities not representing share capital and there are no outstanding convertible securities issued by the Company.
- 4.9 The Ordinary Shares are in registered form and may be held in either certificated form or through the CREST system.
- 4.10 Except as disclosed in this Part 5 and except for the allotment and issue of Fee Shares and Placing Shares, since the date of incorporation of the Company: (i) there has been no change in the amount of the issued share or loan capital of the

Company; and (ii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share capital of the Company.

- 4.11 To the best of the Directors' knowledge, no entity could, directly or indirectly, jointly or separately, exercise control over the Company following Admission.
- 4.12 Except as stated elsewhere in this Part 5, no share of the Company is under option or has been agreed conditionally or unconditionally to be put under option.
- 4.13 The Directors are generally and unconditionally authorised for the purposes of section 551 Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (**Rights**) up to an aggregate nominal amount of, in connection with the Placing, £20,000 and, for all other purposes, £20,000. In accordance with section 570 Companies Act 2006, the Directors are generally empowered to allot equity securities as if section 561 Companies Act 2006 did not apply to any such allotment, provided that the power is limited to the allotment of equity securities up to an aggregate nominal amount of £20,000 in connection with the Placing and for all other purposes, £10,000. These authorities will expire on 4 December 2019 (unless renewed, varied or revoked by the Company prior to that date) but the Company may, before such expiry, make an offer or agreement which would or might require equity securities (as so defined) to be allotted after such expiry and the directors may allot equity securities under any such offer or agreement notwithstanding that the power conferred has expired.
- 4.14 The provisions of section 561(1) CA 2006 (to the extent not dis-applied pursuant to sections 570-571 CA 2006) confer on shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560 CA 2006) which are, or are to be, paid up in cash and will apply to the unissued share capital of the Company, except to the extent dis-applied by the resolution referred to in paragraph 4.13 above.
- 4.15 On Admission, on the basis that existing shareholders do not participate in the Placing, they will suffer a dilution of 27.8 per cent. in their aggregate interests in the Company.

5. Reduction of Capital

- 5.1 On 24 November 2014, the Company resolved to reduce its share capital by reducing its share premium account by £2,750,000, in order to enable that sum to be credited to the Company's profit and loss account in accordance with Part 23 CA 2006.
- 5.2 The Directors signed a solvency statement in accordance with section 643 CA 2006 on 24 November 2014 for the purpose of allowing the shareholders to pass the written special resolution to reduce the Company's share capital. The written resolution was passed in 2014 and, following filing at Companies House, the reduction of capital became effective on 5 December 2014.

6. Articles of association

- 6.1 The Company's articles of association do not restrict its activities and, accordingly, it has unlimited legal capacity.
- 6.2 The rights attaching to the Ordinary Shares, as set out in the articles of association of the Company, contain, amongst others, the following provisions:

Votes of members

- 6.3 Subject to any special terms as to voting or to which any shares may have been issued or, no shares having been issued subject to any special terms, on a show of hands every member who being an individual is present in person or, being a corporation is present by a duly authorised representative, has one vote, and on a poll every member has one vote for every share of which he is the holder.

- 6.4 Unless the Directors determine otherwise, a member of the Company is not entitled in respect of any shares held by him to vote at any general meeting of the Company if any amounts payable by him in respect of those shares have not been paid or if the member has failed to comply with a notice under section 793 CA 2006.

Variation of rights

- 6.5 The Company's articles of association do not contain provisions relating to the variation of rights as these matters are dealt with in section 630 CA 2006. If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of at least three fourths in nominal value of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class but not otherwise.

Transfer of shares

- 6.6 Subject to the provisions of the articles relating to CREST, all transfers of shares will be effected in any usual form or in such other form as the Board approves and must be signed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it.
- 6.7 The Directors may, in their absolute discretion and without assigning any reason, refuse to register the transfer of a share in certificated form if it is not fully paid or if the Company has a lien on it, or if it is not duly stamped, or if it is by a member who has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 CA 2006. In exceptional circumstances approved by the London Stock Exchange, the Directors may refuse to register any such transfer, provided that their refusal does not disturb the market.
- 6.8 The articles of association contain no restrictions on the free transferability of fully paid ordinary shares provided that the transfers are in favour of not more than four transferees, the transfers are in respect of only one class of share and the provisions in the articles of association, if any, relating to registration of transfers have been complied with.

Payment of dividends

- 6.9 Subject to the provisions of CA 2006 and to any special rights attaching to any shares, the Shareholders are to distribute amongst themselves the profits of the Company according to the amounts paid up on the shares held by them, provided that no dividend will be declared in excess of the amount recommended by the Directors. A member will not be entitled to receive any dividend if he has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 CA 2006. Interim dividends may be paid if profits are available for distribution and if the Directors so resolve.

Unclaimed dividends

- 6.10 Any dividend unclaimed after a period of 12 years from the date of its declaration will be forfeited and will revert to the Company.

Untraced Shareholders

- 6.11 The Company may sell any share if, during a period of 12 years, at least three dividends in respect of such shares have been paid, no cheque or warrant in respect of any such dividend has been cashed and no communication has been received by the Company from the relevant member. The Company must advertise its intention to sell any such share in both a national daily newspaper and in a newspaper circulating in the area of the last known address to which cheques or warrants were sent. Notice of the intention to sell must also be given to the London Stock Exchange.

Return of capital

- 6.12 On a winding-up of the Company, the balance of the assets available for distribution will, subject to any sanction required by CA 2006, be divided amongst the members.

Borrowing powers

- 6.13 Subject to the provisions of CA 2006, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets, including its uncalled or unpaid capital, and to issue debentures and other securities and to give guarantees.

Directors

- 6.14 No shareholding qualification is required by a Director.
- 6.15 The Directors are entitled to fees at the rate decided by them, subject to any cap fixed from time to time by the remuneration committee or by an ordinary resolution of the shareholders. The Company may by ordinary resolution also vote extra fees to the Directors which, unless otherwise directed by the resolution by which it is voted, will be divided amongst the Directors as they agree, or failing agreement, equally. The Directors are also entitled to be repaid all travelling, hotel and other expenses incurred by them in connection with the business of the Company.
- 6.16 At every annual general meeting, one third of the Directors who are subject to retirement by rotation, or as near to it as may be, will retire from office. A retiring Director is eligible for reappointment.
- 6.17 The Directors may from time to time appoint one or more of their body to be the holder of an executive office on such terms as they think fit.
- 6.18 Except as provided in paragraphs 6.19 and 6.20 below, a Director may not vote or be counted in the quorum present on any motion in regard to any contract, transaction, arrangement or any other proposal in which he has any material interest, which includes the interest of any person connected with him, otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. Subject to CA 2006, the Company may by ordinary resolution suspend or relax this provision to any extent or ratify any transaction not duly authorised by reason of a contravention of it.
- 6.19 In the absence of some other material interest than is indicated below, a Director is entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters:
- 6.19.1 the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;
 - 6.19.2 the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - 6.19.3 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in its underwriting or subunderwriting;
 - 6.19.4 any contract, arrangement, transaction or other proposal concerning any other company in which he is interested, provided that he is not the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of such company, or of a third company through which his interest is derived, or of the voting rights available to members of the relevant company, any such interest being deemed to be a material interest, as provided in paragraph 6.18 above, in all circumstances;
 - 6.19.5 any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by HM Revenue & Customs;

- 6.19.6 any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of an employee share scheme which includes full time executive Directors of the Company and/or any subsidiary or any arrangement for the benefit of employees of the Company or any of its subsidiaries and which does not award to any Director any privilege or advantage not generally accorded to the employees to whom such a scheme relates; and
- 6.19.7 any contract, arrangement, transaction or proposal concerning insurance which the Company proposed to maintain or purchase for the benefit of Directors or for the benefit of persons including the Directors.
- 6.20 If any question arises at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question must be referred to the chairman of the meeting and his ruling in relation to any other Director will be final and conclusive except in a case where the nature or extent of the interest of such Director has not been fully disclosed.
- 6.21 The Directors may provide or pay pensions, annuities, gratuities and superannuation or other allowances or benefits to any Director, ex-Director, employee or ex-employee of the Company or any of its subsidiaries or to the spouse, civil partner, children and dependants of any such Director, ex-Director, employee or ex-employee.

CREST

- 6.22 The Directors may implement such arrangements as they think fit in order for any class of shares to be held in uncertificated form and for title to those shares to be transferred by means of a system such as CREST in accordance with the Uncertificated Securities Regulations 2001 and the Company will not be required to issue a certificate to any person holding such shares in uncertificated form.

Disclosure notice

- 6.23 The Company may by notice in writing require a person whom the Company knows or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, to have been interested in shares comprised in the Company's relevant share capital:
- 6.23.1 to confirm that fact or (as the case may be) to indicate whether or not it is the case; and
- 6.23.2 where he holds or has during that time held an interest in shares so comprised, to give such further information as may be required in the notice.

General meetings

- 6.24 An annual general meeting must be called by at least 21 days' notice, and all other general meetings must be called by at least 14 days' notice.
- 6.25 Notices must be given in the manner stated in the articles to the members, other than those who under the provisions of the articles or under the rights attached to the shares held by them are not entitled to receive the notice, and to the auditors.
- 6.26 No business may be transacted at any general meeting unless a quorum is present which will be constituted by two persons entitled to vote at the meeting each being a member or a proxy for a member or a representative of a corporation which is a member. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of, or by, members, will be dissolved.
- 6.27 At a general meeting a resolution put to the vote will be decided on a show of hands unless, before or on the declaration of the show of hands, a poll is demanded by the chairman or by at least five members present in person or by proxy and entitled to vote or by a member or members entitled to vote and holding or representing by proxy at least one tenth of the total voting rights of all the members having the right to vote at the meeting. Unless a poll is demanded as above, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular

majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

- 6.28 No member is entitled to vote at any general meeting either personally or by proxy or to exercise any privilege as a member, unless all calls or other sums presently payable to him in respect of shares in the Company have been paid.
- 6.29 The appointment of a proxy must be in any usual form, or such other form as may be approved by the Directors, and must be signed by the appointor or by his agent duly authorised in writing or if the appointor is a corporation, must be either under its common seal or signed by an officer or agent so authorised. The Directors may, but will not be bound to, require evidence of authority of such officer or agent. An instrument of proxy need not be witnessed.
- 6.30 The proxy will be deemed to include the right to demand or join in demanding a poll and generally to act at the meeting for the member giving the proxy.
- 6.31 The Directors may direct that members or proxies wishing to attend any general meeting must submit to such searches or other security arrangements or restrictions as the Directors consider appropriate in the circumstances and may, in their absolute discretion, refuse entry to, or eject from, such general meeting any member or proxy who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

7. Disclosure and Transparency Rules

A shareholder is required, pursuant to rule 5 of the Disclosure and Transparency Rules, to notify the Company when he acquires or ceases to hold Ordinary Shares representing, together with any Ordinary Shares already held by him, three per cent. of the aggregate nominal value of the Company's issued share capital. This obligation also applies when the relevant shareholding exceeds or falls below four per cent., five per cent. and every subsequent integral percentage.

8. Squeeze out rights, sell out rights and the City Code

- 8.1 Under section 979 CA 2006 if, within certain time limits, an offer is made for the share capital of the Company, the offeror is entitled to acquire compulsorily any remaining shares if it has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90 per cent. in value of the shares to which the offer relates and in a case where the shares to which the offer relates are voting shares, not less than 90 per cent. of the voting rights carried by those shares. The offeror would effect the compulsory acquisition by sending a notice to outstanding shareholders advising that it will compulsorily acquire their shares and, six weeks from the date of the notice, pay the consideration for the shares to the Company to hold on trust for the outstanding shareholders. The consideration offered to shareholders whose shares are compulsorily acquired under CA 2006 must, in general, be the same as the consideration available under the takeover offer.
- 8.2 Section 983 CA 2006 permits a minority shareholder to require an offeror to acquire its shares if the offeror has acquired or contracted to acquire shares in the Company which amount to not less 90 per cent. in value of all the voting shares in the Company and carry not less than 90 per cent. of voting rights. Certain time limits apply to this entitlement. If a shareholder exercises its rights under these provisions, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.
- 8.3 The Company is subject to the City Code. Accordingly, the Ordinary Shares are subject to the rules regarding mandatory takeover offers set out in the City Code. Under rule 9 of the City Code, when (i) a person acquires shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30% or more of the voting rights of a company subject to the City Code; or (ii) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of the Company subject to the City

Code and such person, or any person acting in concert with him, acquires additional shares which increase his percentage of the voting rights then, in either case, that person, together with the person acting in concert with him, is normally required to make a general offer in cash, at the highest price paid by him, or any person acting in concert with him, for shares in the Company within the preceding 12 months, for all the remaining equity share capital of the Company.

9. Taxation

9.1 Introduction

The comments in this section are intended as a general guide for UK resident Shareholders as to their tax position under United Kingdom law and HMRC practice as at the date of this document. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The comments apply to Shareholders who are resident and domiciled for tax purposes in the UK who will hold Ordinary Shares as an investment and will be the absolute beneficial owners of them. Non-UK resident and non-UK domiciled shareholders should consult their own tax advisers.

Any shareholder or prospective purchaser of Ordinary Shares whether resident and domiciled in the UK or elsewhere, should consult their professional adviser on the possible tax consequences of acquiring, owning and disposing of Ordinary Shares under the laws of their particular citizenship, residence or domicile.

9.2 Capital Gains Tax (CGT)

For the purpose of UK tax on chargeable gains, the purchase of Ordinary Shares on a placing (including the Placing) will be regarded as an acquisition of a new holding in the share capital of the Company. To the extent that a Shareholder acquires Ordinary Shares allotted to him, the Ordinary Shares so acquired will, for the purpose of tax on chargeable gains, be treated as acquired on the date of the purchase becoming unconditional.

The amount paid for the Ordinary Shares will constitute the base cost of a Shareholder's holding. A disposal of all or any of the Ordinary Shares may, depending on the circumstances of the relevant shareholder give rise to a liability to UK taxation on chargeable gains.

Individuals

Where a UK resident individual Shareholder disposes of Ordinary Shares at a gain, capital gains tax will be levied to the extent that the gain exceeds the annual exemption (£11,000, for 2014/15) and after taking account of any capital losses available to the individual.

For individuals, capital gains tax will be charged at 18 per cent. where the individual's taxable income and gains are less than the upper limit of the income tax basic rate band (for 2014/15 £ 31,865 after the personal allowance which is generally £10,000). To the extent that any chargeable gains, or part of any chargeable gain, aggregated with income arising in a tax year exceed the upper limit of the income tax basic rate band, capital gains tax will be charged at 28 per cent.

For trustees and personal representatives of deceased persons, capital gains tax on gains in excess of the current annual exempt amount (for 2014/15, up to £11,000 for personal representatives of deceased persons and certain trustees for disabled persons, and up to £5,500 for other trustees) will be charged at a flat rate of 28 per cent.

Where a Shareholder disposes of the Ordinary Shares at a loss, the loss should be available to offset against other current year gains or carried forward to offset against future gains.

Companies

Where a Shareholder is within the charge to corporation tax, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available

exemption or relief. Corporation tax is charged on chargeable gains at the rate applicable to that company (21 per cent. for the financial year 1 April 2014 to 31 March 2015). Indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax but may not create or increase any allowable loss.

9.3 Enterprise Investment Scheme (**EIS**) and Venture Capital Trust (**VCT**) eligibility

EIS

The Directors have received advance assurance from HMRC that it would be able to authorise the Company to issue compliance certificates under section 204(1) of the Income Tax Act 2007 in respect of Placing Shares issued to individuals, following receipt from the Company of a properly completed compliance statement (Form EIS1) within the prescribed time limit stipulated in section 205(4) of the Income Tax Act 2007.

The continuing status of the Placing Shares as qualifying for EIS purposes will be conditional upon the qualifying conditions being and remaining satisfied throughout the relevant period of ownership.

There can be no guarantee that any investment in the Company will remain a qualifying investment for EIS purposes. EIS eligibility is also dependent on a shareholder's own position and not just that of the Company. Accordingly, investors should take their own advice in this regard.

VCT

The Directors have received advice from the Company's auditors that the Company should be a "qualifying holding" for the purposes of investment by VCTs.

The continuing status of the Placing Shares as eligible investments for VCT purposes will be conditional, amongst other things, on the Placing Shares being held as a qualifying holding for VCT purposes throughout the period of ownership.

There can be no guarantee that any VCT investment in the Company will remain a qualifying holding.

9.4 Inheritance Tax (**IHT**)

Individual investors domiciled or deemed to be domiciled in any part of the UK may be liable on occasions to IHT on the value of any Ordinary Shares held by them. IHT may also apply to individual shareholders who are not domiciled in the UK although relief under a double tax convention may apply to those in this position. Under current law, the chief occasions on which IHT is charged are on the death of the Shareholder, on any gifts made during the seven years prior to the death of the Shareholder, and on certain lifetime transfers, including transfers to trusts or appointments out of trusts to beneficiaries, save in very limited and exceptional circumstances.

However, a relief from IHT known as business property relief (**BPR**) may apply to Ordinary Shares in trading companies once these have been held for two years. This relief applies notwithstanding that the Company's shares will be admitted to trading on AIM (although it does not apply to companies whose shares are listed on the Official List). BPR operates by reducing the value of shares by 100 per cent. for IHT purposes.

9.5 Taxation of dividends

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

Individuals

9.6 Shareholders (other than a company) receiving a dividend from the Company also receive a notional tax credit in respect of the dividend of an amount equal to one-ninth of the amount of the net dividend (which is 10 per cent. of the sum of the dividend and the tax credit). The liability to United Kingdom income tax is calculated on the gross dividend income (i.e. the net dividend received plus the notional 10 per cent. tax credit). Individual Shareholders whose income is within the basic rate tax band (for 2014/15, £31,865 after the personal allowance) will be subject to dividend

income tax at the rate of 10 per cent., so that (after taking into account the notional 10 per cent. credit) such Shareholders will have no further liability to income tax on that dividend income. Individual Shareholders who are subject to the higher rate of income tax (broadly, where income exceeds £31,865 after the personal allowance) will be subject to dividend income tax at 32.5 per cent. After allowing for the 10 per cent. notional tax credit, a higher rate taxpayer suffers an effective rate of 25 per cent. on the net dividend received. Individual Shareholders who are subject to the additional rate of income tax (broadly, where taxable income exceeds £150,000) will be subject to dividend income tax at 37.5 per cent. After allowing for the 10 per cent. notional tax credit, an additional rate taxpayer suffers an effective rate of 30.56 per cent. on the net dividend received.

UK resident trustees of a discretionary trust in receipt of dividends are liable to income tax at a rate of 37.5 per cent. of the gross dividend to the extent trust income exceeds the standard rate band available for the trust.

Companies

Shareholders within the charge to UK corporation tax which are “small companies” (for the purposes of UK taxation of dividends) will not generally expect to be subject to UK tax on dividends from the Company. Other Shareholders within the charge to UK corporation tax will not be subject to UK tax on dividends (including dividends from the Company) so long as the dividends fall within an exempt class and certain conditions are met. In general, dividends paid on shares that are “ordinary share capital” for UK tax purposes and are not redeemable, and dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital) are examples of dividends that fall within an exempt class. UK resident shareholders (including authorised unit trusts and open ended investment companies) and pension funds are not entitled to claim payment of the tax credit (or any part of it).

9.7 Stamp Duty and Stamp Duty Reserve Tax (**SDRT**)

Neither stamp duty nor SDRT should arise on the issue of new Ordinary Shares.

The Finance Act 2014 introduced provisions that exempt shares admitted to trading on AIM from stamp duty and SDRT, applying with effect from 28 April 2014. As a result of the new provisions, transfers of securities admitted to trading on certain recognised growth markets (presently including AIM) are exempt from stamp duty and SDRT provided the securities are not also “listed” on a recognised stock exchange. The Ordinary Shares will be admitted to trading on AIM and no other recognised stock exchange and as such, following Admission, subsequent transfers of Ordinary Shares for value should also not give rise to either stamp duty or SDRT.

The statements in this paragraph 9.7 apply to any holders of Ordinary Shares irrespective of their residence, and are a summary of the current position, intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

10. Substantial Shareholders

10.1 Except as set out in the table below, the Directors are not aware, at the date of this Document, of any interest which immediately following Admission would amount to 3 per cent. or more of the Company's issued share capital:

Name	Existing Ordinary Shares	Percentage of current ordinary share capital	Ordinary Shares on Admission	Percentage of ordinary share capital on Admission
Neville Upton	14,579,000	25.94%	14,579,000	18.73%
Euroblue Investments Limited	9,207,000	17.71%	10,677,466	13.72%
Hargreave Hale	—	—	7,749,999	9.96%
JIM Nominees Limited	4,006,000	7.13%	4,594,235	5.90%
Pitch International LLP	3,908,000	6.95%	3,908,000	5.02%
Ganesh Holdings Int. Limited	2,191,000	3.90%	3,661,465	4.70%
Herald Investments	—	—	2,941,176	3.78%

10.2 No major holder of Ordinary Shares, either as listed above, or as set out in paragraph 11 of this Part 4, has voting rights different from other holders of Ordinary Shares.

11. Directors

11.1 The interests of the Directors, their immediate families, civil partners (as defined in the Civil Partnership Act 2004) (if any), and persons connected with them, within the meaning of sections 252 to 254 CA 2006, in the share capital of the Company at the date of this document and following Completion, all of which are beneficial, are:

Name	Existing Ordinary Shares	Percentage of current ordinary share capital	Ordinary Shares on Admission	Percentage of ordinary share capital on Admission
Neville Upton	14,579,000	25.94%	14,579,000	18.73%
Ginette Jarman	1,622,000	2.89%	1,622,000	2.08%
Paul Kent	1,622,000	2.89%	1,622,000	2.08%
Tony Collyer	903,000	1.60%	903,000	1.16%
Philip Shuldham-Legh	278,000	0.49%	278,000	0.36%
Jonathan Hall	—	—	—	—
David Yarnton	—	—	—	—

11.2 Additionally, certain Directors and a company connected with one of them have been granted options over Ordinary Shares as set out in paragraph 12 of this Part 4.

11.3 Except as disclosed above, the Directors are not aware of any interests of persons connected with them which would, if such connected person were a Director, be required to be notified to the Company pursuant to Chapter 3 of the Disclosure and Transparency Rules and would be required to be entered in the register of directors' interests pursuant to section 809 CA 2006.

11.4 There are no outstanding loans granted by the Company to any Director, nor has any guarantee been provided by any member of the Company for their benefit.

11.5 The Company has entered into the following service agreements and letters of appointment:

11.5.1 an agreement with Tony Collyer dated 16 December 2014, conditional upon Admission, pursuant to which Mr Collyer was appointed as non-executive chairman of the Company for an annual fee of £24,000, payable monthly in arrears. The appointment is terminable on three months' notice on either side. Mr Collyer has entered into pre and post termination restrictive covenants with the Company, including relating to non-competition and non-solicitation of

customers and staff. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Collyer is in material breach of the terms of the appointment;

- 11.5.2 an agreement with David Yarnton dated 16 December 2014, conditional upon Admission, pursuant to which Mr Yarnton was appointed as a consultant and non-executive director of the Company for a monthly fee of £2,000, plus £500 per day above 4 days per month. The appointment is then terminable on three months' notice on either side. Mr Yarnton has entered into pre and post termination restrictive covenants with the Company, including relating to non-competition and non-solicitation of customers and staff. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Yarnton is in material breach of the terms of the appointment;
- 11.5.3 an agreement with Neville Upton dated 16 December 2014, conditional upon Admission, pursuant to which Mr Upton was appointed as chief executive officer of the Company for an annual salary of £100,000, payable monthly in arrears. The appointment is terminable on six months' notice on either side. Mr Upton has entered into pre and post termination restrictive covenants with the Company, including relating to non-competition and non-solicitation of customers and staff. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Upton is in material breach of the terms of the appointment;
- 11.5.4 an agreement with Jonathan Hall dated 16 December 2014, conditional upon Admission, pursuant to which Mr Hall was appointed as finance director of the Company for an annual salary of £105,000, payable monthly in arrears. The appointment is terminable on three months' notice on either side. Mr Hall has entered into pre and post termination restrictive covenants with the Company, including relating to non-competition and non-solicitation of customers and staff. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Hall is in material breach of the terms of the appointment;
- 11.5.5 an agreement with Ginette Jarman dated 16 December 2014, conditional upon Admission, pursuant to which Ms Jarman was appointed as an executive director and operations director of the Company for an annual salary of £50,000, payable monthly in arrears. The appointment is terminable on three months' notice on either side. Ms Jarman has entered into pre and post termination restrictive covenants with the Company, including relating to non-competition and non-solicitation of customers and staff. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Ms Jarman is in material breach of the terms of the appointment;
- 11.5.6 an agreement with Philip Shuldham-Legh dated 16 December 2014, conditional upon Admission, pursuant to which Mr Shuldham-Legh was appointed as an executive director and marketing director of the Company for an annual salary of £15,000 (subject to a minimum of 25 hours per week), payable monthly in arrears. The appointment is terminable on three months' notice on either side. Mr Shuldham-Legh has entered into pre and post termination restrictive covenants with the Company, including relating to non-competition and non-solicitation of customers and staff. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Shuldham-Legh is in material breach of the terms of the appointment; and
- 11.5.7 an agreement with Paul Kent dated 16 December 2014, conditional upon Admission, pursuant to which Mr Kent was appointed as an executive director of the Company for an annual salary of £55,000, payable monthly in arrears. The appointment is terminable on three months' notice on either side. Mr Kent has entered into pre and post termination restrictive covenants with the

Company, including relating to non-competition and non-solicitation of customers and staff. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Kent is in material breach of the terms of the appointment.

- 11.6 The emoluments of the Directors for the six months ended 30 June 2014 were £45,000. During this period there were no emoluments for Neville Upton, or Philip Shuldham-Legh. Jonathan Hall had not yet joined the Company and no emoluments were accrued by Non-executives. On the basis of the service contracts entered into at Admission, the emoluments of the Directors in a full year would be approximately £375,000.
- 11.7 Except as set out above, there are no liquidated damages or other compensation payable by the Company upon early termination of the contracts of the Directors. None of the Directors has any commission or profit sharing arrangements with the Company.
- 11.8 Except as provided for in paragraphs 11.5 and 11.6 above, the total emoluments of the Directors will not be varied as a result of the Placing or Admission.
- 11.9 In addition to their directorships of the Company, the Directors are or have been members of the administrative, management or supervisory bodies or partners of the following companies or partnerships (which unless otherwise stated are incorporated in the UK) within the five years prior to the publication of this document:

Name	Present directorships or partnerships		Past directorships or partnerships	
	Company	Number	Company	Number
Tony Collyer	The North Devon Biosphere Foundation	04462420	Ingenious Film Partners 2 LLP	OC314069
	Adeevo Limited	05579671	Serco Listening Company Limited	03651678
Neville Upton	Soyolo Limited	08172246	Serco Listening Company Limited	03651678
	68 Church Road (Richmond) Flats Limited	02492145	Listening Limited	SC264662
			Listening Services Limited (Dissolved)	03170478
			St Wilfrid's Hospice (South Coast) Limited	01562110
			YourLocalSchools Limited (Dissolved)	05382263
			Network Scotland Limited (Dissolved)	SC205268
			TLC Digital Solutions Limited (Dissolved)	06070379
			TLC Newcastle Limited (Dissolved)	06654312
			TLC Tonbridge Limited (Dissolved)	05594037
			Caballero Limited (Dissolved)	07277078
		ESPY Analytics Limited (Dissolved)	08438958	
Jonathan Hall	—	—	—	—
Ginette Jarman	—	—	—	—
Paul Kent	—	—	—	—
Philip Shuldham-Legh	Exception Rules Limited	08215288	—	—
David Yarnton	Eyes on Athletes Limited	08401200	GFK Chart-Track Limited	03073596
	The UK Interactive Entertainment Association Limited	02420400		
	Equinox Talent Ltd	08649948		
	World Jockey Cup Ltd	08650052		

11.10 No Director has:

- 11.10.1 had any convictions in relation to fraudulent offences or unspent convictions in relation to indictable offences;
- 11.10.2 had a bankruptcy order made against him or entered into an individual voluntary arrangement;
- 11.10.3 been a director of any company or been a member of the administrative, management or supervisory body of an issuer or a senior manager of an issuer which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, or company voluntary arrangement or which entered into any composition or arrangement with its creditors generally or any class of its creditors whilst he was acting in that capacity for that company or within the 12 months after he ceased to so act;

- 11.10.4 been a partner in any partnership placed into compulsory liquidation, administration or partnership voluntary arrangement where such director was a partner at the time of or within the 12 months preceding such event;
- 11.10.5 been subject to receivership in respect of any asset of such Director or of a partnership of which the Director was a partner at the time of or within 12 months preceding such event; or
- 11.10.6 been subject to any official public criticisms by any statutory or regulatory authority (including designated professional bodies) nor has such Director been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.
- 11.11 No Director has been interested in any transaction with the Company which was unusual in its nature or conditions or significant to the business of the Company during the current financial year which remains outstanding or unperformed.
- 11.12 In the case of those directors of the Company who have roles as directors of other companies, although there are no current conflicts of interest, it is possible that the fiduciary duties owed by those directors to companies of which they are directors from time to time may give rise to conflicts of interest with the duties owed to the Company.
- 11.13 Except for the Directors and Martin Wyatt, the Board does not believe that there are any other senior managers who are relevant in establishing that the Company has the appropriate expertise and experience for the management of the Company's business.

12. Options

12.1 The Company has adopted two share option plans (**Plans**):

12.1.1 a tax efficient enterprise management incentive option plan (**EMI Plan**); and

12.1.2 a standard option plan that attracts no tax advantages (**Unapproved Plan**).

12.2 The summary of the option plan terms set out below refers to the terms of both Plans unless otherwise indicated.

12.3 The following grants have been made under the EMI Plan:

Option holder	Number of Ordinary Shares to which the option relates	Exercise price
Philip Shuldham-Legh	323,000	9p per share
Jonathan Hall	795,000	9.187p per share
Other employees	1,186,000	Either 9p or 9.187p per share
Total	2,304,000	

12.4 The following grants have been made under the Unapproved Plan:

Optionholder	Number of Ordinary Shares to which the option relates	Exercise price
Tony Collyer	323,000	9p
Equinox Talent Ltd (in respect of David Yarnton)	199,000	9.187p
Total	522,000	

Dilution limit

12.5 There is no maximum percentage dilution limit in either the EMI Plan or the Unapproved Plan. The EMI Plan restricts the value of Ordinary Shares that can be issued pursuant to the EMI Plan by reference to the maximum number of shares that are eligible for EMI tax treatment (£250,000 per option holder, and £3 million for all participants, as determined by reference to the market value of the shares at the date of grant). Any Ordinary Shares subject to option above that level would fall under the Unapproved Plan.

Grant of options

- 12.6 The Plans enable selected employees and directors of the Company, and of any 51% subsidiaries from time to time, to be granted options to acquire Ordinary Shares. No option can be transferred or assigned. No amount is payable on grant of an option.

Exercise of options

- 12.7 Options may be exercised in whole or part in accordance with the rules of the relevant Plan. Unless the Board determines otherwise, options may only be exercised within the 10 working days preceding an "Exit Event" (a listing, sale of more than 51% of the issued share capital or substantial part of the business to a third party) and subject to any performance conditions imposed by the Board at the date of grant. Options lapse immediately on cessation of employment or office unless the Board determines otherwise. Any unexercised options will also lapse within 10 days of an Exit Event or where the option holder becomes bankrupt or otherwise deprived of legal or beneficial ownership.

Adjustment of options

- 12.8 In the event of a reorganisation of the Company, the number of shares subject to option and the exercise price may be adjusted as the Board may determine

Employment and consultancy rights

- 12.9 The scheme is not intended to form any contract of employment or consultancy and individuals who participate will not have any rights to damages for any loss, or potential loss of benefit, in the event of termination of their role.

13. Material contracts

The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company in the last two years or are other contracts that contain provisions under which the Company has an obligation or entitlement which is material to the Company as at the date of this document:

- 13.1 a nominated adviser and broker agreement dated 16 December 2014 between the Company and Arden. Under this agreement Arden will receive an annual retainer of £40,000 in the first year of its engagement and £50,000 in each subsequent year. The Company has agreed to comply with its legal obligations and those of AIM and the London Stock Exchange and to consult and discuss with Arden all of its announcements and statements and to provide Arden with any information which Arden reasonably believes is necessary to enable it to carry out its obligations to the Company or the London Stock Exchange as nominated adviser;
- 13.2 a placing agreement dated 16 December 2014 and made between the Company, the Directors and Arden pursuant to which Arden agreed to use its reasonable endeavours to procure placees for the Placing Shares at the Placing Price and to procure Admission. The Company has agreed to pay all costs and expenses relating to Placing and the application for Admission. The agreement is conditional upon, amongst other things, Admission having occurred on or before 31 December 2014. The agreement contains certain warranties and indemnities from the Company, and warranties from the Directors in favour of Arden. It also contains provisions entitling Arden to terminate the agreement prior to Admission if, among other things, a breach of any of the warranties occurs or on the occurrence of an event fundamentally and adversely affecting the position of the Company;
- 13.3 lock-in and orderly-market agreements dated 16 December 2014 between the Company, Arden, each of the Directors, Euroblue Investments Limited and Nigel Wray, in which the Directors, Euroblue Investments Limited and Nigel Wray undertook not to dispose of any shares in the capital of the Company for a period of one year from Admission subject to certain limited exceptions (such as disposals pursuant to a court order or a takeover). The Directors, Euroblue Investments Limited and Nigel Wray have also agreed that for a further period of 12 months, any disposal of their Ordinary Shares will be through the Company's broker on orderly market terms; and

- 13.4 an engagement letter dated 5 September 2014 between the Company and SRG, pursuant to which the Company engaged SRG to act as an adviser for the purposes of the Pre-IPO Fundraising and the Placing. The engagement letter contains obligations on the Company to inform and consult with SRG on all aspects of these transactions. The Company has agreed to indemnify SRG against any loss or damage which SRG may suffer in connection with these transactions. The Company has agreed to pay the following fees to SRG:
- 13.4.1 a corporate finance fee of £105,000 (to be paid by the issue of Fee Shares at the Placing Price)
 - 13.4.2 fundraising commissions of four per cent. of funds introduced or managed by SRG in relation to the Pre-IPO Fundraising and the Placing, in each case to be paid by the issue of Fee Shares at the share price used in connection with the relevant transaction; and
 - 13.4.3 a cash fee of £125,000 if, as a result of the actions or inactions of the Company, Admission does not take place on or before 31 January 2015.
- 13.5 an agreement dated 11 December 2014 between the Company and Pitch, pursuant to which Pitch has agreed to provide sponsorship, advertising and broadcasting services to the Company in relation to the Company's live and online tournaments and other events. The agreement is for an initial term of two years, followed by rolling 12-month periods. The Company has agreed to pay to Pitch a monthly fee of £25,000 plus VAT during the two-year initial term of the agreement. In addition to this fee, Pitch will be entitled to commissions of 20% of net revenues generated from;
- 13.5.1 sponsors and advertisers introduced by Pitch;
 - 13.5.2 TV broadcasters introduced by Pitch; and
 - 13.5.3 ticketing for which Pitch is responsible.

14. Working capital

The Company and the Directors are of the opinion, having made due and careful enquiry, that, taking into account the net proceeds of the Placing, the Company will have sufficient working capital for its present requirements, that is, for at least 12 months from the date of Admission.

15. Litigation

The Company is not involved in any governmental, legal or arbitration proceedings which have or, since incorporation, may have had, a significant effect on the Company's financial position or profitability nor, so far as the Directors are aware, are any such proceedings pending or threatened by or against the Company.

16. Intellectual property

- 16.1 As detailed in paragraph 1 of Part 3 (*Risk Factors*) the Company's activities exploit the intellectual property (principally copyright and trade marks) which subsists in the games, and the Company therefore relies on the consent (both formal and informal) of game publishers. In addition, the Company relies on the use of its registered Community trade mark (GFINITY) and website (gfinity.net).
- 16.2 Except as set out in paragraph 16.1 above, the Company is not dependent on any other intellectual property licences, or patents, industrial, commercial or financial contracts or new manufacturing processes which will have a material effect on the Company's business or profitability.

17. Premises and environmental

- 17.1 The Company does not own any premises but occupies premises at Unit 11, The Factory, 2 Acre Road, Kingston Upon Thames, Surrey under a lease which is for a term of six years commencing on 1 March 2014 and expiring on 28 February 2020.
- 17.2 The annual rent under the lease is £46,000 in the first year, £51,750 in the second year and £57,000 for the remainder of the term.

17.3 The Company is not aware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.

18. Employees

As at 30 June 2014, the Company had 16 employees. As at the date of this Document, the Company has 17 employees of whom five are directors, in addition to two non-executive directors. All of these staff are based out of the Company's principal place of business, Unit 11, The Factory, 2 Acre Road, Kingston Upon Thames, Surrey KT2 6EF.

19. Significant changes

Except for the transactions referred to in this Document, there has been no significant change in the financial or trading position of the Company since 30 June 2014, the date to which the most recent financial information is available.

20. General

20.1 No exceptional factors have influenced the Company's activities.

20.2 Except as disclosed in this Document, there have been no significant authorised or contracted capital commitments at the date of publication of this Document.

20.3 The expenses of the Placing are estimated at £0.5 million and are payable by the Company.

20.4 Except as stated in this Document and except for the advisers named on page 7 of this Document, trade suppliers and SRG, no person has received, directly or indirectly, from the Company within the 12 months preceding the date of this Document or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more calculated by reference to the price per Ordinary Share of 17p or any other benefit with a value of £10,000 or more at the date of Admission.

20.5 Arden has given and not withdrawn its written consent to the issue of this Document with references to their name in the form and context in which they appear.

20.6 The reporting accountants, Rees Pollock, have given and not withdrawn their written consent to the issue of this Document with the inclusion in it of their reports and letters and references to them and to their name in the form and context in which they respectively appear. Rees Pollock is a member firm of the Institute of Chartered Accountants in England and Wales. Rees Pollock has no material interests in the Company. The business address of Rees Pollock is 35 New Bridge Street, London EC4V 6BW.

20.7 Where information contained in this Document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

20.8 The Company's accounting reference date is 30 June.

20.9 The financial information relating to the Company contained in this Document does not comprise statutory accounts for the purposes of section 434(3) of the CA2006. The Company was exempt under section 477 CA 2006 from the requirement to appoint auditors for the period to 31 December 2013. The auditors for the six month period ended 30 June 2014 were Rees Pollock, Chartered Accountants and Registered Auditors, of 35 New Bridge Street London EC4V 6BW. Copies of the statutory accounts for the financial year ended 31 December 2013 and the audited statutory accounts of the Company for the six month period ended 30 June 2014 have been delivered to the Registrar of Companies in England and Wales. The auditors' report for the six month period ended 30 June 2014 under section 495 of the CA 2006 on those accounts was unqualified and did not contain any statement under section 498(2) or section 498 (3) of the CA 2006. The audited accounts of the

Company for the six-month period ending on 30 June 2014 and the unaudited financial information for the period ended 31 December 2013 will be available on the Company's investor website at www.gfinitypkc.com

20.10 The price at which the Placing Shares are to be issued pursuant to the Placing Agreement represents a premium of 16.9p above the nominal value of an Ordinary Share (which is £0.1p).

20.11 It is expected that CREST accounts will be credited as applicable on the date of Admission. Share certificates will be despatched by first-class post within 14 days of the date of Admission.

21. Copies of this Document

Copies of this Document will be available to the public free of charge at the offices of Arden at 125 Old Broad Street, London EC2N 1AR and Fladgate LLP at 16 Great Queen Street, London WC2B 5DG during normal business hours on any weekday (other than Saturdays and public holidays), until one month following the date of Admission. A copy of this Document will be available on the Company's investor website, www.gfinitypkc.net

Dated: 16 December 2014

