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If you have sold or otherwise transferred all of your Ordinary Shares, please send this document, together with the accompanying Form of Proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Ordinary Shares, please contact the stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

This document does not constitute an offer of transferable securities to the public within the meaning of section 102B of FSMA. The issue of the Placing Shares will not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA. This document does not constitute a prospectus for the purpose of the Prospectus Rules or the Jersey Companies Law or an admission document for the purpose of the AIM Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, the Jersey Financial Services Commission or any other authority or regulatory body and has not been approved for the purposes of section 21 of FSMA or Article 5 of the Companies (General Provisions) (Jersey) Order 2002.

Application will be made for the Placing Shares to be admitted to trading on AIM. Subject to certain conditions being satisfied, including the passing of the Resolutions at the General Meeting, it is anticipated that Admission of the Placing Shares will become effective, and that dealings in the Placing Shares will commence on AIM, at 8.00 a.m. on 24 August 2016.

This document should be read in conjunction with the accompanying Form of Proxy and the definitions set out in this document. The whole of this document should be read and, in particular, your attention is drawn to the letter from the Chairman of the Company which contains the unanimous recommendation of the Independent Directors that you vote in favour of the Resolutions to be proposed at the General Meeting.

Stride Gaming plc

(Incorporated in Jersey with registered number 117876)

**Proposed acquisitions of 8Ball, Netboost Media and the assets of Tarco
Proposed placing of 12,000,000 new Ordinary Shares at 225 pence per share
Approval of waiver of the obligations under Rule 9 of the Takeover Code**

and

Notice of General Meeting

Canaccord Genuity

Financial Adviser, Nominated Adviser and Joint Bookrunner

Shore Capital

Joint Bookrunner

Canaccord Genuity Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of the London Stock Exchange, is acting as Financial Adviser, Nominated Adviser and Joint Bookrunner to the Company. Canaccord Genuity Limited is not acting for any other person in connection with the matters referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Canaccord Genuity Limited or for giving advice in relation to the matters referred to in this document.

Shore Capital Stockbrokers Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of the London Stock Exchange, is acting as Joint Bookrunner to the Company. Shore Capital Stockbrokers Limited is not acting for any other person in connection with the matters referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Shore Capital Stockbrokers Limited or for giving advice in relation to the matters referred to in this document.

A General Meeting to consider the proposals described in this document will be held at 9.30 a.m. on 23 August 2016 at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London, United Kingdom, EC4R 9HA. The notice convening the General Meeting is set out at the end of this document and a Form of Proxy for use at the General Meeting is enclosed. The action to be taken in respect of the General Meeting is set out in the letter from the Chairman of the Company contained in this document.

Shareholders are requested to complete, sign and return the Form of Proxy whether or not they intend to be present at the General Meeting. To be valid, Forms of Proxy should be completed, signed and returned, as soon as possible but, in any event, so as to be received by hand or by courier only to the Company's registrars, PXS, Capita Asset Services, 34 Beckenham Road, Beckenham, BR3 4TU, by not later than 9.30 a.m. on 19 August 2016. Completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting at the meeting should they so wish.

The Placing Shares will rank *pari passu* in all respects with the Existing Ordinary Shares when issued and fully paid.

None of the Placing Shares, the Form of Proxy or this document nor any other document connected with the Placing have been or will be approved or disapproved by the United States Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities or any securities commission passed upon or endorsed the merits of the offering of the Placing Shares, the Form of Proxy or the accuracy or adequacy of this document or any other document connected with the Placing and the Acquisitions. Any representation to the contrary is a criminal offence. The distribution of this document and the Form of Proxy in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document and/or accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions.

The Placing Shares have not been and will not be registered under the Securities Act or under the applicable securities laws of any state or other jurisdiction of the United States or any other Restricted Jurisdiction. The Placing Shares may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly, within, into or in the United States, or any Restricted Jurisdiction or to any national resident or citizen of, or any corporation, partnership or other entity created or organised under the laws of any Restricted Jurisdiction, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any relevant state or other jurisdiction of the United States and any relevant Restricted Jurisdiction.

Important Information to Overseas Shareholders

In the opinion of the Directors, there is a significant risk of civil, regulatory or criminal exposure to the Company and its Directors were the Placing to be made into any of the Restricted Jurisdictions. On this basis, none of the Placing Shares, nor this document have been or will be, registered under the relevant laws of any state, province or territory of any of the Restricted Jurisdictions. Subject to certain limited exceptions none of the Placing Shares may be taken up or delivered in, into or within any of the Restricted Jurisdictions.

It is the responsibility of any person receiving a copy of this document outside the United Kingdom to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such other territory. Persons (including, without limitation, nominees and trustees) receiving this document should not, in connection with the Placing, distribute or send it into any jurisdiction when to do so would, or might, contravene local securities laws or regulations.

Members of the general public are not eligible to take part in the Placing.

Forward-looking statements

This document contains statements that are or may be "forward-looking statements". All statements, other than statements of historical facts, included in this document may be forward-looking statements and are subject to, *inter alia*, known and unknown risks, uncertainties and other factors. Without limitation, any statements preceded or followed by, or that include, the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "should", "anticipates" "estimates", "projects", "would", "could", "continue" or words or terms of similar substance or the negative thereof, are forward-looking statements. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of Stride Gaming plc. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation, Stride Gaming plc does not undertake any obligation to update publicly or revise any

forward-looking statements. All subsequent oral or written forward-looking statements attributed to Stride Gaming plc or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

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

In accordance with the AIM Rules, this document will be made available on the Company's website: www.stridegaming.com

This document is dated 3 August 2016.

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KEY STATISTICS REGARDING THE PLACING

Placing Price	225 pence
Number of Ordinary Shares in issue at the date of this document	51,300,584
Number of Placing Shares to be issued pursuant to the Placing	12,000,000
Placing Shares as a percentage of the Enlarged Share Capital on Admission	19.0 per cent.
Number of Ordinary Shares in issue immediately upon Admission	63,300,584
Gross proceeds of the Placing	£27.0 million
Estimated net proceeds of the Placing	£25.1 million

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Placing and the Acquisitions	29 July 2016
Publication of the Circular and posting of the Forms of Proxy to Shareholders	3 August 2016
Latest time and date for receipt of completed Forms of Proxy	9.30 a.m. on 19 August 2016
General Meeting	9.30 a.m. on 23 August 2016
Results of the General Meeting announced through a Regulatory Information Service	23 August 2016
Expected date on which Admission and dealings in the Placing Shares will commence on AIM	8.00 a.m. on 24 August 2016
Expected date by which CREST accounts are to be credited for Placing Shares in Uncertificated Form	24 August 2016
Expected date for posting of new share certificates for the Placing Shares in Certificated Form	by 31 August 2016
Expected date of completion of the 8Ball Acquisition	on or around 31 August 2016
Expected date of completion of the Tarco Acquisition	on or around 31 August 2016
Expected date of completion of the Netboost Media Acquisition	on or around 31 August 2016

Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service. References to time in this document are to British Summer Time. The timetable above assumes that the Resolutions are passed at the General Meeting without adjournment.

If you have any questions on how to complete the Form of Proxy, please contact Capita Customer Support on 0871 664 0300 from inside the UK. Calls will cost 12 pence per minute (including VAT) plus your service provider's network access charge. This helpline is open from 9:00 a.m. to 5:30 p.m. Monday to Friday, excluding public holidays in England and Wales.

DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors:	Nigel Payne Eitan Boyd Darren Sims Ronen Kannor John Le Poidevin Adam Batty	<i>Non-executive Chairman</i> <i>Chief Executive Officer</i> <i>Chief Operating Officer</i> <i>Chief Financial Officer</i> <i>Non-executive Director</i> <i>Non-executive Director</i>
Company Secretary	Ronen Kannor	
Registered Office	12 Castle Street St. Helier Jersey JE2 3RT	
Website address	www.stridegaming.com	
Financial Adviser, Nominated Adviser and Joint Bookrunner	Canaccord Genuity Limited 88 Wood Street London EC2V 7QR	
Joint Bookrunner	Shore Capital Stockbrokers Limited Bond Street House 14 Clifford Street London W1S 4JU	
UK Solicitors to the Company	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA	
Jersey Solicitors to the Company	Carey Olsen 47 Esplanade St Helier Jersey JE1 0BD	
UK Solicitors to the Joint Bookrunners	Travers Smith LLP 10 Snow Hill London EC1A 2AL	
Reporting Accountant and Auditor	BDO LLP 55 Baker Street London W1U 7EU	
Registrars	Capita Registrars (Jersey) Limited 12 Castle Street St. Helier Jersey JE2 3RT	
Principal Bankers	Barclays Bank plc One Churchill Place Canary Wharf London E14 5HP	

DEFINITIONS

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

“8Ball”	8Ball Games Limited, registered in England and Wales with registered number 8795535
“8Ball Acquisition”	the proposed acquisition by the Company of the entire issued share capital of 8Ball
“8Ball Earn Out Consideration Shares”	up to 5,668,829 new Ordinary Shares to be issued by the Company to the 8Ball Shareholders as part of the earn out consideration payable in connection with the 8Ball Acquisition
“8Ball Shareholders”	Neil McGuinness and Jeremy Bygrave
“Act”	the UK Companies Act 2006, as amended
“Acquisitions”	the 8Ball Acquisition, the Netboost Media Acquisition and the Tarco Acquisition
“Admission”	admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time)
“Announcement”	the announcement of the Company dated 29 July 2016 regarding the Acquisitions and the Placing
“Approved Options”	(i) the enterprise management incentive share options and non-qualifying options granted to each of Eitan Boyd, Darren Sims and Ronen Kannor by the Company on 8 May 2015 and (iii) non-employee options granted to Christo Oosthuizen and Alan Feldman by the Company on 8 May 2015
“Average Initial Share Price”	has the meaning ascribed to it in paragraph 4 of Part 1 of this document
“Black Onyx”	Black Onyx Partners L.P, an Israeli registered limited partnership
“Black Onyx Partners”	Michael Weinraub, Assaf Matityahu and Shlomi Zac
“Business Day”	any day (excluding Saturdays and Sundays) on which banks are open in the City of London and Jersey for the conduct of normal banking business
“Canaccord Genuity”	Canaccord Genuity Limited of 88 Wood Street, London, EC2V 7QR
“Capita Registrars”	Capita Registrars (Jersey) Limited of 12 Castle Street, St. Helier, Jersey JE2 3RT
“CCSL”	has the meaning ascribed to it in paragraph 1 of Part 2 of this document
“Certificated Form”	not in Uncertificated Form

“Circular”	this document which comprises a circular to Shareholders and which, for the avoidance of doubt, does not comprise a prospectus (under the Prospectus Rules or the Jersey Companies Law) or an admission document (under the AIM Rules) and does not constitute an offer or invitation to the public within the meaning of any relevant legislation or regulation
“Consultant Options”	the options granted to Izak Cronje and Sandra Cronje on 1 October 2015 over, in aggregate, 520,000 new Ordinary Shares, further details of which are set out in this document
“Consultant Shares”	up to 520,000 new Ordinary Shares to be issued upon the exercise of the Consultant Options
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended or the Companies (Uncertificated Securities) (Jersey) Order 1991, as amended (as applicable)
“DAL”	Daub Alderney Limited, a wholly owned subsidiary of the Company and registered in Alderney with registered number 1726
“Directors” or “Board”	the directors of the Company whose names are set out on page 6 of this document
“DTRs”	the UK Disclosure Guidance and Transparency Rules sourcebook
“Earn Out Consideration Shares”	the Tarco Earn Out Consideration Shares and the 8Ball Earn Out Consideration Shares
“Enlarged GAL Concert Party”	the Original GAL Concert Party as enlarged as a result of the Tarco Acquisition and the grant of the Consultant Options comprising each of the members of the Original GAL Concert Party, Tarco, Black Onyx, each of the Black Onyx Partners, Izak Cronje and Sandra Cronje
“Enlarged Share Capital”	the issued share capital of the Company, as enlarged by the issue of the Placing Shares and, as the context requires, the Tarco Initial Consideration Shares, the Tarco Earn Out Consideration Shares (if any), the Matityahu Shares (if any), the Consultant Shares (if any) and the LTIP Shares (if any)
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Existing Ordinary Shares”	the 51,300,584 Ordinary Shares in issue at the date of this document
“Form of Proxy”	the form of proxy for use by Shareholders at the General Meeting and “Forms of Proxy” shall be construed accordingly
“FSMA”	the UK Financial Services and Markets Act 2000, as amended
“GAL Holdings”	GAL Holdings Limited, registered in Belize with registered number 67385 and which is in the process of redomiciling to the British Virgin Islands

“General Meeting”	the extraordinary general meeting of the Company to be held at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London, United Kingdom, EC4R 9HA at 9.30 a.m. on 23 August 2016 (or any adjournment thereof), notice of which is set out at the end of this document
“GMG”	has the meaning ascribed to it in paragraph 1 of Part 2 of this document
“GTCL”	has the meaning ascribed to it in paragraph 1 of Part 2 of this document
“Group”	the Company and its subsidiaries from time to time
“H1 2016”	the six month period to 29 February 2016
“Independent Directors”	Nigel Payne, John Le Poidevin and Adam Batty
“Independent Shareholders”	all Shareholders other than any members of the Enlarged GAL Concert Party
“Insynergy”	has the meaning ascribed to it in paragraph 1 of Part 2 of this document
“Jersey”	the Bailiwick of Jersey
“Jersey Companies Law”	the Companies (Jersey) Law 1991, as amended and subordinate legislation thereunder
“Joint Bookrunners”	Canaccord Genuity and Shore Capital
“London Stock Exchange”	London Stock Exchange plc
“LTIP”	the Long Term Incentive Plan to be established by the Company
“LTIP Awards”	the awards proposed to be made to Eitan Boyd, Darren Sims and Ronen Kannor pursuant to the terms of the LTIP, further details of which are set in this document
“LTIP Shares”	up to 632,294 new Ordinary Shares to be issued upon the exercise of the LTIP Awards
“Matityahu Options”	the options proposed to be granted to Assaf Matityahu pursuant to the terms of his new employment agreement with Netboost Media to be entered into in connection with the Netboost Media Acquisition, further details of which are set out in this document
“Matityahu Shares”	up to 77,822 new Ordinary Shares to be issued upon the exercise of the Matityahu Options
“Netboost Media”	Netboost Media Limited, registered in Israel with registered number 513830562
“Netboost Media Acquisition”	the proposed acquisition by Spacebar of the entire issued share capital of Netboost Media
“Notice of General Meeting”	the notice convening the General Meeting set out at the end of this document
“Ordinary Share Capital”	the number of Ordinary Shares in issue from time to time

“Ordinary Shares”	the ordinary shares of £0.01 each in the capital of the Company
“Original GAL Concert Party”	the concert party as it was constituted at the time of the admission of the Company’s issued share capital to trading on AIM in May 2015, comprising GAL Holdings, GTCL, GMG, CCSL, Ukudla, Eitan Boyd, Darren Sims, Ronen Kannor, Christo Oosthuizen, Alan Feldman, Tal Harpaz, Sean Rose and Rubin Feldman
“Overseas Shareholders”	Shareholders who have registered addresses outside the United Kingdom
“Panel”	the Panel on Takeovers and Mergers
“Placees”	subscribers for Placing Shares procured by the Joint Bookrunners pursuant to the Placing Agreement
“Placing”	the proposed placing by Canaccord Genuity and Shore Capital of the Placing Shares on behalf of the Company pursuant to the Placing Agreement
“Placing Agreement”	the agreement dated 29 July 2016 between the Company, Canaccord Genuity and Shore Capital relating to the Placing, further details of which are set out in this document
“Placing Price”	the price at which the Placing Shares are to be allotted and issued pursuant to the Placing, being 225 pence per Placing Share
“Placing Shares”	the 12,000,000 new Ordinary Shares to be issued by the Company at the Placing Price pursuant to the Placing Agreement
“Prospectus Directive”	EU Prospectus Directive 2003/71/EC
“Prospectus Rules”	the Prospectus Rules made in accordance with the Prospectus Directive
“qualified institutional buyer”	a “qualified institutional buyer” within the meaning of Rule 144A of the Securities Act
“Regulation S”	Regulation S under the Securities Act
“Regulatory Information Service”	has the same meaning as in the AIM Rules
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
“Restricted Jurisdictions”	the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa
“Rule 9”	Rule 9 of the Takeover Code
“Rule 9 Waiver”	the waiver agreed by the Panel, conditional upon the approval by the Independent Shareholders of the Waiver Resolution at the General Meeting, of the obligation of any member of the Enlarged GAL Concert Party to make a general offer under Rule 9 which would otherwise arise as a consequence of the issue of the Tarco Consideration Shares (and the related Tarco Transfers) and/or the issue of any Consultant Shares, Matityahu Shares and/or LTIP Shares
“Securities Act”	the United States Securities Act of 1933, as amended

“Shareholders”	holders of Existing Ordinary Shares
“Shore Capital”	Shore Capital Stockbrokers Limited of Bond Street House, 14 Clifford Street, London W1S 4JU
“Spacebar”	Spacebar Media Limited, a wholly owned subsidiary of the Company, registered in England and Wales with registered number 05573177
“Stride Gaming” or the “Company”	Stride Gaming plc, incorporated in Jersey with registered number 117876 and, where the content requires, its subsidiaries from time to time
“Takeover Code”	the City Code on Takeovers and Mergers issued by the Panel, as amended or supplemented from time to time
“Tarco”	Tarco Limited, registered in Belize
“Tarco Acquisition”	the proposed acquisition by DAL of the Tarco Assets from Tarco
“Tarco Assets”	certain assets of Tarco to be acquired pursuant to the terms of the Tarco Acquisition
“Tarco Consideration Shares”	the Tarco Initial Consideration Shares and the Tarco Earn Out Consideration Shares
“Tarco Covenantors”	GAL Holdings, Guardian Trust Company Limited as trustee of the Alon Trust, Clermont Corporate Services Limited in its capacity as trustee of the Monkey George Trust and Black Onyx
“Tarco Earn Out Consideration Shares”	up to 5,196,029 new Ordinary Shares to be issued by the Company to Tarco as part of the earn out consideration payable in connection with the Tarco Acquisition
“Tarco (GAL) Shareholders”	GAL Holdings, GTCL, GMG, CCSL and Ukudla, each of whom is interested in the share capital of Tarco
“Tarco (GAL) Transferees”	GAL Holdings, GTCL, GMG and CCSL
“Tarco Initial Consideration Shares”	the 3,219,500 new Ordinary Shares to be issued by the Company to Tarco on completion of the Tarco Acquisition
“Tarco Transferees”	each of the Tarco (GAL) Transferees and Black Onyx
“Tarco Transfers”	the proposed transfers of Tarco Consideration Shares by Tarco to the Tarco Transferees and the proposed subsequent transfers of Tarco Consideration Shares by Black Onyx to the Black Onyx Partners, in each case pursuant to the terms of the Tarco Acquisition
“TTE”	Table Top Entertainment Limited, registered in Alderney with registered number 1837
“TTE Concert Party”	TTE, Insynergy Holdings Limited, Poppy Investment Limited, the Poppy Trust, Larry Galansky, Bedell Trustees Limited as trustee of the Blue Rock Trust, Gary Briner, Bedell Trustees Limited as trustee of Eagle Eye Trust, Alan Trope, Hydaco Pty Ltd, Hydaco Holdings Limited as trustee of the Hydaco Holdings Trust, Grant Benson and SMD Development NV
“TTE Share Transfer Agreement”	has the meaning ascribed to such term in paragraph 7 of Part 3

“Uncertificated Form”	recorded on the relevant register or other record of the share or other security confirmed as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by way of CREST
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“Ukudla”	has the meaning ascribed to it in paragraph 1 of Part 2 of this document
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“Waiver Resolution”	the ordinary resolution of Independent Shareholders (taken on a poll) numbered 1 in the Notice of General Meeting to be proposed at the General Meeting to approve the Rule 9 Waiver
“£” and “p”	respectively pounds and pence Stride Gaming, the lawful currency of the United Kingdom
“US\$”	the lawful currency of the United States

GLOSSARY OF TERMS

The following glossary of terms applies throughout this document, unless the context otherwise requires:

“B2B”	business to business
“B2C”	business to customer
“BI”	business intelligence
“CPA”	cost per acquisition
“FY”	fiscal year
“KPI”	key performance indicator
“LTM”	last twelve months
“LTV”	lifetime value
“NGR”	net gaming revenue
“PoC”	point of consumption
“SEO”	search engine optimisation

PART 1

LETTER FROM THE CHAIRMAN OF STRIDE GAMING PLC

STRIDE GAMING PLC

(Incorporated in Jersey with registered number 117876)

Directors:

Nigel Payne (*Non-executive Chairman*)
Eitan Boyd (*Chief Executive Officer*)
Darren Sims (*Chief Operating Officer*)
Ronen Kannor (*Chief Financial Officer*)
John Le Poidevin (*Non-executive Director*)
Adam Batty (*Non-executive Director*)

Registered Office

12 Castle Street
St. Helier
Jersey JE2 3RT

3 August 2016

Dear Shareholder,

**Proposed acquisitions of 8Ball, Netboost Media and the assets of Tarco
Proposed Placing of 12,000,000 new Ordinary Shares at 225 pence per share
Approval of the waiver of the obligations under Rule 9 of the Takeover Code
Notice of General Meeting**

1. Introduction

Your Board announced on 29 July 2016 that the Group had conditionally agreed to acquire the Tarco Assets from Tarco, an independent online bingo operator, together with the entire issued share capital of Netboost Media, a marketing business which serves the Tarco Assets.

The consideration for the Tarco Acquisition is up to £38.0 million, of which £16.0 million is payable on completion of the Tarco Acquisition (£7.7 million in cash with the balance to be satisfied by the issue of 3,219,500 Ordinary Shares) and up to £22.0 million is payable based on the performance of the business for the 12 month period to 31 December 2017. The consideration for the related Netboost Media Acquisition is £2.2 million payable in cash, on completion.

At the same time, your Board also announced the proposed acquisition by the Company of the entire share capital of 8Ball, an online bingo operator. The consideration for the 8Ball Acquisition is up to £30.0 million, of which £12.0 million is payable in cash on completion of the 8Ball Acquisition and up to £18.0 million is payable based on the performance of the business for the 12 month period from completion of the 8Ball Acquisition, of which the first £3.0 million will be satisfied in Ordinary Shares and the balance will be satisfied by a mixture of cash (40 per cent.) and by the issue of Ordinary Shares (60 per cent.).

Finally, the Board also announced on 29 July 2016 that the Company is proposing to raise £27.0 million (before expenses) by way of a non pre-emptive placing for cash of 12,000,000 new Ordinary Shares at 225 pence per Placing Share. It is intended that the net proceeds of the Placing will be used to fund the initial cash consideration payable upon completion of the Acquisitions with the residual proceeds and the Company's cash resources funding the cash components of the earn out consideration payable (if any) in connection with the Tarco Acquisition and the 8Ball Acquisition.

The Placing Price represents a discount of approximately 12 per cent. to the average closing price of the Ordinary Shares for the 90 day period ending on 28 July 2016, being the day prior to the Announcement. The Placing Shares have been conditionally placed by the Joint Bookrunners with certain existing shareholders and new institutional investors.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares.

In connection with completion of the Tarco Acquisition, an application will be made to the London Stock Exchange for the Tarco Initial Consideration Shares to be admitted to trading on AIM. The Tarco Initial Consideration Shares, when issued and fully paid, will rank *pari passu* in all respects with the Ordinary Shares in issue at such time.

Each of the Acquisitions and the Placing is conditional upon, amongst other things, the passing of the Resolutions at the General Meeting. However, the Acquisitions are also conditional on a number of other matters (including the receipt of various contractual change of control consents) and are, therefore, expected to complete after Admission. As such, the Placing is not conditional upon completion of the Acquisitions and there is, therefore, a possibility that the Placing Shares might be issued but that none (or not all) of the Acquisitions will complete. In these circumstances, the Directors would consider the Company's options with regard to how best to utilise the net proceeds of the Placing.

The implementation of the Acquisitions and the Placing requires the approval of Shareholders to give the Directors authority to issue new Ordinary Shares (including the Placing Shares, the Tarco Consideration Shares and the 8Ball Earn Out Consideration Shares) and to disapply pre-emption rights in connection with the issue of certain of such shares.

In addition, since Tarco is owned by, amongst others, certain members of the Original GAL Concert Party and the Tarco Acquisition (and the related Tarco Transfers) will result in additional Ordinary Shares being issued to, or held by, members of the Enlarged GAL Concert Party (further details of which are set out in paragraph 9 below), a Rule 9 Waiver under the Takeover Code is required and, accordingly, the approval of the Independent Shareholders is being sought for the Rule 9 Waiver.

Finally, since GAL Holdings, a substantial shareholder of the Company for the purposes of the AIM Rules, is interested in the shares of Tarco and Netboost Media, and Eitan Boyd and Darren Sims, directors of the Company, are interested in the shares of Tarco, the Tarco Acquisition and the Netboost Media Acquisition each constitute a related party transaction under Rule 13 of the AIM Rules.

The purpose of this document is to convene the General Meeting and to provide you with information about, amongst other things, the background to and the reasons for the Acquisitions and the Placing. This document explains why the Independent Directors consider the Acquisitions, the Placing and the Rule 9 Waiver to be in the best interests of the Company and its Shareholders as a whole and why the Independent Directors recommend that Shareholders who are entitled to vote do so in favour of the Resolutions.

Shareholders are advised to read this document in its entirety and not just this Part 1.

2. Information on Stride Gaming plc

Stride Gaming is an online gaming operator, focused within the UK bingo led and social gaming markets. The Group operates a multi branded strategy across its two verticals (real money gaming and social gaming), and uses its own proprietary and purchased software to provide online bingo and slot gaming for its players, in addition to a social gaming mobile application.

Stride Gaming successfully acquired TTE in September 2014 and InfiApps in July 2015. Stride Gaming has demonstrated its ability to grow existing bingo businesses and integrate acquisitions into the Group. The Company has been able to accelerate growth through improved levels of engagement, monetisation and marketing. Stride Gaming has demonstrated that it can increase key KPIs under its ownership; proving the accretive nature of prior acquisitions.

Today, Stride Gaming has grown to achieve approximately 5 per cent. market share, operating over 10 brands. In H1 2016, Stride Gaming's unaudited Group Net Gaming Revenue rose by 20.6 per cent to £21.6 million, with H1 2016 Group Adjusted EBITDA rising to £5.6 million, representing an increase of over 29.0 per cent. on the same period in the previous year. The Company had a gross cash balance of £9.9 million as at 29 February 2016. Stride Gaming is highly cash generative, with cash conversion of 80 per cent. in H1 2016 and 90 per cent. in the nine month period to 31 May 2016.

Group's business model

The Group's business model is focused on driving highly engaged players through to its multi-branded sites. Once engaged, the Group looks to cross market its different brands to players with the aim of driving the Group's overall profitability, which is derived from the life time value of a player, less the cost to acquire the player.

The Group is able to effectively engage with players through successful marketing campaigns, whereby it is able to adapt its marketing mix to attract new players whilst also giving existing players fresh impetus to re-engage, optimising both player conversion rates and CPA. The Group's customer retention management processes and systems drive increased player engagement and retention through regular and personalised loyalty programs, which reduces player churn and provides the Group with the opportunity to cross market its games from its other branded sites. The Group's business intelligence software plays an important role in attracting the right customers, whilst providing real time KPI monitoring, allowing the Group to identify early what works for different players, further reducing player churn.

The Group's business model is further supported by its large variety of leading content and proprietary games, whilst allowing its players to access this content through a multitude of end user platforms.

UK online bingo market overview

The UK online gaming market is estimated to pass £3 billion by 2016, with the UK online bingo market expected to reach approximately £600 million in 2016¹. The UK online bingo market is dominated by four large operators, which have a combined market share of approximately 57 per cent. Stride Gaming is estimated to be ranked as the sixth largest bingo operator, with approximately 5 per cent. of the market¹. Online bingo has continued to grow in popularity in the UK, with UK online bingo-led NGR estimated to grow by 35.4 per cent. between 2011 and 2016.

Regulatory changes to real money gambling in the UK now requires operators to be licensed by the UK Gambling Commission, with these operators incurring a 15 per cent. PoC tax on NGR related to UK based players. The Directors believe that the current PoC tax, compliance and new technological standards will continue to drive sector consolidation, squeezing out smaller operators who have lower margins, providing an opportunity for a scale gaming operator, such as the Group, to increase its market share.

Larger operators also face challenges, with these operators being forced to prioritise their marketing spend to their core non-bingo led products. Furthermore, Stride Gaming expects that the expansion of the scope of the PoC tax in August 2017, will continue to drive sector consolidation, leaving Stride Gaming with a greater opportunity to increase its market share.

3. Background to, reasons for the Acquisitions and the Placing

Vision for Growth

Stride Gaming's vision is to become the global market leader in the soft gaming vertical of the online gaming industry. Stride Gaming has an ambitious and progressive growth strategy to build on the Group's robust performance since listing on AIM in 2015. Its growth strategy remains centred on six core pillars:

- continue to build scale through strong organic growth and targeted acquisitions;
- expand presence in existing verticals both in the UK and international regulated markets;
- enter into other soft gaming verticals such as lottery and scratch cards;
- take advantage of operational leverage through scale and significant consolidation opportunities;
- increase market share of the UK online bingo market to 15-20 per cent.; and
- continue to increase profitability and scale.

Transaction Rationale

The Acquisitions are in line with the Company's strategy and vision set out above; to maximise shareholder value by achieving growth through organic and acquisitive means.

¹ Source: Gambling Compliance Report 2015

The Acquisitions bring scale and a number of leading bingo brands to Stride Gaming. Stride Gaming's UK online bingo market share is expected to rise from approximately 5 per cent. to approximately 10 per cent. with these Acquisitions, which would make Stride Gaming the fourth largest online bingo operator in the UK market. Furthermore, Stride Gaming's share of the UK online bingo landscape is expected to rise from approximately 2 per cent. to over 25 per cent. following completion of the Acquisitions (by number of sites).

The Acquisitions present attractive player fundamentals which are expected to deliver further upside through leveraging Stride Gaming's leading platform and marketing expertise, whilst also driving synergies through cross marketing, lowering of CPA, increasing customer LTV and reducing player churn. The following table sets out selected KPIs for Stride Gaming, 8Ball and Tarco:

	LTV⁽¹⁾ (£)	Yield⁽²⁾ (£)	CPA⁽³⁾ (£)
Stride Gaming	474	162	99
Tarco	113	50	37
8Ball	276	41	18

(1) Average life time value of a player – Stride Gaming (NGR), Tarco, 8Ball (net cash). Stride Gaming data analysed since inception; Tarco 20 months to June 2016; 8Ball average of rolling 12 months forward from January, February and March 2015 respectively.

(2) Yield per player per month – Stride Gaming (NGR), Tarco, 8Ball (net cash). Stride Gaming, Tarco March – May 2016; 8Ball LTM May 2016.

(3) Cost per Acquisition – Stride Gaming LTM June 2016; Tarco January – May 2016; 8Ball LTM April 2016.

The Directors believe that the Group can achieve cost synergies (including marketing, administration, distribution costs) of an estimated aggregate £2.5 million (post earn out) and revenue synergies (including LTV, yield and net cash hold) of an estimated aggregate £3.0 million (post earn out) through the Acquisitions.

The Acquisitions, in aggregate, are expected to be accretive in the first full year of ownership, prior to any synergies.

The Tarco Assets and Netboost Media:

- Provide scale: estimated market share is three per cent.
- Expand the Group's multi-branded offering by 22 brands
- Bring expertise in operating the Dragonfish platform

8Ball:

- Provides scale: estimated market share is two per cent.
- Expands the Group's multi-branded offering by 74 brands
- Adds proven cross marketing BI to achieve low CPA levels
- Brings expertise in operating multi brands and multi platforms
- Is highly ranked for SEO (Booty Bingo in top five search results for 'online bingo')

4. Summary of the Acquisitions

Acquisition of Tarco Assets and Netboost Media

DAL and Spacebar, being wholly owned subsidiaries of the Company have, respectively, conditionally agreed to acquire the Tarco Assets and the entire issued share capital of Netboost Media, a marketing business which services the Tarco Assets, for a total consideration of up to £40.2 million, comprising of:

- an initial consideration of £16.0 million (on a debt free, cash free basis) for the Tarco Assets, of which £7.7 million will be paid in cash and the balance satisfied by the issue of 3,219,500 new Ordinary Shares;
- the number of Tarco Initial Consideration Shares was calculated by reference to the average closing price of the Ordinary Shares for the 90 day period ending on 28 July 2016 (the "**Average Initial Share Price**");

- an earn out consideration of up to £22.0 million for the Tarco Assets, equal to 7.5x adjusted EBITDA for the 12 month period to 31 December 2017, of which 51.4 per cent. will be paid in cash and the balance (48.6 per cent.) satisfied by the issue of the Tarco Earn Out Consideration Shares;
- the number of Tarco Earn Out Consideration Shares to be issued (if any) is to be calculated by reference to the average closing price of the Ordinary Shares for the 90 day period ending on 31 December 2017, provided always that the reference price shall not be more than 20 per cent. higher or lower than the Average Initial Share Price such that the maximum number of new Ordinary Shares that could be issued to satisfy any such earn out consideration is 5,196,029 new Ordinary Shares; and
- a consideration of £2.2 million for Netboost Media, payable in cash on completion of the Netboost Media Acquisition.

Subject to certain limited exceptions, from the date of the issue of the Tarco Initial Consideration Shares until 31 December 2017, the Tarco (GAL) Transferees and the Black Onyx Partners will not dispose of the Tarco Initial Consideration Shares, except with the prior written consent of the Company and (for so long as Canaccord Genuity and Shore Capital remain the nominated adviser and/or broker of the Company) Canaccord Genuity and Shore Capital. In addition, any disposal of the Tarco Earn Out Consideration Shares from the date of the issue of such shares until 31 March 2018 (subject to certain exceptions) must be made through Canaccord Genuity or Shore Capital with a view to maintaining an orderly market in the Ordinary Shares.

Tarco is an independent online bingo operator with approximately three per cent. share of the UK online bingo market and has approximately 63,000 monthly active players. Tarco has 22 B2C bingo brands and 4 B2B, including Moon Bingo, Robin Hood Bingo and Moon Games. Tarco operates on 888's Dragonfish platform. Black Onyx owns 50 per cent. of the shares in Tarco with the remaining 50 per cent. beneficially owned by the Tarco (GAL) Shareholders as set out below:

Name	% holding
GAL Holdings Limited	37.50
Eitan Boyd ⁽¹⁾	6.00
Darren Sims ⁽²⁾	2.50
Ukudla Commodities Limited ⁽³⁾	3.25
Christo Oosthuizen ⁽⁴⁾	0.75
Tarco (GAL) Shareholders	50.0
Black Onyx	50.0
Total	100.0

(1) Legal title to these shares is held by Guardian Trust Company Limited as trustee for the Alon Trust. The beneficiaries of the Alon Trust are Eitan Boyd, his wife and children.

(2) Legal title to these shares is held by Clermont Corporate Services Limited in its capacity as trustee for the Monkey George Trust. The beneficiaries of the Monkey George Trust are Darren Sims, his wife and children.

(3) Ultimately owned by Rubin Feldman, the father of Alan Feldman (a consultant to Group companies).

(4) Legal title to these shares is held by Geneva Management Group (BVI) Limited.

Pursuant to the terms of the Tarco Acquisition, and taking into account the Tarco Transfers, the mix of cash and new Ordinary Shares payable as part of Tarco Initial Consideration and Tarco Earn Out Consideration is as follows:

Tarco Initial Consideration	% cash	% Tarco Initial Consideration Shares
Tarco (GAL) Shareholders	13	88
Others	80	20
Total	48	52

Tarco Earn Out Consideration	% Tarco Earn out Consideration	
	% cash	Shares
Tarco (GAL) Shareholders	16	84
Others	84	16
Total	51	49

Netboost Media is a marketing business which services the Tarco Assets. 50 per cent. of the shares in Netboost Media are being acquired from the Black Onyx Partners with the remaining 50 per cent. being acquired from GAL Holdings. Netboost Media is based in Israel in offices which are leased by Netboost Media from Pipeline Capital Limited, a company jointly controlled by GAL Holdings and Black Onyx. These lease arrangements will continue following completion of the Netboost Media Acquisition. Assaf Matityahu, Netboost Media's Co-CEO will be employed by the enlarged Group for at least two years following the end of the earn out period under the Tarco Acquisition (being 31 December 2017) and, in connection with such arrangements, will be granted options over 77,822 new Ordinary Shares (exercisable at the Average Initial Share Price) which will vest, as to 38,911 new Ordinary Shares on 31 December 2018 with the remaining 38,911 vesting on 31 December 2019.

Summary financial information and KPIs for the Tarco Assets and Netboost Media are set out below:

(£'000 IFRS)	FY 31/12/15⁽¹⁾	LTM 31/5/16⁽²⁾
NGR	15,868	17,397
Adjusted EBITDA	2,257	2,544
<i>Margin</i>	14%	15%
EBIT	2,230	2,518
<i>Margin</i>	14%	14%
PAT	2,135	2,423

KPIs⁽³⁾

Net Cash Hold	49%
LTV	£113
CPA	£37
Active Players	63,239

(1) Audited accounts, converted to IFRS.

(2) Management accounts, converted to IFRS.

(3) Net cash hold: LTM May 2016; LTV: 20 months to June 2016; CPA: January – May 2016; Active Players: March – May 2016.

Acquisition of 8Ball

The Company has conditionally agreed to acquire the entire issued share capital of 8Ball for a total consideration of up to £30.0 million, comprising of:

- an initial consideration of £12.0 million (on a debt free, cash free basis), payable in cash on completion of the 8Ball Acquisition;
- an earn out consideration of up to £18.0 million, equal to 6x adjusted EBITDA for the 12 month period from completion of the 8Ball Acquisition, less the initial consideration, of which the first £3.0 million will be satisfied in new Ordinary Shares with the balance paid as to 40 per cent. in cash and 60 per cent. to be satisfied by the issue of new Ordinary Shares. The number of 8Ball Earn Out Consideration Shares to be issued (if any) is to be calculated as follows:
 - the first £4.0 million will be satisfied by the issue of new Ordinary Shares calculated by reference to the Placing Price;
 - the balance of any further earn out consideration to be satisfied by the issue of new Ordinary Shares will be calculated by reference to the average closing price of the Ordinary Shares for the 90 day period ending on 31 August 2017 (being the end of the earn out period for the 8Ball Acquisition) provided always that such reference price shall not be more than 20 per cent. higher or lower than the Average Initial Share Price such that the maximum number of new Ordinary Shares that could be issued to satisfy any such earn out consideration is 5,668,829 new Ordinary Shares.

Subject to certain limited exceptions, for a period of twelve months ending on 31 August 2018 (the “**Initial Lock-In Period**”), the 8Ball Sellers will not dispose of the 8Ball Earn Out Consideration Shares (or any interest therein) except with the prior written consent of the Company and (for so long as Canaccord Genuity and Shore Capital remain the nominated adviser and/or broker of the Company) Canaccord Genuity and Shore Capital. In addition, any disposal of the 8Ball Earn Out Consideration Shares in the six months following the expiry of the Initial Lock-In Period will (subject to certain exceptions) be made through Canaccord Genuity or Shore Capital with a view to maintaining an orderly market in the Ordinary Shares.

8Ball is an online bingo operator, with a total of 74 sites in the UK, including Booty Bingo and WeWantBingo. 8Ball operates a multi-platform multi brand strategy, acquiring the lower end of the market. 8Ball has over 60,000 active players, and its propriety BI platform enables it to maximise player value using cross marketing techniques. 8Ball has 30 employees in the UK across brand management and marketing (including retention), outsourcing most other services to the various platform providers. The operations director of the 8Ball business will be employed in the enlarged Group for at least two years post completion. 8Ball is owned the 8Ball Shareholders, who are its current management team.

Summary financial information and KPIs for 8Ball are set out below:

(£'000 IFRS)	FY 31/12/15⁽¹⁾	LTM 31/5/16⁽²⁾
NGR	8,241	9,684
Adjusted EBITDA	1,514	1,999
<i>Margin</i>	18%	21%
EBIT	1,282	1,653
<i>Margin</i>	16%	17%
PAT	979	1,249
KPIs⁽³⁾		
Net Cash Hold	55%	
LTV	£276	
CPA	£18	
Active Players	60,297	

(1) Unaudited accounts, converted to IFRS.

(2) Management accounts, converted to IFRS.

(3) Net cash hold: March to May 2016; LTV: average of rolling 12 months forward from January, February, March 2015 respectively; CPA: LTM April 2016; Active Players: March to May 2016.

Pro forma financial information

The pro forma financial information set out below is based on unaudited management accounts.

LTM May 2016 NGR bridge⁽¹⁾

	Stride Gaming	Tarco Assets & Netboost Media	8Ball	Total
NGR (£ million)	£44.7	£17.4	£9.7	£71.8

LTM May 2016 Adjusted EBITDA bridge⁽²⁾

	Stride Gaming	Tarco Assets & Netboost Media	8Ball	Total
Adjusted EBITDA (£ million)	£12.0	£2.5	£2.0	£16.6

(1) NGR for the 12 months period ending 31 May 2016 based on management accounts (excludes potential synergies).

(2) Adjusted EBITDA for the 12 months period ending 31 May 2016 based on management accounts (excludes potential synergies) NGR and EBITDA figures are without potential synergies.

5. Details of the Placing

The Company is proposing to raise gross proceeds of £27.0 million (approximately £25.1 million net of expenses) through the issue of the Placing Shares at the Placing Price to the Placees. The Placing Price of 225 pence is equivalent to a discount of approximately 12 per cent. to the average closing price of the Ordinary Shares for the 90 day period ending on 28 July 2016. The Placing Shares will represent approximately 19 per cent. of the Enlarged Share Capital on Admission.

The Placing Shares will be allotted and issued fully paid and will, on issue, rank *pari passu* with the Existing Ordinary Shares including the right to receive, in full, all dividends and other distributions declared, paid or made thereafter in respect of the Ordinary Shares together with all rights attaching to them and free from all liens, charges and encumbrances of any kind. Application will be made for the Placing Shares to be admitted to trading on AIM. It is expected that Admission and dealings in the Placing Shares will commence at 8.00 a.m. on 24 August 2016.

The Placing Shares are not being made available to the public and none of the Placing Shares are being offered or sold in any jurisdiction where it would be unlawful to do so. The Placing Shares have not been and will not be registered under the relevant laws of any of the Restricted Jurisdictions or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is a resident of or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

Whilst the Acquisitions and the Placing are each conditional upon, amongst other things, the passing of the Resolutions at the General Meeting, the Acquisitions are also conditional on a number of other matters and are, therefore, expected to complete after Admission. As such, the Placing is not conditional upon completion of the Acquisitions and there is, therefore, a possibility that the Placing Shares might be issued but that none (or not all) of the Acquisitions will complete. In these circumstances, the Directors would consider the Company's options with regard to how best to utilise the net proceeds of the Placing.

6. Placing Agreement

Pursuant to the terms of the Placing Agreement, the Joint Bookrunners have agreed to use their respective reasonable endeavours, as agents of the Company, to procure Placees for the Placing Shares. The obligations of the Joint Bookrunners are conditional upon, amongst other things: (a) the Resolutions being passed at the General Meeting; and (b) Admission taking place not later than 8.00 a.m. on 31 August 2016, or such later time and date as the Joint Bookrunners and the Company may agree, being not later than 8.00 a.m. on 7 September 2016.

The Joint Bookrunners are entitled to terminate their respective obligations under the Placing Agreement if, amongst other things, at any time before Admission: (a) there is a material adverse change in the business, management, operations, assets, liabilities (financial, trading or otherwise) or profits of the Group (in the opinion of a Joint Bookrunner, acting in good faith); (b) the Joint Bookrunners become aware that any of the warranties given by the Company in the Placing Agreement was untrue, inaccurate or misleading in any material respect when made and/or would be untrue, inaccurate or misleading in any material respect if repeated at any time prior to Admission; (c) the Company is in material breach of any of its obligations under the Placing Agreement; or (d) certain force majeure events occur which in the opinion of the Joint Bookrunners, acting in good faith, would make it inadvisable or impracticable to proceed with the Placing.

7. Current trading and prospects

The Group continues to be cash generative and achieved a cash conversion rate of 90 per cent. in the nine months to 31 May 2016, with the Group generating approximately £4 million in gross revenue per month during the last twelve months to 31 May 2016.

The Group is highly confident in results for the full year ending 31 August 2016.

8. LTIP Awards

As set out in the Company's interim results, the Company will shortly adopt an annual LTIP for the executive directors. It will be in a form of performance shares, with a three year vesting period, subject to stretching performance conditions set at the time of grant, which include metrics based on financial performance in line with the key objectives of delivering returns to its shareholders through achievement of the Group's growth strategy and continued service. The initial award of performance shares are expected to be made at an aggregate value equivalent up to £650,000 for each of the 2015/16 and 2016/17 financial years.

9. Rule 9 of the Takeover Code and background to the Rule 9 Waiver

The issue of the Tarco Consideration Shares (and the related Tarco Transfers), the proposed grant of the Matityahu Options and the LTIP Awards and the subsequent issue of the Matityahu Shares (if any) and the LTIP Shares (if any) and the issue of the Consultant Shares (described below) each give rise to certain considerations and consequences under the Takeover Code. Brief details of the Panel, the Takeover Code and the protections they afford are described below.

Rule 9 of the Takeover Code

The Company is incorporated in Jersey and its Ordinary Shares are admitted to trading on AIM. Accordingly, the Takeover Code applies to the Company.

Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares which (taken together with shares in which he is already interested and in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all of the remaining shareholders to acquire their shares.

Rule 9 of the Takeover Code also provides, *inter alia*, that where any person, together with any persons acting in concert with him, is interested in shares carrying not less than 30 per cent. but not more than 50 per cent. of a company's voting rights, a general offer will normally be required if any further interest in shares is acquired by any such person. The Panel will also deem an obligation to make an offer to have arisen under Rule 9 on the acquisition by a single member of a concert party of an interest in shares carrying 30 per cent. or more of a company's voting rights, or, if he already holds more than 30 per cent. but not more than 50 per cent., an acquisition which increases his percentage holding of interests in shares in that company.

An offer under Rule 9 of the Takeover Code must be made in cash and at the highest price paid by the person required to make the offer (or any persons acting in concert with him) for any such shares within the 12 months prior to the announcement of the offer.

For the purposes of the Takeover Code, a concert party arises where persons acting in concert pursuant to an agreement or understanding (whether formal or informal) actively co-operate, to obtain or consolidate control of that company. Control means a holding, or aggregate holdings, of interests in shares carrying in aggregate 30 per cent. or more of the voting rights (as defined in the Takeover Code), irrespective of whether the holding or holdings give *de facto* control.

Original GAL Concert Party

Stride Gaming was admitted to AIM on 19 May 2015 ("**AIM Admission**"). There are currently two defined concert parties in existence in relation to the Company for the purposes of the Takeover Code, being (1) the Original GAL Concert Party and (2) the TTE Concert Party. The Tarco (GAL) Shareholders form part of the Original GAL Concert Party.

On AIM Admission, members of the Original GAL Concert Party held, in aggregate, 31,202,103 Ordinary Shares, representing approximately 62.2 per cent. of the issued share capital of the Company on AIM Admission. Similarly, the TTE Concert Party held in aggregate, 10,464,562 Ordinary Shares, representing approximately 20.9 per cent. of the issued share capital of the Company on AIM Admission. In addition, certain members of the Original GAL Concert Party had been granted the Approved Options over, in aggregate, 3,000,000 Ordinary Shares which, if exercised in full, would result in members of the Original GAL Concert Party holding, in aggregate, approximately 64.3 per cent. of the issued share capital following

the exercise of those options. The Approved Options were issued prior to AIM Admission and Panel has previously confirmed that the issue of any Ordinary Shares to such members of the Original GAL Concert Party upon the exercise of those options would not result in any member of the Original GAL Concert Party incurring an obligation to make an offer under Rule 9 of the Takeover Code.

At the time of AIM Admission, the TTE Share Transfer Agreement was entered into between certain members of the Original GAL Concert Party and certain members of the TTE Concert Party whereby those members of the Original GAL Concert Party agreed to transfer Ordinary Shares in Stride Gaming to those members of the TTE Concert Party depending upon certain performance criteria being met for the 12 month periods ending 4 September 2015 and 4 September 2016 respectively. The Panel has previously confirmed that the transfer of these Ordinary Shares to members of the TTE Concert Party would not result in any member of the TTE Concert Party incurring an obligation to make an offer under Rule 9 of the Takeover Code.

On 30 September 2015, the Company announced that the performance criteria for the first 12 month period ending 4 September 2015 had been met such that on 18 June 2016, certain members of the Original GAL Concert Party transferred, in aggregate, 9,610,224 Ordinary Shares to certain members of the TTE Concert Party. As a result of this transfer, the holdings of the two concert parties as at 2 August 2016 (being the latest practicable date prior to the publication of this document) are as follows: (1) the Original GAL Concert Party holds, in aggregate, 21,616,879 Ordinary Shares, representing approximately 42.14 per cent. of the voting rights in the Company and (2) the TTE Concert Party holds, in aggregate, 21,223,857 Ordinary Shares, representing approximately 41.37 per cent. of the voting rights in the Company.

If the performance criteria under the terms of the TTE Share Transfer Agreement for the 12 month period ending 4 September 2016 are met, certain members of the Original GAL Concert Party will be required to transfer up to, in aggregate, 2,841,880 Ordinary Shares (representing 5.5 per cent. of the Existing Ordinary Shares) to certain members of the TTE Concert Party.

Enlarged GAL Concert Party

As certain members of the Original GAL Concert Party are shareholders of Tarco, they have been deemed to be acting in concert with each of Black Onyx and the Black Onyx Partners (the Tarco Transferees and the Black Onyx Partners being the ultimate recipients of the Tarco Consideration Shares pursuant to the Tarco Transfers) for the purposes of the Takeover Code and accordingly, subject to completion of the Tarco Acquisition, the Original GAL Concert Party has been extended to include such persons who become members of the Enlarged GAL Concert Party.

Tarco Acquisition

Pursuant to the terms of the Tarco Acquisition, the Tarco Initial Consideration Shares received by Tarco at completion of the Tarco Acquisition (and any Tarco Earn Out Consideration Shares issued by the Company to Tarco) will be transferred to the Tarco Transferees immediately following their issue. The Tarco Initial Consideration Shares (and any Tarco Earn Out Consideration Shares issued by the Company to Tarco) transferred to Black Onyx will then immediately be transferred to the Black Onyx Partners.

Each time any such Tarco Consideration Shares are issued to Tarco (and subsequently transferred as described above) and assuming that there are: (i) no sales of Ordinary Shares by the Enlarged GAL Concert Party; and (ii) no other changes to the Company's issued share capital, the members of the Enlarged GAL Concert Party will have increased their aggregate holdings in the voting rights of the Company which, without a waiver of the obligations under Rule 9, would require a member (or members) of the Enlarged GAL Concert Party to make a Rule 9 Offer for the Company.

As at 2 August 2016 (being the latest practicable date prior to the publication of this document), the Original GAL Concert Party held approximately 42.14 per cent. of the Ordinary Share Capital and Black Onyx and the Black Onyx Partners together held approximately 0.01 per cent. of the Ordinary Share Capital.

Following Admission and the issue of the Tarco Initial Consideration Shares, the expected aggregate interests of the Enlarged GAL Concert Party will be 37.34 per cent.

If, in addition, all of the Tarco Earn Out Consideration Shares are issued by the Company as part of the earn out consideration payable in connection with the Tarco Acquisition and assuming that (i) the Approved Options are not exercised; (ii) no other new Ordinary Shares are issued by the Company; and (iii) no Ordinary

Shares are transferred by the relevant members of the Enlarged GAL Concert Party to persons who are not members of the Enlarged GAL Concert Party (including those which may be transferred pursuant to the TTE Share Transfer Agreement), the expected aggregate interests of the Enlarged GAL Concert Party in the Ordinary Share Capital will be 41.88 per cent.

Matityahu Options

In connection with the Netboost Media Acquisition, Assaf Matityahu, Netboost Media's Co-CEO will be employed by the enlarged Group for at least two years following the end of the earn out period under the Tarco Acquisition (being 31 December 2017). As part of the arrangements being entered into in relation to the Tarco Acquisition and the Netboost Media Acquisition, Assaf Matityahu will be granted options over a total of 77,822 new Ordinary Shares exercisable at the Average Initial Share Price which will vest, as to 38,911 new Ordinary Shares on 31 December 2018 with the remaining 38,911 vesting on 31 December 2019.

Each time any such Matityahu Shares are issued to Assaf Matityahu and assuming that: (i) no Ordinary Shares are transferred by the relevant members of the Enlarged GAL Concert Party to persons who are not members of the Enlarged GAL Concert Party (including those which may be transferred pursuant to the TTE Share Transfer Agreement); and (ii) no other changes to the Company's issued share capital, the Enlarged GAL Concert Party as a whole will have increased their interest in the voting rights of the Company which, without a waiver of the obligations under Rule 9, would require a member (or members) of the Enlarged GAL Concert Party to make a Rule 9 Offer for the Company.

Consultant Options

On 1 October 2015, Izak Cronje, a consultant to the Group, was granted options over 500,000 new Ordinary Shares at an exercise price of 132 pence. These options will vest as to one third on each of 1 October 2017, 1 October 2018 and 1 October 2019.

In addition, on 1 October 2015, Sandra Cronje, wife of Izak Cronje and a consultant to the Group, was granted options over 20,000 new Ordinary Shares at an exercise price of 132 pence. These options will vest as to one third on 1 October 2017 with the remaining two thirds vesting on 1 October 2018.

As Mr Cronje is also a director of GAL Holdings, he and Mrs Cronje became members of the Enlarged GAL Concert Party by virtue of the receipt of the Consultant Options. At the time the Consultant Options were issued, the Original GAL Concert Party held over 50 per cent. of the voting rights of the Company meaning that the issue of any Consultant Shares upon exercise of the Consultant Options, whilst increasing the interest of the Original GAL Concert Party in the voting rights of the Company, would not require a member (or members) of the Enlarged GAL Concert Party to make a Rule 9 Offer for the Company. However, following the transfer of Ordinary Shares between the Original GAL Concert Party and the TTE Concert Party in connection with the arrangements set out in the TTE Share Transfer Agreement, each time any Consultant Shares are issued to either Izak Cronje or Sandra Cronje and assuming that: (i) no Ordinary Shares are transferred by the relevant members of the Enlarged GAL Concert Party to persons who are not members of the Enlarged GAL Concert Party (including those which may be transferred pursuant to the TTE Share Transfer Agreement); and (ii) there are no other changes to the Company's issued share capital, the Enlarged GAL Concert Party as a whole will have increased their interest in the voting rights of the Company which, without a waiver of the obligations under Rule 9, would require a member (or members) of the Enlarged GAL Concert Party to make a Rule 9 Offer for the Company.

LTIP Shares

As contemplated in paragraph 8 above, the Company proposes to grant awards of a value equivalent to up to £650,000 for each of the 2015/16 and 2016/17 financial years to Eitan Boyd, Darren Sims and Ronen Kannor, the executive directors of the Company (each of whom is also a member of the Original GAL Concert Party). The total number of the LTIP Awards granted each year would be capped at 316,147 new Ordinary Shares (with maximum annual LTIP Awards over 121,595 new Ordinary Shares being granted to each of Eitan Boyd and Darren Sims and maximum annual LTIP Awards over 72,957 new Ordinary Shares being granted to Ronen Kannor). In aggregate, the maximum number of new Ordinary Shares which may be issued to Eitan Boyd, Darren Sims and Ronen Kannor pursuant to the LTIP Awards will be 632,294.

Each time any LTIP Shares are issued to Eitan Boyd, Darren Sims and Ronen Kannor and assuming that: (i) no Ordinary Shares are transferred by the relevant members of the Enlarged GAL Concert Party to persons who are not members of the Enlarged GAL Concert Party (including those which may be transferred pursuant to the TTE Share Transfer Agreement); and (ii) there are no other changes to the Company's issued share capital, the Enlarged GAL Concert Party as a whole will have increased their interest in the voting rights of the Company which, without a waiver of the obligations under Rule 9, would require a member (or members) of the Enlarged GAL Concert Party to make a Rule 9 Offer for the Company.

Maximum Enlarged GAL Concert Party holding of Ordinary Shares

If (i) all of the Tarco Earn Out Consideration Shares are issued by the Company as part of the earn out consideration payable in connection with the Tarco Acquisition; (ii) all of the Matityahu Shares are issued by the Company following the exercise of the Matityahu Options; (iii) all of the Consultant Shares are issued by the Company following the exercise of the Consultant Options; and (iv) all of the LTIP Shares are issued by the Company following the exercise of the LTIP Awards, the expected aggregate interest of the Enlarged GAL Concert Party will be 42.86 per cent. of the voting rights of the Company (assuming that (i) the Approved Options are not exercised; (ii) the Placing Shares are issued pursuant to the Placing; (iii) no other new Ordinary Shares are issued by the Company (including pursuant to the 8Ball Acquisition); and (iv) no Ordinary Shares are transferred by the relevant members of the Enlarged GAL Concert Party to persons who are not members of the Enlarged GAL Concert Party (including those which may be transferred pursuant to the TTE Share Transfer Agreement)).

In circumstances where all of the Approved Options are also exercised, the expected aggregate interest of the Enlarged GAL Concert Party will increase to 45.12 per cent. of the voting rights of the Company (assuming that: (i) the maximum number of Placing Shares are issued pursuant to the Placing; (ii) no other new Ordinary Shares are issued by the Company; and (iii) no Ordinary Shares are transferred by the relevant members of the Enlarged GAL Concert Party to persons who are not members of the Enlarged GAL Concert Party (including those which may be transferred pursuant to the TTE Share Transfer Agreement)).

In circumstances where the Acquisitions do not complete and: (i) all of the LTIP Shares are issued by the Company following the exercise of the LTIP Awards; and (ii) all of the Approved Options are also exercised, the expected aggregate interest of the Original GAL Concert Party will be 37.72 per cent. of the voting rights of the Company (assuming that: (i) the Placing Shares are issued pursuant to the Placing; (ii) the Consultant Options are not exercised; (iii) no other new Ordinary Shares are issued by the Company; and (iv) no Ordinary Shares are transferred by the relevant members of the Original GAL Concert Party to persons who are not members of the Original GAL Concert Party (including those which may be transferred pursuant to the TTE Share Transfer Agreement)).

In circumstances where the Acquisitions do not complete and: (i) all of the LTIP Shares are issued by the Company following the exercise of the LTIP Awards; (ii) all of the Consultant Shares are issued by the Company following the exercise of the Consultant Options; and (iii) all of the Approved Options are also exercised, the expected aggregate interest of the Original GAL Concert Party will be 38.20 per cent. of the voting rights of the Company (assuming that: (i) the Placing Shares are issued pursuant to the Placing; (ii) no other new Ordinary Shares are issued by the Company; and (iii) no Ordinary Shares are transferred by the relevant members of the Original GAL Concert Party to persons who are not members of the Original GAL Concert Party (including those which may be transferred pursuant to the TTE Share Transfer Agreement)).

Rule 9 Waiver

The Panel has agreed, however, to waive the obligation on the members of the Enlarged GAL Concert Party to make a general offer that would otherwise arise as a result of the increased holding of interests in Ordinary Shares following the issue of the Tarco Consideration Shares (and the related Tarco Transfers), the issue of the Matityahu Shares (if any), the issue of the Consultant Shares (if any) and the issue of the LTIP Shares (if any), provided the approval, on a poll, of the Independent Shareholders is obtained at the General Meeting. Accordingly, the Waiver Resolution is being proposed at the General Meeting and will be taken on a poll. No member of the Enlarged GAL Concert Party will be entitled to vote on the Waiver Resolution.

For the avoidance of doubt, the Rule 9 Waiver applies only in respect of the increase in holdings of Ordinary Shares by members of the Enlarged GAL Concert Party resulting from: (i) the issue of the Tarco Consideration Shares (and the related Tarco Transfers), (ii) the issue of the Matityahu Shares (if any), (iii) the issue of the Consultant Shares (if any) and (iv) the issue of the LTIP Shares (if any) and not in respect of other increases in their respective holdings (although the Panel has previously confirmed that the issue of any Ordinary Shares to certain members of the Original GAL Concert Party upon the exercise of the Approved Options would not result in any member of the Original GAL Concert Party incurring an obligation to make an offer under Rule 9 of the Takeover Code). No member of the Enlarged GAL Concert Party has taken part in any decision of the Board relating to the proposal to seek the Rule 9 Waiver.

In the event that the Waiver Resolution passed by Independent Shareholders, the Enlarged GAL Concert Party will not be restricted from making an offer for the Company.

Further details concerning the Enlarged GAL Concert Party is set out in Part 2 of this document.

10. Related Party Transactions

As at 2 August 2016 (being the latest practicable date prior to the publication of this document), GAL Holdings holds 16,878,743 Existing Ordinary Shares, representing approximately 32.88 per cent. of the issued share capital of the Company. GAL Holdings also holds 37.50 per cent. of the issued share capital of Tarco and is selling 50.00 per cent. of the issued share capital of Netboost Media and, as a substantial shareholder of the Company under the AIM Rules, the Tarco Acquisition and the Netboost Media Acquisition each constitutes a related party transaction with GAL Holdings under Rule 13 of the AIM Rules.

In addition, Eitan Boyd and Darren Sims each have an interest in the Tarco Acquisition as described above and are due to receive consideration under the Tarco Acquisition (including new Ordinary Shares). As both Eitan Boyd and Darren Sims are directors of the Company, the Tarco Acquisition constitutes a related party transaction with each of them under Rule 13 of the AIM Rules.

The Independent Directors consider, having consulted the Company's Nominated Adviser, Canaccord Genuity, that the terms of the Tarco Acquisition and the Netboost Media Acquisition are fair and reasonable insofar as Shareholders are concerned. In providing advice to the Independent Directors, Canaccord Genuity has taken account of the commercial assessments of the Directors.

11. General Meeting

Set out at the end of this document is a notice convening the General Meeting to be held at 9.30 a.m. on 23 August 2016, at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London, United Kingdom, EC4R 9HA at which the following Resolutions will be proposed for the purposes of implementing the Acquisitions, the Placing and the LTIP Awards:

- **Resolution 1** – an ordinary resolution of the Independent Shareholders (taken on a poll) to approve the Rule 9 Waiver in connection with any additional Ordinary Shares to be held by the members of the Enlarged GAL Concert Party as a result of the issue of the Tarco Consideration Shares and the related Tarco Transfers, the issue of the Matityahu Shares (if any), the issue of the Consultant Shares (if any) and the issue of the LTIP Shares (if any) (as explained in paragraph 9 above);
- **Resolution 2** – an ordinary resolution to grant the Directors authority to allot and issue the Placing Shares, the Tarco Consideration Shares, the 8Ball Earn Out Consideration Shares, the Consultant Shares and to grant the Matityahu Options and the LTIP Awards; and
- **Resolution 3** – a special resolution to disapply statutory pre-emption rights granted under the Articles, in respect of the allotment and issue of the Placing Shares, the Consultant Shares and the grant of the Matityahu Options and LTIP Awards.

The authorities set out in Resolutions 2 and 3 are in addition to the existing authorities conferred on the Directors by Shareholders at the Company's annual general meeting in February 2016.

Resolutions 1 and 2 are being proposed as ordinary resolutions and require a simple majority of those votes cast (by persons present in person or by proxy) at the General Meeting to be in favour of the resolution for the resolution to be passed. Resolution 3 is being proposed as a special resolution and requires approval

by not less than three-quarters of the votes cast (by persons present in person or by proxy) at the General Meeting to be in favour of the resolution for the resolution to be passed.

12. Action to be taken

A Form of Proxy for use at the General Meeting accompanies this document. Whether or not you intend to be present at the General Meeting, you are asked to complete the Form of Proxy and to return it by hand or courier only to the Company's registrars, PXS, Capita Asset Services, 34 Beckenham Road, Beckenham, BR3 4TU or in accordance with the reply paid details, so as to be received as soon as possible, but in any event no later than 9.30 a.m. on 19 August 2016. The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

13. Irrevocable Undertakings

The Company has received irrevocable undertakings from each of Poppy Investment Limited, Hydaco Holdings Pty Ltd as trustees of Hydaco Holdings Trust, Hydaco Pty Ltd., Bedell Trustees Limited as trustees of the Blue Rock Trust, Bedell Trustees Limited as trustees of the Eagle Eye Trust, and SMD Development NV to vote in favour of the Resolutions in respect of each of their own shareholdings in the Company. This represents 71.51 per cent. of the Ordinary Share Capital eligible to vote on the Waiver Resolution and 41.37 per cent. of the Ordinary Share Capital eligible to vote on the other two resolutions.

In addition, each member of the Enlarged GAL Concert Party eligible to vote on the Waiver Resolution has irrevocably undertaken to the Company not to vote (and to take all reasonable steps to ensure that none of its associates will vote) on the Waiver Resolution and has otherwise irrevocably undertaken to vote in favour of the other two resolutions in respect of their own shareholdings in the Company; this represents 42.14 per cent. of the Ordinary Share Capital eligible to vote on such resolutions.

14. Recommendation

The Independent Directors have received financial advice from Canaccord Genuity in relation to the Rule 9 Waiver. The Independent Directors, having been so advised by Canaccord Genuity, consider, taken together, the Placing, the Acquisitions, the grant of the Matityahu Options, the grant of the LTIP Awards and the Rule 9 Waiver to be fair and reasonable as far as the Independent Shareholders are concerned and in the best interests of Company and the Independent Shareholders as a whole. In providing its financial advice to the Independent Directors, Canaccord Genuity has taken into account the Independent Directors' commercial assessments.

The Independent Directors therefore unanimously recommend that Shareholders vote in favour of the Resolutions like they have irrevocably undertaken to so do in respect of each of their own shareholdings in the Company representing 0.13 per cent. of the Ordinary Share Capital.

Yours faithfully

Nigel Payne
Non-executive Chairman

PART 2

INFORMATION ON THE ENLARGED GAL CONCERT PARTY

1. Information on the Original GAL Concert Party

Details of the Original GAL Concert Party, whose members comprise GAL Holdings, Tal Harpaz, Sean Rose, Eitan Boyd and his connected persons (see below), Darren Sims and his connected persons (see below), Ronen Kannor, Christo Oosthuizen and his connected persons (see below) and Alan Feldman and his connected persons (see below) are set out below:

- (a) GAL Holdings, which is the Company's largest shareholder as at the date of this document, currently holds 16,868,743 Ordinary Shares, representing 32.88 per cent. of the Ordinary Share Capital.

GAL Holdings is a private limited liability company incorporated under Belize laws which allocates capital to businesses with the expectation of future financial return. The directors of GAL Holdings are Izak Cronje and Christo Oosthuizen.

GAL Holdings yields returns on investments in limited liability companies and international equities. The directors and indirect non-beneficial owners of GAL Holdings are professionals with considerable years of experience in the online gaming industry. The knowledge gained by these persons in relation to the various aspects of the gaming industry and the optimisation of portfolios has resulted in the sustainable growth of GAL Holdings over the years.

GAL Holdings also yields returns on investments in real estate businesses through its wholly owned subsidiaries. The properties are freehold residential and commercial properties situated in London.

As at 29 February 2016, GAL Holdings had current assets in excess of £40 million. GAL Holdings continues to explore potential investment opportunities.

Izak Cronje is a consultant to the Group and Sandra Cronje is the wife of Izak Cronje and a consultant to the Group.

The Company has entered into a relationship agreement with GAL Holdings to ensure that it is capable of carrying on its business independently of GAL Holdings. A summary of the relationship agreement is set out in paragraph 7 of Part 3 of this document.

- (b) Tal Harpaz and Sean Rose each have a 50 per cent. indirect non-beneficial interest in GAL Holdings.

Tal Harpaz is a South African businessman who is a director and/or investor in (both directly and indirectly) a number of private companies. The companies operate largely in the online gaming industry.

Sean Rose is a South African businessman who is a director and/or investor in (both directly and indirectly) a number of private companies. The companies operate largely in the online gaming industry.

- (c) Guardian Trust Company Limited (a BVI registered company) ("**GTCL**") as trustee of the Alon Trust, the beneficiaries of which are Eitan Boyd, his wife and children.

Eitan Boyd is an executive director of the Company.

- (d) Clermont Corporate Services Limited (a BVI registered company) ("**CCSL**") in its capacity as trustee of the Monkey George Trust, the beneficiaries of which are Darren Sims, his wife and children.

Darren Sims is an executive director of the Company.

- (e) Ronen Kannor is an executive director of the Company.

- (f) Geneva Management Group, (BVI) Ltd (a BVI registered company) ("**GMG**") as the trustees of Storge Trust, the beneficiaries of which are Christo Oosthuizen, his wife and children.

Christo Oosthuizen is a consultant to Group companies.

- (g) Ukudla Commodities Limited (a Seychelles registered company) ("**Ukudla**") a company wholly owned by Rubin Feldman.

Rubin Feldman is the father of Alan Feldman, a consultant to Group companies.

Under the terms of the TTE Share Transfer Agreement, further details of which are described in paragraph 7 of Part 3 of this document, certain members of the Original GAL Concert Party will be required to transfer up to 2,841,880 Ordinary Shares to certain members of the TTE Concert if the performance criteria for the 12 month period ending 4 September 2016 are met. Such transfer of shares would therefore reduce the holding of the Enlarged GAL Concert Party.

Eitan Boyd, Darren Sims, Ronen Kanner, Christo Oosthuizen and Alan Feldman, each of whom is a member of the Original GAL Concert Party, currently hold Approved Options to acquire a total of 750,000, 750,000, 500,000, 500,000 and 500,000 new Ordinary Shares respectively. The exercise of these options would result in members of the Original GAL Concert Party increasing their holding of Ordinary Shares. The Panel has previously confirmed that any exercise of these options will not result in the Original GAL Concert Party incurring an obligation to make an offer under Rule 9 of the Takeover Code.

2. Information on Black Onyx and the Black Onyx Partners

(a) Black Onyx

Black Onyx is an Israeli general registered partnership holding 50 per cent. of the shares in Tarco. The partners of Black Onyx are Michael Weinraub, Assaf Matityahu and Shlomi Zac. The partnership was formed in order to serve as holding vehicle for its shareholding in Tarco.

(b) Michael Weinraub

Michael Weinraub is an Israeli businessman who is a director and investor (both directly and indirectly) in a number of private companies operating in the online gaming and real estate industries. Michael Weinraub holds an AA, Dipl., RIBA – the “Architectural Association School of Architecture” London, UK and M.Sc. REDP – Real Estate Development Program. Columbia University, NYC, NY. Michael Weinraub worked for various real estate and architectural practices in Israel and abroad. In the last 10 years, Michael Weinraub had been involved in the gaming industry although the investments in Tarco and Netboost Media are his only investments. Michael Weinraub is also a shareholder in a real estate company currently in possession of a number of offices.

(c) Assaf Matityahu

Assaf Matityahu is an Israeli businessman who is a director and investor (both directly and indirectly) in a number of private companies operating in the online gaming and real estate industries. Assaf Matityahu is a CPA (and MBA) by profession and used to work as a CFO in a real estate and retail company. His only gaming related investments are in Tarco and Netboost Media. In addition, Assaf Matityahu is a shareholder in a real estate company in possession of a number of offices.

(d) Shlomi Zac

Shlomi Zac is an Israeli businessman working mainly in the real estate industry. Apart from his financial investment in Tarco and Netboost Media, Shlomi Zac has never been involved in the gaming industry and does not hold any additional interests in the gambling industry.

3. Interests in Stride Gaming securities

The current interest of the members of the Enlarged GAL Concert Party together with their maximum expected shareholdings following: (i) completion of the Placing and the Tarco Acquisition; (ii) the issue of the Tarco Earn Out Consideration Shares (if any); (iii) the issue of Ordinary Shares pursuant to the Matityahu Options; (iv) the issue of the Consultant Shares (if any); and (v) the issue of the LTIP Shares (if any) (and assuming: (a) the Approved Options are not exercised; (b) no other new Ordinary Shares are issued by the Company (including pursuant to the 8Ball Acquisition); and (c) no Ordinary Shares are transferred by the relevant members of the Enlarged GAL Concert Party to persons who are not members of the Enlarged GAL Concert Party (including those which may be transferred pursuant to the TTE Share Transfer Agreement) are set out below:

Name	As at the date of this document		Following Admission and completion of the Tarco Acquisition ⁽⁵⁾		Following the issue of the maximum Tarco Earn Out Consideration Shares ⁽⁶⁾		Following the issue of the Matityahu Shares		Following the issue of the Consultant Shares		Following the issue of the LTIP Shares ⁽⁶⁾		
	Number of Ordinary Shares	% Ordinary Share Capital	Number of Approved Options	Number of Ordinary Shares	% Ordinary Share Capital	Number of Ordinary Shares	% Ordinary Share Capital	Number of Ordinary Shares	% Ordinary Share Capital	Number of Ordinary Shares	% Ordinary Share Capital	Number of Ordinary Shares	% Ordinary Share Capital
Gal Holdings Limited	16,868,743	32.88%	0	19,058,918	28.65%	22,870,932	31.89%	22,870,932	31.86%	22,870,932	31.63%	22,870,932	31.35%
Izak Cronje (and wife)	0	0.00%	0	0	0.00%	0	0.00%	0	0.00%	520,000	0.72%	520,000	0.71%
Eitan Boyd ⁽¹⁾	2,249,999	4.39%	750,000	2,425,213	3.65%	2,730,174	3.81%	2,730,174	3.80%	2,730,174	3.78%	2,973,364	4.08%
Darren Sims ⁽²⁾	937,498	1.83%	750,000	1,083,510	1.63%	1,210,577	1.69%	1,210,577	1.69%	1,210,577	1.67%	1,453,767	1.99%
Ronen Kanner	0	0.00%	500,000	0	0.00%	0	0.00%	0	0.00%	0	0.00%	145,914	0.20%
Ukudla Commodities Limited ⁽³⁾	1,229,055	2.40%	0	1,229,055	1.85%	1,229,055	1.71%	1,229,055	1.71%	1,229,055	1.70%	1,229,055	1.68%
Christo Oosthuizen ⁽⁴⁾	331,584	0.65%	500,000	375,388	0.56%	413,508	0.58%	413,508	0.58%	413,508	0.57%	413,508	0.57%
Alan Feldman	0	0.00%	500,000	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Original GAL Concert Party	21,616,879	42.14%	3,000,000	24,172,084	36.34%	28,454,246	39.68%	28,454,246	39.63%	28,974,246	40.07%	29,606,540	40.59%
Michael Weinraub	0	0.00%	0	176,966	0.27%	484,977	0.68%	484,977	0.68%	484,977	0.67%	484,977	0.66%
Assaf Matityahu	3,333	0.01%	0	333,670	0.50%	744,351	1.04%	822,173	1.15%	822,173	1.14%	822,173	1.13%
Shlomi Zac	0	0.00%	0	156,992	0.24%	352,167	0.49%	352,167	0.49%	352,167	0.49%	352,167	0.48%
Enlarged GAL Concert Party	21,620,212	42.14%	3,000,000	24,839,712	37.34%	30,035,741	41.88%	30,113,563	41.94%	30,633,563	42.36%	31,265,857	42.86%
Issued Share Capital of the Company	51,300,584	100.00%	0	66,520,084	100.00%	71,716,113	100.00%	71,793,935	100.00%	72,313,935	100.00%	72,946,229	100.00%

(1) Legal title to these shares is held by Guardian Trust Company Limited as trustee for the Alon Trust. The beneficiaries of the Alon Trust are Eitan Boyd, his wife and children.

(2) Legal title to these shares is held by Clermont Corporate Services Limited in its capacity as trustee for the Monkey George Trust. The beneficiaries of the Monkey George Trust are Darren Sims, his wife and children.

(3) Ultimately owned by Ruben Feldman, the father of Alan Feldman (a consultant to Group companies).

(4) Of these shares, 25,000 are held by Christo Oosthuizen in his own name and for the remainder, the legal title is held by Geneva Management Group (BV) Limited.

This table above assumes that none of the Approved Options are exercised but that the maximum number of Placing Shares are issued pursuant to the Placing and the maximum number of Tarco Consideration Shares are issued pursuant to the Tarco Acquisition. In circumstances where all of the Approved Options are also exercised, the expected aggregate interest of the Enlarged GAL Concert Party will increase from 42.86 per cent. to 45.12 per cent. of the voting rights of the Company (assuming that: (i) the maximum number of Placing Shares are issued pursuant to the Placing; (ii) the Matityahu Shares are issued, (iii) the Consultant Shares are issued, (iv) the maximum LTIP Shares are issued; (v) no other new Ordinary Shares are issued by the Company; and (vi) no Ordinary Shares are transferred by the relevant members of the Enlarged GAL Concert Party to persons who are not members of the Enlarged GAL Concert Party (including those which may be transferred pursuant to the TTE Share Transfer Agreement)).

4. Disclosure of Interests and Dealings in Ordinary Shares

The definitions in paragraph 3 of Part 3 shall apply to this paragraph 3.

4.1 Market dealings in relevant Stride Gaming securities by the members of the Enlarged GAL Concert Party

Save for the dealings disclosed below, there have been no dealings in relevant Stride Gaming securities by members of the Enlarged GAL Concert Party during the disclosure period other than as detailed in this document.

- (a) On 21 September 2015, Assaf Matityahu acquired 3,333 Ordinary Shares at a price per share of £3.00.
- (b) On 19 January 2016, Christo Oosthuizen acquired 25,000 Ordinary Shares at price per share of £2.20.
- (c) On 20 June 2016, GAL Holdings, GMG and Ukudla transferred, in aggregate, 9,610,224 Ordinary Shares to TTE pursuant to the terms of the TTE Share Transfer Agreement (4,908,095 Ordinary Shares were settled by GAL Holdings, 4,060,353 Ordinary Shares were settled by GMG and 641,776 Ordinary Shares were settled by Ukudla).

4.2 General

As at the close of business on the disclosure date and save as disclosed in this document:

- (a) no members of the Enlarged GAL Concert Party had an interest in or right to subscribe for, or had any short position in relation to, any relevant Stride Gaming securities, nor had any such members of the Enlarged GAL Concert Party dealt in any relevant Stride Gaming securities during the disclosure period;
- (b) none of the Directors (including any members of such directors' respective immediate families, related trusts or connected persons) had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Stride Gaming securities, nor had any such person dealt in any relevant Stride Gaming securities during the disclosure period;
- (c) no other person acting in concert with the Enlarged GAL Concert Party had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Stride Gaming securities, nor had any such person dealt in any relevant Stride Gaming securities during the disclosure period;
- (d) no agreement, arrangement or understanding (including any compensation arrangement) exists between the Enlarged GAL Concert Party and/or any of the Directors or recent directors, Shareholders or recent Shareholders, or any person interested or recently interested in shares of the Company, having any connection with, or dependence upon the outcome of the Acquisitions or the issue of the Matityahu Shares or the LTIP Shares;
- (e) save as disclosed in this document there is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Ordinary Shares to be acquired by any member of the Enlarged GAL Concert Party pursuant to the Acquisitions or the exercise of the Matityahu Options or the exercise of the Consultant Options or the exercise of the LTIP Awards will be transferred to any other person; and
- (f) neither the Enlarged GAL Concert Party nor any person acting in concert with them have borrowed or lent any relevant Stride Gaming securities, save for any borrowed shares which have either been on-lent or sold.

5. The Enlarged GAL Concert Party's intentions regarding the Company

Save as disclosed in Part 1 of this document with respect to the Directors pursuing and executing the stated strategy of the Group in their capacity as such, each member of the Enlarged GAL Concert Party has, in their capacity as shareholders of the Company, confirmed that they have no intention to make any changes in relation to the following:

- (a) the future business of the Company;
- (b) the strategic plans of the Company;
- (c) the continued employment of the Group's employees and management, including the continued employment of, or the conditions of employment and any such rights relating thereto of, any of the Group's employees and management;
- (d) the redeployment of any fixed assets of the Company;
- (e) the locations of the Company's places of business; or
- (f) the maintenance of any existing trading facilities for the relevant Stride Gaming securities.

6. Material Contracts

Save as set out in paragraph 7 of Part 3 of this document, GAL Holdings has not entered into any material contract (other than any contracts entered into in the ordinary course of business) since the date two years preceding the date of this document.

7. Responsibility

For the purposes of Rule 19.2 of the Code only, each member of the Enlarged GAL Concert Party (whose names are set out in paragraphs 1 and 2 above) and, in the case of GAL Holdings, its directors, accepts responsibility for the information contained in this document relating to the members of the Enlarged GAL Concert Party. To the best of their knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

PART 3

ADDITIONAL INFORMATION

1. Responsibility

For the purposes of Rule 19.2 of the Takeover Code only, the Directors, whose names appear on page 6 above, accept responsibility for the information contained in this document, other than the information relating to members of the Enlarged GAL Concert Party, for which the members of the Enlarged GAL Concert Party accept responsibility in accordance with paragraph 7 of Part 2 of this document. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Information on the Company

- 2.1 The Company was incorporated and registered in Jersey on 25 February 2015 under the Jersey Companies Law with registered number 117876 as a public company limited by shares with the name Stride Gaming plc.
- 2.2 The registered and head office of the Company is at 12 Castle Street, St. Helier, Jersey JE2 3RT. The telephone number of the Company's registered office is +44 (0)1534 847 000.
- 2.3 The address of the Company's website which discloses the information required by the Takeover Code is www.stridegaming.com.
- 2.4 The principal law and legislation under which the Company operates, and under which the Ordinary Shares were created, is the Jersey Companies Law.

3. Interests, Dealings and Takeover Code disclosures

- 3.1 For the purposes of Part 2 and Part 3 of this document:
 - (a) **"acting in concert"** has the meaning attributed to it in the Takeover Code
 - (b) **"arrangement"** includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing
 - (c) **"connected adviser"** has the meaning attributed to it in the Takeover Code
 - (d) **"connected person"** has the meaning attributed to it in sections 252 to 255 of the Act
 - (e) **"control"** means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holding gives *de facto* control
 - (f) **"dealing"** or **"dealt"** includes the following:
 - (i) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant Stride Gaming securities;
 - (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a trade option contract) in respect of any relevant securities;
 - (iii) subscribing or agreeing to subscribe for relevant securities;
 - (iv) the exercise or conversion of any relevant securities carrying conversion or subscription rights (whether in respect of new or existing securities);
 - (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
 - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and

- (vii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position
- (g) **“derivative”** includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security
- (h) **“disclosure date”** means 2 August 2016, being the latest practicable date prior to the publication of this document
- (i) **“disclosure period”** means the 12 month period prior to the publication of this document
- (j) being **“interested”** in relevant securities includes where a person:
- (i) owns relevant securities;
- (ii) has a right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
- (iii) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation being interested in relevant securities to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- (iv) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them
- (v) **“relevant GAL Holdings securities”** means shares in GAL Holdings (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof
- (vi) **“relevant Stride Gaming securities”** means Ordinary Shares in Stride Gaming (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof
- (k) **“relevant securities”** means relevant GAL Holdings securities or relevant Stride Gaming securities
- (l) **“short position”** means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, agreement to sell or any delivery obligation or right to require any other person to purchase or take delivery

3.2 **Interests in relevant Stride Gaming securities**

As at the close of business on 2 August 2016 (being the latest practicable date prior to the publication of this document), the Directors held positions in respect of the following relevant securities:

Director	Number of Ordinary Shares	Current percentage holding in Ordinary Shares	Number of Approved Options
Eitan Boyd ⁽¹⁾	2,249,999	4.39%	750,000
Darren Sims ⁽²⁾	937,498	1.83%	750,000
Ronen Kannor	0	0	500,000
Nigel Payne ⁽³⁾	5,000	0.01%	0
John Le Poidevin ⁽⁴⁾	37,879	0.07%	0
Adam Batty	22,727	0.04%	0
	<u>3,253,103</u>	<u>6.34%</u>	<u>2,000,000</u>

(1) Legal title to these shares is held by Guardian Trust Company Limited as trustee for the Alon Trust. The beneficiaries of the Alon Trust are Eitan Boyd, his wife and children.

(2) Legal title to these shares is held by Clermont Corporate Services Limited in its capacity as trustee for the Monkey George Trust. The beneficiaries of the Monkey George Trust are Darren Sims, his wife and children.

(3) In addition, Nigel Payne has agreed to subscribe for 8,889 Placing Shares pursuant to the Placing.

(4) In addition, John Le Poidevin has agreed to subscribe for 6,667 Placing Shares pursuant to the Placing.

As at the close of business on 2 August 2016 (being the latest practicable date prior to the publication of this document), Canaccord Genuity (which is a connected adviser for the purposes of the Takeover Code) is not interested in any Ordinary Shares other than in its capacity as an exempt principal trader.

As at the close of business on 2 August 2016 (being the latest practicable date prior to the publication of this document), Shore Capital (which is a connected adviser for the purposes of the Takeover Code) is not interested in any Ordinary Shares of the Company other than in its capacity as an exempt principal trader.

3.3 **Other interests in relevant securities**

As at the close of business on the disclosure date, and save as disclosed in this document:

- (a) none of the Directors (including any members of such Directors' respective immediate families, related trusts or connected persons) nor any person acting in concert with the Company had any interest in, or right to subscribe for, or had any short position in relation to, any relevant Stride Gaming securities;
- (b) neither the Company nor any of the Directors (including any members of such Directors' respective immediate families, related trusts or connected persons or any person acting in concert with the Company) had an interest in or right to subscribe for, or had any short position in relation to, any relevant GAL Holdings securities; and
- (c) neither the Company nor any person acting in concert with the Company had borrowed or lent any relevant Stride Gaming securities save for any borrowed shares which have either been on-lent or sold.

3.3 There are no arrangements known to the Company the operation of which may at a subsequent date result in a change of control of the Company.

4. **Middle Market Quotations**

The following table sets out the closing middle market quotations for an Ordinary Share (as derived from the Daily Official List of the London Stock Exchange) for the first Business Day of each of the six months immediately preceding the date of this document and for 2 August 2016 (being the latest practicable date prior to the publication of this document):

<i>Date</i>	<i>Price per Ordinary Share (pence)</i>
1 March 2016	245.0
1 April 2016	236.5
3 May 2016	240.5
1 June 2016	262.5
1 July 2016	247.5
1 August 2016	272.5
2 August 2016	271.5

5. Further information on the Company

5.1 Major Shareholders

The Company is aware of the following shareholders (other than any Director) who by virtue of the notifications made to it under the DTRs are interested, directly or indirectly, in 3 per cent. or more of the Ordinary Shares as at 2 August 2016 (being the latest practicable date prior to the publication of this document):

Name	Number of Existing Ordinary Shares	Percentage of Existing Ordinary Shares
GAL Holdings Limited	16,868,743	32.88%
Poppy Investments Limited	7,847,057	15.30%
Bedell Trustees Limited as trustees of the Blue Rock Trust	6,914,213	13.48%
Bedell Trustees Limited as trustees of the Eagle Eye Trust	2,489,837	4.85%
Credo Capital plc	2,204,472	4.30%
Swisspartners Wealth Management AG	2,052,770	4.00%
Hydaco Holdings Pty Ltd as trustee of Hydaco Holdings Trust	1,946,240	3.79%
Hydaco Pty Ltd	1,681,789	3.28%

5.2 Treasury Shares

As at 2 August 2016 (being the latest practicable date prior to the publication of this document), no Ordinary Shares are held by the Company in treasury.

6. Service Contracts and Letters of Appointment

6.1 Executive Directors

6.1.1 The following agreements have been entered into between the executive directors and the Company:

- (a) Eitan Boyd (Chief Executive Officer) has entered into a service agreement with the Company dated 11 May 2015. Mr Boyd is entitled to receive an annual salary of £250,000 per annum. Mr Boyd's employment is terminable by six months' notice from either party. The Company may, at its discretion, terminate Mr Boyd's employment immediately by making a payment to him in lieu of his basic salary only. Mr Boyd is entitled to participate in a discretionary bonus scheme and share option scheme. Mr Boyd is also entitled to life assurance, group income protection insurance and private medical insurance for himself and dental insurance for himself and one family member. The service agreement includes standard summary termination provisions and post termination restrictive covenants which apply for a period of six months following the termination of Mr Boyd's employment;
- (b) Darren Sims (Chief Operating Officer) has entered into a service agreement with the Company dated 11 May 2015. Mr Sims is entitled to receive an annual salary of £250,000 per annum. Mr Sims' employment is terminable by six months' notice from either party. The Company may, at its discretion, terminate Mr Sims' employment immediately by making a payment to him in lieu of his basic salary only. Mr Sims is entitled to participate in a discretionary bonus scheme and share option scheme. Mr Sims is also entitled to life assurance, group income protection insurance and private medical insurance for himself and dental insurance for himself and one family member. The Company has agreed that for, and with respect to, the financial years ending 31 August 2015 and 31 August 2016 (or any part thereof) the total remuneration payable to Darren Sims under his service agreement shall equal the total remuneration payable to the Chief Executive Officer of the Company. The service agreement includes standard summary termination provisions and post termination restrictive covenants which apply for a period of six months following the termination of Mr Sims' employment; and
- (c) Ronen Kannor (Chief Financial Officer) has entered into a service agreement with the Company dated 11 May 2015. Mr Kannor is entitled to receive an annual salary of

£150,000 per annum. Mr Kannor's employment is terminable by six months' notice from either party, such notice to be given after a 12 month lock-in period from Admission. The Company may, at its discretion, terminate Mr Kannor's employment immediately by making a payment to him in lieu of his basic salary only. Mr Kannor is entitled to participate in a discretionary bonus scheme and share option scheme. Mr Kannor is also entitled to life assurance, group income protection insurance and private medical insurance for himself and dental insurance for himself and one family member. The service agreement includes standard summary termination provisions and post termination restrictive covenants which apply for a period of six months following the termination of Mr Kannor's employment.

6.1.2 Save as set out in paragraph 6.1.1 above, no service contracts have been entered into with any executive director or amended within six months prior to the date of this document.

6.2 **Non-Executive Directors**

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

- (a) Nigel Payne (Non-executive Chairman) has been appointed to the board with effect from 8 May 2015 until the conclusion of the Company's annual general meeting occurring approximately three years from that date. The annual fee payable to Mr Payne is £48,000. Mr Payne is required to spend three days per month on Company business. The notice period for either the Company or Mr Payne to terminate the appointment is three months;
- (b) John Le Poidevin (Non-executive Director) has been appointed to the board with effect from 19 May 2015 until the conclusion of the Company's annual general meeting occurring approximately three years from that date. The annual fee payable to Mr Le Poidevin is £42,000. Mr Le Poidevin is required to spend three days per month on Company business. The notice period for either the Company or Mr Le Poidevin to terminate the appointment is three months; and
- (c) Adam Batty (Non-executive Director) has been appointed to the board with effect from 19 May 2015 until the conclusion of the Company's annual general meeting occurring approximately three years from that date. The annual fee payable to Mr Batty is £42,000. Mr Batty is required to spend three days per month on Company business. The notice period for either the Company or Mr Batty to terminate the appointment is three months.

6.2.2 No other letters of appointment have been entered into with any non-executive Director or amended within six months prior to the date of this document.

7. **Material contracts**

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by members of the Group in the two years immediately preceding the date of this document which are, or may be, material or which have been entered into at any time by any member of the Group and which contain any provision under which any member of the Group has any obligation or entitlement which is, or may be, material to the Group as at the date of this document:

7.1 **Placing Agreement**, details of which are which are set in paragraph 6 of Part 1.

7.2 **Tarco Acquisition Agreement**

On 29 July 2016, DAL entered into a conditional asset purchase agreement for the acquisition of the Tarco Assets ("**Tarco Acquisition Agreement**") from Tarco.

The Tarco Acquisition Agreement is conditional on, amongst other things, the passing of the Resolutions, the receipt of various change of control consents and Admission.

The total consideration payable for the Tarco Assets under the Tarco Acquisition Agreement is up to £38.0 million, comprising of:

- an initial consideration of £16.0 million (on a debt free, cash free basis) for the Tarco Assets, of which £7.7 million will be paid in cash and the balance satisfied by the issue of 3,219,500 new Ordinary Shares;
 - the number of Tarco Initial Consideration Shares was calculated by reference to the Average Initial Share Price; and
- an earn out consideration of up to £22.0 million, equal to 7.5x adjusted EBITDA for the 12 month period to 31 December 2017 (less the initial consideration) of which 51.4 per cent. will be paid in cash and the balance (48.6 per cent.) satisfied by the issue of the Tarco Earn Out Consideration Shares; and
 - the number of Tarco Earn Out Consideration Shares to be issued (if any) is to be calculated by reference to the average closing price of the Ordinary Shares for the 90 day period ending on 31 December 2017, provided always that the reference price shall not be more than 20 per cent. higher or lower than the Average Initial Share Price, such that the maximum number of new Ordinary Shares that could be issued to satisfy any such earn out consideration is 5,196,029 new Ordinary Shares.

DAL or Tarco may terminate the Tarco Acquisition Agreement at any time prior to completion if: (i) completion does not occur within 90 days of the date of the Tarco Acquisition Agreement (provided that such delay was not caused by the actions or omissions of the party wishing to terminate the Tarco Acquisition Agreement); or (ii) there has been a breach of warranty which is not remedied within seven days following written notice of such breach.

The Tarco Acquisition Agreement includes customary warranties and indemnities for a transaction of this nature from Tarco and the Tarco Covenantors in favour of DAL. The liability of Tarco and the Tarco Covenantors under the warranties and indemnities are limited in terms of amount and time.

Under the Tarco Acquisition Agreement, Tarco and the Tarco Covenantors (and the Tarco Covenantors' shareholders or partners (as applicable)) have agreed to provide various non-compete and non-solicitation undertakings in favour of DAL.

In connection with the Tarco Acquisition, on 29 July 2016 each of the Tarco (GAL) Transferees and the Black Onyx Partners entered into a lock-in and orderly market deed with the Company, Canaccord and Shore Capital with respect to the Tarco Initial Consideration Shares and the Tarco Earn Out Consideration Shares. Pursuant to the terms of the lock-in and orderly market agreements and subject to certain limited exceptions, from the date of the issue of the Tarco Initial Consideration Shares until 31 December 2017, the Tarco (GAL) Transferees and the Black Onyx Partners will not dispose of the Tarco Initial Consideration Shares, except with the prior written consent of the Company and (for so long as Canaccord and Shore Capital remain the nominated adviser and/or broker of the Company) Canaccord and Shore Capital. In addition, any disposal of the Tarco Earn Out Consideration Shares from the date of the issue of such shares until 31 March 2018 (subject to certain exceptions) must be made through Canaccord or Shore Capital with a view to maintaining an orderly market in the Ordinary Shares.

7.3 **Netboost Media Acquisition Agreement**

On 29 July 2016, Spacebar entered into a conditional share purchase agreement for the acquisition of the entire issued share capital of Netboost Media (the "**Netboost Media Acquisition Agreement**") from GAL Holdings, Assaf Matityahu, Michael Weinraub and Shlomi Zac (the "**Netboost Media Sellers**").

The Netboost Media Acquisition Agreement is conditional on, amongst other things, the passing of the Resolutions.

The total consideration payable in cash on completion of the Netboost Media Acquisition is £2.2 million, comprising of:

- £2.0 million payable to the Sellers pro-rata to their holdings in Netboost Media ("**Netboost Media Consideration**"); and

- additional consideration in the amount of £100,000 payable by Spacebar to each of Assaf Matityahu and Michael Weinraub, Co-CEOs of Netboost Media.

The parties may terminate the Netboost Media Acquisition Agreement at any time prior to completion if: (i) completion does not occur within 90 days of the date of the Netboost Media Acquisition Agreement (provided that such delay was not caused by the actions or omissions of the party willing to terminate the Netboost Media Acquisition Agreement); or (ii) there has been a breach of warranty, which is not remedied within seven days following written notice of such breach.

The Netboost Media Acquisition Agreement includes customary warranties and indemnities for a transaction of this nature from all of the Black Onyx Partners in favour of Spacebar. The liability of the Black Onyx Partners under the warranties and indemnities are limited in terms of amount and time.

Under the Netboost Media Acquisition Agreement, Assaf Matityahu and Michael Weinraub have agreed to provide various non-compete and non-solicitation undertakings in favour of Spacebar.

7.4 **8Ball Acquisition Agreement**

On 29 July 2016, the Company entered into a conditional share purchase agreement for the acquisition of the entire issued share capital of 8Ball (the “**8Ball Acquisition Agreement**”) from Neil McGuinness and Jeremy Bygrave (the “**8Ball Sellers**”).

The 8Ball Acquisition Agreement is conditional on, amongst other things: (i) the passing of the Resolutions; (ii) the receipt of certain change of control consents; and (iii) on Admission occurring. If the conditions are not satisfied by 5.00 p.m. on 30 September 2016, then the 8Ball Acquisition Agreement will terminate automatically.

The total consideration payable under the 8Ball Acquisition Agreement is up to £30.0 million, comprising of:

- an initial consideration of £12.0 million (on a debt free, cash free basis), payable in cash on completion of the 8Ball Acquisition; and
- an earn out consideration of up to £18.0 million, equal to 6x adjusted EBITDA for the 12 month period from completion of the 8Ball Acquisition, (less the initial £12.0 million), of which the first £3.0 million will be satisfied in new Ordinary Shares with the balance paid as to 40 per cent. in cash and 60 per cent. to be satisfied by the issue of new Ordinary Shares. The number of 8Ball Earn Out Consideration Shares to be issued (if any) is to be calculated as follows:
 - the first £4.0 million will be satisfied by the issue of new Ordinary Shares calculated by reference to the Placing Price;
 - the balance of any further earn out consideration to be satisfied by the issue of new Ordinary Shares will be calculated by reference to the average closing price of the Ordinary Shares for the 90 day period ending on 31 August 2017 (being the end of the earn out period for the 8Ball Acquisition) provided always that such reference price shall not be more than 20 per cent. higher or lower than the Average Initial Share Price such that the maximum number of new Ordinary Shares that could be issued to satisfy any such earn out consideration is 5,668,829 new Ordinary Shares.

The 8Ball Acquisition Agreement includes customary warranties for a transaction of this nature from each of the 8Ball Sellers in favour of the Company which are limited in terms of amount and time.

Pursuant to the 8Ball Acquisition Agreement, the 8Ball Sellers have agreed to provide various non-compete and non-solicitation undertakings in favour of the Company.

In connection with the 8Ball Acquisition, on 29 July 2016 each of the 8Ball Sellers entered into a lock-in and orderly market deed with the Company, Canaccord and Shore Capital with respect to the 8Ball Earn Out Consideration Shares. The terms of the lock-in and orderly market deeds provide that, subject to certain limited exceptions, for a period of twelve months ending on 31 August 2018 (the “**8Ball Initial Lock-In Period**”), the 8Ball Sellers will not dispose of the 8Ball Earn Out Consideration Shares (or any interest therein) except with the prior written consent of the Company and (for so long as

Canaccord and Shore Capital remain the nominated adviser and/or broker of the Company) Canaccord and Shore Capital. In addition, any disposal of Ordinary Shares in the six months following the expiry of the 8Ball Initial Lock-In Period will (subject to certain exceptions) be made through Canaccord or Shore Capital with a view to maintaining an orderly market in the Ordinary Shares.

7.5 **InfiApps Acquisition Agreement**

On 31 July 2015, the Company entered into a share and purchase agreement for the acquisition (the “**InfiApps Acquisition**”) of the entire issued share capital of Infiapps Limited (“**Infiapps**”) from its shareholders, Ronen Kalmanson, David Kalmanson, Dan Kalmanson, Sigal Kalmanson Cusnir and E.L.Y.T.Y Holdings Ltd (the “**Infiapps Sellers**”).

The total consideration payable for the InfiApps Acquisition is up to US\$39.2 million, comprising of:

- an initial consideration of US\$21.2 million which was paid on completion of the InfiApps Acquisition in cash (the “**Initial Consideration**”); and
- an additional earn-out consideration of up to US\$18 million payable in cash, determined by the EBITDA generated by InfiApps in the two years following completion of the InfiApps Acquisition.

The InfiApps Acquisition Agreement includes customary warranties and indemnities for a transaction of this nature from the InfiApps Sellers in favour of the Company. The liability of the InfiApps Sellers under the warranties is limited in terms of amount and time.

Pursuant to the InfiApps Acquisition Agreement, each of the InfiApps Sellers agreed to provide various non-compete and non-solicitation undertakings in favour of the Company.

7.6 **Facility Agreement**

On 30 July 2015, the Company, as borrower, entered into an unsecured term loan facility provided by a shareholder of the Company, Poppy Investments Limited as lender (the “**Shareholder Facility**”). The commitments made available under the Shareholder Facility are £8,000,000 and will mature on 30 July 2017.

The borrowings under the Shareholder Facility bear interest at a fixed rate of interest equivalent to 7.5 per cent. per annum, with accrued interest payable monthly (or by reference to other periods following agreement between the parties).

The Shareholder Facility was provided to the Company exclusively for use towards the acquisition costs of Infiapps (see paragraph 7.5 above).

The Shareholder Facility contains customary representations, warranties and events of default for a facility of this nature. The Shareholder Facility contains no restrictions on prepayment of the whole or part of any loan drawn under the Shareholder Facility, and such prepayment would not incur any break fees or prepayment costs.

7.7 **AIM Admission Placing Agreement**

Under the terms of a placing agreement dated 11 May 2015 (the “**AIM Admission Placing Agreement**”) made between the Company, the Directors, Cantor Fitzgerald Europe (“**CFE**”), Tal Harpaz and Sean Rose, CFE agreed as agent for the Company to procure subscribers for the issue of new Ordinary Shares at a price of 132p per new Ordinary Share.

Under the AIM Admission Placing Agreement, the Company agreed to pay CFE, in aggregate, approximately £570,000 (excluding VAT) in respect of advisory fees and commission relating to the placing.

The Company also agreed to pay certain other costs and expenses (including any applicable VAT) of, or incidental to, the placing including all fees and expenses payable in connection with Admission, expenses of the registrars, printing and advertising expenses, postage and all other legal, accounting and other professional fees and expenses.

Certain warranties and undertakings to CFE as to the accuracy of the information contained in the AIM admission document and other matters relating to the Group and its business were given in favour of CFE by some or all of the Company, the Directors, Tal Harpaz and Sean Rose. The liability of the Directors, Tal Harpaz and Sean Rose in respect of any breach of warranties and undertakings is limited as to time and amount. The liability of the Company in respect of any breach of warranties and undertakings is not limited as to time or amount. In addition, the Company gave an indemnity covering certain customary matters to CFE. The liability under the indemnity is not limited as to time or amount.

7.8 **Lock-In and Orderly Market Agreements**

Each of the Directors, GAL Holdings, Poppy Investments Limited, GTCL, Bedell Trustees Limited as trustees for the Blue Rock Trust, GMG, Hydaco Holdings Pty Ltd as trustee of Hydaco Holdings Trust, CCSL, Bedell Trustees Limited as trustees for the Eagle Eye Trust and Ukudla entered into a Lock-in and Orderly Market Agreement dated 11 May 2015 with the Company and CFE pursuant to which (subject to certain limited exceptions), for a period of twelve months from AIM Admission, they agreed not to dispose of any Ordinary Shares (or any interest therein) held as at AIM Admission except with the prior written consent of the Company and (for so long as CFE remained the nominated adviser to the Company) CFE. In addition, any disposal of Ordinary Shares in the six months thereafter would (subject to certain exceptions) be made through CFE (for so long as CFE remained the nominated adviser to the Company) with a view to maintaining an orderly market in the Ordinary Shares.

7.9 **Relationship Agreement**

A relationship agreement dated 11 May 2015 between (1) the Company (2) CFE and (3) GAL Holdings (the "**Relationship Agreement**") and which regulates the ongoing relationship between the Company and GAL Holdings. The principal purpose of the Relationship Agreement is to ensure that the Company is capable of carrying on its business independently of GAL Holdings and that transactions and relationships with GAL Holdings are at arm's length and on normal commercial terms.

The Relationship Agreement will continue for so long as the Ordinary Shares are admitted to trading on AIM and, for so long as GAL Holdings owns or controls in aggregate 30 per cent. or more of the issued shares or voting rights of the Company.

GAL Holdings has also agreed that it will not exercise its voting or other rights and powers in respect of the Ordinary Shares registered in its name from time to time, provided that it may freely vote Ordinary Shares registered in its name equal to 15 per cent. of the issued share capital of the Company from time to time to, amongst other things: (i) vote on any transaction with GAL Holdings or (ii) vote in relation to any resolution put to the other Shareholders of the Company to cancel the Company's admission to AIM pursuant to Rule 41 of the AIM Rules for a period of two years following Admission provided this will not prevent GAL Holdings from voting in accordance with the unanimous recommendation of the Board and provided always that GAL Holdings shall be permitted to vote against the passing of such resolution.

7.10 **Share Exchange Agreement**

On 18 May 2015, the Company entered into a share exchange agreement (the "**Share Exchange Agreement**") with DAL and the existing shareholders of DAL in connection with a reorganisation of its corporate structure that resulted in the Company becoming the ultimate holding company of the Group and DAL becoming the Company's direct subsidiary (the "**Share Capital Reorganisation**"). The Share Capital Reorganisation was undertaken in accordance with the terms of the Share Exchange Agreement pursuant to the terms of which all of the shares in DAL were transferred by its shareholders (the "**Original Shareholders**") to the Company and the Company issued, in aggregate, 41,666,465 new Ordinary Shares to the Original Shareholders. Each of the Original Shareholders gave warranties in favour of the Company in relation to title to the shares they held in DAL.

7.11 **TTE BPA**

DAL entered into a business and asset purchase agreement dated 22 August 2014 (the "**TTE BPA**") between (1) DAL, (2) TTE, (3) GAL Holdings and (4) Insynergy Holdings Limited (as subsequently varied thereafter) pursuant to which certain of TTE's business, assets and liabilities were transferred to DAL.

Under the terms of the TTE BPA, DAL acquired TTE's business of operating bingo and casino websites using "jackpotliner", "kingjackpot" and "jackpotcafe" and associated intellectual property and connected rights relating to the TTE business, together with various other related assets and liabilities (the "**TTE Business**").

Initial consideration of £3,430,000 was discharged by DAL issuing to Poppy Investments Limited, Bedell Trustees Limited as trustees for the Blue Rock Trust, Hydaco Pty Ltd and Bedell Trustees Limited as trustees for the Eagle Eye Trust in aggregate 670,760 ordinary shares of £0.0001 each in the capital of DAL (which shares were exchanged for 10,464,562 new Ordinary Shares pursuant to the Share Exchange Agreement).

Under the TTE BPA, TTE provided customary warranties for a transaction of this nature to, amongst others, DAL and GAL Holdings and similarly GAL Holdings provided customary warranties to, amongst others, TTE. The TTE BPA contained certain indemnities including from DAL and TTE in relation to the apportionment of liabilities before and after the effective time of the acquisition.

7.12 **Share Transfer Agreement**

A share transfer agreement dated 18 May 2015 entered into between (1) GAL Holdings, (2) GMG, (3) Ukudla and (4) TTE, pursuant to which GAL Holdings, GMG and Ukudla have agreed to transfer Ordinary Shares to TTE or Insynergy Holdings Limited (as trustee for TTE) (the "**TTE Share Transfer Agreement**").

If the performance of DAL and its subsidiaries (as at the date of the TTE Share Transfer Agreement) during the 12 month period ending 4 September 2015 and 4 September 2016 respectively hits agreed targets then the maximum number of Ordinary Shares to be transferred to TTE or Insynergy Holdings Limited (as trustee for TTE) under the TTE Share Transfer Agreement is 12,452,104 Ordinary Shares (to be settled by GAL in respect of up to 7,512,852 Ordinary Shares, by GMG in respect of up to 4,107,694 Ordinary Shares and by Ukudla in respect of up to 831,558 Ordinary Shares). The Ordinary Shares will be transferred by GAL Holdings, GMG and Ukudla pro rata to their interests in the Ordinary Share Capital and it is expected that when the Ordinary Shares sit with Insynergy Holdings Limited, Insynergy Holdings Limited will declare a dividend and distribute the Ordinary Shares to Poppy Investments Limited as to 37.5 per cent., Hydaco Pty Ltd as to 17.5 per cent., Bedell Trustees Limited as trustees for the Blue Rock Trust as to 33.11 per cent. and Bedell Trustees Limited as trustees for the Eagle Eye Trust as to 11.89 per cent. in settlement of that dividend.

Certain provisions of the TTE Share Transfer Agreement can result in the right of TTE to receive the maximum number of Ordinary Shares under the TTE Share Transfer Agreement crystallising irrespective of the agreed targets being achieved albeit that TTE or Insynergy Holdings Limited (as trustee for TTE) shall not actually receive the Ordinary Shares from GAL Holdings, GMG and Ukudla until such time as is specified in the TTE Share Transfer Agreement.

Subject to the matters referred to in the previous paragraph, if the performance of DAL and its subsidiaries as at the date of the TTE Share Transfer Agreement during the 12 month periods ending 4 September 2015 and 4 September 2016 respectively falls short of agreed targets, then the number of Ordinary Shares to be transferred by GAL Holdings, GMG and Ukudla to TTE or Insynergy Holdings Limited (as trustee for TTE) will be reduced in accordance with the terms of the TTE Share Transfer Agreement.

On 30 September 2015, the Company announced that the performance of DAL and its subsidiaries had resulted in it hitting agreed targets set out in the TTE Share Transfer Agreement in respect of the first period such that on 18 June 2016, GAL Holdings, GMG and Ukudla transferred, in aggregate, 9,610,224 Ordinary Shares to TTE and Insynergy Holdings Limited (as trustee for TTE) for onward distribution to members of the TTE Concert Party.

7.13 **Share Charges**

By way of security in relation to the obligations of GAL Holdings, GMG and Ukudla under the TTE Share Transfer Agreement, GAL Holdings, GMG and Ukudla each entered into security interest agreements dated 19 May 2015 in favour of TTE in respect of the maximum number of Ordinary Shares

that may be transferred to TTE or Insynergy Holdings Limited (as trustee for TTE) under the Share Transfer Agreement. Each of the security interest agreements are governed by Jersey law.

In the event that GAL Holdings, GMG and/or Ukudla fail to transfer Ordinary Shares to TTE or Insynergy Holdings Limited (as trustee for TTE) in accordance with the terms of the TTE Share Transfer Agreement, under the terms of the security interest agreements, TTE's sole power of enforcement in relation to all or any part of the maximum number of Ordinary Shares it may have been entitled to receive from GAL Holdings, GMG and Ukudla under the terms of the TTE Share Transfer Agreement will be appropriation of the same.

If TTE or Insynergy Holdings Limited (as trustee for TTE) exercises its power of enforcement and appropriates the maximum number of Ordinary Shares that it may have been entitled to receive from GAL Holdings, GMG and/or Ukudla (as applicable), is 12,452,104.

7.14 NextTec Software Agreement

On 4 September 2014, DAL entered into a software agreement with NextTec Software Inc. ("**NextTec**") (as subsequently amended) pursuant to which DAL acquired certain gaming software, servers and databases associated with the TTE business from NextTec.

The consideration payable under the terms of the agreement is based on a percentage of NGR generated from the use of the software, subject to an overall cap of £5,325,444. Such amounts are payable on the first, second and third anniversaries of the agreement and will be satisfied by the Company issuing new Ordinary Shares to NextTec or as it directs. In this regard, it is expected that NextTec shall direct that the new Ordinary Shares are issued to Poppy Investments Limited (as to 27.72 per cent.), Hydaco Pty Ltd (as to 10.7 per cent.), Bedell Trustees Limited as trustees for the Blue Rock Trust (as to 23.28 per cent.), Bedell Trustees Limited as trustees for the Eagle Eye Trust (as to 9 per cent.) and SMD Development NV (as to 30 per cent.). The maximum number of Ordinary Shares to be issued will be 3,646,005 Ordinary Shares and will be calculated by reference to the average price of an Ordinary Share for the previous 30 days.

On 30 September 2015, the Company announced that as a result of NGR generated from the use by the Group of software under the NextTec Software Agreement, the Company had issued 1,149,071 new Ordinary Shares to members of the TTE Concert Party as nominated by NextTec.

NextTec retains rights to terminate the agreement (and call for the software to be returned) until such time as payment has been made in full by or on behalf of DAL under the terms of the agreement or (in the period until full payment is received) upon the insolvency of DAL. Once payment in full has been made, NextTec's rights to terminate the agreement for any reason (including insolvency) fall away.

8. Significant Change

There has been no significant change in the financial or trading position of the Group since 29 February 2016, the date to which the unaudited interim financial information of the Group was prepared.

9. Irrevocable Undertakings in respect of the General Meeting

Each of Poppy Investment Limited, Hydaco Holdings Pty Ltd as trustees of Hydaco Holdings Trust, Hydaco Pty Ltd, Bedell Trustees Limited as trustees of the Blue Rock Trust, Bedell Trustees Limited as trustees of the Eagle Eye Trust, SMD Development NV and the Independent Directors have irrevocably undertaken to the Company vote in favour of the Resolutions in respect of each of their own shareholdings in the Company. This represents 71.51 per cent. of the Ordinary Share Capital eligible to vote on the Waiver Resolution and 41.37 per cent. of the Ordinary Share Capital eligible to vote on the other two resolutions.

In addition, each member of the Enlarged GAL Concert Party eligible to vote on the Waiver Resolution has irrevocably undertaken to the Company not to vote (and to take all reasonable steps to ensure that none of their associates will vote) on the Waiver Resolution and has otherwise irrevocably undertaken to vote in favour of the other two resolutions in respect of each of their own shareholdings in the Company; this represents 42.14 per cent. of the Ordinary Share Capital eligible to vote on such resolutions.

10. Information incorporated by reference

This document should be read and construed in conjunction with the following documents which have been previously published and which shall be deemed to be incorporated in, and form part of, this Circular:

<i>Document</i>	<i>Section</i>	<i>Page numbers in such document</i>
Interim Results for the six months ended 29 February 2016	Condensed Consolidated Statement of Comprehensive Income	7
	Condensed Consolidated Statement of Financial Position	8-9
	Condensed Consolidated Statement of Changes in Equity	10-11
	Condensed Consolidated Statement of Cashflows	12
	Notes to the Condensed Consolidated Financial Statements	13-19
2015 Annual Report and Financial Statements	Consolidated Statement of Profit or Loss and other Comprehensive Income	25
	Condensed Consolidated Statement of Financial Position	26
	Condensed Consolidated Statement of Cashflows	27
	Condensed Consolidated Statement of Changes in Equity	28
	Notes to the Condensed Consolidated Financial Statements	29-51
Admission Document dated 18 May 2015	Historical Financial Information of the Daub Group for the three years ended 31 August 2014	47-64
	Historical Financial Information of the TTE Group for the three years ended 31 December 2013 and the eight month period ended 31 August 2014	67-81

These documents will be available at the Company's website: <http://www.stridegaming.com> from the date of this document.

These documents will also be available for inspection at the following address:

Unit 450, Highgate Studios
53-79 Highgate Road
London
NW5 1TL

Any Ordinary Shareholder, person with information rights or other person to whom this document is sent may request a copy of each of the documents set out above in hard copy form. Hard copies will only be sent where valid requests are received from such persons. Requests for hard copies are to be submitted to the Company by calling +44(0)20 7284 6080 (calls to this number are charged at standard call rates). Lines are open 9.30 a.m. to 5.00 p.m. Requests can also be made by writing to Stride Gaming plc, Unit 450, Highgate Studios 53-79 Highgate Road London NW5 1TL. All valid requests will be dealt with as soon as possible and hard copies mailed by no later than two Business Days following the receipt of such requests.

11. Consents

11.1 Canaccord Genuity has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they are included.

11.2 Shore Capital has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and content in which they are included.

12. Documents for inspection

Copies of the following documents will be available for inspection during normal business hours on weekdays (excluding Saturdays, Sundays and public holidays) free of charge from the Company's business address at Unit 450, Highgate Studios 53-79 Highgate Road London NW5 1TL, at the offices of Berwin Leighton Paisner LLP at Adelaide House, London Bridge, London EC4R 9HA and online at www.stridegaming.com for the period from the date of this document until the General Meeting:

- (a) the memorandum of association and articles of association of the Company;
- (b) the published audited consolidated accounts of Stride Gaming for the financial year ended 31 August 2015, the Historical Financial Information of the Daub Group for the three years ended 31 August 2014 and the Historical Financial Information of the TTE Group for the three years ended 31 December 2013 and the eight month period ended 31 August 2014. These accounts have been incorporated into this document by reference to the above website in accordance with Rule 24.15 of the Takeover Code;
- (c) the Tarco Acquisition Agreement;
- (d) the irrevocable commitments to vote at the General Meeting referred to in Part 1 of this document and in paragraph 9 above;
- (e) the letters relating to the consent of each of Canaccord Genuity and Shore Capital referred to in paragraph 11 above; and
- (f) this document.

NOTICE OF GENERAL MEETING

STRIDE GAMING PLC

(the “Company”)

Incorporated in Jersey with registered number 117876

NOTICE IS HEREBY GIVEN that a General Meeting of Stride Gaming plc will be held at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London, United Kingdom, EC4R 9HA on 23 August 2016 at 9.30 a.m. for the purpose of considering and, if thought fit, passing the resolutions set out below.

In this notice words and defined terms shall have the same meanings as words and defined terms in the circular to the holders of Ordinary Shares dated 3 August 2016 (the “**Circular**”) to which this notice is attached.

ORDINARY RESOLUTIONS

1. THAT, the waiver granted by the Panel on Takeovers and Mergers (the “**Panel**”), on the terms described in the Circular, of the obligation that would otherwise arise on any member of the Enlarged GAL Concert Party under Rule 9 of the City Code on Takeovers and Mergers to make a general offer to the holders of Ordinary Shares for the entire issued and to be issued ordinary share capital of the Company, as a result of the additional Ordinary Shares that will be held by the relevant members of the Enlarged GAL Concert Party following the issue of the Tarco Consideration Shares (and the related Tarco Transfers) and/or the issue of the Matiyahu Shares and/or the issue of the Consultant Shares and/or the issue of the LTIP Shares be and is hereby approved.
2. THAT, in addition to the existing authority (which expires on the earlier of 4 August 2017 and the conclusion of the next annual general meeting of the Company) granted at the Company’s annual general meeting on 5 February 2016 to authorise the directors of the Company to allot, grant options over or otherwise dispose of relevant securities (as that term is defined in articles of association of the Company (the “**Articles**”) which shall remain in full force and effect, the directors of the Company be and are hereby generally and unconditionally authorised pursuant to Article 2.3 of the Articles to:
 - (a) allot and issue all of the Placing Shares;
 - (b) allot and issue all of the Tarco Consideration Shares;
 - (c) allot and issue all of the 8Ball Earn Out Consideration Shares;
 - (d) grant options over all of the Matiyahu Shares and otherwise allot and issue all of the Matiyahu Shares upon the exercise of the Matiyahu Options;
 - (e) allot and issue all of the Consultant Shares upon exercise of the Consultant Options; and
 - (f) grant options over all of the LTIP Shares and otherwise allot and issue all of the LTIP Shares upon the exercise of the LTIP Awards.

SPECIAL RESOLUTION

3. THAT, subject to and conditional only on the passing of resolution 2 above, and in addition to the existing authority (which expires on the earlier of 4 May 2017 and the conclusion of the next annual general meeting of the Company) granted at the Company's annual general meeting on 5 February 2016 disapplying the pre-emption provisions of Articles 2.4 to 2.8 of the Articles, the Directors of the Company be generally and unconditionally authorised by virtue of Article 2.10 of the Articles to exercise all powers of the Company to:
- (a) allot and issue all of the Placing Shares;
 - (b) grant options over all of the Matityahu Shares and otherwise allot and issue all of the Matityahu Shares upon the exercise of the Matityahu Options;
 - (c) allot and issue all of the Consultant Shares upon exercise of the Consultant Options; and
 - (d) grant options over all of the LTIP Shares and otherwise allot and issue all of the LTIP Shares upon the exercise of the LTIP Awards,

in each case for cash pursuant to the authority conferred in resolution 2 as if the pre-emption provisions of Articles 2.4 to 2.8 of the Articles did not apply to any such allotment.

By order of the board of the directors of the Company

Ronen Kannor
Company Secretary

Dated: 3 August 2016

Registered office
12 Castle Street
St. Helier
Jersey JE2 3RT

Notes:

1. To be passed, an Ordinary Resolution requires a simple majority of the votes cast in favour and a Special Resolution requires a majority of at least three-quarters of the votes cast in favour.
2. In order to comply with the City Code on Takeovers and Mergers and the requirements of the Panel, Resolution 1 will be taken on a poll. Only Independent Shareholders (as such term is defined in the Circular) will be able to exercise the voting rights in relation to Resolution 1.
3. A member is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the General Meeting. A proxy need not be a member of the Company and a member may appoint more than one proxy in relation to a meeting to attend, speak and vote on the same occasion provided that each proxy is appointed to exercise the rights attached to a different share or shares held by a member. To appoint more than one proxy, please follow the instructions set out on the Form of Proxy enclosed with this Notice (the "**Form of Proxy**"). The appointment of a proxy will not prevent a member from attending and/or voting in person at the General Meeting if the member so wishes.
4. In order to be valid any Form of Proxy should be completed and returned in accordance with the instructions set out in the Form of Proxy. To direct your proxy on how to vote on the resolutions follow the instructions on the Form of Proxy.
5. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the share.
6. Two qualifying persons present in person shall be a quorum for all purposes unless (i) each is a qualifying person only because he is authorised under the Companies (Jersey) Law 1991, as amended, to act as a representative of a corporation in relation to the meeting, and they are representatives of the same corporation or (ii) each is a qualifying person only because he is appointed as proxy of a member in relation to the meeting, and they are proxies of the same member. For these purposes a "qualifying person" means (a) an individual who is a member of the Company, (b) a person authorised under the Companies (Jersey) Law 1991, as amended, to act as a representative of the corporation in relation to the meeting, or (c) a person appointed as proxy of a member in relation to the meeting.
7. Pursuant to the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company specifies that only those shareholders entered on the register of members of the Company by close of business on 19 August 2016 shall be entitled to attend and vote at the General Meeting in respect of the number of shares registered in their name at that time.
8. CREST members who wish to appoint a proxy or proxies through the CREST proxy appointment service may do so for the Meeting (and any adjournment thereof) by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("**Euroclear**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Capita Registrars (whose CREST ID is RA10) by 9.30 a.m. on 19 August 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual (available at www.euroclear.com/CREST) concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

