

ANGLER | GAMING

Year End Report - 2012

Angler Gaming PLC, reg. no. C55255, Malta

ANGLER GAMING PLC

Year End Report - 2012

FINANCIAL INFORMATION

A summary profit or loss statement for the financial year – including information on any significant extraordinary incomes and expenses, is attached.

A summary balance sheet as of year end is attached.

Cash-flow statement for the financial year is attached.

Headline Financials Q4 :

- Turnover: 4,218.18 Euro
- Loss after taxation: -55,992.18 Euro
- Earnings per share: -0.13 Euro*

Headline Financials 2012:

- Turnover: 4,218.18 Euro
- Loss after taxation: -189,417.78 Euro
- Earnings per share: -0.45 Euro*
- Number of authorized and issued shares as at 31st December 2012: 42,214,957

* Loss divided with 42,214,957 shares as at 31st December 2012.

REVIEW OF OPERATIONS AND ACTIVITIES FOR 2012

- All subsidiary group companies under Angler Gaming PLC, namely, Starfish Media BV and Starpay Limited, were setup and are fully operational.
- Key staff for Marketing, Affiliates, Development and HR employed.
- Two brands fully operational - CasinoEstrella targeting South America and CassinoEstrela, focused on Brazil.
- Agreements in place with preferred game suppliers and payment providers.
- iGamingPartners affiliate program launched and delivering traffic.
- SEO Investments proving productive as CasinoEstrella is already ranking well on search engines in targeted countries and is in a good position to capitalise as the markets mature.
- Costs are under control as Starfish's cost is 19.6% below budget, €776,682 (actual) vs €966,369 (budgeted).
- Revenues were below forecast due to the low conversion rate experienced from players in South America – less than 2% - compared to 62.86% in European players.

Q4 adjusted revenue was 27.8% less than budgeted €18,914 (actual) vs €26,197 (budgeted).

- Joseph Azzopardi and Walter Rizzo and Associates – a Maltese firm of Certified Public Accountants - were appointed as Auditors. They are active and experienced in online gaming and their client list includes established operators like DTD Online (Dusk till Dawn), 365 Entertainment, Oddsmatrix Limited and the Malta Remote Gaming Council.

SIGNIFICANT EVENTS AFTER 2012 YEAR-END

- All work permits issued for Starfish Media team in Curacao.
- Curacao office opened and fully operational.
- Migration of entire Starfish team from Malta to Curacao by end of February.
- Angler Gaming PLC Malta office opened 1st February.
- Angler Board to attend ICE Gaming Exhibition in London - first week of February.

COMMENTS FOR 2013 OUTLOOK

- Launching our new global brand – Lucky31 - during Q1 and developing that operation in new markets throughout the year.



- Signing diverse B2B partners to continue market expansion across all our brands.
- Budgets for 2013 have been approved, adjusted to actual costs and reviewed revenue projections for South America.

COMMENTS FROM HANS DAHLGREN - CEO STARFISH MEDIA:

"The year 2012 has been a tough year with many hours invested in setting up the business. Now that we are over that phase the team will focus on new revenue generating projects, such as Lucky31, and locating new partners to drive traffic to our brands.

We will continue to seek out and sign high-quality affiliates to deliver traffic with higher conversion rates. Current rankings on South American search engines will be maintained and improved to increase traffic and exposure.

We will further explore physical marketing options in South America, using innovative activities to increase brand awareness.

Costs will continue to be closely monitored and are expected to remain similar to current rates. The exceptions are affiliate and game supplier costs as these increase directly in proportion to the revenues they generate.

COMMENTS FROM DAVID GRAY - CHAIRMAN ANGLER GAMING PLC

2012 did not progress entirely in the manner envisaged, as set out in the pre-launch publicity and the subsequent Memorandum published on the AktieTorget website, ahead of the listing of Angler Gaming.

This was due to various obstacles and delays, for the most part outside of our control - including delays in the hardware manufacturer production schedule, delivery and installation glitches, slow responses from payment providers, late issuing of work permits etc; all of which hampered our progress in some way.

However, expectation has remained high, having been positively influenced by what is now, in retrospect, a clearly unrealistic timeframe coupled with slightly optimistic financial projections - as shown in the original business plan that is set out in the Memorandum.

Notwithstanding the above we believe the original projection, that the company would move into a positive cash flow position during the year 2014, will still be achieved.

We are continuing to expand our business model and in Q1 of 2013 Starfish will be launching their new online Casino - "Lucky 31" - offering to the world wide market a product in English, German, French and Spanish; with other major languages on the site being rolled out later in the year.

In the meantime costs continue to be tightly controlled and the company is clear about its direction and strategy.

I have every confidence that we will enjoy a positive 2013.

PROPOSED APPROPRIATION OF RETAINED EARNINGS

The Board recommended not to declare any dividends for the financial year 2012.

REGISTERED INSIDER HOLDINGS

| Name | Position in the company | Shares 2012-12-31 |
|-----------------|--------------------------------|--------------------------|
| Hans Dahlgren | CEO Starfish Media N.V. | 25,000 |
| Michael Bennett | CEO Angler Gaming plc | 25,000 |
| David Gray | Chairman Angler Gaming plc | 25,000 |

OTHER INFORMATION

This report has not been reviewed by the Company's Auditor – the Audited Financial Statements for 2012 will be published on 31st March 2013.

Next Report: 30th April 2013

Place and Date of the Annual General Meeting:
Stockholm – 31st May 2013

Malta, 6th February 2013

Board of Directors of Angler Gaming PLC

Enquiries:

Michael Bennett, CEO

michael.bennett@anglergaming.com

FINANCIAL INFORMATION

Profit and loss account

| | Group Period ended 31 December 2012 € | Company Period ended 31 December 2012 € |
|---|--|--|
| Revenue Income | 18,914 | - |
| Administrative expenses | (765,216) | (193,636) |
| | <hr/> | <hr/> |
| | (746,302) | (193,636) |
| Investment income | - | - |
| Interest income | 4,323 | 4,219 |
| Profit before tax | <hr/> | <hr/> |
| | (741,979) | (189,417) |
| Taxation | - | - |
| | <hr/> | <hr/> |
| (Loss) for the year after taxation | (741,979) | (189,417) |

There were no recognised gains or losses in 2012 other than the loss for the financial year.

Balance sheet

| | Group 2012 € | Company 2012 € |
|--|-----------------------------|-------------------------------|
| ASSETS | | |
| Fixed assets | | |
| Intangible assets | 630,183 | - |
| Tangible assets | 115,118 | |
| Financial assets | 2,296 | 616,763 |
| Total fixed assets | 747,597 | 616,763 |
| | | |
| Current assets | | |
| Debtor | 29,483 | 679,420 |
| Cash at bank | 1,678,889 | 1,643,524 |
| | <u>1,708,372</u> | <u>2,322,944</u> |
| Total assets | 2,455,969 | 2,939,707 |
| | | |
| EQUITY AND LIABILITIES | | |
| Capital and reserves | | |
| Called up issued share capital | 424,447 | 422,150 |
| Capital contribution | 2,686,484 | 2,686,484 |
| Profit and loss account | (741,979) | (189,417) |
| Total shareholders' funds | 2,368,952 | 2,919,217 |
| | <u>2,368,952</u> | <u>2,919,217</u> |
| | | |
| Creditors: amounts falling due within one year | | |
| Trade and other creditors | 87,017 | 20,490 |
| | | |
| Creditors: amounts due after more than one year | | |
| Trade and other creditors | - | - |
| Total creditors | 87,017 | 20,490 |
| | <u>87,017</u> | <u>20,490</u> |
| Total equity and liabilities | 2,455,969 | 2,939,707 |

Cash flow statement

| | Group Period ended 31 December 2012 € | Company Period ended 31 December 2012 € |
|--|--|--|
| Cash flows from operating activities | | |
| Operating profit/(loss) | (746,302) | (193,636) |
| | <hr/> | <hr/> |
| Changes in working capital: | (746,302) | (193,636) |
| Trade and other receivables | (29,483) | (679,420) |
| Trade and other payables | 87,017 | 20,490 |
| | <hr/> | <hr/> |
| Cash used in operations | (688,768) | (852,566) |
| Interest income | 4323 | 4,219 |
| | <hr/> | <hr/> |
| Net Cash used in operating activities | (684,445) | (848,347) |
| | <hr/> | <hr/> |
| Cash flows from investing activities | (747,597) | (616,763) |
| | <hr/> | <hr/> |
| Net cash used in investing activities | (1,432,042) | (1,465,110) |
| | <hr/> | <hr/> |
| Cash flows from financing activities | | |
| Proceeds from issue of share capital | 424,447 | 422,150 |
| Capital contribution | 2,686,484 | 2,686,484 |
| | <hr/> | <hr/> |
| Net cash inflow from financing activities | 1,678,889 | 1,643,524 |
| | <hr/> | <hr/> |
| Net increase in cash and cash equivalents | | |
| Cash and cash equivalents as at 8 February 2012 | - | - |
| | <hr/> | <hr/> |
| Cash and cash equivalents at end of year | 1,678,889 | 1,643,524 |