

ANGLER | GAMING

Year End Report - 2013

Angler Gaming PLC, reg. no. C55255, Malta

ANGLER GAMING PLC

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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.

Consolidated Group Financials for the year Jan to Dec 2013:

Turnover: 323,986 Euro (2012: 18,307 Euro, improvement of 1669.74%)

Loss after taxation: -1,646,428 Euro
(2012: -741,980 Euro, worsening of 121.90%)

Earnings per share: -0.039 Euro* (2012: -0.0217 Euro, worsening of 79.72%)

Financials For Q4 – Angler Gaming plc :

Turnover: nil Euro
Loss after taxation: -46,105 Euro
Earnings per share: -0.001 Euro

Financials for the year Jan to Dec 2013 – Angler Gaming plc:

Turnover: nil Euro
Loss after taxation: -298,051 Euro
Earnings per share: -0.007 Euro*

Loss divided with 42,214,957 shares as at 31st December 2013.

HIGHLIGHTS OF Q4 2013

- Deposits increased by just over 63% compared to Q3
- The number of active players increased by 69% compared to Q3
- Net Game Win (real money wagers) increased by close to 128% compared to Q3
- Bonus costs remained similar to Q3 despite the increase in activity and campaigns
- Launched new B2B brand, with more in the pipeline

REVIEW OF OPERATIONS AND ACTIVITIES FOR 2013

- [Activities in subsidiary, Starfish NV, whilst not yet profitable, started to produce revenue.
- [Costs for 2013 remained under control at 5% over budget, €1,294,834 (actual) vs €1,226,145 (budgeted).
- [Revenue remained below forecasted numbers throughout the year, with the exception of November, totalling €323,986 (actual), which was 35% less than the projected figures of €505,500 (budgeted). Several factors contributed to the lack of growth and revenue but the primary ones were marketing restrictions in key markets, a strict marketing budget, loss of B2B partners due to new policies and market restrictions. Added to this were high bonus costs and a number of big winners, all of which greatly affected results.
- [Starfish launched the website Lucky31.com towards the very end of Q1 and it surpassed all the other proprietary brands in every aspect except for Game Win.
- [Starfish added new game suppliers, payment suppliers and products throughout the year, including Live Games from both Actual Gaming and Microgaming. Beyond that, also launched several enhancements and features such as a loyalty program and mobile websites for all brands.

SIGNIFICANT EVENTS AFTER 2013 YEAR-END

- [Angler Chairman attended ICE Gaming Exhibition in London - first week of February – and had a number of meetings with operators who are exploring a white label possibility with Starfish.

COMMENTS ON 2014 OUTLOOK

SNAPSHOT OF Q1 2014.

- Starfish will continue to seek out B2B partnerships but will focus primarily on medium to large partners.
- Further changes to promotional campaigns will be made with a focus upon players seeking entertainment rather than just bonuses.
- Starfish will add at least one new game supplier
- Exploring adding additional product verticals such as Sportsbook and Bingo.
- Budgets for 2014 have been approved, adjusted to actual costs and reviewed revenue projections accounting for the performance of Q3 and Q4 and existing B2B partnerships.

COMMENTS FROM HANS DAHLGREN, CEO STARFISH MEDIA:

“The increase of a number of metrics during Q4 has had a positive impact on both the bottom line as well as the morale of the team. The increase is largely contributed to changes in promotional structures and marketing channels as well as a growing base of loyal players.

The B2B brand that launched during Q4 unfortunately had to postpone marketing efforts due to 3rd party issues, but is now expected to start delivering results during Q1 2014. Starfish continues to actively pursue additional B2Bs and new revenue streams in order to increase revenue without significantly increasing costs.

As with all start-ups, Starfish had a long year with a number of ups and downs, but during the last two quarters, Q4 in particular, we saw the business stabilizing.”

COMMENTS FROM DAVID GRAY - CHAIRMAN ANGLER GAMING PLC

2013 proved to be a more difficult trading environment than was envisaged. A different approach to player promotions and marketing have slowly proved to be a more effective strategy and subsequently Starfish's dependence upon the parent Angler is reducing.

A great deal has been achieved by the Starfish development team and their product is more attractive than was the case a year ago.

A recently launched B2B brand has heightened expectations of increased business development and cash-flows, however through no fault of Starfish this has been slow to produce results due to 3rd party integration problems.

Other B2B brands are currently being negotiated and should produce positive cash flow in the near/medium term.

Costs continue to be monitored and new routes for cost savings are continually being explored. The Starfish subsidiary should be in positive cash flow position by the end of 2014.

PROPOSED APPROPRIATION OF RETAINED EARNINGS

The Board recommended not to declare any dividends for the financial year 2013.

REGISTERED INSIDER HOLDINGS

Name	Position in the company	Shares 2013-12-31
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 2013 will be published on 23rd May 2014.

Next Report: 30th April 2014

Place and Date of the Annual General Meeting:
TBA – 27th June 2014

Malta, 14th February 2014

Board of Directors of Angler Gaming PLC

Enquiries:
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**Consolidated Statement of Comprehensive Income
for the period ended 31 December 2013**

	Group Year ended 31 December 2013 €	Group Year ended 31 December 2012 €	Company Year ended 31 December 2013 €	Company Year ended 31 December 2012 €
Revenue	323,986	18,307	-	-
Direct costs	(126,040)	(2,501)	-	-
Direct wages costs	(301,547)	-204610	-	-
Gross loss	(103,601)	(188,804)	-	-
Administrative expenses	(749,867)	(323,419)	(232,971)	(145,519)
Marketing and sales expenses	(586,627)	(127,312)	(70,186)	(42,408)
Depreciation	(163,437)	(92,481)	(87)	-
Operating loss	(1,603,532)	(732,016)	(303,244)	(187,927)
Finance cost	(50,363)	(14,287)	(2,142)	(709)
Finance income	7,467	4,323	7,335	4,218
Loss for the period	(1,646,428)	(741,980)	(298,051)	(184,418)
Loss and total comprehensive income for the financial period	(1,646,428)	(741,980)	(298,051)	(184,418)
Basic and dilute earnings per share	(0.039)	(0.0217)	(0.007)	0.0054)

**Consolidated Statement of Financial Position
as at 31 December 2013**

	Group Period end 31 December 2013 €	Group Period end 31 December 2012 €	Company Period end 31 December 2013 €	Company Period end 31 December 2012 €
Assets				
Non-current assets				
Investments in subsidiaries	-	-	797	797
Intangible assets	518,662	630,183	-	-
Property, plant and equipment	71,674	115,118	863	-
Total non-current assets	590,336	745,301	1,660	797
Current assets				
Trade and other receivables	86,145	29,483	2,532,468	688,931
Cash and cash equivalents	271,174	1,678,889	235,671	1,643,524
Total current assets	357,319	1,708,372	2,768,139	2,332,455
Total assets	947,655	2,453,673	2,769,799	2,333,252
Equity and liabilities				
Capital and reserves				
Paid up capital	422,150	422,150	422,150	422,150
Non-refundable shareholder contribution	2,680,030	2,680,030	2,680,030	2,080,030
Retained earnings	(2,388,408)	(741,980)	(482,469)	(184,418)
	713,772	2,360,200	2,619,711	2,317,762
Creditors: amounts falling due within one year				
Trade and other payables	233,883	93,473	150,088	15,490
Total liabilities	233,883	93,473	150,088	15,490
Total equity and liabilities	947,655	2,453,673	2,769,799	2,333,252

Statement of Cash Flows
for the period ended 31 December 2013

	Group Period end 31 December 2013 €	Group Period end 31 December 2012 €	Company Period end 31 December 2013 €	Company Period end 31 December 2012 €
Cash flows from operating activities				
Loss before taxation	(1,646,428)	(741,980)	(298,051)	(184,418)
Reconciliation to cash generated from operations:				
Depreciation	163,437	92,481	87	-
Operating loss before working capital changes:	(1,482,991)	(649,499)	(297,964)	(184,418)
Movement in trade receivables	(2,408)	(4,000)	-	-
Movement in other receivables	(54,254)	(25,483)	(1,843,537)	-
Movement in trade payables	10,678	59,290	(10,777)	11,490
Movement in other payables	129,732	34,183	145,375	4,000
Net cash used in operating activities	(1,399,243)	(585,509)	(2,006,903)	(168,928)
Cash flows from investing activities				
Cash issue by shareholders	-	422,150	600,000	422,150
Shares in subsidiary	-	-	-	(797)
Intangible fixed assets	(6,586)	(702,857)	-	-
Tangible fixed assets	(1,886)	(134,925)	(950)	-
Net cash generated from/used in investing activities	(8,472)	(415,632)	599,050	421,353
Cash flows from financing activities				
Non-refundable shareholder contribution	-	2,680,030	-	2,080,030
Intra-group finance	-	-	-	(688,931)
Net cash generated from financing activities	-	2,680,030	-	1,391,099

Net movement in cash and cash equivalents in the period	(1,407,715)	1,678,889	(1,407,853)	1,643,524
Cash and cash equivalents at beginning of period	1,678,889	-	1,643,524	-
Cash and cash equivalents at end of period	271,174	1,678,889	235,671	1,643,524