THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or as to the action you should take, you are recommended to consult a person authorised under the Financial Services and Markets Act 2000 as amended, who specialises in advising on the acquisition of shares and other securities.

This document is an AIM admission document and has been drawn up in accordance with the AIM Rules for Companies. This document does not constitute a prospectus within the meaning of section 85 of FSMA, has not been drawn up in accordance with the Prospectus Rules and has not been approved by or filed with the Financial Conduct Authority. This document does not constitute an offer of transferable securities to the public within the meaning of FSMA or otherwise.

The Existing Directors and the Proposed Directors of the Company, whose names appear on page 6 of this document, and the Company accept responsibility, collectively and individually, for the information contained in this document. To the best of the knowledge of the Existing Directors and the Proposed Directors (having taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM, a market operated by the London Stock Exchange. It is expected that Admission will become effective and dealings in the New Ordinary Shares and re-admission of the existing consolidated Ordinary Shares will commence on 29 June 2016.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two of the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

The whole of the text of this document should be read. You should be aware that an investment in the Company involves a high degree of risk. Your attention is drawn to the risk factors set out in Part III of this document.

IMMEDIATE • INVESTMENT • INSTRUMENTS

VELOX3 PLC

(Incorporated in the Isle of Man under the Companies Act 2006 with registered number 9029V)

PROPOSED ACQUISITION OF SHELTYCO ENTERPRISES GROUP LIMITED
PROPOSED CHANGE OF NAME TO VELTYCO GROUP PLC
25 FOR 1 SHARE CONSOLIDATION
SUBSCRIPTION OF 2,152,172 NEW ORDINARY SHARES AT 25 PENCE PER SHARE
APPROVAL OF A WAIVER OF RULE 9 OF THE CITY CODE
ADMISSION OF THE ENLARGED ISSUED SHARE CAPITAL TO TRADING ON AIM
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

Stockdale

Nominated Adviser and Broker

Existing Ordinary Shares in issue at the date of this document			*Ordinary Shares in issue immediately following Admission*	
Number	*Amount*		*Number*	*Amount*
193,031,360	**£0**	**Ordinary Shares of nil par value each**	**56,059,269**	**£0**

The New Ordinary Shares will, on Admission, rank pari passu in all respects with the Existing Ordinary Share including the right to receive all dividends or other distributions declared, paid or made after Admission.

Stockdale Securities is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Subscription and Admission (whether or not a recipient of this document), and is acting exclusively for the Company as nominated adviser and broker for the purpose of the AIM Rules for Companies. Stockdale Securities will not be responsible to any person other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the Subscription and Admission or the contents of this document. In particular, the information contained in this document has been prepared solely for the purposes of the Subscription and Admission and is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them.

No representation or warranty, express or implied, is made by Stockdale Securities as to the contents of this document. No liability whatsoever is accepted by Stockdale Securities for the accuracy of any information or opinions contained in this document, for which the Existing Directors and the Proposed Directors are solely responsible, or for the omission of any information from this document.

This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Ordinary Shares offered by this document have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia or Japan. Neither this document nor any copy of it may be sent to or taken into the United States, Canada, Australia or Japan, nor may it be distributed directly or indirectly to any US person (within the meaning of Regulation S under the Securities Act) or to any persons with addresses in Canada, Australia or Japan, or to any corporation, partnership or other entity created or organised under the laws thereof, or in any country outside England and Wales where such distribution may lead to a breach of any legal or regulatory requirement.

Forward-looking statements

This document contains certain forward-looking statements that are subject to certain risks and uncertainties, in particular statements regarding the Enlarged Group's plans, goals and prospects. The Enlarged Group's actual results and operations could differ materially from those anticipated in such forward looking statements as a result of many factors including the risks faced by the Enlarged Group which are described in Part III and elsewhere in this document. These statements and the assumptions that underlie them are based on the current expectations of the Existing Directors and the Proposed Directors and are subject to a number of factors, many of which are beyond their control. As a result, there can be no assurance that actual results will not differ materially from those described in this document.

Notice convening a Extraordinary General Meeting of Velox3 plc to be held at the registered offices of Estera Trust (Isle of Man) Limited, 33-37 Athol Street, Douglas, Isle of Man IM1 1LB at 10.30 a.m. on 27 June 2016 is set out at the end of this document. The enclosed Form of Proxy for use at the Extraordinary General Meeting should be completed and returned to the Company's Transfer Agent, Neville Registrars Limited c/o Velox3 plc, 33-37 Athol Street, Douglas, Isle of Man IM1 1LB as soon as possible and to be valid must arrive no later than 10.30 a.m. on 24 June 2016. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the Extraordinary General Meeting should they so wish.

Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Stockdale Securities from the date of this document for the period ending one month after Admission. A copy of this document will also be available from the Company's website www.velox3.com (up to Admission) or www.veltyco.com (following Admission). The information required by AIM Rule 26 is available from the websites above. There is no charge to access the websites. Any information contained in such websites is an inactive textual reference and is not incorporated into this document by reference.

CONTENTS

SUBSCRIPTION & ADMISSION STATISTICS

Issue Price per New Ordinary Share	25p
Number of Existing Ordinary Shares	193,031,360
Number of Ordinary Shares following the Share Consolidation[(1)]	7,721,254
Number of Ordinary Shares to be issued by the Company pursuant to the Subscription[(2)]	2,152,172
Number of Ordinary Shares to be issued by the Company pursuant to the Debt Conversion	2,717,932
Number of Ordinary Shares to be issued as Consideration Shares	43,753,775
Number of Ordinary Shares in issue following Admission[(3)]	56,059,269
Percentage of the Enlarged Share Capital represented by the Subscription Shares[(2)]	c.3.8 per cent.
Market capitalisation of the Company at the Issue Price at Admission[(3)(4)]	£13.89 million
Estimated gross proceeds of the Subscription receivable by the Company	£538,043
Estimated net proceeds of the Subscription receivable by the Company	£251,000
AIM Ticker	VLOX (up to Admission); or VLTY (following Admission)
ISIN – Existing Ordinary Shares	IM00BBJPL870
ISIN – Enlarged Share Capital at Admission	IM00BYT32K14
Website	www.velox3.com (up to Admission) or www.veltyco.com (following Admission)

Note:

(1) Not taking into account any rounding down or adjustment due to fractional entitlements.

(2) Assuming all Subscription Shares are issued, including the 878,991 Subscription Shares which are expected to be issued in early July.

(3) Assuming Admission of all of the New Ordinary Shares and that no other Ordinary Shares are issued between the date of this document and Admission but excluding 878,991 Subscription Shares which are expected to be issued in early July.

(4) Based on a price per Ordinary Share of 25p.

Unless otherwise stated in this document, the following illustrative exchange rate is used £1 = €0.76, as derived from the spot exchange rate of the Bank of England as at 31 May 2016, being the latest practicable date prior to the date of this document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2016
Publication and posting of this document and the Form of Proxy	9 June
Latest time and date for return of Forms of Proxy or CREST Proxy instruction for the Extraordinary General Meeting	10.30 a.m. on 24 June
Extraordinary General Meeting	10.30 a.m. on 27 June
Record dated and time for the Share Consolidation	5.00 p.m. 28 June
Completion of the Acquisition	29 June
New Ordinary Shares admitted to trading on AIM and dealings in the New Ordinary Shares commence and enablement in CREST	8.00 a.m. on 29 June
Despatch of definitive share certificates for New Ordinary Shares in certificated form	by 12 July

Notes:

(1) References to times in this document are to London, UK time (unless otherwise stated).

(2) The timing of the events in the above timetable is indicative only. If any of the above times and/or dates are adjusted by the Company (with the agreement of Stockdale Securities), the revised times and/or dates will be notified to the London Stock Exchange by an announcement via a Regulatory Information Service and, where appropriate, to Shareholders.

EXISTING DIRECTORS, SECRETARY AND ADVISERS

Existing Directors	David Mathewson (*Chairman*) Mark Rosman (*Non-Executive Director*)
Proposed Directors	Marcel Noordeloos (*Chief Financial Officer*) Karsten Uwe Lenhoff (*Chief Operating Officer*) Hans Dahlgren (*Chief Technology Officer*)
Company Secretary	Marcel Noordeloos
Registered Office and Business Address of the Existing Directors	33 – 37 Athol Street Douglas Isle of Man IM1 1LB
Principal Place of Business	33 – 37 Athol Street Douglas Isle of Man IM1 1LB
Nominated Adviser and Broker	Stockdale Securities Limited Beaufort House 15 St Botolph Street London EC3A 7BB
Legal Advisers to the Company (as to English law)	DAC Beachcroft LLP 100 Fetter Lane London EC4A 1BN
Legal Advisers to the Company (as to Isle of Man law)	Appleby (Isle of Man) LLC 33 – 37 Athol Street Douglas Isle of Man IM1 1LB
Legal Advisers to the Nominated Adviser and Broker	Irwin Mitchell LLP 40 Holborn Viaduct London EC1N 2PZ
Auditors to the Company and Reporting Accountant	Nexia Smith & Williamson Audit Limited 25 Moorgate London EC2R 6AY
Transfer Agent	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen B63 3DA
Website following Admission	www.veltyco.com
Website up to Admission	www.velox3.com

PART I

LETTER FROM THE CHAIRMAN OF VELOX3 PLC

Velox3 PLC

(Incorporated in the Isle of Man under the Companies Act 2006 with registered number 9029V)

Existing Directors:

David Mathewson (*Chairman*)
Mark Rosman (*Non-Executive Director*)

Registered Office:

33 – 37 Athol Street
Douglas
Isle of Man
IM1 1LB

9 June 2016

To: Shareholders and, for information only, holders of options and warrants over Existing Ordinary Shares

Dear Shareholder

PROPOSED ACQUISITION OF SHELTYCO ENTERPRISES GROUP LIMITED
PROPOSED CHANGE OF NAME TO VELTYCO GROUP PLC
25 TO 1 SHARE CONSOLIDATION
SUBSCRIPTION OF 2,152,172 ORDINARY SHARES AT 25 PENCE PER SHARE
APPROVAL OF A WAIVER OF RULE 9 OF THE CITY CODE
ADMISSION OF THE ENLARGED ISSUED SHARE CAPITAL TO TRADING ON AIM
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

The Company today announced two conditional transactions. The first is the proposed issue of 2,152,172 new Ordinary Shares at a subscription price of 25 pence per Ordinary Share to various investors to raise approximately £538,000 before expenses for working capital purposes. The second is the Company's proposed acquisition of Sheltyco Enterprises Limited ("Sheltyco") in consideration for the issue of 43,753,775 new Ordinary Shares that, at a notional price of 25 pence per share, values Sheltyco at £10.9 million.

Sheltyco is a holding company for several subsidiary companies interested in the marketing and promotion of online gaming, lottery and binary option operators, such as Betsafe (online casino and sports betting), Lottopalace (lottery) and Option888 (binary options). Sheltyco was incorporated in The British Virgin Islands in November 2011. Detailed information on Sheltyco and its business is set out in paragraph 3 of this Part I of this document.

In addition to the Subscription Shares, each Subscriber will be issued one Warrant for every 5 Subscription Share subscribed, exercisable at 31 pence per Ordinary Share at any time during the period from the date of issue until the 5th anniversary of issue. The Subscription is anticipated to complete in two stages with 1,273,181 Subscription Shares issued on Admission and a further 878,991 Subscription Shares to be issued in early July.

The approximate net proceeds of the Subscription of £251,00 will be applied as working capital for the Enlarged Group. Details of Sheltyco's future strategic aims are detailed in paragraph 2 of Part I of this document.

Details of the Acquisition Agreement are set out in paragraph 5 of this Part I and in paragraph 12 of Part VIII of this document. Details of the Subscription are set out in paragraph 1 of this Part I.

The Acquisition is classified as a reverse takeover under the AIM Rules requiring the approval of Shareholders. It is therefore conditional upon, inter alia, the passing of the Resolutions. The Acquisition is also conditional on the approval by the Shareholders of a waiver of Rule 9 of the Takeover Code. Conditional upon the completion of the Acquisition, application will be made for the Enlarged Share Capital to be admitted to trading on AIM.

The purpose of this document is to set out the reasons for the Acquisition and the Subscription, and to explain why the Existing Directors consider that the Proposals are in the best interests of the Company and the Shareholders and to seek Shareholder approval for the Proposals.

You should read the whole of this document and your attention in particular is drawn to the Risk Factors set out in Part IV of this document.

2. BACKGROUND TO AND REASONS FOR THE ACQUISITION

Velox3 was admitted to AIM in July 2013 under the name of 24/7 Gaming Group Holdings plc as a service provider to the mobile gaming industry for smart phones and tablets. The Company developed HTML 5 based games, however, the board of directors realised during 2014 that returns from its investment in the mobile gaming sector were not satisfactory. At that juncture, the board of directors decided to explore alternative acquisition opportunities and entered in discussions to acquire a binary options business. Whilst it was considering this acquisition opportunity, the Board initiated a restructuring of the Group and, in December 2014, decided to cease operations and further funding to its gaming and publishing operations.

After careful consideration, the board of directors decided not to progress with the acquisition opportunity in the binary options space and sought approval from shareholders to re-classify Velox3 as an investing company with an investing policy focused on the acquisition of direct and indirect interests in the online trading services industry. Shareholders approved this investing policy in February 2015.

Recently, the Board has been introduced to the Sheltyco acquisition opportunity. The Board has reviewed the Acquisition and believes that, considering its stage of development, historical financial performance and profitability, the presence of certain common shareholders between the two groups and the sector in which Sheltyco operates, it would constitute a good fit with Velox3's current focus and expertise.

Sheltyco operates in growing markets and have industry experts who run the operational side of the business. By achieving Admission, the Enlarged Group can benefit from the increased visibility afforded by the stock market. Being quoted on AIM is expected to enable the Enlarged Group to carry out acquisitions through equity deals, retain key employees by providing long term (equity) incentive plans and have easier access to funding, if required.

In addition, Sheltyco has been generating profits and positive net cash flows almost since the start of its operations, and therefore the Independent Director will be recommending that Shareholders vote in favour of the Whitewash Resolution and the Existing Directors will be recommending that Shareholders vote in favour of the other resolutions which are required to implement the Acquisition.

3. INFORMATION ON THE SHELTYCO GROUP

Sheltyco

Sheltyco is a holding company primarily focused on generating marketing leads and entering into marketing contracts for the activities of its partners in sports betting, casinos, poker games, lottery and binary options, such as Betsafe (online casino and sports betting), Lottopalace (lottery) and Option888 (binary options). Sheltyco focuses on all of these three complementary activities under one umbrella, leveraging its historical cash generative activities of marketing online casinos and sports betting.

Audited historical financial information relating to Sheltyco for the three years ended 31 December 2013, 2014 and 2015 is set out in Part V of this document.

History of the Group

Sheltyco was incorporated in The British Virgin Islands in November 2011 under the name of Pollard Marketing Ltd and initially focussed on marketing activities in gaming and sports betting. Sheltyco started its marketing operations in 2012 and changed its name to Sheltyco Enterprises Group Limited in July 2013. The Sheltyco Group has been profitable since 2013 and has been using its expertise to start marketing lottery and binary option operations in 2015.

Sheltyco Enterprises Ltd (Betsafe)

The Sheltyco Group entered into a partner agreement with Betsson Services Ltd in March 2012 to exclusively market the Betsafe brand and all related products (including, but not limited to, sports betting, casino and poker games) in the German speaking territories (Germany, Austria, Switzerland). Betsson Services Ltd is part of the Betsson AB group, the Swedish quoted investor and manager of companies in the online gaming industry. At 31 May 2016, Betsson AB had a market capitalisation of c. SEK 14,900 million (€1.6 billion). Sheltyco receives a share on all revenues generated from the Betsafe operations in Germany, Austria and Switzerland regardless of how the player is originated in recognition of its marketing activities. The revenue share is a percentage of net revenues which is calculated as bets less winnings after deducting licencing fees, third party royalties, gaming tax, bonuses, promotions, loyalty and jackpot contributions, payment processing fees, fraud costs and refunds. The Existing Directors and the Proposed Directors believe that revenue from the Betsafe operations will be increasingly derived from live betting and mobile devices. The contract with Betsson Services Ltd was recently renewed and further details of the contract are set out in paragraph 12 of Part VIII of this document.

To increase visibility and reliability of the brand Betsafe, Sheltyco Group has historically maintained a premium partnership with 1. FC Köln (who compete in the German Bundesliga) and it has plans to renew such arrangements for the next season. Whilst the agreement with Betsson Services Ltd is in relation to the German speaking countries, there is increasing recognition of the global Betsafe brand as demonstrated by the recent sponsoring deal that the Betsson AB group has entered into with Manchester City, who compete in the English Premier League.

Historically the Betsafe operations have generated stable cash flows for the Sheltyco Group and going forward are expected to form the basis of the core of the Enlarged Groups operations. Through the Betsafe brand, the Betsson AB group offers casino, sports betting and poker games on their site, including live casino.

Tunegames (LottoPalace)

Tunegames Holding Ltd ("**Tunegames**") is a wholly owned subsidiary of Sheltyco and holds an exclusive license to utilise an online platform for purchasing, processing and delivery of lottery tickets. Tunegames has appointed Altair Entertainment NV ("Altair") to operate the Lottopalace.com gaming website. Tunegames is responsible for the marketing and promotion of the site and receives a revenue share of the net income Altair generates from the players acquired as a result of Tunegames' marketing efforts.

The LottoPalace.com website offers players the opportunity to play some of the world's most well-known lotteries anywhere at any time including Germany Lotto, Mega Millions (USA), Power Ball (USA), National Lottery (UK) and Euro Millions. By providing a new lottery system, it gives access to some of the most entertaining lotteries and biggest jackpots. Lotteries have different rules, but the principle is that a player picks his favourite numbers (or let the computer pick randomly) and then waits for the official lotto organiser to draw the winning numbers. Furthermore, lottery may be played in a group (or syndicate), which lowers the price of a ticket and therefore allows a player to buy more tickets to increase the chance of winning.

LottoPalace was launched in August 2015 and it is currently focusing its marketing efforts on the German and Scandinavian markets.

Tunegames engaged Dream Partners Solutions Ltd to provide certain software and support in the development of the Lottopalace.com platform. These arrangements have been terminated and a new

agreement to provide similar services is to be agreed shortly with the software developer Softlot (a company, the majority of the shares in which are ultimately beneficially owned by Karsten Uwe Lenhoff).

Silkline Marketing Ltd (Option888)

Silkline Marketing Ltd ("Silkline") is a wholly owned subsidiary of Sheltyco, and is a Cyprus incorporated and domiciled company. Silkline has entered into an agreement with Novox Capital Ltd ("Novox"), a Cypriot company that is regulated by the Securities and Exchange Commission of Cyprus (CySEC) under license CIF 224/14 to operate the Options888 site under the option888.eu domain. Silkline is responsible for the marketing and promotion of the Option888 site and receives a revenue share of the net income Novox generates from the players acquired as a result of Silkline's marketing efforts.

Option888 is an online binary option platform. Binary option traders speculate on short term movements in volatile underlying assets or indices. Binary options can be based on, inter alia, exchange rates, stock values, market indices and commodity prices. A binary option holder's payoff is either a fixed amount of compensation if the option expires "in the money" or nothing at all if the option expires "out of the money". The success of a binary option is thus based on a yes/no proposition, hence the name "binary".

The value of the potential gain or loss on the binary option will be known to the trader at the time of purchase of the binary option. A trader will purchase a binary option at a particular price and stipulate the time to expiration, within the timeframes offered by the trading platform. If the option expires "out of the money" then the trader has lost the value of the option purchased. If the option expires "in the money" then the trader receives a fixed return based on the value of the option purchased. Option888 offers a fixed 70% return over the value of the binary option.

The Existing Directors and the Proposed Directors believe that binary options is a growing area of financial trading products and expect that this product will continue to show growth in markets such as Asia, Canada, Australia and UK. In the Existing Directors and the Proposed Directors experience, the relatively high customer deposits, of approximately €1,000 – €1,500 per customer, make binary options an attractive product compared to other gaming and gambling activities.

A binary option is a financial instrument, in which the payoff can take only two possible outcomes. This generally focuses on high/low or in or out of a range of prices for an underlying financial product. In the Existing Directors and Proposed Directors experience, options offered by binary option providers generally pay 70-85% of the amount staked and they expect that Novox will pay out similar amounts going forward. On an incorrect prediction, the trader loses his entire bet. Binary options are "momentum" bets based on the prediction of a financial product price movement over the following 30 second to approximately one hour, or longer.

The Option888 brand was launched in early 2015, focussing initially on the Swedish and German markets. Through Novox Capital Ltd, the Option888 platform is offered in three different languages (English, German and Swedish) and five different currencies alongside customer support both through e-mail and live-chat. The Option888 platform offers a variety of advanced payment methods, allowing customers to make fast and safe deposits as well as quick withdrawals.

Binary options has seen strong growth in popularity in two of Sheltyco's main markets; Italy and Germany. The Sheltyco Group intends to become a leading provider of marketing and promotion services in the binary option market and will seek to launch into other markets in Scandinavia such as Norway, Denmark and Finland. Other markets where Sheltyco will focus on promoting the Option888 platform include Australia, Canada and UK.

The Sheltyco Group has also entered into a sponsoring agreement with FC Bologna, who compete in the Italian premier league (Series A).

4. EFFECT OF THE ACQUISITION ON THE ENLARGED GROUP

The Acquisition will not have an immediate effect on the day-to-day business or the assets of either Velox3 or Sheltyco. The business of Velox3 will continue as a holding company with Sheltyco as its trading company subsidiary. Velox3 intends to change its name to Veltyco Group plc.

The Existing Directors believe the Acquisition will facilitate access to the capital markets and will provide increased visibility and market recognition to the business of Sheltyco.

On completion of the Acquisition, the Company will cease to be an investing company as defined in the AIM Rules for Companies.

5. SUMMARY OF THE PRINCIPAL TERMS OF THE ACQUISITION

The Company has entered into the Acquisition Agreement, pursuant to which it has conditionally agreed to acquire the entire issued share capital of Sheltyco in exchange for the issue of the Consideration Shares by the Company to the Vendors, *pro rata*, to their respective holdings in Sheltyco. The Consideration Shares will be credited as fully paid and will represent approximately 85 per cent of the Existing Ordinary Share Capital following the Share Consolidation. The Acquisition Agreement contains usual warranties, a tax covenant and restrictive covenants for a period of 3 years restricting the Vendors from competing with Sheltyco following the Acquisition.

Completion of the Acquisition is subject to certain conditions being satisfied including the passing of the Resolutions by Shareholders at the Extraordinary General Meeting and Admission.

Further details of the Acquisition Agreement are set out in paragraph 12 of Part VIII of this document.

6. SHARE CONSOLIDATION

The Company currently has 193,031,360 Existing Ordinary Shares in issue; the last recorded price per Existing Ordinary Share was 0.20 pence on 4 December 2015, the last day that the Existing Ordinary Shares were trading on AIM before suspension. The Existing Directors believe that consolidating the Existing Ordinary Shares will lead to the Enlarged Group having a more readily understood share price and number of Ordinary Shares in issue.

Accordingly, the Existing Directors have decided to implement a consolidation of its share capital so that each Shareholder of every 25 or more Existing Ordinary Shares will be entitled to receive one new Ordinary Share. Shareholders with a holding in excess of 25 Existing Ordinary Shares, but which is not exactly divisible by 25, will have their holdings of Ordinary Shares rounded down to the nearest whole number of Ordinary Shares following the Share Consolidation. Fractional entitlements, whether arising from holdings of fewer or more than 25 Existing Ordinary Shares, will be sold in the market and the proceeds will be retained for the benefit of Company.

As a consequence of the Share Consolidation, each Shareholder's holding of Ordinary Shares will (ignoring factional entitlements) immediately following the Share Consolidation becoming effective be one twenty fifth of the number of Existing Ordinary Shares held by them on completion of the Share Consolidation. However, each Shareholder's proportionate interest in the company's issued ordinary share capital will remain unchanged as a result of the Share Consolidation.

7. SUBSCRIPTION

The Company is proposing to raise approximately £538,000 (gross) through the Subscription.

The Subscription is conditional, amongst other things, on:

(a) the passing of the Resolutions; and
(b) Admission.

The Issue Price represents a premium of approximately 500 per cent. to the middle market price per Ordinary Share immediately prior to suspension of trading in the Company's Ordinary Shares on AIM on 7 December 2015.

The Subscription is anticipated to complete in two stages with 1,273,181 Subscription Shares being issued on Admission, raising approximately £318,295 (gross), and a further 878,991 Subscription Shares issued in early July raising approximately £219,747 (gross).

The Ordinary Shares issued pursuant to the Subscription will represent approximately c. 3.8 per cent. of the Enlarged Share Capital (assuming Admission and that no other Ordinary Shares are issued between the date of this document and completion of Subscription other than the Consideration Shares, the Convertible Debt Shares and the Settlement Shares) and will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after their date of issue.

As a term of the Subscription, each Subscriber shall also receive 1 Warrant for every 5 Subscription Shares subscribed, exercisable at 31 pence per Warrant at any time during the period from the date of issue until the 5th anniversary of issue. It is not intended that the Warrants will be listed on any stock market.

Further details of the Warrants are set out in paragraph 14 of Part I of this document.

8. USE OF PROCEEDS

The net proceeds of the Subscription will be used to support the working capital needs of the Enlarged Group and to continue Sheltyco's marketing activities in gaming, lottery and binary options.

9. CONVERSION OF DEBT

The Company has previously entered into a number of convertible loan facilities for the provision of additional working capital. On 8 June 2016 the Lenders served notice on the Company seeking to convert the outstanding balance due under the facilities into Ordinary Shares at the Issue Price, subject to Admission. In addition, for every 5 New Ordinary Share allotted pursuant to the conversion, the Company agreed to grant to the Lenders one Warrant exercisable at 31 pence per Warrant at any time during the period from the date of issue until the 5th anniversary of issue.

As at the date of service of the conversion notice, the aggregate total owing under these facilities was approximately €818,000 (£629,000). In satisfaction of the outstanding sums due, it is intended that the Company shall issue to the Lenders immediately following Admission 2,517,932 Ordinary Shares and 503,586 Warrants.

In addition to the New Ordinary Shares to be issued above, the terms of the DGS Convertible Facility provided for a closing fee due to be satisfied by the issue of 200,000 Ordinary Shares to DGS C.V.

Further details of the DGS Convertible Facility are set out in paragraph 12 of Part VIII of this document.

10. INFORMATION ON THE CONCERT PARTY

The existing shareholders of Sheltyco together with DGS C.V., Mark Rosman, Dirk Jan Bakker, Karsten Uwe Lenhoff and certain entities associated with them are deemed to be acting in concert in respect of the Acquisition for the purposes of the City Code All of them are referred in this document together as the "Concert Party". The Concert Party members are:

- **Vancom Ventures Limited**, a company incorporated under the laws of Cyprus, registration number HE333041, having its registered office at 2 Apostolou Varnava, Centaur House, 2571 Nisou, Nicosia, Cyprus. It is owned indirectly by Mr Bakker;
- **Vistra (Malta) Limited**, a company incorporated under the laws of Malta, registration number C52997, having its registered office at 114 The Strand, GZR1027 Gzira, Malta. It is also owned indirectly by Mr Bakker;
- **Lensing Management Services Limited**, a company existing under the laws of the British Virgin Islands, registered under number 1638197 and having its registered office address at Geneva Place, PO Box 431, Road Town, Tortola, British Virgin Islands. The interest in the share capital of Sheltyco of Lensing Management Services Limited is registered in the name of Aster Worldwide Limited as a nominee shareholder. It is also owned indirectly by Mr Lenhoff;

- **DGS C.V**., a limited liability company incorporated under the laws of the Netherlands, having its registered seat in 1071 DW Amsterdam, van Miereveldstraat nr 11, the Netherlands. DGS C.V. is an investment vehicle for a number of independent investors, including Bakkerstaete B.V.

- **Bakkerstaete B.V**. a limited liability company incorporated under the laws of the Netherlands, having its registered address at Amsteldijk Noord 103 E, 1183 TH Amstelveen. Bakkerstaete B.V is directly owned by Mr Johannes Alberts Bakker, the father of Dirk Jan Bakker.

- **Mark Joost Rosman** of Palestrinastraat 26-huis, 1071 LG Amsterdam, Netherlands, a Dutch national and resident in the Netherlands.

  Mr Rosman is a director and shareholder of Velox3, a director of Sheltyco and an adviser to Dirk Jan Bakker. Further details on Mr Rosman are provided at Part 2 of this document. Details of all companies and partnerships of which Mr Rosman has been a director or partner at any time in the last 5 years are provided at paragraph 7 of Part VIII of this document.

- **Dirk Jan Bakker** of PC Hooftstraat 175C, 1071 BW Amsterdam Netherlands

  Mr Bakker is a shareholder of Velox3; he is also, indirectly through Vancom Ventures Limited and Vistra (Malta) Limited of which he is the sole beneficial owner, a c.40 per cent. shareholder of Sheltyco and is indirectly interested in DGS C.V.

  In addition to his involvement with the Sheltyco Group, Mr Bakker is a real estate investor and a director of Diman BV, NRE Amsterdam I B.V., NRE Amsterdam II B.V., Beleggingsmij Andantino B.V. and Pisa Beheer B.V.

- **Karsten Uwe Lenhoff** of 25 Mixalakopoulou Stv, 1075 Nicosia, Cyprus, a German national resident in Cyprus.

  Mr Lenhoff is the founder and director of Sheltyco and is, indirectly through Lensing Management Services Limited of which he is the sole beneficial owner, a c.60 per cent. shareholder and director of Sheltyco. Further details on Mr Lenhoff are provided at Part 2 of this document. Details of all companies and partnerships of which Mr Lenhoff has been a director or partner at any time in the last 5 years are provided at paragraph 7 of Part VIII of this document.

None of Mr Rosman, Mr Bakker or Mr Lenhoff have been: (i) a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of creditors, whilst he was a director of that company or within the 12 months after he ceased to be a director of that company; or (ii) a partner in any partnership which has been placed in compulsory liquidation, administration or been subject of a partnership voluntary arrangement, whilst he was a partner in that partnership or within 12 months after he ceased to be a partner in that partnership.

None of Mr Rosman, Mr Bakker or Mr Lenhoff have (i) has any unspent convictions in relation to indictable offences; (ii) is or has been bankrupt or made any voluntary arrangement; (iii) has been the subject of public criticism by a statutory or regulatory authority (including recognised professional bodies); or (iv) has been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.

11. INTENTIONS OF THE CONCERT PARTY

Each of Mr Lenhoff, Mr Bakker and Mr Rosman has confirmed on the Concert Party's behalf that, other than for the changes described in this document, following completion of the Acquisition the business of the Company will be continued in substantially the same manner as at present, with no major changes, no likely redeployment of the Company's fixed assets and no likely repercussions on the future business of the Company, the continued employment of the employees and management of the Company (including any material change in the conditions of employment), the pension rights of the employees, and the locations of the Company's places of business.

The Concert Party has no intention of making a general offer for the Company, nor cause the Company to cease to maintain any of the trading facilities in respect of the Ordinary Shares. Each of Mr Lenhoff, Mr Bakker and Mr Rosman has confirmed that the Concert Party has no intention of disposing of any interests in the Ordinary Shares outside the Concert Party, save that DGS C.V. expects in due course to distribute its interests in the Ordinary Shares to its investors in accordance with its investment strategy.

12. IRREVOCABLE UNDERTAKINGS TO VOTE IN FAVOUR OF THE RESOLUTIONS

David Mathewson, the Independent Director has given an irrevocable undertaking to the Company to vote in favour of the Resolutions in respect of his entire beneficial and direct holding of Existing Ordinary Shares totalling, in aggregate, 1,905,788 Existing Ordinary Shares, representing approximately 0.99 per cent. of the Existing Ordinary Share Capital.

Mark Rosman, a member of the Concert Party, has also given an irrevocable undertaking to the Company to vote in favour of the Resolutions, save for the Whitewash Resolution (for which he is excluded from voting) in respect of his entire beneficial and direct holding of Existing Ordinary Shares totalling, in aggregate, 8,327,038 Existing Ordinary Shares, representing approximately 4.32 per cent. of the Existing Ordinary Share Capital.

Certain Independent Shareholders have also given irrevocable undertakings to the Company to vote in favour of the Resolutions (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not one of them) in respect of their holdings totalling, in aggregate, 85,903,888 Existing Ordinary Shares, representing approximately 51.3 per cent. of the Existing Ordinary Share Capital eligible to vote on the Whitewash Resolution.

In addition, irrevocable undertakings to vote in favour of the Resolutions, save for the Whitewash Resolution have been given by certain Shareholders (including members of the Concert Party) in respect of their holdings totalling, in aggregate, 11,522,197 Existing Ordinary Shares, representing approximately 6 per cent. of the Existing Ordinary Share Capital.

In total, therefore, the Company has received irrevocable undertakings to vote in favour of:

1. the Whitewash Resolutions in respect of holdings totalling, in aggregate, 87,809,676 Existing Ordinary Shares, representing 50.7 per cent of the Existing Ordinary Shares entitled to vote thereon; and

2. all other Resolutions (excluding the Whitewash Resolution) in respect of holdings totalling, in aggregate, 107,658,911 Existing Ordinary Shares, representing 55.77 per cent of the Existing Ordinary Shares entitled to vote thereon.

13. ORDERLY MARKET ARRANGEMENTS

In order to maintain an orderly market in the Ordinary Shares, the Company has agreed with each of Mr Dirk Jan Bakker and Karsten Uwe Lenhoff that, for a period of 12 months after Admission shall not dispose of any interest in the Ordinary Shares held by them unless such disposal is effected through Stockdale Securities or with Stockdale Securities' prior consent.

Further details of the Orderly Market Agreements are set out in paragraph 12 of Part VIII of this document.

14. OPTIONS AND WARRANTS

Share Options

On 21 February 2014 the Company granted David Mathewson 6,000,000 (240,000 post Share Consolidation) options on Existing Ordinary Shares, with an exercise price of £0.03 (£0.75 post Share Consolidation) per Existing Ordinary Shares. The options vest over three equal yearly instalments starting 1 year after the date of grant, provided Mr Mathewson remains a director or employee of the company during this period. Further details on the terms of the option grant are provided at paragraph 4 of Part VIII.

Following Admission, it is the intention of the Board (on the advice of the Remuneration Committee) to amend the exercise price of these options to £0.25 per Ordinary Share and amend the vesting date such that the options vest over three equal yearly instalments starting 1 year after Admission.

Further, on 22 October 2013, the Company granted to Mr Mathewson options over 78,000 Existing Ordinary Shares (6,120 Ordinary Shares post Share Consolidation), with an exercise price of £0.385p (£9.62 post Share Consolidation) per share. The options vest over three equal yearly instalments starting 1 year after the date of grant. It is the intention of the Board to cancel these options following Admission in light of the revision to Mr Mathewson's option grant of 21 February 2014.

Warrants

On 18 February 2014, the Company raised £502,000 by issuing new Existing Ordinary Shares to institutional clients and other investors of Daniel Stewart & Company plc. The Company granted Daniel Stewart 500,000 (20,000 post Share Consolidation) warrants on Existing Ordinary Shares of the Company, with an exercise price of £0.03 (£0.75 post share Consolidation) per Existing Ordinary Share. The warrants can be exercised upon issuance and have a 5 year term.

Pursuant to the terms of the Subscription, the Subscribers shall be granted on Admission 430,434 Warrants to subscribe for Ordinary Shares, with an exercise price of £0.31 per Ordinary Share. The warrants can be exercised upon issuance and have a 5 year term.

In addition, upon the conversion of the convertible loan facilities on Admission, the Lenders shall be granted in aggregate 503,586 warrants to subscribe for Ordinary Shares, with an exercise price of £0.31 per Ordinary Share. The warrants can be exercised upon issuance and have a 5 year term.

15. RELATIONSHIP AGREEMENT

Dirk Jan Bakker and Karsten Uwe Lenhoff have each agreed to exercise their votes as Shareholders and to procure the same in respect of any connected person in accordance with certain restrictions set out in a Relationship Agreement entered into between the Company, Stockdale Securities and each of them. The restrictions seek to ensure that the Group is capable of carrying on its business and making decisions independently and in the best interests of the Group and that any transactions between any member of the Group and either of Dirk Jan Bakker or Karsten Uwe Lenhoff or any connected person are made on an arm's length basis.

The agreement will continue until the second anniversary of completion and therefore until either Dirk Jan Bakker or Karsten Uwe Lenhoff (or both of them) cease to hold 30 per cent. or more of the Ordinary Shares then in issue, or either of them together with their associates cease to hold 50 per cent. or more of the Ordinary Shares then in issue.

Further details of the Relationship Agreement are set out in paragraph 12 of Part VIII of this document.

16. SETTLEMENT OF FEES AND REMUNERATION

In settlement of certain fees and remuneration due to directors, former employees, consultants and advisors in the aggregate sum of £147,989, the Board will propose to issue on Admission 593,127 Ordinary Shares at the Issue Price (the "Settlement Shares"). Further details of the Settlement Shares due to the directors are set out in paragraph 9.1 of Part VIII of this document.

17. ADMISSION, SETTLEMENT & DEALING

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM. If the Resolutions are passed at the Extraordinary General Meeting, it is expected that Admission will become effective and dealings in the Enlarged Share Capital will commence on 29 June 2016. These dates and times may change.

The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in Ordinary Shares held in uncertificated form following Admission will take place within the CREST system.

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

All New Ordinary Shares will be issued payable in full at the Issue Price. It is intended that, if applicable, definitive share certificates in respect of the New Ordinary Shares will be distributed by 12 July 2016 or as soon as practicable thereafter. No temporary documents of title will be issued.

18. DTR 5

Pursuant to the Articles, Shareholders are obliged to comply (where necessary) with the notification and disclosure requirements set out in DTR 5 as if the Company were a UK domestic company. The Disclosure and Transparency Rules can be accessed and downloaded from the FCA's website at www.handbook.fca.org.uk/handbook/DTR/5/1.

19. CURRENT TRADING AND PROSPECTS OF SHELTYCO

The financial information on Sheltyco for the year ended 31 December 2015 is set out in Part IV of this document.

Since 31 December 2015, trading at Sheltyco has continued to be in line with the Existing Directors' and the Proposed Directors' expectations.

In January 2016 Sheltyco began its marketing and promotion activities on the binary options and lottery platforms. The results of these campaigns are in line with the Existing Directors' and the Proposed Directors' expectations.

Following Admission, the Enlarged Group will also review potential acquisition opportunities which fit into the company's profile.

20. WORKING CAPITAL

The Existing Directors and the Proposed Directors are of the opinion, having made due and careful enquiry, that, taking into account the Subscription and the Company's and Sheltyco's available working capital resources, the Enlarged Group will have sufficient working capital available to it for its present requirements, that is for at least 12 months from the date of Admission.

21. UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

An unaudited pro forma statement of net assets of the Enlarged Group is set out in Part VI of this document illustrating the effect of the Acquisition as if it had taken place as at 31 December 2015.

22. DIVIDENDS

It is the Existing Directors' intention for the Company to achieve growth and the Existing Directors believe it is inappropriate to attempt to predict the likely level or timescale for the declaration and payment of dividends by the Company. However, as soon as it becomes commercially prudent to declare dividend payments and subject to the then availability of sufficient distributable reserves for the purpose, the Existing Directors intend to do so.

23. TAXATION

Your attention is drawn to the Taxation section contained in paragraph 16 of Part VIII of this document. If you are in any doubt as to your tax position, you should consult your own independent financial adviser immediately.

24. CITY CODE

The Company is incorporated in the Isle of Man, and application will be made for the Enlarged Share Capital to be admitted to trading on AIM. The City Code applies to all companies who have their registered office

in the UK, Channel Islands or Isle of Man and whose securities are traded on a regulated market in the UK or a stock exchange in the Channel Islands or Isle of Man or a multilateral trading facility. Accordingly, the City Code applies to the Company.

Under Rule 9 of the City Code, any person who acquires an interest in shares (as defined in the City Code), whether by a series of transactions over a period of time or not, which (taken together with any interest in shares held or acquired by persons acting in concert with him) in aggregate, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, is normally required by the Panel to make a general offer to all of the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person.

An offer under Rule 9 must be in cash or be accompanied by a cash alternative and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under the City Code, a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. Control means holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

25. WAIVER OF RULE 9 OF THE CITY CODE

The City Code governs, amongst other things, transactions that may result in a change of control of a public company to which the City Code applies, including the Company. Under Rule 9, where a person acquires an interest (as such term is defined in the City Code) in shares which, when taken together with any 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 that is subject to the City Code, such person or group is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, when any person together with persons acting in concert with him is interested in shares which, in the aggregate, carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person.

An offer under Rule 9 must be in cash and at the highest price paid during the preceding 12 months for any interest in shares of the Company by the person required to make the offer or any person acting in concert with him.

Persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined in the City Code) of, or frustrate the successful outcome of an offer for, the Company.

For the purposes of the City Code, all of the members of the Concert Party are deemed to be acting in concert, and their interests are to be aggregated. Further information about the Concert Party is set out in paragraph 10 of Part I and Part VII of this document.

In the absence of a waiver granted by the Takeover Panel, Rule 9 would require the Concert Party to make a general offer for the balance of the Ordinary Shares in issue immediately following the Acquisition. The Takeover Panel has been consulted and has agreed, subject to the passing on a poll by Independent Shareholders of the Whitewash Resolution, to waive the obligation on the Concert Party that would otherwise arise under Rule 9, as a result of the issue of Ordinary Shares and Warrants to the Concert Party pursuant to the Proposals, for a general offer to be made by the Concert Party for the balance of the issued

Ordinary Shares not already held by the Concert Party. Accordingly, Resolution 2 is being proposed at the Extraordinary General Meeting and will be taken on a poll of Independent Shareholders.

The City Code provides that, if a person (or group of persons acting in concert) hold an interest in shares carrying more than 50 per cent. of the voting rights of the Company's voting share capital and, for as long as they continue to be treated as acting in concert, may accordingly increase their aggregate interests in shares without incurring any obligation under Rule 9 to make a general offer. Individual members of the Concert Party will not be able to increase their percentage interests in shares through or between a Rule 9 threshold without the Takeover Panel's consent.

Maximum controlling position of the Concert Party

Immediately following Admission, the Concert Party will hold, in aggregate, 48,107,212 Ordinary Shares, representing approximately 85.8 per cent. of the Company's Enlarged Share Capital (assuming no exercise of Warrants or Options between the date of this document and Admission nor taking into account the second subscription of DGS C.V to complete in early July).

In addition, DGS C.V., a member of the Concert Party has conditionally agreed to subscribe for 878,991 new Ordinary Shares and 175,798 Warrants, to be allotted in July 2016.

On the basis that all additional Ordinary Shares are issued to DGS C.V. (including the second subscription in early July) and all Warrants issued, and to be issued, are exercised by DGS.C.V. in full, and assuming no exercise of any other Warrants and no other changes in the holding of the Concert Party in Ordinary Shares, the Concert Party would hold 87.5 per cent. of the issued share capital of the Company on a fully diluted basis.

26. EXTRAORDINARY GENERAL MEETING

To enable the Proposals to be implemented, it is necessary for Shareholders to:

(a) approve the Share Consolidation;

(b) approve the Acquisition;

(c) approve the waiver of the Concert Party's obligation to make a general offer under Rule 9; and

(d) give the Board the necessary authorities to allot the New Ordinary Shares.

Accordingly, you will find at the end of this document a notice convening a Extraordinary General Meeting to be held at 10.30 a.m. on 27 June 2016 at the offices of Estera Trust (Isle of Man) Limited, 33-37 Athol Street, Douglas, Isle of Man IM1 1LB where the following Resolutions will be proposed:

- Resolution 1, which will be proposed as an ordinary resolution pursuant to which every 25 Existing Ordinary Shares will be consolidated into 1 Ordinary Share;
- Resolution 2, which will be proposed as an ordinary resolution and is the Whitewash Resolution, pursuant to which the Independent Shareholders are being asked to approve the Rule 9 Waiver. This resolution requires approval by the Independent Shareholders on a poll (voting in person or by proxy at the Extraordinary General Meeting;
- Resolution 3, which will be proposed as an ordinary resolution, is to approve the acquisition of Sheltyco for the purposes of Rule 14 of the AIM Rules for Companies;
- Resolution 4, which will be proposed as an ordinary resolution, is to authorise the Existing Directors to be generally and unconditionally authorised in accordance with article 5.1 of the Company's articles of association to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company provided that such power be limited to the allotment of 49,217,007 Ordinary Shares.
- Resolution 5, which will be proposed as a special resolution, grants the Existing Directors authority to allot equity securities for cash (as defined in the Company's articles of association) pursuant to the

authority conferred by resolution 4 as if article 6.1 (pre-emption) did not apply to any such allotment, provided that such power shall be limited to the allotment of up to 49,217,007 Ordinary Shares.

- Resolution 6, which will be proposed as a special resolution, seeks Shareholders' approval to change the Company's name to Veltyco Group Plc.

All of the Resolutions need to be passed at the Extraordinary General Meeting for the Proposals to be implemented. The passing of each Resolution is conditional on the passing of each other Resolution.

27. ACTION TO BE TAKEN

In respect of the Extraordinary General Meeting

You will find enclosed a Form of Proxy for use by Shareholders at the Extraordinary General Meeting. The Form of Proxy should be completed in accordance with the instructions printed thereon and forwarded to the Company's Transfer Agent, Neville Registrars Limited c/o Velox3 plc, 33-37 Athol Street, Douglas, Isle of Man IM1 1LB as soon as possible and in any event so as to be received by no later than 10.30 a.m. on 24 June 2016. Completion and return of a Form of Proxy will not preclude you from attending the Extraordinary General Meeting and voting in person if you wish.

28. FURTHER INFORMATION

Your attention is drawn to the further information set out in Parts II to VIII of this document and in particular to the Risk Factors set out in Part III of this document.

29. RECOMMENDATION

The Independent Director who has been so advised by Stockdale Securities considers the Rule 9 Waiver and the Acquisition to be fair and reasonable and in the best interests of Independent Shareholders and the Company. In providing advice to the Independent Director, Stockdale Securities has taken into account the Independent Director's commercial assessment. Accordingly, the Independent Director recommends that Independent Shareholders vote in favour of the Whitewash Resolution.

Shareholders should note that if the Resolutions are not approved at the Extraordinary General Meeting the Company's admission to trading on AIM will be cancelled.

The Independent Director recommends that Shareholders vote in favour of the Whitewash Resolution as he has irrevocably committed to do in respect of his holding amounting to 1,905,788 Existing Ordinary Shares, representing approximately 0.99 per cent of the voting rights in Velox3.

Further, the Existing Directors recommend that Shareholders vote in favour of Resolutions 1, 3, 4, 5 and 6, as they have irrevocably committed to do in respect of their beneficial holding amounting to, in aggregate, 10,232,826 Existing Ordinary Shares, representing approximately 5.3 per cent. of the voting rights in Velox3.

Yours faithfully

David Mathewson
Chairman

PART II

INFORMATION ON VELOX3

Business Description

The Company is an investing company. The investing policy of the Company is to acquire direct and indirect interests in the online trading services industry. These online trading services include services such as binary options, trading in CFDs and Forex. The Company will consider investment opportunities anywhere in the world. The Company will also consider opportunities, as they arise, in industries related to the online trading services sector, including, but not limited to providers of services, marketing and technology to the sector. Investments may be by way of purchasing quoted shares in appropriate companies, outright acquisition or by the acquisition of assets, including the intellectual property, of a relevant business, or by entering into partnerships or joint venture arrangements.

Full details of the Company's investing policy are set out on the Company's website at www.velox3.com

Directors and Senior Management

The Board currently comprises David Mathewson and Mark Rosman, Marcel Noordeloos is a senior manager of the Company.

On Admission, Karsten "Uwe" Lenhoff, Marcel Noordeloos and Hans Dahlgren will join the Board.

Brief biographical details of the Existing Directors, Proposed Directors who are expected to be in place on Admission are set out below:

Existing Directors

David Mathewson, *Chairman,* aged 68, was appointed to Velox3 plc's Board in May 2013. Between June 2010 and December 2012, David Mathewson was a Non-Executive Director of Playtech Limited, one of the world's leading publicly traded online gaming software suppliers, latterly becoming Playtech's CFO. Previously to this, Mr Mathewson has acted in a number of positions as Non-Executive Director, including Chairman of Sportech Plc and Non-Executive Director at Edinburgh UK Tracker Trust plc, Robertson Group and Asian Growth Properties Limited.

Mark Rosman, *Non-Executive Director,* aged 49, has 15 years of experience advising on private equity investments and managing private equity portfolios. Mark worked for Galladio Capital Management B.V. for eleven years and held the role of chief operating officer from 2006 until his departure in 2010. Since leaving Galladio, Mark has served as chief executive officer of The Nestegg B.V., a private equity management and advisory firm that advises high net worth individuals on the structuring and management of investments. Mark is a law graduate from VU University Amsterdam and has an MBA from Rotterdam School of Management.

Existing Senior Manager and Proposed Director

Marcel Noordeloos, *Chief Financial Officer,* aged 47, was Group Finance Director at Playlogic International NV between 2006 and 2009 and Chief Financial Officer at Playlogic Entertainment Inc on from March 2009 until September 2010 prior to becoming Chief Financial Officer at Velox3 plc. Marcel has held several management positions with among others Nike EMEA (2002-2006) and PricewaterhouseCoopers (1992-2001). Marcel holds an RA Degree (Registered Accountant) from the University of Amsterdam.

Proposed Directors

Karsten "Uwe" Lenhoff, *Chief Operating Officer,* aged 53, is the founder of Sheltyco and his responsibilities include marketing and business development. Uwe is an industry veteran who started one of the first online casino with real money gaming in 1995. Furthermore, Uwe initiated and built a poker platform for RTL (www.rtlpoker.de) and worked as an affiliate for Party Poker and Full Tilt Poker. Also, Uwe

worked as a consultant to several (online) gaming and gambling companies, before he started working as a B2B partner for the Betsson Group in the German speaking countries in 2012.

Hans Dahlgren, *Chief Technical Officer,* aged 33, has been working for Sheltyco as a private consultant involved in technical and business development. Hans has extensive experience within the Gaming sector from working in an international setting as well as from a broad range of roles such as CEO, CTO, Director, Business Development Manager, Team Manager and Head of Payments. Hans also developed game platforms, affiliate systems and websites himself. His most recent appointment prior to founding his own consulting firm, Helix, was as CEO of Starfish Media which was divested from Betsson Group in 2012.

Details of the Existing Directors and the Proposed Directors' service contracts and letters of appointment are set out in paragraph 8 of Part VIII.

Staff and Employees

Apart from the Existing Directors and the senior manager, the Velox3 Group has no other employees.

Corporate Governance

The Existing Directors and the Proposed Directors acknowledge the importance of high standards of corporate governance and the Company will comply with the QCA Code. The Board has established an Audit Committee and a Remuneration Committee, each with formally delegated rules and responsibilities. Each of these committees will meet regularly and at least twice each year. Each of the committees contains at least two independent non-executive directors, in accordance with the QCA Code. The Company is subject to the City Code on Takeover and Mergers.

Audit Committee

The Audit Committee will have the primary responsibility of monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It will receive and review reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee will meet not less than twice each financial year and will have unrestricted access to the Group's external auditors. The members of the Audit Committee shall include only non-executive directors. The Audit Committee comprises David Mathewson (Chair) and Mark Rosman.

Remuneration Committee

The Remuneration Committee will review the performance of the executive directors and make recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee will meet as and when necessary, but at least twice each year. In exercising this role, the Existing Directors shall have regard to the recommendations put forward in the QCA Code and, where appropriate, the QCA Code's guidelines. The Remuneration Committee comprises of Mark Rosman (Chair) and David Mathewson.

Share Option Scheme

The Board believes it is important that directors, employees and consultants of the Company are appropriately and properly incentivised. To this end, on 17 May 2016 the Company adopted a Share Option Scheme pursuant to which eligible persons will be invited to participate at the discretion of the Remuneration Committee.

Further details of the Share Option Scheme are set out in paragraph 15 of Part VIII of this document.

Share Dealing Code

The Company has adopted a code consistent with Rule 21 of the AIM Rules for Companies and the terms of the Model Code to regulate dealings in the Ordinary Shares by Existing Directors and any other applicable employees (as defined in the AIM Rules for Companies).

Risk Factors

The Group's business is dependent on many factors and potential investors should read the whole of this document, in particular, your attention is drawn to the risk factors set out in Part III of this document.

PART III

RISK FACTORS

An investment in the Company involves a variety of risks. Accordingly prospective investors should consider carefully the specific risk factors set out below in addition to the other information contained in this document before investing in the Company and if required, consult their professional adviser.

The Existing Directors and the Proposed Directors consider the following risks to be the most significant for potential investors, but these risks are not set out in any particular order or priority. In particular, the Company's performance may be materially and adversely affected by changes in the market and/or economic conditions and by changes in the laws and regulations (including any tax laws and regulation) relating to, or affecting, the Enlarged Group or the interpretation of such laws and regulations, and there may be limited liquidity in the Ordinary Shares. If any of the following risks materialise, the business, financial condition, results or future operations of the Group could be materially and adversely affected. In such circumstances, the trading price of the Ordinary Shares could decline and investors could lose part or all of their investment in the Ordinary Shares. The risks below are not the only risks to which the Enlarged Group may be subject. The Enlarged Group may be unaware of certain risks or believe certain risks to be immaterial which later prove to be material.

RISKS RELATING TO THE ENLARGED G0ROUP AND THE SECTOR IN WHICH IT OPERATES

Dependence on the Enlarged Group's brands and effectiveness of marketing

As the online gaming, lottery and binary option industries become increasingly competitive, the success of the Enlarged Group depends on the maintenance, development and enhancement of the Betsafe, Option888 and LottoPalace brands. If the Enlarged Group is unable to maintain, develop and enhance its brands, its ability to implement its strategic goals may be adversely affected. As a result, the Enlarged Group's business, financial condition, results or future operations could be materially and adversely affected.

Expansion into new geographic markets

As a result of social, political and legal differences between jurisdictions, successful marketing in a new jurisdiction often involves local adaptations to the Enlarged Group's overall marketing strategy. In particular, the Enlarged Group's marketing strategy in new geographic markets may not be well received or may not otherwise be socially acceptable in that jurisdiction. The Enlarged Group may be unable to successfully deal with a new and different local operating environment and may be subject to unfamiliar restrictive local laws and regulations which may include specific technological requirements that are incompatible with the Enlarged Group's technology or business model. The Enlarged Group may also face local state monopolies or other local vested interests that oppose the entry of new operators or already have substantial local market share. The Enlarged Group may be unable to secure new licences on acceptable terms (where required) in order to access new jurisdictions. Each of these situations could have a material adverse effect on the Enlarged Group's business, financial condition, results or future operations.

Reliance on VIP Players

Approximately 90% of the Group's revenues from Betsson operations are generated by a small group of high net worth players, described as "VIP Players". These are loyal players that regularly deposit high amounts on the Betsson websites. Sheltyco knows these players and makes them feel valued through focussed high-end client entertaining, such as access to sold-out sporting events, proximity to celebrities at events and expensive branded gifts. The loss of any of the VIP Players could significantly adversely affect the Group's business, financial condition, results or future operations.

Money laundering and fraudulent activities

Online transactions may be subject to sophisticated schemes or collusion to defraud, launder money or other illegal activities, and there is a risk that the Enlarged Group's products or systems may be used for those purposes by the Enlarged Group's players and traders. Whilst the Group makes continuing efforts to protect itself and its customers from such activities, including anti-money laundering procedures and protection from fictitious transactions and collusion, the controls and procedures the Enlarged Group has implemented may not be effective in all cases. Failure to protect itself and its players and traders from fraudulent activity could result in reputational damage to the Enlarged Group and could have a material adverse effect on the Enlarged Group's business, financial condition, results or future operations. In addition, failure to adequately monitor and prevent money laundering and other fraudulent activity could result in civil or criminal liability for the Enlarged Group.

Dependence on technology

The integrity, reliability and operational performance of the Enlarged Group's partners' information technology ("IT") systems are critical to the Enlarged Group's operations. These IT systems may be damaged or interrupted by increases in usage, human error, unauthorized access, natural hazards or disasters or similarly disruptive events. Furthermore, the Enlarged Group's partners' current systems may be unable to support a significant increase in online traffic or increased player or trader numbers, whether as a result of organic or inorganic growth of the business. Any failure of the Enlarged Group's partners' IT infrastructure or the telecommunications and/or other third party infrastructure on which such infrastructure relies could lead to significant costs and disruptions that could reduce revenue, harm the Enlarged Group's business reputation and have a material adverse effect on the business, financial condition, results or future operations of the Enlarged Group. The Enlarged Group and its partners have in place business continuity procedures, disaster recovery systems and security measures to protect against network or IT failure or disruption. However, those procedures and measures may not be effective to ensure that the Enlarged Group is able to carry on its business in the ordinary course if they fail or are disrupted, and they may not ensure the Enlarged Group can anticipate, prevent or mitigate a material adverse effect on the Enlarged Group's business, financial condition, results or future operations resulting from such failure or disruption.

Success of brand and reliance on marketing

Player/trader acquisition and retention relies heavily on the Group's ability to establish and maintain Betsafe, LottoPalace and Option888 as successful brands in the marketplace.

Any ineffective marketing by the Group, missed marketing opportunities or damage to the brands (which may be beyond the Group's control) will adversely affect the Groups' business, financial condition, results or future operations.

Whilst financial risk associated with unsuccessful marketing campaigns is reduced by outsourcing marketing activities since affiliates are only paid if they deliver new players/traders, there is still risk that new players/traders may only deposit small amounts or may not be retained and this might adversely affect the Group's business, financial condition, results or future operations.

Data protection

The Enlarged Group's partners process personal customer data as part of their business services and therefore must comply with certain data protection and privacy laws in the EU and certain other jurisdictions. Those laws restrict the Enlarged Group's ability to collect and use personal information relating to customers and potential customers. The Enlarged Group is exposed to the risk that personal data could in the future be wrongfully accessed and/or used or otherwise lost or disclosed or processed in breach of data protection regulations and that the Enlarged Group may therefore incur civil and/or criminal sanctions. This could also result in the loss of the goodwill of the Enlarged Group's customers and deter new customers. Each of these factors could harm the Enlarged Group's business reputation and have a material adverse effect on the Group's business, financial condition, results or future operations.

Competition risks

If the Enlarged Group is unable to compete effectively in the market, it may lose players and traders and may not be able to attract new players. The online gaming, lottery and binary option industries are becoming increasingly competitive and the Enlarged Group may be unable to predict, or adequately plan for, the strategies of its competitors. The Enlarged Group may be unable to respond quickly or adequately to the changes in the industry brought on by new products and technologies, the availability of products on other technology platforms and marketing channels, the introduction of new website features and functionality or new marketing and promotional efforts by the Enlarged Group's competitors or new competitors and new technology. The Enlarged Group also expects to be subject to continual challenges from new and existing competitors who may have larger player bases and greater brand recognition. In addition, the Enlarged Group is at risk from consolidation in the industry which might lead to the appearance of a very large competitor to whom the Enlarged Group might lose market share. Other competitors may have significantly greater financial, technical, marketing and other resources than the Enlarged Group. A loss of market share could have a considerable adverse effect on the Enlarged Group's business.

Furthermore, the Enlarged Group's competitors may be established in a country or market prior to the Enlarged Group's entry, or may replicate and successfully execute a business plan similar to the Enlarged Group's. If regulation is liberalized or clarified in some jurisdictions, in particular the United States, then the Enlarged Group may face increased competition from other providers, and competition from those providers may have a material adverse effect on the overall competitiveness of the online/mobile gaming industry. The Enlarged Group may face difficulty in competing with providers who take a more aggressive approach to regulation. Any of these factors may materially adversely affect the Enlarged Group's business, financial condition, results or future operations.

New markets

Competitors may already be established in other markets and in other countries before the Group is able to move into a new market.

In addition, regulation of online gaming, lotteries and binary options varies in each jurisdiction. If legalisation is changed to open up new markets (for example the US) the Group may face new competitors looking to move into the opening markets. This may have an adverse effect of the competitiveness of the industry, and the Group's ability to compete with other brands.

Reliance on key individuals

The Enlarged Group's success is in part dependent on the continued services and performance of the Proposed Directors. The loss of the services of these executive officers or other key employees, particularly to competitors, could have a material adverse effect on the Enlarged Group's business, financial condition, results or future operations.

The Enlarged Group's success and its anticipated future growth also depend on its ability to continue to attract, retain and motivate skilled employees. If the Enlarged Group is unable to attract and retain sufficiently qualified staff, the Enlarged Group may be unable to achieve or sustain its anticipated growth or to execute its strategic objectives, which could have a material adverse effect on the Group's operations, financial performance and prospects.

Reliance on partnership agreement with Betsson

In April 2015, Sheltyco renewed a partnership agreement with Betsson for a further five years. The agreement allows Sheltyco to exclusively market the Betsafe brand with all related products (i.e. sports betting, casino and poker games) in the German speaking territories (Germany, Austria, Switzerland). Sheltyco receives a revenue share from the Betsafe operations in recognition of its marketing activities. The Betsson partnership agreement is of key importance to Sheltyco's operations. The partnership agreement has a number of break clauses if certain performance thresholds are not achieved and, whilst the agreement was entered into in 2012, there is no guarantee that it will be renewed at the end of the current five year period or that any extension will be on similar terms to those of the current agreement. Should the partnership

agreement be discontinued, not renewed at the end of its current term or renewed on significantly different terms including for example exclusivity and economic terms, this could have a material adverse effect on the business of Sheltyco.

Change in regulation

Legislation in certain of Sheltyco's key market is subject to change and there is no guarantee that changes to legislation in certain other of Sheltyco's principal markets will not be implemented which, for example, might require Sheltyco to obtain additional licences in each of these markets in order to continue to carry out its activities and might result in significant limitation to Sheltyco's ability to continue to carry out its marketing activities .

Regulation of binary options

As a CySEC regulated business Novox can only carry out marketing activities and provide binary options services in certain jurisdictions. If Novox could no longer operate in a jurisdiction in which it currently operates, or in which it plans to operate, this will have a detrimental effect on its revenue and, consequently, on the Group's business, financial condition, results or future operations.

Large wins by customers might reduce Sheltyco's earnings

Whilst Sheltyco does not directly take on any gaming or gambling risk, its earnings represent a proportion of the Betsson's and the other partners' (Altair Entertainment and Novox) earnings for which Sheltyco acts as marketing agent. There is a risk that a few players and customers might win significant amounts of money during the same period thus reducing, the earnings of the partners of Sheltyco who are taking on these gaming and gambling risks. Negative net revenues in any period are also carried forward and netted off against net revenues in future periods on which commission might otherwise be payable to the Enlarged Group. Whilst Sheltyco would not have to cover any gaming or gambling losses, the percentage of earnings retained by Sheltyco, might be greatly reduced as a result of this.

Uninsured lottery prizes

Lottery prizes are paid by the Group; Lottery prizes up to €5,000 are paid out of funds generated by ticket purchases. Lottery prizes over €5,000 and up to €50 million are insured by a specialist insurance company (Emirat A.G.). Where a jackpot exceeds this insurance threshold, a local agent will buy physical tickets from the official lottery in the country of that jackpot which replicate the numbers selected by LottoPalace players. Tunegames holds the risk associated with uninsured player wins, that is, if a prize in excess of US €50 million was won by a player and the Group had not managed to purchase a ticket locally, via an agent, in order to mitigate the risk, then Tunegames would be liable to fund the player win and would almost definitely be declared insolvent. This may have a material adverse effect on the Group's other business, financial condition, results or future operations.

A. RISKS RELATING TO THE MARKET IN WHICH THE ENLARGED GROUP WILL OPERATE AND THE LEGAL AND REGULATORY FRAMEWORK

Negative publicity regarding gaming

Negative publicity about gaming, lottery and binary option trading (including money laundering, underage gaming and fraud), even if not directly or indirectly connected with the Enlarged Group or its products or services, may adversely impact the reputation of the Enlarged Group and the willingness of the public to participate in these activities. As a result, the number of potential players and traders available to the Enlarged Group could be adversely affected and this might materially and adversely affect the Enlarged Group's business, financial condition, results or future operations.

Regulation of online gaming, lottery and binary option trading

The regulation applicable to the marketing and promotion of online gaming, lottery and binary option trading and the operation of such platforms varies from jurisdiction to jurisdiction and in certain jurisdictions there

is no directly applicable legislation. In many jurisdictions there are conflicting laws and/or regulations, conflicting interpretations, divergent approaches by enforcement agencies and/or inconsistent enforcement policies. Moreover, the legality of promoting and operating online gaming, lottery and binary option trading is subject to uncertainties arising from differing approaches among jurisdictions as to the determination of where these activities take place and which authorities have jurisdiction over such activities and/or those who participate in or facilitate them. The operating partners which whom the Enlarged Group is engaged are responsible for determination whether or not to permit players and traders in a given jurisdiction to access any one or more of their products, and the Enlarged Group's decision as to whether or not to engage in different types of marketing activity and customer contact is made based on a number of factors which include:

- the laws and regulations of the jurisdiction, in particular, the way in which such laws and regulations apply to the regulation of specific products and specific types of related activity;
- the approach to the application or enforcement of such laws and regulations by regulatory and other authorities, including the approach of such authorities to the extraterritorial application and enforcement of such laws and the willingness or ability (or absence thereof) of such authorities to take enforcement action;
- state, federal or supra-national law, including EU law, if applicable; and
- any changes to these factors.

The Enlarged Group is reliant on its partners to ensure the operations of the platforms it is engaged to promote are operated within the regulations. A failure of its partners to comply with the regulation may lead to negative publicity and potential liability for the Enlarged Group.

Reliance on third party suppliers

The Enlarged Group depends on third party suppliers for payment processing, telecommunications, advertising, technology, banking and other services. The willingness of such suppliers to provide their services to the Enlarged Group may be affected by various factors. Changes in law or regulation in any jurisdiction the Enlarged Group operates in may make the provision of key services to the Enlarged Group unlawful in such jurisdictions. To the extent that third party suppliers are unwilling or unable to provide services to the Enlarged Group, this may have an adverse impact on the Enlarged Group's business, financial condition, results or future operations.

The Enlarged Group's systems and controls to restrict access to its products may not be adequate

There is a risk that the systems and controls implemented by the Enlarged Group to prevent the access to its products by persons located in jurisdictions where it would be unlawful for the Enlarged Group to provide its products and services could be inadequate or could fail. In addition, as consumers become more technologically sophisticated, there is a risk that customers located in such jurisdictions would be able to find ways to work around the Enlarged Group's systems designed to prevent such users from accessing its products and services. This may result in violations of applicable laws or regulations. Any claims in respect of any such violations could have cost, resource and reputational implications for the Enlarged Group, as well as implications for the Enlarged Group's ability to retain its existing licences and/or obtain additional licences. This may, therefore, have a material adverse effect on the Enlarged Group's business, financial condition, results or future operations.

Legislation and tax

Changes in the Isle of Man's, the UK's tax regimes or any other tax regime of a country in which the Enlarged Group operates or intends to operate, could adversely affect the Enlarged Group's operations and financial condition and the ability of the Company to extract profits from companies within the Enlarged Group in order to declare dividends. There can be no assurance that the levels of taxation to which the Enlarged Group and the Enlarged Group's traders are subject in the Isle of Man, the UK, (or any other jurisdiction in which the Enlarged Group operates) will not be increased or that new taxes or levies will not

be introduced to which the Enlarged Group and the Enlarged Group's traders will be subject. Any increase in the levels of taxation to which the Enlarged Group and the Enlarged Group's traders are currently subject, or the implementation of any new taxes or levies to which the Enlarged Group and the Enlarged Group's traders may be subject, could have a material adverse effect on the Enlarged Group's business, financial condition and performance and the results of its operations.

This document has been prepared on the basis of the current legislation, rules and practice of the Isle of Man, the UK and the Enlarged Group's advisers' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change at any time, which may affect the availability of tax reliefs and impact on the Group's business operations and financial condition.

Regulation of the internet and e-commerce is rapidly evolving and changes could adversely affect the Enlarged Group's business

Regulation of the internet and e-commerce is rapidly evolving and there are an increasing number of directly applicable laws and regulations. It is possible that additional laws and regulations may be enacted with respect to the internet, covering issues such as user privacy, law enforcement, pricing, taxation, content liability, copyright protection and quality of products and services. The adoption of such laws and regulations could materially adversely affect the Enlarged Group's business.

The Enlarged Group must comply with data protection and privacy laws

The Enlarged Group's operations are subject to a number of laws relating to data privacy, including the United Kingdom's Data Protection Act 1998 and the Privacy and Electronic Communications (EC Directive) Regulations 2003 as well as relevant non-EEA data protection and privacy laws. The requirements of these laws may affect the Enlarged Group's ability to collect and use personal data and also to plant and use cookies in a way that is of commercial use to the Enlarged Group if the Enlarged Group does not ensure its adherence to appropriate compliance procedures. Breach of data privacy legislation could result in the Group being subjected to claims from its customers that it has infringed their privacy rights, and it could face administrative proceedings (including criminal proceedings) initiated against it by the data protection regulator of the relevant jurisdiction in which the Group operates. In addition, any enquiries made, or proceedings initiated by, individuals or any of such regulators may lead to negative publicity and potential liability for the Enlarged Group, which could materially adversely affect its business, financial condition, results or future operations.

Currency and foreign exchange risks

The Enlarged Group will operate in a number of currencies, including the Euro and Sterling. The exchange rates between relevant currencies fluctuate and the translation effect of such fluctuations following Admission may have a material adverse effect on the Enlarged Group's business, financial condition, results or future operations.

Exposure to economic cycle

The Enlarged Group could be affected by unforeseen events outside its control, including economic and political events and trends, inflation and deflation, terrorist attacks or currency exchange fluctuations. The combined effect of these factors is difficult to predict and an investment in the Company could be adversely affected by changes in economic, political, administrative, taxation or other regulatory factors in any jurisdiction in which the Enlarged Group may operate.

C. GENERAL RISKS RELATING TO AN INVESTMENT IN ORDINARY SHARES

Trading and performance of Ordinary Shares

The AIM Rules are less onerous than those of the UK's Official List and an investment in shares that are traded on AIM is likely to carry a higher risk than an investment in shares listed on the Official List. It may be more difficult for investors to realise their investment on AIM than to realise an investment in a company whose shares are quoted on the Official List. The share price of publicly traded early stage companies can

be highly volatile. The price at which the Ordinary Shares will be traded and the price at which investors may realise these investments will be influenced by a large number of factors, some not specific to the Group and its operations. Furthermore, there is no guarantee that the market price of an Ordinary Share will accurately reflect its underlying value.

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company, news reports relating to trends in the Group's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Group's performance.

Issue of additional Ordinary Shares

The Company may decide to issue, pursuant to a public offer or otherwise, additional Ordinary Shares in the future. An additional issue of Ordinary Shares by the Company, or the public perception that an issue may occur, could have an adverse effect on the market price of Ordinary Shares and could dilute the proportionate ownership interest, and hence the proportionate voting interest, of Shareholders.

Future sales of Ordinary Shares could adversely affect the price of the Ordinary Shares

The sale of a significant amount of Ordinary Shares in the public market, or the perception that such sales may occur, or the Company issue a substantial number of Ordinary Shares in the public market, could materially adversely affect the market price of the Ordinary Shares.

The specific and general risk factors detailed above do not include those risks associated with the Enlarged Group which are unknown to the Existing Directors.

Although the Existing Directors will seek to minimise the impact of the Risk Factors, investment in the Group should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult an investment adviser authorised under FSMA who specialises in investments of this nature before making any decision to invest.

PART IV(A)

ACCOUNTANT'S REPORT ON SHELTYCO

The Directors
Velox3 plc
33-37 Athol Street
Douglas
IM1 1LB
Isle of Man

Dear Sirs

Sheltyco Enterprises Group Limited and its subsidiaries (together "Sheltyco Group")

We report on the consolidated historical financial information set out on pages 32 to 52 relating to Sheltyco Enterprises Group Limited. This consolidated historical financial information has been prepared for inclusion in the AIM Admission Document dated 9 June 2016 of Velox3 plc ("the Company" or "Velox3") on the basis of the accounting policies set out in note 3 to the consolidated historical financial information. This report is required by Schedule Two of the AIM Rules and is given for the purpose of complying with that schedule and for no other purpose. Save for any responsibility arising under Schedule Two of the AIM Rules to any person as and to the extent provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any responsibility to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules, consenting to its inclusion in the Admission Document.

Responsibility

The Directors of Velox3 plc ("Existing Directors") and the proposed Directors of Velox3 plc ("Proposed Directors") (together the "Directors") are responsible for preparing the consolidated historical financial information on the basis of preparation set out in note 2 to the consolidated historical financial information.

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

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the consolidated historical financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the consolidated historical financial information and whether the accounting policies are appropriate to the Sheltyco Group's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion, the consolidated historical financial information gives, for the purposes of the AIM Admission Document dated 9 June 2016, a true and fair view of the state of affairs of the Sheltyco Group as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 2.

Declaration

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

Yours faithfully

Nexia Smith & Williamson Audit Limited
Chartered Accountants
Registered Auditors
25 Moorgate
London
EC2R 6AY

PART IV(B)

CONSOLIDATED HISTORICAL FINANCIAL INFORMATION ON SHELTYCO

SHELTYCO ENTERPRISES GROUP LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December	*Note*	*2013* €	*2014* €	*2015* €
Revenue		2,200,027	2,842,503	2,609,149
Amortisation		(3,956)	(9,480)	(9,616)
Administration and other expenses		(791,527)	(1,668,087)	(1,908,131)
Operating profit	5	1,404,544	1,164,936	691,402
Finance income		38	30,292	62,750
Finance expenses		(13,116)	(24,169)	(22,978)
Net finance (expense)/income	7	(13,078)	6,123	39,772
Profit before tax		1,391,466	1,171,059	731,174
Tax	8	(13,312)	(32,763)	(27,625)
Profit for the year		1,378,154	1,138,296	703,549
Other comprehensive income		–	–	–
Total comprehensive income for the year		1,378,154	1,138,296	703,549
Basic and diluted earnings per share	9	13,782	11,383	7,035

SHELTYCO ENTERPRISES GROUP LIMITED

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December	*Note*	*2013* €	*2014* €	*2015* €
Assets				
Intangible assets	10	49,963	68,983	25,556
Loans receivable	14	–	1,715,188	900,464
Total non-current assets		49,963	1,784,171	926,020
Trade and other receivables	15	879,426	506,078	572,208
Loans receivable	14	–	–	1,553,417
Cash and cash equivalents		373,809	429,873	41,788
Total current assets		1,253,235	935,951	2,167,413
Total assets		1,303,198	2,720,122	3,093,433
Equity				
Share capital	16	72	72	72
Reserves		1,126,817	2,265,113	2,304,890
Total equity		1,126,889	2,265,185	2,304,962
Liabilities				
Loans and borrowings	17	–	–	25,608
Total non-current liabilities		–	–	25,608
Bank overdrafts		–	80	–
Trade and other payables	18	154,415	409,362	738,357
Tax liability	19	21,894	45,495	24,506
Total current liabilities		176,309	454,937	762,863
Total liabilities		176,309	454,937	788,471
Total equity and liabilities		1,303,198	2,720,122	3,093,433

SHELTYCO ENTERPRISES GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital €	*Retained Earnings* €	*Total* €
Balance at 1 January 2013	72	(251,337)	(251,265)
Comprehensive income			
Profit for the year	–	1,378,154	1,378,154
Total comprehensive income for the year	–	1,378,154	1,378,154
Balance at 31 December 2013	72	1,126,817	1,126,889
Comprehensive income			
Profit for the year	–	1,138,296	1,138,296
Total comprehensive income for the year	–	1,138,296	1,138,296
Balance at 31 December 2014	72	2,265,113	2,265,185
Comprehensive income			
Profit for the year	–	703,549	703,549
Total comprehensive income for the year	–	703,549	703,549
Transactions with the owners of the Company			
Contributions and distributions			
Contributions by and distributions to owners from business combinations	–	6,190	6,190
Other contributions by and distributions to owners	–	(669,962)	(669,962)
Total contributions and distributions	–	(663,772)	(663,772)
Balance at 31 December 2015	72	2,304,890	2,304,962

SHELTYCO ENTERPRISES GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December	*2013*	*2014*	*2015*
	€	€	€
Cash flows from operating activities			
Profit for the year	1,378,154	1,138,296	703,549
Adjustments for:			
Income tax expense	13,312	32,763	27,625
Interest income	(38)	(30,292)	(62,750)
Interest expense	13,116	24,169	22,978
Impairment of intangibles	–	–	33,808
Amortisation of customer list	3,956	9,480	9,616
Cash generated from operations before working capital changes	1,408,500	1,174,416	734,826
(Increase)/decrease in trade and other receivables	(263,058)	111,282	(366,753)
Increase/(decrease) in trade and other payables	97,620	254,947	224,243
Cash generated from operations	1,243,062	1,540,645	592,316
Tax paid	(1)	(9,162)	(41,431)
Net cash generated from operating activities	1,243,061	1,531,483	550,885
Cash flows from investing activities			
Payment for acquisition of intangible assets	(31,679)	(28,500)	–
Net cash flow on acquisition of subsidiaries	–	–	(200)
Net cash flow on disposal of subsidiaries	–	–	(1,868)
Loans granted	–	(1,777,130)	(780,965)
Loan repayments received	–	92,204	104,071
Interest received	38	30	951
Net cash used in investing activities	(31,641)	(1,713,396)	(678,011)
Cash flows from financing activities			
Shareholders' current accounts	(896,197)	262,066	(263,509)
Shareholder loan	–	–	25,000
Interest paid	(13,116)	(24,169)	(22,370)
Net cash (used in)/generated from financing activities	(909,313)	237,897	(260,879)
Net (decrease)/increase in cash and cash equivalents	302,107	55,984	(388,005)
Cash and cash equivalents at beginning of the year	71,702	373,809	429,793
Cash and cash equivalents at end of the year	373,809	429,793	41,788
Cash and cash equivalents are defined by:			
Cash and cash equivalents	373,809	429,873	41,788
Bank overdrafts	–	(80)	–
	373,809	429,793	41,788

NOTES TO THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION

1. INCORPORATION AND PRINCIPAL ACTIVITIES

The principal accounting policies as adopted by the Sheltyco Enterprises Group Limited in the preparation of its Consolidated Historical Financial Information for the three years ended 31 December 2015 are set out below. The accounting policies have been consistently applied, unless otherwise stated.

Sheltyco Enterprises Group Limited ('Sheltyco") was incorporated in the British Virgin Islands on 28 November 2011 as a private company with limited liability. Its registered office is at Trident Chambers, PO Box 146, Road Town, Tortola, British Virgin Islands.

The principal activity of Sheltyco is the marketing and promotion of gaming websites in return for commission income.

The Consolidated Historical Financial Information consists of the historical financial information of the Company and its subsidiaries (which together is referred to as "the Sheltyco Group").

2. BASIS OF PREPARATION

The Consolidated Historic Financial Information of Sheltyco Enterprises Group Limited has been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. In preparing the Consolidated Historical Financial Information certain accounting conventions as set out in the Annexure to the Standards for Investment Reporting 2000 (Revised) ("SIR 2000 (Revised)"): Investment Reporting Standards Applicable to Public Reporting Engagements on Historical Financial Information have been applied. The effect of the application of these conventions has been described in note 21. The Consolidated Historic Financial Information has been prepared on the historical cost basis.

The significant accounting policies applied in the Consolidated Historic Financial Information of the Sheltyco Group are applied consistently in all periods without any material change.

The preparation of Consolidated Historic Financial Information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Sheltyco Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Consolidated Historic Financial Information are disclosed below. The principal accounting policies are set out below.

The Consolidated Historic Financial Information is presented in Euros, which is the Sheltyco Groups functional currency.

Going concern basis

The Group has made a profit of €703,549 during the year ended 31 December 2015, and at that date its current assets exceeded its current liabilities by €1,404,550. The Directors have reviewed projected cash flows and consider that the Group will have adequate resources to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of this Consolidated Historic Financial Information and indicate that no additional funding is required. Accordingly, they consider it appropriate to prepare the Consolidated Historic Financial Information on a going concern basis.

Basis of consolidation

The Consolidated Historic Financial Information incorporates the financial statements of Sheltyco and enterprises controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where Sheltyco has the ability to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Sheltyco Group. All intercompany transactions and balances between the Sheltyco Group companies are eliminated on consolidation. Subsidiaries are consolidated, using the purchase method of accounting, from the date on which control is transferred to the

Sheltyco Group and cease to be consolidated from the date on which control is transferred from the Sheltyco Group. On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition.

Adoption of new and revised International Financial Reporting Standards and interpretations

During the current year the Sheltyco Group adopted all the changes to IFRSs that are relevant to its operations and are effective for accounting periods beginning on 1 January 2015. This adoption did not have a material effect on the accounting policies of the Group.

The following standards and interpretations issued by the IASB or IFRIC have not been adopted by the Sheltyco Group as they were not effective for the year 2015. The Group is currently assessing the impact of these standards and interpretations will have on the presentation of, and recognition in, its consolidated results in future periods.

- Amendments to IAS 16 Property Plant and Equipment and IAS 18 Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative*
- IFRS 9 Financial Instruments*
- IFRS 15 Revenue from Contracts with Customers*

* not yet endorsed by EU.

Critical accounting judgement and estimates

The preparation of the Consolidated Historical Financial Information in accordance with IFRSs requires from Management the exercise of judgement, to make estimates and assumptions that influence the application of the Sheltyco Group's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Information about judgements and estimation uncertainties in applying accounting policies that have the most significant effects on the amounts recognised in the Consolidated Historical Financial Information is as follows:

- Assessment of useful economic lives of intangible non-current assets
- Impairment of underlying recoverable amounts and value in use for intangible and non-current assets.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies as adopted by the Sheltyco Group in the preparation of its Consolidated Historical Financial Information for the three years ended 31 December 2015 are set out below. The accounting policies have been consistently applied, unless otherwise stated.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Business combination with entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Sheltyco Group are accounted for using book value accounting. In applying book value accounting the acquirer recognised the assets acquired and the liabilities assumed using the book values in the entity transferred. Any difference between the consideration paid and the net assets/liabilities acquired/disposed are recognised directly in equity.

Revenue recognition

Revenues earned by the Sheltyco Group are recognised on the following bases:

Commission income

Commission income is recognised when the right to receive payment is established.

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Finance expenses

Interest expense and other borrowing costs are recognised in profit or loss using the effective interest method.

Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into respective functional currencies of the Sheltyco Group companies using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined.

Tax

Tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date. Current tax includes any adjustments to tax payable in respect of previous periods.

Dividends

Dividend distribution to Sheltyco's shareholders is recognised in the Sheltyco Group's consolidated historical financial information in the year in which they are approved by Sheltyco's shareholders.

Intangible assets

Customer list

Customer lists are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives. The annual amortisation rate used is 12.5%.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted accordingly.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in comprehensive income when the asset is derecognised.

Financial instruments

Financial assets and financial liabilities are recognised when the Sheltyco Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method. Trade and other receivables are stated after deducting the appropriate allowances for any impairment.

Loans granted

Loans originated by the Sheltyco Group by providing money directly to the borrower are categorised as loans and are carried at amortised cost. The amortised cost is the amount at which the loan granted is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. All loans are recognised when cash is advanced to the borrower.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Impairment

The Sheltyco Group assesses at each reporting date whether there is objective evidence that a financial asset, other than financial assets at fair value through profit or loss, or a group of financial assets, other than financial assets at fair value through profit or loss is impaired. Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Sheltyco Group on terms that the Sheltyco Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in the expected cash flows from a group of financial assets.

For financial assets measured at amortised cost, the Sheltyco Group considers evidence of impairment for these assets at both an individual and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Sheltyco Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss. When the Sheltyco Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If in a subsequent period, the amount of the

impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and bank overdrafts.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Trade and other payables

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the contractual rights to receive cash flows from the asset have expired;
- the Sheltyco Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Sheltyco Group has transferred its rights to receive cash flows from the asset and either (a) has
- transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Any interest in such derecognised financial assets that is created or retained by the Sheltyco Group is recognised as a separate asset or liability.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash inflows of other assets or cash generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Share capital

Ordinary shares are classified as equity.

Reserves

Reserves represent the accumulated profits and losses of the Sheltyco Group.

4. OPERATING SEGMENTS

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segments and to assess their performance. In accordance with IFRS 8, the chief operating decision maker has been identified as the Sheltyco Directors. They review the Sheltyco Group's internal reporting in order to assess performance and allocate resources. The Sheltyco Directors consider that the business comprises a single activity, being the marketing and promotion of gaming websites in return for commission income. Therefore, the Sheltyco Group is organised into one operating segment and there is one primary reporting segment. The segment information is the same as that set out in the Consolidated Statements of Comprehensive Income, Consolidated Statements of Financial Position, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows.

Revenue of €2,609,149 (2014: €2,842,503; 2013: €2,200,027) originates in British Virgin Islands. All revenue arises from providing marketing services to customers that provide services in Germany, Austria and Switzerland. A profit before taxation of €763,723 (2014: €1,208,385; 2013: €1,414,341) originates in British Virgin Islands, with losses before taxation of €32,549 (2014: €37,326; 2013: €22,875) originating in Cyprus.

Total intangible assets of €25,556 (2014: €30,199; 2013: €34,842) originates in British Virgin Islands and €nil (2014: €38,784; 2013: €15,121) from Cyprus.

5. OPERATING PROFIT

	2013	*2014*	*2015*
	€	€	€
Operating profit is stated after charging the following items:			
Directors' fees	–	–	448,000
Amortisation	3,956	9,480	9,616
Impairment charge – intangible assets	–	–	33,808
Trade receivables – impairment charge for bad and doubtful debts	–	–	1,450

6. STAFF COSTS

Sheltyco Group has no staff members other than the Sheltyco Directors. All Sheltyco Directors are considered key management personnel. Remuneration of key management personnel is set out in the table below:

	2013	*2014*	*2015*
	€	€	€
Uwe Lenhoff	–	–	180,000
Dirk Jan Bakker	–	–	20,000
Rainer Lauffs	–	–	138,000
Mark Rosman	–	–	20,000
Demetris Papaprodromou	–	–	90,000
Total remuneration	–	–	448,000

7. NET FINANCE INCOME AND EXPENSES

	2013	*2014*	*2015*
	€	€	€
Interest income	–	30,262	61,811
Exchange profit	38	30	939
Finance income	38	30,292	62,750
Net foreign exchange transaction losses	(103)	(19)	(1,362)
Interest expense	(5)	(1,377)	(1,603)
Bank charges	(13,008)	(22,773)	(20,013)
Finance expenses	(13,116)	(24,169)	(22,978)
Net finance income	(13,078)	6,123	39,772

Interest income is analysed as follows:

	2013	*2014*	*2015*
	€	€	€
Bank current accounts	–	–	7
Other loans and receivables	–	30,262	61,804
	–	30,262	61,811

8. TAXATION

	2013	*2014*	*2015*
	€	€	€
Corporation tax	13,312	32,763	27,622
Special contribution to the defence fund	–	–	3
Charge for the year	13,312	32,763	27,625

Reconciliation of tax based on the taxable income and tax based on accounting profits:

	2013	*2014*	*2015*
	€	€	€
Accounting profit before tax	1,391,466	1,171,059	731,174
Tax on profit on ordinary activities at the standard British Virgin Islands corporation tax rate of 0% (2014: 0%, 2013: 0%)	–	–	–
Effect of different tax rates in other countries	11,458	25,530	11,445
Tax effect of expenses not deductible for tax purposes	644	4,258	24,060
Tax effect of allowances and income not subject to tax	–	(4)	(10,660)
Tax effect of loss for the year	–	–	266
10% additional charge	1,210	2,979	2,511
Special contribution to the defence fund	–	–	3
Tax as per consolidated statement of profit or loss and other comprehensive income – charge	13,312	32,763	27,625

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter.

The Company is an international business company, registered in the British Virgin Islands and under the Laws of the country is not subject to corporation tax therein. However, the Group has subsidiaries incorporated and registered in Cyprus which has a corporation tax rate of 12.5%.

9. EARNINGS PER SHARE

	2013	*2014*	*2015*
	€	€	€
Profit attributable to equity shareholders for the purpose of basic and diluted earnings per share	1,378,154	1,138,296	703,549
	2013	*2014*	*2015*
	Number	*Number*	*Number*
Weighted average number of shares for the purpose of basic and diluted earnings per share	100	100	100
	2013	*2014*	*2015*
	€	€	€
Basic and diluted earnings per share	13,782	11,383	7,035

10. INTANGIBLE ASSETS

	Customer list €
Cost	
Balance at 1 January 2013	22,240
Additions	34,142
Balance at 31 December 2013	56,382
Additions	28,500
Disposals	–
Balance at 31 December 2014	84,882
Additions	–
Disposals	–
Disposals from disposals of subsidiaries	(47,740)
Balance at 31 December 2015	37,142
Amortisation	
Balance at 1 January 2013	2,463
Amortisation for the year	3,956
Balance at 31 December 2013	6,419
Amortisation for the year	9,480
Balance at 31 December 2014	15,899
Amortisation for the year	9,616
Impairment charge	33,808
Disposals	–
Disposals from disposals of subsidiaries	(47,737)
Balance at 31 December 2015	11,586
Carrying amounts	
Balance at 31 December 2013	49,963
Balance at 31 December 2014	68,983
Balance at 31 December 2015	25,556

On 31 December 2015 the Group disposed of Valuga Software Ltd leading to the de-recognition of intangible assets with a carrying value of €3.

11. LIST OF SUBSIDIARIES

Name	*Country of incorporation*	*2013 Holding %*	*2014 Holding %*	*2015 Holding %*
Sheltyco Enterprises Marketing Ltd	Cyprus	100	100	100
Sheltyco Enterprises Ltd	Cyprus	100	100	100
Valuga Software International Ltd	Cyprus	100	100	–
Option888 Marketing Ltd[(i)]	British Virgin Islands	–	100	100
Silkline Marketing Ltd	Cyprus	–	100	100
Crantex Enterprises Ltd	Cyprus	–	100	–
Tunegames Marketing Ltd[(ii)]	Cyprus	–	–	100
Tunegames Holding Ltd	Cyprus	–	–	100

(i) On 21 December 2015 the subsidiary company Halford Trading Ltd changed its name to Option888 Marketing Ltd.

(ii) On 26 January 2016 the subsidiary company Tenbrook Services Ltd changed its name to Tunegames Marketing Ltd.

12. ACQUISITION OF INVESTMENTS IN SUBSIDIARIES

On 31 December 2015, the Sheltyco Group acquired 100% of the share capital of Tunegames Marketing Ltd (formerly Tenbrook Services Ltd) and Tunegames Holding Ltd. Both companies acquired during the year were dormant as at the date of acquisition. Consideration transferred consisted of the nominal amount of the share capital at date of acquisition.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	Tunegames Marketing Ltd €	*Tunegames Holding Ltd* €	*Total* €
Trade and other payables	(1,202)	(1,050)	(2,252)
Total identifiable net liabilities acquired	(1,202)	(1,050)	(2,252)

The difference between the cash consideration paid of €200 and net liabilities acquired of €(2,252) amounting to €2,452 has been recorded directly in equity.

13. DISPOSAL OF INVESTMENTS IN SUBSIDIARIES

On 31 December 2015, the Group disposed of 100% of its interests in Valuga Software International Ltd and Crantex Enterprises Ltd. The proceeds on disposal of €200 comprised of the nominal amount of the share capital at date of disposal.

The assets and liabilities disposed were as follows:

	Valuga Software International Ltd €	*Crantex Enterprises Ltd* €	*Total* €
Intangible assets	3	–	3
Trade and other receivables	1,426	285	1,711
Cash and cash equivalents	1,086	982	2,068
Trade and other payables	(3,284)	(1,500)	(4,784)
Current tax liabilities	–	(7,183)	(7,183)
Current borrowings	–	(257)	(257)
Net liabilities disposed	(769)	(7,673)	(8,442)
Cash consideration received	100	100	200
Cash and cash equivalents disposed	(1,086)	(982)	(2,068)
Cash outflow on disposal	(986)	(882)	(1,868)

The two companies, Crantex Enterprises Ltd and Valuga Software International Ltd, contributed €nil revenue and incurred €(5,673) and €(50,625) of loss before tax respectively for the period between 1 January 2015 and the disposal date.

The profit on disposal recognised in the current year directly to equity comprises a realised profit of €8,642 (being the proceeds of €200 less €(8,442) of net liabilities disposed).

14. LOANS RECEIVABLE

	2013	*2014*	*2015*
	€	€	€
Balance at 1 January	–	–	1,715,188
New loans granted	–	1,777,130	780,965
Repayments	–	(92,204)	(104,071)
Interest charged	–	30,262	61,799
Balance at 31 December	–	1,715,188	2,453,881

The loans are repayable as follows:

	2013	*2014*	*2015*
	€	€	€
Within one year	–	–	1,553,417
Between one and five years	–	1,715,188	900,464
Balance at 31 December	–	1,715,188	2,453,881

Loans receivable with a carrying amount of €2,453,881 (2014: €1,715,188; 2013: €nil) bear interest at 3% per annum.

The fair value of receivable loans approximates to their carrying amounts as presented above.

15. TRADE AND OTHER RECEIVABLES

	2013	*2014*	*2015*
	€	€	€
Trade receivables	60	43,624	319,605
Shareholders' current accounts (note 21)	560,978	298,912	–
Accrued income	316,793	145,528	234,386
Other receivables	1,595	18,014	18,217
	879,426	506,078	572,208

Sheltyco Group has taken legal action in relation to an aged trade receivable balance of €302,431. The outcome of the case was still outstanding as at 31 December 2015. The Sheltyco Directors are of the opinion that the amount will be wholly recovered.

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

16. SHARE CAPITAL

	2013 Number of shares	*2013 US$*	*2014 Number of shares*	*2014 US$*	*2015 Number of shares*	*2015 US$*
Authorised						
Ordinary shares of US$1 each	50,000	50,000	50,000	50,000	50,000	50,000
		€		€		€
Issued and fully paid						
Balance at 1 January	100	72	100	72	100	72
Balance at 31 December	100	72	100	72	100	72

17. LOANS AND BORROWINGS

	2013	*2014*	*2015*
	€	€	€
Balance as at 1 January	–	–	–
New loan advances	–	–	25,000
Interest charged	–	–	608
Balance as at 31 December	–	–	25,608
Non-current liabilities			
Loans from shareholders (note 21)	–	–	25,608

Maturity of borrowings:

	2013	*2014*	*2015*
	€	€	€
Between one and five years	–	–	25,608

18. TRADE AND OTHER PAYABLES

	2013	*2014*	*2015*
	€	€	€
Trade payables	138,381	336,896	422,898
Directors' current accounts – credit balances	–	–	68,600
Shareholders' current accounts	–	–	107,541
Accruals	16,034	65,279	100,331
Other creditors	–	7,187	38,987
	154,415	409,362	738,357

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

19. TAX LIABILITY

	2013	*2014*	*2015*
	€	€	€
Corporation tax	21,894	45,495	24,506
	21,894	45,495	24,506

There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Sheltyco Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

20. ULTIMATE CONTROLLING PARTY

The ultimate controlling party of Sheltyco Group is Uwe Lenhoff. Uwe Lenhoff indirectly owns 60% of the issued share capital of Sheltyco.

21. RELATED PARTY TRANSACTIONS

The transactions and balances with related parties are as follows:

(i) ***Directors' remuneration***

The remuneration of directors and other members of key management personnel is given in note 6.

In addition to the marketing consultancy services provided by All In Marketing Solutions Limited there are recharged costs to the Sheltyco Group of €22,236 (2014: €18,100; 2013: €3,995).

(ii) ***Services received from related companies***

During the year the Group received professional services of €113,011 from Centaur Services Ltd. Centaur Services Ltd became a related party on 3 January 2015, being a company under the control of a Director of the Group. At 31 December 2015 €37,361 as owed to Centaur Services Ltd.

(iii) ***Transaction with shareholder***

On 31 December 2013 the Sheltyco acquired a customer list ("the List") from Uwe Lenhoff, at a total consideration of €1,920,000.

(iv) ***Transactions with related companies***

On 10 November 2015 Sheltyco assigned the List to Nedina Ventures Limited, a company owned by Uwe Lenhoff, at a total consideration of €1,480,000, being the carrying value of the List at the date of assignment. As a result no gain or loss was recognised from the assignment.

On the same date Sheltyco assigned to Nedina Ventures Limited the outstanding payable balance to Uwe Lenhoff and Lensing Management Services Limited, a company which owns 60% of Sheltyco and which is owned by Uwe Lenhoff, of €1,250,238.

On 31 December 2015 the Group disposed 100% of its interest in Crantex Enterprises Limited and Valuga Software International Ltd to Nedina Ventures Limited for a total consideration of €100 each, being the nominal value of the share capital at the date of disposal.

As per a set off and waiver agreement dated 31 December 2015, the total receivable balance from Nedina Ventures Limited, amounting to €1,480,200, was set off against the payable balance to Nedina Ventures Limited amounting to €1,250,238. The remaining receivable balance of €229,962 was waived by Sheltyco Group, with the amount being recorded directly in equity.

The List was not used by Sheltyco during its period of ownership and as such Sheltyco has derived no benefit from ownership of the List. The List has therefore has not been recognised in the Consolidated Historical Financial Information, together with the resulting payable to the Shareholder. The difference between the acquisition price and assignment price, being €640,000, has been recognised directly in equity. This distribution has been recognised on the date of the set off and waiver agreement referred to above, giving a total distribution of €669,962, as shown in the Consolidated Statement of Changes in Equity.

The net liabilities assumed on the acquisition of Tunegames Marketing Ltd and Tunegames Holding Ltd, of €2,252 (note 12), and the net liabilities disposed on the disposal of Crantex Enterprises Limited and Valuga Software International Ltd, of €8,442 (note 13), has been recognised directly in equity as a contribution of €6,190.

(v) ***Loan from related company***

On 10 March 15 Sheltyco Group entered in to a €100,000 loan facility with Lensing Management Services Limited. The loan is repayable in 5 years and bears interest at 3%. At the year end €25,000 has been drawn and €608 interest accrued.

(vi) ***Shareholders' current accounts***

As at 31 December 2015 €107,541 was due to a shareholder (2014: €298,912 due from a shareholder; 2013: €560,978 due from a shareholder). This balance comprises amounts due to Uwe Lenhoff and amounts due to Lensing Management Services Limited, a company owned by Uwe Lenhoff. At 31 December 2015 €37,541 was due to Uwe Lenhoff (2014: €298,912 due from Uwe Lenhoff; €2013: €560,978 due from Uwe Lenhoff) and €70,000 was due to Lensing Management Services Limited (2014: €nil; €2013: €nil).

(vii) ***Directors' current accounts***

As at 31 December 2015 amounts are owed to directors of €68,600 (2014: €nil; 2013: €nil). Directors' current accounts related to Sheltyco Directors' remuneration payable.

22. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Financial risk factors

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

The Sheltyco Directors have overall responsibility for the establishment and oversight of the Sheltyco's risk management framework.

Sheltyco does not have a formal risk management policy program. The exposure to the above risk is monitored by the Sheltyco Directors as part of its daily management of the business.

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Loans and receivables €	*Carrying amount Borrowings and other financial liabilities* €	*Total* €
31 December 2013			
Financial assets not measured at fair value			
Loans receivable	–	–	–
Trade and other receivables	879,426	–	879,426
Cash and cash equivalents	373,809	–	373,809
	1,253,235	–	1,253,235
Financial liabilities not measured at fair value			
Loans and borrowings	–	–	–
Bank overdrafts	–	–	–
Trade and other payables	–	154,415	154,415
	–	154,415	154,415

	Loans and receivables €	*Carrying amount Borrowings and other financial liabilities* €	*Total* €
31 December 2014			
Financial assets not measured at fair value			
Loans receivable	1,715,188	–	1,715,188
Trade and other receivables	506,078	–	506,078
Cash and cash equivalents	429,873	–	429,873
	2,651,139	–	2,651,139
Financial liabilities not measured at fair value			
Loans and borrowings	–	–	–
Bank overdrafts	–	80	80
Trade and other payables	–	409,362	409,362
	–	409,442	409,442

	Loans and receivables €	*Carrying amount Borrowings and other financial liabilities* €	*Total* €
31 December 2015			
Financial assets not measured at fair value			
Loans receivable	2,453,881	–	2,453,881
Trade and other receivables	572,208	–	572,208
Cash and cash equivalents	41,788	–	41,788
	3,067,877	–	3,067,877
Financial liabilities not measured at fair value			
Loans and borrowings	–	25,608	25,608
Bank overdrafts	–	–	–
Trade and other payables	–	738,357	738,357
	–	763,965	763,965

Financial risk management

Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. Sheltyco is exposed to credit risk to the extent that amounts owed by its customers may not be recoverable in the future. Sheltyco has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

Trade and other receivables

Sheltyco Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

As at 31 December 2015, the ageing of trade and other receivables that were not impaired was as follows:

Amounts past due but not impaired

	2013	*2014*	*2015*
	€	€	€
Past due 1-30 days	–	2,114	–
Past due 30-120 days	–	1,450	125,000
Past due more than 120 days	–	–	196,055
More than 120 days	–	3,564	321,055

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full. Refer to note 15 for more details.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. Sheltyco Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and are undiscounted, and include estimated interest payments:

	Carrying amounts	*Less than 1 year*	*Between 1-5 years*
	€	€	€
31 December 2013			
Loans and borrowings	–	–	–
Bank overdrafts	–	–	–
Trade and other payables	154,415	154,415	–
	154,415	154,415	–
31 December 2014			
Loans and borrowings	–	–	–
Bank overdrafts	80	80	–
Trade and other payables	409,362	409,362	–
	409,442	409,442	–
31 December 2015			
Loans and borrowings	25,608	–	25,608
Bank overdrafts	–	–	–
Trade and other payables	738,357	738,357	–
	763,965	738,357	25,608

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect Sheltyco Group's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not Sheltyco Group's functional currency. Sheltyco Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar. Sheltyco Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Capital management

Sheltyco Group manages its capital to ensure that it will be able to continue as a going concern while increasing the return to shareholders.

23. CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 31 December 2015 (2014: none; 2013: none).

24. EVENTS AFTER THE REPORTING PERIOD

On 1 March 2016, the Group acquired 10,000 newly issued ordinary shares of US$1 each in Option888 Marketing Ltd, for a total consideration of US$300,000. The consideration payable offset against loans receivable as per a settlement agreement dated 1 March 2016.

PART V

FINANCIAL INFORMATION ON THE COMPANY

In accordance with Rule 28 of the AIM Rules for Companies, this document does not contain historical financial information on the Company which would be required by Section 20 of Annex I of the Prospectus Rules. Historical financial information, for the three years to 31 December 2015, is available via the Company's website, www.velox3.com, up to Admission and www.veltyco.com following Admission. Shareholders or other recipients of this document may request a copy of the information incorporated by reference from the Secretary of the Company, who can be contacted at the below address or by telephone:

Marcel Noordeloos
33-37 Athol Street, Douglas,
Isle of Man IM1 1LB
Tel +44 (0)1624 647 979

A hard copy of the information incorporated by reference will not be sent to Shareholders or other recipients of this document unless requested.

PART VI

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

The following unaudited pro forma statement of net assets of the Enlarged Group (the "pro forma financial information") is based on the consolidated net assets of the Group as at 31 December 2015, set out in its consolidated financial statements for the year ended on that date, and has been prepared to illustrate the effect on the consolidated net assets of the Group as if the acquisition of the Sheltyco Group, and the Admission were completed at 31 December 2015.

The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Enlarged Group's actual financial position or results. The pro forma financial information has been prepared on the basis set out in the notes below. The pro forma financial information in respect of the consolidated net assets of the Group is stated on the basis of the accounting policies set out in the financial statements for the year ended 31 December 2015.

	Velox3 at 31 December 2015 Note 1 €	*Acquisition of the Sheltyco Group Note 2* €	*Additional loans received Note 3* €	*Loans converted to equity Note 4* €	*Cash raised on admission Note 5* €	*Admission costs Note 6* €	*Pro forma net assets of the Enlarged Group* €
Assets							
Intangible assets	–	25,556	–	–	–	–	25,556
Loans receivable	–	900,464	–	–	–	–	900,464
Total non-current assets	–	926,020	–	–	–	–	926,020
Trade and other receivables	103,072	572,208	–	–	–	–	675,280
Loans receivable	–	1,553,417	–	–	–	–	1,553,417
Cash and cash equivalents	–	41,788	366,500	–	415,789	(514,033)	310,044
Total current assets	103,072	2,167,413	366,500	–	415,789	(514,033)	2,538,741
Total assets	103,072	3,093,433	366,500	–	415,789	(514,033)	3,464,761
Liabilities							
Borrowings	–	(25,608)	–	–	–	–	(25,608)
Total non-current liabilities	–	(25,608)	–	–	–	–	(25,608)
Trade and other payables	(941,343)	(738,357)	–	–	–	–	(1,679,700)
Borrowings	(451,828)	–	(366,500)	818,328	–	–	–
Tax liability	–	(24,506)	–	–	–	–	(24,506)
Total current liabilities	(1,393,171)	(762,863)	(366,500)	818,328	–	–	(1,704,206)
Total liabilities	(1,393,171)	(788,471)	(366,500)	818,328	–	–	(1,729,814)
Net assets/ (liabilities)	(1,290,099)	2,304,962	–	818,328	415,789	(514,033)	808,927

Notes:

1. The net assets of the Group at 31 December 2015 have been extracted without the material adjustment from its financial statements for the year ended on that date.

Adjustments:

2. The net assets of the Sheltyco Group at 31 December 2015 have been extracted without material adjustment from the Consolidated Historical Financial Information set out in Part IV (B).
3. The loans under the DGS C.V. Convertible Facility, drawn down since 1 January 2016 amounted to €366,500 as disclosed in Consolidated Financial Statements of Velox3 plc for the year ended 31 December 2015.
4. Total convertible loans of €818,328 (£629,000) at the date of admission will be converted to equity, as disclosed in Paragraph 9 of Part I.
5. On Admission a further €415,789 (£318,295) will be raised in return for the issue of equity, as disclosed in Paragraph 7 of Part 1.
6. The estimated expenses of the Admission are €717,980 (£545,655) as disclosed in Paragraph 19 of Part VIII. €203,947 (£155,000) of these costs had been incurred prior to 31 December 2015 and €514,033 (£395,655) in 2016.

No account has been taken of the financial performance of the Group or the Sheltyco Group since 31 December 2015, any adjustments which may arise on the consolidation of the Enlarged Group nor of any other event save as disclosed above.

PART VII

INFORMATION IN RELATION TO THE RULE 9 WAIVER

1. RESPONSIBILITY

1.1 The members of the Concert Party, whose names appear in paragraph 10 of Part I accept responsibility individually for the information relating to him/it contained in this document. To the best of the knowledge and belief of each member of the Concert Party (having taken all reasonable care to ensure that such is the case) the information relating to him/it contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. INTERESTS AND DEALINGS

2.1 For the purposes of this paragraph:

"**acting in concert**"	has the meaning attributed to it in the City Code;
"**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;
"**dealing**"	has the meaning attributed to it in the City Code;
"**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;
"**disclosure date**"	means 8 June 2016, being the latest practical date prior to the posting of the document;
"**disclosure period**"	means the period commencing on 8 June 2015 and ending on the disclosure date;

a person is treated as having an "**interest**" or being "**interested in**" any relevant securities" if:

(a) he owns them;

(b) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;

(c) by virtue of any agreement to purchase, option or derivative he:

(i) has the right or option to acquire them or call for their delivery; or

(ii) is under an obligation 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

(d) he is a party to any derivative:

(i) whose value is determined by reference to their price; and

(ii) which results, or may result, in his having a long position in them; or

(e) he has long economic exposure, whether absolute or conditional, to changes in the price of those securities (and a person who only has a short position in securities is not treated as interested in them); or

(f) he is a Director and his spouse or civil partner or any child or step child of his under the age of 18 is interested in them under Part 22 of the Companies Act 2006 or would be deemed to be interested in them if that Part was deemed to apply to the securities concerned;

"**relevant securities**" means shares or other securities which carry voting rights exercisable at a general meeting and any other securities carrying conversion or subscription rights into any such shares or securities and, in relation to the Company, include Ordinary Shares and Warrants; and

"**short position**" means any short position (whether conditional or absolute and whether in money or otherwise), including any short position under a derivative, and any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

2.2 Concert Party interests in Ordinary Shares:

Name	*Existing Ordinary Shares held at the disclosure date (pre Share Consolidation)*	*Ordinary Share held post Share Consolidation*	*Percentage of Existing Share Capital held at the disclosure date*	*Aggregate Ordinary Shares to be issued pursuant to the Proposals*	*Maximum potential controlling position following Admission*	*Percentage of maximum potential controlling position following Admission*
Dirk Jan Bakker*	11,522,197	460,887	5.97	–	460,887	0.81
Mark Rosman**	8,327,038	333,081	4.31	153,846	486,927	0.86
Vancom Ventures Limited(4)	–	–	–	8,750,755	8,750,755	15.37
Vistra (Malta) Limited(4)	–	–	–	8,750,755	8,750,755	15.37
Lensing Management Limited(5)	–	–	–	26,252,265	26,252,265	46.11
DGS. C.V.(4)				4,284,614	5,101,536***	8.96***

* Of which 10,100,000 Existing Ordinary Shares (404,000 Ordinary Shares post-Share Consolidation) are held through Diman B.V.

** Of which 7,586,250 Existing Ordinary Shares (303,450 Ordinary Shares post-Share Consolidation) are held through Glass & Steagal B.V.

*** Assuming the exercise of all Warrants at paragraph 14 of Part I.

(4) Of which Dirk Jan Bakker holds an indirect interest

(5) Of which Karsten Uwe Lenhoff holds an indirect interest

2.3 The dealings for value in Ordinary Shares by the members of the Concert Party during the disclosure period were:

Name	*Number of Existing Ordinary Shares acquired*	*% of Existing Ordinary Share Capital*	*Price paid per Existing Ordinary Shares*	*Date*
Mark Rosman	740,788	0.4%	3.5p*	01/07/2015

* Issue in lieu of fees before commencement of negotiations, discussions or the reaching of understandings or agreements between the Company and Sheltyco in relation to the proposed issue of new securities.

2.4 Save as disclosed in paragraph 2.2 and 2.3 above, as at the disclosure date, no member of the Concert Party had any interest in or a right to subscribe for, or held any short position in relation to, any relevant Company securities, nor had any such person dealt in any relevant Company securities during the disclosure period.

2.5 As at the disclosure date, no member of the Concert Party had borrowed or lent any relevant Company securities (including, for these purposes, under any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 in the Takeover Code), save for any borrowed shares which have either been on-lent or sold.

2.6 At the disclosure date neither the Company nor any of the Existing Directors had an interest in or a right to subscribe for, or held any short position in relation to any relevant securities in any Concert Party.

2.7 Save as disclosed in paragraph 2.3 above, none of the Existing Directors or Proposed Directors had dealt for value in any relevant securities in any Concert Party member during the disclosure period.

2.8 Save as disclosed in paragraph 9 of Part VIII of this document, at the close of business on the disclosure date:

2.8.1 none of the Existing Directors or Proposed Directors had any interest in or a right to subscribe for, or held any short positions in relation to any relevant securities of the Company; and

2.8.2 none of the Existing Directors or Proposed Directors (including any members of their respective immediate families or related trusts) nor any person acting in concert with the Company nor the Company had borrowed or lent any relevant securities of the Company, save for any borrowed shares which have either been on-lent or sold.

2.9 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between the Concert Party and any of the Existing Directors, Proposed Directors, recent directors, Shareholders or recent shareholders of the Company, or any person interested or recently interested in the Existing Ordinary Shares, having any connection with or dependence upon the offer, and full particulars of any such agreement, arrangement or understanding.

3. RELATIONSHIPS, ARRANGEMENTS AND UNDERSTANDINGS

3.1 Mark Joost Rosman is a director and shareholder of Velox3 and an advisor of Dirk Jan Bakker; he is also a director of Sheltyco and DGS C.V.;

3.2 Dirk Jan Bakker is a shareholder of Velox3; he is also, indirectly through Vancom Ventures Limited and Vistra (Malta) Limited, a c.40 per cent. shareholder of Sheltyco, an indirect shareholder in DGS C.V. and son of Johannes Alberts Bakker (the sole shareholder of Bakkerstaete B.V., a minority investor in DGS C.V.); and

3.3 Karsten Uwe Lenhoff is the founder and director of Sheltyco and is, indirectly through Lensing Management Services Limited, a c.60 per cent. shareholder of Sheltyco.

4. HISTORICAL MARKET VALUE OF ORDINARY SHARES

The following table shows the closing middle market quotations for an Ordinary Share (as derived from the London Stock Exchange Daily Official List) for the first dealing day in each of the six months before the date of this document and for 7 June 2016 (being the latest practicable date before the publication of this document).

Date	*Price per Ordinary Share (pence)*
08/06/2016	0.2
01/06/2016	0.2
02/05/2016	0.2
01/04/2016	0.2
01/03/2016	0.2
01/02/2016	0.2
04/01/2016	0.2

5. ADDITIONAL DISCLOSURES REQUIRED BY THE TAKEOVER CODE

5.1 As at the date of this document, the Existing Directors and the Proposed Directors have entered into service contracts and letters of appointment with the Company, conditional upon Admission. Summaries of the terms of such service contracts and letters of appointment are set out in paragraph 8 of Part VIII of this document.

5.2 There is no agreement, arrangement or understanding whereby the legal and/or beneficial interest in any Ordinary Share held by or to be issued to Concert Party pursuant to the Acquisition or the Subscription will be transferred to any other person.

5.3 Save for the Acquisition Agreement, the Convertible Debt Facility and the Relationship Agreement summarised at paragraph 12 of Part VIII, there are no material contracts entered into outside of the ordinary course of business with the Concert Party within the two years immediately preceding the date of this document.

PART VIII

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

1.1 The Existing Directors and Proposed Directors, whose names appear on page 6 of this document, and the Company, accept individual and collective responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company, the Existing Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY AND ITS SUBSIDIARIES

2.1 The Company was incorporated and registered in the Isle of Man on 20 November 2012 under the Companies Act as a company limited by shares with the name "24/7 Gaming Group Holdings plc". On 24 March 2015, it changed its name to Velox3 plc.

2.2 The principal legislation under which the Company is organised (and under which the Ordinary Shares have been created) is the Companies Act and the regulations made thereunder. The liability of the members of the Company is limited.

2.3 The Company's Ordinary Shares were first admitted to trading on AIM on 31 July 2013.

2.4 The Company is currently an investing company.

2.5 The registered office of the Company is at 33-37 Athol Street, Douglas, Isle of Man IM1 1LB and will remain so on Admission. The telephone number of the Company is +44(0)1624647979 and will remain so on Admission. The Company's website is at www.velox3.com and from Admission at www.veltyco.com.

2.6 The accounting reference date of the Company is 31 December and will remain so after Admission.

2.7 The Company is the holding company (directly or indirectly) of the following companies:

2.7.1 Veltyco Services BV, a limited company incorporated and registered on 9 February 2016 in the Netherlands, with registered number 65298284. Veltyco Services BV is a 100% subsidiary of Velox3 plc.

2.7.2 24/7 Gaming Ventures NV (discontinued), a limited company incorporated and registered on 15 March 2011 in Curaçao with registered number 122607. 24/7 Gaming Ventures NV is a subsidiary of the Company. 24/7 Gaming Ventures NV was "discontinued" under the laws of Curaçao on 14 August 2015.

2.7.3 WGM NV (in liquidation), a limited company incorporated and registered on 1 April 2011 in Curaçao with registered number 122745. WGM NV is a subsidiary of 24/7 Gaming Ventures NV. WGN NV was placed into liquidation under the laws of Curaçao on 31 March 2016.

2.7.4 WGM Ltd (non-trading, in the process of liquidation), a limited company incorporated and registered on 2 June 2011 in Malta with registered number C53035. 24/7 Gaming Ventures NV holds 99.98 per cent. of the issued shares of WGM Ltd. The remaining 0.02 per cent. are held by the Company as under Maltese law a company has to have at least 2 shareholders.

2.7.5 Playlogic Entertainment NV (in liquidation), a limited company incorporated and registered on 17 December 2010 in Curaçao with registered number 12346(0). The Company holds 99.77 per cent. of the issued shares Playlogic Entertainment NV. The remaining 0.23 per cent. are held by Ms Vodegel. Playlogic Entertainment NV was placed into liquidation on 2 December 2014.

2.7.6 Playlogic Games BV (in liquidation), a limited company incorporated on 3 December 2010 and registered 11 February 2011 in the Netherlands with registration number 51410672. Playlogic Games BV is a subsidiary of Playlogic Entertainment NV. Playlogic Games BV was placed into liquidation on 2 December 2014.

2.7.7 Playlogic Digital BV (in liquidation), a limited company incorporated on 3 December 2010 and registered 24 February 2011 in the Netherlands with registration number 51410621. Playlogic Digital BV is a subsidiary of Playlogic Games BV. Playlogic Digital was placed into liquidation on 2 December 2014.

2.7.8 WannaGaming International BV (in liquidation), a limited company incorporated on 28 September 2007 and registered 3 October 2007 in the Netherlands with registration number 24422409. WannaGaming International BV is a subsidiary of Playlogic Games BV. WannaGaming International BV was placed into liquidation on 2 December 2014.

2.8 Immediately following completion of the Acquisition, the Company's principal activity will remain that of a holding company whilst the principal activity of its new wholly owned subsidiary, Sheltyco, will be that of marketing and promoting online gaming, lottery and binary option websites.

2.9 As at the date of this document, the Company's principal establishment is at 33-37 Athol Street, Douglas, Isle of Man IM1 1LB.

3. THE EXISTING DIRECTORS AND THE PROPOSED DIRECTORS

3.1 The full names of the Existing Directors and their respective positions are:

Name	*Function*	*Age*
David Carr Mathewson	Chairman	68
Mark Joost Rosman	Non-Executive Director	49

3.2 The full names of the Proposed Directors and their respective positions are as follows:

Name	*Proposed Function*	*Age*
Marcel Noordeloos	Chief Financial Officer	47
Karsten Uwe Lenhoff	Chief Operating Officer	53
Hans Dahlgren	Chief Technical Officer	33

3.3 The business address of each of the Existing Directors and the Proposed Directors is at the Company's registered offices at 33-37 Athol Street, Douglas, Isle of Man, IM1 1LB. Further details in relation to the Existing Directors and the Proposed Directors are set out in this Part XI.

3.4 Marcel Noordeloos is the company secretary.

4. SHARE CAPITAL

4.1 The share capital of the Company on incorporation was 1 Ordinary Share (without a par value) which was issued for £1.

4.2 The following Ordinary Shares have been allotted and issued in the Company:

Date of allotment	*Price per Ordinary Share (£)*	*Number of Ordinary Shares issued*	*Cumulative total (number)*
21 December 2012	–	8,500,000	8,500,001
28 December 2012	–	100,000	8,600,001
23 January 2013	0.03	750,000	9,350,001
25 February 2013	0.20	1,000,000	10,350,001
11 March 2013	–	25,000	10,375,001
7 April 2013	0.06	1,500,000	11,875,001
9 April 2013	0.20	1,250,000	13,125,001
9 April 2013	0.20	1,250,000	14,375,001
11 April 2013	0.59	25,000	14,400,001
20 April 2013	0.30	166,670	14,566,671
23 April 2013	0.30	396,670	14,963,341
26 April 2013	0.30	166,670	15,130,011
26 April 2013	0.20	262,500	15,392,511
1 May 2013	0.35	200,000	15,592,511
15 May 2013	0.47	165,000	15,757,511
26 June 2013	0.30	166,670	15,924,181
28 June 2013	–	125,000	16,049,181
28 June 2013*	–	1,325,000	17,374,181
28 June 2013	–	125,000	17,499,181
2 July 2013	0.20	500,000	17,999,181
11 July 2013	0.30	916,848	18,916,021
13 December 2012 to 3 July 2013**	–	107,266,106	126,182,127
31 July 2013	0.103	20,450,000	146,632,127
31 July 2013	0.103	100,000	146,732,127
19 February 2014	0.03	17,533,328	164,265,455
19 February 2014	0.05	1,693,033	165,958,488
19 February 2014	0.05	983,000	166,941,488
11 July 2014	0.05	9,594,000	176,535,488
3 September 2014	0.035	10,011,430	186,546,918
9 March 2015	0.035	1,929,359	188,476,277
30 June 2015	0.035	4,555,083	193,031,360

* Part of the consideration for the Group's acquisition of WannaGaming International BV.

** Pursuant to the share exchange in respect of the acquisition of 99.77 per cent. of the issued share capital of Playlogic Entertainment NV (in liquidation).

4.3 On 22 September 2015, the Company passed the following resolutions:

"5. That the directors of the Company be generally and unconditionally authorised in accordance with article 5.1 of the Company's articles of association to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to 64,343,787 shares, provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the Company's annual general meeting in 2016, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is (i) subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or

stock exchange and (ii) in substitution for all previous authorities conferred on the directors in accordance with article 5.1 of the Company's articles of association but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities."

"6. That, subject to and conditional upon the passing of resolution 5 set out in this notice, the directors be generally empowered to allot equity securities (as defined in the Company's articles of association) pursuant to the authority conferred by resolution 5 as if article 6.1 (pre-emption) did not apply to any such allotment, provided that this power shall:

6.1 be limited to:

6.1.1 the allotment of equity securities in connection with an offer of equity securities:

(a) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

(b) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary;

6.1.2 the allotment of up to 19,303,136 equity securities (otherwise than pursuant to paragraph 6.1.1 above);

6.2 be subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

6.3 expire at the end of the Company's annual general meeting in 2016 (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired."

4.4 As at 7 June 2016 (being the latest practicable date prior to the date of this document), the issued share capital of the Company was:

Class of shares	*Issued (number; fully paid)*
Ordinary Shares (without a par value)	193,031,360

4.5 The issued share capital of the Company immediately following the Share Consolidation, Admission and completion of the Acquisition, assuming that all of the first instalment of the Subscription Shares are issued at that stage and none of the outstanding Options or Warrants are exercised, will be:

Class of shares	*Issued (number; fully paid)*
Ordinary Shares (without a par value)	55,566,142

Options and Warrants

4.6 Details of the options and warrants of the Company in issue, and to be issued at Admission are set out at paragraph 14 of Part I. In addition, the Company has adopted a Share Option Scheme, further details of which are set out at paragraph 15 of this Part VIII. As at the date of this document, no options have been issued under Share Option Scheme.

4.7 On Admission, the number of all the Ordinary Shares in respect of which the outstanding Options and Warrants are then exercisable will equal in number approximately 2.1 per cent. of the Ordinary Shares then in issue, assuming no such Options or Warrants on or prior to Admission.

Other

4.8 The New Ordinary Shares will be allotted fully paid in registered form and may be held in either certificated or in uncertificated form. Application will be made to the London Stock Exchange for the Enlarged Share Capital (including the New Ordinary Shares) to be admitted to trading on AIM. All the Ordinary Shares (including the New Ordinary Shares) may be transferred into the CREST system.

4.9 The New Ordinary Shares will, on issue, rank for all dividends and other distributions (if any) declared or made or paid in respect of Ordinary Shares after the date of issue and will otherwise rank pari passu in all respects with the Existing Ordinary Shares.

4.10 49,217,006 New Ordinary Shares are expected to be issued pursuant to the Proposals. This represents a dilution of approximately c.86% of Shareholders' interests in Existing Ordinary Shares (assuming no Options or Warrants are exercised).

5. MEMORANDUM AND ARTICLES OF ASSOCIATION

Memorandum of association

5.1 The memorandum of association of the Company provides, inter alia, that the Company has unlimited capacity to carry on or to undertake any business activity, to do, or to be subject to, any act or to enter into any transaction.

5.2 The memorandum also states that it and the Articles may only be amended by a resolution of the Company's member or members passed (i) on a show of hands by a majority of not less than 75 per cent. of such members as are present and voting at the relevant meeting and are entitled under the Articles to vote on a show of hands; (ii) on a poll of members of the Company holding not less than 75 per cent. of the voting rights attributable to the shares held by the member or members present and voting at the relevant meeting and entitled under the Articles to vote on a poll or (iii) for so long as the Company has only one member, by a resolution consented to in writing by the sole member ("Special Resolution").

Articles

The Articles contain provisions, *inter alia*, to the following effect:

5.3 ***Share capital***

5.3.1 Subject to the provisions of the Companies Act, the Articles (in particular in relation to pre-emption rights) and any resolution of the Company, the directors of the Company shall have the authority to allot and issue (with or without conferring rights of renunciation), offer or otherwise deal with or dispose of, or grant options, warrants or other rights to subscribe for, or to convert any security into, shares in the capital of the Company ("Rights"), provided that this authority is limited to up to 200,000,000 shares, provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the Company's annual general meeting in 2014, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this provision of the Articles has expired.

5.3.2 There are no rights of pre-emption under the Articles in respect of any transfers of issued shares. The Company's members may have pre-emption rights in respect of an allotment of new shares in the capital of the Company unless the directors are authorised to allot new shares without offering them to all existing members. These pre-emption rights would require the Company to offer new shares for allotment to shareholders on a pro-rata basis before allotting them to other persons. These rights shall not apply to a particular allotment of equity securities if these are, or are to be, wholly or partly paid up otherwise than in cash. In such circumstances, the procedure for the exercise of such pre-emption rights would be

set out in the documentation by which the new shares would be offered to the Company's shareholders.

5.3.3 Subject to any Special Resolution, the directors are generally empowered to allot equity securities, provided that this power shall:

5.3.3.1 be limited to the allotment of: (i) equity securities in connection with an offer of equity securities (A) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings and (B) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary and (ii) up to 60,000,000 equity securities (otherwise than pursuant to (i) above);

5.3.3.2 be subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

5.3.3.3 expire at the end of the Company's annual general meeting in 2014 (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the authority conferred by this provision of the Articles has expired.

5.4 ***Share rights***

Subject to the provisions of the Companies Act and to any special rights for the time being attached to any existing shares, any shares may be allotted or issued which have attached to them such preferred, deferred or other special rights or restrictions whether in regard to dividends, voting, transfer, return of capital or otherwise as the Company may from time to time by resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the directors may determine.

5.5 ***Alteration of share capital***

5.5.1 The Company in general meeting may from time to time by resolution consolidate and/or divide all or any of its shares into shares, re-denominate all or any of such shares as shares denominated in another currency on such basis as the directors see fit, cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled and sub-divide such shares, or any of them, into shares.

5.5.2 Subject to any rights for the time being attached to any shares, the Company may only by Special Resolution reduce its share capital in any way provided that the directors are satisfied, on reasonable grounds, that the Company will, immediately after such reduction, satisfy the solvency test as set out in the Companies Act.

5.6 ***Variation of class rights***

Subject to the provisions of the Companies Act, if at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be, or be about to be, in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate general meeting

of the holders of shares of the class duly convened and held as provided in these Articles (but not otherwise).

5.7 ***Voting rights***

Subject to the provisions of the Companies Act and to any special terms as to voting on which any shares may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative (not being himself a member entitled to vote), shall on a show of hands have one vote and on a poll every member present in person or by proxy or (being a corporation) by a duly authorised representative shall have one vote for each share of which he is the holder. A proxy need not be a member of the Company.

5.8 ***Transfer of shares***

5.8.1 Each member may transfer all or any of his shares, in the case of certificated shares, by instrument of transfer in writing in any usual form or in any form approved by the directors or, in the case of uncertificated shares, without a written instrument in accordance with the CREST Regulations. Any written instrument shall be executed by or on behalf of the transferor, shall contain the name and business or residential address of the transferee and (in the case of a transfer of a share which is not fully paid up) shall be executed by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Company's register of members in respect of it.

5.8.2 The directors may in their absolute discretion and without giving any reason refuse to register any transfer of a certificated share unless (i) it is in respect of a share which is fully paid up, (ii) it is in respect of only one class of shares, (iii) it is in favour of a single transferee or not more than four joint transferees, (iv) (if required) it is duly stamped or duly certified or otherwise shown to the satisfaction of the Company to be exempt from any applicable stamp duty and (v) it is delivered for registration to the Company's registered agent, or such other person as the directors may from time to time appoint, accompanied (except in the case of a transfer where a certificate has not been required to be issued) by the certificate for the shares to which it relates and/or such other evidence as the directors may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so. Registration of the transfer of an uncertificated share or the renunciation of any renounceable right of allotment of a share that is a right held in uncertificated form may be refused if it is in favour of more than four persons jointly or if any other circumstance applies in respect of which refusal to register such a transfer or registration is permitted or required by the CREST Regulations.

5.8.3 The directors may (in their absolute discretion and without giving any reason therefor) refuse to register any transfer of a share to any person ("Prohibited Person"), as determined by the directors, to whom a sale or transfer of shares (i) would be in breach of the laws or requirements of any jurisdiction or governmental authority or (ii) in circumstances which, in the opinion of the directors, might result in the Company and/or the members as a whole incurring any liability to taxation or suffering any other regulatory, pecuniary, legal or material administrative disadvantage that the Company might not otherwise have suffered or incurred. If any transferee is a Prohibited Person or the directors otherwise determine that the holding of shares by such transferee would be in breach of any relevant legal or regulatory requirement or would subject the Company to any adverse legal, regulatory or taxation consequences or the directors otherwise determine (in their sole discretion and without being obliged to provide their reasons therefor) that such holding is not in the Company's interest, the Company may direct such transferee to sell his shares to a person who is not a Prohibited Person within thirty days of the notice of refusal.

5.9 ***Minority shareholder protection***

5.9.1 At any time when the Company is not subject to the City Code or any successor regime (whether statutory or non-statutory) governing the conduct of takeovers and mergers in the UK, the following provisions of the Articles, set out in paragraphs 5.9 and 5.10 of this Part VIII, shall have effect.

5.9.2 A person must not, in circumstances in which that person would thereby effect, or purport to effect, a Prohibited Acquisition (as defined below):

5.9.2.1 acting by himself or with persons determined by the directors to be acting in concert seek to acquire shares (whether by a series of transactions over a period of time or otherwise), which carry 30 per cent. or more of the voting rights attributable to the shares in the capital of the Company; or

5.9.2.2 acting by himself or with persons determined by the directors to be acting in concert, hold not less than 30 per cent. but not more than 50 per cent. of the voting rights attributable to the shares in the capital of the Company and seek to acquire, by himself or with persons determined by the directors to be acting in concert, additional shares which, taken together with the shares held by the persons determined by the directors to be acting in concert with him, increase his voting rights,

except as a result of a Permitted Acquisition.

5.9.3 An acquisition is a "Permitted Acquisition" if:

5.9.3.1 the directors consent to the acquisition (even if, in the absence of such consent, the acquisition would be a Prohibited Acquisition (as defined below));

5.9.3.2 the acquisition is made in circumstances in which the City Code, if it applied to the Company, would require an offer to be made in accordance with rule 9 of the City Code as if it so applied, and such offer is made and not subsequently withdrawn;

5.9.3.3 the acquisition arises from the repayment of a stock borrowing arrangement (on arms' length commercial terms); or

5.9.3.4 as a consequence of the Company redeeming or purchasing its own shares, there is a resulting increase in the percentage of the voting rights attributable to the shares held by a person or persons determined by the directors to be acting in concert and such an increase would constitute a breach of the limits set out in provision of the Articles.

5.9.4 An acquisition is a "Prohibited Acquisition" if rules 4, 5, 6 or 8 of the City Code would, in whole or in part, apply to the acquisition if the Company were subject to the City Code and the acquisition were made (or if not yet made, would if and when made be) in breach of or would otherwise not comply with rules 4, 5, 6 or 8 of the City Code.

5.10 ***Power to sell excess shares and implement the City Code***

5.10.1 Where the directors have reason to believe that any acquisition has taken place in contravention of the above provision of the Articles, the directors may do all or any of the following:

5.10.1.1 require any member or persons appearing or purporting to be interested in any shares in the Company to provide such information as the directors consider appropriate to determine any of the matters set out in this provision of the Articles;

5.10.1.2 have regard to such public filings as they consider appropriate to determine any of the matters the provision of the Articles set out above at paragraph 5.9;

5.10.1.3 make such determinations under this provision of the Articles and the one set out at paragraph 5.9 above as they think fit;

5.10.1.4 determine that some or all of the shares held by such members which carry more than 30 per cent. of the voting rights attributable to the shares in the Company ("Excess Shares") must be sold;

5.10.1.5 determine that some or all of the Excess Shares will not carry any voting right or right to any dividends or other distributions from a particular time for a definite or indefinite period; or

5.10.1.6 take such other action as they think fit for the purposes of this provision of the Articles or the one set out at paragraph 5.9 above, including:

5.10.1.6.1 prescribing rules (not inconsistent with these Articles);

5.10.1.6.2 setting deadlines for the provision of information;

5.10.1.6.3 drawing adverse inferences where information requested is not provided;

5.10.1.6.4 making final or interim determinations;

5.10.1.6.5 executing documents on behalf of a member;

5.10.1.6.6 converting any Excess Shares held in uncertificated form into certificated form or vice versa;

5.10.1.6.7 paying costs and expenses out of proceeds of sale; and

5.10.1.6.8 changing any decision or determination or rule previously made.

5.10.2 The directors have full authority to determine the application of this provision of the Articles or the one set out at paragraph 5.9 above, including as to the deemed application of the whole or any part of the City Code. Such authority shall include all discretion that vested in the Takeover Panel as if the whole or any part of the City Code applied including, without limitation, the determination of conditions and consents, the consideration to be offered and any restrictions on the exercise of control. Any resolution or determination of, or decision or exercise of any discretion or power by, the board of directors or any director or by the chairman of any meeting acting in good faith under or pursuant to this provision of the Articles or the one set out at paragraph 5.9 above shall be conclusive and binding on all persons concerned and shall not be open to challenge, whether as to its validity or otherwise, on any ground whatsoever. The directors shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with this provision of the Articles or the one set out at paragraph 5.9 above.

5.10.3 Any one or more of the directors may act as the attorney of any member in relation to the execution of documents and other actions to be taken for the sale of Excess Shares.

5.11 ***General meetings***

5.11.1 Subject to the provisions of the Companies Act, annual general meetings shall be held at such time and place as the directors may determine. However, at least one annual general meeting shall be held in each calendar year and not more than 15 months shall pass from one annual general meeting to the next. The first annual general meeting shall be held within 18 months of the date of the Company's incorporation.

5.11.2 All general meetings other than annual general meetings shall be called extraordinary general meetings.

5.11.3 A general meeting shall, subject to the Articles, be convened by not less than 14 days' notice (exclusive of the day on which it is served or deemed to be served and the day for which it is given). Every notice convening a general meeting shall specify if it is an annual general meeting or an extraordinary general meeting, the place, the day and the time of the meeting, the general nature of the business to be transacted (and if the meeting is convened to consider a special resolution, the intention to propose the resolution and the requisite majority for an affirmative vote) and that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him that a proxy need not also be a member.

5.11.4 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a chairman, which shall not be treated as part of the business of the meeting. Subject to the provisions of the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member present in person or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum. If, within 15 minutes (or such longer interval not exceeding one hour as the chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting, a quorum is not present or if, during a meeting, such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such time and place as the chairman (or, in default, the directors) may determine. If, at such adjourned meeting, a quorum is not present within 15 minutes from the time appointed for holding the meeting, one member present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum. If no such quorum is present or if, during the adjourned meeting, a quorum ceases to be present, the adjourned meeting shall be dissolved.

5.12 ***DTR 5***

Each member of the Company shall comply with the notification obligations to the Company contained in chapter 5 of the Disclosure and Transparency Rules as if the Company was a UK issuer for the purposes of such rules and as if it were a "DTR company" for the purposes of the London Stock Exchange's "AIM Rules for Companies" (version issued in February 2010).

5.13 ***Disenfranchisement notice***

5.13.1 The directors may at any time serve a notice upon a member requiring such member to disclose to the directors in writing information in relation to any or all of shares registered in such member's name at the date of the notice ("Information Notice"). If a member or any other person appearing to be interested in shares held by that member, has been issued with an Information Notice and has failed in relation to any shares the subject of the Information Notice ("default shares") to furnish any information required by such notice within the time period specified therein or if the Company determines that the member has not complied with their obligations under the provision of the Articles set out at paragraph 5.12 of this Part VIII above, then the directors may at any time following 14 days from the expiry of the date on which the information required to be furnished pursuant to the relevant Information Notice is due to be received by the directors, serve on the relevant holder a notice ("disenfranchisement notice") whereupon the following sanctions shall both apply:

5.13.1.1 The member shall not with effect from the service of the disenfranchisement notice be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company

or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll.

5.13.1.2 Where the default shares represent at least 0.25 per cent. of the shares of the relevant class:

5.13.1.2.1 any dividend or other money payable in respect of the default shares shall be withheld by the Company, which shall not have any obligation to pay interest on it and the member shall not be entitled to elect in relation to scrip dividends to receive shares instead of that dividend; and

5.13.1.2.2 in the case of uncertificated shares to the CREST Regulations no transfer, other than an approved transfer, of any default shares held by the member shall be registered unless the member is not himself in default as regards supplying the information required pursuant to the relevant Information Notice and the member proves to the satisfaction of the directors that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

5.13.2 The Company may at any time withdraw a disenfranchisement notice by serving on the holder of the shares to which the same relates a notice in writing to that effect ("withdrawal notice").

5.13.3 Where the sanctions under the provision of the Articles set out at paragraph 5.13.1 apply in relation to any shares they shall cease to have affect:

5.13.3.1 if the shares are transferred by means of an approved transfer;

5.13.3.2 at the end of the period of one week (or such shorter period as the directors may determine) following receipt by the Company of the information required by a disenfranchisement notice and the Board being fully satisfied that such information is full and complete; or

5.13.3.3 on the date on which a withdrawal notice is served by the Company.

5.14 ***Directors***

5.14.1 Subject to the provisions of the Companies Act, the memorandum of association of the Company and the Articles and to any directions given by Special Resolution, the business of the Company shall be managed by the directors, which may exercise all the powers of the Company whether relating to the central management and control of the business or not, including to borrow money and to mortgage or charge its undertaking, property and assets both present and future and uncalled capital, or any part thereof, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or its parent undertaking (if any) or any subsidiary undertaking of the Company or of any third party. The board of directors may delegate any of its powers, authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit to any committee consisting of one or more directors provided that any such committee shall only meet and exercise its powers, authorities and discretions from outside the United Kingdom.

5.14.2 Unless and until otherwise determined by the Company in general meeting, the number of directors shall not be less than one and while the Company's shares are admitted to trading on AIM shall be not less than two. Unless and until otherwise determined as aforesaid, there shall not be more than ten directors. The quorum necessary for the transaction of business may be determined by the board and until otherwise determined shall be two persons.

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of that meeting shall not have a second or casting vote.

5.14.3 Subject to the provisions of the Articles, the Company may by resolution appoint a person who is willing to act to be a director, either to fill a vacancy, or as an addition to the existing board. Without prejudice to the power of the Company pursuant to the Articles, the directors shall have power at any time to appoint any person either to fill a casual vacancy or as an addition to the board but the total number of directors shall not exceed any maximum number fixed in accordance with the Articles. Subject to the provisions of the Companies Act and of the Articles, any director so appointed shall hold office only until the dissolution of the annual general meeting of the Company next following such appointment unless he is re-elected during such meeting.

5.14.4 Without prejudice to the provisions of the Companies Act, the Company may by resolution passed at a meeting called for such purpose remove any director before the expiration of his term of office (without prejudice to a claim for compensation or damages for breach of any service contract). The directors may also (without prejudice to a claim for compensation or damages for breach of any service contract) remove a director from office before the expiration of his term of office and appoint another in his place.

5.14.5 A director shall not be required to hold any shares in the Company by way of qualification. A director who is not a member of the Company shall be entitled to receive notice of and attend and speak at all general meetings of the Company and at all separate general meetings of the holders of any class of shares in the capital of the Company.

5.14.6 The salary or remuneration of any executive chairman, chief executive, joint chief executive, managing director, joint managing director or executive director of the Company shall, subject as provided in any contract, be such as the directors may from time to time determine, and may either be a fixed sum of money, or may altogether or in part be governed by the business done or profits made, or may include the making of provision for the payment to him, his widow or other dependants, of a pension on retirement from the office or employment to which he is appointed and for the participation in pension, health insurance and life assurance benefits, or may be upon such other terms as the directors determine. There shall be paid out of the funds of the Company by way of remuneration of directors who are not managing or executive directors fees at such rates as the directors may from time to time determine provided that such fees do not in aggregate exceed £175,000 per annum or such other figure as the Company may in general meeting from time to time determine. Such fees shall be divided among such directors in such proportion or manner as may be determined by the directors and, in default of determination, equally.

5.14.7 Subject to the provisions of the Companies Act, a director, notwithstanding his office:

5.14.7.1 may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;

5.14.7.2 may be a director or officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested, and in any such case on such terms as to remuneration and otherwise as the remuneration committee may arrange either in addition to or in lieu of any remuneration provided for by any other Article; and

5.14.7.3 shall not, by reason of his office, be liable to account to the Company for any benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body corporate; and no such contract, arrangement, transaction, proposal or

arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

5.14.8 Save as provided in the Articles, a director shall not vote on or be counted in the quorum in relation to any resolution of the board or of a committee of the board concerning any contract, arrangement, transaction or any proposal whatsoever to which the Company is, or is to be, a party and in which he has (directly or indirectly) an interest which is material (other than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company) or a duty which conflicts with the interests of the Company unless his duty or interest arises only because the resolution relates to one of the matters set out in the following sub-paragraphs in which case he shall be entitled to vote and be counted in the quorum:

5.14.8.1 the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

5.14.8.2 the giving by the Company to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

5.14.8.3 the giving of any other indemnity where all other directors are also being offered indemnities on substantially the same terms;

5.14.8.4 where the Company or any of its subsidiaries is offering securities in which offer the director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the director is to participate;

5.14.8.5 relating to another company in which he does not hold an interest in shares (as that term is used in Part 22 of the UK's Companies Act 2006) representing 1 per cent. or more of either any class of the equity share capital, or the voting rights, in such company;

5.14.8.6 relating to an arrangement for the benefit of the employees of the Company or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;

5.14.8.7 concerning insurance which the Company proposes to maintain or purchase for the benefit of directors or for the benefit of persons including Directors; or

5.14.8.8 any proposal concerning the funding of expenditure by one or more directors on defending proceedings against him or them, or doing anything to enable such director or directors to avoid incurring such expenditure.

5.14.9 A director shall not vote or be counted in the quorum on any resolution of the board or committee of the board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

5.14.10 If any question arises at any meeting of the board or any committee of the board as to the materiality of a director's interest (other than the chairman's interest) or as to the entitlement of any director (other than the chairman) to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question (unless the director concerned is the chairman) shall before the conclusion of the meeting be referred to the chairman of the meeting. The chairman's ruling in relation to the director concerned shall be final and conclusive except

in a case where the nature or extent of the interest of the director has not been fairly disclosed and provided that any such question shall, for the purposes of disclosure of such interests in the accounts of the company, be finally and conclusively decided by a majority of the directors (other than the director concerned). If any question arises at any meeting of the board or any committee of the board as to the materiality of the chairman's interest or as to the entitlement of the chairman to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall before the conclusion of the meeting be decided by resolution of the directors or committee members present at the meeting (excluding the chairman) whose majority vote shall be final and conclusive except in a case where the nature or extent of the interest of the director has not been fairly disclosed and provided that any such question shall, for the purposes of disclosure of such interests in the accounts of the company, be finally and conclusively decided by a majority of the directors (other than the director concerned).

5.14.11 At each annual general meeting:

5.14.11.1 each person who is a director on the selection date and was appointed as such after the previous annual general meeting is to be proposed for election as a director;

5.14.11.2 each other person who is a director on the selection date and has remained as such without being appointed or elected or re-elected as such at one of the two previous annual general meetings is to be proposed for re-election as a director; and

5.14.11.3 if the board so decides, any other person selected by the board who is a director on the selection date can be proposed for election or re-election as a director,

provided that, in each case, the person concerned is a director immediately before the commencement of the meeting and has confirmed to the board that he is willing to continue as a director.

5.15 ***Dividends***

5.15.1 Subject to the provisions of the Articles and to the rights of persons entitled to shares with special rights as to dividend, the Company may, by a resolution of the directors, declare and pay a dividend to members (including an interim dividend) at such times and of such amounts as the directors think fit if the directors are satisfied, on reasonable grounds, that the Company will, immediately after payment of the dividend, satisfy the solvency test set out in the Companies Act. However, no dividend shall exceed the amount recommended by the board.

5.15.2 The board may, at its discretion, make provisions to enable such member as the board shall from time to time determine to receive dividends duly declared in a currency or currencies other than Pound Sterling. For the purposes of the calculation of the amount receivable in respect of any dividend, the rate of exchange to be used to determine the foreign currency equivalent of any sum payable as a dividend shall be such market rate selected by the board as it shall consider appropriate at the close of business in London on the date which is the business day last preceding (i) in the case of a dividend to be declared by the Company in general meeting, the date on which the board publicly announces its intention to recommend that specific dividend and (ii) in the case of any other dividend, the date on which the board publicly announces its intention to pay that specific dividend, provided that where the board considers the circumstances to be appropriate it shall determine such foreign currency equivalent by reference to such market rate or rates or the mean of such market rates prevailing at such time or times or on such other date or dates, in each case falling before the time of the relevant announcement, as the board may select.

5.15.3 All dividends shall be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date at which such dividend shall be declared, or at such other date as the Company by resolution or the board may determine, notwithstanding any subsequent transfer or transmission of shares.

5.15.4 Unless otherwise provided by the rights attached to the share, no dividend or other moneys payable by the Company or in respect of a share shall bear interest as against the Company.

5.16 ***Indemnity and insurance***

5.16.1 Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which he may be otherwise entitled, every director, alternate director or officer of the Company (other than an auditor) may be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him in the actual or purported execution or discharge of his duties or exercise of his powers or otherwise in relation to them including (without prejudice to the generality of the foregoing) any liability incurred defending any proceedings (whether civil or criminal) which relate to anything done or omitted or alleged to have been done or omitted by him as an officer, auditor, or employee of the Company and in which judgment is given in his favour or in which he is acquitted or which are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which relief is granted to him by any court of competent jurisdiction from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company provided that the indemnity shall be void and of no effect unless the indemnified person acted honestly and in good faith and in what such person believed to be in the best interests of the Company and, in the case of criminal proceedings, which the indemnified person had no reasonable cause to believe that their conduct was unlawful.

5.16.2 Subject to the provisions of the Companies Act, the board may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a director or other officer or employee of the Company or of any other company which is a subsidiary, subsidiary undertaking or holding company of the Company or in which the Company has an interest whether direct or indirect or which otherwise is in any way allied to or associated with the Company or of any subsidiary undertaking or holding company of the Company or of any such company or who is or was at any time a trustee of any pension fund or employee benefits trust in which any employee of the Company or of any such other company or subsidiary undertaking is or has been interested indemnifying such person against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a director, officer, employee or trustee.

6. SUMMARY OF KEY PROVISIONS OF ISLE OF MAN LAW

The Isle of Man (or the "**Island**") is an internally self-governing dependent territory of the British Crown. It is politically and constitutionally separate from the UK and has its own legal system and jurisprudence based on English common law principles. The UK Government is, however, responsible for the Island's foreign affairs and defence and, with the Island's consent, the UK Parliament may legislate for the Island in some areas of common concern (such as nationality and immigration matters).

The Isle of Man's relationship with the European Union is set out in Protocol 3 of the Act of Accession ("**Protocol 3**") annexed to the Treaty of Accession 1972, by virtue of which the UK became a member of the European Community. The Island is neither a member state nor an associate member of the European Community. By virtue of Protocol 3, the Island is part of the customs territory of the EU. Therefore the common customs tariff, levies and other agricultural import measures apply to trade between the Island and non-member countries. There is free movement of goods and agricultural products between the Island and the EU, but the EU provisions which relate to trade in financial services and products and those in respect

of the free movement of persons, services and capital do not apply to the Island. Consequently, EU law has direct application to the Island only for very limited purposes.

6.1 ***Corporate law in the Isle of Man***

The Companies Act came into force on 1 November 2006 and introduced a new simplified Isle of Man corporate vehicle (based on the international business company model available in a number of other jurisdictions). The Companies Act is largely a standalone piece of legislation and companies incorporated under the Companies Act ("**2006 Companies**") co-exist with present and future companies incorporated under the existing Isle of Man Companies Acts 1931-2004 (as amended) ("**1931 Companies**").

6.1.1 *Key Features of a 2006 Company*

A 2006 Company is a legal entity in its own right, separate from its members, and will continue in existence until it is dissolved in the same way as a 1931 Company. Every 2006 Company is required, at all times, to have:

6.1.1.1 a registered agent in the Isle of Man who holds the appropriate licence granted by the Isle of Man Financial Services Authority (ensuring that there is a licenced professional on the Isle of Man overseeing the administration of the company); and

6.1.1.2 a registered office address in the Isle of Man.

6.1.2 *Power and Capacity*

The doctrine of ultra vires does not apply to 2006 Companies. The Companies Act expressly states that, notwithstanding any provision to the contrary in a company's memorandum or articles of association and irrespective of corporate benefit and whether or not it is in the best interests of a company to do so, a company has unlimited capacity to carry on or undertake any business or activity, to do, or to be subject to, any act or to enter into any transaction.

Notwithstanding this, the directors of 2006 Companies are still subject to the various duties imposed on directors by common law and statute as well as fiduciary duties (such as the duty to act bona fide in the best interests of the company).

6.1.3 *Directors*

A 2006 Company is permitted to have a single director which may be an individual or, subject to compliance with certain requirements, a body corporate.

6.1.4 *Members*

The Companies Act contains very few prescriptive rules relating to members' meetings. Companies are not required to hold annual general meetings and the Companies Act allows members meetings to be held at such time and in such places, within or outside the Isle of Man, as the convener of the meeting considers appropriate. However, as is the case with the Articles (see paragraph 5.15 above (General Meetings) of this Part VIII), more prescriptive requirements relating to members' meetings can be included in a company's articles of association.

Subject to contrary provision in the Companies Act or in a company's memorandum or articles, members exercise their powers by resolutions:

6.1.4.1 passed at a meeting of the members; or

6.1.4.2 passed as a written resolution.

The concept of "ordinary", "special" and "extraordinary" resolutions is not recognised under the Companies Act and resolutions passed at a members meeting only require the approval of a member or members holding in excess of 50 per cent. of the voting rights exercised in relation thereto. However, as permitted under the Companies Act, the Articles incorporate the concept of a "special resolution" (requiring the approval of members holding 75 per cent. or more of the voting rights exercised in relation thereto) in relation to certain matters.

6.1.5 *Shares*

The Companies Act provides that shares in a company may (without limitation):

6.1.5.1 be convertible, common or ordinary;

6.1.5.2 be redeemable at the option of the shareholder or the company or either of them;

6.1.5.3 confer preferential rights to distributions;

6.1.5.4 confer special, limited or conditional rights, including voting rights; or

6.1.5.5 entitle participation only in certain assets.

6.1.5.6 Distributions and the Solvency Test

Under the Companies Act, a 2006 Company may distribute its assets to its members by way of the direct or indirect transfer of company assets or the incurring of a debt by a company to or for the benefit of a member and the term "distribution" includes the payment of dividends and the redemption, purchase or other acquisition by a company of its own shares.

The Companies Act permits the directors of a company to authorise a distribution by the company to its members at such time and of such amount as they think fit if they are satisfied, on reasonable grounds, that the company will, immediately after the distribution, satisfy the solvency test. The traditional concept of capital maintenance is not applicable to 2006 Companies.

A company satisfies the "solvency test" if:

6.1.5.7 it is able to pay its debts as they become due in the normal course of its business; and

6.1.5.8 the value of its assets exceeds the value of its liabilities.

Provided that the solvency test has been satisfied, dividends may be paid and shares redeemed or purchased out of any capital or profits of the company.

6.1.6 *Accounting Records*

The Companies Act requires a company to keep reliable accounting records which:

6.1.6.1 correctly explain the transactions of the company;

6.1.6.2 enable the financial position of the company to be determined with reasonable accuracy at any time; and

6.1.6.3 allow financial statements to be prepared.

6.1.7 *Offering Documents*

The Companies Act does not distinguish between public and private companies and (subject to any restrictions in a company's memorandum or articles of association) a 2006 Company can offer its securities to the public.

The Companies Act requires the directors of a 2006 Company to ensure that any offering document issued in relation to that company:

6.1.7.1 contains all material information relating to the offer or invitation contained therein (i) that the intended recipients would reasonably expect to be included therein in order to enable them to make an informed decision as to whether or not to accept the offer or make the application referred to therein; and (ii) of which the directors or proposed directors were aware at the time of issue of the offering document or of which they would have been aware had they made such enquiries as would have been reasonable in all the circumstances; and

6.1.7.2 sets out such information fairly and accurately.

6.1.8 *Statutory Books*

Originals or copies (as appropriate) of various documents, including the constitutional documents, statutory books and accounting records of a 2006 Company, are required to be kept at the office of the 2006 Company's registered agent.

6.1.9 *Disclosure of interests*

As an Isle of Man incorporated company, the Company and its Shareholders are not required by statutory law to comply with all of the notification requirements of DTR 5. However the Company is required by the AIM Rules for Companies to use all reasonable endeavours to ensure that Shareholders comply with the AIM Rules for Companies in respect of notifying relevant changes to significant shareholders (as those terms are defined therein) and has therefore included provisions in its Articles that are similar to the relevant provisions of DTR 5. These provisions are summarised in paragraph 5.12 of this Part VIII.

6.2 ***Compulsory acquisition procedure***

Section 160 of the Companies Act sets out the steps required to be taken to effect a compulsory acquisition of shares in a company. Where a scheme or contract involving the transfer of shares to another person (the "transferee") has been approved by the holders of not less than 90 per cent. in value of the shares effected within the 16 weeks after the offer being made, the transferee may, at any time within 8 weeks after the transferee has acquired or contracted to acquire the relevant shares, give notice in the prescribed manner to any dissenting shareholder that it desires to acquire such dissenting shareholder's shares, and where such notice is given the transferee shall, unless (on application made by the dissenting shareholder within one month from the date on which the notice is given) the court thinks fit to order otherwise, be entitled and bound to acquire those shares on terms which under the scheme or contract the shares of the approving shareholders are to be transferred to the transferee (or on such terms as may be permitted by variation under the Companies Act in certain circumstances).

Where such a notice has been given by the transferee and the court has not, on application made by the dissenting shareholder, ordered to the contrary or any pending application to the court by the dissenting shareholder has been disposed of, the transferee shall send a copy of the notice to the company and pay or transfer to the company the consideration representing the price payable for the shares which the transferee is entitled to acquire and the company shall thereupon register the transferee as the holder of those shares. The company will be required to hold such sums in a separate bank account on trust for the dissenting shareholder.

6.3 ***Lack of "sell-out" provisions***

The Companies Act does not contain equivalent provisions to the "sell-out" right available to minority shareholders under section 983 of the Companies Act (which provides that in the event of a successful takeover bid for a target company whereby the purchaser has acquired or unconditionally contracted to acquire not less than 90 per cent. of the voting rights in the target, the "sell-out" right under the Act allows minority shareholders (being those shareholders holding less than 10 per cent. in aggregate of

the voting shares in the target company) to require the purchaser to purchase their shares on the terms available to those shareholders that accepted the purchaser's offer).

7. ADDITIONAL INFORMATION ON THE EXISTING DIRECTORS AND THE PROPOSED DIRECTORS

7.1 In addition to directorships of the Company and members of its Group, the table below states the names of all companies and partnerships of which the Existing Directors and the Proposed Directors have been a director or partner at any time within the five years immediately preceding the date of this document:

Name	*Current directorships/partnerships*	*Past directorships/partnerships*
David Mathewson	China Kiosk Network Limited	Genuity Services Limited Imperial Client Ltd Macromac Plc Playtech plc Playtech Limited Playtech Mobile (Cyprus) Limited Playtech Services (Cyprus) Limited Playtech Software Limited Rightster Group Plc Technology Trading IOM Limited Video B Holdings Limited
Mark Rosman	Neogroup (USA) DGS c.v The Nestegg B.V. (Netherlands) MarketingFund v.o.f. (Netherlands) Glass&Steagall B.V. (Netherlands) Sheltyco Enterprises Group Limited Simpel. Nv	–
Marcel Noordeloos	Nimc B.V.	–
Karsten Uwe Lenhoff	Sheltyco Enterprises Group Limited	–
Hans Dahlgren	Helix Trading Limited Helix Holding Limited	–

7.2 David Mathewson was appointed a director of Corsie Group plc on 1 March 2006 a position from which he resigned on 29 April 2008. Corsie Group plc entered administration on 9 May 2008. On 9 November 2009 that company exited administration and was dissolved on 22 October 2010.

7.3 Save as disclosed at paragraph 7 of this Part VIII, none of the Existing Directors or the Proposed Directors has been: (i) a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of creditors, whilst he was a director of that company or within the 12 months after he ceased to be a director of that company; or (ii) a partner in any partnership which has been placed in compulsory liquidation, administration or been subject of a partnership voluntary arrangement, whilst he was a partner in that partnership or within 12 months after he ceased to be a partner in that partnership.

7.4 None of the Existing Directors or the Proposed Directors: (i) has any unspent convictions in relation to indictable offences; (ii) is or has been bankrupt or made any voluntary arrangement; (iii) has been the subject of public criticism by a statutory or regulatory authority (including recognised professional bodies); or (iv) has been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.

8. DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

8.1 Save as disclosed below, there are no service agreement or letters of appointment, existing or proposed between any Existing Director or Proposed Director and the Company that have been entered into or varied within six months prior to the date of this document. There are no existing or proposed service agreements or letters of appointment between the Company and any of the Existing Directors or the Proposed Directors which do not expire or are not determinable by the Company without payment of compensation within 12 months immediately preceding the date of this document.

David Mathewson

A letter of appointment dated 3 June 2016, restating the terms on which David Mathewson is appointed as a non-executive director of the Company on a rolling one-year basis. Mr Mathewson is paid an annual fee of €60,000. The agreement is terminable by either party on 6 months' notice. As at the date of this document, Mr Mathewson holds the position of Chairman.

Mark Rosman

A letter of appointment dated 3 June 2016, restating the terms on which Mark Rosman is appointed as a non-executive director of the Company. Mr Rosman is paid an annual fee of €30,000. The agreement is terminable by either party on 6 months' notice.

Karsten "Uwe" Lenhoff

Uwe Lenhoff is engaged as an employee of Sheltyco Enterprises Limited. On 2 June 2016, Mr Lenhoff entered into a service agreement with the Company pursuant to which he agreed to act as chief operating officer with effect from Admission. His engagement as chief operating officer is terminable by either party on 6 months' notice. Mr Lenhoff is paid an annual salary of €180,000 in accordance with his employment agreement.

Marcel Noordeloos

Marcel Noordeloos is engaged as an employee of Veltyco Services BV. On 2 June 2016, Mr Noordeloos entered into a service agreement with the Company under the terms of which he agreed to act as chief financial officer with effect from Admission. His engagement as chief financial officer is terminable by either party on 6 months' notice. Mr Noordeloos is paid an annual salary of €126,000 in accordance with his employment agreement.

Hans Dahlgren

On 8 June 2016, the Company entered into an agreement with Helix Trading Limited and Hans Dahlgren to procure the services of Hans Dahlgren. The contract provides for Mr Dahlgren to act as chief technical officer of the Company on a part time basis at a fee of €30,000 per annum. The agreement is terminable by six months' notice in writing by either party.

8.2 The amounts payable to the Existing Directors and the Proposed Directors by members of the Enlarged Group under the arrangements in force at the date of this document in respect of the financial year ending 31 December 2016 are estimated to be €426,000, excluding benefits.

9. EXISTING DIRECTORS' AND PROPOSED DIRECTORS' SHAREHOLDINGS AND OTHER INTERESTS

9.1 The interests of each of the Existing Directors and the Proposed Directors in the ordinary share capital of the Company which have been or will be required to be notified to the Company pursuant to chapter 5 of the DTRs or which will be required to be maintained under the provisions of section 808 of the Companies Act, as at 8 June 2016 (being the last date practicable prior to the publication of this document) and as at Admission are as set out below:

Name	*Number of Ordinary Shares as at the date of this document*	*% of the Existing Ordinary Share Capital as at the date of this document*	*% of Ordinary Shares following Share Consolidation*	*Number of Ordinary Shares on Admission****	*% of the Enlarged Share Capital*
David Mathewson	1,905,788	0.99	76,231	249,769	0.45
Mark Rosman*	8,327,038	4.32	333,081	486,927	0.87
Marcel Noordeloos	4,656,229	2.44	186,249	290,454	0.52
Karsten Uwe Lenhoff**	–	–	–	26,252,265	46.83
Hans Dahlgren	–	–	–	–	–

* including shares held through Glass & Steagal.

** including shares held through Lensing Management Services Limited

*** including Settlement Shares issued in settlement of outstanding remuneration and expenses

9.2 In addition, David Mathewson holds options to subscribe a total of 6,000,000 Existing Ordinary Shares (240,000 Ordinary Shares post Share Consolidation). Details of these options are set out in paragraph 14 of Part I.

10. RELATED PARTY TRANSACTIONS

Velox3 Group

Save as disclosed as disclosed in historical financial information on the Velox3 Group in Part IV of this document, there are no material related party transactions to which any member of the Velox3 Group was a party during the period between 1 January 2013 and the date of this document.

Sheltyco Group

The Sheltyco Group is party to loan facility with Lensing Management Services Ltd, a company which is indirectly owned by Karsten Uwe Lenhoff. The balance outstanding as at 31 May 2016 is €228,916.72. Further, Mr Lenhoff has an outstanding loan facility with the Sheltyco Group. As at 31 May 2016 the sum of €132,333.76 is due from Mr Lenhoff.

11. SIGNIFICANT SHAREHOLDINGS

11.1 As at 8 June 2016 (being the latest practicable date prior to the date of this document) and as at Admission, the Company was aware of the following interests in three per cent. of more of the issued ordinary share capital of the Company:

Name	*Number of Existing Ordinary Shares as at the date of this document*	*% of the Existing Ordinary Share Capital as at the date of this document*	*Number of Ordinary Shares on Admission (post Share Consolidation)*	*% of the Enlarged Share Capital*
Lensing Management Limited	–	–	26,252,265	46.83
Vancom Ventures Limited	–	–	8,750,755	15.61
Vistra (Malta) Limited	–	–	8,750,755	15.61
DGS. C.V.	–	–	3,405,623	6.08
Crius Investments B.V.	20,140,000	10.43	805,600	1.44
Dolf Swart	18,562,857	8.58	785,591	1.40
De Baar Holding B.V.	14,526,250	7.53	581,050	1.04
Castilla Investments BV	12,006,150	6.21	480,246	0.86
Dirk Jan Bakker*	11,522,197	5.97	460,887	0.82
M.W. van Bree Beheer B.V.	9,664,000	5.01	386,560	0.69
Francois Claeijs	8,668,750	4.49	346,750	0.62
Mark Rosman**	8,327,038	4.31	486,927	0.87

* Of which 10,100,000 Existing Ordinary Shares are held through Diman B.V.

** Of which 7,586,250 Existing Ordinary Shares held through Glass & Steagal B.V. and 740,788 Existing Ordinary Shares are held in his own name.

11.2 As at 8 June 2016 (being the latest practicable date prior to publication of this document) and save as disclosed in this document, the Existing Directors and the Proposed Directors are not aware of any person or persons who, directly or indirectly, jointly or severally, own or exercise or could own or exercise control over the Company.

11.3 Save as set out in this document, the Existing Directors and the Proposed Directors are not aware of any arrangements in place or under negotiation which may, at a subsequent date, result in a change of control of the Company.

12. MATERIAL CONTRACTS

The Group

The following contracts, not being contracts entered into in the ordinary course of business, which have been entered into by Group Members (i) within the two years immediately preceding the date of this document and which are, or may be, material or (ii) which contains any provision under which any Group Member has any obligation or entitlement which is material as at the date of this document:

12.1 On 8 June 2016, the Company, the Existing Directors, the Proposed Directors and Stockdale entered into an Introduction Agreement in relation to the Company's application for Admission. The Introduction Agreement contains certain warranties given by the Company, the Existing Directors and the Proposed Directors in favour of Stockdale (including warranties relating to the accuracy of the information in this document and the Company's incorporation and capacity). The liability of the Existing Directors and the Proposed Directors is limited. The Introduction Agreement also contains an indemnity given by the Company in favour of Stockdale.

12.2 An engagement letter dated 27 May 2016 between Stockdale Securities and the Company pursuant to which Stockdale Securities has agreed to provide certain services to the Company as its nominated adviser and broker in respect of the Admission. The Company is to pay Stockdale a corporate finance

fee of £200,000 (plus VAT and expenses) of which £25,000 is to be applied by Stockdale in subscribing 100,000 Ordinary Shares at a subscription price of £0.25 each. The engagement letter includes Stockdale Securities' standard terms and conditions.

12.3 A sale and purchase agreement dated 8 June 2016, between the Company and the Vendors pursuant to which, conditional upon certain matters being satisfied including the passing of the resolutions at the Extraordinary General Meeting, the Company has agreed to acquire the entire issued share capital of Sheltyco in for the allotment and issue of 43,753,775 New Ordinary Shares. The agreement contains warranties given by the Vendors to the Company and a tax indemnity in favour of the Company. The liability of both the Vendors and the Company is capped at £10.9m. The Company has given certain warranties in favour of the Vendors. The agreement also contains restrictive covenants given by the Vendors, confidentiality provisions and is governed by English law. The Vendors obligations under the agreement are guaranteed in part by the ultimate beneficial owners of the Vendors.

12.4 Orderly market agreements dated 8 June 2016 entered into between, the Company (1), Stockdale Securities and each of Dirk Jan Bakker and Karsten Uwe Lenhoff pursuant to which the Mr Bakker and Mr Lenhoff have agreed with the Company and Stockdale Securities, that conditional upon Admission, they shall not, and shall procure that their affiliates shall not, dispose of any Ordinary Shares held by them for a period of 12 months from the date of Admission. The restriction shall not apply in respect of any sale of Ordinary Shares effected through Stockdale Securities or with Stockdale Securities prior written consent. Certain exemptions also apply in respect of an acceptance of a takeover offer of all Ordinary Shares in issue, transfers to companies or funds within the control of Mr Bakker or Mr Lenhoff (as the case may be), and other like transactions.

12.5 A relationship agreement dated 8 June 2016 between the Company, Stockdale, Dirk Jan Bakker and Karsten Uwe Lenhoff (Mr Bakker and Mr Lenhoff together the "Investors") pursuant to which the Investors each agreed, and agreed to procure the same in respect of any associates, that any transactions between the Investors and the Enlarged Group would be on arm's length terms and approved by the majority of the Existing Directors and the Proposed Directors who do not have a significant business, financial or commercial relationship with the Investors (the "Independent Directors"). The Investors agree that, unless the Independent Directors agree otherwise, they will not act in a way that compromises the Enlarged Group from carrying on its business independently of the Investors, will exercise any voting rights to ensure the provisions of the agreement are observed and that the Articles are not altered in a way that would compromise the Company's ability to carry on business independently of the Investors and that Investors will abstain from voting in any extraordinary general meeting of the Company on any resolution concerning any transaction between the Enlarged Group and the Investors or involving a conflict of interest between the Enlarged Group and the Investors. Furthermore, the Investors have agreed not to acquire any further interest in securities in the Enlarged Group, other than with the consent of the Independent Directors or in the event an offer is made in accordance with the Takeover Code. The agreement shall be in effect for from Admission until the second anniversary and so long as afterwards so long as one or both Investors are interested in 30 per cent. of the Ordinary Shares then in issue or the aggregate number held by an Investors and his associates together hold at least 50 per cent. of the issued Ordinary Shares then in issue.

12.6 On 27 March 2014, the Company granted a warrant over 500,000 Ordinary Shares to Daniel Stewart. The subscription price is 3p per share and the warrants can be exercised at any time up until the fifth anniversary of the date of the warrant instrument. The warrant instrument includes anti-dilution provisions and is subject to English law.

12.7 On 30 June 2015 the Company and DGS C.V. entered into a convertible loan facility agreement pursuant to which DGS C.V. agreed to provide a facility to the Company of up to €150,000. The facility was increased to €750,000 and extended on 20 November 2015. On 8 June 2016 DGS C.V. served notice on the Company to convert the loan into 2,717,932 Ordinary Shares and 503,586 Warrants, subject to Admission, further details of which are set out at paragraph 9 of Part I.

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

12.8 ***Betsson Marketing Agreement***

On 30 March 2012, Betsson Services Ltd ("Betsson") and Sheltyco Enterprises Ltd entered into an agreement pursuant to which Sheltyco Enterprises Ltd agreed to provide marketing and promotion services in respect of a website, betsafe.com (the "Website") operated by a Betsson group company in Germany, Austria and Switzerland (the "Territory"). In return, a commission based on net revenue generated by players using the Website is payable to Sheltyco Enterprises Ltd. The agreement was amended on 28 April 2015 and 9 September 2015. Pursuant to the agreement, Sheltyco Enterprises Ltd agreed not to promote any other gaming site in the Territory and shall not cooperate with any party for the purposes of promoting any other gaming site or company within those same countries. All marketing and promotion costs for the Website is to be borne by Sheltyco Enterprises Ltd. The agreement is for a fixed period of five years (the "Term"), and upon expiry of the Term, will automatically renew for successive periods of one year at a time unless and until it is terminated by either party giving 3 months' notice prior to the end of the Term or each extension (as the case may be). Betsson may also terminated the agreement on three months' notice at any time in the event that Sheltyco Enterprises Ltd materially underperforms and/or fails to adequately invest in marketing activities to promote the Website.

12.9 ***Option888 Marketing Agreement***

On 1 February 2016, Option888 Marketing Limited ("Option888") entered into a marketing and introducer agreement with Novox Capital Limited ("Novox"). Under the terms of the agreement, Option888 agreed to provide business development and related marketing services in connection with the trading activities of Novox in the geographical markets of Germany, Austria and Switzerland in return for a commission based on net revenue of Novox in respect of contracts secured by Option888. The agreement is terminable by either party on not less than two months' written notice.

12.10 ***Acquisition of Tunegames Holding Ltd***

Pursuant to a share purchase agreement dated 23 October 2015, Sheltyco acquired from Lensing Management Services Limited ("Lensing") a beneficial interest in the entire issued share capital of Tunegames Holding Ltd for nominal consideration. Lensing guaranteed that the shares in Tunegames Holding Ltd are free from encumbrances with no judicial contests on them. The parties further gave representations that any information presented to the other with reference to the agreement was trustworthy and sound and not aimed to mislead.

12.11 ***Acquisition of Tunegames Marketing Ltd (formerly known as Tenbrook Services Ltd)***

Pursuant to a share purchase agreement dated 23 October 2015, Sheltyco acquired from Lensing a beneficial interest in the entire issued share capital of Tunegames Marketing Ltd for nominal consideration. Lensing guaranteed that the shares in Tunegames Marketing Ltd are free from encumbrances with no judicial contests on them. The parties further gave representations that any information presented to the other with reference to the agreement was trustworthy and sound and not aimed to mislead.

12.12 ***Lotto Palace Software Licence Agreement***

On 2 October 2015, Tunegames Holding Limited entered into a software licence agreement with Altair Entertainment N.V. ("Altair"). Under the terms of the agreement, Tunegames agreed to provide Altair a limited, non-exclusive, non-transferable licence to utilise the lottopalace.com and lottoplace.com software platform. As consideration for the licence, Altair agreed to pay a commission based on sales made by it utilising the software platform. The agreement is for a fixed period of five years (the "Term"), and upon expiry of the Term, will automatically renew for successive periods

of one year at a time unless and until it is terminated by either party giving 3 months' notice prior to the end of the Term or each extension (as the case may be).

12.13 ***Sale of Crantex and Valuga***

Pursuant to a share purchase agreement dated 31 December 2015, Sheltyco sold its entire interest in the share capital of Crantex Enterprises Ltd ("Crantex") and Valuga Software International Ltd ("Valuga") to Nedina Ventures Limited ("Nedina") for nominal consideration. Sheltyco guaranteed that the shares in Crantex and Valuga are free from encumbrances with no judicial contests on them. The parties further gave representations that any information presented to the other was trustworthy, sound and not aimed to mislead.

12.14 ***Altair Loan Facility***

Sheltyco agreed to provide a secured loan facility in the aggregate of €2,000,000 to Altair Entertainment N.V. ("Altair") pursuant to a secured loan facility agreement dated 15 January 2014 and a second secured loan facility agreement dated 15 April 2014. Altair is interested in developing new technologies in the online gaming and betting sector and is seen by Sheltyco as a valuable contact for insight into new, frontier gaming technology. Interests is payable on the outstanding balance of the facility at 3 per cent. per annum. The facility is guaranteed by Dmitriev Yaroslaw and secured over the shares in Altair held by Mr Yaroslaw. As at 24 April 2016 an amount of €1,855,250 remains outstanding under the facility and is currently being repaid in regular instalments.

13. LITIGATION

13.1 There are no governmental, legal or arbitration proceedings in which the Group is involved or of which the Enlarged Group is aware, pending or threatened by or against the Group which may have or have had in the past 12 months preceding the date of this document a significant effect on the Enlarged Group's financial position.

13.2 There are no governmental, legal or arbitration proceedings in which the Sheltyco Group is involved or of which the Sheltyco Group is aware, pending or threatened by or against the Sheltyco Group which may have or have had in the past 12 months preceding the date of this document a significant effect on the Enlarged Group's financial position.

14. MANDATORY BIDS

The City Code will apply to the Company from Admission. Under the City Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Takeover Panel) to make a cash offer for the outstanding Ordinary Shares in the Company at a price not less than the highest price paid for Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of Ordinary Shares by a person holding (together with its concert parties) Ordinary Shares carrying between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

15. SHARE OPTION SCHEMES

Long term incentive senior management and director's Share Option Scheme

15.1 On 17 May 2016 the Company adopted a long term incentive senior management and director's share option plan, the main provisions of which are that:

15.1.1 the plan terminates after 7 years, after which no further options under the plan may be awarded or (ii) pursuant to a resolution of the Company's board to that effect or (iii) pursuant to a resolution of the Company's shareholders to that effect;

15.1.2 the Company's board of directors may in its absolute discretion at any time (while the plan is in force) grant the right to participate to an "Eligible Employee", which is defined as a member of the "executive committee" and/or an employee of the Group;

15.1.3 the number of shares in the capital of the Company available for award under the plan in any year of the plan shall not exceed 10 per cent. of the Company's issued share capital on the date of the Company's annual held in the relevant year of the plan;

15.1.4 option award shall vest in 4 equal instalments, namely 1/4 after 12 months, another 1/4 after 24 months, 1/4 after 36 months and the final 1/4 after 48 months;

15.1.5 all outstanding options shall vest when the board of directors of the Company serves a written notice on all option holders of the receipt of a third party arm's length offer being made to any one or more shareholders of the Company, the completion of which would result in a change of control in the Company (being the acquisition by a third party of a majority holding of shares (whether directly or indirectly) in the capital of the Company by way of one or more transactions) (other than in circumstances where the Company is liquidated for the purposes of amalgamation, reorganisation or reconstruction of whatever kind);

15.1.6 the Company's board of directors may accelerate the vesting of any options in exceptional circumstances;

15.1.7 the prevailing "strike price" during any year of the plan shall be the closing bid price of the Company's ordinary shares on AIM on the business day immediately prior to the date (day/month) the option was awarded;

15.1.8 any option awards shall lapse (i) on termination of the participant's employment with the Group, (ii) the participant's resignation as a director of the Company, (iii) the passing of a resolution or the making of a court order for the winding-up of the Company, (iv) if the participant breaches his option agreement or (v) on the third anniversary of the award of an option, provided that if (i) to (including) (v) occur, an amount of options as would vest in that plan year in which the "lapse" occurs held by the participant immediately vests pro rata to the lapsed part of that current year of the plan;

15.1.9 if the Company's share capital is adjusted in any way (e.g. by way of capitalisation or rights issue, sub-division, consolidation, reduction or otherwise) the Company's board of directors may make such adjustments as it considers appropriate to the number of options held by a participant;

15.1.10 the plan and any awards of options pursuant to the plan shall be governed by and construed in accordance with the laws of the Isle of Man.

15.2 On 19 February 2014 the Company granted options to a director of the Company the main provisions of which are that:

15.2.1 the options are subject to the terms and conditions of the plan (but were not granted under the plan);

15.2.2 the options award shall vest in 3 equal instalments, namely 1/3 after 12 months, another 1/3 after 24 months and the final 1/3 after 36 months;

15.2.3 if the Company's share capital is adjusted in any way (e.g. sub-division or otherwise) the exercise price of the options shall be adjusted appropriately;

15.2.4 the options (and the right to purchase securities upon exercise thereof) shall terminate upon the earliest of the following: (i) immediately upon the date on which the individual commits any act which would entitle the Company or any associated company to terminate the individual's employment or remove the individual form his office as a member of the

Company, whether under the terms of that individual's employment contract or contract of services or otherwise; (ii) immediately upon the date on which the individual ceases to be, or announces the termination of his appointment as a director of the Company for any reason other than one specified in (i); (iii) the passing of an effective resolution or the making of an order by the court for the winding up of the Company; (iv) immediately upon any transfer, assignment of or charge over any one or more of the options award to the individual; or (v) on the fourth anniversary following the date of issuance of the option; and

15.2.5 the options shall be governed by the laws of the Isle of Man.

16. TAXATION – UNITED KINGDOM

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

Non-UK resident and non-UK domiciled shareholders should consult their own tax advisers.

The position of Shareholders who are officers or employees of the Company is not considered in this section; such Shareholders may be subject to an alternative tax regime and should therefore seek tax advice specific to their individual circumstances. The position of UK resident but non-domiciled individuals claiming the remittance basis of taxation is not considered in this section.

The tax position of certain Shareholders who are subject to special rules, such as dealers in securities, broker-dealers, insurance companies and collective investment schemes is not considered in this section. Any shareholder who has any doubt as to his or her tax position or who is subject to tax in a jurisdiction other than the United Kingdom should consult a professional adviser without delay.

16.1 ***Taxation of chargeable gains***

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

The amount paid for the Ordinary Shares will constitute the base cost of a Shareholder's holding.

A disposal of all or any of the Ordinary Shares may, depending on the circumstances of the relevant shareholder give rise to a liability to UK taxation on chargeable gains. Shareholders will normally be subject to UK taxation of chargeable gains, unless such holders are neither resident nor, in the case of individuals, ordinarily resident in the UK.

Individuals

Where an individual Shareholder disposes of Ordinary Shares at a gain, capital gains tax will be levied to the extent that the gain exceeds the annual exemption and after taking account of any capital losses available to the individual.

For individuals, capital gains tax will be charged at 10 per cent. where the individual's income and gains are less than the upper limit of the income tax basic rate band. To the extent that any chargeable gains, or part of any chargeable gain, aggregated with income arising in a tax year exceed the upper limit of the income tax basic rate band, capital gains tax will be charged at 20 per cent.

For trustees and personal representatives of deceased persons, capital gains tax on gains in excess of the current annual exempt amount will be charged at a flat rate of 28 per cent.

Companies

Where a Shareholder is within the charge to corporation tax, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief. Corporation tax is charged on chargeable gains at the rate applicable to that company. Indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax but may not create or increase any allowable loss.

16.2 ***Taxation of dividends***

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

Individuals

From 6 April 2016 the UK Government implemented the proposed reforms to the taxation of dividends for UK resident individuals. Under these new rules, no income tax is payable in respect of the first £5,000 of cash dividend income received from all sources in the tax year (although such income would still counts towards the basic, higher and additional rate thresholds). For dividends received above £5,000, the cash dividend received would be taxable at 7.5 per cent, 32.5 per cent. and 38.1 per cent. for basic rate, higher rate and additional rate taxpayers, respectively. UK resident Shareholders should therefore seek the appropriate advice on how such proposed changes may impact their tax affairs.

Companies

Shareholders within the charge to UK corporation tax which are "small companies" (for the purposes of UK taxation of dividends) will be subject to tax at the prevailing rate of corporation tax, as the dividend exemption is unlikely to apply.

Other Shareholders within the charge to UK corporation tax will not be subject to tax on dividends (including dividends from the Company) so long as the dividends fall within an exempt class and certain conditions are met. United Kingdom resident shareholders (including authorised unit trusts and open ended investment companies) and pension funds are not entitled to claim payment of the tax credit (or any part of it).

16.3 ***Stamp Duty and Stamp Duty Reserve Tax ("SDRT")***

Stamp duty and SDRT do not apply to trades made on a recognised growth market, such as AIM.

16.4 ***Summary***

The above is a summary of certain aspects of current law and practice in the UK. A Shareholder who is in any doubt as to his or her tax position and/or who is subject to tax in a jurisdiction other than the UK, should consult his or her professional adviser.

17. TAXATION – ISLE OF MAN

17.1 ***Tax residence in the Isle of Man***

The Company is resident for taxation purposes in the Isle of Man by virtue of being incorporated in the Isle of Man. It is also intended that the Company will be tax resident in the Isle of Man as a result of being centrally managed and controlled there.

17.2 ***Capital taxes in the Isle of Man***

The Isle of Man has a regime for the taxation of income, but there are no capital duty, stamp taxes or inheritance taxes in the Isle of Man. No Isle of Man stamp duty or stamp duty reserve tax will be payable on the issue or transfer of, or any other dealing in, New Ordinary Shares.

17.3 ***Zero rate of corporate income tax in the Isle of Man***

The Isle of Man operates a zero rate of tax for most corporate taxpayers. This will include the Company. Under the regime, the Company will technically be subject to taxation on its income in the Isle of Man, but the rate of tax will be zero; there will be no withholding to be made by the Company on account of Isle of Man tax in respect of dividends paid by the Company.

The Company will be required to pay an annual corporation charge in the Isle of Man. The current level of the corporate charge is £380 per annum.

17.4 ***Deductions in respect of Isle of Man employees***

The application of the zero rate of corporate income tax described above does not affect the liability of a company to deduct and account for income tax under the Isle of Man Income Tax (Instalment Payments) Act 1974 of national insurance contributions, if applicable, although this is not expected to be relevant to the Company as it does not have, nor does it currently intend to engage, any Isle of Man employees.

17.5 ***Isle of Man probate***

In the event of the death of a sole holder of New Ordinary Shares, an Isle of Man grant of probate or administration may be required, in respect of which certain fees will be payable to the Isle of Man government.

18. NO SIGNIFICANT CHANGE

18.1 There has been no significant change in the financial or trading position of the Velox3 Group since 31 December 2015, the date to which the last audited accounts were produced.

18.2 There has been no significant change in the financial or trading position of the Sheltyco Group since 31 December 2015, the date to which the last audited accounts were produced.

19. GENERAL

19.1 The total costs, charges and expenses payable by the Company in connection with the Subscription, the Acquisition and Admission (including those fees and commissions referred to in paragraph 12 of this Part VIII) are estimated to be approximately £545,000. The net proceeds of the Subscription are expected to be approximately £251,000.

19.2 Stockdale Securities Limited is registered in England and Wales under number 00762818 and its registered office is at Beaufort House, 15 St Botolph Street, London EC3A 7BB. Stockdale which is authorised and regulated by the FCA, has given and has not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.

19.3 Nexia Smith & Williamson Audit Limited is registered in England and Wales under number 4469576 and its registered office is at 25 Moorgate, London EC2R 6AY. Nexia Smith & Williamson Audit Limited, a member firm of the Institute of Chartered Accountants in England and Wales, was appointed as auditors of the Company on 15 July 2013. Nexia Smith & Williamson Audit Limited are currently the Company's auditors and were also the Company's auditors for the period covered by the historical financial information set out in this document.

19.4 Nexia Smith & Williamson Audit Limited has given and has not withdrawn its written consent to the inclusion in this document of its accountants' reports set out in Part IV(A) and has authorised the contents of its reports for the purposes of Schedule Two of the AIM Rules for Companies in the form and context in which they appear.

19.5 Information in this document which has been sourced from third parties has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published

by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

19.6 There has been no person (excluding professional advisers named in this document or trade suppliers) who has (i) received, directly or indirectly, from the Company within the 12 months preceding the date of the application for Admission or (ii) entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly from the Company on or after Admission, any of the following: (a) fees totalling £10,000 or more, (b) securities in the Company of a value of £10,000 or more (calculated by reference to the Company's expected opening price on Admission) or (c) any other benefit with a value of £10,000 or more at the date of Admission.

20. AVAILABILITY OF THE ADMISSION DOCUMENT

Copies of this document will be available free of charge during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) until the date following one month after the date of Admission at the registered office of the Company and at the offices of Stockdale Securities Limited, Beaufort House, 15 St Botolph Street, London EC3A 7BB.

21. DOCUMENTS AVAILABLE

Copies of the following documents will be available for inspection at the registered offices of the Company at 33 – 37 Athol Street, Douglas, Isle of Man, IM1 1LB and at the offices of Stockdale Securities Limited, Beaufort House, 15 St Botolph Street, London EC3A 7BB during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this document until one month after Admission. The documents will also be available for inspection on the Company's website at www.velox3.com until Admission and www.veltyco.com following Admission and at the Extraordinary General Meeting:

21.1 the Memorandum and Articles of Association of the Company and Sheltyco;

21.2 the Accountants Reports set out in of Part IV(A) of this document;

21.3 the audited accounts of the Company for the periods ended 31 December 2013, 31 December 2014 and 31 December 2015;

21.4 the consolidated historical financial information on Steltyco for the three years to 31 December 2015 set out in Part IV(B) of this document;

21.5 the irrevocable undertakings referred to in paragraph 12 of Part I of this document;

21.6 the Acquisition Agreement, the Convertible Debt Facility and the Relationship Agreement, being the material contracts in relation to the waiver, and are referred to in paragraph 12 of this Part VIII of this document;

21.7 the consent letters referred to in paragraph 19 of this Part VIII of this document; and

21.8 this document.

Dated: 9 June 2016

DEFINITIONS

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

"Acquisition"	the proposed acquisition by the Company of the entire issued share capital of Sheltyco pursuant to the terms of the Acquisition Agreement
"Acquisition Agreement"	the conditional agreement between the Company and the Vendors relating to the Acquisition, further details of which are set out in paragraph 5 of Part I of this document
"Admission"	the admission of the Enlarged Share Capital to trading AIM becoming effective in accordance with the AIM Rules for Companies
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules for Companies"	the rules for companies whose securities are admitted to trading on AIM, as published by the London Stock Exchange
"AIM Rules for Nominated Advisers"	the rules setting out the eligibility requirements, ongoing obligations and certain disciplinary matters in relation to nominated advisers, as published by the London Stock Exchange
"Articles" or **"Articles of Association"**	the Company's articles of association
"Audit Committee"	the Board's audit committee
"Board"	the Company's board of directors
"Business Day"	a day on which the London Stock Exchange is open for the transaction of business
"Centaur"	Centaur Trustees (Cyprus) Limited, a company incorporated in Cyprus with company number 179964
"City Code"	the City Code on Takeovers and Mergers
"Company" or **"Velox3"**	Velox3 Plc, a company incorporated in the Isle of Man with company number 9029V
"Companies Act" or **"2006 Act"**	the Companies Act 2006 of the Isle of Man
"Concert Party"	each of the Vendors, DGS C.V., Dirk Jan Bakker, Karsten Uwe Lenhoff and Mark Joost Rosman (and a reference to "Concert Party" or "Concert Parties" shall include a reference to each member)
"Consideration Shares"	the 43,753,775 new Ordinary Shares to be issued by the Company to the Vendors pursuant to the Acquisition Agreement
"Convertible Debt Shares"	the 2,717,932 new Ordinary Shares to be issued by the Company on the conversion of loans made under the convertible facility agreements with the Lenders
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI2001/3755)

"Debt Conversion"	the conversion into Ordinary Shares of loans made under certain convertible loan facilities entered into between the Company and the Lenders
"DGS C.V."	a limited liability company incorporated under the laws of the Netherlands, having its registered seat in 1071 DW Amsterdam, van Miereveldstraat nr 11, the Netherlands
"DGS Convertible Facility"	a convertible loan facility provided by DGS C.V to the Company pursuant to facility agreements dated 30 June 2015 and 20 November 2015
"DTR 5"	chapter 5 of the DTRs
"DTRs"	the Disclosure and Transparency Rules made by the FCA under Part 6 of FSMA
"Enlarged Group"	the Group as enlarged by the Acquisition
"Enlarged Share Capital"	the entire issued share capital of the Company immediately following Admission comprising the Existing Ordinary Shares and the New Ordinary Shares, but excluding the 1,273,181 Ordinary Shares to be issued at stage 2 of the Subscription
"Extraordinary General Meeting"	the Extraordinary General Meeting of the Company convened for 10.30 a.m. on 27 June 2016 at the registered offices of Estera Trust (Isle of Man) Limited, 33-37 Athol Street, Douglas, Isle of Man IM1 1LB, and any adjournment thereof, notice of which is set out at the end of this document
"EU"	the European Union
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST
"Existing Directors"	the directors of the Company as at the date of this document
"Existing Ordinary Share Capital"	the ordinary share capital of the Company at the date of this document comprising 193,031,360 Existing Ordinary Shares
"Existing Ordinary Shares"	ordinary shares of nil par value each in the capital of the Company in issue at the date of this document, comprising 193,031,360 Ordinary Shares
"FCA"	the Financial Conduct Authority
"**Fee Settlement**"	the settlement of outstanding fees and remuneration by way of the issue of the Settlement Shares
"Form of Proxy"	the form of proxy enclosed with this document for use by shareholders in connection with the Extraordinary General Meeting
"FSMA"	the Financial Services Markets Act 2000
"Group" or **"Velox3 Group"**	the group comprising Velox3 and its subsidiary undertakings
"HMRC"	Her Majesty's Revenue & Customs
"Independent Director"	David Mathewson
"Independent Shareholders"	Shareholders other than the Concert Party
"Issue Price"	25 pence

"Introduction Agreement"	the conditional agreement dated 8 June 2016 and made between the Company, the Existing Directors, the Proposed Directors and Stockdale Securities, details of which are set out in paragraph 12 of Part VIII of this document
"Lenders"	DGS C.V., Karting Plaza and D Swart
"London Stock Exchange"	London Stock Exchange plc
"New Ordinary Shares"	the Subscription Shares, the Consideration Shares, the Convertible Debt Shares and the Settlement Shares
"Official List"	the Official List of the UK Listing Authority
"Options"	the options to subscribe Ordinary Shares referred to in paragraph 14 of Part I of this document
"Orderly Market Agreement"	the orderly market agreements dated 8 June 2016 made between the Vendors, Stockdale and the Company
"Ordinary Shares"	the ordinary shares of nil par value each in the capital of the Company
"Overseas Shareholders"	Shareholders who are resident in or a citizen or a national of any country outside the United Kingdom
"Proposals"	the Acquisition, the Subscription, the Debt Conversion, the Fee Settlement and Admission
"Proposed Directors"	Marcel Noordeloos, Karsten Uwe Lenhoff and Hans Dahlgren
"QCA Guidelines"	the corporate governance guidelines for small and mid-size quoted companies published by the Quoted Companies Alliance in May 2013
"Remuneration Committee"	the Board's remuneration committee
"Resolutions"	the resolutions to be proposed at the Extraordinary General Meeting, as set out in the notice of that meeting
"Rule 9 Waiver"	the waiver granted by the Takeover Panel of the obligation that would otherwise arise on the Concert Party to make a general offer to shareholders under Rule 9 of the Takeover Code as a result of the allotment and issue to them of New Ordinary Shares pursuant to the Proposals
"Settlement Shares"	the 593,128 Ordinary Shares to be issued on Admission in settlement of certain fees and remuneration due and payable by the Company
"Share Consolidation"	the proposed share consolidation of every 25 Existing Ordinary Shares into 1 Ordinary Share
"Shareholders"	holders of Ordinary Shares
"Share Option Scheme"	the Velox3 share option scheme, details of which are set out in Part II of this document
"Sheltyco"	Sheltyco Enterprises Group Limited, a company incorporated in The British Virgin Islands with company number 1682774
"Sheltyco Group"	the group comprising Sheltyco and its subsidiary undertakings

"Sterling" or **"£"**	UK pound sterling
"Stockdale Securities"	Stockdale Securities Limited, a company incorporated in England and Wales with registered number 762818
"Subscription"	the proposed subscription by certain persons of the Subscription Shares at the Issue Price on the terms and subject to the conditions of the Subscription Agreements being *inter alia* (i) the Resolutions being passed at the Extraordinary General Meeting and (ii) Admission
"Subscribers"	certain persons who have agreed to subscribe for Subscription Shares pursuant to the Subscription
"Subscription Letters"	the subscription letters pursuant to which the Subscribers have agreed to subscribe for the Subscription Shares
"Subscription Shares"	2,152,172 new Ordinary Shares which are to be issued under the Subscription
"Takeover Paul"	the Panel of Takeovers and Mergers
"UK Listing Authority"	the Financial Conduct Authority, in its capacity as the competent authority for the purposes of Part VI of FSMA
"United Kingdom" or **"UK"**	the United Kingdom of Great Britain and Northern Ireland
"United States" of "US"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"Vendors"	Vancom Ventures Ltd, Vistra (Malta) Limited, Lensing Management Services Ltd
"Warrants"	the warrants to subscribe Ordinary Shares referred to in paragraph 14 of Part I of this document
"Whitewash Resolution"	Resolution 2 set out in the Notice of Extraordinary Meeting, which relates to the Rule 9 Waiver.

Velox3 PLC

(Incorporated in the Isle of Man under the Companies Act 2006 with registered number 9029V)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at the offices of Estera Trust (Isle of Man) Limited, 33-37 Athol Street, Douglas, Isle of Man IM1 1LB on 27 June 2016 at 10.30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions (the "**Resolutions**") which in the case of Resolutions 1, 2, 3 and 4 will be proposed as ordinary resolutions and in the case of Resolutions 5 and 6 will be proposed as special resolutions. Resolution 2, in accordance with the Takeover Code, will be taken on a poll of Independent Shareholders present and voting by proxy at the Extraordinary General Meeting.

Terms used in this notice shall have the same meaning as defined in the circular to shareholders of the Company dated (the "**Admission Document**"), unless the context requires otherwise.

Ordinary Resolutions

1. THAT, every 25 issued ordinary shares of nil par value of the Company be and are hereby consolidated into 1 ordinary share of nil par value, such ordinary shares having the same rights and being subject to the same restrictions as the existing ordinary shares in the capital of the Company as set out in the Company's articles of association for the time being and that the directors of the Company be and are hereby authorised to do all other acts and things as considered by them to be necessary or desirable in connection with such consolidation including (without limitation) making such exclusions or arrangements as the directors of the Company may deem necessary or expedient to deal with fractional entitlements arising or any legal or practical problems and to do all other acts and things as considered by the them to be necessary or desirable in connection with such consolidation.

2. THAT, conditional upon the passing of resolution 1, the waiver granted by the Panel on Takeovers and Mergers of the obligation that would otherwise arise on the Concert Party to make a general offer to the shareholders of the Company under Rule 9 of the Takeover Code as a result of the allotment and issue to them of, in aggregate, 49,009,157 ordinary shares (with no par value) pursuant to the Acquisition Agreement, the Subscription, the Debt Conversion and the Settlement Shares (so far as applying to the Concert Party), be and is hereby approved.

3. THAT, conditional upon the passing of resolutions 1, 2, 4 and 5, the Acquisition pursuant to the terms of the Acquisition Agreement be and is hereby approved and that the directors of the Company be and are hereby authorised to take all steps necessary to effect the Acquisition with such minor modifications, variations, amendments or revisions and to do or procure to be done such things in connection with the Acquisition as they consider to be in the best interests of the Company.

4. THAT the directors of the Company be generally and unconditionally authorised in accordance with article 5.1 of the Company's articles of association to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to 50,151,026 ordinary shares in connection with the Acquisition, the Subscription, the Debt Conversion, the Settlement Shares and the Warrants, such authority shall be in addition to the existing authority conferred, which shall continue in full force and effect, provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the Company's annual extraordinary general meeting in 2017, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired;

Special Resolutions

5. THAT, subject to and conditional upon the passing of resolution 4 set out in this notice, the directors be generally empowered to allot equity securities (as defined in the Company's articles of association) in respect of the Acquisition, the Subscription, the Debt Conversion, the Settlement Shares and the Warrants pursuant to the authority conferred by resolution 4 as if article 6.1 (pre-emption) did not apply to any such allotment, provided that this power shall:

   5.1 be subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

   5.2 expire at the end of the Company's annual extraordinary general meeting in 2017 (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

6. THAT, subject to the passing of resolutions 1 to 5, the name of the Company be changed to Veltyco Group plc.

BY ORDER OF THE BOARD

David Mathewson
Chairman

Registered Office:
33-37 Athol Street
Douglas
Isle of Man
IM1 1LB

9 June 2016

Notes to the notice of extraordinary general meeting

1. Entitlement to attend and vote

Only those members registered on the Company's register of members at:

- 10.30 a.m. (London time) on 24 June 2016; or,
- if this meeting is adjourned, 48 hours prior to the time fixed for the adjourned meeting,

shall be entitled to attend and vote at the meeting.

2. Appointment of proxies

If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.

You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please refer to the notes to the proxy form.

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

3. Appointment of proxy using hard copy proxy form

The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Neville Registrars Limited c/o Velox3 plc, 33-37 Athol Street, Douglas, Isle of Man IM1 1LB; and
- received by Neville Registrars no later than 48 hours prior to the meeting (excluding any part of a day which is not a Business Day (as defined in the Company's articles of association)).

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

4. Appointment of proxy by joint members

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

5. Changing proxy instructions

To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Neville Registrars Limited at Neville House, 18 Laurel Lane, Halesowen, B63 3DA.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

6. Termination of proxy appointments

In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited c/o Velox3 plc, 33-37 Athol Street, Douglas, Isle of Man IM1 1LB. In the case of a member, which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Neville Registrars no later than 48 hours prior to the meeting (excluding any part of a day which is not a Business Day (as defined in the Company's articles of association))

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

7. Corporate representatives

A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

8. Communication

Except as provided above, members who have general queries about the meeting should contact Neville Registrars Limited on 0121 585 1131 (no other methods of communication will be accepted).

You may not use any electronic address provided either:

- in this notice of extraordinary general meeting; or
- any related documents (including the proxy form),

to communicate with the Company for any purposes other than those expressly stated.