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If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document, together with the enclosed Form of Proxy, at once to the purchaser or transferee, or to the stockbroker, bank or the agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

This document has been prepared for the purposes of complying with the laws of the Isle of Man and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any other jurisdiction.

Playtech PLC

(Incorporated in the Isle of Man with registered number 008505V)

Proposed acquisition of Ava Trade Ltd.

and

Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Playtech that is set out in Part I of this document and which contains a unanimous recommendation from the Board that you vote in favour of the Resolution to be proposed at the General Meeting referred to below.

Notice of the General Meeting of Playtech to be held at The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man at 11:00 a.m. on 28 July 2015 is set out at the end of this document. A Form of Proxy for use at the General Meeting accompanies this document. Whether or not you intend to attend the General Meeting in person, please complete, sign and return the accompanying Form of Proxy in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by the Registrars no later than 11:00 a.m. on 24 July 2015. Shareholders who wish to submit a proxy electronically may do so by accessing www.investorcentre.co.uk/eproxy. Shareholders who hold their Ordinary Shares in CREST may utilise the CREST electronic proxy appointment service. Further instructions are given in the notice of the General Meeting at the end of this document. Completion and return of a Form of Proxy or the submission of a proxy electronically or the appointment of a proxy using the CREST electronic proxy appointment service will not prevent members from attending and voting in person should they wish to do so.

The Transaction is subject to, and conditional upon, *inter alia*, the approval of Shareholders at the General Meeting.

A summary of the action to be taken by Shareholders is set out on page 8 of this document and in the notice of General Meeting.

Canaccord Genuity, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no-one else in connection with the Transaction and will not be responsible to any person other than the Company for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or the Transaction.

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This document contains forward-looking statements which are subject to assumptions, risks and uncertainties. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, there can be no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by those forward-looking statements. Each forward-looking statement is correct only as of the date of the particular statement. The Company does not undertake any obligation publicly to update or revise any forward-looking statement as a result of new information, future events or other information, although such forward-looking statements will be publicly updated if required by the Listing Rules, the Prospectus Rules, the Disclosure and Transparency Rules, the rules of London Stock Exchange plc or by law.

This document is dated 8 July 2015.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Last time and date for receipt of a Form of Proxy for the General Meeting	11:00 a.m. on 24 July 2015
Last time and date for receipt of CREST Proxy Instructions for the General Meeting	11:00 a.m. on 24 July 2015
General Meeting	11:00 a.m. on 28 July 2015
Completion of the Transaction*	by 30 September 2015
Notes:	
1. All time references in this document are to London time unless otherwise stated.	
2. The dates and times given in this document are based on the Company's current expectation and may be subject to change.	
3. Any changes to the timetable set out above will be announced via a Regulatory Information Service.	

* Subject to satisfaction of relevant conditions, including change of control approval having been received from the Central Bank of Ireland and the British Virgin Islands' Financial Services Commission. Completion of the Transaction will occur on the fourth Business Day following the end of the calendar month in which the relevant conditions have been fulfilled or waived in writing (other than those conditions which, by their terms, are to occur on Completion or expire) or such later date, time and place as TradeFX and the Principal Sellers may agree and provided always that TradeFX or the Principal Sellers may, in certain circumstances, terminate the Share Acquisition Agreement on 5 November 2015 or on 1 November 2015 if regulatory approvals have not been received by such time. The Company currently expects the Transaction to be completed by 30 September 2015 subject to satisfaction of those conditions referred to above.

PART I

LETTER FROM THE CHAIRMAN

Playtech PLC

(Incorporated in the Isle of Man with registered number 008505V)

Directors

Alan Jackson (*Non-executive Chairman*)
Mor Weizer (*Chief Executive Officer*)
Ron Hoffman (*Chief Financial Officer*)
Hilary Stewart-Jones (*Non-executive Deputy Chairman*)
Andrew Thomas (*Senior Independent Non-executive Director*)

Registered Office

Ground Floor
St George's Court
Upper Church Street
Douglas
Isle of Man IM1 1EE

8 July 2015

Dear Shareholder,

Proposed acquisition of Ava Trade Ltd. and Notice of General Meeting

1. Introduction

On 1 July 2015, the Company announced that its subsidiary, TradeFX, had entered into a share purchase agreement under the terms of which it will acquire the entire issued share capital of Ava Trade, an online B2C CFD broker over which TradeFX had secured an option to purchase prior to the acquisition of TradeFX by the Playtech Group. The Ava Group is licensed and regulated in the Republic of Ireland, the BVI, Japan and Australia.

The consideration payable to the Sellers under the terms of the Transaction is US\$105 million, which is subject to a post-Completion working capital calculation on a cash-free/debt-free basis.

The acquisition of Ava Trade will be funded from the Company's existing cash resources, which include the funds raised from its recent equity fundraising raising gross proceeds of £227 million, and available debt facilities including a €200 million unsecured revolving credit facility which was recently entered into with Barclays Bank PLC and Royal Bank of Scotland plc.

The Listing Rules require that transactions entered into within a 12 month period and which lead to substantial involvement in a business activity which did not previously form a significant part of a company's principal activities to be aggregated. As previously announced, Dowie Investments Limited, a wholly owned subsidiary of the Company, completed the acquisition of the TradeFX Group on 7 May 2015. Accordingly, the aggregation of the TradeFX Group acquisition with the proposed acquisition of the Ava Group causes the Transaction to be classified as a Class 1 transaction for the purposes of the Listing Rules and therefore such an acquisition requires the approval of the Shareholders, which will be sought at the General Meeting convened for 11:00 a.m. on 28 July 2015. Otherwise on a standalone basis, the acquisition of Ava Trade would not of itself require the approval of Shareholders. Completion of the Transaction is also subject to certain other conditions, including: (i) change of control approval having been received from the Central Bank of Ireland and the British Virgin Islands' Financial Services Commission; and (ii) prior to 1 September 2015 there having been no material adverse change to the business or results of operations of the Ava Group.

The purpose of this document is to: (i) explain the background to and reasons for the Transaction and provide certain information on the Ava Group and its prospects; (ii) explain why the Board unanimously considers the Transaction to be in the best interests of Shareholders as a whole; and (iii) recommend that you vote in favour of the Resolution to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings, which in aggregate equal 68,500 Ordinary Shares, representing approximately 0.02 per cent. of the issued share capital of the Company as at 7 July 2015, being the latest practicable date prior to publication of this document.

Brickington Trading Limited, being the largest Playtech Shareholder, has also undertaken to vote in favour of the Transaction in respect of its own beneficial holding of 108,408,441 shares in Playtech representing approximately 33.6 per cent. of the issued share capital of the Company as at 7 July 2015, being the latest practicable date prior to publication of this document.

For the avoidance of doubt, the approval of Shareholders relating to the proposed acquisition of Plus500 Ltd. that was announced by the Company on 1 June 2015 is not being sought at the General Meeting and a separate circular will be posted to Shareholders in due course in relation to that transaction.

2. Information on the Ava Group

The Ava Group is an award-winning, profitable and growing online CFD broker, offering access to approximately 250 underlying instruments, in more than 160 countries and localised in 16 languages. The Ava Group operates a B2C business model and provides its registered customers with access to a range of industry standard platforms such as ActTrader and MetaTrader 4. The Ava Group also offers a mobile app and web trading portal, which allow its customers to trade online without being required to download a platform, in combination with providing its customers access to a comprehensive online trading education suite and economic news portal. The Ava Group is licensed and regulated in the EU by the Central Bank of Ireland, in the BVI by the British Virgin Islands' Financial Services Commission, in Japan by the Financial Services Agency and in Australia by the Australian Securities and Investments Commission.

The Ava Group has designed its product and service offering to cater specifically to its key target market of geographically diverse retail traders, many of whom are novice CFD traders. The Directors believe the Ava Group's ability to offer tailored offerings to meet bespoke client demands and provide access to the Ava Group's award winning, multilingual customer service and highly developed retention abilities are, in part, responsible for driving the Ava Group's CLV. Furthermore, the Ava Group provides comprehensive online tutorials and a demo suite to its customers.

The Ava Group was established in June 2006 and commenced trading in January 2007. It has since grown both organically and through acquisitions and in the last five years has acquired, amongst other things, Art Co., a Japanese based broker in June 2010, Finotec Trading UK Ltd.'s customer accounts outside of the EU in June 2011, and the Australian customer accounts of YouTradeFX in June 2014. Previously utilising the AvaFX brand, and offering solely FX trading, the Ava Group rebranded in April 2013 to reflect its more diverse product offering. Today the majority of products and a large percentage of revenues are derived from non-Forex product offerings.

The EU licensed subsidiary of the Ava Group is incorporated and headquartered in Dublin, Ireland, where certain key functions and personnel are located. Ava Trade is incorporated in the BVI and holds a licence with the British Virgin Islands' Financial Services Commission. Both entities receive support from a subsidiary of the Ava Group based in Israel as do, indirectly, the other trading subsidiaries located and licensed in Australia and Japan, and the Ava Group's representative offices in certain international locations. The Ava Group had on average 13,400 Active Customers in the five months to 31 May 2015.

The Ava Group reported revenue for the year ended 31 December 2014 of \$69.9 million, with approximately 54 per cent. of this total being generated from Ava Trade and 38 per cent. from the EU licensed subsidiary. The Ava Group reported a strong operating profit margin for the period of approximately 35 per cent., with EBITDA of \$24.6 million and a pre-tax profit of \$24.3 million. As at 31 December 2014, the Ava Group had gross assets of \$40.1 million.

The Playtech Group is currently conducting a review of the Ava Group's areas of operation. On the conclusion of this review, immediately following Completion, certain jurisdictions from which the Ava Group has previously accepted customers may be closed or discontinued in their current form. During the four months ended 30 April 2015, the Ava Group has derived approximately 12.8 per cent. of revenue and 18.8 per cent. of operating profit from the relevant jurisdictions which may be affected by this review.

2.1 The Ava Group's business segments

B2C CFD trading

The B2C CFD segment, the largest and most established part of the Ava Group, enables customers to trade CFD across multiple secure, intuitive online and downloadable platforms, all of which are supported by a multi-lingual customer service department. Customers are able to trade on the Ava Group's two major retail platforms, AvaTrader (which is licensed from Act Forex) and MetaTrader 4 (which is licensed from MetaQuotes). The Ava Group currently offers access to approximately 250 underlying financial instruments which relate to more than 65 currency pairs, commodities, equities, indices, exchange traded funds, bitcoins, litecoins and fixed income products. The Ava Group's trading platforms are available on all digital channels (web, mobile and tablet).

In the year ended 31 December 2014, this segment generated almost all of the Ava Group's total revenues.

B2C OTC Forex Option trading

The Ava Group also offers its registered customers access to trade OTC vanilla call and put forex options through its online platform AvaOptions. The platform allows customers to trade speculatively across more than 30 currency pairs. The AvaOptions offering was developed through Sentry Derivatives, a 50:50 joint venture with a third party.

In the year ended 31 December 2014, this segment generated less than 1 per cent. of the Ava Group's total revenues. The Directors believe that this segment will make a more significant contribution to the Ava Group's revenues going forward.

2.2 *Customer acquisition and marketing*

The Ava Group seeks to acquire customers through a range of online and offline marketing channels, both directly and through affiliates and IBs. The Ava Group's marketing strategy is to focus on targeted and cost-effective marketing initiatives, which provide measurable results.

The majority of the Ava Group's advertising activity is currently conducted through traditional online channels such as the Ava Group's partner network of affiliates, search engine websites (e.g. Google) pay per click and online social networks (e.g. Facebook). The affiliate network consists of over 25,000 affiliates and IBs, who promote the Ava Group's brand and platforms, across more than 150 countries. Approximately 60 per cent. of the Ava Group's revenue is derived from its affiliate network. The Ava Group provides these affiliates and IBs with a range of marketing tools designed to direct potential customers to the Ava Group's websites and trading platforms. In return, affiliates and IBs are compensated predominantly by reference to trading volumes.

The Ava Group additionally invests in offline marketing initiatives through traditional media channels, such as local and international television advertising (e.g. Bloomberg), magazines, trade shows and conferences in order to strengthen its brand.

The Ava Group's approach to customer acquisition and marketing support is closely aligned to the Group's own marketing methodologies, capabilities and online expertise, and the Ava Group is not overly reliant on any single marketing channel. The Directors believe that the Group's expertise in this area, including the skillset of the TradeFX Group's offering, will further improve the overall efficiency of the marketing and client acquisition strategy of the Ava Group. The Directors believe there is an opportunity to create efficiencies in media buying, both in terms of technology and economies of scale.

2.3 *Trading educational portal (HushTrade) and other online resources*

The Ava Group also operates HushTrade, an online, premium financial trading education website, offering exclusive and comprehensive content through the media of 'Pro Trader Videos and Insights', live webinars, news articles and the latest economic statistics. Basic educational material is made available for free to customers who register for the risk-free demo account, whilst the premium content is available to all real money accounts.

The Ava Group also offers access to a comprehensive set of additional resources from third parties, which includes automated technical analysis tools, market analysis, live news alerts in multiple languages and audio news.

2.4 *Regulation, compliance and security*

The Ava Group is licensed and regulated in the EU by the Central Bank of Ireland, in the BVI by the British Virgin Islands' Financial Services Commission, in Japan by the Financial Services Agency and in Australia by the Australian Securities and Investments Commission. Furthermore, the Ava Group has applied for local licences in South Africa and Israel. The licensed entities within the Ava Group are managed with specific support, financial reporting, risk, compliance and back office processes tailored to the local regulations.

The Ava Group engages independent internal and external auditors, dedicated compliance and AML Officers and local legal advisers to assist in managing regulatory risk within the business. Customer funds in Europe, the BVI, Australia and Japan are held in designated client accounts with major international banks.

2.5 **Risk management**

The Ava Group's existing and target client base who, from a regulatory perspective, are classified as 'retail' investors, comprise a large number of customers, spread across a diverse range of product types and geographies, which mitigates business concentration risk.

The Ava Group's risk management team review reports derived from real time statistical analysis, for example relating to the business' net, long and short exposure for each financial instrument and on an aggregated basis, to monitor market and client risks.

In order to manage its risk further, the Ava Group's risk management team continuously monitors trades and risk exposures. If certain pre-set thresholds are exceeded, the team will hedge to mitigate exposure and reduce risk.

When the Swiss National Bank recently unexpectedly removed the Swiss Franc to Euro ceiling, the Swiss Franc to Euro exchange rate volatility caused turmoil in the Forex markets. Whilst a number of established CFD trading brokers realised significant losses, there was no material impact on the Ava Group's overall financial and trading position.

3. **Background to and reasons for the Transaction**

The Transaction is in line with the Board's strategy to acquire market leading businesses in regulated, high growth industries, with similar fundamentals to the Group's existing operations. The Board reviews the most efficient, value enhancing means for deploying its capital on an ongoing basis.

The Transaction builds on Playtech's recent acquisition of TradeFX, a leading online CFD and binary options broker and trading platform provider. The Directors believe the consideration to be an attractive valuation for the business, which will substantially expand and enhance the TradeFX Group's existing offering in a complementary way.

The Transaction will provide additional regulatory licences as well as to those already held, significantly increasing the number of geographies to which the Group offers its B2C services, with limited overlap between the customer locations of the TradeFX Group and those of the Ava Group.

Playtech is in the process of putting in place certain arrangements with the senior management team of the Ava Group, who have been instrumental in building the business and will remain with it following Completion. The founders of Ava's business have had a reduced involvement in the management of the business over recent years and accordingly following Completion will cease to be involved.

As announced on 1 June 2015, Playtech and Plus500 have reached agreement regarding the terms of a recommended cash acquisition by the Group of Plus500 which values the entire issued ordinary share capital of Plus500 at £459.6 million. This acquisition remains conditional on, *inter alia*, approval by both Playtech's Shareholders and the shareholders of Plus500. Should the acquisition of Plus500 proceed, the Directors believe that it will be complimentary to both TradeFX and AvaTrade, and will enable the combined offering to maximise the market opportunity and product offering by utilising the strengths of all three businesses. A separate circular relating to the acquisition of Plus500 will be sent to the Shareholders in due course.

4. **Benefits of the Transaction**

The Directors believe that the Transaction will be accretive to the Group's earnings and further strengthen its competitive position within the CFD industry, building upon the recent acquisition of TradeFX.

The Transaction will give the Group access to new international markets not currently serviced by the TradeFX Group and there is no significant geographical overlap between the two CFD businesses. The Group will gain new regulatory licences as part of the Transaction.

In addition, the Transaction will enhance Playtech's existing product and service offering, providing Playtech's existing registered user base with access to a more diverse and innovative selection of financial instruments and provide with access to the Ava Group's comprehensive trading education and research portal HushTrade.

The Ava Group will be acquired at a multiple of approximately 6x 2014 EBITDA (as adjusted to take into account certain jurisdictions which may be closed or discontinued in their current form following completion of the review being undertaken by the Playtech Group referred to above). The Directors believe this represents a significant value enhancing opportunity for the Group to acquire a leading brand in a growing industry. Furthermore, the Directors expect that the Transaction will deliver operational efficiencies and cost savings, once the Ava Group's systems have been effectively integrated into the Group's

existing CFD offering. The Directors will also consider taking steps to manage tax efficiency of the Ava Group's operations.

Effect of the Transaction on the Group's assets and liabilities

On the basis that the Transaction represents the acquisition of the entire issued share capital of Ava Trade Ltd., it is not expected that, on Completion, the acquisition will have any effect on Playtech's net assets. Notwithstanding, and by way of illustration based on the consolidated balance sheet of the Ava Group at 31 December 2014, the Transaction would have the effect of increasing the Group's non-current intangible assets by approximately €59.5 million, reducing the Group's cash and cash equivalents by €86.5 million and increasing other assets and liabilities of the Group by approximately €27 million on a net basis, whereby the €27 million represents the net assets of the Ava Group at 31 December 2014, which is set out in Section B of Part III of this document.

	€ million
Book value of net assets of the Ava Group as at 31 December 2014 (\$32.74 million translated at the prevailing rate at 31 December 2014 of \$1.2141: €1)	27.0
Cash consideration (\$105 million, translated at the prevailing rate at 31 December 2014 of \$1.2141: €1) and reduction in cash and cash equivalents	(86.5)
Estimated non-current intangible assets arising on the acquisition of the Ava Group	<u>59.5</u>

5. Terms of the Transaction

TradeFX has entered into a conditional share purchase agreement under the terms of which it has agreed to acquire from the Sellers the entire issued share capital of Ava Trade. An amount of US\$105 million in cash is payable by TradeFX, on a cash-free/debt-free basis, which is subject to a post-Completion working capital calculation. Of this amount, US\$5 million has been paid as a non-refundable deposit and US\$10 million will be retained in escrow to serve as security for certain claims by TradeFX under the agreement.

Completion of the Transaction is subject, *inter alia*, to approval by Shareholders of the Resolution at the General Meeting and satisfaction of certain regulatory and other customary conditions.

Completion of the Transaction will occur on the fourth Business Day following the end of the calendar month in which the relevant conditions have been fulfilled or waived in writing (other than those conditions which, by their terms, are to occur on Completion or expire) or such later date, time and place as TradeFX and the Principal Sellers may agree and provided always that TradeFX or the Principal Sellers may, in certain circumstances, terminate the Share Acquisition Agreement on 5 November 2015 or on 1 November 2015 if regulatory approvals have not been received by such time. The Company currently expects the Transaction to be completed by 30 September 2015 subject to satisfaction of those conditions referred to above.

A summary of the Share Acquisition Agreement is set out in paragraph 6.1 of Part IV of this document.

6. Funding of Transaction

The acquisition of Ava Trade will be funded from the Company's existing cash resources, which include the funds raised from its recent equity fundraising raising gross proceeds of £227 million, and available debt facilities including a €200 million unsecured revolving credit facility which was recently entered into with Barclays Bank PLC and Royal Bank of Scotland plc.

Further details of the terms of the placing agreement entered into in connection with the equity fundraising and the Revolving Credit Facility agreement are included in paragraph 6 of Part IV of this document.

7. Current trading and prospects

Playtech and TradeFX

Playtech's core gambling business continues to perform strongly with average daily run rate revenue for Q2 2015 up over 25 per cent. on Q2 2014.

From 1 January 2015 to 31 May 2015, TradeFX continued to benefit from the execution of its strategy, including the growth in popularity of the mobile application and the effectiveness of its approach to marketing, generating improved performance in its key business metrics of Active Customers and FTDs.

	Five months ended 31 May	
	2014	2015
Net revenue from trading (US\$ million)	24.5	42.2
Active customers – core business CFDs ('000)	24.6	32.0
FTDs – core business CFDs ('000)	13.6	18.2

Source: Unaudited management accounts, prepared on a consistent basis and under the same accounting policies as those adopted by Playtech in its latest annual consolidated accounts.

Ava Group

From 1 January 2015 to 31 May 2015, the Ava Group continued to experience the positive momentum from 2014, with total revenues of approximately \$26.3 million, representing growth of 34 per cent. over the same period in 2014, driven by concentrating on geographically diverse retail traders. Over the same period, average monthly customers and FTDs declined as the Ava Group executed on its strategy of focusing on customers who will deliver greater longer term value for the Group rather than shorter term volumes, resulting in a significant increase in customer lifetime value.

	Five months ended 31 May	
	2014	2015
Net revenue (US\$ million)	19.6	26.3
Average monthly active customers ('000)	17.4	13.4
FTDs ('000)	6.6	5.7

Source: Unaudited management accounts of the Ava Group, prepared on a consistent basis and under the same accounting policies as the financial information contained within Part B of Part III of this document.

Accordingly, the Directors believe the significant growth in revenues during this period support confidence in the potential contribution the Ava Group can deliver to the overall success of the Playtech Group.

8. Risk factors

Shareholders should consider fully and carefully the risk factors associated with the Transaction and the operations of the Enlarged Group and the industry in which the Enlarged Group operates. Your attention is drawn to the “**Risk Factors**” set out in Part II of this document.

9. General Meeting

The Listing Rules require that transactions entered into within a 12 month period and which lead to substantial involvement in a business activity which did not previously form a significant part of a company's principal activities to be aggregated. The Group completed the acquisition of TradeFX on 7 May 2015. Accordingly, the aggregation of the TradeFX acquisition with the proposed acquisition of Ava Trade causes the Transaction to be classified as a Class 1 transaction for the purposes of the Listing Rules and therefore requires the approval of the Resolution by Shareholders at the General Meeting. The General Meeting is to be held at The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man at 11:00 a.m. on 28 July 2015 at which the Resolution will be proposed.

For the avoidance of doubt, the approval of Shareholders relating to the proposed acquisition of Plus500 Ltd. that was announced by the Company on 1 June 2015 is not being sought at the General Meeting and a separate circular will be posted to Shareholders in due course in relation to that transaction.

10. Action to be taken

You will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting, please complete and submit the Form of Proxy in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by the Registrars, Computershare Investor Services (Isle of Man) Limited, c/o, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, no later than 11:00 a.m. on 24 July 2015. Alternatively, you may register your proxy appointment and instructions electronically by logging on to www.investorcentre.co.uk/eproxy.

Shareholders who hold their Ordinary Shares through CREST and who wish to appoint a proxy or proxies for the General Meeting by using the CREST electronic proxy appointment service may do so by using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to that CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

The return of a completed Form of Proxy or CREST proxy instruction will not prevent you from attending the General Meeting and voting in person if you wish to do so.

11. Further Information

Shareholders should read the information contained in Parts II, III and IV of this document. In particular, your attention is drawn to Part II of this document which contains a summary of the material risks attaching to the Transaction and the Ava Group.

12. Recommendation

Your Directors consider the Transaction to be in the best interests of Shareholders as a whole and unanimously recommend that Shareholders vote in favour of the Resolution at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings, which in aggregate equal 68,500 Ordinary Shares, representing approximately 0.02 per cent. of the issued share capital of the Company as at 7 July 2015, being the latest practicable date prior to publication of this document.

Brickington Trading Limited, being the largest Playtech Shareholder, has also undertaken to vote in favour of the Transaction in respect of its own beneficial holding of 108,408,441 shares in Playtech representing approximately 33.6 per cent. of the issued share capital of the Company as at 7 July 2015, being the latest practicable date prior to publication of this document.

Yours faithfully

Alan Jackson
Chairman

PART II

RISK FACTORS

Prior to voting on the Resolution at the General Meeting, you should carefully consider, together with all other information contained in this Circular, the specific risks and uncertainties described below.

The Directors consider the following to be the material risk factors relating to the Transaction and to which the Playtech Group, the Ava Group and, following Completion, the Enlarged Group will be exposed as a result of the Transaction. However, these should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks and uncertainties that are not presently known to the Directors, or which they currently deem immaterial, may also have an adverse effect on the Enlarged Group's operating results, financial condition and prospects if they materialise. The information given is as at the date of this Circular and, except as required by the FCA, the London Stock Exchange, the Listing Rules or the Disclosure and Transparency Rules (and/or any regulatory requirements) or applicable law, will not be updated.

If any or a combination of the following risks and uncertainties actually materialise, the Enlarged Group's business, financial condition and results of operations could be materially and adversely affected. In such case, the price of the Ordinary Shares could decline and Shareholders may lose some or all of their investment.

1. Risk Factors relating to the Transaction

The Transaction does not proceed

The Transaction is subject to the satisfaction of a number of conditions, including, amongst others, the approval of the Transaction by Shareholders at the General Meeting. Further details in relation to these conditions are set out in paragraph 6.1 of Part IV (Summary of the Share Acquisition Agreement) of this Circular. There can be no assurance that these conditions will be satisfied. If these conditions are not satisfied, the Transaction will not take effect and the Playtech Group will not realise the anticipated benefits of the Transaction.

The Playtech Group's acquisition and integration costs may be greater than anticipated

The Playtech Group expects to incur a number of costs in relation to the Transaction, including integration and post-Completion costs in order to successfully combine the operations of the TradeFX Group and the Ava Group. The actual costs of the integration process may exceed those estimated and there may be further additional and unforeseen expenses incurred in connection with the Transaction. In addition, the Playtech Group will incur legal, accounting, financial adviser and transaction fees and other costs relating to the Transaction, some of which are payable whether or not the Transaction reaches Completion. Although the Directors believe that the integration and transaction costs will be more than offset by the realisation of the benefits resulting from the Transaction, this net benefit may not be achieved in the short-term or at all, particularly if the Transaction is delayed or does not complete. These factors could materially adversely affect the business, financial conditions, results of operations and prospects of the Playtech Group and, following Completion, the Enlarged Group.

The Enlarged Group may not realise, or it may take the Enlarged Group longer to realise, the expected benefits of the Transaction

The Enlarged Group may fail to achieve certain or all of the anticipated benefits that the Playtech Group expects to realise as a result of the Transaction, or it may take longer than expected to realise those benefits. If the anticipated benefits are not achieved, or take longer than expected to be realised, this could have a material adverse impact on the Enlarged Group's businesses, financial conditions and results of operations.

The Ava Group may not perform in line with expectations in the period prior to Completion

The anticipated benefits and synergies of the Transaction are based on assumptions regarding, amongst other things, the financial and operational performance of the Ava Group, including in the period prior to Completion, when the financial and operational performance of the Ava Group is outside the control of the Company. Until Completion, it is possible that an adverse event, or events, could affect the Ava Group which would not give rise to a right of TradeFX to terminate the Transaction. In such an event, the value of the Ava Group may be less than the consideration paid by TradeFX and, accordingly, the net assets of

the Enlarged Group could be reduced. This could have an adverse effect on the operating results, business, financial condition and prospects of the Enlarged Group.

Prior to Completion, the Ava Group, and following Completion, the Enlarged Group, may fail to retain staff

The calibre and performance of the Enlarged Group's management and other employees, taken together, is important to the success of the Ava Group prior to Completion, and to the Enlarged Group following Completion and, while plans are, or will be put, in place for the retention of the Ava Group's senior management team following Completion, there can be no assurance that prior to Completion, the Ava Group will not lose personnel (including members of the senior management team), or that the Transaction will not result in the departure of personnel from the Enlarged Group. The departure of a significant number of staff could adversely affect the Company's ability to realise the benefits and synergies of the Transaction. Such departures could also adversely affect both the Enlarged Group's ability to conduct its businesses (through an inability to execute business operations and strategies effectively) and the value of those businesses, which could have an adverse effect on the operating results, business, financial condition and prospects of the Enlarged Group.

2. Other Risks and Uncertainties

This section documents those risks and uncertainties currently faced by the Group and following the proposed Transaction, the Enlarged Group, which are potentially impacted by the proposed Transaction.

Withdrawal or amendment of regulatory authorisations or non-compliance with, or changes to, the legal or regulatory framework in which the Ava Group operates may have a significant adverse effect on the Enlarged Group's business and operations

The Ava Group is licensed and regulated in the EU by the Central Bank of Ireland, in the BVI by the British Virgin Islands' Financial Services Commission, in Japan by the Financial Services Agency and in Australia by the Australian Securities and Investments Commission.

Withdrawal or amendment of regulatory authorisations in respect of all or part of the business carried on by the Ava Group or in respect of the fitness and propriety of one or more individuals to perform their current roles might oblige the Ava Group to cease conducting a particular type of business or modify the manner in which it is conducted.

The failure by the Ava Group to obtain prior regulatory authorisation in a jurisdiction where it has operated or the refusal of a regulator to grant that authorisation in a jurisdiction where it may wish to operate could prevent the Ava Group and, following Completion, the Enlarged Group, from maintaining or expanding its business.

Further, changes to laws or regulations, including the enactment of new requirements in relation to regulatory authorisation, anti-money laundering procedures, financial promotions, the use of third party affiliates, taxation, the internet or e-commerce (or a change in the application or interpretation of existing regulations or laws by regulators or other authorities), in any jurisdiction in which the Ava Group currently carries on business might, following Completion, oblige the Enlarged Group to cease conducting business, or modify the manner in which it conducts business, in that jurisdiction. Such changes could also have a material adverse effect on the Enlarged Group's business, financial condition and operating results.

As with the Enlarged Group's existing gambling businesses, the regulatory environment continues to develop at a national and international level. The financial services industry generally, and the activities of CFD business in particular have been the subject of increasing regulatory scrutiny. The regulatory environment in any territory may be different for gambling and CFD businesses and any inconsistency may give rise to conflict issues.

The CFD market is relatively new to the Playtech Group

The Playtech Group's business has historically been, and remains, predominantly focused on providing software and services to the gambling industry. The Playtech Group entered the financials market through its acquisition of TradeFX in May 2015, but the CFD markets still represent relatively new verticals for the Playtech Group. Although the Ava Group shares certain features with the TradeFX Group, such as its reliance on custom software technology, sophisticated digital marketing capabilities and operating in regulated markets, the customer base, trading and wider business risks and regulatory obligations of the Ava Group differ substantially from those of the TradeFX Group. If the Playtech Group is not able to adapt to the different business challenges posed in running and growing business in a relatively new market, such failure could have a material adverse effect on the Enlarged Group's business, operations, reputation, future growth and expansion.

The requirement to maintain adequate regulatory capital may affect the Enlarged Group's ability to conduct its business and may reduce profitability

In the same way as the TradeFX Group is required to meet certain capital adequacy tests, as applicable, and is required to maintain adequate regulatory capital, the Ava Group is also subject to similar requirements. Following Completion, failure to meet these increased requirements could lead to enforcement action being taken against the Enlarged Group. The minimum capital requirements to which the Enlarged Group is subject may affect its ability to distribute profits which it would otherwise be permitted to distribute. In addition, any changes to the regulatory capital requirements could restrict the pace of the Enlarged Group's expansion or affect the balance of the products the Enlarged Group is able to offer and/or the jurisdictions in which it is allowed to offer them.

The growth of the Ava Group depends on maintaining, developing and enhancing its brand

As the CFD trading markets become increasingly competitive, the success of the Ava Group will depend on the maintenance, development and enhancement of the AvaTrade brand. If the Ava Group is unable to maintain, develop and enhance its brand, its ability to implement its strategic goals may be adversely affected. As a result, the operating results of the Ava Group and, following Completion, the Enlarged Group, would be adversely affected. In addition, increased competition may require more management time and resource and greater levels of expenditure to maintain, develop and enhance the AvaTrade brand, which may have, following Completion, a material adverse effect on the Enlarged Group's operations, financial performance and prospects.

The Ava Group is dependent on IBs and affiliates to generate new business

IBs and affiliates help generate customers for the Ava Group's online trading platforms, especially in geographic regions in which the Ava Group does not have a strong domestic presence. Failure of the Ava Group to maintain its current relationships or develop new relationships with IBs or affiliates could have a material adverse effect on the overall customer base of the Ava Group and, following Completion, of the Enlarged Group. To the extent any of the Ava Group's competitors offer more attractive compensation terms, better marketing or other services to one or more of the Ava Group's IBs or affiliates, the Ava Group could lose its relationship with such persons or be required to increase the compensation levels or trade revenue percentage shares that the Ava Group currently provides in exchange for customer referrals. In addition, the Ava Group could potentially agree to set the compensation for one or more IBs or affiliates at a level where, based on the transaction volume generated by customers directed to the Ava Group by such persons, it would have been more economically attractive to seek to acquire the customers directly. To the extent the Ava Group does not enter into economically attractive relationships with IBs or affiliates, current IBs or affiliates terminate their relationship with the Ava Group (whether before or following Completion) or fail to generate adequate customers or customer activity levels, then the Ava Group's (and therefore the Enlarged Group's) business, financial condition and results of operations and cash flows could be materially adversely affected.

The activities of the Ava Group's IBs and affiliates under its affiliate programmes could give rise to legal and regulatory risks

The Ava Group has an extensive IB and affiliate network with active IBs and affiliates based in numerous different jurisdictions who have generated business leads for the Ava Group to date. The Ava Group cannot guarantee that the IBs and the affiliates will comply at all times with the Ava Group's relevant policies and procedures and applicable laws and regulation and, following Completion, this could expose the Enlarged Group to risks associated with the activities of IBs and affiliates which in turn could have a material adverse effect on the Enlarged Group's reputation, business, financial condition and operating results.

The Enlarged Group may suffer losses if its reputation is harmed

The ability of the Ava Group (and, following Completion, the Enlarged Group) to attract and retain customers and employees may be materially adversely affected to the extent its reputation is damaged. Issues that may give rise to reputational risk include, but are not limited to, failure to deal appropriately with legal and regulatory requirements in any jurisdiction (including as may result in the issuance of a warning notice or sanction by a regulator or the commission of an offence (whether civil, criminal, regulatory or other) by any member of the Enlarged Group or any of their directors), money-laundering, bribery and corruption, factually incorrect reporting, staff difficulties, fraud (including on the part of customers), technological delays or malfunctions, the inability to respond to a disaster, privacy, record-keeping, sales and trading practices, the credit, liquidity and market risks inherent in the Enlarged Group's business and the activities of Enlarged Group's affiliates.

Financial risk limitation policies, procedures and practices may not be effective and may leave the Enlarged Group exposed to certain risks

The design and implementation of the Ava Group's policies, procedures and practices used to identify, monitor and control a variety of risks may fail to be effective. The Ava Group's financial risk limitation methods rely on a combination of internally developed technical controls, industry standard practices, observation of historical market behaviour and human supervision. These methods may not adequately prevent future losses, particularly to the extent they relate to extreme market movements, which may be significantly greater than the historical measures indicate which in turn could have a material adverse effect on the Enlarged Group's reputation, business, financial condition and operating results.

PART III

HISTORICAL FINANCIAL INFORMATION RELATING TO THE AVA GROUP

SECTION A

ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE AVA GROUP



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8 July 2015

Dear Sirs

AVA TRADE LTD. AND ITS SUBSIDIARY UNDERTAKINGS (TOGETHER, THE "AVA GROUP")

Introduction

We report on the Ava Group historical financial information set out in Section B of Part III for the three years ended 31 December 2014 (the "Historical Financial Information"). The Historical Financial Information has been prepared for inclusion in the Class 1 circular dated 8 July 2015 of Playtech PLC (the "Circular") on the basis of the accounting policies set out in note 2 to the Historical Financial Information.

This report is required by LR 13.5.21R of the Listing Rules made by the Financial Conduct Authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (the "Listing Rules") and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The directors of Playtech PLC are responsible for preparing the Historical Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the Historical Financial Information and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to ordinary shareholders of Playtech PLC as a result of the inclusion of this report in the Circular, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability 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 or our statement, required by and given solely for the purposes of complying with LR 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Circular.

Basis of opinion

We conducted our work in accordance with 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 Historical Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Historical

Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the Circular, a true and fair view of the state of affairs of the Ava Group as at 31 December 2012, 2013 and 2014 and of its profits, cash flows and changes in equity for the years ended 31 December 2012, 2013 and 2014 in accordance with International Financial Reporting Standards as adopted by the European Union and has been prepared in a form that is consistent with the accounting policies adopted in Playtech PLC's latest annual accounts.

Yours faithfully

Grant Thornton
Chartered Accountants

SECTION B
HISTORICAL FINANCIAL INFORMATION OF THE AVA GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the year ended 31 December		
	Note	2012 \$'000	2013 \$'000	2014 \$'000
Revenue	4	60,796	70,049	69,867
Administrative expenses before depreciation and amortisation	6	(45,793)	(40,033)	(45,271)
EBITDA ⁽¹⁾		15,003	30,016	24,596
Depreciation and amortisation		(518)	(495)	(399)
Operating profit	7	14,485	29,521	24,197
Net financial income	8	318	44	79
Profit before taxation		14,803	29,565	24,276
Tax	9	(1,574)	(2,401)	(1,881)
Profit for the year		13,229	27,164	22,395
Other comprehensive expense for the year:				
Items that will be reclassified subsequently to profit or loss				
Exchange movement on translation of foreign operations		(194)	(79)	(61)
Total comprehensive income for the year		13,035	27,085	22,334
Profit for the year attributable to:				
Owners of the parent		12,969	27,168	22,391
Non-controlling interest		260	(4)	4
		13,229	27,164	22,395
Total comprehensive income attributable to:				
Owners of the parent		12,775	27,089	22,330
Non-controlling interest		260	(4)	4
		13,035	27,085	22,334

(1) EBITDA (earnings before interest, tax, depreciation and amortisation) is a non GAAP measure

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total attributable to equity holders of the parent \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 January 2012	11	115	14,431	14,557	(260)	14,297
Dividends paid	–	–	(100)	(100)	–	(100)
Transactions with owners	–	–	(100)	(100)	–	(100)
Profit for the year	–	–	12,969	12,969	260	13,229
Other comprehensive expense	–	(194)	–	(194)	–	(194)
Total comprehensive income for the year	–	(194)	12,969	12,775	260	13,035
Balance at 31 December 2012	11	(79)	27,300	27,232	–	27,232
Dividends paid	–	–	(22,911)	(22,911)	–	(22,911)
Issue of share capital	989	–	(989)	–	–	–
Transactions with owners	989	–	(23,900)	(22,911)	–	(22,911)
Profit for the year	–	–	27,168	27,168	(4)	27,164
Other comprehensive expense	–	(79)	–	(79)	–	(79)
Total comprehensive income for the year	–	(79)	27,168	27,089	(4)	27,085
Balance at 31 December 2013	1,000	(158)	30,568	31,410	(4)	31,406
Dividends paid	–	–	(21,000)	(21,000)	–	(21,000)
Transactions with owners	–	–	(21,000)	(21,000)	–	(21,000)
Profit for the year	–	–	22,391	22,391	4	22,395
Other comprehensive expense	–	(61)	–	(61)	–	(61)
Total comprehensive income for the year	–	(61)	22,391	22,330	4	22,334
Balance at 31 December 2014	1,000	(219)	31,959	32,740	–	32,740

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December		
	Note	2012 \$'000	2013 \$'000	2014 \$'000
Non-current assets				
Property, plant and equipment	12	826	813	584
Intangible assets	13	439	269	130
Deferred tax asset	9	199	240	193
		<u>1,464</u>	<u>1,322</u>	<u>907</u>
Current assets				
Trade and other receivables	14	2,724	3,797	2,186
Surplus on segregated client funds	15	3,319	4,290	6,670
Cash and cash equivalents	15	29,372	29,061	30,287
		<u>35,415</u>	<u>37,148</u>	<u>39,143</u>
Total assets		<u>36,879</u>	<u>38,470</u>	<u>40,050</u>
Equity				
Share capital	16	11	1,000	1,000
Foreign currency translation reserve		(79)	(158)	(219)
Retained earnings		27,300	30,568	31,959
Total equity attributable to holders of the parent		<u>27,232</u>	<u>31,410</u>	<u>32,740</u>
Non-controlling interest		–	(4)	–
Total equity		<u>27,232</u>	<u>31,406</u>	<u>32,740</u>
Current liabilities				
Shareholders loans	18	389	117	378
Trade and other payables	17	9,258	6,947	6,932
		<u>9,647</u>	<u>7,064</u>	<u>7,310</u>
Total equity and liabilities		<u>36,879</u>	<u>38,470</u>	<u>40,050</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	For the year ended 31 December		
	2012 \$'000	2013 \$'000	2014 \$'000
Cash flows from operating activities			
Profit before tax	14,803	29,565	24,276
Adjustments for:			
Depreciation of property, plant and equipment	238	270	257
Amortisation	280	228	141
Loss on disposal of property, plant and equipment	—	—	51
Interest accrued on shareholders' loans	2	4	1
Foreign currency translation adjustments	(194)	(79)	(61)
Cash flows from operations before working capital changes	15,129	29,988	24,665
Decrease/(increase) in trade and other receivables	108	(3,768)	(1,016)
(Decrease)/increase in trade and other payables	(713)	(521)	794
Cash flows from operations	14,524	25,699	24,443
Taxes paid	(306)	(2,785)	(2,135)
Net cash flows from operating activities	14,218	22,914	22,308
Cash flows from investing activities			
Payment for acquisition of property, plant and equipment	(446)	(256)	(80)
Payment for acquisition of intangible assets	(52)	(58)	(2)
Net cash flows used in investing activities	(498)	(314)	(82)
Cash flows from financing activities			
Dividends paid to the holders of the parent	(100)	(22,911)	(21,000)
Net cash used in financing activities	(100)	(22,911)	(21,000)
Increase/(decrease) in cash and cash equivalents	13,620	(311)	1,226
Cash and cash equivalents at beginning of the year	15,752	29,372	29,061
Cash and cash equivalents at end of the year	29,372	29,061	30,287

NOTES TO THE FINANCIAL INFORMATION

1. Basis of preparation

The principal activity of the Ava Group is the provision of online CFD and forex trading platforms for customers. The ultimate parent company of the Ava Group is Ava Trade Ltd with a registered office at Euro American Trust Building, PO BOX 3483, Road Town, Tortola, British Virgin Islands. The Ava Group is domiciled in the British Virgin Islands (“BVI”).

The financial information provided is for the Ava Group’s three financial years ended 31 December 2012, 2013 and 2014.

The financial information has been prepared in accordance with International Financial Reporting Standards and International Accounting Standards and interpretations (collectively, “IFRS”) issued by the International Accounting Standards Board (“IASB”) as adopted by the European Union (“adopted IFRSs”).

In preparing this financial information, in order to align the accounting policies with those adopted by Playtech PLC, certain promotional bonuses have been presented as a reduction against revenue rather than marketing expenses. This adjustment has been applied consistently for each of the three years ended 31 December 2012, 2013 and 2014. Following this presentational adjustment, the Ava Group’s accounting policies are consistent with those adopted by Playtech in its latest annual consolidated accounts and have been consistently applied in the preparation of this financial information. This has no impact on EBITDA and operating profit.

New International Financial Reporting Standards, amendments to Standards and new interpretations and amendments not yet effective

The Ava Group policy is to adopt all the new and revised International Financial Reporting Standards that are relevant to its operations at the required effective date. During the year ended 31 December 2014 the Ava Group adopted for accounting periods beginning on 1 January 2014 the following Standard:

IAS 32 – “Financial instruments: presentation” IAS 32, ‘financial instruments: presentation’ on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. This adoption did not have a material impact on the financial information of the Ava Group.

At the date of approval of this financial information the following accounting standards, relevant to the material, current operations and activities of Ava Group were issued by the International Accounting Standards Board but were not yet effective, and have not been adopted early by the Ava Group:

Standards and Interpretations not adopted by the EU Amendments

- *Amendments to IAS 1 “Presentation of Financial Statements: Disclosure Initiative” (IASB effective date of 1 January 2016)*
- *IFRS 9 “Financial Instruments” (issued 12 November 2009) and subsequent amendments (amendments to IFRS 9 and IFRS 7 issued 16 December 2011) (effective for annual periods beginning on or after 1 January 2015). Revised IFRS 9 (issued June 2014) (effective for annual periods beginning on or after 1 January 2018).*
- *IFRS 15 “Revenue from Contracts with Customers” (issued May 2014) (effective for annual periods beginning on or after 1 January 2017) The IASB are proposing to consult on a possible delay in the mandatory effective date of IFRS 15, which is now expected to be 1 January 2018.*
- *Amendments to IFRS 11: Accounting for Acquisition of Interests in joint Operations (IASB effective date 1 January 2016).*
- *Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation (IASB effective date 1 January 2016).*
- *Annual Improvements to IFRSs 2012–2014 Cycle (effective for annual periods beginning on or after 1 January 2016).*

Ava Group expects that the adoption of these standards in future periods will not have a material effect on its financial statements going forward.

2. Significant accounting policies

Foreign currency

The financial information has been presented in United States Dollars, which is the functional and presentational currency of the Ava Group.

(i) *Transactions and balances*

Transactions in foreign currencies are translated into the functional currency of the respective Ava Group entity using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss.

Non-monetary items that are measured at historic cost in a foreign currency are translated using the exchange rates ruling as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates ruling at the date when the fair value was determined.

(ii) *Subsidiary companies*

Assets and liabilities of subsidiaries are translated into the Ava Group's presentation currency at the rate of exchange ruling at the reporting date, and their statements of comprehensive income are translated using the average rates for the reporting period. The exchange differences arising on translation are taken directly to other comprehensive income or expense. On disposal of a foreign operation the related cumulative transaction differences recognised in equity are reclassified to the profit and loss and recognised as part of the gain or loss on disposal.

Basis of consolidation

The consolidated financial information comprises the financial information of Ava Trade Ltd. and its subsidiaries, all of which prepare financial information for the same reporting period and using consistent accounting policies. All intragroup balances and transactions are eliminated on consolidation including unrealised gains and losses on transactions between Ava Group companies. The subsidiaries are fully consolidated from the date of acquisition, being the date that Ava Trade Ltd. obtains control, and continues to be consolidated until the date such control ceases. The Ava Group attributes total comprehensive income or loss of subsidiaries between owners of the parent and the non-controlling interests based on their respective ownership interests.

Retirement benefits

The Ava Group provides post-employment benefits through defined contribution plans.

A defined contribution plan is a pension plan under which the Ava Group pays fixed contributions into an independent entity. The Ava Group has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. The Ava Group contributes to several state plans and insurances for individual employees that are considered defined contribution plans. Contributions to the plans are recognised as an expense in the period that relevant employee services are received.

Financial assets

(i) *Classification*

The Ava Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. The classification of each financial asset is determined at initial recognition.

(a) Financial instruments at fair value through profit or loss

This category includes 2 sub-categories: financial assets and financial liabilities held for trading and financial assets as at fair value through profit or loss. A financial instrument is classified in this category if acquired principally for the purpose of selling in the short term, or if designated by management in this category. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

The Ava Group's financial instruments at fair value through profit or loss comprise 'Receivables on open positions' (offset from 'Funds deposited from clients' within 'Surplus on client funds') (see note 15).

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets.

The Ava Group's loans and receivables comprise cash and cash equivalents and trade and other receivables in the statements of financial position.

(ii) *Recognition and measurement*

Investments are initially recognised at fair value plus transaction costs for all financial assets not measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss, are initially recognised at fair value, and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Ava Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Receivables are measured in subsequent periods at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial instruments at fair value through profit or loss' category are presented in the statements of comprehensive income within 'Trading income in the period in which they arise. A financial instrument is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Impairment of financial assets

The Ava Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the receivables are experiencing significant financial difficulty, default or delinquency in interest or principal payment, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicates that there is a measureable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Revenue recognition

Revenue is recognised when it is probable that economic benefits associated with the transaction will flow to the Ava Group and the revenue can be reliably measured. The Ava Group provides electronic platforms for clients to trade CFD's on shares, indexes, commodities and foreign exchange. Revenue is generated from the spread on the trades into which customers enter. In addition the Ava Group earns other fixed fees which are dependent on the average trading volumes.

Open client positions are carried at fair market value (being the spot rate of the share, index, commodity or currency) and gains and losses arising on this valuation are recognised in revenue as well as gains and losses realised on positions that have closed.

Trading income is reported gross of commissions to agents as the Ava Group is acting as a principal and is exposed to the significant risks and rewards associated with its trading transactions with its customers. The said commissions are disclosed as an expense within administration expenses.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, and exclude amounts held in client segregated accounts.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Surplus on client funds

Amounts payable to clients represents liabilities of the Ava Group to customers. Receivables on open positions represent an unrealised gain to the Ava Group for trades into which a customer has entered.

The Ava Group hold funds on behalf of clients who use these funds as margin for trading. The funds are held in segregated client bank accounts and are not an asset of the Ava Group. They are not held on the Ava Group's statement of financial position.

The financial assets and liabilities represented by amounts payable to clients, receivables on open currency positions and client segregated funds are offset with the net amount reported in the statement of financial position as there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis.

Taxation

Taxation on income is provided in accordance with the fiscal regulations and rates which have been enacted on substantially enacted at the end of the reporting period. Deferred tax is provided using the liability method.

Deferred tax liabilities are recognised for all taxable temporary differences between the tax basis of assets and liabilities and their carrying amounts at the balance sheet date, which will give rise to taxable amounts in future years.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unutilised tax losses to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences and carry-forward of unutilised tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilise all or part of the deductible temporary differences or tax losses.

Current and deferred tax assets and liabilities are offset when they arise from the same reporting entity and relate to the same tax authority and when a legal right to offset exists.

Property, plant and equipment

Property, Plant and equipment is carried at cost, less accumulated depreciation in value. Depreciation is calculated on a straight line basis over the estimated useful lives of the respective assets. The depreciation rates used are as follows:

Computer and office equipment	6-33%
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The carrying values of computer and office equipment and software are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Intangible assets

Intangible assets are carried at cost, less accumulated amortisation and any impairment in value. Amortisation is calculated on a straight line basis over the estimated useful lives of the respective assets. The amortisation rates used are as follows:

Computer software	20%
Licences	25%

The carrying values of acquired intangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

3. Critical accounting estimates and judgements

The preparation of financial information in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The areas requiring the use of estimates and critical judgements that may potentially have a significant impact on the Ava Group's earnings and financial position are detailed below.

Income taxes

Significant judgement is required to determine the provision for income taxes as the taxation rules are constantly evolving and are subject to changes in legal and practical interpretation from time to time. The Ava Group recognises liabilities for anticipated tax 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.

Deferred tax assets

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, significant judgement is used when assessing the extent to which deferred tax assets should be recognised, with consideration given to the timing and level of future taxable income in the relevant tax jurisdiction.

Impairment of trade and other receivables

The Ava Group reviews its trade and other receivables to assess whether impairment should be recorded in the consolidated statement of comprehensive income. In particular, management is required to estimate the amount and timing of future cash flows in order to determine the amount of impairment required. Such estimates are based on assumptions about a number of factors and therefore actual impairment losses may differ.

4. Revenue (net trading income)

Net trading income includes gains and losses from foreign exchange transactions entered into during the year and include translation gain and losses on net positions in foreign currency at each reporting date.

5. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. Ava Trade and its subsidiaries are engaged in one operating segment, CFD trading, comprising a number of geographical locations.

Analysis by geographical regions is made according to the jurisdiction of the regulated Ava Group entity. This does not reflect the region of the customers of the Ava Group, whose locations are worldwide.

31 December 2012	BVI	Ireland	Japan	Australia	Other	Total
	\$	\$	\$	\$	\$	\$
Net trading income	38,424	21,339	597	436	–	60,796
Non-current assets	336	51	28	7	1,042	1,464
 31 December 2013	 BVI	 Ireland	 Japan	 Australia	 Other	 Total
	\$	\$	\$	\$	\$	\$
Net trading income	37,928	29,191	2,388	542	–	70,049
Non-current assets	111	211	16	3	981	1,322
 31 December 2014	 BVI	 Ireland	 Japan	 Australia	 Other	 Total
	\$	\$	\$	\$	\$	\$
Net trading income	45,436	6,814	4,231	502	12,884	69,867
Non-current assets	2	125	7	–	773	907

6. Administrative expenses before depreciation and amortisation

	For the year ended 31 December		
	2012	2013	2014
	\$'000	\$'000	\$'000
Advertising and marketing	11,428	9,450	10,464
Marketing commissions	13,373	12,316	14,557
Staff costs	11,053	9,652	9,784
Other	9,939	8,615	10,466
	<u>45,793</u>	<u>40,033</u>	<u>45,271</u>

7. Operating profit

Operating profit is stated after charging:

	For the year ended 31 December		
	2012	2013	2014
	\$'000	\$'000	\$'000
Depreciation of property, plant and equipment	238	270	257
Amortisation	<u>280</u>	<u>228</u>	<u>141</u>

8. Net financial income

	For the year ended 31 December		
	2012	2013	2014
	\$'000	\$'000	\$'000
Finance income			
Net interest received	<u>318</u>	<u>44</u>	<u>79</u>

9. Taxation

	For the year ended 31 December		
	2012	2013	2014
	\$'000	\$'000	\$'000
Current corporation tax	1,566	2,733	1,834
Deferred tax	(9)	(42)	47
Under/(over) provision for prior year taxes	<u>17</u>	<u>(290)</u>	<u>—</u>
	<u>1,574</u>	<u>2,401</u>	<u>1,881</u>

The parent company is domiciled in the British Virgin Islands and under the laws of that country is exempt from taxation. The tax charge shown above arises from the difference in tax rates applied in subsidiaries jurisdictions. The Ava Group's overseas operations are taxed at the rates prevailing in the respective jurisdictions.

Factors affecting current corporate tax charge

	For the year ended 31 December		
	2012	2013	2014
	\$'000	\$'000	\$'000
Profit before taxation	14,803	29,565	24,276
Theoretical tax charge at applicable statutory rates			
for subsidiaries of 26% (2012 and 2013) and 26.5% (2014)	3,849	7,687	6,433
Tax effect of items which are not assessable for tax purposes	(2,850)	(3,560)	(3,307)
Tax payable in other jurisdictions	(721)	(2,082)	(742)
Other timing differences	1,288	688	(550)
Movement on deferred tax	(9)	(42)	47
Under/(over) provision for prior year taxes	<u>17</u>	<u>(290)</u>	<u>—</u>
Corporation tax charge	<u>1,574</u>	<u>2,401</u>	<u>1,881</u>

Current assets

	As at 31 December		
	2012	2013	2014
	\$'000	\$'000	\$'000
Corporation tax receivable (note 14)	1,723	247	—

Current liabilities

	As at 31 December		
	2012	2013	2014
	\$'000	\$'000	\$'000
Corporation tax payable (note 17)	4,537	2,473	1,924

Non-current assets

	As at 31 December		
	2012	2013	2014
	\$'000	\$'000	\$'000
Deferred tax asset arising on temporary timing differences			
Opening balance at 1 January	190	198	240
Movement for the year	9	42	(47)
Closing balance at 31 December	199	240	193

10. Employee benefits

Total staff costs comprise the following:

	For the year ended 31 December		
	2012	2013	2014
	\$'000	\$'000	\$'000
Salaries and related costs	11,053	9,652	9,784
Pension	561	571	648
	11,614	10,223	10,432

	For the year ended 31 December		
	2012	2013	2014
	Number	Number	Number
Average number of employees	198	172	145

11. Dividends

	For the year ended 31 December		
	2012	2013	2014
	\$'000	\$'000	\$'000
Interim dividends paid	100	22,911	21,000

12. Property, plant and equipment

	Office equipment \$'000
Cost	
At 1 January 2012	1,063
Additions	446
	<hr/>
At 31 December 2012	1,509
Additions	256
	<hr/>
At 31 December 2013	1,765
Additions	80
Disposals	(75)
	<hr/>
At 31 December 2014	1,770
	<hr/>
Accumulated depreciation	
At 1 January 2012	444
Charge for the year	238
	<hr/>
At 31 December 2012	682
Charge for the year	270
	<hr/>
At 31 December 2013	952
Charge for the year	257
On disposals	(23)
	<hr/>
At 31 December 2014	1,186
	<hr/>
Net book value	
As at 31 December 2012	826
As at 31 December 2013	813
As at 31 December 2014	584
	<hr/>

13. Intangible assets

	Computer software \$'000	Licences \$'000	Total \$'000
Cost			
At 1 January 2012	720	910	1,631
Additions	52	–	52
	<hr/>	<hr/>	<hr/>
At 31 December 2012	772	910	1,683
Additions	58	–	58
	<hr/>	<hr/>	<hr/>
At 31 December 2013	830	910	1,741
Additions	2	–	2
	<hr/>	<hr/>	<hr/>
At 31 December 2014	832	910	1,743
	<hr/>	<hr/>	<hr/>
Accumulated amortisation			
At 1 January 2012	620	343	963
Amortisation for the year	52	228	280
	<hr/>	<hr/>	<hr/>
At 31 December 2012	672	571	1,243
Amortisation for the year	–	228	228
	<hr/>	<hr/>	<hr/>
At 31 December 2013	672	799	1,471
Amortisation for the year	30	111	141
	<hr/>	<hr/>	<hr/>
At 31 December 2014	702	910	1,612
	<hr/>	<hr/>	<hr/>
Net book value			
As at 31 December 2012	100	339	439
As at 31 December 2013	158	111	269
As at 31 December 2014	130	–	130
	<hr/>	<hr/>	<hr/>

14. Trade and other receivables

	As at 31 December		
	2012	2013	2014
	\$'000	\$'000	\$'000
Other receivables	1,001	1,453	585
Amounts due from related parties	–	2,097	1,601
Corporation tax receivable	1,723	247	–
	<u>2,724</u>	<u>3,797</u>	<u>2,186</u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above. All trade and other receivables are unsecured and interest free. No trade and other receivables are considered past due or impaired.

Amounts due from related parties include amounts due from the 50 per cent. interest in Sentry Derivatives Limited (Ireland) and Sentry Derivatives (Israel). The financial information in respect of these entities is immaterial and therefore no further disclosure has been made.

15. Cash and cash equivalents

	As at 31 December		
	2012	2013	2014
	\$'000	\$'000	\$'000
Cash at bank and in hand	<u>29,372</u>	<u>29,061</u>	<u>30,287</u>

The Ava Group also holds funds on behalf of clients who use these funds as margin for trading. The funds are held in client segregated bank accounts and the table below discloses these funds net of related payables and receivables.

	As at 31 December		
	2012	2013	2014
	\$'000	\$'000	\$'000
Amounts payable to clients	(109,221)	(100,196)	(96,359)
Receivables on open positions	<u>29,457</u>	<u>28,023</u>	<u>33,362</u>
Net amounts payable to clients	(79,764)	(72,173)	(62,997)
Deposits with liquidity providers	17,853	17,992	14,277
Funds deposited by clients	<u>65,230</u>	<u>58,471</u>	<u>55,390</u>
Surplus on client funds	<u>3,319</u>	<u>4,290</u>	<u>6,670</u>

Client segregated funds and funds deposited with liquidity providers have been offset against the associated trade payables to customers and open currency positions. The remaining surplus is shown as an asset on the balance sheet. Receivables on open currency positions represent the net gain on foreign exchange transactions entered into as part of the Ava Group's principal activity, which are outstanding at the statement of financial position date. These amounts are unsecured, interest free and become payable once the Ava Group's counterparty closes the currency position.

16. Shareholders' equity

Issued and fully paid share capital

	As at 31 December		
	2012	2013	2014
	Number	Number	Number
Ordinary shares of \$4.6468 (rounded) each	–	212,913	212,913
Ordinary shares of \$0.0005 each	<u>21,291,300</u>	<u>21,291,300</u>	<u>21,291,300</u>

	As at 31 December		
	2012	2013	2014
	\$'000	\$'000	\$'000
At 1 January	11	11	1,000
Dividend paid in the form of an issue of shares	<u>–</u>	<u>989</u>	<u>–</u>
At 31 December	<u>11</u>	<u>1,000</u>	<u>1,000</u>

Share option scheme

During 2009, Ava Trade Ltd. set up an employee share option plan (“ESOP”) in Israel.

Options are forfeited if the employee ceases employment with the Ava Group before the options vest and on the departure of an employee, any vested options must be exercised within 90 days otherwise they lapse. No option shall be exercisable more than seven years after the date upon which it was granted.

Share options outstanding

Details of the number of share options and the weighted average exercise price outstanding at each year end are detailed below:

	As at 31 December			As at 31 December		
	2012	2013	2014	2012	2013	2014
	Number of options	Number of options	Number of options	Weighted average exercise price	Weighted average exercise price	Weighted average exercise price
Outstanding at 1 January	–	190,000	146,450	\$6	\$6	\$6
Granted during the year	190,000	1,900	60,300	\$6	\$6	\$6
Forfeited	–	(45,450)	(50,500)	–	\$6	\$6
Expired	–	–	(15,150)	–	–	\$6
Outstanding at 31 December	190,000	146,450	141,100	\$6	\$6	\$6

Share options exercisable

Details of the number of exercisable share options outstanding at each year end are detailed below:

	As at 31 December		
	2012	2013	2014
	Number	Number	Number
Exercisable	25,000	73,225	65,625

Year ended 31 December 2012

On 31 October 2012, the directors of Ava Trade Ltd. approved the granting of 190,000 share options, to a number of employees of the Ava Group under the plan. Each share option becomes exercisable as soon as it vests and gives its holder the right to purchase one share of Ava Trade Ltd. at the price of \$6 each and vest as follows:

	Number
31 December 2012	25,000
1 April 2013	22,500
31 December 2013	25,000
1 April 2014	22,500
31 December 2014	25,000
1 April 2015	22,500
31 December 2015	25,000
1 April 2016	22,500

Year ended 31 December 2013

On 26 August 2013, the directors of Ava Trade Ltd. approved a one per cent. increase of the number of outstanding shares, effective from 26 September 2013. For share options outstanding at that date, the number and strike price were amended to take this share dividend into account.

On 13 December 2013, 45,450 (after giving effect to the share dividend) of the share options issued on 31 October 2012 were forfeited when an employee ceased employment with the Ava Group. On 13 March 2014, an additional 15,150 of such share options expire unexercised.

Year ended 31 December 2014

On 26 February 2014, the directors of Ava Trade Ltd. approved the grant of 10,000 share options to one employee of the Ava Group under the plan. Each share option becomes exercisable as soon as it vests and gives its holder the right to purchase one share of Ava Trade Ltd. at the price of \$6 each and vest as follows:

	Number
24 February 2014	2,500
1 January 2015	2,500
1 January 2016	2,500
1 January 2017	2,500

On 26 May 2014, the directors of Ava Trade Ltd. approved the grant of 30,300 share options to one employee of the Ava Group under the plan. Each share option becomes exercisable as soon as it vests and gives its holder the right to purchase one share of Ava Trade Ltd. at the price of \$5.94 each and vest as follows:

	Number
27 August 2014	10,100
27 August 2015	10,100
27 August 2016	10,100

On 20 July 2014, the directors of Ava Trade Ltd. approved the grant of 20,000 share options to one employee of the Ava Group under the plan. Each share option becomes exercisable as soon as it vests and gives its holder the right to purchase one share of Ava Trade Ltd. at the price of \$6 each and vest as follows:

	Number
6 July 2015	6,666
6 July 2016	6,666
6 July 2017	6,668

In all the cases noted above, the fair value of the share options was measured at the grant date taking into consideration recent company valuations, recent share valuations of similar companies and other available market data and was assessed to be immaterial. As a result, no charge was recognised.

Reserves

The following describes the nature and purpose of each reserve within owner's equity:

Reserve	Description and purpose
Translation reserve	Exchange differences relating to the translation of the net assets of the Ava Group's foreign operations from their functional currencies to the Ava Group's presentation currency (i.e. United States Dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to the income statement on the disposal or partial disposal of the foreign operation.
Retained earnings	Accumulated profit and loss, less dividends.

17. Trade and other payables

	As at 31 December		
	2012 \$'000	2013 \$'000	2014 \$'000
Other payables	3,335	2,978	3,729
Employer liability and other related payroll costs	1,386	1,496	1,209
VAT payable	—	—	70
Corporation tax payable	4,537	2,473	1,924
	<u>9,258</u>	<u>6,947</u>	<u>6,932</u>

Other payables include accrued expenses for services received, amounts payable to the tax authorities, salaries payable to employees and other employee related amounts. The fair values of other payables due within one year approximate to their carrying amounts as presented above. All trade and other payables are unsecured and interest free.

18. Related party transactions

The directors and shareholders of Ava Trade Ltd., together with their connected parties, are considered to be related parties of the Ava Group. Transactions with related parties are as follows:

Profit and loss

	For the year ended 31 December		
	2012	2013	2014
	\$'000	\$'000	\$'000
Interest expense on shareholders' loans	2	4	1
Consulting fees	637	555	753
Salary of directors and key management	244	253	197

Consultancy fees represent fees to Ava Trade Ltd.'s directors and two of the shareholders considered to be key management personnel. With the exception of the consulting fees and salary noted above, which are considered as short-term benefits, management and key personnel did not receive post-employment, other long-term or termination benefits. As detailed in Note 16, share based payments were not deemed material.

Balance sheet

	As at 31 December		
	2012	2013	2014
	\$'000	\$'000	\$'000
Amounts due from the 50% interest in Sentry			
Derivatives (Ireland) and Sentry Derivatives (Ireland)	–	290	278
Amounts due from related parties	–	1,807	1,323
Loans from shareholders	389	117	378

Amounts due from related companies are balances due from companies with common shareholders. Transactions with these companies were as follows:

	Ava Trade Ltd. (Cyprus) \$'000	Power Options Limited \$'000	Total \$'000
<i>Amount due</i>			
At 1 January 2012 and at 31 December 2012	–	–	–
Movement during the year	1,807	–	1,807
At 31 December 2013	1,807	–	1,807
Movement during the year	(125)	1,267	1,142
Impaired during the year	(359)	(1,267)	(1,626)
At 31 December 2014	1,323	–	1,323

The directors of Ava Trade Ltd. assessed the recoverability of the balances due from Ava Trade Ltd. (Cyprus) and on the basis of the net assets which that company has available to distribute, deemed the balance to be recoverable in full.

Loans from shareholders are unsecured and bear interest equal to one year US\$ Libor computed on a 365 day year basis. The loan balance including accrued interest will be repayable in full upon demand of the lender at any time after 15 February 2013. The borrower has the right to repay the loan in part or in full at any time before the maturity date.

19. Subsidiaries

Details of the Ava Group's subsidiaries as at 31 December 2014 are set out below:

Name	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
Ava FX Limited	BVI	100%	Dormant
Ava Financial Limited	Cyprus	100%	Processing entity
Ava Financial Limited	Israel	100%	Customer support centre
Ava Trade EU Limited	Ireland	100%	Licensed broker
Sentry Derivatives Limited	Ireland	50%	FX options provider
Sentry Derivatives Limited	Israel	50%	FX options broker
Fintech Systems Ltd	Israel	67%	Dormant
Ava Marketing Corp.	USA	100%	Intermediate holding company
Ava Trade Japan K.K.	Japan	100%	Licensed broker
Ava Trade Luxembourg S.a.r.l.	Luxembourg	100%	Dormant
Ava Capital Markets Australia PTY	Australia	100%	Licensed broker
First Academy Institute Ltd	BVI	100%	Intermediate holding company

20. Commitments

Operating lease commitments

The Ava Group incurred operating lease expenses for each year as detailed below:

	For the year ended 31 December		
	2012 \$'000	2013 \$'000	2014 \$'000
Operating lease expenses	739	668	781

At each year end, the Ava Group had outstanding commitments for future minimum rent payments, which fall due as follows:

	As at 31 December		
	2012 \$'000	2013 \$'000	2014 \$'000
Within one year	137	137	310
Within two to five years	83	83	103
	220	220	413

Capital and other commitments

Management is not aware of any capital or other commitments that may have a significant impact on the financial position of the Ava Group.

21. Financial risk management

In the ordinary course of business, the Ava Group is exposed to a variety of risks, the most important of which are credit risk, market risk and liquidity risk. These risks are identified, measured and monitored through various control mechanisms to prevent undue risk concentrations, as detailed below:

Credit risk

Credit risk is the risk that a counterparty will fail to discharge its obligation and cause the Ava Group to incur a financial loss. Credit risk is monitored by management on an ongoing basis. At each year end, there was no significant concentration of credit risk.

The gross maximum exposure to credit risk, without taking into account any collateral held and other credit enhancements is shown below:

	As at 31 December		
	2012 \$'000	2013 \$'000	2014 \$'000
Surplus on client segregated funds (note 16)	3,319	4,290	6,670
Trade and other receivables	2,724	3,797	2,186
Cash and cash equivalents	29,372	29,061	30,287
	<u>35,415</u>	<u>37,148</u>	<u>39,143</u>

No trade and other receivables are past due.

Market risk

Market risk is the risk of adverse movements in the level of interest rates, in the rate of exchange between currencies and the current prices of securities and other financial instruments. Accordingly, these movements may affect the Ava Group's profitability.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As Ava Group's principal activity is trading in foreign currencies, it is exposed to foreign currency risks as a result of the existence of open currency positions in the currencies in which it trades. The Ava Group maintains position limits for its open positions for each currency, in order to mitigate these risks. The open positions up to a limit are monitored on a continuous basis by the Ava Group's traders. The Ava Group does not enter into foreign currency derivative transactions.

The directors of Ava Trade Ltd. have approved a maximum value at risk ("VaR") limit, measured using the variance-covariance methodology, in accordance with the Ava Group's policy, which is based on the assumption that the daily changes in prices follow a normal distribution.

VaR is calculated with a confidence interval of 97.5 per cent. for a one-day holding year, using historical data for foreign exchange rates over the three to five years depending on the instruments. The VaR method indicates an estimate of the possible losses of the trading book, under the above assumptions and not the actual losses. Although a valuable guide to risk, VaR has various limitations, such as the fact that historical data may not always be an accurate reflector of future events. In addition, the use of one-day holding year assumes that all positions can be liquidated in one day.

This is not considered a significant limitation, since the Ava Group's foreign currency positions are very small relative to market volumes and the Ava Group is thus confident of being able to reverse them within a day. Moreover, the use of 97.5 per cent. confidence level implies that no account is taken of losses beyond this confidence.

The following table shows the currency structure of the Ava Group's major current assets and liabilities:

Year ended 31 December 2012

	USD \$'000	EUR \$'000	GBP \$'000	JPY \$'000	ILS \$'000	Other \$'000	Total \$'000
Trade and other receivables and surplus on client segregated funds	(6,115)	9,928	1,270	1,624	103	(767)	6,043
Cash and cash equivalents	5,557	20,481	592	1,159	201	1,382	29,372
Trade and other payables	(6,715)	(914)	(32)	(42)	(1,922)	(22)	(9,647)
	<u>(7,273)</u>	<u>29,495</u>	<u>1,830</u>	<u>2,741</u>	<u>(1,618)</u>	<u>593</u>	<u>25,768</u>

Year ended 31 December 2013

	USD \$'000	EUR \$'000	GBP \$'000	JPY \$'000	ILS \$'000	Other \$'000	Total \$'000
Trade and other receivables and surplus on client segregated funds	2,396	1,656	212	897	2,178	748	8,087
Cash and cash equivalents	15,226	7,811	1,763	2,471	351	1,439	29,061
Trade and other payables	(3,697)	(448)	(31)	(84)	(2,793)	(11)	(7,064)
	<u>13,925</u>	<u>9,019</u>	<u>1,944</u>	<u>3,284</u>	<u>(264)</u>	<u>2,176</u>	<u>30,084</u>

Year ended 31 December 2014

	USD \$'000	EUR \$'000	GBP \$'000	JPY \$'000	ILS \$'000	Other \$'000	Total \$'000
Trade and other receivables and surplus on client segregated funds	720	3,231	(264)	4,481	1,463	(775)	8,856
Cash and cash equivalents	24,229	2,466	620	1,069	(90)	1,993	30,287
Trade and other payables	(3,215)	(1,496)	(17)	(80)	(2,481)	(21)	(7,310)
	<u>21,734</u>	<u>4,201</u>	<u>339</u>	<u>5,470</u>	<u>(1,108)</u>	<u>1,197</u>	<u>31,833</u>

Sensitivity analysis

A 10 per cent. strengthening of the United States Dollar against the following currencies would have increased (decreased) equity and the income statement by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10 per cent. weakening of the United States Dollar against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	For the year ended 31 December		
	2012 \$'000	2013 \$'000	2014 \$'000
EUR	2,950	902	420
GBP	183	194	34
JPY	274	328	547
ILS	(162)	(26)	(111)
Other	59	218	120
	<u>3,121</u>	<u>1,616</u>	<u>390</u>

Liquidity risk

Liquidity risk is the risk that the Ava Group will encounter difficulty in meeting payment obligations and potential payment obligations as and when they fall due without incurring unacceptable losses. The Ava Group does not consider liquidity risk to be significant as all of its assets are held in liquid form. The Ava Group is also obliged to maintain in its bank accounts an amount at least equal to the total amount owed to its clients and on that basis does not consider these liabilities when considering the liquidity risk of the Ava Group.

Year ended 31 December 2012

	Carrying amounts \$'000	Undiscounted contractual cash flows \$'000	3 months or less \$'000	Between 3-12 months \$'000	Between 1-5 years \$'000	More than 5 years \$'000
Shareholder loans	389	389	—	—	389	—
Trade and other payables	9,258	9,258	4,203	5,055	—	—
	<u>9,647</u>	<u>9,647</u>	<u>4,203</u>	<u>5,055</u>	<u>389</u>	<u>—</u>

Year ended 31 December 2013

	Carrying amounts \$'000	Undiscounted contractual cash flows \$'000	3 months or less \$'000	Between 3-12 months \$'000	Between 1-5 years \$'000	More than 5 years \$'000
Shareholder loans	117	117	117	—	—	—
Trade and other payables	6,947	6,947	4,721	2,226	—	—
	<u>7,064</u>	<u>7,064</u>	<u>4,838</u>	<u>2,226</u>	<u>—</u>	<u>—</u>

Year ended 31 December 2014

	Carrying amounts \$'000	Undiscounted contractual cash flows \$'000	3 months or less \$'000	Between 3-12 months \$'000	Between 1-5 years \$'000	More than 5 years \$'000
Shareholder loans	378	378	378	—	—	—
Trade and other payables	6,932	6,932	4,101	2,831	—	—
	<u>7,310</u>	<u>7,310</u>	<u>4,479</u>	<u>2,831</u>	<u>—</u>	<u>—</u>

Capital risk management

The primary objective of the Ava Group's management is to ensure that it has sufficient capital to enable it to effectively fund its operations and maximise shareholder value.

Ava Trade Ltd. considers capital to be its share capital and retained profit.

Ava Trade Ltd. manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, Ava Trade Ltd. may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Fair value estimation

All financial instruments carried at fair value are categorised into three categories defined as follows:

- *Level 1 – Quoted market price*
Financial instruments with quoted prices for identical instruments in active markets.
- *Level 2 – Valuation technique using observable inputs*
Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- *Level 3 – Valuation technique with significant non-observable inputs*
Financial instruments valued using models where one or more significant inputs are not observable. The best evidence of fair value is a quoted price in an actively trade market. In the event that the market for a financial instrument is not active, a valuation technique is used. The majority of valuation techniques employ only observable market data and so the reliability of the fair value measurement is high. However, certain financial instruments are valued on the basis of valuation techniques that feature one or more significant market inputs that are not observable. For these instruments, the fair value derived is more judgemental. 'Not observable' in this context means that there are few or no current market data available from which to determine the level at which an arm's length transaction would be likely to occur. It generally does not mean that there is absolutely no market data available upon which to base a determination of fair value (for example, historical data may be used). Furthermore, the assessment of hierarchy level is based on the lowest level of input that is significant to the fair value of the financial instrument.

Receivables on open positions are categorised as Level 1 and carried at fair value through profit and loss. All other financial assets are categorised as loans and receivables.

Management is of the opinion that the fair values of Ava Trade's other financial assets and liabilities are approximately equal to their carrying values.

22. Contingent liabilities

Management is not aware of any contingencies that may have a significant impact on the financial position of the Ava Group.

23. Post balance sheet events

Ava Trade Ltd. paid dividends of \$12,237,000 and \$7,757,000 in January 2015 and February 2015 respectively.

Save as disclosed above, there were no material events after the reporting period, which have a bearing on the understanding of the consolidated financial information.

PART IV

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names, functions and addresses appear on page 3 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (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

- 2.1 The Company was incorporated and registered in the British Virgin Islands on 12 September 2002 under the International Business Companies Act (cap 291) of the British Virgin Islands with registered number 513063 as a company limited by shares and was automatically re-registered under the British Virgin Islands Business Companies Act, 2004 on 1 January 2007. On 21 June 2012, the Company's registration was re-domiciled to the Isle of Man with registration number 008505V.
- 2.2 The registered office and principal place of business of the Company is Ground Floor, St George's Court, Upper Church Street, Douglas, Isle of Man IM1 1EE and its telephone number is +44 1624 645 999.
- 2.3 The company secretary of the Company is Brian Moore.

3. Interests in Ordinary Shares

As at 7 July 2015 (being the latest practicable date prior to the date of this document), the interests (all of which are beneficial) of the Directors and the members of Senior Management and their immediate families (including any interest known to that Director or which could with reasonable diligence be ascertained by him or any person connected with a Director within the meaning of section 252 to 255 of the Act) in the issued shares of the Company are as follows:

Name	Number of issued Ordinary Shares	Percentage of issued Ordinary Shares	Number of Ordinary Shares under Option
Directors			
Alan Jackson	15,000	0.005	—
Mor Weizer	36,000	0.011	—
Ron Hoffman	10,000	0.003	—
Hilary Stewart-Jones	—	—	—
Andrew Thomas	7,500	0.002	—
Senior Management			
Uri Levy	—	—	—
Shimon Akad	—	—	—
Eyal Wagner	—	—	—

4. Service Agreements and arrangements

- 4.1 Each of the Executive Directors and members of Senior Management has entered into arrangements with the Group as set out below. Their respective salaries/fees are as follows:

Name	Date employment/ appointment commenced	Annual Salary/Fee
Executive Directors		
Mor Weizer	02/05/2007	£550,000
Ron Hoffman	31/08/2004	£300,000
Senior Management		
Uri Levy	01/01/2008	NIS720,000
Shimon Akad	01/04/2015	£300,000
Eyal Wagner	07/11/2013	€110,000

- 4.2 Each of the Executive Directors has been appointed on terms which can be terminated by either party on 12 months' notice.

Each of the service contracts provide for the Executive Directors' salaries to be reviewed annually. The Executive Directors are also entitled to other benefits commensurate with their position including permanent health insurance, life assurance and in certain cases a fully expensed company car and accommodation expenses. A contribution equal to 5 per cent. of salary is made to their respective personal pension plans.

No Executive Director is entitled to any benefits upon termination of his appointment under the terms of his agreement with the Group.

- 4.3 Uri Levy has been employed on terms which can be terminated by either party on 180 days' notice. He is also entitled to other benefits commensurate with his position including a fully expensed company car. A contribution equal to 5 per cent. of salary is made to his personal pension plan. Uri Levy is not entitled to any benefits upon termination of his appointment under the terms of his agreement with the Group.
- 4.4 Shimon Akad has been appointed on terms which can be terminated by either party on six months' notice. Shimon Akad is entitled to other benefits commensurate with his position including permanent health insurance, life assurance and company car and accommodation expenses. A contribution equal to 5 per cent. of salary is made to his personal pension plan. Shimon Akad is not entitled to any benefits upon termination of his appointment under the terms of his agreement with the Group.
- 4.5 Eyal Wagner is engaged by the Group through a consulting services agreement with Rochette Corporation ("ServiceCo") on terms which can be terminated by either party on 180 days' notice. ServiceCo is not entitled to any benefits upon termination of the consultant services agreement.
- 4.6 Each of the non-executive Directors have entered into agreements with the Company. Their annual fees are as follows:

Name	Annual fee (£)
Alan Jackson	384,000
Hilary Stewart-Jones	200,000
Andrew Thomas	100,000

Each of the non-executive Directors has been appointed on terms which can be terminated by either party on 120 days' notice save in the case of Hilary Stewart-Jones where the period is 90 days.

5. Significant shareholders

As at 7 July 2015 (being the latest practicable date prior to the date of this document), the Company is aware of the following existing Shareholders (other than any Director or member of Senior Management) who by virtue of the notifications made to it pursuant to the Articles and/or the Disclosure and Transparency Rules, are interested, directly or indirectly, in 3 per cent. or more of the issued shares of the Company:

Name	Number of issued Ordinary Shares	Percentage of issued Ordinary Shares
Brickington Trading Limited	108,408,441	33.6
Legal and General Investment Mgt	10,319,215	3.2
Newton Investment Mgt	9,850,665	3.1

6. Material Contracts

Playtech

6.1 *Share Acquisition Agreement*

On 1 July 2015, TradeFX entered into a conditional share acquisition agreement with the Sellers and Ava Trade for the purchase by TradeFX of the entire issued share capital of Ava Trade. Consideration of US\$105 million in cash is payable by TradeFX, on a cash-free/debt-free basis, which is subject to a post-Completion working capital calculation. Of this amount, US\$5 million has been paid as a non-refundable deposit and US\$10 million of will be retained in escrow to serve as security for certain claims by TradeFX under the agreement.

Completion of the Transaction in accordance with the Share Acquisition Agreement is conditional on the satisfaction of a number of conditions precedent, including:

- (a) the passing of the Resolution by Shareholders at the General Meeting;
- (b) change of control approval having been received from the Central Bank of Ireland and the British Virgin Islands' Financial Services Commission; and

there having been no material adverse change to the business or results of operations of the Ava Group prior to 1 September 2015.

Completion of the Transaction will occur on the fourth Business Day following the end of the calendar month in which the relevant conditions have been fulfilled or waived in writing (other than those conditions which, by their terms, are to occur on Completion or expire) or such later date, time and place as TradeFX and the Principal Sellers may agree and provided always that TradeFX or the Principal Sellers may, in certain circumstances, terminate the Share Acquisition Agreement on 5 November 2015 or on 1 November 2015, if regulatory approvals have not been received by such time. The Company currently expects the Transaction to be completed prior to 30 September 2015 subject to satisfaction of those conditions referred to above.

The Share Acquisition Agreement contains customary covenants from Ava Trade in relation to the running of the Ava Group in the period to Completion.

TradeFX is entitled to terminate the Share Acquisition Agreement prior to Completion in certain circumstances, including where there is a breach of the Share Acquisition Agreement by a Seller or Ava Trade which results in the failure to satisfy the conditions set out in the agreement.

The Share Acquisition Agreement contains warranties given by each of the Sellers in favour of TradeFX in respect of their capacity to enter into the Share Acquisition Agreement, title to the shares to be transferred by them to TradeFX as well as other general warranties given by Ava Trade and each of the Sellers in favour of TradeFX that are customary for a transaction of this nature and size, including, *inter alia*, with respect to corporate, financial, trading, regulatory and tax matters.

Ava Trade shall, until Completion and only the Sellers shall from Completion, indemnify and hold harmless TradeFX (and, from Completion, Ava Trade and members of the Ava Group) from and against all damages that TradeFX (amongst others) may incur by reason of any breach or failure of the warranties provided by the Sellers and Ava Trade or by reason of any breach or failure to fulfil or observe any covenant or undertaking made or taken in the Share Acquisition Agreement by the Sellers or Ava Trade.

The liability of the Sellers and Ava Trade in relation to the warranties and indemnities referred to above is subject to limitations on liability customary for a transaction of this type.

6.2 *Ava Guarantee*

In connection with the execution of the Share Acquisition Agreement, Playtech Software Limited has entered into a guarantee dated 1 July 2015 in favour of the Sellers and the Principal Sellers pursuant to which it has agreed to guarantee all of the obligations of TradeFX under the Share Acquisition Agreement.

6.3 *Plus500 Merger Agreement*

On 31 May 2015, Brighttech and Socialdrive entered into a merger agreement with Plus500 (the "**Merger Agreement**") which provides for, subject to the terms and conditions of the Merger Agreement and in accordance with Israeli law, Socialdrive being merged with and into Plus500, with Plus500 surviving the merger (the "**Merger**") and becoming a subsidiary of Brighttech.

Under the terms of the Merger, each Plus500 Share issued and outstanding immediately prior to the effective time of the Merger will be converted into the right to receive 400 pence in cash (the "**Merger Consideration**") without any interest thereon, subject to the withholding of any applicable taxes.

The Merger Agreement contains a number of representations made by and to Brighttech and Socialdrive, on the one hand, and Plus500, on the other hand.

Representations made by Plus500 to Brighttech and Socialdrive in the Merger Agreement relate to, among other things: organisation, standing, corporate power, capitalisation of Plus500 and its subsidiaries, share appreciation rights, authority, non-contravention and voting requirements, required filings and consents, financial statements; no undisclosed liabilities, absence of certain changes or events, legal proceedings, compliance with laws, permits, tax matters, labour matters, company benefit plans, government grants, contracts, intellectual property, opinion of financial

adviser, brokers and other advisers, related party transactions, insurance, property, environmental matters, rights agreement, anti-takeover provisions, insolvency and information supplied.

Representations made by Brighttech and Socialdrive to Plus500 in the Merger Agreement relate to, among other things: organisation, authority, non-contravention, required filings and consents, information supplied, compliance, ownership and operations of Socialdrive, brokers and other advisers, available funds and legal proceedings.

Significant portions of the representations and warranties of Plus500 are qualified by “materiality” or “Company Material Adverse Effect.”

A “*Company Material Adverse Effect*” means any change, event, circumstance, effect, development, occurrence or state of facts that, individually or in the aggregate, and regardless of whether or not such change constitutes a breach of the representations or warranties made by Plus500 in the Merger Agreement. is, or is reasonably likely to be, material and adverse to the business, condition, properties, assets, liabilities (contingent or otherwise), results of operations or financial condition of Plus500 and its subsidiaries taken as a whole; *provided, however*, that none of the following shall be deemed in itself to constitute, and that none of the following changes, events, circumstances, effects, developments, occurrence or state of facts shall be taken into account in determining whether there has been or would reasonably be expected to be, a Company Material Adverse Effect:

- changes in IFRS or applicable law (or any interpretations thereof), occurring after the date of the Merger Agreement;
- any acts of terrorism or war or any weather related event, fire or natural disaster;
- compliance with the terms of, the taking of any action required or the failure to take any action prohibited by, the Merger Agreement or any other transaction document or the taking of any action consented to in writing or requested in writing by Brighttech or Socialdrive;
- any failure by Plus500 to meet internal or published projections, forecasts, performance measures, operating statistics or revenue or earnings predictions for any period (it being understood that the facts and circumstances giving rise to such failure may be deemed to constitute, and may be taken into account in determining whether there has been or would reasonably be expected to be, a Company Material Adverse Effect);
- the announcement of the execution of the Merger Agreement or the pendency of consummation of the Merger (including the threatened or actual impact on relationships of Playtech with customers, vendors, suppliers, distributors, landlords or employees);
- changes in the industries or in the markets or legal or regulatory environment in which Plus500 and its subsidiaries operate generally; or
- general economic or political conditions or the applicable capital markets, or financial credit in general (including prevailing interest rates, exchange rates and stock market levels, except, in each case of the second, sixth and seventh bullets above, if Plus500 and its subsidiaries taken as a whole are adversely affected in a materially disproportionate manner relative to other participants in the industries in which Plus500 and its subsidiaries participate.

Some of the representations and warranties of Brighttech and Socialdrive are qualified by “materiality” or by any event, change, effect, development, condition or occurrence that would not prevent or materially delay Brighttech from consummating the transactions contemplated by the Merger Agreement or prevent or materially delay that party from performing its obligations under the Merger Agreement.

The representations and warranties in the Merger Agreement do not survive the completion of the Merger.

Conduct of business

Plus500 has agreed that until the effective date of the Merger, Plus500 and its subsidiaries will conduct their businesses in all material respects in the ordinary course of business consistent with past practice and use commercially reasonable efforts to maintain and preserve intact its business organisation, its permits, and the goodwill of those having business relationships with it and retain the services of its present executive officers and key employees consistent with past practice, except as required for the purposes of or expressly permitted by the Merger Agreement, as required by applicable law, as the Plus500 board of directors considers necessary or desirable in connection with

the discharge of or compliance with any legal or regulatory obligation, including any requirement imposed by the FCA, or in connection with their dealings with or disclosures to any regulator including without limitation the FCA or regulators in Cyprus or Australia, or as consented to by Brighttech in writing (such consent shall not be unreasonably withheld, conditioned or delayed).

Plus500 has further agreed generally not to take, and not to permit its subsidiaries to take, certain material actions prior to the effective time of the Merger without the prior written consent of Brighttech.

In particular, the Merger Agreement prohibits Plus500 from distributing dividends to the shareholders of Plus500 until the effective date of the Merger without the prior written consent of Brighttech.

Conditions to the Completion of the Merger

Each party's obligation to complete the Merger is conditioned upon the satisfaction or waiver (to the extent permissible), on or prior to the closing date, of all of the following conditions:

- the Plus500 shareholder approval having been obtained and the shareholder approval of Playtech having been obtained;
- the receipt of regulatory approvals and any required antitrust clearance;
- no governmental entity having enacted, issued or promulgated any law or any injunction or order which is in effect and which has the effect of making the Merger illegal or otherwise prohibiting or preventing the consummation of the Merger; and
- as required by the Israeli Companies Law: (i) at least 50 days having elapsed after the filing of a merger proposal with the Israeli Registrar of Companies of the State of Israel; and (ii) at least 30 days having elapsed after the Plus500 shareholder approval and the approval of the Merger by the shareholder of Socialdrive having been obtained (Brighttech, the sole shareholder of Socialdrive, approved the Merger Agreement on the date of the Merger Agreement).

The respective obligations of Brighttech and Socialdrive to complete the Merger are subject to the satisfaction or waiver of the following additional conditions:

- the representations and warranties of Plus500 being true and correct as of the date made and as of the closing date, except for any inaccuracy which has or does not had or have, individually or in the aggregate, a Company Material Adverse Effect;
- Plus500 having performed and complied with its obligations and covenants under the Merger Agreement except for any non-compliance which has or does not had or had, individually or in the aggregate, a Company Material Adverse Effect and there was or is no intentional material non-compliance;
- no Company Material Adverse Effect having occurred since the date of the Merger Agreement; and
- the Directors of Plus500 having resigned.

Plus500's obligation to complete the Merger is subject to the satisfaction or waiver of the following additional conditions:

- the representations and warranties of Brighttech and Socialdrive being true and correct as of the closing date, except for any inaccuracy which would not result or has not resulted, individually or in the aggregate, in a material adverse effect; and
- Brighttech and Socialdrive having performed and complied with their obligations and covenants under the Merger Agreement except for any non-compliance which would not have or has not had, individually or in the aggregate, a material adverse effect.

The consummation of the Merger is not subject to a financing contingency.

No Solicitation of Acquisition Proposals; Board Recommendation Change; Fiduciary Termination

Plus500 has agreed that it will and will cause its subsidiaries and their respective representatives to immediately cease any and all existing discussions, communications or negotiations with respect to any acquisition proposal with any persons conducted prior to the execution of the Merger

Agreement and refrain from any discussions, communications or negotiations with respect to any acquisition proposal for so long as the Merger Agreement is in effect.

Notwithstanding the restrictions above, the Plus500 board of directors is permitted to engage in discussions of, or provide non-public information with respect to, any *bona fide*, unsolicited written acquisition proposal received without a breach of the “no solicitation” restrictions described above if the Plus500 board of directors has determined, after consultation with its financial adviser and outside legal counsel, that the acquisition proposal constitutes or may reasonably be expected to lead to a “superior proposal”. A “superior proposal” is a proposal in cash where the consideration payable thereunder to the shareholders of Plus500 is not less than 105 per cent. of the Merger Consideration (or any amended terms of the Merger put forward by Brighttech).

In such case, if the Plus500 shareholder approval has not yet been obtained, the Plus500 board of directors may change its recommendation to the shareholders of Plus500 and/or terminate the Merger Agreement and pay a termination fee in certain cases (as described below), subject to the right of Brighttech to match the superior proposal.

Termination

The Merger Agreement may be terminated at any time before the effective time of the Merger by the mutual written consent of Brighttech and Plus500.

The Merger Agreement may also be terminated prior to the effective time of the Merger by Plus500 or Brighttech if:

- a governmental entity has enacted a law or issued a final and non-appealable order or taken any other action, having the effect of permanently restraining, enjoining or otherwise prohibiting the Merger;
- the Merger is not consummated by 31 December 2015 (provided, however, that the right to terminate the Merger Agreement pursuant to this provision shall not be available to any party whose actions or omissions have been a principal cause of, or primarily resulted in, the failure of the Merger to occur on or before such date and such action or failure to act constitutes a breach of the Merger Agreement); or
- the Plus500 shareholder approval or the Playtech shareholders’ approval is not obtained after the final adjournment of the shareholders’ meeting at which a vote is taken on the Merger.

The Merger Agreement may also be terminated by Brighttech under any of the following circumstances:

- if: (A) the Plus500 board of directors changes its recommendation to vote in favour of the Merger in connection with a superior proposal; or (B) following the public disclosure or announcement of a takeover proposal the Plus500 board of directors shall have failed to reconfirm publicly its recommendation of the Merger within seven business days after Plus500 receives Brighttech’s written request therefor; or
- Plus500 has materially breached any of its representations, warranties or covenants under the Merger Agreement which would result in the failure to satisfy a closing condition (subject to an overall material adverse effect qualification), and Plus500 has failed to cure or cannot cure the breach within 30 days following notice of the breach from Brighttech.

The Merger Agreement may also be terminated by Plus500 under any of the following circumstances:

- at any time prior to the receipt of the Plus500 shareholder approval, in order to enter into an agreement with respect to a superior proposal, provided that Plus500 pays the termination fee to Brighttech concurrently with the termination of the Merger Agreement;
- Brighttech or Socialdrive has materially breached any of its representations, warranties or covenants under the Merger Agreement which would result in the failure to satisfy a closing condition (subject to an overall material adverse effect qualification), and Brighttech or Socialdrive has failed to cure or cannot cure the breach within 30 days following notice of the breach from Plus500; or
- if: (A) all the conditions to closing have been satisfied (or waived); (B) Plus500 has irrevocably confirmed in a written notice delivered to Brighttech that Plus500 stands, and will stand,

ready, willing and able to consummate the Merger; and (C) Brighttech fails to consummate the Merger within five (5) Business Days after the delivery of such written notice.

Termination Fee

Plus500 is required to pay Brighttech a £20.7 million termination fee in connection with the termination of the Merger Agreement under the following circumstances:

- a takeover proposal (or an intention to make a takeover proposal) shall have been made known to Plus500 and publicly disclosed or made publicly known or made directly to the shareholders of Plus500, and thereafter, the Merger Agreement is terminated by Plus500 or Brighttech due to the failure to obtain the Plus500 shareholder approval, and further thereafter within nine (9) months after the date the Merger Agreement is terminated, Plus500 enters into a definitive agreement with respect to any takeover proposal that is subsequently consummated;
- Plus500 terminates the Merger Agreement in order to enter into an agreement with respect to a superior proposal, prior to the Plus500 shareholder approval being obtained; or
- in the event the Merger Agreement is terminated by Brighttech as a result of: (i) the Plus500 board of directors changing its recommendation to the shareholders of Plus500 to vote for the Merger in connection with a Superior Proposal; or (ii) the Plus500 board of directors refusing to re-affirm its recommendation to shareholders of Plus500 to vote for the Merger within seven (7) Business Days of a written request from Brighttech following the public disclosure or announcement of a takeover proposal and, within nine (9) months after the date the Merger Agreement is terminated, Plus500 enters into a definitive agreement with respect to any takeover proposal that is subsequently consummated.

Efforts to Consummate the Merger

Subject to the terms and conditions of the Merger Agreement, each of Brighttech, Socialdrive and Plus500 have agreed to use its reasonable best efforts to take, or cause to be taken, all actions and do, or cause to be done, and to assist and cooperate with the other parties to the Merger Agreement in doing, all things reasonably necessary, proper or advisable under applicable law or otherwise to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by the Merger Agreement.

Indemnification and Insurance

Pursuant to the Merger Agreement, Brighttech has agreed to cause Plus500 (as the surviving company in the Merger, referred to as the “**Surviving Company**”) to honour all existing indemnification agreements with Plus500’s directors and officers.

In addition, Brighttech has agreed to cause the Surviving Company and its subsidiaries to maintain, for seven years after the closing of the Merger, in their respective organisational documents director and officer indemnification, insurance, exculpation and expense advancement provisions that are at least as favourable as those existing at the time of the signing of the Merger Agreement.

Finally, Brighttech has agreed to cause the Surviving Company to maintain in effect, for seven years after the closing of the Merger, directors’ and officers’ insurance policies covering acts or omissions occurring prior to or at the closing of the Merger on terms with respect to coverage and amounts that are equivalent to those of Plus500’s current directors’ and officers’ insurance policies, or to purchase a seven-year “tail” endorsement to the current directors’ and officers’ insurance policies in respect of matters occurring at or prior to the closing of the Merger.

6.4 Plus500 Guarantee

In connection with the execution of the Merger Agreement, Playtech Software Limited entered into a guarantee dated 31 May 2015 in favour of Plus500 pursuant to which it agreed to guarantee all of the obligations of Brighttech and Socialdrive under the Merger Agreement.

6.5 Placing Agreement

On 18 June 2015, the Company entered into a placing agreement with Canaccord Genuity, UBS AG (“**UBS**”) and Shore Capital Stockbrokers Limited (“**Shore Capital**”) pursuant to the terms of which Canaccord Genuity and UBS severally agreed to procure subscribers for, in aggregate, 29,050,000 new Ordinary Shares at 780p per Ordinary Share. The placing agreement contained customary

representations and warranties and undertakings given by the Company to Canaccord Genuity, UBS and Shore Capital. The Company also provided an indemnity to Canaccord Genuity, UBS and Shore Capital on customary terms.

6.6 ***Revolving Credit Facility Agreement***

On 28 June 2015, the Company as borrower (along with Playtech Software Limited and Playtech Turnkey Services Limited as guarantors (together with any other member of the Group which subsequently accedes to the Revolving Credit Facility, as defined below)), entered into an unsecured revolving credit facility with Barclays Bank PLC and Royal Bank of Scotland plc (the “**Revolving Credit Facility**”). The commitments being made available under the Revolving Credit Facility are €200 million and the loan will mature three years following the date of the agreement.

The borrowings under the Revolving Credit Facility will bear interest at the aggregate of: (i) the applicable margin; and (ii) LIBOR. The applicable margin is subject to a leverage ratchet and accordingly ranges from 1.4 per cent. to 2.2 per cent. per annum, with an initial margin of 1.6 per cent. per annum applicable during the period from the date of the agreement to 31 December 2015.

Subject to certain exceptions and limitations, each company within the Group that has EBITDA or gross assets representing 10 per cent. or more of the consolidated EBITDA or gross assets of the Group must become a guarantor of the Revolving Credit Facility within 30 days of that company meeting such threshold. In addition, the obligations of the Company under the Revolving Credit Facility must be guaranteed by those members of the Group which cumulatively represent at least 75 per cent. of the consolidated EBITDA or gross assets of the Group.

The terms contained within the Revolving Credit Facility restrict the manner in which the Group's business is conducted, including (subject to certain agreed exceptions) restrictions on disposing of assets, creating security interests and certain acquisitions. The Revolving Credit Facility does not expressly restrict the payment of dividends or distributions. The Revolving Credit Facility also imposes financial covenants in respect of the maximum net debt to adjusted EBITDA ratio of the Company and include customary conditions precedent, representations, covenants, events of default and mandatory prepayment events (including upon a change of control) that reflect the Company's current financial status.

- 6.7 Save as disclosed in: (i) paragraphs 6.1 to 6.6 above; and (ii) Part III and paragraph 3 of Part IV of the circular of the Company dated 2 April 2015, and excluding contracts that have been entered into in the ordinary course of business, there are no other contracts which have been entered into by members of the Playtech Group in the two years immediately preceding the date of this document and which are, or may be, material to Playtech or which have been entered into at any time by members of the Playtech Group and which contain any provision under which any member of the Playtech Group has any obligation or entitlement which is, or may be, material to the Playtech as at the date of this document.

Ava Trade

- 6.8 Save as disclosed in paragraph 6.1 above, and excluding contracts that have been entered into in the ordinary course of business, there are no other contracts which have been entered into by members of the Ava Group in the two years immediately preceding the date of this document and which are, or may be, material to Ava Trade or which have been entered into at any time by members of the Ava Group and which contain any provision under which any member of the Ava Group has any obligation or entitlement which is, or may be, material to the Ava Group as at the date of this document.

7. Legal and arbitration proceedings

Playtech

- 7.1 There are no governmental, legal or arbitration proceedings nor so far as the Company is aware, are any governmental, legal or arbitration proceedings pending or threatened which may have, or have had during the 12 months preceding the date of this document, a significant effect on the Group's financial position or profitability.

Ava Trade

- 7.2 There are no governmental, legal or arbitration proceedings nor, so far as the Company is aware, are any governmental, legal or arbitration proceedings pending or threatened which may have, or have

had during the 12 months preceding the date of this document, a significant effect on Ava Group's financial position or profitability.

8. Significant change

- 8.1 Save in respect of the Placing and the entering into of the Revolving Credit Facility, there has been no significant change in the financial or trading position of the Group since 31 December 2014, the date to which the last published financial statements of the Group were prepared.
- 8.2 Other than those matters referred to in note 23 of the Historical Financial Information of the Ava Group set out in Section B of Part III of this document relating to the payment by Ava Trade of dividends in the total amount of \$19,994,000, there has been no significant change in the financial or trading position of the Ava Group since 31 December 2014, the date to which the last published financial statements of the Ava Group were prepared.

9. Working capital

The Company is of the opinion that the Enlarged Group has sufficient working capital available for its present requirements, that is for at least the period of 12 months from the date of this document.

10. Related Party Transactions

Other than: (i) those matters referred to in the document; (ii) the participation by Brickington Trading Limited in the Placing; (iii) the acquisition of TradeFX by Dowie, further details of which are set out in the circular of the Company dated 2 April 2015 which are incorporated by reference into this document; (iv) those matters referred to in note 26 to the Financial Statements of the Group for the year ended 31 December 2014, which are incorporated by reference into this document; (v) those matters referred to in note 27 to the Financial Statements of the Group for the year ended 31 December 2013, which are incorporated by reference into this document; and (vi) those matters referred to in note 28 to the Financial Statements of the Group for the year ended 31 December 2012, which are incorporated by reference into this document, during the period commencing on 1 January 2012 and terminating on the date of this document, the Company has not entered into any related party transaction.

11. Information incorporated by reference

Your attention is drawn to the following information which is incorporated by reference into this Circular:

Document	Section	Page numbers in such document
Circular of the Company dated 2 April 2015	Material contracts	17-18 and 25-28
Annual Report and Accounts of the Company for the year ended 31 December 2014	Note 26 – Related Parties and Shareholders	103-104
Annual Report and Accounts of the Company for the year ended 31 December 2013	Note 27 – Related Parties and Shareholders	105
Annual Report and Accounts of the Company for the year ended 31 December 2012	Note 28 – Related Parties and Shareholders	88

The above referenced documents are available at www.playtech.com or <http://www.morningstar.co.uk/uk/NSM>

12. Consents

- 12.1 Canaccord Genuity has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.
- 12.2 Grant Thornton has given and has not withdrawn its written consent to the inclusion in this document of its report in Section A of Part III in the form and context in which it appears.

13. Documents available for inspection

Copies of the following documents will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at Ground Floor, St George's Court, Upper Church Street, Douglas, Isle of Man IM1 1EE from the date of this document up to and including the date of the General Meeting and for the duration of the General Meeting:

- (a) the memorandum and articles of incorporation of the Company;
- (b) the Annual Reports and Accounts of the Company, including the audited consolidated accounts and the independent auditors' reports for each of the years ended 31 December 2012, 31 December 2013 and 31 December 2014;
- (c) the consent letters referred to in paragraph 12 above;
- (d) the Share Acquisition Agreement; and
- (e) this Circular and the Form of Proxy.

Dated: 8 July 2015

PART V

DEFINITIONS

The following definitions apply throughout this document, unless stated otherwise:

Act	the UK Companies Act 2006, as amended from time to time
Ava Trade	Ava Trade Ltd.
Ava Group	Ava Trade and its subsidiaries from time to time
Board	the board of the Company comprising the Directors
Brighttech	Brighttech Investments S.A., a subsidiary of the Company
BVI	British Virgin Islands
Canaccord Genuity	Canaccord Genuity Limited of 88 Wood Street, London EC2V 7QR
Completion	completion of the Transaction in accordance with the Share Acquisition Agreement
Company or Playtech	Playtech PLC
CREST	the paperless settlement system operated by Euroclear UK & Ireland Limited to facilitate the transfer of title to, and the holding of, shares in uncertificated form
Dowie	Dowie Investments Limited, a wholly owned subsidiary of the Company
Directors	the directors of the Company, as set out on page 3 of this document
DTRs or Disclosure and Transparency Rules	the Disclosure and Transparency Rules of the FCA made in accordance with section 73A of FSMA
EEA	the European Economic Area
Enlarged Group	the Group as enlarged by the Transaction
EU	European Union
Euro or €	the official currency of certain of the member states of the European Union
Executive Directors	Mor Weizer and Ron Hoffman
FCA	the Financial Conduct Authority
Form of Proxy	the form of proxy accompanying this document for use by Shareholders in relation to the General Meeting
FSMA	the Financial Services and Markets Act 2000 (as amended)
General Meeting	the general meeting of the Company to be held at The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man at 11:00 a.m. on 28 July 2015 (or any adjournment thereof), notice of which is set out at the end of this document
Group or Playtech Group	the Company and its subsidiaries from time to time
Listing Rules	the Listing Rules of the FCA made in accordance with section 73A of FSMA
MiFID	the Markets in Financial Instruments Directive 2004/39/EC
Minority Sellers	those persons (other than the Principal Sellers) selling shares in the issued share capital of Ava Trade on Completion
Ordinary Shares	ordinary shares of no par value in the capital of the Company
Placing	the placing of 29,050,000 new Ordinary Shares by Canaccord Genuity, UBS and Shore Capital on behalf of the Company on 18 June 2015 (the

	admission of the such shares to the Official List and to trading on the London Stock Exchange's main market for listed securities which became effective on 24 June 2015)
Plus500	Plus500 Ltd.
Principal Sellers	Moran Shekel Nosatzki and Emanuel Kronitz
Prospectus Rules	the rules made for the purposes of Part VI of FSMA in relation to the offer of securities to the public and admission of securities to trading on regulated markets
Registrars	Computershare Investor Services (Isle of Man) Limited, c/o, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY
Resolution	the ordinary resolution to approve the Transaction as set out in the notice of General Meeting at the end of this document
Revolving Credit Facility	the revolving credit facility entered into by the Company (amongst others) on 28 June 2015 pursuant to a revolving credit facility agreement, further terms of which are set out in paragraph 6.6 of Part IV of this document
Socialdrive	Socialdrive Limited, a subsidiary of the Company
Sellers	the Principal Sellers and the Minority Sellers
Senior Management	Uri Levy, Shimon Akad and Eyal Wagner
Shareholders	the holders of Ordinary Shares
Share Acquisition Agreement	the share acquisition agreement between TradeFX, Ava Trade and each of the Sellers dated 1 July 2015 in connection with the Transaction details of which are set out in paragraph 6.1 of Part IV of this document
subsidiary or subsidiaries	as defined in section 1159 of the Act
TradeFX	TradeFX Limited
TradeFX Group	TradeFX and its subsidiaries from time to time
Transaction	the proposed acquisition by TradeFX of the entire issued share capital of Ava Trade

PART VI

GLOSSARY

Active Customer	a customer who makes at least one trade using real money during a rolling 12 month period
AML	anti-money laundering
Android	a mobile operating system designed primarily for touchscreen mobile devices such as smartphones and tablet computers; developed and distributed by Google
app	an application for use on an operating system such as iOS or Android
B2C	business to consumer
CFD	a contract for difference
CLV	customer lifetime value
CRM	client relationship management
EBITDA	earnings before interest, tax, depreciation and amortisation
FTD	a first time depositor, being a customer who has deposited real money into their account with the Ava Group for the first time
Forex/FX	foreign exchange
IBs	introducing brokers
iOS	a mobile operating system designed primarily for touchscreen mobile devices such as smartphones and tablet computers; developed and distributed by Apple
IMS	information management system
OTC	over the counter
New Customer	a customer who has deposited real money into their account with the Ava Group for the first time within the past relevant time period or for the first time
Programmatic buying capability	online display advertising that is aggregated, booked, analysed and optimised via demand side software interfaces and algorithms

NOTICE OF GENERAL MEETING

Playtech PLC

(Incorporated in the Isle of Man with registered number 008505V)

Notice is given that a General Meeting of Playtech PLC (the “Company”) will be held at The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man on 28 July 2015 at 11:00 a.m. to consider and, if thought fit, pass the following resolution, which will be proposed as an ordinary resolution.

Ordinary Resolution

THAT the Transaction, on the terms set out in the Share Acquisition Agreement (both as defined in the circular to shareholders dated 8 July 2015 (the “Circular”)) and the associated and ancillary arrangements contemplated by the Share Acquisition Agreement, be and is hereby approved and the directors (or a committee of the directors) be and are hereby authorised to waive, amend, vary or extend any of the terms of the Share Acquisition Agreement (provided that any such waivers, amendments, variations or extensions are not of a material nature) and to do all things as they may consider to be necessary or desirable to implement and give effect to, or otherwise in connection with, the Transaction and any matters incidental to the Transaction.

Voting on the resolution will be by way of a poll

BY ORDER OF THE BOARD

Brian Moore
Company Secretary

8 July 2015

Registered Office:
Ground Floor
St George’s Court
Upper Church Street
Douglas
Isle of Man
IM1 1EE

Notes to the Notice of General Meeting

1. The Company specifies that only those holders of Ordinary Shares registered in the register of members of the Company as at 6:00 p.m. on 26 July 2015 (or 6:00 p.m. on the day that is two days before any adjourned meeting) shall be entitled to attend (either in person or by proxy) and vote at the Meeting, or any adjourned meeting, in respect of the number of shares registered in their names at that time. Any changes to the register of members after 6:00 p.m. on 26 July 2015 (or 6:00 p.m. on the day that is two days before any adjourned Meeting) shall be disregarded in determining the right of any person to attend and vote at the Meeting.
2. Information regarding the Meeting is available from the Company’s website at www.playtech.com.
3. 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.
4. Pursuant to Regulation 22 of the Uncertificated Securities Regulations 2006 (Isle of Man), shareholders who hold shares in uncertificated form must be entered on the Company’s share register at 6:00 p.m. on 26 July 2015 (or, if the Meeting is adjourned, not later than 48 hours before the time fixed for the adjourned meeting) in order to be entitled to attend and vote at the Meeting. Changes to entries on the register after that time will be disregarded in determining the rights of any person to attend and vote at the Meeting. In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy but the vote of the first named on the register of members will be accepted to the exclusion of the other joint holders.
5. A form of proxy is enclosed with this notice for use in connection with the business set out above. To be valid, forms of proxy and any power of attorney or other authority under which it is signed must be lodged with Computershare Investor Services (Isle of Man) Limited, c/o, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible but in any event must be received not later than 11:00 a.m. on 24 July 2015 (or, if the meeting is adjourned, not later than 48 hours before the time fixed for the adjourned meeting). Completion and return of a form of proxy does not preclude a member from attending and voting at the Meeting or at any adjournment thereof in person.
6. As an alternative to completing and returning the printed form of proxy, you may submit your proxy electronically by accessing www.investorcentre.co.uk/eproxy. For security purposes, you will be asked to enter the control number, your shareholder reference number (SRN) and personal identification number (PIN) to validate the submission of your proxy online. The control

number and members' individual SRN and PIN numbers are shown on the printed form of proxy or email notification. For further information, see the instructions printed on the form of proxy.

7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Ltd.'s specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, must be transmitted so as to be received by the Issuer's agent (ID number 3RA50) not later than 11:00 a.m. on 24 July 2015. For this purpose, the time of receipt will be taken to the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Ltd does not make available special procedures in CREST for any particular message. Normal systems timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitation of the CREST systems and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 18(4)(a) of the Uncertificated Securities Regulations 2006 (Isle of Man).
10. A corporation which is a member may by resolution of its directors or other governing body authorise a person to act as its representative who may exercise, on its behalf, all its powers as a member, provided that they do not do so in relation to the same shares. A certified copy of any such resolution must be deposited at the registered office of the Company not less than 48 hours before the time appointed for the meeting to be valid.
11. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that the shareholders subject all messages to virus checking procedures prior to use. Any electronic communication received by the Company, including the lodgment of an electronic proxy form, that is found to contain any virus will not be accepted.
12. As at 5:00 p.m. on 7 July 2015, the Company's issued share capital comprised 322,622,617 Ordinary Shares. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 5:00 p.m. on 7 July 2015 is 322,622,617. The website referred to in note 2 will include information on the number of shares and voting rights.
13. Voting on the resolution will be conducted by way of a poll rather than on a show of hands as this is considered by the Board to reflect the views of shareholders more accurately. As soon as practicable, following the Meeting the results of voting at the Meeting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of the resolution will be announced via a Regulatory Information Service and also placed on the Company's website referred to at note 2 above.
14. Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted) calling our shareholder helpline on +44 (0)870 707 4040. You may not use any electronic address provided either: (i) in this notice of general meeting; or (ii) any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

