



# INFORMATIONSMEMORANDUM

in connection with the relisting of Mediacle Group AB's shares on NGM Nordic  
MTF with a background of the new group structure as of March 2019



## VIKTIG INFORMATION FÖR INVESTERARE

### IMPORTANT DEFINITIONS

"Mediacle" or "the Company" refers to the group with the parent company Mediacle Group AB with corporate registration number 559026-5560 and the wholly owned subsidiaries Pantaluren AB with corporate registration number 556921-5774 ("Pantaluren") and Mediacle Ltd with registration number 08757407 ("Mediacle Ltd"). "Euroclear" refers to Euroclear Sweden AB with corporate registration number 556112-8074.

"This memorandum" or, unless otherwise stated in the context, "this document" refers to this memorandum. "SEK" refers to Swedish kronor; "TSEK" refers to one thousand kronor; "MSEK" refers to one million Swedish kronor.

### EXCEPTION FROM PROSPECTUS OBLIGATION

The memorandum has not been approved or reviewed by the Swedish Financial Supervisory Authority. The memorandum is subject to Swedish law. Disputes arising from the contents of this memorandum or related legal relationships shall be settled exclusively by Swedish courts.

### AVAILABILITY OF THE MEMORANDUM

The memorandum is available on Mediacle's website [www.mediacle.com](http://www.mediacle.com).

### FORWARD-LOOKING INFORMATION

The Memorandum contains forward-looking statements made by the Company's Board of Directors based on current market conditions, operations and profitability. These statements are well-founded and well-researched, but the reader of the Memorandum should bear in mind that they express subjective assessments and are therefore subject to uncertainty. The section "Risk Factors" provides a description of the factors that the Board of Directors considers to be of particular importance in assessing the Company and the industry in which the Company operates.

### DISCLAIMER

The memorandum contains information that has been obtained from external sources. All such information has been accurately reproduced. Although Mediacle believes these sources to be reliable, no independent verification has been made and therefore the accuracy or completeness of the information cannot be guaranteed. Some figures in the memorandum have been subject to rounding, which is why some tables do not appear to sum up correctly.

### AUDITOR'S REVIEW

Other than as stated in the auditor's report and reports incorporated by reference, no information in the memorandum has been audited by the Company's auditor.

### NGM NORDIC MTF

The company's shares are traded on Nordic MTF under the ticker symbol MEGR. Trading in the company's shares can be followed in real time at [www.ngm.se](http://www.ngm.se). Nordic MTF is a multilateral trading facility for listing and trading in shares and equity-related securities belonging to Nordic Growth Market NGM AB. A multilateral trading facility (an MTF, Multilateral Trading Facility) is a trading platform in accordance with MiFID (Markets in Financial Instruments Directive). An investor should bear in mind that shares and equity-related securities listed on Nordic MTF are not listed and that the company is therefore not subject to the same regulatory framework for the protection of shareholders as listed companies.

The Nordic MTF is therefore not subject to the Act (2006:451) on public takeover bids on the stock market, or Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of International Financial Reporting Standards (IFRS). It is also possible under certain conditions to list shares or share-related securities on an MTF without the prospectus requirement under the Act (1991:980) on trading in financial instruments. The Swedish Code of Corporate Governance does not apply to the Nordic MTF either. However, Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and the College of Swedish corporate governance "Takeover rules for certain trading platforms".

Trading on Nordic MTF takes place in Nordic Growth Markets' proprietary trading system, Elasticia, which means that all Nordic Growth Markets members can trade in the shares. Information about the trade, market data, is distributed in real time to, among others, Bloomberg, Thomson Reuters, Infront and leading internet portals with a financial focus. Real-time market data is also available free of charge at [www.ngm.se](http://www.ngm.se). At Nordic MTF, Nordic Growth Market NGM AB, one of Sweden's two stock exchanges licensed by the Swedish Financial Supervisory Authority, is responsible for monitoring both the listed companies' information provision and trading in the companies' shares.

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## FINANSIELL KALENDER

INTERIM REPORT for the period April 1 – June 30, 2019 [Q2 2019]

2019-08-29

INTERIM REPORT for the period July 1 – September 30, 2019 [Q3 2019]

2019-11-29

YEAR-END REPORT 2019

2020-02-28

## ÖVRIG INFORMATION

ISIN-KOD:

SE0007705074

LEI-CODE:

549300MH006WQHEX5577

TICKER:

MEGR

MARKETPLACE:

NGM NORDIC MTF



# Background to the relisting process

## BAKGRUND

The Company informed on 2019-01-07 that the Company, which at that time was called Pantaluren Group AB, had entered into an LOI to acquire a Swedish company with its main operations in the United Kingdom. Since its formation, the Company has mainly traded in used electronics, primarily mobile phones through its brands [www.mobilpengar.se](http://www.mobilpengar.se), [www.pantaluren.se](http://www.pantaluren.se), [www.pantadatorn.com](http://www.pantadatorn.com) and [www.ielektronik.se](http://www.ielektronik.se). After the usual DD process, the Company has signed a SPA on 2019-01-30 to acquire Mediacle Ltd, the company

which conducts the main business in the UK as referred to in the press release published on 2019-01-07.

Initially, the purchase price amounts to SEK 105 million, of which SEK 85 million is paid through newly issued shares at a fixed price of SEK 8 per share and SEK 20 million is paid by promissory note with an annual interest of STIBOR plus five (5) percent. The acquisition means that the Company will gain a new principal owner with an ownership interest of approximately 84 percent of votes and capital. An additional purchase price based on Mediacle's EBITA results during a twelve-month period from takeover may constitute an additional purchase price of a maximum of approximately SEK 25 million. The maximum additional purchase price is achieved if the company's EBITA results amount to at least SEK 35 million during this period.

Mediacle has come a long way in winning the hearts of its customers thanks to its highly talented team, its affordable and quality services. The Company is currently operating in Stockholm, London and Bangalore with its registered office in Stockholm. The background to the present re-listing process is that the Company carried out a reverse acquisition on 6 March 2019 with the terms as above. In connection with this, the Company changed its company name from Pantaluren Group AB to Mediacle Group AB. In light of a significant change in the business, which in turn is required by the regulations of NGM Nordic MTF, a re-listing process has been carried out. The purpose of the reverse acquisition of Mediacle Ltd

was to create a stronger group of companies and thereby generate value for its shareholders in both the short and long term.

Mediacle Ltd has had a strong performance in recent years. In the most recent financial year, which runs from 1 November 2017 to 31 October 2018, the company showed sales of approximately 31 MSEK (approximately 24 MSEK on 31 October 2017) with an EBIT result of approximately 16 MSEK (approximately 12 MSEK in the previous financial year) and strong cash flow. Mediacle Group initiated a preliminary LOI agreement that the Company communicated in early 2019. The acquisition was concluded at the extraordinary general meeting on 6 March 2019.

Mediacle currently has a long-term partnership with an Indian company, Mediacle Technologies LLP. As part of the acquisition agreement, the seller guarantees that, through a newly formed subsidiary based in India, it will carry out an asset acquisition of the Indian company. Mediacle Ltd will then, with the Indian subsidiary, have approximately 40 employees.

The Indian operations have annual sales of approximately SEK 9 million with EBITDA of approximately SEK 5 million. After the acquisition, it is estimated that The total turnover will then amount to approximately SEK 40 million with an EBIT result of approximately SEK 20 million on an annual basis.

## KORT OM MEDIACLE GROUP

Mediacle offers a comprehensive digital media concept aimed at IT companies in the iGaming industry worldwide.

The company has five business areas:

- Software
- Design & Development
- Digital Marketing
- Lead Generation
- B2C brands

The company's strong team offers everything needed in the iGaming ecosystem in one place; everything from branding, design and development to lead generation, digital marketing and CRM.

Mediacle is a niche digital media and IT solutions company working with some of the most successful clients in the iGaming industry. The Company's growing list of global clients is a testament to the Company's exceptional quality services and flexible approach. Each of the Company's clients receives tailor-made solutions - tailored to suit their specific requirements in the most cost-effective manner.

## STYRELSENS FÖRSÄKRAN

The Board of Directors, who are responsible for this memorandum, have taken all reasonable precautions to ensure that the information provided in the memorandum is, to the best of their knowledge, consistent with the actual conditions and of requirements set by the Stock Exchange and that nothing has been omitted that could affect the assessment of the Company.



# Risk factors

Below is a list of risk factors that are considered to have an impact on the Company's in significant negative impact on The company's operations, financial position and results, affect the value of future prospects and/or on invested capital. The risk factors are The company's shares are declining, which could lead to investors losing all or part of their investment. there may be additional risk factors that the Company is not currently aware of or importance or potential financial impact on the Company. The list is not exhaustive and Descriptions The Company's operations and market conditions and their impact on the Company's financial prospects are based on the Company's own assessments and on external sources. The Company may influence or counteract certain factors in its ongoing operations, while others may have an impact randomly and are wholly or partly beyond the Company's control. It is therefore important to consider and assess these risk factors in the Company's future development. Furthermore, ownership shares are always of control. At a In addition to the information provided in the memorandum, shareholders in the Company are therefore encouraged to make an assessment of potential risk factors and their significance for the Company's future development. in own assessment of

## BOLAGSRELATERADE RISKER

### Externa störningar

IT systems are vulnerable to external disruptions. It is becoming increasingly common for companies to be exposed to cyberattacks, some of which are sophisticated targeted attacks on company computer networks. Since the methods related to gaining unauthorized access, disabling or destroying services and sabotaging systems are constantly developing and changing their approaches, they are often not detected until they have carried out their attack, there is a risk that Mediacle cannot anticipate the attacks or implement effective measures in time, which may pose additional risks as the code is open to the public, making it easier for hackers and other third parties to determine how to intrude into the company's systems and websites.

If unauthorized parties manage to gain access to the integrated technology platform, there is a risk that they will gain access to information or damage the Company's systems and operations, which in turn could negatively impact Mediacle.

### Nyckelpersoner och medarbetare

In connection with the acquisition, a new principal owner was added to Mediacle. This principal owner is also a key person in Mediacle and has extensive expertise and extensive experience within Mediacle's area of operation. The loss of one or more key people could have negative consequences for the Company's operations and results.

### Målsättningar

There is a risk that Mediacle's objectives will not be achieved within the time frame that has been set. It may take longer than planned to achieve the goals set by the Board of Directors of the Company, which could negatively affect Mediacle's operations.

## Skador på Mediacle's anseende kan leda till förlorad tillväxt

Mediacle has experienced strong growth in recent years. However, Mediacle, like other companies, is dependent on its reputation in the market, which is important both in relation to new customer acquisition and in retaining existing customers. Damage to reputation can be caused by customer complaints, negative publicity associated with Mediacle as a company and the loss of attractive customers.

### Konkurrens

Some of the Company's competitors are multinational companies with large financial resources, such as Cherry, Gaming Innovation Group, Income Access and Netrefe. Extensive investment and product development by a competitor may entail risks in the form of reduced sales.

Furthermore, companies with global operations that currently work in related areas may decide to establish themselves within the Company's area of operation. Increased competition may have negative sales and earnings effects for the Company in the future.

Mediacle's success will be determined by, among other things, its ability to retain and acquire new customers. If the Company fails to do so, the fierce competition could result in Mediacle's market shares being quickly taken over by other players.

### Valutarisker

External factors such as inflation, currency and interest rate changes can have an impact on operating costs, sales prices and share valuation.

Mediacle's future revenues may be affected by these factors, which are beyond its control as exchange rates can change significantly.

### Produkter och tjänster

The company's main business is to develop, distribute and market IT-related products and services in the areas of IT, digital marketing, advertising networks and wholesale and retail trade in consumer electronics.

It may be difficult to evaluate Mediacle's sales potential and there is a risk that revenue will be lost in whole or in part and that the Company cannot guarantee that the Company offers a better price and service in relation to competitors, which may lead to reduced margins and profits.

Mediacle's value is primarily dependent on the Company's potential success in purchasing and selling used mobile phones. The Company's market value and thus share price would be negatively affected by any setback in these.

### Finansiering och framtida kapitalbehov

The Company may, depending on the development of the business in general, require additional capital thereafter to acquire assets or to further develop the assets on terms acceptable to the Company. If the Company is unable to obtain sufficient financing, the scope of the Company's operations may be limited, which in the long term may result in the Company being unable to execute its future plan.

### Leverantörer och tillverkare

Mediacle has partnerships with suppliers and manufacturers, see section "Agreements and transactions with related parties" on page 23. There is a risk that one or more of these chooses to end their partnership with the Company, which could have a negative impact on the business. There is also a risk that Mediacle's suppliers and manufacturers do not fully meet the quality requirements set by the Company. Similarly, establishing new suppliers or manufacturers may be more costly and/or take longer than the Company estimates.

### Sekretess

Mediacle is dependent on the protection of trade secrets that are not covered by patents or other intellectual property rights, including information about inventions that have not yet been patented. Although Mediacle's executives and partners are normally subject to confidentiality obligations, there is a risk that someone with access to trade secrets will disseminate or use the information in a way that could harm Mediacle, which in turn could negatively affect the Company's operations, financial position and results.

### Begränsade resurser

Mediacle is a smaller company with limited resources in terms of management, administration and capital. In order for the Company to develop as planned, it is important that the aforementioned resources are allocated in an optimal manner for the Company. There is a risk that Mediacle fails to channel the resources and thereby suffers from financial structural problems.





## Övriga risker

Other risks to which the Company is exposed include fire, traditional insurance risks and theft.

## Konjunkturutveckling

External factors such as supply and demand, as well as economic downturns and booms, may affect the Company's operating costs, trading volumes and share valuation. The Company's future earnings and share valuation may be affected by these and other factors beyond the Company's control.

## Politiska risker

The Company reserves the right to expand to different countries. Risks may arise from changes in laws, taxes, customs duties, exchange rates and other conditions for foreign companies. The Company is also affected by political and economic uncertainties in other countries. The above may have negative consequences for the Company's operations and results.

## Risker associerade med företagsförvärv

Mediacle may make acquisitions in the future. There is always a risk that acquisitions will not produce the expected outcome, in terms of integration and profitability. Such an outcome could hinder the Company's development rate and negatively impact the Company's future prospects, financial position and liquidity.

## Ägare med betydande inflytande

In connection with the acquisition of Mediacle Ltd in March 2019, a major shareholder came to own the majority of all outstanding shares. Consequently, these shareholders, individually or together, have the ability to exercise significant influence over all matters requiring shareholder approval, including the appointment and removal of directors and any proposed mergers, consolidations or sales of all or substantially all of Mediacle's assets and other corporate transactions. This concentration of corporate control may be detrimental to other shareholders who have interests different from those of the majority shareholders. For example, these majority shareholders may delay or prevent an acquisition or merger even if the transaction would benefit the other shareholders. In addition, the high concentration of ownership may negatively affect the share price as investors often see disadvantages in owning shares in companies with a high concentration of ownership.

## AKTIERELATERADE RISKER

### Likviditetsbrist i marknaden för Mediacle-aktien

The liquidity of Mediacle's shares may be limited. It is not possible to predict how investors will act. If active and liquid trading does not develop, it may be difficult to sell large items within a short period of time without negatively impacting the share price for shareholders.

### Kursfall på aktiemarknaden

An investment in Mediacle is associated with risk. There are no guarantees that the share price will develop positively. The stock market can generally decline for various reasons such as interest rate increases, political developments, exchange rate changes and worse economic conditions.

The stock market is also largely characterized by psychological factors. A stock like Mediacle can be affected in the same way as any other stock by these factors, which by their nature can often be problematic to predict and protect against.

### Utebliven utdelning

To date, Mediacle has decided that all shares are entitled to dividends. The dividend is not cumulative. However, an investor should still take into account that future dividends may not be paid. In considering future dividends, the Board of Directors will propose to decide to weigh factors such as the requirements that the nature, scope and risks of the business place on the size of the equity and the Company's consolidation needs, liquidity and position in general. As long as no dividend is paid, any return on the investment must be generated through an increase in the share price, see further in the section "The share and ownership, Dividend policy".

### Fluktuationer i aktiekursen för Mediacle-aktien

The share price of Mediacle may fluctuate significantly in the future, due to, among other things, quarterly profit variations, the general economic situation and changes in the capital market's interest in the Company.

In addition, the stock market in general can react with extreme price and volume fluctuations that are not always related to or proportional to the operational outcome of individual companies.



## The CEO has the floor

Q1 2019 was an eventful quarter for the Company as we integrated Mediacle Ltd into the company, which provided many benefits in the form of cost synergies, stronger cash flow and access to specialist knowledge in IT, web development and digital marketing. In addition, this has strengthened the foundation of our company and has positioned us perfectly to exploit the opportunities that lie ahead. As part of the process, we also changed our company name to Mediacle Group AB (publ) and have now undergone a re-listing process on NGM to better categorize and describe the new group to our shareholders and the wider investor community.

As we enter the second quarter, we are excited about the growth opportunities ahead of us this year. We will continue to establish ourselves as market leaders across all of our business divisions, including software, digital marketing, web design and development, traffic and lead generation, and B2C brands.

This year we plan to significantly increase our iGaming traffic and lead generation. This will be a major focus area for us as we leverage the various digital marketing channels, our affiliate networks (Excel and Galaxy) and our own affiliate websites to generate high quality leads for our clients and partners in the iGaming industry.

Additionally, we are on track to increase the number of B2C brands to a total of 12 in Q3 this year. We will continue to pursue a multi-brand strategy to increase our market share and grow our revenue this year.

Our software division continues to grow as we have acquired more customers in the iGaming industry. We plan to further develop our software products, especially our iGaming affiliate software, MAP™, and capture more market share in the segment in the coming months.

The outlook for this year is positive as we work tirelessly to grow across all areas of the business, consolidate high-margin business areas and leverage our most important resources for sustainable growth. I would like to welcome both existing and new shareholders to our new business!

Kind regards,  
Santosh Jain

**VD Mediacle Group AB (publ)**

**Vår mjukvaruavdelning fortsätter att växa då vi har  
förvärvat fler kunder inom iGaming-industrin.  
Vi planerar att vidareutveckla våra  
mjukvaruprodukter, särskilt vår iGaming affiliate  
programvara, MAP™ och ta fler marknadsandelar  
inom segmentet under de närmaste månaderna...**  
”



## Mediacle Group

### AFFÄRSIDÉ

Mediacle Group offers a broad spectrum of digital services and IT solutions to a global clientele, primarily within the iGaming and lead generation sectors, as well as through its own B2C portals within the iGaming industry and e-commerce (mainly for used electronics).

### VISION

The company's long-term vision is to become a true pioneer in offering its customers the best digital media and IT services, and to leave a mark in the iGaming industry and e-commerce. Mediacle will offer world-leading digital marketing tools that are at the forefront of creativity, quality and cost structure.

### HISTORIK

Mediacle offers a wide range of digital services across multiple business lines to a global clientele primarily within iGaming and affiliates. Mediacle is a leading British digital marketing player whose core business is to guide and empower through its IT solutions and services users interested in gaming in the iGaming market to gaming services.

Mediacle Ltd was founded in 2013 by Santosh Jain, who also serves as the Company's CEO. Mr. Jain has previously worked with affiliates in the iGaming segment and in 2013 Mr. Jain decided to form Mediacle Ltd with a focus on affiliate business for primarily online poker on a global basis. The company has since developed its business by complementing affiliate services with, among other things, marketing tools such as SEO, web design and app development.

Currently, Mediacle offers services such as: search engine optimization, paid search marketing, social media management and processing, content marketing, design and development, iOS application development, development software, application development, program development, white label affiliate, software, customer database, game development, video production, motion graphics and 3D animation and modeling.

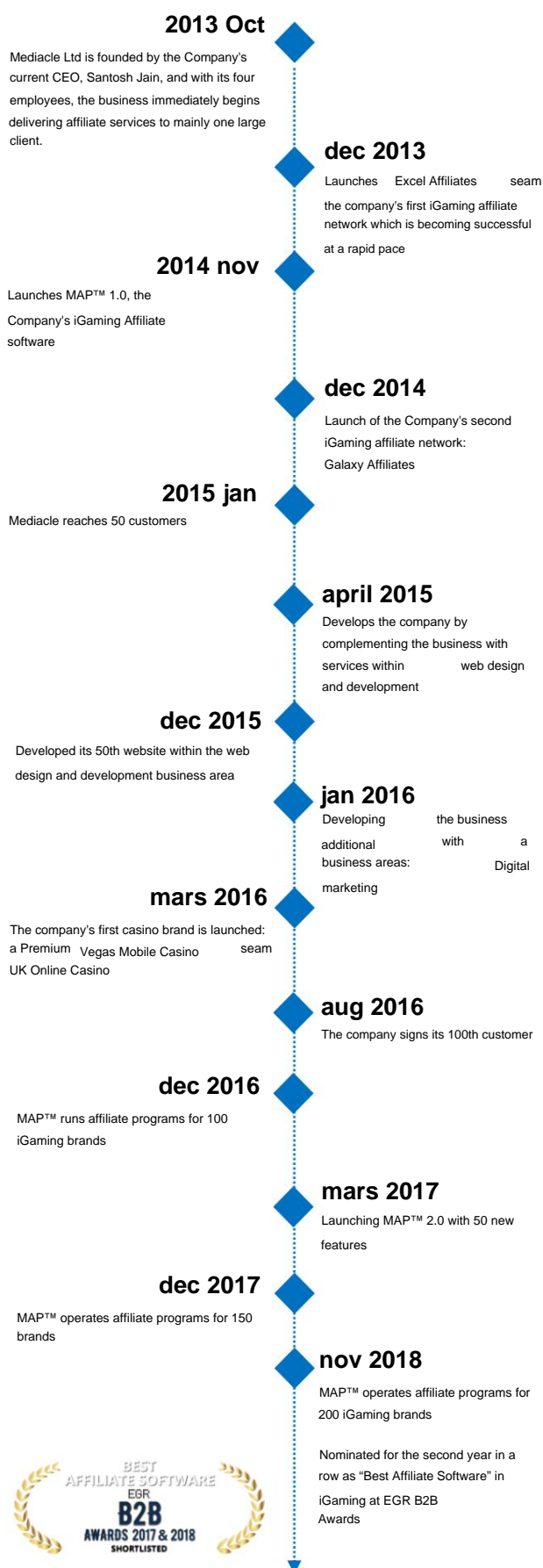
Mediacle has been nominated for the prestigious EGR B2B Awards for the past two years as **"Best Affiliate Software"** in the iGaming sector. Mediacle's network has also been nominated for a number of awards in various categories such as **"Best Affiliate Manager – Casino"**, **"Best Affiliate Program"** and **"Best Newcomer 2015"** and was awarded the award as the winner of **"Best Affiliate Program Newcomer"** in 2016.

### AFFÄRSOMRÅDEN

Mediacle's business areas consist of five business areas:

1. Software
2. Digital marketing
3. Web Design & Development
4. Lead generation
5. B2C brands

On the following pages, the five business areas are presented and illustrated in more detail.







## SOFTWARE

Mediacle Affiliate Platform, **MAP™**, is the company's iGaming affiliate software used by thousands of affiliates worldwide to track, monitor and calculate their performance.



- User-friendly interface for both mobile and computer
- Customized software
- Robust track system
- Runs affiliate programs for 200 iGaming brands

## LEAD GENERATION

Mediacle owns and operates two world-leading iGaming Affiliate networks: **Excel Affiliates** and **Galaxy Affiliates**. These networks are specific in the form of play by casino operators, where these networks have a total of around 2,500 affiliates and just over 20 casino operators connected.



- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• No. of affiliates connected: 1000+</li> <li>• Generated over 2.1 MEUR in depositions</li> <li>• Reliable affiliate network – certified by AGD</li> </ul> | <ul style="list-style-type: none"> <li>• No. of affiliates connected: 800+</li> <li>• Generated over 2.0 MEUR in deposits</li> <li>• Recognized and trusted network since 2014</li> </ul> |
|---|---|

## WEB DESIGN & DEVELOPMENT

- Website development
- iOS App development
- Android App development
- Windows App development
- Motion Graphics & 3D animering

## DIGITAL MARKETING

- Affiliate marketing
- THIS
- Social Media
- Display
- PPC

## B2C BRANDS

The company operates in B2C, which consists of e-commerce and casino brand development. Mediacle has been operating and developing online casinos since March 2016. Mediacle currently has eight (8) online casinos. The largest are presented below.



- Ranked on page 1 for keywords like mobile casino
- Licensed in the UK, Ireland and Germany
- Swedish license application in progress
- Over 300+ Games from NetEnt, Evolution, IGT, NYX, Microgaming
- Wide Variety of Payment Methods
- Powered by Nektan



- Ranked on page 1 for keywords like online roulette, mobile slots and mobile casino for the UK market
- Licensed in the UK, Ireland and Germany
- Swedish license application in progress
- Over 300+ Games from NetEnt, Evolution, IGT, NYX, Microgaming
- Wide Variety of Payment Methods
- Powered by Nektan



- Licensed in the UK and Germany
- Swedish license application in progress
- Over 600+ Games from NetEnt, Evolution, IGT, NYX, Microgaming
- Wide Variety of Payment Methods
- Powered by Progress Play



## AFFILIATEBOLAGENS AFFÄRSMODELL



## KUNDER

Mediacle Group's customers mainly consist of:

- affiliates in the iGaming sector
- gaming operators
- people who trade (buy/sell) electronics

Below is a selection of Mediacle's customers.



## KUNDUPPDRAAG

### 138.com

The client was looking for a solution to migrate their affiliate program to a better affiliate software product that is flexible and tailored to their needs. 138.com switched to MAP™ and Mediacle helped them with a successful and smooth transition without any traffic leakage.



### Red Spins

Red Spins was looking for an SEO campaign to help them enter the UK market and achieve high organic rankings on search engines. Mediacle created a custom SEO setup and within 6 months their traffic increased by 400% from organic sources



### Net Value Media Net Value

Media was looking to build a large network of affiliate websites. Mediacle tailored a network of affiliates with a backend single CMS - centralized to manage all websites with simple user interfaces





## AFFÄRSOMRÅDEN

Below, Mediacle Group's business areas are described in more detail.

### Programvara

Mediacle Affiliate Platform, MAP™, is the Company's software which is a robust and secure IT platform used by thousands of affiliates worldwide to track, monitor and calculate their performance.

### Digital marknadsföring

To attract users to the affiliate companies' websites, various marketing methods offered by Mediacle Group are used, including:

- Affiliate marketing
- THIS
- Social Media
- Display
- PPC

### Webdesign & Utveckling

A well-functioning website is critical when an online player chooses which online casino to use. The structure of the website also affects how high it ranks in the search engine and the higher it ranks in the search engine for the relevant keyword, the greater the likelihood that the player will find the website.

Mediacle Group therefore offers development and maintenance for both websites and mobile apps within different operating systems.

### Lead Generation

Mediacle Group owns and operates two world-leading iGaming Affiliate networks: **Excel Affiliates** and **Galaxy Affiliates**.

These networks drive traffic in the form of players to casino operators where these networks have a total of around 2,500 affiliates and just over 20 casino operators connected. Both networks are reliable and recognized networks in the market.

### B2C varumärken

Mediacle Group has currently launched and operates eight (8) online casinos.

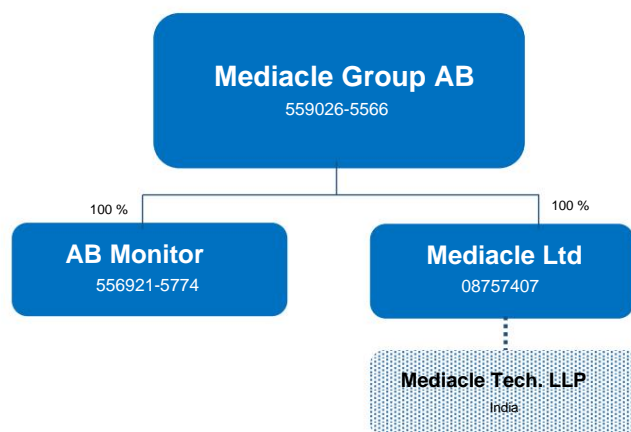
The company also has an operating arm within this business area that offers e-commerce systems that mainly deal with trading in used electronics; primarily mobile phones through the brands [www.mobilpengar.se](http://www.mobilpengar.se), [www.pantaluren.se](http://www.pantaluren.se), [www.pantadatorn.com](http://www.pantadatorn.com) and [www.ielektronik.se](http://www.ielektronik.se).

On the shopping websites, the seller can have their mobile phone/computer valued, and if the seller approves the price, the device is then sent free of charge to the service they used, either in a padded envelope that is sent to their home or the user chooses to send it in their own envelope.

Previously, sales were primarily focused on stores and wholesalers. With the establishment of the online store, a natural sales portal was created directly to private customers, and the Company thus has a broad sales channel for its products.

## ORGANISATIONSSTRUKTUR

Mediacle's group structure consists of the parent company Mediacle Group AB and the wholly owned Swedish subsidiary Pantaluren AB and the wholly owned British company Mediacle Limited. Terms and Conditions which was established in connection with the acquisition of Mediacle Ltd in March 2019, was conditioned on the addition of an additional company to the Group, which will be incorporated as a wholly owned subsidiary of Mediacle Ltd as set out below. The purpose of Mediacle Tech. LLP is to internally recruit competent and competitive personnel to work with the Company's services and products.



## MARKNADSPOTENTIAL

Mediacle Group primarily targets its product offering towards iGaming players within affiliate and gaming operators.

The gambling market can be divided into two parts: land-based or online games, of which the latter part, the Company offers services in, primarily in Europe but also in China.

The global gaming market is estimated to have a turnover of around 587 billion SEK in 2020, with a growth rate of around 11 percent. This growth could be higher if the European gaming market is reregulated, and turnover could increase even more if the Asian and American markets are opened up<sup>1</sup>. According to H2 Gaming Capital, online gaming in Europe has grown at a CAGR of 40.9 percent, which means an increase from 88.2 million EUR in 2008 to 972.5 million EUR in 2015<sup>2</sup>.

Online casinos are expected to account for 24.3 percent of the European online casino market in 2020 and have a CAGR of 11.2 percent between 2016 and 2020. According to the Swedish Gambling Authority's report 3 "Gambling market development in Sweden and internationally", the gaming market continues to grow thanks to technological development, marketing, business development, new customer behaviors and regulatory alternatives. The company's primary competitors are Cherry, Gaming Innovation Group, Income Access and Netrefer. The company's board and management are positive about the increasing number of gaming operators and affiliates, which in the long term can generate even more customers.

<sup>1</sup> <https://www.sprerlingen.se/496568/contentassets/232917756447e48a717171e4b5953/en-omreglerad-spelmarknad-del-2-av-2-kapitel-22-31-och-bilagor-1-8-sou-201730>  
H2GC september 2016

<sup>2</sup> <https://www.lotteriinspektionen.se/press/nyhetsarkiv/spelmarknadens-utveckling-i-sverige-och-internationalt/>



## Board of Directors, senior executives and auditor

Below is a description of Mediacle's board members, senior executives and auditor. Mediacle's board consists of board members Christian Kronegård (Chairman), Santosh Jain (CEO), Robin Vestersten, Jitesh Taprawat and Girish. The board is headquartered in Stockholm and the board members are elected annually at the annual general meeting and are elected until the end of the next annual general meeting.

### Christian Kronegård

Chairman of the Board

Christian Kronegård, born 1988, is a board member of Mediacle since March 2016 and the Company's Chairman of the Board since June 2019. Since 2015, Christian has been a board member of New Equity Venture International AB and also works actively in most of the NEVI Group's holdings. Among other things, he is CEO of Precisionsmetall Group AB, which has been listed on the Spotlight Stock Market since 2014 until May 2019. Christian has extensive experience sitting on the boards of both listed and unlisted companies.

**Shareholding in Mediacle:** no shares

**Share ownership over ten percent in the last five years:** none

#### Corporate involvement in the last five years:

Company	Position	Period
New Equity Venture Int. AB	Member	Ongoing
Mediacle Group	Member/Chairman	Ongoing
iApotek Int AB	Member	Ongoing
Eprix AB	Alternate	Ongoing
Precisionsstål i Stockholm AB	Member	Ongoing
Precisionsmetall Group AB ORGO	Member/CEO	Ongoing
TECH AB Viveco	Member/Chairman	Ongoing
AB Stureg	Alternate	Ongoing
AB	Member/CEO/Chairman	Ongoing
Zoomability Int AB	Member	Ongoing
Solution EU/UK Group AB Sthlm	Substitute	Ongoing
Capital Advisory AB New Equity	Member/CEO	Ongoing
Venture Int. I AB NEVIUS AB Online	Substitute	Ongoing
Gaming Info	Substitute	Ongoing
OGI Holding AB Pharmart AB		
Game Chest	Member	Ongoing
Group AB	Member/CEO	Completed
Aerowash AB	Substitute	Completed
	Member	Completed
MAKE SURE AB	Substitute	Completed
TEACHERS FROM	Substitute	Completed
FileMap AB	Member/CEO	Completed
Ayima Group AB	Substitute	Completed
AMGO iGaming AB	Substitute	Completed
Power & Tower Holding AB New	Member	Completed
Equity Venture Int. I AB Transiro Int.	Substitute	Completed
AB Eyeonid Group	Substitute	Completed
AB	Substitute	Completed

#### Compulsory liquidation and bankruptcy

Christian Kronegård has not been involved in bankruptcy, compulsory liquidation or bankruptcy administration in the past five years.

### Santosh Jain

Board Member/CEO

Santosh Jain, born in 1987, has been the Company's CEO since March 2019 and a member of the Board since June 2019. Santosh has extensive experience in the iGaming sector, where he worked with affiliate development. Santosh holds a Master's degree in Business Administration from the University of East London and has approximately 10 years of experience in digital marketing, IT services and media solutions. He founded and has led Mediacle Ltd to a highly profitable business over the past 5 years. Santosh has previous experience from working in various positions at Probability (now GTECH), Havas Media and Walker Media, managing digital marketing campaigns for reputable clients.

**Shareholding in Mediacle:** 10,592,899 shares (corresponding to 84% of votes and capital)

#### Share ownership of more than ten percent in the last five years:

Company	Period
Mediacle Ltd	Ongoing
Freds Online Ventures Pvt Limited	Ongoing
Mediacle Group AB (publ)	Ongoing

#### Corporate involvement in the last five years:

Company	Position	Time period
Mediacle Group AB (publ)	CEO	Ongoing

#### Compulsory liquidation and bankruptcy

Santosh Jain has not been involved in the last five years

in bankruptcy, compulsory liquidation or bankruptcy administration.



## Girish

Board member

Girish, born in 1985, has been a board member since June 2019. Girish is active within the Mediacle group. He holds an MBA in Human

Resource Management and has over 6 years of experience in operations and project management. Girish has expertise in developing and executing project plans, managing project planning, developing and providing budgeting and cost reports. Girish has previous experience working for Orix Corporation (Japan) and Swarnagiri Group. Girish brings energy to the task of coordinating and executing interim and long-term corporate goals.

**Shareholding in Mediacle:** no shares

**Share ownership over ten percent in the last five years:** none

### Corporate involvement in the last five years:

Company	Position	Period
Mediacle Group AB	Member	Ongoing
Swarnagiri Group	Member	Completed

### Compulsory liquidation and bankruptcy

Girish has not been involved in bankruptcy, compulsory liquidation or bankruptcy administration in the last five years.

## Jitesh Taprawat

Board member

Jitesh Taprawat, born 1985, is a board member of Mediacle since June 2019. is active within the Mediacle Group. He is a Chartered Accountant and has more than 5 years of experience as an Auditor and CFO in a few companies (including a listed company). Jitesh possesses good expertise in business development in areas such as Finance, Accounting, Invoicing, Customer Relations, Facilities, Operational Support, Customer Support, Strategic Planning, Mergers and Acquisitions, Tax, Reporting and Regulatory Compliance. Jitesh has previous experience working for MKT & Associates (Accounting and Auditing Firm) and Mangalam Group.

**Shareholding in Mediacle:** no shares

**Share ownership over ten percent in the last five years:** none

### Corporate involvement in the last five years:

Company	Position	Period
Mediacle Group AB	Member	Ongoing
Shri Ram Infra Ltd	Member	Completed

### Compulsory liquidation and bankruptcy

Jitesh Taprawat has not been involved in bankruptcy, compulsory liquidation or bankruptcy administration in the last five years.

## Robin Vestersten

Board member

Robin Vestersten, born in 1986, has been a board member of Mediacle since February 2016 and has been the Company's CEO until March 2019. Robin is the CEO of Mediacle's Swedish subsidiary Pantaluren AB. Robin studied economics at Södertörn University, as well as the construction technology and real estate brokerage program at the Royal Institute of Technology in Stockholm, and has since worked in the trade of used goods with a focus on raw materials.

**Shareholding in Mediacle:** no shares

**Share ownership over ten percent in the last five years:** none

### Corporate involvement in the last five years:

Company	Position	Period
Precisionsmetall Group AB	Member	Ongoing
Stureg AB	Member	Ongoing
MAKE SURE AB	Member/External signatory	Ongoing
New Equity Venture Int. AB	Member	Ongoing
Pantaluren AB	Member/CEO	Ongoing
Mediacle Group AB	Member	Ongoing
DOCCI AB	Member	Ongoing
Precisionsstål i Stockholm AB New	Substitute	Completed
Equity Venture Int. I AB Sthlm Capital	Deputy/CEO	Completed
Advisory AB Online Gaming Info	Member/CEO	Completed
OGI Holding AB AMGO iGaming AB Game	Member	Completed
Chest group AB	Member	Completed
Zoomability Int AB	External CEO	Completed
	Member/Chairman.	Completed
Le Sowt AB	Member	Completed
Power & Tower Holding AB	Member	Completed
Aerowash AB	Member	Completed

### Compulsory liquidation and bankruptcy

Robin Vestersten has not been in the past five years

involved in bankruptcy, compulsory liquidation or bankruptcy administration.





## LEDANDE BEFATTNINGSHAVARE VD

The company's CEO, Santosh Jain, sits on the board, for more information about Jain see page 9.

## REVISOR

Berit Holmgren, at the accounting firm Carlsson & Partners Revisionsbyrå AB, was re-elected as auditor of the Company at the 2018 Annual General Meeting. Berit Holmgren is the auditor in charge and a member of FAR, the association of auditors and advisors.

## ÖVRIG INFORMATION OM STYRELSEMEDLEMMAR OCH LEDANDE BEFATTNINGSHAVARE

None of the Company's board members and CEO have, in the past five years (i) been convicted of fraud-related cases; (ii) been a member of the administrative, management and supervisory bodies of companies that have been declared bankrupt, liquidated (due to insolvency) or undergone corporate restructuring; (iii) been subject to accusations or sanctions by authorities or organizations representing a certain professional group and that are regulated under public law; or (iv) been banned from business.

There are no agreements that other senior executives (except the board and senior executives in the parent company) have concluded with Mediacle or any of its subsidiaries regarding benefits after the assignment has ended.

None of the Company's board members and CEO have entered into an agreement with anyone that imposes a restriction on the executive's ability to transfer securities in Mediacle.

There are no family ties between board members and senior executives in Mediacle.

Board members and executives can be reached via the address and telephone number provided for the Company.

None of Mediacle's board members or senior executives who hold shares in the Company have decided to limit their ability to sell shares, waive voting rights or in any other way limit their ability to freely dispose of their own shares.

There are no agreements regarding benefits after the assignment or employment has ended, other than those reported above regarding the respective CEO agreements. There are no circumstances that would imply that there is any potential conflict of interest for the executives in relation to the assignment in Mediacle.



## Other information

### ERSÄTTNINGAR TILL STYRELSE

For the 2018 financial year, the Chairman of the Board and the remaining members will receive half the base price. This only applies to members who are not employees or consultants to the Company. No benefits have been decided upon after the completion of the assignment for any of the members of the Board.

### ERSÄTTNINGSPOLICY TILL LEDNING & ANSTÄLLDA

The Board of Directors is tasked with annually reviewing the Company's employee compensation. The Company intends to offer all employees a total compensation package that will attract competent personnel to the Company and retain employees for a longer period. The compensation shall be in line with the market and the compensation shall be renegotiated annually. Compensation to senior executives may consist of fixed and variable compensation, as well as pension and other compensation. These four factors constitute the total compensation. Fixed compensation: the fixed compensation shall be based on the employee's areas of responsibility and experience.

Variable remuneration: the variable part shall be based on the financial performance of the company and its subsidiaries and evaluated against established targets. The variable remuneration shall not exceed twelve months' salary. In order to determine what constitutes a market-based total remuneration and to evaluate current levels, comparative studies with relevant industries and markets are conducted each year.

The company's remuneration philosophy competitive total remuneration, significant proportion of variable salary, connection to long-term shareholder value, transparency and simplicity. The "grandfather principle", each individual employee has the right to negotiate salary with their immediate manager based on the above. The board of directors of Mediacle shall be able to deviate from these guidelines if in an individual case there are special reasons for it. The CEO receives a monthly remuneration for his work equivalent to 12,000 GBP.

### STYRELSENS ARBETSFORMER OCH VD-INSTRUKTION

All members are elected for the next Annual General Meeting. A board member has the right to resign from his or her position at any time. The work of the board follows the board's established rules of procedure. The work of the CEO is regulated by CEO instructions. Both the rules of procedure and CEO instructions are established annually by the Company's board. No provisions or remuneration are paid after the assignment has been completed. Issues relating to audit and remuneration issues are decided directly by the Company's board. The company is not obliged to follow the Swedish code of corporate governance and has not voluntarily committed to following it.

### INFORMATIONSPOLICY

Mediacle's external accounting materials and investor relations shall be characterized by openness, reliability, accessibility and speed. The management and each board member shall contribute to the quality of the information based on their knowledge and information, which also applies to employees who work with the Company's financial information. The information shall be easily understandable for the recipient and shall otherwise meet the requirements of the marketplace.

### HANDLINGAR SOM HÅLLS TILLGÄNGLIGA FÖR INSPEKTION

Annual reports are submitted to the Swedish Companies Registration Office in accordance with Swedish rules and regulations. Mediacle also publishes annual reports, year-end reports, quarterly reports, press releases and other information on its website, [www.mediacle.com](http://www.mediacle.com). Annual reports and other information can also be ordered from the Company's head office.



# The share and ownership

## ALLMÄNT

Mediacle shares are established under Swedish law and are denominated in Swedish kronor. The company has one class of shares and the shares have equal rights to a share in the company's assets and profits and have the same right to dividends and surplus in the event of liquidation. All shares entitle to one (1) vote per share. There are no restrictions on the free transfer of shares. Changes to the shareholders' rights require amendments to the articles of association in accordance with applicable legislation.

The Company has no holdings of its own shares or in other companies that may be significant for the assessment of the Company's financial situation.

The Company's share is not subject to compulsory redemption. There has been no takeover bid for the Company's share in the past twelve months. There are no outstanding convertibles in the Company. Mediacle shares are issued in bearer form and the Company's share register is managed electronically by Euroclear Sweden.

## AKTIEKAPITAL OCH DESS UTVECKLING

Mediacle's articles of association were adopted on 2019-03-06. According to the articles of association, the share capital shall be a minimum of SEK 6,046,032 and a maximum of SEK 24,184,128, divided into a minimum of 12,092,064 shares and a maximum of 48,368,256 shares. All shares are issued and fully paid.

The share capital of the Company amounts to SEK 6,305,297 as of March 31, 2019, divided into 12,610,594 shares with a quota value of SEK 0.50 per share.

The table below shows the development of the share capital since the Company's formation (all amounts in SEK).

## REGLERK

The company intends to comply with all laws, regulations and recommendations applicable to companies listed on NGM Nordic MTF.

In addition to NGM Nordic MTF's regulations, the following regulations apply in relevant parts:

- The Swedish Companies Act
- The Act on Trading in Financial Instruments
- Market Abuse Regulation (EU No. 596/2014)

## AKTIEKAPITALET'S UTVECKLING

Time	Event	Course	Quota Value	Increase in the number of shares	Increase in share capital	Total number of shares	Total share capital
2015 Aug	Company formation	1,00	1,00	50 000	50 000	50 000	50 000
2015 Oct	Offset issue	1,00	1,00	500 000	500 000	550 000	550 000
2015 Nov	Rights issue	15,00	1,00	133 333	133 333	683 333	683 333
2015 Dec	Rights issue	30,00	1,00	33 333	33 333	716 666	716 666
2016 Feb	Contribution	30,00	1,00	140 000	140 000	856 666	856 666
2017 Feb	Rights issue	20,00	1,00	642 499	642 499	1 499 165	1 499 165
2019 mars	Decrease in AK		0,50		-749 582,5 5	1 499 165	749 582,5
2019	Contribution*	8,00	0,50	10 592 899	296 449,5 259	12 092 064	6 046 032
2019	Offset issue**	8,00	0,50	518 530	265	12 610 594	6 305 297

\*Refers to the acquisition by Mediacle Ltd.

\*\*Regards payment of accrued debt to AB B21 Invest

## ÄGARFÖRHÅLLANDEN

Shareholders as of 2019-03-29	Number of shares	Share (%)
Santosh Jain	10 592 899	84,00
New Equity Venture International AB*	645 683	5,12
AB B21 Invest*	593 020	4,70
Avanza Pension	394 204	3,13
Richard Nasstrom	98 692	0,78
BNY Mellon SA/NV	76 305	0,61
Others**	209 791	1,66
<b>Totally</b>	<b>12 610 594</b>	<b>100,00</b>

\*Controlled by \*\*Other Thomas Jansson

shareholders amounting to approx. 500.

## UTDELNINGSPOLICY OCH ÖVERLÅTELSE AV AKTIEN

All shares have equal rights to dividends. Anyone who is entered in the share register on the established record date shall be deemed entitled to receive dividends and, in the event of a bonus issue, new shares that accrue to shareholders, as well as to exercise the shareholder's preferential right to participate in the issue.

In the event that a shareholder cannot be reached through Euroclear Sweden, his or her claim to the dividend amount remains and is limited only by rules on prescription. In the event of prescription, the dividend amount accrues to the Company.



There are no restrictions on dividends or special procedures for shareholders residing outside Sweden and payment is made via Euroclear Sweden in the same way as for shareholders residing in Sweden. However, shareholders who are not tax residents in Sweden are subject to normal Swedish withholding tax. The Board of Directors does not intend to propose a dividend to its shareholders in the coming years, and there is currently no established dividend policy.

### **ANSLUTNING TILL EUROCLEAR SWEDEN**

Mediacle is a securities depository and the Company's shares shall be registered in a securities depository in accordance with the Act (1998:1479) on the Accounting of Financial Instruments. The Company and its shares are connected to the VP system with Euroclear Sweden (formerly VPC AB), address Box 191, 101 23 Stockholm, as the central securities depository and clearing organization. Shareholders do not receive any physical share certificates, but transactions with the shares take place electronically through registration in the Euroclear system by authorized banks and other securities managers.



## Financial information

This section presents the following accounts:

- Consolidated income statement for the periods Q1 2019, Q1 2018 and the full year 2018 where the subsidiary Mediacle Ltd is consolidated as of the acquisition date 2019-03-06 (page 15)
- Consolidated balance sheet as of 2019-03-31, 2018-03-31 and 2018-12-31, of which the subsidiary Mediacle Ltd is consolidated as of the acquisition date of 2019-03-06 (page 16)
- Consolidated cash flow statement (page 17)
- Pro forma income statement for Q1 2019 and Q1 2018 (page 18)
- Pro forma balance sheet for Q1 2019 (page 19)
- Pro forma balance sheet for Q1 2018 (page 20)
- Pro forma statement of income statement and balance sheet for the full year 2018 (page 21)

Mediacle Ltd, which is reported in the pro forma on pages 18 – 21, has reported in accordance with the UK accounting principle FRS 102 Section 1A - Small Entities. All accounts in this section have been subject to currency conversion, from GBP to SEK, where data from the Riksbank's exchange rates have been used. For the income statement, the average exchange rate for the reported period has been used and for the balance sheet, the exchange rate on the balance sheet date has been used; all conversion rates are presented in the respective tables. All adjustments made in the pro forma for the periods Q1 2019, Q1 2018 and the full year 2018 are presented in the respective tables.

All accounts have been reviewed by the Company's auditor. The Company's auditor has issued a remark in FY 2018 regarding the uncertainty surrounding the book value of the subsidiary Pantaluren AB. The reader is referred to FY 2018 which is published on the Company's website for complete information.

## KONCERNENS RESULTATRÄKNING

2019-01-01 2019-03-31	2018-01-01 2018-03-31	2018-01-01 2018-12-31
--------------------------	--------------------------	--------------------------

(SEK)

INCOME			
NET TURNOVER	4 109 164	1 446 919	5 494 574
<b>TOTAL REVENUE</b>	<b>4 109 164</b>	<b>1 446 919</b>	<b>5 494 574</b>
OPERATIONAL COSTS			
MERCHANDISE	-1 212 077	-1 016 131	-4 090 002
OTHER EXTERNAL COSTS	-959 326	-980 555	-2 465 492
PERSONNEL COSTS	-174 942	-257 284	-944 541
DEPRECIATION INVENTORIES & GOODWILL	-1 535 488	-182 527	-730 108
<b>TOTAL COSTS</b>	<b>-3 881 833</b>	<b>-2 436 497</b>	<b>-8 230 143</b>
<b>OPERATING RESULTS</b>	<b>227 331</b>	<b>-989 578</b>	<b>-2 735 569</b>
RESULTS FROM FINANCIAL INVESTMENTS			
OTHER INTEREST INCOME AND SIMILAR INCOME ITEMS	0	0	7 941
INTEREST EXPENSES AND SIMILAR INCOME ITEMS	-18 884	-101	-247
<b>RESULT AFTER FINANCIAL ITEMS</b>	<b>208 447</b>	<b>-989 679</b>	<b>-2 727 875</b>
TAX	0	0	0
<b>PERIOD RESULT</b>	<b>208 447</b>	<b>-989 679</b>	<b>-2 727 875</b>
<b>EARNINGS PER SHARE</b>	<b>0,02</b>	<b>-0,66</b>	<b>-1,82</b>





## KONCERNENS BALANSRÄKNING

(SEK)	2019-03-31	2018-03-31	2018-12-31
<b>ASSETS</b>			
FIXED ASSETS			
INTANGIBLE FIXED ASSETS			
GOODWILL	81 032 417	1 837 820	1 365 239
BRANDS	168 333	268 333	193 333
	<b>81 200 750</b>	<b>2 106 153</b>	<b>1 558 572</b>
TANGIBLE FIXED ASSETS			
INVENTORIES, TOOLS AND INSTALLATIONS	29 976 720	0	0
	29 976 720	0	0
<b>TOTAL FIXED ASSETS</b>	<b>111 177 470</b>	<b>2 106 153</b>	<b>1 558 572</b>
CURRENT ASSETS			
FINISHED GOODS AND TRADE GOODS	765 198	359 100	771 000
SHORT-TERM RECEIVABLES			
ACCOUNTS RECEIVABLE	2 641 705	510 095	142 047
OTHER RECEIVABLES	1 361 480	91 015	259 615
PREPAID COSTS AND ACCRUED REVENUES	22 562	22 542	42
CASH AND BANK	33 200 752	4 001 590	2 715 590
<b>TOTAL CURRENT ASSETS</b>	<b>37 991 697</b>	<b>4 984 342</b>	<b>3 888 294</b>
<b>TOTAL ASSETS</b>	<b>149 169 167</b>	<b>7 090 495</b>	<b>5 446 866</b>

(SEK)	2019-03-31	2018-03-31	2018-12-31
<b>EQUITY AND LIABILITIES</b>			
EQUITY			
SHARE CAPITAL	6 305 297	1 499 165	1 499 165
OTHER CONTRIBUTED CAPITAL	104 149 118	20 813 400	20 813 400
OTHER EK INCLUDING PERIOD'S RESULTS	-16 631 736	-15 474 118	-17 212 314
<b>TOTAL EQUITY</b>	<b>93 822 679</b>	<b>6 838 447</b>	<b>5 100 251</b>
SHORT-TERM LIABILITIES			
ACCOUNTS PAYABLE	1 453 931	139 179	141 012
CURRENT TAX LIABILITIES	3 062 277	0	0
OTHER LIABILITIES	50 705 409	26 524	72 924
ACCRUED COSTS AND DEFERRED INCOME	124 871	86 345	132 679
<b>TOTAL LIABILITIES</b>	<b>55 346 488</b>	<b>252 048</b>	<b>346 615</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>149 169 167</b>	<b>7 090 495</b>	<b>5 446 866</b>



## KASSAFLÖDESANALYS

THE GROUP	2019-01-01 2019-03-31	2018-01-01 2018-03-31	2018-01-01 2018-12-31
<b>ONGOING OPERATIONS</b>			
RESULT AFTER FINANCIAL ITEMS	208 447	-989 679	-2 727 875
ADJUSTMENT FOR ITEMS NOT INCLUDED IN CASH FLOW			
DEPRECIATION AND IMPAIRMENT	1 535 488	182 527	730 108
EXCHANGE DIFFERENCES CASH AND CASH EQUIVALENTS	41 104	0	0
	<b>1 785 039</b>	<b>-807 152</b>	<b>-1 997 767</b>
INCOME TAX PAID	3 062 277	0	0
<b>CASH FLOW FROM OPERATING OPERATIONS BEFORE CHANGES IN WORKING CAPITAL</b>	<b>4 847 316</b>	<b>-807 152</b>	<b>-1 997 767</b>
CHANGES IN WORKING CAPITAL			
CHANGE IN INVENTORIES	5 802	-100 050	-511 950
CHANGE IN ACCOUNTS RECEIVABLE	-2 284 963	-97 414	124 534
CHANGE IN OPERATING LIABILITIES	-2 776 419	-72 194	22 373
<b>CASH FLOW FROM OPERATING OPERATIONS</b>	<b>-208 264</b>	<b>-1 076 810</b>	<b>-2 362 810</b>
FINANCING ACTIVITIES			
ACQUISITION OF SUBSIDIARIES	30 693 426	0	0
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>30 693 426</b>	<b>0</b>	<b>0</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>30 485 162</b>	<b>-1 076 810</b>	<b>-2 362 810</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<b>2 715 590</b>	<b>5 078 400</b>	<b>5 078 400</b>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<b>33 200 752</b>	<b>4 001 590</b>	<b>2 715 590</b>



## PROFORMA RESULTATRÄKNING

(SEK)

	MEDIACLE GROUP AB	SCREENS AB	MEDIACLE LTD*	ELIMINATION	CONCERN PROFORMA
	2019-01-01 2019-03-31	2019-01-01 2019-03-31	2019-01-01 2019-03-31		2019-01-01 2019-03-31
<b>Operating income</b>					
Net sales	75 000	732 063	7 961 520	-75 000A	8 693 583
<b>Total revenue</b>	<b>75 000</b>	<b>732 063</b>	<b>7 961 520</b>	<b>-75 000</b>	<b>8 693 583</b>
<b>Operating costs</b>					
Merchandise		-1 030 517	-2 426 352	-	-3 456 869
Other external costs	0 -473 489	-527 749	-457 042	75 000B	-1 383 280
Personnel costs	-44 765	-130 177	0	-	-174 942
Impairment and depreciation	0	-25 000	0	-4 774 928C	-4 799 928
<b>Total operating costs</b>	<b>-518 254</b>	<b>-1 713 443</b>	<b>-2 883 394</b>	<b>-4 699 928</b>	<b>-9 815 019</b>
<b>Operating profit</b>	<b>-443 254</b>	<b>-981 380</b>	<b>5 078 125</b>	<b>-4 774 928</b>	<b>-1 121 437</b>
<b>Financial items</b>					
Interest expenses	-1 265	-17 619	0	-	-18 884
<b>Profit before book-closing expenses and tax</b>	<b>-444 519</b>	<b>-998 999</b>	<b>5 078 125</b>	<b>-4 774 928</b>	<b>-1 140 321</b>
Tax	0	0	0	-	0
<b>Result for the period</b>	<b>-444 519</b>	<b>-998 999</b>	<b>5 078 125</b>	<b>-4 774 928</b>	<b>-1 140 321</b>

A: An elimination in net sales amounting to -75,000 SEK has been made for the period 2019-01-01 – 2019-03-31 due to parent company services for subsidiaries

B: An elimination under the item other external costs of +75,000 SEK has been made during 2019-01-01 – 2019-03-31 due to parent company services for subsidiaries

C: Amortization of goodwill amounting to – 4,774,928 SEK arising from acquisitions

\*Converted to a rate of 1 GBP = 11,9423 SEK

## PROFORMA RESULTATRÄKNING

(SEK)

	MEDIACLE GROUP AB	SCREENS AB	MEDIACLE LTD**	ELIMINATION	CONCERN PROFORMA
	2018-01-01 2018-03-31	2018-01-01 2018-03-31	2018-01-01 2018-03-31		2018-01-01 2018-03-31
<b>Operating income</b>					
Net sales	100 000	1 446 919	6 881 258	-100 000D	8 328 177
<b>Total revenue</b>	<b>100 000</b>	<b>1 446 919</b>	<b>6 881 258</b>	<b>-100 000</b>	<b>8 328 177</b>
<b>Operating costs</b>					
Merchandise		-1 016 131	-2 161 749	-	-3 177 880
Other external costs	0 -317 484	-763 071	-130 560 0	100 000E	-1 111 115
Personnel costs	-21 520	-235 764	0	-	-257 284
Impairment and depreciation	0	-25 000	0	-4 774 928F	-4 799 928
<b>Total operating costs</b>	<b>-339 004</b>	<b>-2 039 966</b>	<b>-2 292 309</b>	<b>-4 674 928</b>	<b>-9 346 207</b>
<b>Operating profit</b>	<b>-239 004</b>	<b>-593 047</b>	<b>4 588 949</b>	<b>-4 774 928</b>	<b>-1 018 030</b>
<b>Financial items</b>					
Interest expenses	0	-101	0	-	-101
<b>Profit before book-closing expenses and tax</b>	<b>-239 004</b>	<b>-593 148</b>	<b>4 588 949</b>	<b>-4 874 928</b>	<b>-1 018 131</b>
Tax	0	0	0	-	0
<b>Result for the period</b>	<b>-239 004</b>	<b>-593 148</b>	<b>4 588 949</b>	<b>-4 774 928</b>	<b>-1 018 131</b>

D: An elimination in net sales amounting to -100,000 SEK has been made for the period 2018-01-01 – 2018-03-31 due to parent company services for subsidiaries

E: An elimination under the item other external costs of +100,000 SEK has been made during 2018-01-01 – 2018-03-31 due to parent company services for subsidiaries

F: Amortization of goodwill amounting to – 4,774,928 SEK arising from acquisitions

\*\*Converted to a rate of 1 GBP = 11,2794 SEK



## PROFORMA BALANSRÄKNING

SEK

	MEDIACLE GROUP AB	SCREENS AB	MEDIACLE LTD*	ELIMINATION	CONCERN PROFORMA
	2019-03-31	2019-03-31	2019-03-31		2019-03-31
<b>ASSETS</b>					
<b>Fixed assets</b>					
Intangible assets					
Goodwill Pantalun	0	0	0	1 207 712A	1 207 712
Goodwill Mediacle Ltd	0	0	0	69 261 011B	69 261 011
Brands	0	168 333	0		168 333
	0	168 333	0	70 468 723	70 637 056
Tangible fixed assets					
Equipment, tools and installations	0	0	29 976 720		29 976 720
	0	0	29 976 720		29 976 720
Financial assets					
Shares in group companies	120 661 432	0	0 -120 661 432C		0
	120 661 432	0	0	-120 661 432	0
<b>Total fixed assets</b>	<b>120 661 432</b>	<b>168 333</b>	<b>29 976 720</b>	<b>-50 192 709</b>	<b>100 613 776</b>
<b>Current assets</b>					
Inventory etc.					
Finished goods and merchandise	0	765 198	0		765 198
Current receivables					
Accounts receivable	850 000	349 070	2 292 635	-850 000D	2 641 705
Receivables from group companies	601 309	0	0	-601 309E	0
Other receivables	1 094 260	267 220	0		1 361 480
Prepaid expenses and accrued income	22 500	62	0		22 562
	2 568 069	616 352	2 292 635 32		4 025 747
Cash register and bank	998 336	130 798	071 618		33 200 752
<b>Total current assets TOTAL</b>	<b>3 566 405</b>	<b>747 150</b>	<b>34 364 253</b>		<b>37 226 499</b>
<b>ASSETS</b>	<b>124 227 837</b>	<b>1 680 681</b>	<b>64 340 973</b>	<b>- 8 045 470</b>	<b>138 605 473</b>

## EQUITY & LIABILITIES

	MEDIACLE GROUP AB	SCREENS AB	MEDIACLE LTD*	ELIMINATION	CONCERN PROFORMA
	2019-03-31	2019-03-31	2019-03-31		2019-03-31
<b>Equity</b>					
Share capital	6 305 297	127 400	121	-127 521F	6 305 297
Other contributed capital Other	102 436 518	1 712 600	0		104 149 118
equity including profit for the period <b>Total Equity</b>	-5 943 046	-1 685 843	30 498 648	-50 065 188G	-27 195 430
	102 798 769	154 157	30 498 768	-50 192 709	83 258 985
Current liabilities					
Accounts payable	1 353 775 0	859 449	90 707 0	-850 000H	1 453 931
Liabilities to group companies Tax		601 309 0		-601 309I	0
liability Other			3 062 277 30		3 062 277
liabilities Accrued	0 20 000 000	16 188	689 221 0		50 705 409
expenses and prepaid income <b>Total current liabilities</b>	75 293	49 578			124 871
	21 429 068	1 526 524	33 842 205	-1 451 309	55 346 488
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>124 227 837</b>	<b>1 680 681</b>	<b>64 340 973</b>	<b>-51 644 018</b>	<b>138 605 473</b>

A - refers to goodwill from the acquisition of Pantaluren AB

B - refers to goodwill from the acquisition of Mediacle Ltd.

C - shares in subsidiaries are eliminated in the group, see goodwill

D &amp; E: refers to receivables between parent company and subsidiary

F - share capital of subsidiary eliminated in the group

G - refers to the company's equity that is not share premium or share capital

H &amp; I - refers to liabilities between parent company and subsidiary

\*Converted to a rate of 1 GBP = 12,0818 SEK



## PROFORMA BALANSRÄKNING

SEK

	MEDIACLE GROUP AB	SCREENS AB	MEDIACLE LTD**	ELIMINATION	CONCERN PROFORMA
	2018-03-31	2018-03-31	2018-03-31		2018-03-31
<b>ASSETS</b>					
<b>Fixed assets</b>					
Intangible assets					
Goodwill Pantalun	0	0	0	1 837 820A	1 837 820
Goodwill Mediacle Ltd	0		0	87 730 615B	87 730 615
Brands	0	0 268 333	0		268 333
	0	268 333	0	89 568 435	89 836 768
Tangible fixed assets					
Equipment, tools and installations	0	0	20 842		20 842
	0	0	20 842		20 842
Financial assets					
Shares in group companies	118 911 432	0	0 -18 911 432C 0 -118		0
	118 911 432	0	911 432		0
<b>Total fixed assets</b>	<b>118 911 432</b>	<b>268 333</b>	<b>20 842</b>	<b>-29 342 997</b>	<b>89 857 610</b>
<b>Current assets</b>					
Inventory etc.					
Finished goods and merchandise	0	359 100	0		359 100
Current receivables					
Accounts receivable	406 250	510 095	1 865 246	-406 250D	2 375 341
Receivables from group companies	987 475		0	-987 475E	0
Other receivables	43 025	0 47 990	0		91 015
Prepaid expenses and accrued income	22 500	42	0		22 542
	1 459 250	558 127	1 865 246	-1 393 725	2 488 898
Cash register and bank	3 617 548	384 042	23 212 410		27 214 000
<b>Total current assets TOTAL</b>	<b>5 076 798</b>	<b>942 169</b>	<b>25 077 656</b>	<b>-1 393 725</b>	<b>29 702 898</b>
<b>ASSETS</b>	<b>123 988 230</b>	<b>1 569 602</b>	<b>25 098 498</b>	<b>-30 736 722</b>	<b>119 919 608</b>

## EQUITY & LIABILITIES

	MEDIACLE GROUP AB	SCREENS AB	MEDIACLE LTD**	ELIMINATION	CONCERN PROFORMA
	2018-03-31	2018-03-31	2018-03-31		2018-03-31
<b>Equity</b>					
Share capital	6 305 297	127 400	118	-127 521F	6 305 294
Other contributed capital Other	102 436 518	1 712 600	0		104 149 118
equity including profit for the period <b>Total Equity</b>	-4 847 009	-1 822 747	22 410 573	-29 215 476G	-13 474 659
	103 894 806	17 253	22 410 690	-29 342 997	96 979 752
<b>Current liabilities</b>					
Accounts payable	78 475	466 954	26 414	-406 250H	165 593
Liabilities to group companies	0	987 475	0	-987 475I	0
Tax liability	0	0	2 371 232		2 371 232
Other liabilities	20 000 000	26 524	290 161		20 316 685
Accrued expenses and prepaid income <b>Total current</b>	14 949	71 396	0		86 345
<b>liabilities</b>	<b>20 093 424</b>	<b>1 552 349</b>	<b>2 687 807</b>	<b>-1 393 725</b>	<b>22 939 855</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>123 988 230</b>	<b>1 569 602</b>	<b>25 098 498</b>	<b>-30 736 722</b>	<b>119 919 608</b>

A - refers to goodwill from the acquisition of Pantaluren AB

B - refers to goodwill from the acquisition of Mediacle Ltd.

C - shares in subsidiaries are eliminated in the group, see goodwill

D &amp; E - refers to receivables between parent company and subsidiary, eliminated in the group

F - share capital of subsidiaries is eliminated in the group.

G - refers to the company's equity that is not share premium or share capital

H &amp; I - refers to liabilities between parent company and subsidiary, eliminated in the group

\*Converted to a rate of 1 GBP = 11,7617 SEK





## PROFORMA RESULTATRÄKNING

(SEK)

	MEDIACLE GROUP AB	SCREENS AB	MEDIACLE LTD*	ELIMINATION	CONCERN PROFORMA
	2018-01-01 2018-12-31	2018-01-01 2018-12-31	2018-01-01 2018-12-31		2018-01-01 2018-12-31
<b>Operating income</b>					
Net sales Other	380 000 1	5 492 901 0	30 069 554 0	-380 000A	35 562 455
operating income	673				1 673
<b>Total revenue</b>	<b>381 673</b>	<b>5 492 901</b>	<b>30 069 554</b>	<b>-380 000</b>	
<b>Operating costs</b>					
Merchandise		-4 090 002 -1	-13 168 304 -1		-17 258 306
Other external costs	0 -1 166 098	679 394 -838	779 653 0 0	380 000B	-4 245 145
Personnel costs	-106 011 0	530 -100			-944 541
Impairment and depreciation		000		-19 099 712C	-19 199 712
<b>Total operating costs</b>	<b>-1 272 109</b>	<b>-6 707 926</b>	<b>-14 947 957</b>	<b>-18 719 712</b>	<b>-41 647 704</b>
<b>Operating profit</b>	<b>-890 436</b>	<b>-1 215 025</b>	<b>15 121 597</b>	<b>-19 099 712</b>	<b>-6 083 576</b>
<b>Financial items</b>					
Interest income	0	7 941	0		7 941
Interest expenses	-86	-161	0		-247
<b>Profit before book-closing expenses and tax</b>	<b>-890 522</b>	<b>-1 207 245</b>	<b>15 121 597</b>	<b>-19 099 712</b>	<b>-6 075 882</b>
Tax	0	0	0		0
<b>Result for the period</b>	<b>-890 522</b>	<b>-1 207 245</b>	<b>15 121 597</b>	<b>-19 099 712</b>	<b>-6 075 882</b>

A: An elimination amounting to 380,000 SEK has been made for the period 2018-01-01 – 2018-12-31 due to parent company services for subsidiaries.

B: An elimination under the item other external costs of +380,000 SEK has been made during 2018-01-01 – 2018-12-31 due to parent company services for subsidiaries.

C: Amortization of goodwill amounting to SEK –19,099,712 arising from acquisitions

\*Converted to a rate of 1 GBP = 11,5928 SEK

## PROFORMA BALANSRÄKNING

SEK

### ASSETS

#### Fixed assets

	MEDIACLE GROUP AB	SCREENS AB	MEDIACLE LTD**	ELIMINATION	CONCERN PROFORMA
	2018-12-31	2018-12-31	2018-12-31		2018-12-31
<b>Intangible assets</b>					
Goodwill Pantalan	0	0	0	1 365 239A	1 365 239
Goodwill Mediacle Ltd	0	0	0	73 878 412B	73 878 412
Brands	0	193 333	0		193 333
	<b>0</b>	<b>193 333</b>	<b>0</b>	<b>75 243 651</b>	<b>75 436 984</b>
<b>Tangible fixed assets</b>					
Equipment, tools and installations	0	0	20 109		20 109
	<b>0</b>	<b>0</b>	<b>20 109</b>		<b>20 109</b>
<b>Financial assets</b>					
Shares in group companies	119 711 432	0	0 -119 711 432C		0
	<b>119 711 432</b>	<b>0</b>	<b>0</b>	<b>-119 711 432</b>	<b>0</b>
<b>Total fixed assets</b>	<b>119 711 432</b>	<b>193 333</b>	<b>20 109</b>	<b>-44 467 781</b>	<b>75 457 093</b>
<b>Current assets</b>					
Inventory etc.					
Finished goods and merchandise	0	771 000	0		771 000
<b>Current receivables</b>					
Accounts receivable	756 250	142 047	2 094 031	-756 250D	2 236 078
Receivables from group companies	587 474		0	-587 474E	0
Other receivables	18 101	0 241 514	0		259 615
Prepaid expenses and accrued income	0	42	0		42
	<b>1 361 825</b>	<b>383 603</b>	<b>2 094 031</b>	<b>-1 343 724</b>	<b>2 495 735</b>
Cash register and bank	2 358 414	357 176	32 460 128		35 175 718
<b>Total current assets TOTAL</b>	<b>3 720 239</b>	<b>740 779</b>	<b>34 554 159</b>	<b>-1 343 724</b>	<b>37 671 453</b>
<b>ASSETS</b>	<b>123 431 671</b>	<b>1 705 112</b>	<b>34 574 268</b>	<b>-45 811 505</b>	<b>113 899 546</b>

### EQUITY & LIABILITIES

	MEDIACLE GROUP AB	SCREENS AB	MEDIACLE LTD**	ELIMINATION	CONCERN PROFORMA
	2018-12-31	2018-12-31	2018-12-31		2018-12-31
<b>Equity</b>					
Share capital	6 305 297	127 400	113	-127 513F	6 305 297
Other contributed capital Other	102 436 518	1 712 600	0		104 149 118
equity including profit for the period <b>Total Equity</b>	<b>-5 498 527</b>	<b>-1 636 844</b>	<b>28 927 977</b>	<b>-44 340 268G</b>	<b>-22 547 662</b>
	<b>103 243 288</b>	<b>203 156</b>	<b>28 928 090</b>	<b>-44 467 781</b>	<b>87 906 754</b>
<b>Current liabilities</b>					
Accounts payable	53 052	844 210	2 399 801	-756 250H	2 540 813
Liabilities to group companies Tax		587 474 0		-587 474I	0
liability Other			0 2 876 337		2 876 337
liabilities Accrued	0 0 20 040	32 593	370 039 0		20 442 963
expenses and prepaid income <b>Total current liabilities</b>	<b>331 95 000</b>	<b>37 679</b>			<b>132 679</b>
	<b>20 188 383</b>	<b>1 501 956</b>	<b>5 646 177</b>	<b>-1 343 724</b>	<b>25 992 792</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>123 431 671</b>	<b>1 705 112</b>	<b>34 574 268</b>	<b>-45 811 505</b>	<b>113 899 546</b>

A - refers to goodwill from the acquisition of Pantalan

AB B - refers to goodwill from the acquisition of

Mediacle Ltd C - shares in subsidiaries are eliminated in the group,

see goodwill D &amp; E - refers to receivables between parent company and subsidiaries, are eliminated in the group

F - share capital of subsidiaries is eliminated in the group.

G - refers to the company's equity that is not share premium or share capital

H &amp; I - refers to liabilities between parent company and subsidiary, eliminated in the group

\*Converted to a rate of 1 GBP = 11,3482 SEK



# Comments on financial information

## REDOVISNINGS- OCH VÄRDERINGSPRINCIPER

Accounting method K3 principle: The consolidated financial statements have been prepared according to the purchase method. This means that the assets and liabilities of acquired subsidiaries have been recorded at the market value, which was the basis for determining the purchase price for the shares. The difference between the purchase price and the acquired company's equity is reported as goodwill. The group's equity includes the parent company's equity and the part of the subsidiary's equity that arose after these companies were acquired.

## ANLÄGGNINGSTILLGÅNGAR

Fixed assets are valued at cost less accumulated depreciation and any impairment losses.

Intangible and tangible fixed assets are reported at cost less accumulated depreciation and any impairment losses. Straight-line depreciation is made on the depreciable amount (cost less estimated residual value) over the useful life of the assets as follows: Equipment, tools, installations and goodwill 5 years. The Company applies the precautionary principle, which means that the Company does not value the Company's fixed assets for depreciation periods longer than 5 years. In the event that the Company changes its accounting policy to IFRS in the future, the depreciation rates will change.

## Jämförelser mellan Q1 2019 och Q1 2018 proforma

### Group revenue

The Group's revenue amounted to SEK 8.7 million, an increase of 5% in the period January-March 2019 compared to January-March 2018. The increase in the Group's revenue is mainly generated from the digital marketing services which increased to 31% from 18% of total revenue and also from the MAP™ software license fee which increased to 12% from 9% of total revenue during this period. Revenue from B2C brands decreased to 8% from 14% of total revenue.

### Group costs

The Group's direct costs amounted to SEK 3.5 million, an increase of 9% in January-March 2019 compared to the same period in 2018. The increase in direct costs was due to the increase in the number of purchases of used electronics that were unsold at the end of the period and at the same time an increase in inventory by 110%. The associated commission cost, which forms part of the Group's direct costs for the same period, has increased by 2% compared to the Group's direct costs for January-March 2018.

The Group's other external costs have increased by 25% to SEK 1.4 million. The increased costs relate to advertising costs and cloud services and other computer services, which together formed 23% of total other external costs for the period January - March 2019.

These costs led to an increase in revenue from the digital marketing and web design & development business areas.

## 2018-01-01 – 2018-12-31 proforma

### Group revenue

The Group's revenue amounted to SEK 35.5 million during the financial year January-December 2018, of which the Digital Marketing services and B2C brands (iGaming) generated 64% of total revenue and was comprised of the B2C brands within the e-commerce space to an extent of 15.5% of total revenue.

### Group costs

The group's direct costs amounted to SEK 17.26 million during the financial year January-December 2018. Affiliate Commission costs amounted to 76% of direct costs while 24% was for the purchase of used electronics.

The Group's other external costs amounted to SEK 4.25 million, of which one-third of the cost arose for advertising costs and cloud servers and other related computer services for the financial year January - December 2018.

## KASSAFLÖDE OCH FINANSIELL STÄLLNING

The company's cash as of 31 March 2019 amounts to approximately 30.5 million SEK, which is mainly derived from the acquisition of Mediacle Ltd and its accrued profits during the last two years of operations. The company's liabilities as of 31 March 2019 amount to just over 50.7 million SEK, which consists of a purchase price liability of 20 million SEK for the acquisition of Mediacle Ltd and 30.7 million SEK, which consists of a purchase price liability for Mediacle Ltd's acquisition of Mediacle Technologies LLP's assets, see press release for details:

<https://www.avanza.se/placera/pressmeddelanden/2019/01/30/pantaluren-group-ab-pantaluren-forvarvar-mediacle-limited.html>

## INVESTERINGAR

The Company completed a reverse acquisition on March 6, 2019. The initial purchase price is SEK 105 million, of which SEK 85 million is paid through newly issued shares at a fixed price of SEK 8 per share and SEK 20 million is paid by promissory note with an annual interest rate of STIBOR plus five (5) percent. The acquisition meant that the Company gained a new principal owner with an ownership interest of approximately 84 percent of votes and capital. An additional purchase price based on Mediacle Ltd's EBITA results during a twelve-month period from takeover may constitute an additional purchase price of a maximum of approximately SEK 25 million. The maximum additional purchase price is achieved if the Company's EBITA results amount to at least SEK 35 million during this period. This will be communicated in March 2020 and thus reported in the report for quarter one (1) 2020.

The company has no ongoing investments at the time of preparation of the memorandum.



# Legal issues and supplementary information

## ALLMÄNT

Mediacle Group AB is a public limited company with its registered office in Stockholm. The company is regulated by the Swedish Companies Act (2005:551) and its corporate registration number is 559026-5566. The provisions in the articles of association are not more far-reaching than the Companies Act regarding changes to the rights of shareholders.

## TVISTER OCH RÄTTSLIGA PROCESSER

The Company is not, or has not been, a party to any legal proceedings or arbitrations (including matters not yet settled or those that the Company is aware may arise) during the past twelve months that have recently had or could have significant effects on Mediacle's financial position or profitability.

## INTRESSEKONFLIKTER

When preparing the memorandum, there is a potential conflict of interest that may arise, which consists of the fact that the Company's CEO is also the Company's largest owner. Beyond this, to the knowledge of the Board, there are no known conflicts of interest in or around the Company.

## FASTIGHETER

The company owns no real estate.

## AVTAL OCH TRANSAKTIONER MED NÄRSTÅENDE

At the time of the preparation of the memorandum, there is a related agreement that has been established between Mediacle Ltd and Mediacle Tehnologies LLP. The agreement was entered into on 2019-03-06 and has been entered into at market terms. Mediacle Tehnologies LLP will act as a subcontractor and perform services within existing operations. The agreement is ongoing until Mediacle LLP is incorporated as a subsidiary of Mediacle Ltd, after which the notice period is three months.

## VÄSENTLIGA AVTAL

The company has not entered into any significant agreements beyond the customer agreements relating to the business's operations.

## AKTIEÄGARAVTAL

As far as the Company's board of directors is aware, there are no shareholders' agreements or equivalent agreements between shareholders in Mediacle with the aim of creating a joint influence over the Company.

## FÖRSÄKRINGAR

The Mediacle Group has, in the opinion of the Mediacle Board, adequate insurance coverage. When drawing up the memorandum, the Board believes that the insurance coverage is sufficient and in the event of future expansion, the insurance terms may need to be changed to match a possible larger organization.

## LÅN OCH ANSVARSFÖRBINDELSER

There are no loans or contingent liabilities that the Company has signed at the time of the preparation of the memorandum.

## IMMATERIELLA RÄTTIGHETER

The company owns the domain names:

www.mediacle.com  
www.excelaffiliates.com  
www.galaxyaffiliates.com  
www.monstercasino.co.uk  
www.vegasmobilecasino.co.uk  
www.jackpotmobilecasino.co.uk  
www.spinwin.com  
www.vinnarecasino.se  
www.jackpotfruity.com  
www.fortunejackpots.com  
www.mobilpengar.se  
www.pantaluren.se  
www.ielektronik.se

The company owns the following brands:

Mediacle Limited  
MAP™  
MAP™ (Mediacle Affiliate Platform)  
MAP™ iGaming Affiliate Software  
Excel Affiliates  
Galaxy Affiliates  
Monster casino

## TENDENSER

The Board of Directors believes that the Company has a favorable position in the market. To the best of the Board's knowledge, there are no known trends, potential claims or other requirements, commitments or events that are expected to have a material impact on the Company's future prospects, at least not during the current financial year.

## BEMYNDIGANDEN

The board of directors is authorized to issue up to a total of 1,500,000 shares until the next Annual General Meeting (which will be held on 2019-06-17).

Payment shall be made in cash, by set-off or by contribution in kind. The issue may be made with deviation from the shareholders' preferential rights.

## UPPKÖPSERBJUDANDE

There has been no takeover offer regarding the Company's shares during the current financial year or the previous year.



## Some tax issues in Sweden

Below are certain tax consequences that may arise for individuals and limited liability companies due to the Offer. applicable rules and is intended only as general information for shareholders who are not restricted to Sweden, unless otherwise stated. The report does not address securities held as inventory (capital losses) and assets. dividends on shares in the company sector of partnership. Furthermore, the special rules on tax-free capital gains (including the prohibition of deductions for that may be applicable holdings in the Company that are not subject to the special rules shall be applied to shares that are so-called closely held companies covered. Regarding certain categories acquired with support so-called qualified shares in

Taxpayers are subject to special tax rules. of subscription rights tax

Taxation is therefore of each individual shareholder depends on his or her particular situation. Each shareholder and holder should consult with a tax advisor for information about the special consequences recommended to in that may arise in the individual to foreign rules and tax treaties. of the case, including the applicability and effect

### BESKATTNING VID AVYTTRING AV AKTIER

#### Natural persons

Natural persons are taxed for the entire potential capital gain in the income category capital on the sale or other disposal of shares. Tax is levied at 30 percent of the capital gain if the shares are listed on the market. Capital gain or capital loss is calculated as the difference between the sales consideration after deduction of any sales expenses and the cost of the shares sold (acquisition cost). The average method is used to calculate the capital gain. According to this, the cost of a share shall consist of the average cost of shares of the same type and variety. When selling listed shares, the cost may alternatively be determined according to the standard method at 20 percent of the sales consideration after deduction of sales expenses. If a capital loss arises on listed shares, this is fully deductible against taxable capital gains in the same year on shares and other listed equity rights, except for shares in investment funds that only contain Swedish debt claims (interest funds). Capital losses that cannot be offset in this way are deductible at 70 percent against other capital income. If a deficit arises in the capital income category, a tax reduction is allowed against municipal and state income tax as well as property tax and municipal property fee. Tax reduction is allowed at 30 percent of deficits that do not exceed SEK 100,000 and at 21 percent of the remaining part.

Such a deficit cannot be saved for later tax years.

#### Legal entities For

limited liability companies, all income, including taxable capital gains and dividends, is taxed in the income category of business activities at a tax rate of 22 percent. Capital gains and capital losses are calculated in the same way as described above for natural persons. Deductible capital losses on shares and other equity may only be deducted against taxable capital gains on shares and other equity. Such a capital loss may also, if certain conditions are met, be offset against capital gains in companies within the same group, provided that there is a group contribution right between the companies. Capital losses that have not been utilized in a given year may be deducted against capital gains on shares and other equity in subsequent tax years without limitation in time. Special tax rules apply to certain special categories of companies, such as investment funds, investment companies and insurance companies.

### BESKATTNING VID UTDELNING

For private individuals, dividends are taxed in the income category capital at a tax rate of 30 percent. For individuals residing in Sweden, preliminary tax on dividends is normally withheld at 30 percent on the amount distributed. The preliminary tax is withheld by Euroclear Sweden or, in the case of nominee-registered shares, by the nominee. For limited liability companies, dividends are taxed in the income category business activities at a tax rate of 22 percent.

### AKTIEÄGARE SOM ÄR BEGRÄNSAT SKYLDIGA I SVERIGE

Shareholders in the Company who are subject to limited tax liability in Sweden, and who do not conduct business from a permanent establishment in Sweden,

are not normally taxed in Sweden for capital gains on the sale of shares.

However, these shareholders may be subject to taxation in their country of residence. Such shareholders should therefore consult tax advisors in their country of residence. According to a special rule, however, natural persons who are subject to limited tax liability in Sweden are subject to taxation in Sweden upon disposal of shares in the Company, if at any time during the 10 preceding calendar years they have been resident in Sweden or permanently resident here.

However, the right to tax may be limited by tax treaties that Sweden has concluded with other countries. Shareholders with limited tax liability in Sweden who receive dividends from a Swedish limited liability company are normally subject to Swedish withholding tax. The withholding tax rate is 30 percent. However, the tax rate is generally reduced through double taxation agreements. The deduction for withholding tax is normally carried out by Euroclear Sweden or another person engaged by the Company or, in the case of nominee-registered shares, by the nominee. If the Company has not instructed Euroclear Sweden or another person to send the dividend, the deduction shall be carried out by the Company.

### INVESTERARAVDRAG VID FÖRVÄRV AV AKTIER

An investor deduction was introduced on 1 December 2013 and applies to investments made after 30 November 2013. Through the deduction, natural persons who are liable to tax in Sweden and acquire shares in, among other things, a Swedish operating limited liability company of a smaller size in connection with the company's formation or in connection with a new share issue in certain cases may deduct half of the payment for shares in the income type capital, however, a maximum of SEK 650,000 per person and year, which corresponds to the acquisition of shares for SEK 1,300,000. The investors' total payment for shares in one and the same company may not amount to a maximum of SEK 20,000,000 per year. If several investors' basis for investor deduction for one and the same company together exceeds SEK 20 million during a calendar year, the basis shall be reduced proportionally so that the basis together does not exceed SEK 20 million. Since 1 January 2016, an investor may not make an investor deduction if he (or a related person) owns or has owned shares in the company at any time during the period from 1 January two years before the tax year until the date on which the shares are acquired. This applies regardless of whether the investor owns or has owned the shares directly or indirectly and it also applies if the investor owns or owned shares in another company within the same group. In addition, there are a number of other requirements for both the investor and the company in which the investment is made, including with regard to holdings at the end of the tax year, value transfers to the investor, salary basis, internal acquisitions and the company's financial situation. A deduction granted must also be reversed under certain conditions. Every shareholder and holder of subscription rights is therefore recommended to consult a tax advisor to obtain information about whether the rules may apply and the consequences of them in the individual case.

### INVESTERINGSSPARKONTO

For individuals who hold shares in the Investment Savings Account, no capital gains tax is payable when selling the shares. There is also no right to deduct losses when selling the shares. No withholding tax is paid for any dividends on the shares. All taxation is carried out via a yield tax that is based on the capital base for the account, regardless of whether a profit or loss has been made on the account. The yield tax is approximately 0.75 percent, and is paid every year.



## Articles of association

### § 1 Company

**name** The company's company name is Mediacle Group AB (publ), corporate registration number 559026-5566. The company is public.

### § 2 Seat of the Board

The company's board of directors shall have its registered office in Stockholm Municipality, Stockholm County.

### § 3 Operations

The company shall, directly or indirectly through subsidiaries, conduct wholesale and retail trade in consumer electronics and mobile sales. Furthermore, the company shall, directly or indirectly, develop, distribute and market IT-related products and services in the areas of information technology, digital marketing, advertising networks and other related activities.

### § 4 Share capital

The share capital shall be a minimum of SEK 6,046,032 and a maximum of SEK 24,184,128.

### § 5 Number of

**shares** The number of shares shall be a minimum of 12,092,064 and a maximum of 48,368,256 shares.

### § 6 Board of

**Directors** The board of directors shall consist of a minimum of three (3) and a maximum of five (5) members with a maximum of three (3) deputies. The members and deputies are elected annually at the annual general meeting for the period until the end of the next annual general meeting.

### § 7 Auditors

An auditor, with or without deputy auditors, is appointed to review the company's annual report and accounts, as well as the administration of the board of directors and the CEO.

### § 8 Notice

Notice of the general meeting shall be given by advertisement in the Swedish Official Gazette and by making the notice available on the company's website. At the same time as the notice is given, the company shall announce that the notice has been given by advertisement in Dagens Nyheter.

### § 9 Annual General

**Meeting** The Annual General Meeting shall be held annually within six (6) months after the end of each financial year. The following matters shall be considered at the Annual General Meeting:

1. Election of chairman at the meeting.
2. Preparation and approval of the electoral roll.
3. Selection of one or two adjusters.
4. Examination of whether the meeting has been duly convened.
5. Presentation and approval of the agenda as stated in the notice.
6. Presentation of the annual report and auditor's report, and, where applicable, the consolidated financial statements and the group auditor's report.
- 7.

Resolution: • On adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet. • On dispositions regarding the company's profit or loss according to the adopted balance sheet. • On discharge from liability of the board members and the CEO.

8. Determination of the number of board members and, where applicable, deputy board members and deputy auditors.
9. Determination of fees for the board of directors and the auditor.
10. Election of the board of directors with any deputies and, where applicable, the auditor and deputy auditors.
11. Other matters that the meeting must consider in accordance with the Companies Act or the articles of association.

### §10 Censorship reservation

The company's shares shall be registered in a censorship register in accordance with the Act (1998:1479) on the accounting of financial instruments.

### § 11 Financial year

The company's financial year shall be January 1 - December 31.



# Address

## KONTAKT

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