

**ASPIRE GLOBAL PLC (FORMERLY ASPIRE GLOBAL LIMITED)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

As at 31 March 2017

ASPIRE GLOBAL PLC (FORMERLY ASPIRE GLOBAL LIMITED)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
To the Shareholders of Aspire Global plc (formerly Aspire Global Limited)****Introduction**

We have reviewed the accompanying financial information of Aspire Global plc (formerly Aspire Global limited) and its subsidiaries (hereinafter - "the Group") comprising of the interim condensed consolidated statement of financial position as at 31 March 2017, and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods ended 31 March 2017 and 2016. The Board of Directors and Management are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 "*Interim Financial Reporting*" as adopted by the EU ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the Group as at 31 March 2017, and of its financial performance and its cash flows for the three-month periods ended 31 March 2017 and 2016, in accordance with IAS 34.



Christian Summerfield
For and on behalf of
BDO Limited

5.20 World Trade Center
6 Bayside Road
Gibraltar

16 June 2017

ASPIRE GLOBAL PLC (FORMERLY ASPIRE GLOBAL LIMITED)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Three-month period ended 31 March	
		2017	2016
		Unaudited	
		€000, except per share data	
Revenues (including EU VAT)		17,351	17,099
EU VAT		(239)	(234)
Total revenues		<u>17,112</u>	<u>16,865</u>
Distribution expenses		(10,185)	(9,626)
Gaming duties		(685)	(745)
Administrative expenses	4	<u>(2,456)</u>	<u>(2,370)</u>
		<u>(13,326)</u>	<u>(12,741)</u>
EBITDA		3,786	4,124
Amortization and depreciation		(252)	(207)
Operating income		<u>3,534</u>	<u>3,917</u>
Interest income and foreign currency exchange differences with respect to funding to a related group		426	(5)
Finance income		28	180
Finance expenses		<u>(181)</u>	<u>(44)</u>
Income before income taxes		3,807	4,048
Income taxes		<u>(210)</u>	<u>(255)</u>
Net income before Company share in the results of associated companies		<u>3,597</u>	<u>3,793</u>
Company share in the results of associated companies		<u>(150)</u>	<u>-</u>
Net income and comprehensive income		<u>3,447</u>	<u>3,793</u>
Net income and comprehensive income attributable to:			
Equity holders of the Company		3,456	3,795
Non-controlling interests		<u>(9)</u>	<u>(2)</u>
Earnings per share attributable to the equity holders of the Company (€)*:	6		
Basic		0.08	0.09
Diluted		<u>0.08</u>	<u>0.09</u>

* On 23 May 2017, the Company completed a 4:1 share split of its share capital and issued 31,495,740 new ordinary shares, which was applied retrospectively for the calculation of the basic and diluted earnings per share.

The accompanying notes are an integral part of these interim condensed consolidated financial statements

ASPIRE GLOBAL PLC (FORMERLY ASPIRE GLOBAL LIMITED)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 March 2017	As at 31 December 2016
	<u>Unaudited</u>	<u>Audited</u>
	<u>€000</u>	
NON-CURRENT ASSETS		
Property and equipment	1,090	1,134
Intangible assets	3,578	2,772
Capital notes, loans and accrued interest due from a related group	14,578	14,152
Investment in associated companies	1,413	380
Deferred income taxes	40	31
	<u>20,699</u>	<u>18,469</u>
CURRENT ASSETS		
Trade receivables	5,658	5,066
Other receivables	617	378
Income taxes receivable	6,027	4,751
Related group	406	511
Restricted cash	1,468	1,523
Cash and cash equivalents	8,302	12,260
	<u>22,478</u>	<u>24,489</u>
TOTAL ASSETS	<u>43,177</u>	<u>42,958</u>
Equity attributable to the equity holders of the Company		
Share capital and premium	62	62
Share based payment reserve	1,535	1,333
Reserve with respect to funding transactions with a related group	(9,716)	(9,716)
Retained earnings	32,798	35,342
	<u>24,679</u>	<u>27,021</u>
Non-controlling interests	(223)	(214)
TOTAL EQUITY	<u>24,456</u>	<u>26,807</u>
NON-CURRENT LIABILITIES		
Employee benefits	207	176
Loans with respect to leasehold improvements	567	566
	<u>774</u>	<u>742</u>
CURRENT LIABILITIES		
Client liabilities	2,989	3,016
Trade and other payables	7,945	6,840
Income taxes payable	7,013	5,553
	<u>17,947</u>	<u>15,409</u>
TOTAL EQUITY AND LIABILITIES	<u>43,177</u>	<u>42,958</u>

The interim condensed consolidated financial statements were approved by the Board and authorized for issue on 16 June 2017

Izhaq Mubon,
Chief Executive
Officer and Director

Pinhas Zahavi,
Director

The accompanying notes are an integral part of these interim condensed consolidated financial statements

ASPIRE GLOBAL PLC (FORMERLY ASPIRE GLOBAL LIMITED)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Equity attributable to the owners of the Company							
Share capital and premium	Retained earnings	Share based payments reserve	Reserve with respect to funding transactions with a related group	Total attributable to the owners of the Company	Non-controlling interests	Total equity	
Unaudited							
€000							

Three-month period ended 31 March 2016

Balance as at 1 January 2016 (Audited)	62	25,197	1,252	(9,716)	16,795	(213)	16,582
Comprehensive income for the period	-	3,795	-	-	3,795	(2)	3,793
Employee stock option scheme	-	-	33	-	33	-	33
Balance as at 31 March 2016	<u>62</u>	<u>28,992</u>	<u>1,285</u>	<u>(9,716)</u>	<u>20,623</u>	<u>(215)</u>	<u>20,408</u>

Three-month period ended 31 March 2017

Balance as at 1 January 2017 (Audited)	62	35,342	1,333	(9,716)	27,021	(214)	26,807
Comprehensive income for the period	-	3,456	-	-	3,456	(9)	3,447
Dividend	-	(6,000)	-	-	(6,000)	-	(6,000)
Employee stock option scheme	-	-	202	-	202	-	202
Balance as at 31 March 2017	<u>62</u>	<u>32,798</u>	<u>1,535</u>	<u>(9,716)</u>	<u>24,679</u>	<u>(223)</u>	<u>24,456</u>

The accompanying notes are an integral part of these interim condensed consolidated financial statements

ASPIRE GLOBAL PLC (FORMERLY ASPIRE GLOBAL LIMITED)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three-month period ended 31 March	
	2017	2016
	Unaudited	
	€000	
Cash flows from operating activities:		
Income before income taxes	3,807	4,048
Adjustments for:		
Amortization and depreciation	252	207
Employee stock option scheme expenses	202	33
Interest income and foreign currency exchange differences with respect to funding to a related group	(426)	5
Increase in trade receivables	(592)	(1,297)
Decrease (increase) in restricted cash	55	(1,390)
Decrease (increase) in other receivables	(239)	311
Increase in income taxes receivable net of income taxes payable	(23)	(63)
Increase (decrease) in trade and other payables	750	(309)
Increase (decrease) in loans with respect to leasehold improvements	28	(8)
Increase (decrease) in a related group	105	(604)
Decrease in client liabilities	(27)	(142)
Increase in employee benefits	31	17
	<u>3,923</u>	<u>808</u>
Income taxes paid, net	(12)	(43)
Net cash generated from operating activities	<u>3,911</u>	<u>765</u>
Cash flows from investing activities:		
Purchase of property and equipment	(29)	(53)
Investment in intangible assets	(985)	(587)
Investment in associated company (see Note 9C)	(828)	-
Net cash used in investing activities	<u>(1,842)</u>	<u>(640)</u>

The accompanying notes are an integral part of these interim condensed consolidated financial statements

ASPIRE GLOBAL PLC (FORMERLY ASPIRE GLOBAL LIMITED)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three-month period ended 31 March	
	2017	2016
	€000	
Cash flows from financing activities:		
Repayment of loans with respect to leasehold improvements	(27)	(23)
Dividends payments to equity holders of the Company	(6,000)	(6,500)
Net cash used in financing activities	(6,027)	(6,523)
Net decrease in cash and cash equivalents	(3,958)	(6,398)
Cash and cash equivalents at the beginning of the period	12,260	13,692
Cash and cash equivalents at the end of the period	8,302	7,294

The accompanying notes are an integral part of these interim condensed consolidated financial statements

ASPIRE GLOBAL PLC (FORMERLY ASPIRE GLOBAL LIMITED)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

NOTE 1 – GENERAL

Aspire Global Plc was incorporated in Gibraltar on 17 December 2003. On 9 May 2017, the Company re-domiciled to Malta. On 23 May 2017, the Company completed a 4:1 share split of its share capital and issued 31,495,740 new ordinary shares. In addition, on 9 June 2017 the Company changed its name from Aspire Global Limited to Aspire Global Plc.

The Company together with its subsidiaries (the "Group") is a top platform provider which offers a total "all-in-one" solution for online gaming operators. The Group provides an advanced solution combining a robust platform, interactive games, and a set of comprehensive operational services. Gaming operators, affiliates and media companies benefit from flexible cross-platform solutions that include fully managed operations and customized integrations of a vast games offering.

NOTE 2 – BASIS FOR PREPARATION

The interim condensed consolidated financial information ("Interim Financial Information") of the Group has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the EU ("IAS 34").

The Interim Financial Information have been prepared on the basis of the accounting policies adopted in the Group's audited consolidated financial statements for the years ended 31 December 2016 and 2015 ("Annual Financial Statements"), which are prepared in accordance with International Financial Reporting Standards as adopted by the EU. This Interim Financial Information should be read in conjunction with the Annual Financial Statements and notes thereto issued on 23 May 2017.

The Interim Financial Information are unaudited, do not constitute statutory accounts and do not contain all information and footnotes required by accounting principles generally accepted in the International Financial Reporting Standards for annual financial statements.

ASPIRE GLOBAL PLC (FORMERLY ASPIRE GLOBAL LIMITED)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

NOTE 3 – SEGMENT INFORMATION

Segmental results are reported in a manner consistent with the internal reporting provided to management. The operating segments identified are:

- B2B (Business to Business)
- B2C (Business to Customer)

Management assess the performance of operating segments based on revenues and segment results. Segment results contain revenues net of royalties and acquisitions expenses for the B2B and B2C segments, respectively.

	Three-month period ended 31 March 2017		
	B2B	B2C	Total
		Unaudited	
		€000	
Revenues (including EU VAT)	8,249	9,102	17,351
EU VAT	(12)	(227)	(239)
Total revenues	8,237	8,875	17,112
Segment results	2,213	4,128	6,341
Unallocated expenses:			
Operating expenses			(2,555)
EBITDA			3,786
Amortization and depreciation			(252)
Operating income			3,534
Interest income and foreign currency exchange differences with respect to funding to a related group			426
Finance income			28
Finance expenses			(181)
Income before income taxes			3,807

ASPIRE GLOBAL PLC (FORMERLY ASPIRE GLOBAL LIMITED)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

NOTE 3 – SEGMENT INFORMATION (CONT.)

	Three-month period ended 31 March 2016		
	B2B	B2C	Total
		Unaudited	
		€000	
Revenues (including EU VAT)	7,880	9,219	17,099
EU VAT	(100)	(134)	(234)
Total revenues	7,780	9,085	16,865
Segment results	2,185	4,398	6,583
Unallocated expenses:			
Operating expenses			(2,459)
EBITDA			4,124
Amortization and depreciation			(207)
Operating income			3,917
Interest income and foreign currency exchange differences with respect to funding to a related group			(5)
Finance income			180
Finance expenses			(44)
Income before income taxes			4,048

ASPIRE GLOBAL PLC (FORMERLY ASPIRE GLOBAL LIMITED)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

NOTE 4 – ADMINISTRATIVE EXPENSES

	Three-month period ended 31 March	
	2017	2016
	Unaudited	
	€000	
Staff expenses	1,797	1,622
Employee stock option scheme expenses	202	33
Legal and accounting	157	144
Rent and maintenance	159	150
Research and development services from a related group	142	102
Professional services	87	73
Other (see also Note 9A)	(88)	246
	2,456	2,370

NOTE 5 – STAFF COSTS AND BENEFITS

- A. On 28 February 2017, the Company granted to certain employees 66,000 options to purchase its shares, which will be exercisable upon M&A transaction or IPO (regardless of whether vesting periods have been met).
- B. The Group recorded €202 thousand employee stock option scheme expenses during the three-month period ended 31 March 2017. Those expenses are comprised €37 thousand which relate to options granted during the three-month period ended 31 March 2017. Those granted options fair value were calculated based on the Black-Scholes model, utilizing the following assumptions: Stock price €13.43, Expected term (years) 5.5-6.5 years, Volatility 45%, Dividend yield 17% and risk free rate (0.5%). The remainder €164 thousand relate to options granted in prior years of which the exercisability conditions have been met in the current period. Those granted options fair value were calculated based on the Black-Scholes model, utilizing the following assumptions: Stock price €3.65-€6.30 Expected term (years) 5.5-6.5 years, Volatility 47%-50%, Dividend yield 17% and risk free rate (0.1%)-1.6%.
- C. The Group recorded €33k thousand employee stock option scheme expenses during the three-month period ended 31 March 2016 which were calculated based on the Black-Scholes model, utilizing the following assumptions: Stock price €5.25-€6.30 Expected term (years) 5.5-6.5 years, Volatility 47%-50%, Dividend yield 17% and risk free rate (0.1%)-0.4%.

ASPIRE GLOBAL PLC (FORMERLY ASPIRE GLOBAL LIMITED)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

NOTE 6 – EARNINGS PER SHARE

	Three-month period ended 31 March	
	2017	2016
	Unaudited	
	€000, except per share data and number of shares	
<u>Basic and Diluted earnings per share:</u>		
Net income attributable to the equity holders of the Company	3,456	3,795
Weighted average number of ordinary shares issued*	41,994,320	41,994,320
Dilutive effect of share options*	1,868,700	660,573
Weighted average number of dilutive ordinary shares*	43,863,020	42,654,893
Basic earnings per share (€)	0.08	0.09
Diluted earnings per share (€)	0.08	0.09

* On 23 May 2017, the Company completed a 4:1 share split of its share capital and issued 31,495,740 new ordinary shares, which was applied retrospectively for the calculation of the basic and diluted earnings per share.

NOTE 7 – DIVIDENDS

On 28 December 2015, the Company's Board of Directors declared a dividend in the amount of €6.5 million to the Company's shareholders. The dividend was paid during January 2016.

On 23 January 2017, the Company's Board of Directors declared a dividend in the amount of €6 million to the Company's equity holders. The dividend was paid during February 2017.

On 18 May 2017, the Company's Board of Directors declared a dividend in the amount of €6 million to the Company's equity holders. The dividend was not paid as of the date of this report.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

NOTE 8 – RELATED PARTIES

- A. Barak Matalon, Pinhas Zahavi, Eli Azur and Aharon Aran are the Principal Shareholders of the Group. During the periods, the Principal Shareholders, and corporate entities controlled by the Principal Shareholders, did not receive any remuneration in the form of salary, bonuses or consulting fees except for one of them who is also an executive who has been engaged as a consultant. The consulting fees for the three-month periods ended 31 March 2017 and 2016 amounted to €35 thousand in each period.
- B. On 30 April 2014 ("Effective Date"), the Group transferred to a related group all the assets related to the iLottery business, valued at €6,130 thousand concluded in 2015 based on a valuation performed by a reputable appraiser. The consideration was determined on 24 April 2015 in a way of 5 year (counted effectively from the Effective Date) two capital notes linked to the exchange rate of the U.S. dollar and bearing an annual interest of 1% to be paid quarterly, commencing as at the second anniversary of the Effective Date. The terms of the capital notes were below fair market value for such a financial asset, therefore the €3,916 thousand difference of the discounted cash flow to be generated from the capital notes based on a market annual interest rate of 20% ("Market Interest Rate"), determined by a valuation performed by a reputable appraiser amounted to €3,945 thousand ("Fair Value of the Capital Notes"), and their face value, was recorded directly into the statement of changes in equity in 2015 under "Reserve with respect to funding transactions with a related group" as "Benefit to the Company equity holders with respect to funding transaction". Since that date, an interest income was recorded based on the Market Interest Rate on the Fair Value of the Capital Notes.

Additionally, during the first 7 months of 2015 and the year 2014, the Group granted the related group on demand funding with no specified terms, aggregated to €7,997 thousand and €3,968 thousand, respectively.

On 24 April 2015, it was agreed that the above mentioned outstanding amounts as at that date and any further funding, will be repaid back to the Group in 2019 and will be bear 1% annual interest to be paid then, which was below market terms for such financial assets, therefore the difference of €5,800 thousand of the discounted cash flows to be generated from the loans based on the Market Annual Interest amounted to €6,431 thousand in 2015 ("Fair Value of the Loans"), and their face value, were recorded directly into the statement of changes in equity under "Reserve with respect to funding transactions with a related group" as "Benefit to the Company equity holders with respect to funding transaction". Since that date, an interest income was recorded based on the Market Interest Rate on the Fair Value of the Loans.

On 18 May 2017, an agreement was reached between the Company and the related group, pursuant to which, the payment terms were changed such that the outstanding amounts will be repaid in 2018 or 2020 in case of exercise of call option by a shareholder of the related group and if not, in 2022. The new terms are below market terms for such financial assets, therefore the difference of €5,655 thousand of the discounted cash flows to be generated from the outstanding amounts based on the Market Annual Interest amounted to €8,651 thousand ("Fair Value of the Outstanding Amounts"), and their face value, will be recorded in the three month period ended 30 June 2017 directly into the statement of changes in equity under "Reserve with respect to funding transactions with a related group" as "Benefit to the Company equity holders with respect to funding transaction". From that date, an interest income should be recorded based on the Market Interest Rate on the Fair Value of the Outstanding Amounts.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

NOTE 8 – RELATED PARTIES (CONT.)

C. Other transactions:

During the three-month period ended 31 March 2017, the Group consumed development services from a related group aggregated to €767 thousand which were capitalized as an intangible asset. Additionally, the Group consumed research and development services from the related group aggregated to €229 thousand which were recorded as research and development services from a related group within administrative expenses. Furthermore, the Group was entitled for a reimbursement of certain administrative expenses and rent and related aggregated to €79 thousand and €351 thousand, respectively which were recorded as a deduction of the staff expenses and rent and maintenance within administrative expenses, respectively.

During the three-month period ended 31 March 2016, the Group consumed development services from a related group aggregated to €414 thousand which were capitalized as an intangible asset. Additionally, the Group consumed research and development services from the related group aggregated to €102 thousand which were recorded as research and development services from a related group within administrative expenses. Furthermore, the Group was entitled for a reimbursement of certain administrative expenses and rent and related aggregated to €57 thousand and €302 thousand, respectively which were recorded as a deduction of the staff expenses and rent and maintenance within administrative expenses, respectively.

NOTE 9 – COMMITMENTS, CONTINGENCIES AND OTHER

- A. During 2013, Aspire Global International Limited, a subsidiary, was issued a fine in the amount of €300 thousand by certain European Court for the 11 Section due to alleged violation of Act 2010-476. The subsidiary appealed the ruling, and a hearing of its appeal was held before the appellate court on 13 January 2017, acquitting the subsidiary. The ruling was subject to appeal for a 10 day period and no appeal was filed, therefore the acquittal became final and irrevocable. As a result, the Group reversed in 2017 the €300 thousand accrual recorded in 2013. In addition, due to the change in the regulatory environment in connection with the Group's business in the certain European country, the Group decided to cease its operations there commencing May 2017.
- B. In February 2017, the Company's Board of Directors resolved that the Company will explore certain equity transactions including initial public offering on a European stock exchange. In connection with that the Group believes that its more likely than not that an initial public offering in a European stock exchange will occur and therefore the Group capitalized €246 thousand related legal and professional service fees rendered during the three-month period ended 31 March 2017 within other receivables as part on the Group's current assets.
- C. In February 2017, the Company, through its wholly owned subsidiary (the "Acquirer"), acquired 30% of the shares of Minotauro Media Limited ("MML") for a total consideration of €1,183 thousand, of which €828 thousand was paid on 3 February 2017 and the remainder in the next few months. MML is engaged in the business of marketing and promoting online gaming services via its domain names. The Acquirer was granted a call option for the remaining 70% of MML and the seller was granted a put option, exercisable from August 2018 to June 2021, based on a multiple of 6 times of the exit EBITDA of MML capped at €12.6 million, as described in the shareholders' agreement.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

NOTE 10 – SUBSEQUENT EVENTS

- A. On 8 May 2017, the Israeli subsidiary entered into a lease agreement for office space. The agreement will commence in September 2017 for a period of sixty months with a sixty months renewal option. The annual lease payment and related is approximately €430 thousand and is linked to the Israeli consumer price index ("ICPI"), such annual payment should increase by 5% during the option period.

- B. On 17 May 2017, Neolotto Limited, an associated company ("Neolotto") raised €300 thousand loans from its shareholders; the Company lent Neolotto €200 thousand and the remainder by a third party. Such loans shall bear interest, compounded annually from the date of disbursement to the date of their full and final repayment at a rate of 6% per annum. The loans and the interest shall be repaid by Neolotto on 17 May 2018 or prior to that in an Initial Public Offering or Merger and Acquisition transactions as defined in the agreement.