

Meeting of Noteholders

Audley Funding plc

(incorporated as a public limited liability company under the laws of the United Kingdom with registration number 10364982 (the "Issuer"))

SERIES 2017-F3 GBP NOTES

ISIN: GB00BDZC8S53

£5,000,000 7.25% FIXED RATE SECURED NOTES DUE 2022
(the "Notes")

Under the £200,000,000 Secured Medium Term Note Programme

to be held at

1 Bedford Row, London WC1R 4BZ on

14 July 2020

at 11:00 am

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the contents of this document or the actions which you should take, you should seek your own advice immediately from a stockbroker, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000, or if you are not resident in the UK, from another appropriately authorised professional adviser in your own jurisdiction.

If you have sold or otherwise transferred all of your Series 2017-F3 Notes, please forward this document, together with the accompanying documents as soon as possible to the purchaser or transferee or to the broker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

Audley Funding plc
(Registered in England and Wales No. 10364982)
1 Bedford Row, London WC1R 4BZ

Dear Noteholder

Noteholders' meeting

I am writing to invite you to a meeting (the "**Meeting**") of the Noteholders of the Series 2017-F3 Notes (the "**Noteholders**") issued by Audley Funding plc (the "**Issuer**") which will be held on 14 July 2020 at 11:00 am at the registered office of the Issuer, 1 Bedford Row, London WC1R 4BZ. The Meeting has been called to consider two proposed extraordinary resolutions of the Noteholders (the "**Resolutions**"). The formal notice of the Meeting is set out from pages 8 of this document (the "**Notice**"), the background to the Resolutions is set out from page 8, the Resolutions are on page 10, explanatory notes as to how you can attend the Meeting and/or vote on the Resolution are set out from page 12 and the proxy form is on page 16 of this document.

Recommendation

Your attention is drawn to the letter from the Managing Director of Myclubbetting.com Limited to Noteholders set out from page 3 in this Notice. The board of the Issuer ("**Board**") has considered carefully the matters set out in that letter and has had an opportunity to discuss those matters with members of the Myclubbetting.com team. ***Accordingly, the Board recommends that you vote in favour of Resolution 1 and, if Resolution 1 is not passed by the requisite majority, that you vote in favour of Resolution 2.***

Voting

Your vote is important. You can vote by (1) completing the Proxy Form on page 16 and returning it to Avenir Registrars Limited either at 5 St. John's Lane, London EC1M 4BH or by email at registers@avenir-registrars.co.uk, or (2) attending the meeting in person or by proxy and voting.

Appointing a proxy will not prevent you from attending and voting in person at the Meeting, if you wish to do so.

Yours faithfully

Chairman
Audley Funding plc

**LETTER FROM THE MANAGING DIRECTOR OF
MYCLUBBETTING.COM LIMITED TO THE SERIES 2017-F3
NOTEHOLDERS**

19 June 2020

Dear sirs

Please treat this correspondence with the utmost importance

We write to you in connection with the Series 2017-F3 Notes (the "**Notes**") that have provided financing to Myclubbetting.com Limited ("**MCB**").

As the Managing Director of MCB, I have requested that a meeting of the Series 2017-F3 Noteholders be called by Audley Funding plc (the "**Issuer**") to ask them to vote on matters that would allow MCB to restructure its obligations to the Issuer to take account of events that have occurred in relation to its business following the date of issue of the Notes. The reasons for this request are set out in this letter.

Status of MCB business

As described in the Investment Memorandum dated 28 February 2017 issued by the Issuer in relation to the Notes (the "**IM**"), MCB identified two main potential revenue streams in its business, namely:

1. delivering a customised boutique online betting and gaming service to sports clubs (at no cost to the clubs) and sharing the resulting net revenues with them (the "**Betting Service**"); and
2. shared rights over the income generated from certain intellectual property assets including:
 - a. a US patent concerning the efficient handling of dynamically changing data over mobile networks, realised as a 25% share of net income from settlements and licensing ("**US patent 7,194,468**"); and
 - b. two continuation patents that extend the US patent to cover, inter alia, transmission of changing data over wi-fi, also with a 25% share of net income, (the "**Patents**"). A third continuation patent is pending.

The current status of these two revenue streams is as follows:

The Betting Service

As described in the IM, MCB's partner for the Betting Service was the bookmaking firm, FSB. It was originally planned that FSB and MCB would share revenues from betting activity that would begin in December 2015. Subsequent to the issuance of the Notes, MCB argued that FSB was charging for items contrary to the contractual agreement between them. When these charges were disputed by MCB on 12 April 2018, FSB unilaterally switched off the Betting Service. As a result, MCB decided a new partner would be required to restart the Betting Service. An agreement was negotiated with a new partner, Unibet, on 14 April 2019. For efficient management of the service, MCB also entered an agreement with an agent, Clubwin, on 4 March 2020. Having resolved these issues, the Betting Service should have resumed on March 2020. The Covid-19 lockdown, however, ended all live sport. On 12 June 2020, with the impending resumption of Premiership football in England, the Betting Service was relaunched with Clubwin and Unibet.

The Patents

As described on page 13 of the IM, the Patents have been the subject of litigation in the United States pursuant to which the holder of the Patents (the "**Patent Holder**") took action against third parties it believes are infringing the Patents. This action was necessary to realise value from the Patents, as those entities that the Patent Holder believes are infringing the patents have not, to date, paid any due licence fees to use the invention that that Patents cover. Should the Patent Holder be successful it is probable that a damages payment would be awarded and that licencing revenue would be forthcoming.

Specifically, in 2014 a suit was filed against Bloomberg and three other US financial data providers (together the "**Defendants**") for infringement of US patent 7,194,468. The principal steps in the patent dispute are outlined below.

- 4/15 The Defendants had applied to the US Patent Trial and Appeal Board (**PTAB**) seeking a review to question the technical invention of the relevant patent. The presiding judge allowed the application. Subsequently, in April 2015, PTAB denied the review, concluding that the patent was a technical invention.

- 2/16 At a Markman hearing (where the judge 'translates' the claims in a US patent case for the benefit of the jury), the presiding judge explained to the jury that the claim was only

concerned with 'changing data' despite the patent clearly making reference to the non-changing data element. The Patent Holder viewed this as an obvious error and was of the view that this interpretation of the claim by the judge opened new routes for the Defendants to deny infringement, which they duly took.

1/17 On the eve of the final hearing the presiding judge granted the Defendants' motion for Summary Judgement in their favour, cancelling the trial but did concede that the Patent Holder would be permitted to appeal.

2/17 In a move that was possibly made to remove any further infringement challenge, the Defendants filed a claim for their attorney fees from the Patent Holder. A successful claim may have resulted in a demand for payment of fees that was beyond the resources of the Patent Holder. If this became the case, it is possible that the Defendants could take ownership of the Patent Holder and all its intellectual property.

3/18 In advance of the appeal hearing, the Patent Holder was granted a continuation patent that clarified the aspect of non-changing data.

6/18 At the appeal hearing, it was not permitted for the new continuation patent to be filed as evidence. The appeal panel reached the same conclusion as the earlier judge. Moreover, a rehearing request was denied without an Opinion, which prevented elevation of the appeal to the Supreme Court.

3/19 Having spent seven months reviewing the Defendants' case for fees, described above, Judge Stark (Chief Judge for Delaware) denied the claim for fees in an extensive report on the case. In that report the judge not only denied the Defendants' claim for fees, he also expressed his disagreement with conclusions reached, and procedural steps taken, by the earlier trial judge. Specifically, he made it clear that in his view Summary Judgement should not have been granted and that the trial should have proceeded. He also noted that the claim construction advocated by the Patent Holder was not unreasonable. He also noted his disagreement with many other criticisms made of the Patent Holders during the proceedings up to Summary Judgement.

During Judge Stark's review of the case for fees but before his report was issued, the case itself was reassigned to Judge Stark. Reassignment takes place when a higher judicial authority determines that the conclusion of prior proceedings was reached without a satisfactory outcome. Specifically, reassignment is to a lower court for further

proceedings with a different judge.

The final two steps above favour the Patent Holder. Whilst no outcome can be predicted, should the conclusion of these reassigned proceedings under Judge Stark find in favour of the Patent Holder, it would not be unexpected for the Patent Holder to enter licencing agreements with the many hundreds of infringing parties. Were that outcome to be reached today, the revenue from licencing could, under law, be back dated eight years, allowing the Patent Holder to recover the unpaid licence revenue in all that time from all those who infringed (and MCB would be entitled to 25% of such revenue). Should Judge Stark find in favour of the Patent Holder, a damages payment may also be awarded. Stark publicly revealed comments made about claimed damages during the proceedings. He wrote, "Equally unpersuasive is Defendants' rhetoric about Plaintiff's 'rapacious' and 'outlandish damages demands'". In this direct quote, Judge Stark uses the US legal term 'Plaintiff' to describe the Patent Holder. MCB expects that it is only a matter of time before suits pertaining to the Patents are refiled.

As a result of this ongoing litigation, MCB has not received any revenue to date from the Patents and, until this matter is concluded, the future revenue to MCB in connection with the Patents is not certain.

Payments under the Notes

On 28 February 2019, 28 August 2019 and 28 February 2020 the Issuer released announcements that interest payments due to Noteholders had either not been made or had only been partially made. In each case, this was due to a failure by MCB to pay amounts owed to the Issuer (caused by the issues described above). In a measure to help minimise the risk to investors of further non-payment of amounts due under the Notes, we have asked for a Noteholder meeting to be convened to consider and, if thought fit, to pass one of two resolutions allowing the Issuer to restructure its obligations to the Noteholders. These resolutions are as follows:

Resolution 1: that each Series 2017-F3 Note be converted into ordinary shares in Myclubbetting.com Limited at a ratio of £1 (principal value of Series 2017-F3 Notes) : 1 A Ordinary Share (£0.0005 par value of shares), subject to compliance by MCB with the requirements of the Companies Act 2006; and the Facility Agreement between the Issuer (as lender) and Myclubbetting.com Limited (as borrower) dated 20 July 2017 (the "Facility") and any related security be terminated;

and, if Resolution 1 is not passed,

Resolution 2: amendments to the terms of the Series 2017-F3 Notes so that:

- no further interest shall be payable under the Series 2017-F3 Notes (including any due and

owing interest payments not paid as at the date of the resolution); and

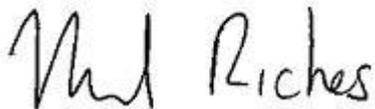
- the Series 2017-F3 Notes shall be redeemed on the date five years from the date of the resolution on the basis that should the US Patent litigation described above be concluded successfully in favour of the owner of the Patents before that redemption date, the Series 2017-F3 Notes shall be redeemed early with an additional 15% premium.

Amendments to the Facility would be required to conform to the amendments to the Series 2017-F3 Notes arising under the matters set out in Resolution 2.

It is MCB's preferred position that Resolution 1 be passed and the note for share swap be implemented. If neither resolution is passed, MCB is unable to confirm whether it will have sufficient funds to satisfy its obligations to the Issuer and therefore whether the Issuer will be able to satisfy its obligations under the Series 2017-F3 Notes.

Please read all of the documents carefully and seek professional advice if you need any further clarity with respect to these documents. MCB is working hard to minimise everyone's investment risk, both immediate and for the longer term. We appreciate, and thank you, for your ongoing support.

Yours sincerely

A handwritten signature in black ink that reads "Neil Riches". The signature is written in a cursive style with a large initial "N".

Neil Riches

Managing Director

MyClubBetting.com Limited

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS. IF NOTEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL AND LEGAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES, IMMEDIATELY FROM THEIR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER

NOTICE OF NOTEHOLDERS' MEETING

Audley Funding plc

(incorporated as a public limited liability company under the laws of the United Kingdom with registration number 10364982 (the "Issuer"))

SERIES 2017-F3 GBP NOTES
ISIN: GB00BDZC8S53
£5,000,000 7.25% FIXED RATE SECURED NOTES DUE 2022
(the "Series 2017-F3 Notes")

19 June 2020

NOTICE IS HEREBY GIVEN pursuant to Condition 17 of the Terms and Conditions of the Series 2017-F3 Notes (the "**Terms and Conditions**") that a Noteholders' Meeting (the "**Meeting**") of the holders of the Series 2017-F3 Notes of Audley Funding plc (the "**Issuer**") (the "**Noteholders**") will be held at 11:00 am on 14 July 2020 at 1 Bedford Row, London WC1R 4BZ to consider, and if thought fit, pass the resolutions set out below as extraordinary resolutions (the "**Resolutions**").

Capitalised terms used but not defined in this Notice shall have the same meaning given to them as defined in the Terms and Conditions.

All dates provided are referenced accurately at the time of this Notice.

BACKGROUND

- The net proceeds of the issue of the Notes were provided to Myclubbetting.com Limited ("**MCB**") under a secured Facility Agreement between the Issuer (as lender)

and MCB (as borrower) dated 20 July 2017 (the “**Facility**”). Interest is payable by MCB under the Facility in arrears on 18 February and 18 August in each year. MCB intended to fund payment of this interest from the revenues of its business.

- At the time of the issue of the Notes, MCB anticipated deriving revenue from two main sources:
 1. delivering a customised boutique online betting and gaming service to sports clubs (at no cost to the clubs) and sharing the resulting net revenues with them; and
 2. shared rights over the income generated from certain intellectual property assets including:
 - a. a US patent concerning the efficient handling of dynamically changing data over mobile networks, realised as a 25% share of net income from settlements and licensing; and
 - b. two continuation patents that extend the US patent to cover, inter alia, transmission of changing data over wi-fi, also with a 25% share of net income. A third continuation patent is pending.
- The current status of these two revenue streams is as described in the letter from the Managing Director of MCB included in this notice (from page 3).
- On 28 February 2019, 28 August 2019 and 28 February 2020 the Issuer released announcements that interest payments due to Noteholders had either not been made or had only been partially made. In each case, was due to a failure by MCB to pay amounts owed to the Issuer. In a measure to help minimise the risk to investors of further non-payment of amounts due under the Series 2017-F3 Notes, MCB has asked for a Noteholder meeting to be convened to consider and, if thought fit, to pass one of two resolutions allowing the Issuer to restructure its obligations to Noteholders. These resolutions are set out below.

FORM OF EXTRAORDINARY RESOLUTIONS

The following resolutions are proposed as extraordinary resolutions under Paragraph 2 of Schedule 3 of the Terms and Conditions of the Notes.

THAT the Noteholders entitled to vote at the Meeting hereby by extraordinary resolution resolve:

- **Resolution 1:** that each Series 2017-F3 Note be converted into ordinary shares in Myclubbetting.com Limited at a ratio of £1 (principal value of Series 2017-F3 Notes) : 1 A Ordinary Share (£0.0005 par value of shares), subject to compliance by MCB with the requirements of the Companies Act 2006; and the Facility Agreement between the Issuer (as lender) and Myclubbetting.com Limited (as borrower) dated 20 July 2017 (the “Facility”) and any related security be terminated;

Please see at ANNEX A, a table showing the fully diluted issued share capital of MCB should Resolution 1 be passed and shares be issued to all Noteholders.

- **Resolution 2:** that the terms and conditions of the Notes be amended so that:
 - no further interest shall be payable under the Series 2017-F3 Notes (including any due and owing interest payments not paid as at the date of the resolution); and
 - the Series 2017-F3 Notes shall be redeemed on the date five years from the date of the resolution on the basis that should the US Patent litigation described above be concluded successfully in favour of the owner of the Patents before that redemption date, the Series 2017-F3 Notes shall be redeemed early with an additional 15% premium.

Amendments to the Facility would be required to conform to the amendments to the Series 2017-F3 Notes arising under the matters set out in Resolution 2.

Noteholders will only be asked to vote on Resolution 2 if Resolution 1 is not passed.

In voting on these resolutions Noteholders agree that, if either Resolution 1 or Resolution 2 is passed, each of the Issuer and Trustee (as applicable) is hereby authorised, directed, empowered and instructed without the need for any further consent or approval to take (or refrain from taking, as the case may be) all such actions and things as may be required, necessary or desirable to implement and to give effect to such Extraordinary Resolution, including without limitation the execution of any documents, declarations, certificates, agreements, deeds or instruments (howsoever described) to give effect to such Extraordinary Resolution.

NOTES

1. Restrictions on attending the Meeting in person

Due to restrictions currently in force in England on public gatherings the meeting of Noteholders will be held online by way of video conference (with the option to attend by telephone conference) or such applicable virtual or electronic means for which it shall publish details on the website listed in paragraph 7 of these notes.

If pursuant to any such arrangements of the Issuer, evidence of identity of Noteholders is to be verified electronically, then subject to the arrangements made by the Issuer, such evidence of identity will need to be received by the Issuer in the manner specified in the applicable alternative arrangements by the close of business on 10 July 2020. To the extent any evidence of identity is submitted in the period after such date (but prior to the casting of votes at the Meeting), the Issuer may take such reasonable steps to verify the identity of any Noteholder prior to announcing the result of the Meeting until the close of business two business days after the Meeting or further adjourned Meeting, as applicable.

2. Access to the meeting

Access to the Meeting shall be by video conference by following the steps below:

1. Click on the following link - <https://bluejeans.com/779937092/1258?src=calendarLink>.
2. After following the link, you will be navigated to the BlueJeans website to join the Meeting. It may prompt for an installer to be run, but there will be an 'x' in the top-right of this window which will allow you to ignore the prompt (not the one to close the browser completely). You will then be able to click the 'Join with Browser' link.
3. Select which audio option you prefer for the meeting e.g. via your Computer (using headset and microphone) or using a phone.
4. You may see a prompt to allow your browser access to your Microphone and/or Camera, select 'Allow' to proceed, or any 'Allow' prompts that may appear on your mobile at this point.
5. Once the above is complete, you will be faced with a screen where you can then select 'Join Meeting' when ready.

6. You will now be prompted to enter the Meeting ID which is 779 937 092 and the Participant Passcode which is 1258.
7. You will then be asked to enter your name for the meeting where you can then click join.

Alternatively, if you wish, you can dial in from a phone by dialling the following number +44.203.608.5256 (UK (London)) and entering the Meeting ID and Participant Passcode provided at Step 6 above followed by the hash key (#).

Please note you will be held on mute until the meeting host grants you access to speak.

Noteholders who have any general queries about the Meeting should contact the Issuer by email to: info@audleyfunding.com.

3. Entitlement to attend and vote

To be entitled to attend and vote in respect of the number of notes registered in their name, Noteholders must be entered on the register of noteholders of the Issuer at close of business on 10 July 2020, or, if the Meeting is adjourned, on the register of noteholders at close of business two days prior to the date of any adjourned Meeting. Changes to entries on the register of noteholders after close of business on 10 July 2020, or, if this Meeting is adjourned, changes to entries on the register of noteholders after close of business two days prior to the date of any adjourned Meeting, will be disregarded in determining the rights of any person to attend or vote at the Meeting.

4. Appointment of proxy

Noteholders are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the Meeting. A proxy need not be a noteholder of the Issuer but must attend the Meeting to represent a noteholder. To be validly appointed, a proxy must be appointed using the procedures set out in these notes and in the notes to the accompanying proxy form.

If a noteholder wishes a proxy to speak on their behalf at the Meeting, the noteholder will need to appoint their own choice of proxy (not the Chairman of the Meeting) and give their

instructions directly to them. Such an appointment can be made using the Form of Proxy accompanying this notice of Meeting.

Noteholders can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different notes. Noteholders cannot appoint more than one proxy to exercise the rights attached to the same note(s). If a noteholder wishes to appoint more than one proxy, they should contact the Registrar either at Avenir Registrars Limited, 5 St. John's Lane, London EC1M 4BH or by email at registers@avenir-registrars.co.uk.

A noteholder may instruct their proxy to abstain from voting on a particular resolution to be considered at the Meeting by marking the Withheld option in relation to that particular resolution when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes For or Against the resolution.

The appointment of a proxy will not prevent a noteholder from attending the Meeting and voting in person if he or she wishes.

5. Appointment of proxy using proxy form

Noteholders who wish to appoint a proxy using the proxy form must complete the enclosed Form of Proxy and return it to Avenir Registrars Limited either at 5 St. John's Lane, London EC1M 4BH or by email at registers@avenir-registrars.co.uk.

6. Corporate representatives

Any corporation which is a noteholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a noteholder provided that they do not do so in relation to the same notes.

7. Website giving information regarding the Meeting

Information regarding the Meeting, including information required by section 311A of the 2006 Act, and a copy of this notice of Meeting is available from <https://audleyfunding.com>.

8. Existing notes and voting rights

Under the Issuer's programme listed on the Frankfurt Stock Exchange, as at 16 June 2020, being the latest practicable date prior to the publication of this Notice, the Issuer has issued £1,699,574 under the Series 2017-F3 Notes. Therefore, the total voting rights in the Issuer as at 16 June 2020 for Series 2017-F3 Notes are 1,699,574 votes.

9. Documents available for inspection

The following documents will be available for inspection on the day of the Meeting at the offices of the issuer until the conclusion of the Meeting:

- a) the Investment Memorandum;
- b) the Listing Particulars;
- c) the Supplemental Trust Deed constituting the Series 2017-F3 Notes; and
- d) the Pricing Supplement.

10. Further questions and communication

Noteholders may not use any electronic address provided in this notice or in any related documents (including the accompanying proxy form) to communicate with the Issuer for any purpose other than those expressly stated.

Noteholders who have any general queries about the Meeting should contact the Issuer by email to: info@audleyfunding.com

FORM OF PROXY

Audley Funding plc (the Issuer)

Name of noteholder appointing proxy:

Address: _____

Before completing this notice please read the notice to noteholders and the notes above.

I hereby appoint (please tick one):

Truva Services Limited (formerly GRM Law Trustees Limited) in its capacity as trustee for the Noteholders

the following individual (print name and address below):

to vote on my behalf at the Noteholder's Meeting of the Issuer to be held on 14 July 2020, and at any adjournment of the Meeting.

Please tick your choice for Resolution 1:

For Against Abstain

Please tick your choice for Resolution 2:

For Against Abstain

Note: If you do not indicate below how the proxy is to vote, the proxy may vote or abstain as he or she thinks fit.

Annex A
Fully diluted MCB share capital

The fully diluted share position of the Company following the issue of A ordinary shares in accordance with Resolution 1 would be:

Pre-existing A Shares	15,550,428
A Shares from converted Notes	1,699,574
B Shares	500,000
Options (A Shares)	3,762,500
Warrants (A Shares)	3,716,845
<u>CLN's (A Shares)</u>	<u>269,421</u>
TOTAL	25,498,768