

Annual Report & Accounts 2011

**TMT INVESTMENTS PLC**

For the year ended  
31 December 2011

## CONTENTS

	<b>Page</b>
The Company	3
Investment portfolio	5
Directors, consultants and professional advisors	7
Executive director's statement	10
Corporate governance	11
Directors' report	13
Independent auditors' report	17
Statement of comprehensive income	18
Statement of financial position	19
Statement of cash flows	20
Statement of changes in equity	21
Notes to the financial statements	22

## THE COMPANY

TMT Investments Plc (“TMT” or the “Company”) is a company incorporated under the laws of Jersey in September 2010. The Company has been established for the purpose of making investments in the Technology, Media and Telecommunications (“TMT”) sector where the Directors believe there is a potential for growth and the creation of shareholder value.

### Investment Strategy

TMT currently focuses on identifying attractive investment opportunities in the following segments of the TMT sector:

- Mobile software applications
- Cloud solutions
- Online travel services in emerging markets
- E-payment systems
- Social networking

Among other features, TMT seeks to identify companies that have:

- Competent and motivated management
- High growth potential
- Potential synergies with other portfolio companies
- Viable exit opportunities

### Investment Policy

The Company’s objective is to generate an attractive rate of return for shareholders, predominantly through capital appreciation, by taking advantage of opportunities to invest in the TMT sector. The Company aims to provide equity and equity-related investment capital, such as convertible loans, to private companies which are seeking capital for growth and development, consolidation or acquisition, or as a pre-IPO financing. In addition, the Company intends to invest in publicly traded equities which have securities listed on a stock exchange or over-the-counter market. These investments may be in combination with additional debt or equity-related financing, and in appropriate circumstances in collaboration with other value added financial and/or strategic investors. The Company is not geographically restricted in terms of where it will consider making investments. It will consider any geographical area, to the extent that the investment fits within the Company’s investment criteria. The Directors and Consultants have expertise in emerging markets and, in particular, in Russia and the Commonwealth of Independent States. The Company will not be subject to any borrowing or leveraging limits.

#### *Private Companies*

The Company will target small and mid-sized companies and will seek to secure at least blocking stakes and board representation, where it considers that the Company and/or an investee company would benefit from such an appointment. The Company will consider making equity investments in lower than blocking stakes only where it sees ways to increase the stakes to blocking or controlling stakes at a later date. Each investment is expected to be at least US\$250,000. The investments targeted by the Company will aim to support rapidly-growing private companies to increase market share and achieve long-term shareholder value. It is envisaged that if the Company invested in a private company prior to that company listing on a stock market, the Company would retain a part of its investment in the listed entity going forward. The Company intends to work closely with the management of each investee company to create value by focusing on driving growth through revenue creation, margin enhancement and extracting cost efficiencies, as well as implementing appropriate capital structures to enhance returns.

#### *Public Companies*

When investing in public equities, the Company will seek to select companies with a dominant market share or strong growth potential in their respective segments. No restrictions will be placed on the size of public companies in which the Company may make an investment. The Directors intend to make investments in companies or businesses with attractive valuation, growth potential, with competent and motivated management, which enjoy brand recognition, have scalable business models, have strong relationships with customers and have in place transparent accounting policies.

## THE COMPANY

### *Realisation of Returns*

The Directors will, when appropriate, consider how best to realise value for Shareholders whether through a trade sale, flotation or secondary refinancing of the investee companies. The proposed exit route will form a key consideration of the initial investment analysis. The Company expects to derive returns on investments principally through long-term capital gains and/or the payment of dividends by investees. The primary ways in which the Company expects to realise these returns include: (a) the sale or merger of a company; (b) the sale of securities of a company by means of public or private offerings; and (c) the disposal of public equity investments through the stock exchanges on which they are listed. For private investee companies the Company believes that its typical investment holding period should provide sufficient time for investee companies to adequately benefit from the capital and operational improvements resulting from the Company's investment. The targeted holding period shall be reviewed on a regular basis by the Company, but it is expected that this will typically be between two to four years. For public equities the Company's objective is to maximise capital appreciation. Following the acquisition, the Company will continue to conduct extensive research and monitoring of the investment. Importance will be placed on the timing of any disposal which will follow a thorough review of market conditions and those reports and sources that are available to investors. Should the Company consider that the capital appreciation of a particular public equity investment has reached its peak or is likely to or has begun to decline, then the Company will consider the sale of that investment.

## INVESTMENT PORTFOLIO

(as at 31 December 2011)

### Ninua

Developer of social internet application software in the field of news, blogs, and social media

Country	USA
First invested in	June 2011
Total investment	US\$305,000
Type	Convertible note
Web site	<a href="http://www.ninua.com">www.ninua.com</a>



### Depositphotos

Photobank selling images on a royalty-free basis

Country	USA
First invested in	July 2011
Total investment	US\$911,988
Type	Common stock
Web site	<a href="http://www.depositphotos.com">www.depositphotos.com</a>



### rollApp

Developer of a software-on-demand service designed to instantly deliver existing third-party software applications to any web-browser-equipped device over broadband/3G

Country	USA
First invested in	July 2011
Total investment	US\$360,000
Type	Common stock
Web site	<a href="http://www.rollapp.com">www.rollapp.com</a>



### BCG

Developer of online games for social networks

Country	British Virgin Islands
First invested in	August 2011
Total investment	US\$1,000,000
Type	Common stock
Web site	-



### Unicell

Mobile application service and content provider in Israel

Country	Israel
First invested in	September 2011
Total investment	US\$2,982,471
Type	Common stock
Web site	<a href="http://www.unicell.co.il/about.htm">www.unicell.co.il/about.htm</a>



## INVESTMENT PORTFOLIO

### PeekYou

Search company focused on indexing the public Web around people

Country	USA
First invested in	November 2011
Total investment	US\$131,671
Type	Convertible note
Web site	<a href="http://www.peakyou.com">www.peakyou.com</a>



### Wanelo

Social e-store administered by its community

Country	USA
First invested in	November 2011
Total investment	US\$355,000
Type	Preferred stock
Web site	<a href="http://www.wanelo.com">www.wanelo.com</a>



### Tracks

Mobile social networking platform that enables users to effortlessly make social photo stories around real world experiences

Country	USA
First invested in	November 2011
Total investment	US\$455,000
Type	Convertible note
Web site	<a href="http://www.tracks.io">www.tracks.io</a>



### Gild

Online service for students and technology professionals where they prove how good they are, improve and build their skills, and get noticed by top companies

Country	USA
First invested in	December 2011
Total investment	US\$335,000
Type	Preferred stock
Web site	<a href="http://www.gild.com">www.gild.com</a>



### Socialize

Provides developers with drop-in-simple software development kits for iOS and Android via the Socialize ActionBar

Country	USA
First invested in	December 2011
Net investment	US\$505,000
Type	Convertible note
Web site	<a href="http://www.GetSocialize.com">www.GetSocialize.com</a>



## DIRECTORS, CONSULTANTS AND PROFESSIONAL ADVISORS

### Directors

Yuri Mostovoy	Non-Executive Chairman (Appointed 6 June 2011)
Alexander Selegenev	Executive Director
Petr Lanin	Non-Executive Director
James Joseph Mullins	Non-Executive Director

### Consultants

German Kaplun  
Alexander Morgulchik

### Secretary

Computershare Company Secretarial Services (Jersey) Limited  
Queensway House, Hilgrove Street  
St Helier, Jersey, JE1 1ES

### Registered office

Queensway House, Hilgrove Street  
St Helier, Jersey, JE1 1ES

### Company registration number

106628 (Jersey)

### Nominated adviser and broker

ZAI Corporate Finance Ltd  
177 Regent Street  
London, W1B 4JN

### Auditors

UHY Hacker Young LLP  
Quadrant House  
4 Thomas More Square  
London, E1W 1YW

### Registrar

Computershare Investor Services (Jersey) Limited  
Queensway House, Hilgrove Street  
St Helier, Jersey, JE1 1ES

### Company website

[www.tmtinvestments.com](http://www.tmtinvestments.com)

## DIRECTORS, CONSULTANTS AND PROFESSIONAL ADVISORS

### **The Board of Directors**

The Company is managed by the Board which exercises all the powers of the Company whether relating to the management of the business or not. The Board is responsible for the leadership, strategic direction, prudential control and long-term performance of the Company. There is an agreed principle that Directors may take independent professional advice if necessary at the Company's expense, on the basis that the expense is reasonable.

To enable the Board to function effectively and Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board meetings, this consists of a comprehensive set of papers, including regular reports and discussion documents regarding specific matters.

Biographies of the Directors are set out below. These demonstrate the very broad range of business experience that the Board members possess and which are essential to manage a business of this size and complexity.

### **Yuri Mostovoy, Non-Executive Chairman of the Board**

Yuri Mostovoy has a broad range of experience in investment banking and commerce. He is currently a director of OJSC Armada, a leading independent software development and IT service provider in Russia. He is the owner of Interval LLC, a company that develops advanced investment portfolio management systems, and Buballo LLC. He is also a Member of the Advisory Board of Global Advertising Strategies, Inc.

In the past, Mr. Mostovoy was a founding shareholder and director of Supercompilers LLC, the company engaged in the development of new technology, which increases the speed of Java-programs. At different points in his career, he was employed as Head of Development in the Fixed Income Quantitative Research Department at Lehman Brothers, Global Head of Quantitative Fixed Income Research at Barclays Capital, and Vice President of Citibank (New York). Mr. Mostovoy was also involved in a number of successful capital raises for companies in Russia. Yuri completed his Ph.D. at the Moscow Aviation Institute in 1972 and has a M.Sc. in Electrical Engineering from that same institution.

### **Alexander Selegenev, Executive Director**

Alexander Selegenev has over 12 years experience in investment banking, with specific expertise in international corporate finance, equity capital markets and mergers and acquisitions. Between 2004 and 2008 Alexander was Head of the London Corporate Finance Department at Metropol (UK) Limited, the London affiliate of Russia's investment and financial company IFC Metropol.

Between 2001 and 2004, he served as a Senior Manager in the International Corporate Finance Department with Teather & Greenwood Limited, a London-based AIM nominated adviser and broker. During his time at Metropol and Teather & Greenwood he worked on over 10 AIM IPOs and over 20 private equity and merger and acquisition transactions including some in the TMT sector. Alexander has also worked for two leading Japanese Investment banks, Daiwa Securities SMBC Europe Limited and Sumitomo Bank Limited. He has an MSc (Hons) and a BSc (Hons) in Business from the Peoples' Friendship University of Russia in Moscow and a Bachelor of Business Studies (Major in Management) from Monash International University in Australia.

### **James Joseph Mullins, Independent Non-Executive Director**

James Mullins has over 25 years experience in finance and was a director of numerous funds and companies including the Russian Federation First Mercantile Fund. This Fund (Class A shares) is listed on the Bermuda Stock Exchange. His experience in the UK includes working for Deloitte & Touche and British Coal. In Russia he was head of the Corporate Restructuring Department at Coopers & Lybrand and later co-founded Branan Management Consultants.

From 2004 to 2007, he was the Finance Director at Rambler Media and was involved in its successful admission on AIM. He has been a partner in First Mercantile since 2001. He was previously Deputy Chairman of the Association of European Businesses in Russia. He was recently Chairman of the Scottish Salmon Company, which is listed on the Oslo Bors. He is a director at Clover Films and was part of the team that received a duPont Award from Columbia Journalism School in January 2011. He is a Fellow of the Association of Chartered Certified Accountants and he holds a Bachelor of Science degree and a Master of Arts degree from Trinity College, Dublin.



## DIRECTORS, CONSULTANTS AND PROFESSIONAL ADVISORS

### **Petr Lanin, Non-Executive Director**

Petr Lanin has broad experience in investment and brokerage on the Russian capital markets. He began his career as an equity analyst at Russian information agency RosBusinessConsulting in 1995.

Between 1996 and 2000, he served as chief of the equities trading department at Makprombank. Between 2000 and 2006, he was general director of investment company Maxwell Capital. Following his appointment as general director of Maxwell Asset Management in 2003, Mr. Lanin was a key person in the establishment and management of many investment funds. He was also one of the managing directors of the Maxwell Biotech venture capital fund, set up and operated by Maxwell Asset Management. In 2008, Maxwell Asset Management established a UK FSA registered subsidiary, in which Petr Lanin held a controlled function.

At present, Petr is head of the Purchases and Supply Department at Federal State Organisation "Clinical hospital #1". Petr holds an MBA degree in finance and credit from the Plekhanov Russian Academy of Economics.

### **Consultants**

On 6 December 2010, the Company entered into consulting service agreements with German Kaplun and Alexander Morgulchik (together the "Consultants") pursuant to which the Consultants have agreed to provide investment consultancy services to the Company.

These services include advisory, consulting and other services in relation to the operations of the Company, strategic planning, domestic marketing and financial oversight, advising on the structuring and implementation of equity participation plans, employee benefit plans and other incentive arrangements for certain key executives of the Company, and searching for investment targets according to the investment strategy of the Company.

#### **German Kaplun, Consultant**

Mr. Kaplun began his career in software consulting and has previously held the position of Director of Banking Technology at a Moscow-based software development company. In 1993 he and Alexander Morgulchik co-founded RBC, a leading Russian media and internet company, which conducted Russia's first successful IPO on Russian MICEX and RTS stock exchanges in April 2002. Mr. Kaplun has broad experience in media, banking, software, consulting and real estate.

Mr. Kaplun holds a Master of Science degree from the Moscow State Institute of Radio Engineering, Electronics and Automation. Mr. Kaplun was awarded a Ph.D. in Economics from the Russian Economic Academy.

#### **Alexander Morgulchik, Consultant**

Mr. Morgulchik has an extensive background in accounting and banking, and has participated in a number of commercial ventures. These include a small bank, a computer hardware/software business and a real estate company. In 1993 he and German Kaplun co-founded RBC. Before concentrating solely on RBC in 1998, Mr. Morgulchik was a Director and Partner at Orgtechnica, a Moscow-based independent hardware and software distributor.

Mr. Morgulchik holds a Master's degree and a Ph.D. in Economics from the Russian Economic Academy.

The Consultants are independent contractors and do not receive any remuneration or fees for the services provided under the agreements.

## EXECUTIVE DIRECTOR'S STATEMENT

Since our successful admission to AIM in December 2010, TMT Investments PLC ("TMT" or the "Company") has been steadfastly executing its strategy of identifying promising investment opportunities in the Technology, Media and Telecommunications ("TMT") sector. During this period, the Company has specifically focused on segments such as mobile applications, online gaming, social media and search platforms, personal and business productivity, and cloud and geo-location services.

The Company has been extremely active in what is a very fast-moving sector that offers potentially spectacular investment opportunities. During 2011, the Company invested US\$7.4 million across 10 companies, after assessing over 200 investment opportunities. As our investments do not have a quoted market price in an active market we have not estimated their fair values at the end of the year. As the majority of those investments were made towards the end of 2011, we believe that their cost approximates their fair value. With the continuing growth and increased level of corporate finance activities among our portfolio companies we believe that we will be in a better position to reliably measure their fair value in future periods.

As 2011 was the Company's first full operating year, TMT made significant efforts to strengthen its team and streamline its internal processes. In the first half of the year, the Company hired two employees and appointed a US adviser to assist the Company's Directors and Consultants with investment search, deal execution and post-investment requirements. Also, Yuri Mostovoy was appointed as the Company's Chairman in June 2011. Although these efforts led to a notable increase in our Administrative Expenses, we now have a fully operational team (including a presence in the vital US market), which can deal with the growing workload of identifying new investments and monitoring and supporting existing portfolio companies.

In February 2012, the Company raised an additional US\$6.5 million at US\$1.40 per share from two of the Company's existing shareholders. This was an important vote of confidence in our current portfolio and investment strategy. TMT has no outstanding debt and with approximately US\$16 million in cash reserves, the Company continues to be well placed to capitalise on the opportunities created in the software applications, digital media and internet sectors.

So far in 2012, the Company has made four investments: US\$250,000 in The One-Page Company, US\$500,000 in ThusFresh, Inc., US\$400,000 in Todoroo, Inc. and US\$400,000 in Hotlist Media, Inc.

We continue to have a strong pipeline of new investment opportunities, and intend to complete a number of new and follow-on investments in 2012. With a number of our portfolio companies experiencing rapid growth, we also expect to announce a number of notable developments with our existing investee companies.

We look forward to updating our shareholders on the Company's progress in the near future.

**Alexander Selegenev**  
Executive Director

25 April 2012

## CORPORATE GOVERNANCE

### **Shareholder communication**

The Company places great importance on communication with shareholders. Annual Reports and Accounts, Half Year Accounts and other information is available on the website [www.tmtinvestments.com](http://www.tmtinvestments.com) and on request can be mailed to the Company's shareholders and other parties who have an interest in the Company's performance.

The Directors will review the Company's Investment Policy on an annual basis. Any material change to the Investment Policy will be subject to the prior consent of the Shareholders in a general meeting.

### **Audit and internal control**

The Directors are responsible for the Company's internal control framework and for reviewing its effectiveness. Each year the Board reviews all controls, including financial, operational and compliance controls and risk management procedures. The Directors are responsible for ensuring that the Company maintains a system of internal control to provide them with reasonable assurance regarding the reliability of financial information used within the business and for publication and that assets are safeguarded. There are inherent limitations in any system of internal financial control. On the basis that such a system can only provide reasonable but not absolute assurance against material misstatement or loss and that it relates only to the needs of the business at the time, the system as a whole was found by the Directors at the time of approving the accounts to be appropriate to the size of the business.

### **Corporate Governance Code**

The Company is not required to comply with the provisions of the UK Corporate Governance Code or any Jersey corporate governance regime. However, the Directors recognise the importance of sound corporate governance and will take appropriate measures to ensure that the Company complies with the main provisions of the UK Corporate Governance Code, as far as practicable and to the extent appropriate given the Company's size, assets, liabilities and other relevant information.

### **The Board's responsibilities and processes**

The Board is responsible to shareholders for the overall management of the Company and may exercise all the powers of the Company subject to the provisions of relevant statutes and any directions given by special resolution of the shareholders.

### **The Board's committees**

The Board is assisted by various standing committees of the Board which report regularly to the Board. The membership of these committees is regularly reviewed by the Board. When considering committee membership and chairmanship, the Board aims to ensure that undue reliance is not placed on particular Directors. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee provide that no one other than the particular committee chairman and members may attend a meeting unless invited to attend by the relevant committee.

### **Remuneration Committee**

The Company has established a remuneration committee, which currently comprises James Mullins and Petr Lanin, being non-executive members of the Board, with James Mullins appointed as chairman.

### **Audit Committee**

The Company has established an audit committee, which currently comprises James Mullins and Petr Lanin, being non-executive members of the Board, with James Mullins appointed as chairman. The audit committee's main functions include, amongst other things, reviewing and monitoring internal financial control systems and risk management systems on which the Company is reliant, considering annual and half year accounts and audit reports, making recommendations to the Board in relation to the appointment and remuneration of the Company's auditors and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications.

### **Nomination Committee**

The Company has established a Nomination Committee, which considers the appointment of directors to the Company's board and makes recommendations in this respect. The Nomination Committee currently comprises James Mullins and Alexander Selegenev with James Mullins appointed as Chairman.

### **Share dealings**

The Company has adopted a model code for share dealings in Ordinary Shares which is appropriate for an AIM company, including compliance with Rule 21 of the AIM Rules for Companies relating to Directors' and employees' dealings in Ordinary Shares.

Jersey law contains no statutory pre-emption rights on the allotment and issue by the Company of equity securities (being shares in the Company, or rights to subscribe for, or to convert securities into, such shares). However, the Company's Articles contain certain provisions as to Directors' authority to issue equity securities and pre-emption rights on issues of equity securities by the Company, further details of which are set out in paragraphs 8 and 9 of Part 3 of the AIM Admission Document which can be found on the Company's website.

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The Directors present their report and audited financial statements of the Company for the year ended 31 December 2011.

### Principal activity and review of the business

TMT Investments plc ("TMT Investments" or the "Company") was incorporated under the laws of Jersey. The Company has been established for the purpose of making investments in the TMT sector where the Directors believe there is a potential for growth and the creation of shareholder value. The Company primarily targets companies operating in markets that the Directors believe have strong growth potential and having the potential to become multinational businesses. The Company can invest in any region of the world.

### Results and dividends

The loss for the period amounted to US\$442,591. The Directors do not recommend the payment of a dividend. Further information on the Company's results and financial position is included in the financial statements.

### Company listing

TMT Investments is traded on the AIM Market ("AIM") of the London Stock Exchange. The market code for the company is TMT. Information required by AIM Rule 26 is available in the investor relations section of the Company's website at [www.tmtinvestments.com](http://www.tmtinvestments.com).

### Changes in share capital

The Company has one class of ordinary share that carries no right to fixed income, and each share carries the right to one vote at general meetings of the Company. At 31 December 2011 the number of the Company's issued ordinary shares was 20,000,002. On 6 February 2012, the Company allotted 4,642,858 new ordinary shares of no par value each in the Company at a price of US\$1.4 per share, being a premium of 12% over the closing price of the Company's shares on 3 February 2012 and raising US\$6.5 million. At the date of this report, the number of the Company's issued ordinary shares is 24,642,860.

### Substantial shareholdings

The Directors are aware of the following shareholdings of 3% or more of the issued share capital of the Company at 6 April 2012.

Shareholder	Number of ordinary shares	% of issued ordinary share capital
Wissey Trade & Invest Limited	8,571,429	34.78
Menostar Holdings Limited	5,573,868	22.62
Vidacos Nominees Limited*	3,999,000	16.23
Hanover Nominees Limited	3,608,061	14.64
Ubenord Investments Limited	1,900,000	7.71

\* - controlled by German Kaplun and Alexander Morgulchik

### Directors

During the financial year the following Directors held office:

Yuri Mostovoy	Non-Executive Chairman (Appointed 6 June 2011)
Alexander Selegenev	Executive Director
Petr Lanin	Non-Executive Director
James Joseph Mullins	Non-Executive Director

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The Directors' fees are as follows:

<i>Director</i>	<i>Annual fee, per letters of appointment</i>
Yuri Mostovoy	US\$100,000
Alexander Selegenev	£71,000
James Mullins	£20,000
Petr Lanin	£16,800

### Share options

At a meeting of the board of directors on 27 April 2011, on the recommendation of the independent directors, Alexander Selegenev was granted options to subscribe for 100,000 new ordinary shares in the Company. Set out below are the terms of issue:

<i>No. of ordinary shares</i>	<i>Exercise Price</i>	<i>Exercise Period</i>
33,333	US\$1	31/12/11-30/01/12*
33,333	US\$1	31/12/12-30/01/13*
33,334	US\$1	31/12/13-30/01/14*

\* or a period of 30 days starting from the date on which certain circumstances preventing exercise during these periods have ended.

The terms and conditions of the options are as follows:

	<i>Options granted to Alexander Selegenev</i>
Date granted	1 May 2011
Number of instruments	100,000
Vesting period	1-3 years
Expiry dates	30 January 2012 - 30 January 2014
Exercise price	US\$1.00
<b>Share-based compensation expense (USD) during 2011</b>	<b>8,420</b>

There were no exercised options during the year ended 31 December 2011.

### Subsequent events

On 6 February 2012, the Company allotted 4,642,858 new ordinary shares of no par value each in the Company at a price of US\$1.4 per share, being a premium of 12% over the closing price of the Company's shares on 3 February 2012 and raising US\$6.5 million.

On 6 February 2012, the Company completed an investment in The One-Page Company, Inc. ("One-Page"), a start-up company building corporate software-as-a-service ("SaaS") solutions and consumer Internet proposal platform that enables users to systematically create, solicit, distribute, and negotiate one-page proposals between individuals and companies from anywhere around world. TMT's investment consists of a US\$250,000 unsecured convertible promissory note in One-Page.

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

On 26 March 2012, the Company completed an investment in ThusFresh, Inc., a Delaware corporation, which is developing "Undrip", a mobile and web application that filters, organises and sorts the content that users' friends are sharing on Twitter, Facebook and other social networks. As part of the US\$1.5m financing round, TMT has acquired 892,365 new zero coupon convertible preferred shares in Undrip representing 7.71% of that company's fully diluted equity capital (post-transaction) for an aggregate consideration of US\$500,000, assuming a fundraising of US\$950,002. Assuming the full US\$1.5m is raised, TMT's fully diluted equity stake in the company will be 7.09%.

On 12 April 2012, the Company completed an investment in Todoroo, Inc., a San Francisco-based company behind "Astrid", an automated personal assistant that helps people manage their "to-do" lists on the iPhone, Android, and the web by connecting them to people and products to help them get things done. TMT's investment consists of a US\$400,000 unsecured convertible promissory note in Todoroo.

On 18 April 2012, the Company completed an investment in Hotlist Media, Inc. ("Hotlist"). Incorporated in Delaware, Hotlist is the company behind the mobile software application that shows users what their friends have planned, and what is happening at venues throughout the week in over 40,000 cities worldwide. People use Hotlist to discover fun and relevant real-world events to share with friends. TMT's investment consists of a US\$400,000 unsecured convertible promissory note in Hotlist.

### **Statement of Directors' responsibilities in respect of the annual report and the financial statements**

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

Company Law requires the Directors to prepare financial statements for each financial year. The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies (Jersey) Law 1991. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the preparation of the Directors' report and corporate governance statement. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union ("EU") have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

### **Directors' responsibility statement**

Each of the Directors, whose names are listed one page 7 confirm that, to the best of each person's knowledge and belief:

- the financial statements, prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Directors' report contained in the annual report includes a true and fair review of the development and performance of the business and the position of the Company.

### **Going concern**

The Company's business activities together with the factors which may impact its activities are described on page 3. The financial position of the Company is described in the financial statements and notes to the financial statements.

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**

The Directors have a reasonable expectation that the Company will have adequate cash resources to continue in operational existence for the foreseeable future, and for at least one year from the date of approval of these financial statements and they have therefore adopted the going concern basis in preparing the financial statements.

### **Auditors**

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the Board of Directors

**Alexander Selegenev**

Executive Director

25 April 2012



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TMT INVESTMENTS PLC

We have audited the financial statements of TMT Investments plc for the year ended 31 December 2011 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flow, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 15, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received any information or explanation that was necessary for our audit.

**Colin Wright**

**for and on behalf of UHY Hacker Young, Chartered Accountants**

Quadrant House  
4 Thomas More Square  
London E1W 1YW  
Date: 25 April 2012

## FINANCIAL STATEMENTS

### Statement of Comprehensive Losses

		For the year ended 31/12/2011	For the period ended 31/12/2010
	Notes	USD	USD
<b>Revenue</b>	3	<b>8,199</b>	-
<b>Expenses</b>			
Administrative expenses	5	(569,180)	(27,479)
<b>Operating loss</b>		<b>(560,981)</b>	<b>(27,479)</b>
Net finance income	7	118,390	600
<b>Loss before taxation</b>		<b>(442,591)</b>	<b>(26,879)</b>
Taxation		-	-
<b>Loss attributable to equity shareholders</b>		<b>(442,591)</b>	<b>(26,879)</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive loss for the period</b>		<b>(442,591)</b>	<b>(26,879)</b>
<b>Loss per share</b>			
Basic loss per share (cents per share)	9	<b>(2.21)</b>	<b>(0.57)</b>
Diluted loss per share (cents per share)	9	<b>(2.21)</b>	<b>(0.57)</b>

## FINANCIAL STATEMENTS

### Statement of Financial Position

		At 31 December 2011, USD	At 31 December 2010, USD
<b>Non-current assets</b>	Notes		
Non-current financial assets	10	7,336,711	-
<b>Total non-current assets</b>		<b>7,336,711</b>	<b>-</b>
<b>Current assets</b>			
Trade and other receivables	11	49,510	-
Cash and cash equivalents	12	11,861,305	19,648,821
<b>Total current assets</b>		<b>11,910,815</b>	<b>19,648,821</b>
<b>Total assets</b>		<b>19,247,526</b>	<b>19,648,821</b>
<b>Current liabilities</b>			
Trade and other payables	13	72,329	39,453
<b>Total liabilities</b>		<b>72,329</b>	<b>39,453</b>
<b>Net assets</b>		<b>19,175,197</b>	<b>19,609,368</b>
<b>Equity</b>			
Share capital	14	19,636,247	19,636,247
Share-based payment reserve	15	8,420	-
Retained losses		(469,470)	(26,879)
<b>Total equity</b>		<b>19,175,197</b>	<b>19,609,368</b>

The financial statements were approved by the Board of Directors on 25 April 2012 and were signed on its behalf by:

**Alexander Selegenev**  
Executive Director

## FINANCIAL STATEMENTS

### Statement of Cash Flows

	Notes	For the year ended 31/12/2011, USD	For the period ended 31/12/2010, USD
<b>Operating activities</b>			
Operating loss		(560,981)	(24,479)
<b>Adjustments for:</b>			
Share-based payment charge	15	8,420	-
Amortized costs of convertible notes receivable	3	4,419	-
		<b>(548,142)</b>	<b>(27,479)</b>
Changes in working capital:			
Increase in trade and other receivables		(37,024)	-
Increase in trade and other payables		32,876	22,639
<b>Net cash used by operating activities</b>		<b>(552,290)</b>	<b>(4,840)</b>
<b>Investing activities</b>			
Interest received		105,904	600
Purchase of investments in equity shares	10	(5,944,459)	-
Purchase of convertible notes receivable	10	(1,396,671)	-
<b>Net cash used in investing activities</b>		<b>(7,235,226)</b>	<b>600</b>
<b>Financing activities</b>			
Proceeds from issue of shares (net of costs)		-	19,653,061
<b>Net cash used in financing activities</b>		<b>-</b>	<b>19,653,061</b>
<b>(Decrease)/Increase in cash and cash equivalents</b>		<b>(7,787,516)</b>	<b>19,648,821</b>
Cash and cash equivalents at the beginning of the year	12	<b>19,648,821</b>	-
<b>Cash and cash equivalents at the end of the year</b>	12	<b>11,861,305</b>	<b>19,648,821</b>

## FINANCIAL STATEMENTS

### Statement of Changes in Equity

		Share capital	Share- based payment reserve	Retained losses	Total equity
	Notes				
<b>Balance on incorporation</b>		-	-	-	-
Total comprehensive loss for 2010		-	-	(26,879)	(26,879)
<b>Transactions with owners:</b>					
Issue of shares	14	20,000,000	-	-	20,000,000
Share issue costs	14	(363,753)	-	-	(363,753)
<b>Balance at 31 December 2010</b>		<b>19,636,247</b>	-	<b>(26,879)</b>	<b>19,609,368</b>
Total comprehensive loss for 2011		-	-	(442,591)	(442,591)
<b>Transactions with owners:</b>					
Share-based payment charge		-	8,420	-	8,420
<b>Balance at 31 December 2011</b>		<b>19,636,247</b>	<b>8,420</b>	<b>(469,470)</b>	<b>19,175,197</b>

## **1. Company information**

TMT Investments Plc (“TMT” or the “Company”) is a company incorporated in Jersey with its registered office at Queensway House, Hilgrove Street, St Helier, JE1 1ES, Channel Islands.

The Company was incorporated and registered on 30 September 2010 in Jersey under the Companies (Jersey) Law 1991 with registration number 106628 under the name TMT Investments Limited. The Company obtained consent from the Jersey Financial Services Commission pursuant to the Control of Borrowing (Jersey) Order 1985 on 30 September 2010. On 1 December 2010 the Company re-registered as a public company and changed its name to TMT Investments PLC.

The memorandum and articles of association of the Company do not restrict its activities and therefore it has unlimited legal capacity. The Company’s ability to implement its Investment Policy and achieve its desired returns will be limited by its ability to identify and acquire suitable investments. Suitable investment opportunities may not always be readily available.

The Company will seek to make investments in any region of the world.

Financial statements of the Company are prepared by and approved by the Directors in accordance with International Financial Reporting Standards, International Accounting Standards and their interpretations issued or adopted by the International Accounting Standards Board as adopted by the European Union (“IFRSs”). The Company’s accounting reference date is 31 December.

## **2. Summary of significant accounting policies**

### **2.1 Basis of presentation**

The principal accounting policies applied by the Company in the preparation of these financial statements are set out below and have been applied consistently.

The financial statements have been prepared on a going concern basis, under the historical cost basis including financial assets that are measured at cost less impairment, as explained in the accounting policies below and in accordance with IFRS. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

### **2.2 Going concern**

The Directors confirm that, after giving due consideration to the financial position and expected cash flows of the Company; they have a reasonable expectation that the Company will have adequate cash resources to continue in operational existence for the foreseeable future, and for at least one year from the date of approval of these financial statements and they have therefore adopted the going concern basis in preparing the financial statements.

### **2.3 Segmental reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments and which has been identified as the Board of Directors that make strategic decisions.

Even though the Company only has one segment, there are still geographical disclosures that need to be made to comply with IFRS 8 ‘Operating Segments’.

The Company analyses revenue and non-current financial assets according to the geographical location of the investment (see note 4).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 2.4 Foreign currency translation

#### (a) Functional and presentational currency

Items included in the financial statements of the Company are measured in United States Dollars ('US dollars', 'USD' or 'US\$'), which is the Company's functional and presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into US\$ using the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Currency	Conversation rates, USD	
	At 31.12.2011	Average rate, 2011
British pounds, £	1.5691	1.6035

### 2.5 Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand, deposits held at call with banks, bank overdrafts and other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

### 2.6 Financial assets

#### Recognition and measurement

Investments are recognized and de-recognized on a date where the purchase or sale of an investment is under a contract whose terms require the delivery or settlement of the investment. The Company manages its investments with a view to profiting from the receipt of dividends and changes in fair value of equity investments.

Available for sale financial instruments include unlisted equity investments and convertible promissory notes. Equity instruments classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Convertible promissory notes are treated as similar in nature to the unlisted equity investments and designated as available for sale.

Available for sale investments are carried at fair values except for financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured which are measured at cost less any identified impairment losses at the end of the period in accordance with the IAS 39 para 46 (c) exemptions. Fair value information has therefore not been disclosed for those investments.

Financial assets that qualify as an associate as 20% or more of the voting rights are held by the company, are exempt from IAS 28 'Investments in Associates', as TMT Investments plc is a venture capital organisation. Associates are therefore treated as financial assets.

#### Income

Interest income from convertible notes receivable is recognized as it accrues by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash flows through the expected life of the financial asset to the asset's carrying value.

### **Impairment of available-for-sale financial assets**

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. In case of available for sale assets, a significant or prolonged decline in the fair value of the financial asset below its cost is considered an indicator that the financial assets are impaired.

If objective evidence indicates that financial assets that are carried at cost need to be tested for impairment, calculations are based on information derived from business plans and other information available for estimating their fair value. Any impairment loss is charged to the Statement of Comprehensive Income.

### **2.7 Net finance income**

Net finance income comprises interest income on deposits. Interest income is recognized as it accrues in the statement of comprehensive income, using the effective interest method. Finance costs comprise interest expenses on borrowings and the unwinding of the discount on provisions.

### **2.8 Taxation**

Deferred tax is provided in full using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects either accounting nor taxable profit or loss. Deferred tax is determined using tax rates that are expected to apply when the related deferred tax asset is realised or when the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

### **2.9 Equity instruments**

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

### **2.10 Share-based payments**

The fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognized as an expense is adjusted to reflect the actual number of share options that vest.

For equity settled share-based payment transactions other than transactions with employees the Company measures the goods or services received at their fair value, unless that fair value cannot be estimated reliably. If this is the case the Company measures their fair values and the corresponding increase in equity, indirectly, by reference to the fair value of equity instruments granted.

The Company enters into arrangements that are equity-settled share-based payments with certain employees. These are measured at fair value at the date of grant, which is then recognized in the statement of comprehensive income on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. Fair value is measured by use of an appropriate model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of TMT Investments plc. The charge is adjusted at each balance sheet date to reflect the actual number of forfeitures, cancellations and leavers during the period. The movement in cumulative charges since the previous balance sheet is recognized in the statement of comprehensive income, with a corresponding entry in equity.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 2.11 New IFRSs and interpretations not applied

The IASB has issued the following standards and interpretations which have been endorsed by the European Union to be applied to financial statements with periods commencing on or after the following dates:

		Effective for period beginning on or after
IFRS 7	Amendments enhancing disclosures about transfers of financial assets	1 July 2011
IAS 12	Limited scope amendment (recovery of underlying assets)	1 January 2012
IFRS 9	Financial Instruments – Classification and Measurement	1 January 2013

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the financial statements in the period of initial application and have decided not to adopt early.

### 2.12 Accounting estimates and judgements

Estimates and judgements need to be regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates significant to the financial statements during the year and at the year end is the consideration of impairment of available for sale assets and share based payment calculation, as set out in the relevant accounting policy.

## 3 Revenue

	<i>For the year ended</i> 31/12/2011 USD	<i>For the period ended</i> 31/12/2010 USD
Gross interest income from convertible notes receivable	12,618	-
Amortized costs of convertible notes receivable	(4,419)	-
	8,199	-

## 4 Segmental analysis

### Geographic information

The Company has investments in three principal geographical areas – USA, Israel and BVI.

Revenue from non-current financial assets amounted to US\$8,199 derived from interest for convertible notes receivable provided to USA companies.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**Non-current financial assets**

	<i>USA USD</i>	<i>Israel USD</i>	<i>BVI USD</i>	<i>Total USD</i>
Equity investments	1,961,988	2,982,471	1,000,000	<b>5,944,459</b>
Convertible notes	1,392,252	-	-	<b>1,392,252</b>
	<b>3,354,240</b>	<b>2,982,471</b>	<b>1,000,000</b>	<b>7,336,711</b>

**5 Administrative expenses**

Administrative expenses include the following amounts:

	<i>For the year ended 31/12/2011 USD</i>	<i>For the period ended 31/12/2010 USD</i>
Staff expenses (note 6)	329,829	8,304
Professional fees	171,553	6,175
Legal fees	5,400	-
Bank and LSE charges	18,689	-
Audit fees	13,220	11,000
Accounting fees	11,000	2,000
Currency exchange loss	9,269	-
Other expenses	10,220	-
	<b>569,180</b>	<b>27,479</b>

**6 Staff expenses**

	<i>For the year ended 31/12/2011 USD</i>	<i>For the period ended 31/12/2010 USD</i>
Directors' fees	230,209	8,304
Wages and salaries	91,200	-
Share-based payment charge (note 14)	8,420	-
	<b>329,829</b>	<b>8,304</b>

Wages and salaries shown above include salaries paid in the year 2011, bonuses and share option schemes relating to the year. These costs are included in administrative expenses.

On 6 December 2010, Alexander Selegenev, James Mullins, Petr Lanin and on 6 June 2011, Yuri Mostovoy, entered into letters of appointment with the Company whereby they agreed to provide services to the Company in return for fixed fees. The Directors' fees for the year 2011 were as follows:

	<i>For the year ended 31/12/2011 USD</i>	<i>For the period ended 31/12/2010 USD</i>
Alexander Selegenev	115,339	4,406
Yuri Mostovoy	55,558	-
James Mullins	32,415	2,118
Petr Lanin	26,897	1,780
	<b>230,209</b>	<b>8,304</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

The Directors' fees shown above are all classified as 'short term employment benefits' under International Accounting Standard 24. The Directors do not receive any pension contributions or other benefits.

Key management personnel of the Company are defined as those persons having authority and responsibility for the planning, directing and controlling the activities of the Company, directly or indirectly. Key management of the Company are therefore considered to be the Directors of the Company. There were no transactions with the key management, other than their Directors fees and share options.

### 7 Net finance income

	<i>For the year ended</i> 31/12/2011	<i>For the period ended</i> 31/12/2010
	<i>USD</i>	<i>USD</i>
Interest income	118,390	600
	<b>118,390</b>	<b>600</b>

### 8 Income tax expenses

	<i>For the year ended</i> 31/12/2011	<i>For the period ended</i> 31/12/2010
	<i>USD</i>	<i>USD</i>
<b>Current taxes</b>		
Current year	-	-
<b>Deferred taxes</b>		
Deferred income taxes	-	-
	-	-

The Company is incorporated in Jersey. No tax reconciliation note has been presented as the income tax rate for Jersey companies is 0%.

### 9 Loss per share

The calculation of basic earnings per share is based upon the net loss for the year ended 31 December 2011 attributable to the ordinary shareholders of US\$442,591 (2010: net loss of US\$26,879) and the weighted average number of ordinary shares outstanding calculated as follows:

<i>Loss per share</i>	<i>For the year ended</i> 31/12/2011	<i>For the period ended</i> 31/12/2010
Basic loss per share (cents per share)	(2.21)	(0.57)
Diluted loss per share (cents per share)	(2.21)	(0.57)
Net loss and total comprehensive loss for the period, USD	(442,591)	(26,879)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

The weighted average number of ordinary shares outstanding before and after adjustment for the effects of all dilutive potential ordinary shares calculated as follows:

<i>(in number of shares weighted during the period outstanding)</i>	<i>For the year ended 31/12/2011</i>	<i>For the period ended 31/12/2010</i>
<b>Weighted average number of shares in issue</b>		
Ordinary shares	20,000,002	4,731,183
	<b>20,000,002</b>	<b>4,731,183</b>
<b>Effect of dilutive potential ordinary shares</b>		
Share options	6,283	-
<b>Weighted average of shares for the period (fully diluted)</b>	<b>20,006,285</b>	<b>4,731,183</b>

Transactions involving ordinary shares between the balance sheet date and the date of approval of financial statements are included in the subsequent events note (note 17).

### 10 Non-current financial assets

	<i>At 31 December 2011 USD</i>	<i>At 31 December 2010 USD</i>
<b>Financial assets carried at cost, less impairment:</b>		
Investments in equity shares (i)		
- unlisted shares	5,944,459	-
Convertible notes receivable (ii)		
- promissory notes	1,392,252	-
	<b>7,336,711</b>	<b>-</b>

(i) During the year ended 31 December 2011 the Company made unlisted equity investments in the following companies:

<i>Investee company</i>	<i>Date of investment</i>	<i>Net investment, USD</i>	<i>Amount of capitalized consulting and legal services, USD</i>	<i>Total cost of investment, USD</i>	<i>Proportion of equity shares held, %</i>
Unicell	15/09/2011	2,962,971	19,500	2,982,471	10.00
Berryman	30/08/2011	1,000,000	-	1,000,000	20.00
DepositPhotos	26/07/2011	901,988	10,000	911,988	15.00
RollApp	19/08/2011	350,000	10,000	360,000	10.00
Wanelo	21/11/2011	339,500	15,500	355,000	6.53
Gild	05/12/2011	315,250	19,750	335,000	3.56
<b>Total</b>		<b>5,869,709</b>	<b>74,750</b>	<b>5,944,459</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

(ii) During the year ended 31 December 2011 the Company invested in promissory notes, which are convertible into unlisted equity instruments of the following companies:

	<i>Date of investment</i>	<i>Net investment, USD</i>	<i>Amount of capitalized consulting and legal services, USD</i>	<i>Amount of amortized costs, USD</i>	<i>Amortized cost of investment, USD</i>	<i>Maturity term, years</i>	<i>Interest rate, %</i>
Socialize	19/12/2011	485,000	20,000	(329)	504,671	2	6.00
Tracks	24/11/2011	436,500	18,500	(938)	454,062	2	5.00
Ninua	08/06/2011	300,000	5,000	(1,881)	303,119	1.5	5.00
PeekYou	03/11/2011	123,671	8,000	(1,271)	130,400	1	5.00
<b>Total</b>		<b>1,345,171</b>	<b>51,500</b>	<b>(4,419)</b>	<b>1,392,252</b>	-	-

Available-for-sale investments are carried at fair values. All of the above financial assets however do not have a quoted market price in an active market and their fair values cannot be reliably measured so are measured at cost less any identified impairment losses at the end of reporting period, in accordance with IAS 39 para 46 (c) exemption. There have been no indications of impairment to date.

### 11 Trade and other receivables

	<i>At 31 December 2011</i>	<i>At 31 December 2010</i>
	<i>USD</i>	<i>USD</i>
Prepayments	24,406	-
Interest receivable on promissory notes	12,618	-
Interest receivable on deposit	12,486	-
	<b>49,510</b>	-

### 12 Cash and cash equivalents

The cash and cash equivalents as at 31 December 2011 include cash on hand and in banks, deposits, net of outstanding bank overdrafts. The effective interest rate at 31 December 2011 was 0.05%. In March 2011 the Directors approved depositing USD10,000,000 with Investec Bank Plc in London on a 32-day notice deposit with interest of 1.45% per year.

Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	<i>At 31 December 2011</i>	<i>At 31 December 2010</i>
	<i>USD</i>	<i>USD</i>
Deposits	10,000,000	-
Bank balances	1,861,305	19,648,821
	<b>11,861,305</b>	<b>19,648,821</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

The following table represents an analysis of cash and equivalents by rating agency designation based on Fitch rating or their equivalent:

	<i>At 31 December 2011</i>	<i>At 31 December 2010</i>
	<i>USD</i>	<i>USD</i>
Bank balances		
A	1,861,305	19,648,821
	<b>1,861,305</b>	<b>19,648,821</b>
Deposits		
A	10,000,000	-
	<b>10,000,000</b>	<b>-</b>

### 13 Trade and other payables

	<i>At 31 December 2011</i>	<i>At 31 December 2010</i>
	<i>USD</i>	<i>USD</i>
Directors' fees payable	37,978	8,304
Trade payables	10,650	1,335
Other current liabilities	16,383	13,000
Accrued expenses	7,318	16,814
	<b>72,329</b>	<b>39,453</b>

### 14 Share capital

On 31 December 2011 the Company had an authorised share capital of unlimited shares of no par value and had issued share capital of:

	<i>At 31 December 2011</i>	<i>At 31 December 2010</i>
	<i>USD</i>	<i>USD</i>
Share capital	19,636,247	19,636,247
	<b>19,636,247</b>	<b>19,636,247</b>
<b>Issued capital comprises:</b>	Number	Number
Fully paid ordinary shares	20,000,002	20,000,002

#### 14.1 Fully paid ordinary shares

	<i>Number of shares</i>	<i>Share capital USD</i>	<i>Share premium USD</i>
<b>Balance at 30 September 2010</b>	-	-	-
Issue of shares	20,000,002	20,000,000	-
Share issue costs	-	(363,753)	-
<b>Balance at 31 December 2010</b>	<b>20,000,002</b>	<b>19,636,247</b>	-
Issue of shares	-	-	-
<b>Balance at 31 December 2011</b>	<b>20,000,002</b>	<b>19,636,247</b>	-

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**15 Share-based payment charge**

On 27 April 2011, on the recommendation of the independent directors, the Company granted share options to subscribe for up to 100,000 ordinary shares to Mr. Alexander Selegenev, an executive director of the Company.

The terms and conditions of the options granted are as follows:

	<i>Options granted to Alexander Selegenev</i>
Date granted	1 May 2011
Number of instruments	100,000
Vesting period	1-3 years
Exercise price	US\$1.00
Share-based compensation (USD) during 2010	-
Share-based compensation (USD) during 2011	8,420

Options granted to Mr. Alexander Selegenev vest as follows:

<i>No. of ordinary shares</i>	<i>Exercise Price</i>	<i>Exercise Period</i>
33,333	US\$1	31/12/11-30/01/12*
33,333	US\$1	31/12/12-30/01/13*
33,334	US\$1	31/12/13-30/01/14*

\* or a period of 30 days starting from the date on which certain circumstances preventing exercise during these periods have ended.

These options are exercisable by Mr. Alexander Selegenev only while he remains a director and will lapse on the termination of his appointment.

There were no forfeited or exercised options during the years ended 31 December 2011.

The weighted average exercise price and contractual life is as stated in the above tables.

The fair value of services received in return for share options granted is based on the fair value of share options and warrants granted, measured using the Black-Scholes formula, using the following assumptions:

<i>(in USD, except for number of shares and percent)</i>	<i>Options granted to Alexander Selegenev</i>
Share price at grant date	1.03
Exercise price	1
Expected volatility, per cent	7.56%
Option life, years	1-3
Expected dividends, per cent	0
Risk free interest rate, per cent	3.14%

Expected volatility is estimated by considering the Company's data on AIM.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Share-based payment charge recognized for the year ended 31 December 2011 is as follows:

	<i>For the year ended 31/12/2011</i>	<i>For the period ended 31/12/2010</i>
	<i>USD</i>	<i>USD</i>
Share option (compensation expenses)	8,420	-
<b>Total share-based payment charge</b>	<b>8,420</b>	<b>-</b>

### 16 Capital management

The capital structure of the Company consists of equity share capital, reserves, and retained earnings.

The Board's policy is to maintain a strong capital base so as to maintain investor and market confidence and to enable the successful future development of the business.

The Company is not subject to externally imposed capital requirements.

No changes were made to the objective, policies and process for managing capital during the year.

### 17 Financial risk management and financial instruments

The Company has identified the following risks arising from its activities and has established policies and procedures to manage these risks. The Company's principal financial assets are cash and cash equivalents, investments in equity shares, and convertible notes receivable.

#### 17.1 Credit risk

As at 31 December 2011, the largest exposure to credit risk related to cash and cash equivalents, which was US\$11,861,305. The exposure risk is reduced because the counterparties are banks with high credit ratings ("A" Liquidity banks) assigned by international credit rating agencies. The Directors intend to continue to spread the risk by holding the Company's cash reserves in more than one financial institution.

##### (i) Exposure to credit risk

The carrying amount of the following assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 December is as follows:

	<i>At 31 December 2011</i>	<i>At 31 December 2010</i>
	<i>USD</i>	<i>USD</i>
Trade and other receivables	49,510	-
Cash and cash equivalents	11,861,305	19,648,821
	<b>11,910,815</b>	<b>19,648,821</b>

#### 17.2 Market risk

The Company's financial assets are classified as available-for-sale and are measured as cost less any identified impairment losses. The measurement of the Company's investments in equity shares and convertible notes is largely dependent on the underlying trading performance of the investee companies, but the valuation and other items in the financial statements can also be affected by the interest rate and fluctuations in the exchange rate.



### 17.2.1 Interest rate risk

Changes in interest rates impact primarily cash and cash equivalents by changing either their fair value (fixed rate deposits) or their future cash flows (variable rate deposits). Management does not have a formal policy of determining how much of the Company's exposure should be to fixed or variable rates.

At 31 December 2011 the Company had a cash deposit of US\$10,000,000, earning a variable rate of interest. The Board of Directors monitors the interest rates available in the market to ensure that returns are maximized.

### 17.2.2 Foreign currency risk management

The Company is exposed to foreign currency risks on investments and salary and director remuneration payments that are denominated in a currency other than the functional currency of the Company. The currency giving rise to this risk is primarily GBP. The exposure to foreign currency risk as at 31 December 2011 was as follows:

<i>(in USD)</i>	<i>For the year ended 31/12/2011 GBP</i>	<i>For the period ended 31/12/2010 GBP</i>
<b>Current assets</b>		
Cash and cash equivalents	122,743	-
Trade and other receivables	2,546	-
<b>Current liabilities</b>		
Trade and other payables	(22,168)	(22,567)
<b>Net (short) long position</b>	<b>103,121</b>	<b>(22,567)</b>
<b>Net exposure currency</b>	<b>65,720</b>	<b>(14,454)</b>
<b>Net exposure currency (assuming a 10% movement in exchange rates against GBP)</b>	<b>92,809</b>	<b>(20,310)</b>
<b>Impact on exchange movements in the statement of comprehensive income</b>	<b>10,312</b>	<b>(2,257)</b>

The foreign exchange rates of the USD at 31 December were as follows:

	<i>31/12/2011</i>	<i>31/12/2010</i>
<b>Currency</b>		
GBP	1.5691	1.5613

This analysis assumes that all other variables, in particular interest rates, remain constant.

### 17.2.3 Liquidity risk management

The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company.

The Company has low liquidity risk due to maintaining adequate banking facilities, by continuously monitoring actual cash flows and by matching the maturity profiles of financial assets and current liabilities.

As at 31 December 2011, the cash and equivalents of the Company were US\$11,861,305.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

The following are the maturities of current liabilities as at 31 December 2011:

	<i>Carrying amount</i>	<i>Within one year</i>	<i>2-5 years</i>	<i>More than 5 years</i>
	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>
Directors' fees payable	37,978	37,978	-	-
Trade payables	10,650	10,650	-	-
Other current liabilities	16,383	16,383	-	-
Accrued expenses	7,318	7,318	-	-
	<b>72,329</b>	<b>72,329</b>	-	-

### 18 Subsequent events

On 6 February 2012, the Company allotted 4,642,858 new ordinary shares of no par value each in the Company at a price of US\$1.4 per share, being a premium of 12% over the closing price of the Company's shares on 3 February 2012 and raising US\$6.5 million.

On 6 February 2012, the Company completed an investment in The One-Page Company, Inc. ("One-Page"), a start-up company building corporate software-as-a-service ("SaaS") solutions and consumer Internet proposal platform that enables users to systematically create, solicit, distribute, and negotiate one-page proposals between individuals and companies from anywhere around world. TMT's investment consists of a US\$250,000 unsecured convertible promissory note in One-Page.

On 26 March 2012, the Company completed an investment in ThusFresh, Inc., a Delaware corporation, which is developing "Undrip", a mobile and web application that filters, organises and sorts the content that users' friends are sharing on Twitter, Facebook and other social networks. As part of the US\$1.5m financing round, TMT has acquired 892,365 new zero coupon convertible preferred shares in Undrip representing 7.71% of that company's fully diluted equity capital (post-transaction) for an aggregate consideration of US\$500,000, assuming a fundraising of US\$950,002. Assuming the full US\$1.5m is raised, TMT's fully diluted equity stake in the company will be 7.09%.

On 12 April 2012, the Company completed an investment in Todoroo, Inc., a San Francisco-based company behind "Astrid", an automated personal assistant that helps people manage their "to-do" lists on the iPhone, Android, and the web by connecting them to people and products to help them get things done. TMT's investment consists of a US\$400,000 unsecured convertible promissory note in Todoroo.

On 18 April 2012, the Company completed an investment in Hotlist Media, Inc. ("Hotlist"). Incorporated in Delaware, Hotlist is the company behind the mobile software application that shows users what their friends have planned, and what is happening at venues throughout the week in over 40,000 cities worldwide. People use Hotlist to discover fun and relevant real-world events to share with friends. TMT's investment consists of a US\$400,000 unsecured convertible promissory note in Hotlist.

### 19 Control

The Company is not controlled by any one party. Details of significant shareholders are shown in the Directors' Report.

### 20 Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 25 April 2012.