

VALUATION REPORT

TIXI MULTIMEDIA B.V. AND MULTITIX LIMITED

Note 1 - Revenue:

The Gross Gaming Revenue for Year 1 has been set at €5.7 million.
This figure reflects management's expectations that the business will perform significantly better than in 2024 due to several operational and market-driven factors.
To reflect the improvement, we have applied nearly 20% increase comparing to the actual 2024 GGR level.

This adjustment is supported by the fact that:

- The Operator is applying ongoing customer acquisition efforts and increased brand visibility, participation in the main i-gaming events, i.e. SIGMA, etc.
- The Company is expecting to improve the user interface for the needs of the customers on its website.

Application of a 3% Annual Growth Rate

Following Year 1, GGR is projected to grow at a 3% annual rate. (equal to the terminal growth rate, as indicated in the **tab:4. DCF (Discounted Cash Flow)**)

This assumption reflects a steady and sustainable expansion consistent with the broader online gaming market.
It also considers the expected increase in activity from both existing and newly acquired players, as well as ongoing product enhancements.
The growth rate is positioned to remain realistic over the long term, assuming no significant regulatory or market disruptions

Note 2 - Commissions from PSPs:

From our prior experience, PSP commissions were estimated at around 4% of total GGR.
This level reflects typical payment processing costs in the online gaming sector, where fees generally include a mix of transaction charges, card scheme fees, and risk-related costs.
It also reflects the company's current payment setup and the types of methods players are using.
Overall, the 4% rate represents a reasonable and realistic estimate of expected payment processing expenses based on the business model and transaction profile.

Note 3 - Platform fees:

Platform fees were estimated at around 20% of GGR.
This level reflects the typical cost structure for operators that rely on a third-party gaming platform.
These fees usually cover access to the core technology stack, game content, hosting, security, ongoing maintenance, and regular product updates.
The 20% assumption also takes into account the scope of services included in the current platform agreement and the expected level of support and content provided.
An increase in the cost starting from Year 1 by 3% is applied to reflect the impact of a growing market and rising inflation.

Note 4 - IT services:

IT service costs were forecasted at €1,600,000 in Year 1, increasing by 3% annually in the following years.
This level of expense reflects the wide scope of technical work required to support the Operator's platform and ongoing development needs.

The IT services cover a full end-to-end technical setup, including:

- analyzing and documenting client requirements to build tailored software solutions,
- designing and developing custom software specific to the Operator's needs,
- integrating the developed software into existing systems
- deploying and optimizing web-based platforms,
- managing and maintaining server infrastructure,
- providing 24/7 technical support,
- network security monitoring and protection,
- desktop and mobile development work.

Given the scale of the platform and the ongoing need for continuous development, maintenance, and security, the Year 1 cost of €1.6 million represents a reasonable estimate of the full technical workload.

Note 5 - Marketing and advertising services:

The marketing expense of €1,250,000 in Year 1 reflects the level of investment required for a B2C gaming operator to acquire and retain players in a competitive market.
This amount covers a wide range of activities essential for driving traffic, building brand awareness, and supporting customer growth.

The marketing and advertising expenses include:

- digital marketing campaigns
- affiliate partnerships and CPA deals
- SEO and ASO optimization
- bonuses, player incentives, and promotions
- email, CRM, and retention activities,
- market-specific advertising, including localization where needed

Annual increase of 3% has been also included in the forecast.

Note 6 - Finance charges:

The finance charges of €63,000 in Year 1 reflect the bank-related costs the Operator is expected to incur as part of its day-to-day operations.
These charges include fees for maintaining corporate bank accounts, international payment processing, currency conversion, outgoing and incoming transfers, and other banking services required to support high-volume

Note 7 - Data analytics services

The data analytics services cost of €1,020,000 in Year 1 reflects the resources required to support both sports analytics and player behavior analysis

The services include:

- sports analytics, including odds modelling, real-time data feeds, performance tracking, and market analysis.
- player activity analysis, such as monitoring user behavior, segmentation and personalized recommendation systems.
- data processing, reporting, and dashboards used by management for decision-making

Given the importance of accurate data-driven insights for both risk management and player engagement, the €1.02 million forecast represents a realistic expectation.

The 3% annual increase have been also taken into account.

Note 8 - Legal (Curacao and Cyprus):

Legal costs were forecasted at €25,000 in Year 1, which reflects the expected level of ongoing legal support required for both the Curaçao entity and the Cyprus billing subsidiary.
This includes regular legal advice, help with compliance, and basic contract or document checks for each jurisdiction.

The 3% yearly increase is added to account for inflation and the possibility that legal needs for both entities will grow as the business becomes more active.

Note 9 - Accounting and audit (Curacao and Cyprus):

Accounting and audit costs were estimated at €15,000 for Year 1.
This amount reflects the fees for accounting and preparing the annual financial statements as well as audit expenses.
Since the business structure is not overly complex, the €15,000 level is a reasonable estimate for the services required.

The 3% yearly increase is added to account for inflation and possible increase in the fees, due to the increase of operations for both entities.

Note 10 - License cost:

The license cost for the Curaçao B2C license was forecasted at €54,000 for Year 1
The forecasted amount reflects management's expectation of the license costs the Operator will need to cover in the coming year.

The 3% yearly increase is added to account for inflation and to reflect a prudent expectation for the license costs.

Note 11 -TM Licensing:

The TM licensing cost of €240,000 in Year 1 represents the fee paid to the trademark holder for the right to use its brand within the Operator's gaming activities.
This amount reflects the agreed commercial terms between the parties and covers the continued use of the trademark across all relevant markets and products.

A 3% annual increase is applied to reflect inflation and possible adjustments in the commercial agreement

Note 12 - Discount rate:

For the calculation of the discount rate please refer below:

Risk-free:	3%	Yield of long-term government bonds
Beta:	1.2	High risk industry
Equity risk premium:	6%	Standard market assumption
Size premium:	3%	Relatively small scale and single UBO structure
Risk adjustment:	2%	Volatile nature of GGR
	<u>15.20%</u>	

Based on the preliminary figures for the year ended 31 December 2024 and management's expectations for the following 5 years.

Description	Year 1 2025 EUR	Year 2 2026 EUR	Year 3 2027 EUR	Year 4 2028 EUR	Year 5 2029 EUR	Comment
Gross Gaming Revenue	5 700 000	5 871 000	6 047 130	6 228 544	6 415 400	tab:Rationale/Note 1
Total	5 700 000	5 871 000	6 047 130	6 228 544	6 415 400	
Average PSP commission rate per annum	4%					
Commissions from PSPs	228 000	234 840	241 885	249 142	256 616	tab:Rationale/Note 2

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OPEX Forecast

Based on the preliminary figures for the year ended 31 December 2024 and management's expectations for the following 5 years.

Description	2025 EUR	2026 EUR	2027 EUR	2028 EUR	2029 EUR	Comment:
Platform fees	1 140 000	1 174 200	1 209 426	1 245 709	1 283 080	tab:Rationale/Note 3
IT services	1 600 000	1 648 000	1 697 440	1 748 363	1 800 814	tab:Rationale/Note 4
Marketing services	1 250 000	1 287 500	1 326 125	1 365 909	1 406 886	tab:Rationale/Note 5
Finance charges	63 000	64 890	66 837	68 842	70 907	tab:Rationale/Note 6
Data analytics services	1 020 000	1 050 600	1 082 118	1 114 582	1 148 019	tab:Rationale/Note 7
Legal (Curacao and Cyprus)	25 000	25 750	26 523	27 318	28 138	tab:Rationale/Note 8
Accounting and audit (Curacao and Cyprus)	15 000	15 450	15 914	16 391	16 883	tab:Rationale/Note 9
License	52 000	53 560	55 167	56 822	58 526	tab:Rationale/Note 10
Commissions from PSPs	228 000	234 840	241 885	249 142	256 616	tab:Rationale/Note 2
TM Licensing	240 000	247 200	254 616	262 254	270 122	tab:Rationale/Note 12
Total:	5 633 000	5 801 990	5 976 050	6 155 331	6 339 991	

Tixi Multimedia B.V. and Multitix Limited						
DCF Model						
Based on the preliminary figures for the year ended 31 December 2024 and management's expectations for the following 5 years.						
Inputs						
Terminal growth rate	3.00%					
Discount rate*	15.20% tab:Rationale/Note 12					
FCFF Calculation						
Period	1	2	3	4	5	6
	2025	2026	2027	2028	2029	Terminal value
	EUR	EUR	EUR	EUR	EUR	
Revenues	5 700 000.00	5 871 000.00	6 047 130.00	6 228 543.90	6 415 400.22	
Less: Operating expenses	-5 633 000.00	-5 801 990.00	-5 976 049.70	-6 155 331.19	-6 339 991.13	
Less: Taxes (Curacao and Cyprus)	-35 000.00	-35 000.00	-35 000.00	-35 000.00	-35 000.00	
Free cash flow to firm (FCFF)	32 000.00	34 010.00	36 080.30	38 212.71	40 409.09	341 158.71
DCF Valuation						
Present value of FCFF	27 777.78	25 627.23	23 600.04	21 696.91	19 916.67	145 962.60
Present value of 1-5 year cash flow	118 618.63					
Present value of terminal cash flow	145 962.60					
Total present value of cash flows	264 581.23					
Net debt level	0.00					
Value of equity capital	€ 264 581.23					
Intrinsic Value						
Enterprise Value	264 581					
Plus: Cash	2 519 356					
Less: Debt	-2 568 289					
Equity Value	215 648					