

Business Plan

Inovaplay B.V.

1) Overview of the Business

Inovaplay B.V., (“the Company” and/or “Inovaplay”) led by the UBO Mr. Viktor Burov was incorporated on 8 March 2022. The Company has been operating since July 2022 under B2C license gaining significant experience in the i-Gaming industry. As of the start of the operations and currently operated markets include, Canada, New Zealand and Finland. The Company's brand, Space Fortuna, reflects its commitment to innovation and customer-centric offerings in the online gaming space. The evaluation of the markets and the current performance has proven that the markets can be considered as low business risk and high value in terms of target audience.

2) Company Management Structure

Inovaplay is committed to adhere to the highest standards of corporate governance with a focus on the compliance function. In this regard, the Company has employed professional service provider to perform the functions of Chief Money Laundering Reporting Officer and Chief Responsible Gambling Reporting Officer (RGRO) which ensure clear independence and separation of roles of the investor. The named roles are based in Curacao which ensures that the Company adheres to the local requirements and regulations to the highest possible extent.

In terms of the business functions and process related to the operation of the brand Space Fortuna, the Company employs a business model where professional services providers are in charge of the major functions, including but not limited to Chief Operations Officer, Chief Financial Officer, Chief Business Development Officer, Chief Technical Officer together with the respective teams onboard. In this regard, the organizational structure ensures clear separation of responsibilities and logical reporting lines.

3) Business Forecasts

As the Company has been operational for two years now, it has completed its start-up phase of business development and the related initial investments. In this regard, the projected business

forecast for the following three years demonstrates the Company's growth trajectory and financial viability utilizing the generated working capital of the business.

<i>k EUR</i>	2022	2023	2024	2025	2026
Revenue	333	3.342	11.669	28.118	39.365
Affiliation	(38)	(1.819)	(4.755)	(11.353)	(15.894)
Marketing and Operations	(43)	(1.440)	(3.335)	(7.850)	(10.275)
Game Provider	(43)	(439)	(1.488)	(3.480)	(4.724)
PSP Fees	(7)	(401)	(1.342)	(3.093)	(4.133)
Other	(2)	(134)	(72)	(72)	(72)
Direct cost	(133)	(4.233)	(10.992)	(25.847)	(35.098)
General and administrative expenses	(30)	(112)	(218)	(258)	(335)
Result Before taxation	170	(1.003)	458	2.013	3.932
Profit Tax					
Net Result for the year	170	-1.003	458	2.013	3.932

In our first years, we had prioritized building strong partnerships with affiliates and securing reliable game providers. By carefully managing our costs, we aim to establish a solid basis for

growth. Over the next three years (2024-2026), we anticipate significant expansion, driven by our strategic approach to revenue generation and cost efficiency. This plan is ensuring long-term success and profitability.

Direct costs represent the direct and indirect expenses attributable to revenue, employee costs, affiliation, operating and marketing cost, depreciation charges for equipment and other operating expenses that are attributable to the cost of sales.

Operating expenses consists primarily of staff and corporate professional expenses both of which are recognized on an accrual basis.

The Company effectively manages and ensures that it has sufficient liquidity to meet its funding needs including also with regard to player balances. It should be noted that the Company has a total amount of player's balances of EUR 209 516 as at 16 April 2024. We provide a statement for bank accounts funds availability which indicate that Inovaplay has sufficient financial resources to cover the respective player balances.

4) Business Strategy

Inovaplay's growth strategy for Space Fortuna focuses on securing and expanding its markets share in the main markets operated currently, i.e., Canada, New Zealand and Finland. In this regard, the main drivers include development of innovative products and strategic marketing initiatives. Our business operations encompass transactions in EUR, CAD, and NZD, facilitating seamless trade across diverse markets. We offer convenient payment options, including credit card and bank transfer, ensuring flexibility and ease of transactions for our customers. All these target markets are multi cultural and multi ethnic which makes it reasonable to target prospective customers using English language. Typically, the primary age target group is 25-45 years old. These are individuals interested in gaming, entertainment, and leisure activities. This also includes people who enjoy playing video games, or participating in other forms of online entertainment. To reach our end-customers effectively, we employ a strategic blend of Search Engine Optimization (SEO), Pay-Per-Click (PPC) advertising, and affiliate marketing channels, maximizing our outreach and engagement. The Company applies strict geo-blocking to manage the relevant requirements in terms of forbidden/restricted territories.

Inovaplay's Principles of Operation include:

- Aim to become a market leader as online Casino provider on the targeted markets.
- Customer Experience comes first.
- In time fast payments to both Customers and Affiliate Partners.

Competition

- Due to the competitive nature of the industry a multi-channel marketing strategy for both Retention and Acquisition is envisaged.
- Innovative design build with approach "Mobile First".
- Next generation Games & Live Casino Tables.
- Empowered platform with market leading BI System for in depth analysis and customer retention.
- BI integration with Artificial Intelligence technique to understand how best to modify existing products and develop new products, tailored for customer preferences.

Customer Value Proposition

Inovaplay aims to provide;

- Extensive live casino coverage of Blackjack tables.
- Exclusive treatment towards VIP customers, with organized events and gifts.
- A comprehensive portfolio of first-rate gaming products

The products available on the Space Fortuna brand include:

i. Casino

The games will be offered not only in real money but also in Free Play mode with virtual money for the customers that would like to test our brand.

Games can be divided in the following macro categories;

- Slot Machines
- Latest Games

- Tables Games
- Video Poker
- Scratchgames

ii) Live Casino

Targets are to provide premium live casino experience with vast variety of live games.

Games can be divided in the following macro categories;

- BlackJack
- Roulette
- Live Shows
- Other

We believe that the Company operates and develops an online brand which features a best in class UI and UX functionalities and vision. This provides good grounds to develop and apply a comprehensive marketing strategy focused on developing a robust network of reputable affiliation marketing service providers. This would ensure a steady and gradually increasing inflow of first time depositors.

As a next step, it is planned to focus on the retention by developing a lasting customer experience. The business strategy in this regard includes preparation and implementation of attractive bonus programs.

The relevant costs associated with the outlined strategy are included in the Marketing cost center as indicates in Business Forecast section under p. 3 of the current business plan.

As a key function related to customer experience, a special focus is also put on the customer support function applying a customer-centric strategy in the communication with the customers.

The above outlined key pillars of the Business strategy are applied in the context of a strict adherence to the regulatory requirements and limitations.

5) Key Suppliers and Dependencies

Inovaplay relies on strategic partnerships with reputable suppliers and service providers critical to its operations in the following main streams:

- i) Platform use - the Company has concluded a long term agreement for platform services use and provision of related services with a Cyprus based company, i.e., DDTT Digital Technology Limited.
- ii) Payment gateway - the platform used has integrated the solution of Worldline with regard to payment gateway. It should be noted that the Company has diversified the relevant risks related to payment processing by securing the relevant payment solutions of Genome, Gumball, Noda pay and others. It should be noted that Inovaplay has a payment agent agreement with a wholly owned Cyprus based company, i.e., Lilloise Investments Limited. The latter is in charge of securing diversified portfolio of payment solutions to ensure effective risk management around loss or interruption in this regard.
- iii) In terms of game providers, Inovaplay has concluded long term agreements with ALEA and SoftSwiss as game aggregators. The later provides the Company with game content from Play'n GO, Playtech, Playson, Ruby Play, Pragmatic, Booongo, NetEnt and others.

6) Risk Evaluation and Management

A comprehensive risk management framework assesses and mitigates potential risks across operational and regulatory domains.

Regarding the main business risks, the Company performs Due Diligence of major supplies and clients applying a risk score assessment.

In terms of regulatory risks, Inovaplay applies a comprehensive KNOW YOUR CLIENT (KYC) ANTI-MONEY LAUNDERING (AML) & COUNTER TERRORIST FINANCING POLICY (CTF). Also, the effective application of the the relevant Responsible Gaming Policy, Terms & Conditions, Privacy Policy, etc., ensure that the Company manages the relevant regulatory risks effectively. In addition, the platform used integrates technical tools which allow early detection of sanctions list and PEPs. The Company applies stringent procedure under which no sanctions listed or PEPs are accepted as clients.

7) Legal and Governance Framework

As already indicated in the current document, the business model of Inovaplay includes reliance on professional service providers when it comes to legal requirements and support.

With regard to the Managing Board membership, the Company's Director is ALLYANT Group B.V. whereby the Director and the UBO sit on the Managing Board. The latter takes decisions related to review of the financial results and approval of the financial statements of the Company as well as decisions related to appropriation of the financial results, including decisions for additional funding if needed. The Management Board cannot be deadlocked as the ultimate decision making authority rests with the UBO as a representative of 100% of the share capital.

8) Target KPIs and Business Objectives

Businesses measure success and set long-term objectives through various KPIs that offer insights into the financial health, operational efficiency, and overall growth trajectory of the organization. The Company applies the below major KPIs in this regard.

Revenue Growth Rate: Measures how quickly a company's sales are increasing over time, indicating market demand and business expansion success.

EBT (Earnings Before Taxes): Reflects profitability before accounting for taxes, highlighting the financial performance from core operations and other activities.

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization): Shows earnings from operations without the impact of financial and accounting decisions, useful for comparing profitability across companies.

EBITDA Margin: The percentage of revenue that turns into EBITDA, showing operational profitability and efficiency.

Gross Profit: The difference between revenue and the cost of goods sold, indicating how well a company generates profit from its core business.

Operating Income: Profit from core operations, excluding non-operational income and expenses, indicating operational efficiency.

Return on Investment (RoI): The gain or loss from an investment relative to its cost, measuring the efficiency and profitability of investments.

In the early years of the Company's establishment, several KPIs such as EBITDA, Gross Profit, and RoI may initially be negative or lower than expected. This trend is often due to significant upfront investments in product development, market entry, and operational setup, which precede revenue generation and require time to yield profitable returns. As the Company transition into the growth stage of its development and scales, these metrics are expected to improve, reflecting the success of its strategic investments and operational efficiencies.

9) Policies and Procedures

Inovaplay maintains stringent policies and procedures which are prepared primary by third party professional service providers. The latter ensure that the relevant policies and procedure are prepared by qualified competent and independent parties. The performed internal and external audits, along with regular updates to regulatory bodies, demonstrate the Company's commitment to transparency and integrity.