



**Sportsline Technologies Operating Co.
Limited**

Business Plan

PRIVATE AND CONFIDENTIAL

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2. Executive Summary

The Company, once licensed will offer a unique product under URL <https://predictex.io> where both retail and institutional players can place bets on sporting events, but unlike traditional sportsbook based on outdated technology, PredictEx will offer better risk management tools and the ability for players to leverage their bets as an alternative to the traditional online sportsbook.

The trading and exchange market exists for more traditional asset classes as well as newer industries. Peer-to-peer (P2P) trading models have gained traction in prediction markets, exemplified by platforms like Polymarket (<https://polymarket.com/>). This means that Polymarket operates as a decentralised prediction market where users trade shares directly with one another rather than against a centralised entity. While Polymarket has successfully introduced P2P trading to prediction markets, the broader concept of trading on an exchange has not been historically applied to sports betting or prediction markets in a comprehensive way. Most platforms in this space continue to focus on traditional offerings like spot trading, prop betting, parlays, etc.

PredictEx will offer leverage and bets on an exchange-like interface for sports betting and prediction markets, which is a novel concept in the online sports betting arena. The Company will allow both institutional and retail customers the opportunity to bet on sports games and events in a completely new way while paying lower fees compared to traditional platforms.

The business operating under the Licence will be both B2B and B2C, catering to a diverse range of users. In the B2B segment, the Company's institutional customers include major sports betting operations, such as FanDuel and DraftKings, as well as hedge funds like Susquehanna, all seeking to implement hedging, market-making, or trading strategies through gambling and prediction betting. For instance, a sportsbook with significant exposure on a particular betting line can utilise PredictEX to diversify its risk without needing to block the line, thereby maintaining liquidity and optimising their business strategies. Additionally, PredictEX appeals to other institutional players such as financial firms, proprietary trading desks, and data-driven analytics teams looking to capitalise on prediction market dynamics in innovative ways.

On the B2C side, PredictEX targets not only the traditional retail customer but also a broader spectrum of customers interested in betting in a more sophisticated, exchange-like environment. This includes experienced sports enthusiasts, data-savvy bettors, and those seeking lower fees, better price discovery, and unique product offerings compared to traditional sportsbooks. By providing a platform with advanced tools and a user-friendly interface, PredictEX aims to empower retail customers to engage with sports betting in a more strategic and dynamic way.

In terms of procedures, the Company will implement comprehensive KYC protocols for both retail and institutional clients. To achieve this, the Company has preliminarily engaged in conversations with leading third-party service providers, such as Jumio, which is recognised as a gold standard for identity

verification and compliance checks. The Company's approach will be particularly stringent for customers engaging in higher volume transactions, ensuring that it maintains a robust framework for compliance and risk management. By thoroughly verifying the identities and financial backgrounds of customers, the Company aims to enhance the security and trust within the platform, safeguarding both its operations and customers' interests.

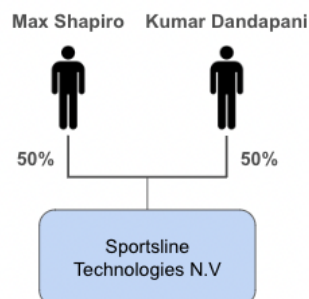
3. Background and Road to Application

The co-founders of PredictEX, Max Shapiro and Kumar Dandapani both have extensive careers in the financial markets, which have given them a deep understanding of trading, financial products, and capital markets. Throughout their professional journeys, they have observed the growing attention around innovative financial products, and as such have invested significantly in over 100 early-stage opportunities, helping companies scale and succeed. Some notable investments include [Together.ai](#), [Infinite Reality](#), [Nous Research](#), [FalconX](#), [Tensorwave](#), and more.

Their hands-on involvement as users of financial products, honed through their own trading and private equity experience, adds to their credibility, as founders. One particular trend realised through their investing careers has been the notable increase in retail participation on trading platforms like Robinhood, which are heavily driven by technology. Historically, such platforms focused on U.S. equities and digital assets, with limited expansion into other markets. At the same time, the sports betting and prediction markets industries have gained significant traction, becoming more favourable with evolving regulations. Thus, the co-founders identified sports as an ideal market for further institutionalisation.

The timing for this initiative is particularly advantageous. Platform development in the sports betting industry has stagnated, making now the opportune moment to develop a superior product to capture market growth. The co-founders aim to leverage the existing infrastructure within sports betting and prediction markets, addressing the growing demand from both retail and institutional customers, while ensuring full compliance with evolving regulatory guidelines.

Funding



Both Max and Kumar founded Sportsline Technologies Inc (“**Sportsline US**”), a start-up company incorporated in Delaware. The company was initially set up with a nominal amount each from Max and Kumar to develop a pioneering web and mobile betting exchange under the brand SportsMEX.

The Company was originally branded SportsMEX, which stands for Sports Mercantile Exchange, an innuendo based off the CME which is the world’s largest trading marketplace. The Company chose this branding to emulate this revolutionary exchange for the sports market. However, the Company has since rebranded into PredictEX, in order to reflect its expanded offering into the prediction markets, and thus not limiting itself to just sports.

Although the concept for PredictEX was conceived a few years ago, the project was officially launched at the end of 2023, with significant momentum built in 2024 after closing a successful seed financing round. Sportsline US has raised approximately \$3.7m in capital to support its venture from investors in a [SAFE \(Simple Agreement for Future Equity\)](#) financing round. All investors are credible and are personally known to Max and Kumar through various other previous investment ventures, there are 30 investors to date with an average investment amount of \$122,500, with 15 investors over \$50,000. As part of the investor onboarding process, all investors are required to self-certify their status as accredited investors, attesting that they meet the necessary criteria under U.S Securities and Exchange Commission (“**SEC**”) regulations. Sportsline US performed due diligence, screened all investors against PEP and sanctions lists, verified the identity, source of wealth and funds of all investors.

This funding into Sportsline US accelerated the business, allowing the development of a minimum viable product (MVP) including front and back-end user interfaces. Sportsline US has developed an institutional web and mobile exchange allowing sports bettors, liquidity providers, and operators to manage risk and speculate with leverage as an alternative to traditional sportsbooks. The PredictEX brand and IP in relation to the technologies, are all owned by Sportsline US.

The SAFE investments are in respect of Sportsline US only, a redacted copy of the SAFE Agreements entered into by Sportsline US and its investors is included as part of the application pack.

Innovation

To date, some of Sportsline US investors have experimented with the platform’s Testnet and the co-founders are building anticipation through a growing waitlist. The next step includes rolling out a [paper trading](#) feature, which will allow users to familiarise themselves with the platform and its functionality before the official launch. Importantly, no real money will be utilised during this phase—transactions will be simulated, ensuring a secure and controlling testing environment. Access to the paper trading feature will be limited to a small, selected group of accredited individuals that we trust to understand the product, enabling us to gather valuable feedback. This feedback will be critical in refining the platform and identifying any adjustments needed to optimise the user experience ahead of the official launch under the licence. We anticipate that this feature will be available by the end of Q1.

Location

During the ideation phase of PredictEX, the co-founders conducted an extensive due diligence process to determine the most suitable jurisdiction for establishing the Company. While initially considering the United States, given the familiarity with the market, they quickly recognised that obtaining a licence was prohibitively expensive for a startup, with lengthy timelines and significant challenges. This prompted the team to explore alternative options, focusing mainly on Malta, Curacao, and the IOM.

Ultimately, the co-founders selected Curacao due to its strong regulatory compliance, industry reputation, global recognition, and superior service. During their research, the co-founders identified prominent and reputable companies, who held a Curacao licence. Additionally, the co-founders were impressed with the level of experience and professionalism displayed during meetings with prospective service providers throughout their due diligence process. As the Company grows, the co-founders are confident that this decision will support growth and are excited to build a successful business within Curacao's robust regulatory framework.

4. Key Partnerships

PredictEX (the licensed company) will enter into a brand and IP licensing agreement with Sportsline US in return for a fee for the rights to use the PredictEX brand, mobile and web application and back-office platform. The customised platform includes a perpetual licence of Modulus source code, which forms the foundation of the platform.

Modulus is a leading financial technology company specialising in high-performance software and hardware systems for FinTech applications, including trading platforms, market surveillance, and high-performance computing.

This source code repository, consisting of over 25MM lines of reusable, well-documented, and maintained code, provides a robust and scalable base for building customised financial solutions. While Sportsline leverages this code as a starting point, the platform has been significantly updated by Sportsline US and reiterated upon to meet the unique needs of the sports betting market.

Modulus systems process an estimated 30% of the daily U.S. stock market volume. Since 1997, Modulus has provided advanced technology solutions to global clients including The Nasdaq Stock Market, J.P. Morgan Chase, Bank of America, Goldman Sachs, Merrill Lynch, BlackRock, UBS, HSBC, Citi Group, BNP Paribas and thousands of other clients.

At launch, the platform will support deposits in both fiat currencies and digital assets. Regardless of the deposit method, the Company will enforce stringent KYC and AML procedures to ensure compliance with regulatory standards. For digital asset deposits, the Company plan to work with Moonpay to provide a seamless on/off-ramp experience for users.

MoonPay is a leading digital assets payments infrastructure provider, having processed over \$2B in transactions since its launch in 2019. The Company has experienced significant growth, with a 35x increase in transaction volume over two years, and serves more than 7MM users across 160 countries.

Moonpay is one of the most trusted providers in the space and also takes a strict KYC approach which is in line with the Company's approach.

Moonpay is integrated with Chainalysis, leveraging Chainalysis' technical capabilities across transaction monitoring and wallet screening endpoints to provide an enhanced alerting capability that helps Moonpay's compliance team accelerate the reporting of suspicious activity.

Moonpay's transaction system automatically ingests alerts from Chainalysis via API integration directly linked to the transaction monitoring vendor. Using this technology, Moonpay is able to block risky wallets and ultimately reject the transaction. We can also implement supplemental transaction monitoring through Merkle Science. They are a predictive Web3 risk and intelligence platform that provides risk mitigation, compliance and forensics. Using their solution, we can onboard new users, continuously monitor their behaviors, and be instantly alerted to conflicts. This adds an additional layer of compliance to create a safe environment for our users.

Once deposited, all funds will be converted into stablecoins (USDC), digital currencies pegged 1:1 with the USD, for in-event betting. This conversion guarantees price stability and helps mitigate market volatility during trades. For example, a \$100 fiat deposit will be converted into an equivalent value in USDC, which users can then use to open and manage their trading positions. Additionally, PredictEX will work with leading digital asset custody providers, such as [Coinbase](#) and [Bitgo](#), industry leaders who manage approximately \$90B USD and \$64B USD respectively, to ensure the secure storage of assets, operating strictly within regulatory guidelines to protect user funds.

Since launch of the concept, the growth of prediction markets has been remarkable, prompting Sportsline US to rebrand from SportsMEX to PredictEX. This strategic shift allows the Company to broaden its scope beyond sports, positioning the company to tap into the expanding opportunities in prediction markets while initially focusing on sports. The ultimate goal is to create a user-friendly platform that caters to retail customers while also incorporating advanced features for institutional bettors. The co-founders recognise that educating the market about the unique offering is essential, as there are currently no platforms providing the comprehensive and innovative solutions offered by PredictEX. Clear communication will be key in demonstrating the value of what the brand is building.

5. Business Model and USP

Betting

Below are specific feature definitions in respect of PredictEX's offering:

- **Initial Margin:** The initial bet stake (pre-boost or leverage)
- **Leverage/Boost:** The PredictEX platform offers leverage (with appropriate margin requirements - minimum bets and minimum balance that must be held on a customer's account). This results in unprecedented capital efficiency for speculation and risk management. The Boost is a 'multiplier' to make a bet bigger than the initial money actually staked. For example, if a player has an initial margin of \$10 and uses a 10x leverage, the player is essentially betting with \$100 instead of just \$10.
- **Open Position:** An open bet in the singular - opening a position is the same as placing a bet.
- **Close Position:** Similar to an in-running/in-play bet, closing a position (customer) is essentially, a cash-out prior to the event conclusion. The customer may close in a positive position (taking a profit) or a negative position (making a loss). The Company can also close a position if funds fall below the maintenance margin.
- **Notional [position]:** The ultimate value of the bet (initial margin + leverage)
- **Position:** The total value of all open bets.
- **Enhance Fairness, no 'House Edge':** By implementing all positions at the bid/offer, with a transparent volume-based transaction fee structure, the 'house edge' embedded in odds is removed and fairness for users is enhanced.
- **Central Limit Order Book ("CLOB"):** Predictions on PredictEX are coordinated via a CLOB, meaning as long as there is sufficient liquidity on the other side of the market, positions (bets) can be entered/exited at any time during an event, by any customers irrespective of prior performance (no more getting deplatformed for prior success). To further support liquidity and enhance market functionality, PredictEX will establish market-making agreements with select participants. These agreements will ensure consistent price differentials and robust liquidity across key markets, creating a more reliable and seamless trading experience for all users. By integrating these agreements, PredictEX aims to foster an efficient marketplace where participants can confidently execute bets at any given moment.
- **Insurance Fund:** A safety net that safeguards the leverage system, ensuring that no customer loses money they are owed. Contingency funding, ensuring that PredictEX will have the funds available within the ecosystem for situations where a customer's account cannot fully cover its losses. Funds will be debited from the insurance fund to pay winning positions/bets. Additionally, in the case that the Insurance Fund cannot cover the losses, the Company (PredictEX) will act as a capital backstop to the Insurance Fund. Although the Company does not initially plan to add funding directly into the Insurance Fund, the system allows for additional funds to be added to the Insurance Fund account.

- **Liquidation:** Where PredictEx will close a position (bet) if the customer account balance falls below the maintenance margin required to maintain their Position. Liquidation can happen in a few ways:
 - if a customer tries to place another bet while they have an open (leveraged) bet and their account balance falls the minimum maintenance margin, said open position is liquidated.
 - The system can also auto-liquidate an open position if the odds change to a point where the open bet falls below the bankruptcy price (customer has insufficient funds to keep the bet open) for a given position, which is relative to the entry price of the position by the user.
- **Liquidation Fee:** Liquidation fees are calculated based on the variance value at the point of liquidation and the fee contributes to the Insurance fund. The liquidation fee is essentially a buffer to ensure that when a system takes over a bettor's liquidated position it can close that position profitably. The formula is as follows:

$$\text{Liquidation_Fee} = 1\%$$

$$\text{Initial_Bet_Size (notional value)} = \text{Bet_Units (i.e. total contracts/bets)} \times \text{Bet_Entry_Price (odds at time of bet placement)}$$

$$\text{If Index_Value (current market/odds)} \leq \text{Liquidation_Value then liquidation fee} = \text{Initial_Bet_Size} \times \text{Liquidation_Fee}$$
- **Maintenance Margin:** The smallest amount of money a player needs to keep in their account balance to keep their bet open. It is essentially a safety net to enable a player to not lose all their funds but be able to use leverage (boost/multiplier) to place a bigger bet. The liquidation fee, as described above, is deducted from the maintenance margin, and the stake is transferred to the liquidation account upon the bet. The formula is as follows:

$$\text{Initial_Margin (initial stake)} = \text{Maintenance_Margin} = \text{Initial_Bet_Size (notional value)} \times 1 / \text{Leverage}$$

$$\text{if Index_Value (current market/odds)} \leq \text{Bet_Entry_Price (odds at time of bet placement)} \times (1 - \text{Initial_Margin}), \text{ then Maintenance_Margin} = (\text{Index_Value} \times \text{Bet_Units}) \times (1 / \text{Leverage})$$

When a user logs into PredictEX, they will enter a trade at the prevailing market price per contract based on the orders of other participants in the order book and the market depth in relation to their desired position size . When placing a bet, the odds and potential pay out values will be displayed to the customer. Imagine a customer logs in and navigates to the upcoming NBA games. They find the game between the Knicks (Away Team) and Lakers (Home Team) listed. This game will show the prevailing odds in the range of 0% to 100%. The odds (0-100%) will correspond to market prices in the range of 1000 to 1100 per contract. At the end of the event, if the Lakers (Home Team) win, the settlement price contract will be 1100, and if the Knicks (Away Team) win, the settlement price per contract will be 1000.

Whilst not mandatory, customers can choose to select from a range of leverage options ("**Boost**"). Customers can only have one open leverage bet at a time. Leverage allows customers to amplify their potential returns but also increases velocity around losses. Different leverage requires different margin

percentages. Margin requirements seek to ensure that, in the event of a loss, enough funds are provided by the losing leveraged position (bet) to cover the winnings of the winning leveraged position (bet). For example, using 10x leverage might require a 10x margin, meaning you need at least 10% of the total position value in your account to place the bet. If no further margin is added (no additional bets/stakes on the same market), and the customer is successful with their prediction, the 10% margin will be returned to the customer along with their winnings. On the other hand, if no further margin is added, and the user is not successful with their prediction, the bet will be closed automatically, and the 10% margin will be forfeited to a 'insurance fund' and used to cover the leveraged winnings owed on the other side of the trade.

The liquidation point is defined by the amount of collateral (i.e. margin) that remains in the position. The formula is $\text{liquidation point} = \text{bet_entry_price} \times (1 - 1 / \text{Leverage})$.

However, in order to open a leveraged position (bet with boost), customers need to both place this being the initial margin and ensure that the balance remaining on their account is above the maintenance margin level at all times. If the balance held on the customer's account falls below the maintenance margin, the open bet will be forcefully closed by the PredictEX platform (known as a '**liquidation**'). The position is closed automatically and seamlessly through the system's liquidation account. The position (i.e. stake) is now held by the liquidation account and the market engine will offset/match this against another customer bet during the course of the game as soon as possible. Liquidations occur to ensure that the leveraged customer never owes more than the total stake.

If a customer places a \$100 bet utilising x10 leverage (notional value \$1,000) that has a maintenance margin of 10% (\$100), the customer must keep a minimum of \$100 in their account balance until the open (leveraged) bet is settled. Should the customer *attempt* to make an additional bet which would bring their account balance below the minimum maintenance margin (i.e. balance of \$100 and a \$10 bet is attempted), the system will automatically refuse this additional bet and advise the customer of the open (leveraged) position and the minimum maintenance margin requirement.

The Maintenance Margin is the smallest amount of money a customer needs to keep in their account balance to keep their bet open. For example, if the maintenance margin is 2%, and the position to be liquidated can be closed with only a 1% price differential, the difference of 1%, is known as the Liquidation Fee, this contributes to the insurance fund (2% maintenance margin level - 1% price differential = 1% liquidation fee). This innovative insurance fund system is used by PredictEX and is designed to ensure that leveraged customers on the platform receive their expected profits in the event of material market dislocations (i.e. where liquidation liabilities may exceed margin balances due to rapid movements in the index price / market price differentials which exceed the maintenance margin requirements). In order to ensure the insurance fund has sufficient balance to support PredictEX platform activity, the insurance fund grows over time via accumulating liquidation fees and insurance fees.

On the other hand, if market price differentials are wider than the maintenance margin level, funds from the insurance fund will be utilised to ensure that winning leveraged customers receive the entirety of their expected profits from the margin pool. To put numbers to this example, if the maintenance margin is 2%, but a price differential of 3% is required to close the liquidated position, the margin pool is topped up by withdrawing the 1% gap from the insurance fund to pay the winning customers.

Based on the descriptions above, we can illustrate the flow with simple numbers, tying together the concept of margin, leverage, and the insurance fund in a concise example. Imagine a customer on PredictEX places a \$100 bet on the Knicks versus Lakers game, using 10x leverage. With 10x leverage, the customer's position is effectively \$1,000 ($\100×10). To open this leveraged position, the customer must post an initial margin of 10% of the total position value, or \$100. If the customer's prediction is incorrect and their position is liquidated, the PredictEX platform will close the trade to prevent further losses. Assuming the maintenance margin is 2%, and the position is liquidated with only a 1% price differential, 1% of the total position value ($\$1,000 \times 1\% = \10) will go to the insurance fund as a liquidation fee. Thus, in this scenario, the user would forfeit their \$100 margin, and \$10 of that would contribute to the insurance fund.

Nature of Games / Offering

At the onset, the Company will offer contracts for the NBA and NHL. The Company will then expand to additional offerings as they expand. These will include the NFL, MLB, Soccer, Cricket, etc. The Company eventually plans to list contracts for all major sporting events. As part of the future roadmap and mid-term plans, the Company will also be offering contracts on major events that users can predict the outcomes of, such as general elections.

At platform launch, users will be able to place bets on games offered in both pre-game and live bets. The only initial bet will be based on the price differential (will be known as the index price). Odds will be presented as an 'index price' similar to the price of a security or when shown on an order book. The index price is a simple weighted average of the real-time money lines from a number of sources, which aggregate money lines per event from several bookmakers globally. This price will be clearly defined and implied based on the price differential of the game.

Fees

Similar to other traditional financial exchanges, PredictEX operates on a trading fee model based on notional trading volume. Notional trading volume refers to the total value of the positions traded on the platform, rather than just the amount of money users initially deposit or the margin they put up for the trade. Additionally, leverage directly impacts notional trading volume because it allows users to control larger positions with a smaller amount of capital. For instance, using 10x leverage means that a user with a \$100 can take a \$1,000 position. As a result, the notional volume—and therefore the trading fees—are calculated on the full \$1,000, not just the \$100 margin.

This means that fees are calculated based on the total value of the positions taken by users. The two types of fees are:

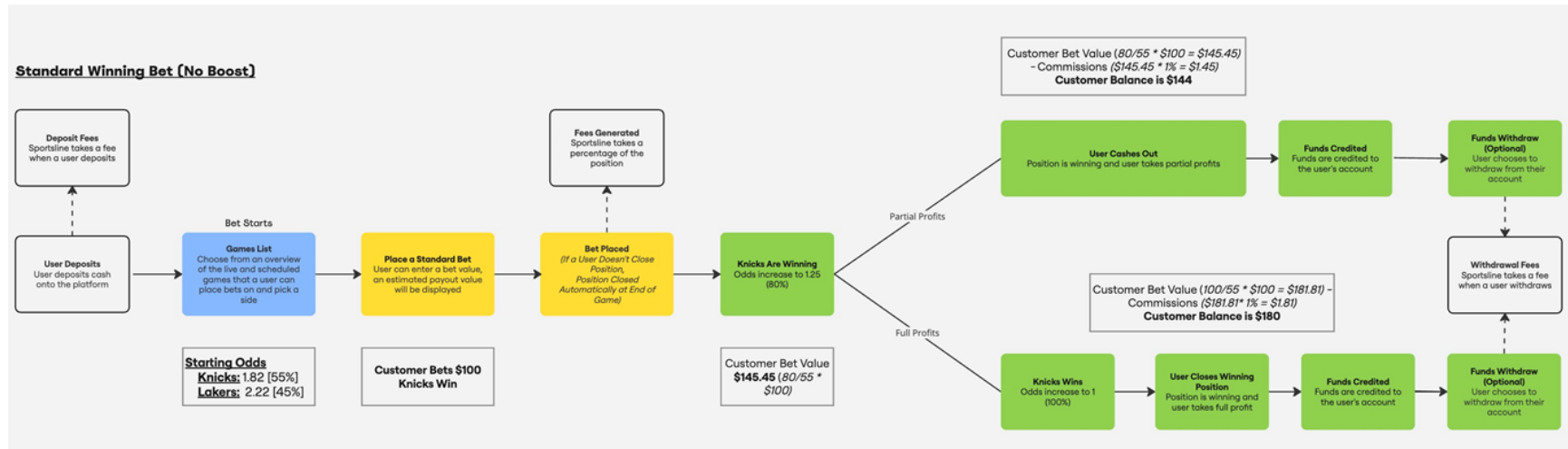
- 1) **Taker Fees:** Takers are customers who place orders that are immediately filled at the best available price (these orders are often known as market orders). These users are charged a fee of 7.5 basis points or 0.075% on their notional trading volume. For example, if you place a \$1,000 trade that is immediately matched, you would incur a fee of 7.5 bps, or \$7.50.
- 2) **Maker Fees:** Makers are customers who place orders that add liquidity to the order book and are not immediately filled (these orders are often known as limit orders). These orders rest on the order book until they are matched with a taker's order. Makers are charged a lower fee of 2.5 bps or 0.025% on their notional trading volume. This encourages users to provide liquidity, creating a more robust and efficient market. For example, if you place a \$1000 order that sits in the order book until matched, you would incur a fee of 2.5 bps or \$2.50.

Other fees will be charged based on transactions including deposit/withdrawal fees and subscription to data feeds. For example, exchange platforms like Coinbase and Binance impose withdrawal fees that vary depending on the payment method, such as fixed fees for bank transfers or percentage-based fees for certain card withdrawals. Coinbase's fees range from 0.6% for takers and 0.4% for makers on transactions up to \$10,000, while Binance charges a standard trading fee of 0.1% for both makers and takers. Similarly, sports betting platforms like FanDuel or DraftKings may pass on processing costs if incurred by third-party payment providers, such as fees for wire transfers or specific payment gateways.

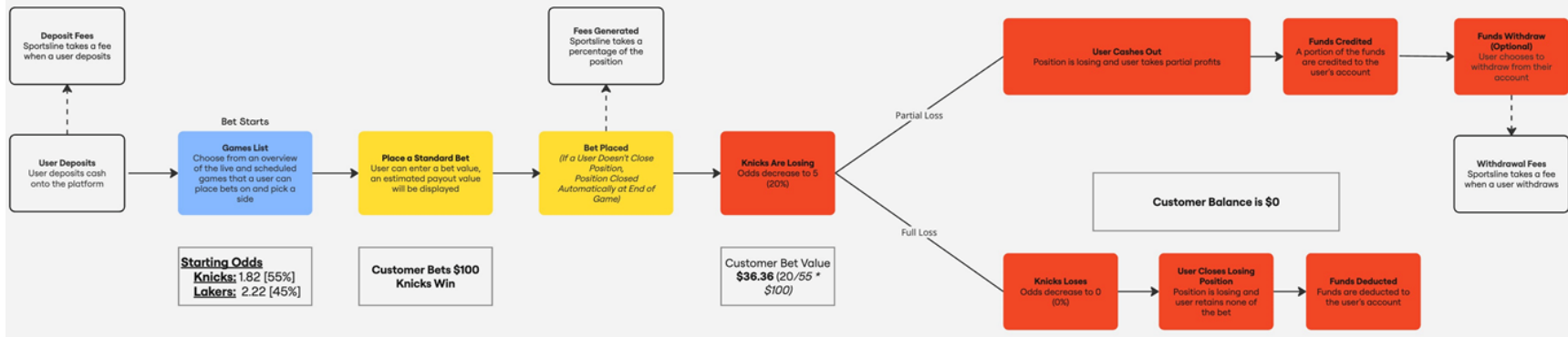
The Company will also include advertising later on in order to expand its revenue streams. The exchange will earn more revenue on higher volumes so volatility will be helpful. The Company will clearly state all transactional fees as part of the terms and conditions that will be baked into each bet.

Example Betting Flows

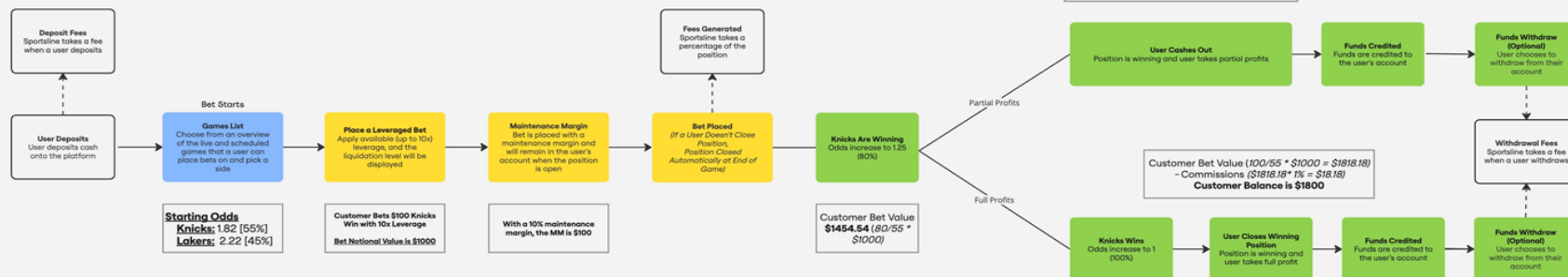
Note: Refer to the Odds Converter table here for identifying the percentage equivalents for decimal odds.

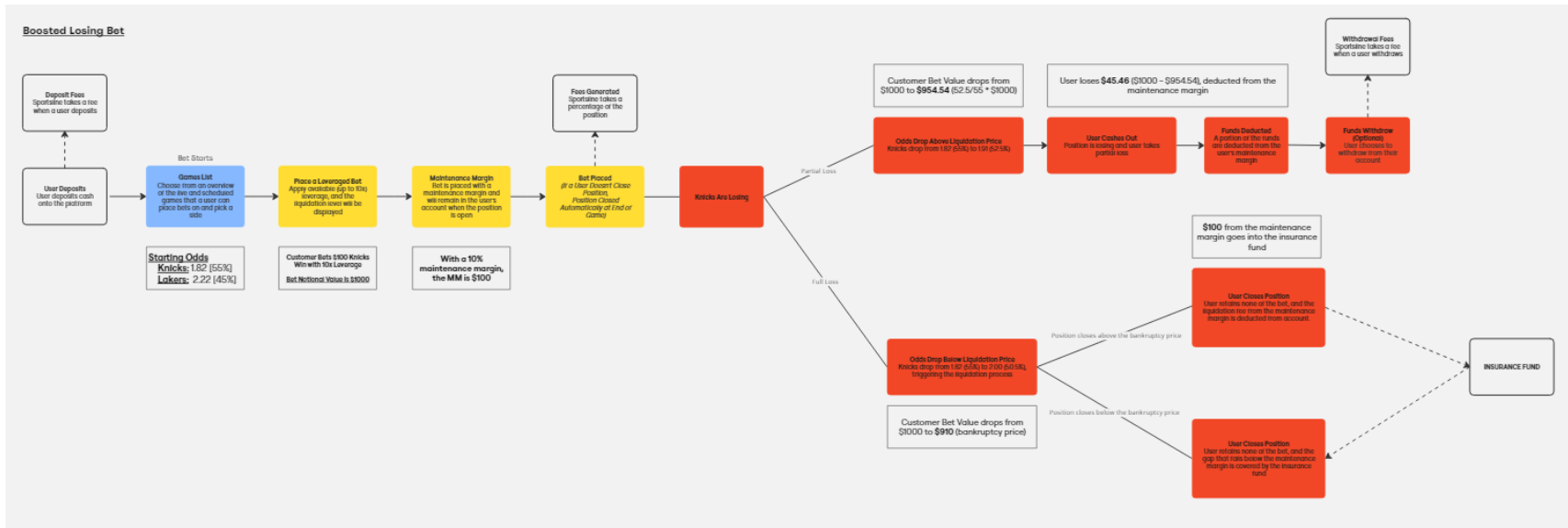


Standard Losing Bet (No Boost)



Boosted Winning Bet





Target Markets

The target markets will include broader Asia, Latin America, and Canada (excluding Ontario). On launch the Company will focus on South Korea, Japan and Canada (excluding Ontario), jurisdictions which exhibit a strong sports betting culture and familiarity within the trading industry. The co-founders have already received a legal opinion in South Korea amidst the evolving regulatory landscape, but the Company does not intend to do any direct marketing to stay in full compliance with local regulations. For retail users, PredictEX is targeting experienced traders who are familiar with higher volume betting and the use of leverage, which are well understood in broader Asian markets. On the institutional side, the Company's global clientele will include hedge funds with a focus on sports betting, such as Susquehanna, Point 72, and SeventySix Capital. Data shows that hedge funds are increasingly exploring sports betting as a new asset class, attracted by its potential for high returns and low correlation with traditional financial markets. Novig, a sports betting exchange, reported in October 2024 that the fastest-growing segment of their market is from institutions, further indicating increasing interest from professional traders and potentially hedge funds.

Marketing & Customers

The Company will have a significant social media presence across X, Instagram, TikTok, Facebook and Sports outlets etc. In order to manage underage targeting, all of the content we create and publish will, at the minimum, have disclaimers emphasising the age limit and appropriate age gating of content. This is something we plan to develop with our marketing agency. The Company will also seek to partner with different trading outfits, professional sports teams/players and leagues as part of its robust marketing strategy. Marketing is a major component of the business given the plethora of other sports betting platforms that already exist.

The Company does not need a significant number of customers but rather high-quality users that will create a large amount of volumes (i.e. VIP users). These customers will have already likely bet on sports in other trading markets and can quickly understand the benefits of the platform.

At the outset, the Company anticipates onboarding approximately 100 VIP customers to the platform, with a cap in limit to ensure it can effectively manage liquidity and user flows during the initial phase. As PredictEX transitions to a broader retail rollout, the Company expects trading volumes to remain heavily concentrated among institutional and VIP customers.

The Company is actively engaged in discussions with several third-party partners to implement across various aspects of our operations. For example, and as mentioned above, the Company is in talks with Jumio to implement a robust KYC solution. PredictEX are also in the process of engaging with an external marketing agency, who will be integral to the growth of the Company in the onset. The Company will collaborate with prominent market makers such as Flow Traders and Susquehanna to optimise liquidity and market making within the platform, which will be crucial for facilitating seamless trading experiences for both retail and institutional users. Currently, we have signed three-months trial agreements with

some preliminary market makers, as there is a significant amount of work that needs to be done to integrate them with our platform.

The Company is projected to become profitable once it achieves 5,000 registered customers actively betting on the platform. On average, these customers are expected to deposit \$100 each and utilise 10x leverage, resulting in a notional trading value (ultimate value of the bet) of \$1,000 per game. With around 500 customers engaging per contract (per game), the transactional fees generated from these bets will be sufficient to cover operating costs (such as product support, software/network fees, affiliate fees, etc) and drive profitability.

The Company expects roughly 500 customers per contract once it scales the platform in Y1. These traders (Customers) will deposit \$100 on average and use 10x leverage. This will create an average notional of \$1,000 and it is expected that these pro-users will trade ~2.5x per game. Using these metrics and 0.1% fees, the Company will generate approximately \$16MM in revenue in Y1, resulting in margins of over 70%. The Company expects approximately 20% growth in Years 2 and 3.

Key Objectives

The primary objective of the business is to maximise the betting volume on the platform while delivering an unparalleled user experience. The aim is to offer the lowest fees and the most seamless interface for users to make their top predictions on all live events. By doing so, the Company strives to revolutionise the prediction markets industry, transforming the way users engage with and bet on live events.

The site will mirror a sportsbook and prediction marketplace but will be based on individual sporting games, matches and events. Each event will be its own contract that users can bet on. These contracts/bets will expire at the end of each event and will allow for in-game liquidity.

The business is a combination of both B2B and B2C, with distinct approaches tailored to each segment. The B2B side forms the foundation of the business, focusing on the institutional clients such as sportsbook, market makers, sports hedge funds, and traditional trading outfits. These users benefit from a sophisticated trading platform equipped with a Central Limit Order Book (“CLOB”), detailed volume data, and advanced analytics. For example, sportsbooks can use the platform to hedge their exposure, and market makers can provide liquidity, driving trading volume and reinforcing the platform’s core infrastructure.

On the B2C side, the business targets retail customers who are accustomed to traditional sports betting methods, such as parlays. These users are drawn to the platform for its innovative offerings, including leverage, lower fees, and unique prediction products. The retail platform will feature a user-friendly UI/UX specifically designed for less experienced investors, making it accessible while still offering advanced capabilities. The success of platforms like Polymarket during events such as the US elections demonstrates the growing demand for retail-friendly prediction markets, and PredictEX claims to capitalise on this trend by providing a seamless and engaging experience.

In terms of the split, the business will initially lean more towards B2B, given the complex infrastructure and the liquidity needed to drive institutional adoption. However, the B2C segment is a significant growth area, as the platform's retail offering will open new revenue streams and attract a wider audience, ultimately creating a balanced ecosystem where both institutional and retail users contribute to trading volume and market liquidity.

The Company will implement a robust marketing strategy to grow the business in specific target markets. As mentioned above, the Company will focus on South Korea, Japan and Canada (excl. Ontario) at the initial launch (aligning with licensing allowances). Country-specific campaigns will be developed, leveraging proven strategies to engage consumers effectively. To accelerate this process, the Company plans to hire a leading marketing agency. This agency will play a critical role in executing targeted strategies, including growing the Company's social media presence to over 100,000 X followers and utilising advanced engagement tools to drive user interaction. The marketing strategy will include incentives to bet on the platform, such as promotions and fee discounts, as well as advertisements on media outlets and other digital channels. Educational campaigns will also be a core component, helping familiarise potential users with the platform's features and benefits. These initiatives will focus on simplifying the experience for less technical sports and prediction betting enthusiasts, encouraging broader adoption among those new to similar trading platforms.

Initially, the Company will target a few key sports leagues and events, such as the NBA and NHL, before expanding into additional popular sports and all major events. This phased approach will allow us to build a strong foundation while scaling effectively to meet the needs of a diverse global audience.

Currently, Sportsline US has outsourced a full-stack engineering team based in India, along with an additional engineering team in Europe. Together, these teams manage both the front-end and back-end development of the platform. As a significant boost to the Sportsline US' development efforts, it now has access to the full code base from Modulus, a globally recognised provider of high-performance financial and trading technology. This has been a massive catalyst for accelerating PredictEX's platform development, enabling the company to customise the code base to meet specific needs and deliver a product tailored to a vision. The licensed Company will pay both a licence and other service fees for the use of the IP and technical support to Sportsline US.

Sportsline US is in the process of interviewing candidates for several key roles that it plans to fill before launch. These include a CEO, who will be based either in Europe or Asia, a Head of Business Development, a Head of Marketing, and additional engineers. While the core team will be primarily based outside the US, the Company expects to continue leveraging consults and advisors on an as-needed basis. As the platform grows, the Company plans to transition towards building a more permanent team, though it has been mindful of costs during this initial build-out phase.

The target demographic for the platform includes experienced sports bettors, traders familiar with traditional equity or derivatives markets, prediction market enthusiasts, and individuals who understand

exchange dynamics and leverage. These groups represent a blend of expertise and interest in both financial trading and sports betting, making them ideal candidates for the PredictEX offering. Therefore, the business is highly unlikely to appeal to underage customers due to the complexity of the product.

The focus will extend to individuals with significant disposable income, particularly VIP or accredited traders with net worths of \$5MM or more. These are serious sports bettors with the financial means to engage in high-risk wagers. Targeting accredited investors and high-net-worth individuals (“HNWIs”) align with industry trends, with 44% of sports bettors earning over \$100,000 annually. These users are typically knowledgeable about sports, frequent bettors, and willing to place larger wagers, making them an attractive target for the platform. By targeting HNWIs accustomed to making larger bets and managing the volatility of high-stakes markets, the strategy aligns with the behaviour and preferences of the most lucrative segments of the sports betting market. This focus will allow the Company to attract and retain a dedicated user base, driving both engagement and profitability.

While exact data on average spending per user on platforms like DraftKings or Bet365 remains unclear, research indicates that increased time spent on sports betting apps correlates directly with higher betting volumes. In the U.S. alone, the total sports betting handle reached \$10.4B in October 2023, reflecting a broader global trend of growing engagement and wagering activity in the industry.

Social media will be a major marketing tool given the success social media campaigns have had for other sports betting and prediction markets platforms. There will also be more targeted advertising, Google Ads, commercials, etc. These campaigns will target traders, sports bettors, sports fans, and prediction markets enthusiasts. The Company will also look to establish relationships with sports leagues and have revenue share agreements for additional incentivised promotions.

Sportsline US is currently in the process of interviewing several renowned and highly established marketing agencies to lead our marketing efforts. These agencies come highly recommended by trusted advisors and have extensive experience working with some of the most respected players across various industries, including online casinos. The Company plans to have an agency in place by the end of the year.

The agency that is ultimately selected will play a pivotal role in managing social media platforms, growing and engaging the PredictEX community, and creating compelling, relevant content that resonates with the target audience. Additionally, they will connect the Company with influential figures to expand our reach and build brand awareness.

Beyond content and influencer strategies, the agency will introduce the Company to strategic brand partners that align with the vision, further strengthening PredictEX’s presence in the industry. Their experts will be instrumental in establishing PredictEX as a leading name in the space and positioning the Company for long-term success.

The Company expects the CAC (“**customer acquisition cost**”) will be around \$200 per customer given research on other similar betting platforms. Marketing will be a major component of expanding the business given the increased competition in the sports betting and prediction markets ecosystems. It will require a significant amount of marketing spent to build the brand once the Company launches.

Based on preliminary proposals from several marketing agencies, the Company estimates an upfront fee of approximately \$10,000 USD, followed by a monthly retainer of a similar amount. PredictEX will engage with the selected agency for a minimum of three months. This investment will provide the Company with a dedicated full-time team working on the project, developing and executing campaigns, and connecting with key opinion leaders (KOLs) to expand the Company’s reach effectively. Additionally, there may be an incentive-based compensation structure to motivate both the agency and the KOLs to achieve specific milestones and performance targets, ensuring a results-driven approach to the marketing efforts.

6. Company Structure and Ownership Diagrammatic

Ultimate Beneficial Owner and Designated Official: Max Shapiro

Max has previously invested in gaming companies and has been looking to build a platform in the space that can change the sports betting industry forever.

He has been an investor in emerging technologies for the last 7 years as Managing Partner of an early-stage Venture Capital firm. He has made over 100 early-stage investments across blockchain and AI over the last 7 years with multiple successful unicorn investments. Prior to Venture, Max was a Principal at a middle-market private equity firm (Blue Line Advisors) that specialised in the transportation industry. Prior to the private equity firm, He was a consultant at Deloitte and is a CFA (Chartered Financial Analyst) and a CPA (Certified Public Accountant). He has significant financial knowledge of building and analysing businesses. Max holds a M.S. in Finance & Accounting and a B.S. in Finance & Accounting from Binghamton University.

Max will mainly be responsible for overseeing the growth, operations, and financial aspects of the business. He manages the day to day operations, liaise with staff, and focus on business development. He understands how to build and scale businesses from the ground up, he will allow the Company to make the strategic decisions needed to facilitate rapid growth. Max will bring his negotiation expertise, financial analysis, intelligent decision making, and business acumen to the Company. He has the dedication and commitment it will take to make the business one of the top sports betting platforms in the world.

Ultimate Beneficial Owner: Kumar Dandapani

Kumar has previously invested in gaming companies and has been looking to build a platform in the space that can change the sports betting industry forever.

Kumar has been an investor in emerging technologies for the last 7 years as Managing Partner of an early-stage Venture Capital firm. He has made over 100 early-stage investments across blockchain and AI over the last 7 years with multiple successful unicorn investments. Prior to this, Kumar was previously the Head of Data Science at Norwest Venture Partners (one of the largest Venture Firms in Silicon Valley with over \$15B of Assets Under Management). Prior to Venture Capital, He was a quant trader at some of the most well-known US hedge funds including Evolution Capital Management. Kumar holds a B.S. in Electrical & Computer Engineering and a B.A. in Social & Decision Sciences from Carnegie Mellon University and an M.S. in Electrical Engineering from the University of Pennsylvania.

Kumar's expertise lies in engineering and trading. He will manage and oversee the engineering and product development aspects of the business.

Kumar is an engineer by trade and will help bring the product to life. He will be crucial in managing the front and back-end development of the platform. He will also help design the trading contracts and help with risk management of trades.

7. Key Officials

Max Shapiro: Director, Designed Official

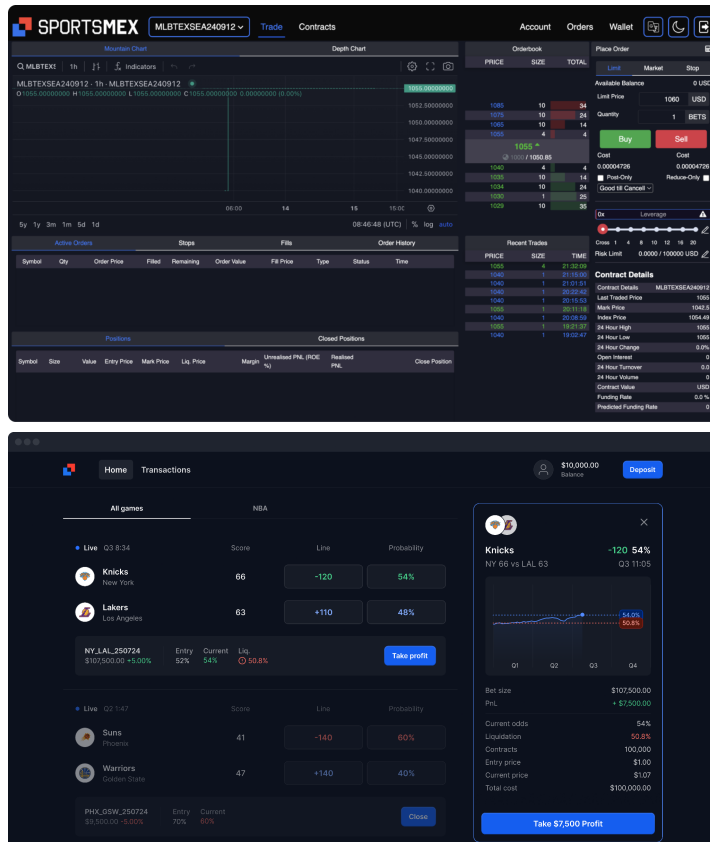
Please see above for Max Shapiro bio.

Harris Wellner Senior Manager for Financial Control

Harris Wellner is the Operating Partner of Cadenza and joined the firm in 2022. Prior to joining Cadenza, Harris was a Vice President at Angelo Gordon in the firm's real estate private equity group and managed a portfolio across the Southeast U.S. valued at over \$2 billion. He also was responsible for the portfolio management of U.S. real estate funds. Prior to Angelo Gordon, Harris was a senior associate at Grant Thornton, principally focusing on private equity and hedge funds. Harris is a Certified Public Accountant (CPA) and received his M.S. and B.S. degrees in Accounting from the School of Management at Binghamton University.

8. Software Platform

Full users flows can be found [here](#).



The software was initially developed by Modulus Global, a leading provider of white-labelled exchange solutions. The Company purchased the source code from Modulus in exchange for equity in Sportsline US and now owns it outright. This acquisition has provided a strong foundation, which the internal development team has been customising to adapt the software specifically for sports betting contracts. Additionally, the Company is building a separate front-end application for both web and mobile platforms, ensuring a seamless and user-friendly experience. All of this work is being done in-house, making the entire system fully custom and tailored exclusively to the Company's needs.

The main client-facing application is designed to provide an engaging, intuitive experience for casual live game betting by iOS and Android users. The app should ensure low latency for real-time scores and order book market data. The screen should flash periodically to highlight updates of the current bid, ask, and last traded price. Users of the app should be able to express their predictions in terms of probability of either the home or away team winning the game. Users should be able to see the historical mark price (% likelihood of a win) as a reference price for trading.

In terms of the advanced client application, the Modulus (Angular) trading interface is designed to approximate crypto exchanges and allows more advanced traders to directly access derivatives contracts. These users can place more sophisticated order types whereas the mobile app effectively only allows for market orders.

API endpoints authenticate the client using a key pair (i.e API key pair) which has a public-key and a private-key. Endpoint contracts can be found at the link [here](#). The different endpoints include:

- **Modulus Websocket:** This socket provides market data on contracts: BID, ASK, LAST TRADE and user data for account balance, current position, and unrealised PNL
- **SportsLineIndex.com:** This is the main socket that is used for providing the mark price (i.e. market prediction on the outcome of the game) used in the financial derivative contracts as well as the current score of the game and time left in the game
 - These are accessible by channel where the name of the channel is the game (ex. NBA_NYK_IND_20240504)
 - Modulus' system uses this socket feed for mark price
- **Modulus REST API:** This is the main interface to place orders
- **Line Chart API:** This provides the historical probabilities throughout the game.

The platform will have data fees from many of the major sports books to get real-time game lines in addition to additional sports data fees. These include (but are not limited to) dimers, odds API, Fanduel, DraftKings, Bet365, ESPN Bet, etc. This will allow the platform to produce the correct price differentials and have the lowest latency data feeds to make sure that all of the lines are in real time.

The platform will go through periodic audits and screening from third parties to ensure seamless performance.

To date, the back office has integrated data from several reputable sources, including [Dimers](#), [SportsRadar](#), and [Odds API](#). These platforms are widely trusted by industry leaders such as Fanduel and offer robust features such as real-time scoring and comprehensive data feeds. PredictEX will leverage this data to dynamically generate the index prices, ensuring accuracy and market relevance.

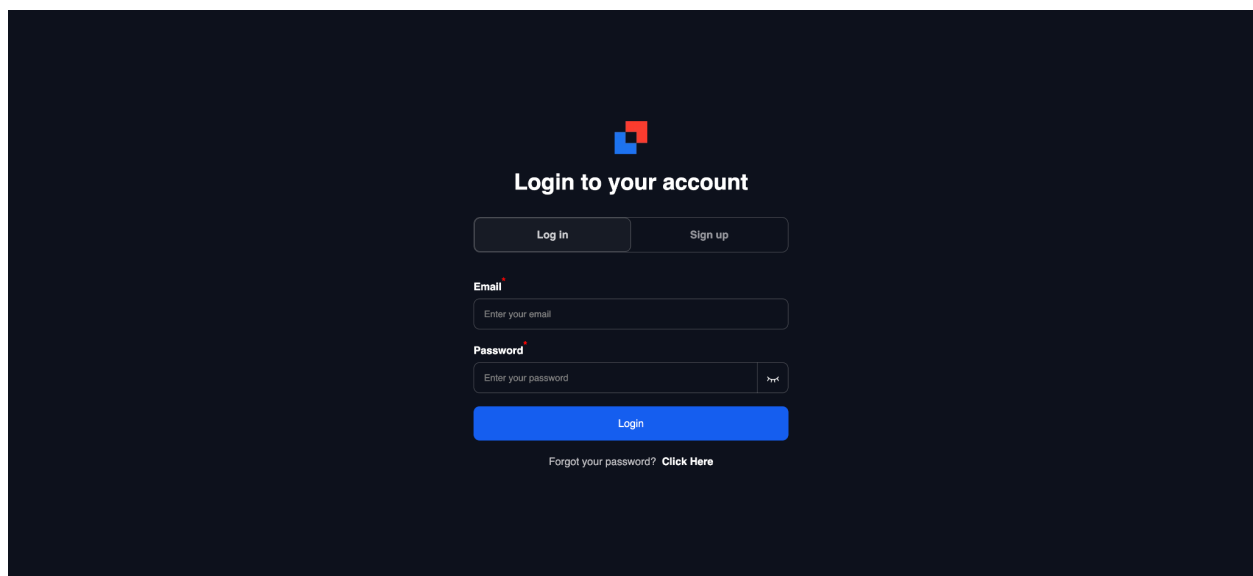
Additionally, Sportsline US is collaborating with top-tier providers to guarantee ultra-low latency in its data feeds, ensuring that users receive the most up-to-date information without delays—an essential factor for maintaining a competitive edge in the sports betting market.

For instance, SportsRadar employs a vast network of data scouts and leverages cutting-edge computer vision and AI technologies to collect and process data from live sporting events. Their feeds include live scores, statistics, odds, and player performance metrics, delivered through robust APIs that can handle high volumes of requests with low latency. Sportsradar's data feeds are designed to be easily integrated into various platforms, supporting multiple formats such as JSON and XML, and they offer both push and pull delivery methods to suit different client needs. The company also provides specialised feeds for specific use cases, such as in-play betting and fantasy sports, which require ultra-fast data transmission and specialised metrics.

The software will all be developed internally by Sportsline US with help from third party service providers. The platform will be thoroughly tested and audited prior to and once launched. This will be done both internally by the engineering team and the security experts as well as third party firms to ensure reliability prior to the platform going live as well as continuous testing and monitoring. Technological risk assessments will undertaken in line with the Code requirements.

9. Website Look & Feel

Website Homepage & Registration Page ([Link](#))



Login to your account

Log in Sign up

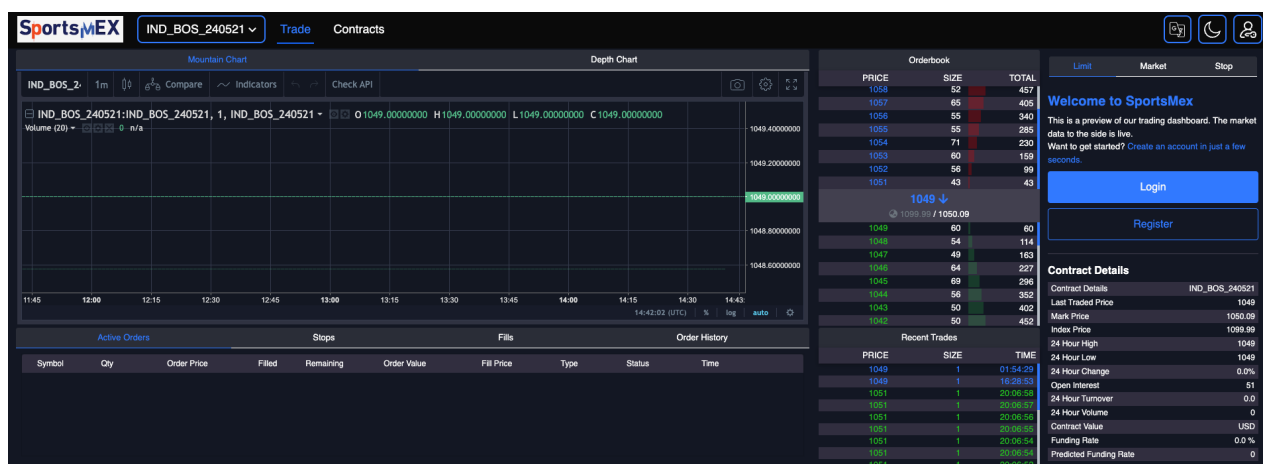
Email
Enter your email

Password
Enter your password

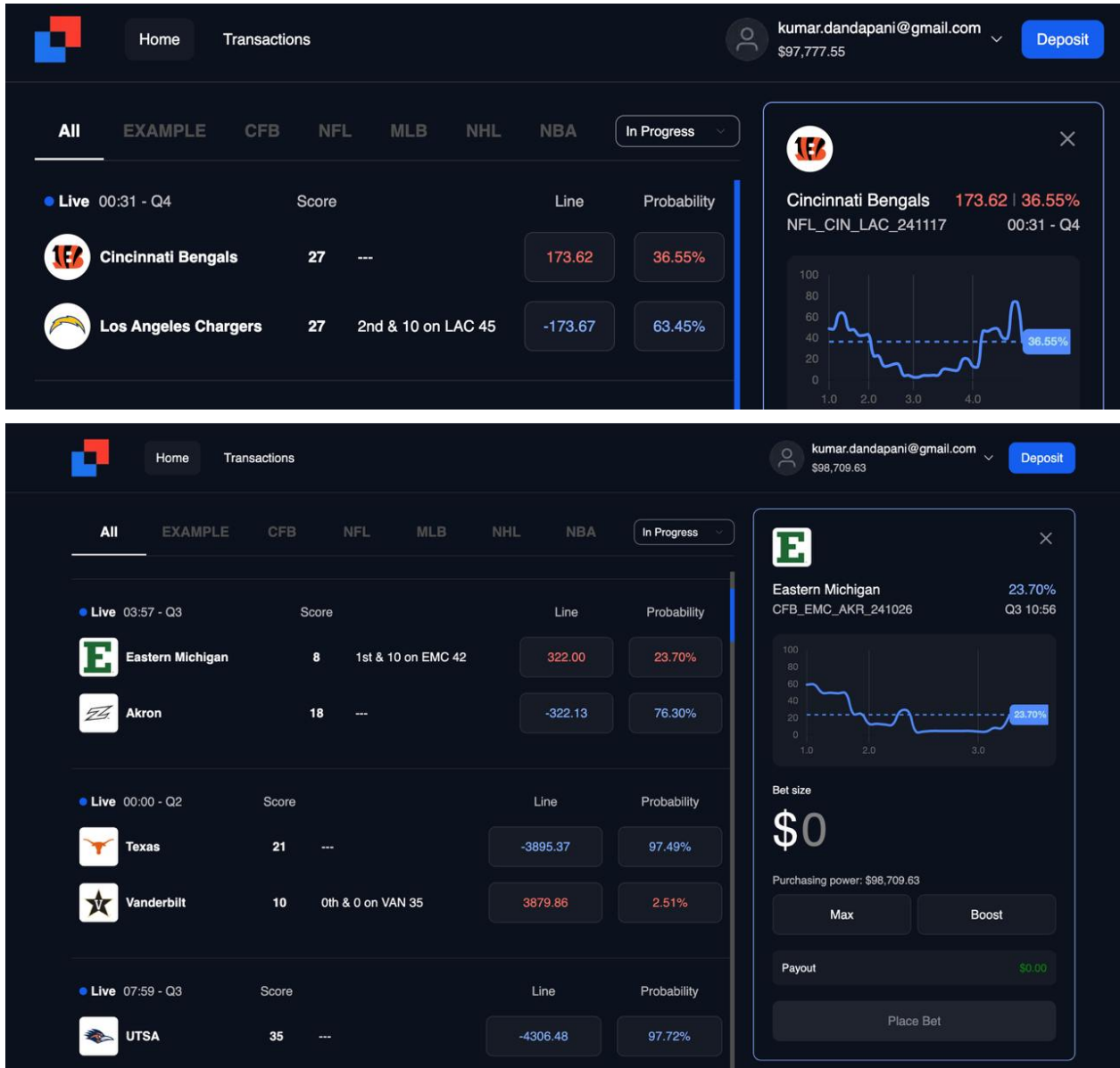
Login

Forgot your password? [Click Here](#)

Testnet



Available Games



The interface displays a list of live games with columns for game status, time, score, line, and probability. A detailed view of a selected game is shown on the right, including a line graph and betting options.

Top Screenshot: Cincinnati Bengals vs Los Angeles Chargers

Game	Score	Line	Probability
Cincinnati Bengals	27 ---	173.62	36.55%
Los Angeles Chargers	27 2nd & 10 on LAC 45	-173.67	63.45%

Bottom Screenshot: Eastern Michigan vs Akron

Game	Score	Line	Probability
Eastern Michigan	8 1st & 10 on EMC 42	322.00	23.70%
Akron	18 ---	-322.13	76.30%

Bottom Screenshot: Texas vs Vanderbilt

Game	Score	Line	Probability
Texas	21 ---	-3895.37	97.49%
Vanderbilt	10 0th & 0 on VAN 35	3879.86	2.51%

Bottom Screenshot: UTSA

Game	Score	Line	Probability
UTSA	35 ---	-4306.48	97.72%

Bottom Screenshot: Betting Panel for Eastern Michigan vs Akron

Eastern Michigan CFB_EMC_AKR_241026 Q3 10:56

23.70%

Line graph showing probability over time.

Bet size: \$0

Purchasing power: \$98,709.63

Max Boost

Payout: \$0.00

Place Bet

The website is still in progress, but it will combine a professional trading-like interface with a more traditional sports betting environment. There will be two different views for customers that prefer to use

an order book and others that may want a simpler view. There will also be a mobile application for both iOS and Android as many users prefer to place mobile bets.

The website design will appeal to those who are already familiar with trading and/or sports betting. Many sports bettors are used to seamless UI/UX from the largest platforms such as FanDuel and DraftKings. Most institutional traders are used to order books from being the centre of attention for sites such as Binance, Coinbase, BitMEX, etc. The Company plans to mirror the best layout and style for its website so it feels comfortable for customers, although there may be some nuances for language change as well as jurisdictional restrictions.

The Company wants customers to feel comfortable when they come into the platform, so they are not learning a completely new product. The familiarity should help with marketing efforts and onboarding new customers as they should be able to understand the platform with little training.

10. Technologies and Infrastructure

The back end was partially developed by Modulus Global but has been customised and refined for the Company's specific needs. The front end is being developed with internal resources.

The back-end system is written primarily in golang with some C# elements. The frontend is written in the React Javascript framework. Login and registration is handled through AWS amplify. The system has been stress tested with 10,000 simultaneous users placing a bet every second. To date, the Company has not publicly advertised our testnet.

The Company uses AWS CloudWatch for logging of access to the servers and for anomaly detection. The Company primarily relies on AWS elastic load balancer (ELB) WAF firewall rules. We also have Cloudflare and Re-captcha. This will be further scaled as the platform grows.

The Company relies entirely on cloud-based solutions. Applications are packaged via Docker to allow for ease of deployment in any approved cloud environment. Currently this is AWS, but Google (GCP) and Microsoft (Azure) have similar redundancy and failsafe mechanisms that the Company may also consider in the future. The Company also plans on having two separate cloud instances to allow for fallback from disaster recovery.

11. Market Analysis

The sports betting market is expected to grow approximately 11% per annum through 2025, generating \$80B USD in gross gaming revenue (GGR) in 2025. In terms of distribution channels, online channels (i.e. mobile sports betting and online casinos) are expected to grow around 3x faster than land-based channels, with the online segment accounting for 62.7% of revenue in 2023. Market growth is primarily

driven by the maturity of internet infrastructure and the evolving regulatory landscape of the gambling industry across the world. Moreover, the increase in the number of sports events and leagues globally has contributed towards the growth of the market. The sophistication of prediction algorithms used in betting software are also likely to continue to boost the growth of the market.

The sophistication of prediction algorithms used in betting software are also likely to continue to boost the growth of the market. This trend extends to prediction markets, which share similarities with sports betting. This growth in prediction markets complements the expansion of the sports betting industry, as both sectors benefit from advancements in data analytics, machine learning, and increased digital engagement.

The trading market for sports is not expansive yet. However, total trading volume is estimated at 3-7x the total spot market (estimated at \$80B in 2022 per Grand View Research with a projected CAGR of 10%).

Below is a summary of a few jurisdictions that the Company may target. This will change and be updated frequently based on the licences the Company is able to obtain and its ability to break into these markets.

Canada (Excluding Ontario)

In 2023, the Canadian gambling market was worth approximately CA\$14.2B, and the Canadian gambling industry generates around CA\$9B yearly to fund government and community-based programs and services. As it employs over 135,000 people, it is considered the largest entertainment segment in Canada.

Southeast Asia

Online gambling revenue across Southeast Asia is projected to reach \$1.2B USD, with average revenue per users reaching \$207.9 USD by 2024. Specifically, the Philippines has the region's most dynamic gaming market, driven by partnerships between the regulators and gaming operators. In 2022, Philippines gross gaming revenue (which takes into account offline channels too), reached \$3.95B USD. On the other hand, Southeast Asia is also rapidly emerging as a significant hub for Web3, fueled by substantial investments, supportive regulatory frameworks, and a vibrant ecosystem. The digital assets market is projected to hit a market cap of ~\$3B by 2032, at a CAGR of 40.1% during the forecast period of 2024-2032. In 2024, the region saw the launch of a \$200MM blockchain fund spearheaded by a coalition of ASEAN governments aimed at fostering innovation and supporting startups. Therefore, we believe that the region is well-positioned to welcome PredictEX for users to safely engage and interact with a product that caters to their everyday demands.

South Korea

South Korean bettors are avid participants in sports betting activities, with baseball, football, and basketball being some of the most popular. Additionally, horse racing captures a significant share of the betting market, with events like the Korea Cup attracting large audiences. Esports betting has also witnessed a surge in popularity, given South Korea's prominent position in the global esports scene.

Revenue in the online gambling market is projected to reach \$878MM in 2024, with a CAGR of 5.84% resulting in a projected market volume of \$1.2B USD by 2029.

Swot Analysis

Strengths - Trading products do not widely exist in sports markets - Team has significant experience in trading markets - Lower cost to equivalent platforms - Introduction of leverage to current bettors	Weaknesses - No current brand awareness - High CAC in industry - Only can begin operations in a few markets/sports - Platform will need continuous monitoring and development with significant capital injection
Opportunities - Ability to sell into already large trading markets - Growth of sports betting market - Creating hedging opportunities for largest operators in the space	Threats - New platform is too complex - Larger players get into the exchange and trading space - Changing regulatory environment

12. Profile of Players

- Generally males will be targeted.
- 21-45 will be the main age demographic.
- Middle to upper class with excess cash / disposable income to bet on sports and predictions
- Initially plan to target specific areas in Asia, Canada, etc. based on the confines of the licence and each jurisdictional legal complexities. Most players will likely be from the major cities in these areas given the wealth requirement
- Around \$100 per bet.
- Many of the initial marketing campaigns will be for bonus plays. The Company expects that more than 50% of these players will then make a second bet.
- The Company expects retention to be in excess of 30% once the customer has made an initial bet on the platform.

13.Competitor Analysis

Company	Location	Platform	Revenue	MAUs	Customers	Last Raise	Valuation	Differentiator
 PREDICTEX	Isle of Man, UK	Derivatives Exchange	N/A	N/A	N/A	Seed	\$30MM	Derivatives
 DRAFT KINGS	Boston, MA	Sportsbook	\$2.2B USD	3MM	19MM	IPO	\$17.6B	No derivatives
 FANDUEL	New York, NY	Sportsbook	\$3.2B USD	5.5MM	17MM	M&A	\$11.2B	No derivatives
 bet365	Stoke-on-Trent, UK	Online Casino, Sportsbook	£2.9B GBP	N/A	90MM	N/A	N/A	No derivatives
 POINTS BET	Richmond, AU	Sportsbook	\$141.4MM USD	N/A	95MM	IPO	\$521.7MM	No derivatives
 ROOBET	Belize City, Belize	Online Casino, Sportsbook	N/A	N/A	N/A	N/A	N/A	No derivatives
 Stake	Isle of Man, UK	Sportsbook, Crypto Casino	\$2.6B USD	600K	6MM	Late Stage VC	N/A	No derivatives
 888	London, UK	Sportsbook, Online Casino	\$1.5B USD	2MM	N/A	M&A	£2.9B GB	No derivatives
 BETFAIR	Jersey City, NJ	Sportsbook, Online Casino	\$1.9B USD	1MM	N/A	JV	\$200MM	No derivatives
 betfair	London, UK	Sportsbook	N/A	N/A	N/A	M&A	\$10.1B	No derivatives
 Polymarket	New York, NY	Prediction Market	N/A	90K	N/A	Series B	N/A	No derivatives
 Kalshi	New York, NY	Prediction Market	N/A	N/A	N/A	Series B	\$787MM	Derivatives

Most of these platforms are successful given their easy to use interface. They also allow for instant deposits and withdrawals and offer a variety of global sports/predictions to bet on. Some platforms also offer casino games as well as other games that have attracted users.

Nearly all competitors that have a large market share do not offer any exchange-like products. In addition, nearly all competitors do not offer a trading-like interface for their customers as they are focused on straight bets and parlays.

Most of these competitors have the first-mover advantage of being known and trusted in the countries that they operate in. Many customers are very loyal to these platforms given their ability to keep them engaged through strong UI/UX, free bet bonuses and games, consistent payouts, and excellent customer service. Many consumers want to make sure that they can contact a human when something goes wrong and many of the current leaders in the sports betting industry have done a great job making sure that their VIP customers are taken care of with top notch customer service.

The Company will charge significantly less fees given its model as well as offer new innovative trading products for customer. These features may not resonate with all customers given they are more complex and harder to understand. However, customers have been used to the same type of offerings for many years and the Company will be able to showcase a completely new way of betting sports.

14.Marketing Strategy

To start, the Company will use social media as its main channel for marketing. The Company will invest significantly in this channel and will launch a comprehensive media tour and strategy such as X Spaces, which will feature industry experts, developers, and key stakeholders. Additionally, the Company plans to work with a chosen marketing agency to build and execute a detailed X strategy to support content distribution and reinforce PredictEX's marketing narrative. Through social media, the Company plans to enhance PredictEX's brand visibility and engagement through targeted social media initiatives, with a primary focus on expanding its user base, driving user adoption, and fostering platform growth.

The Company will also structure an Influencer and Ambassador program for PredictEX to further support our growth, utilising various strategies involving relevant key influencers and thought leaders. Additionally, the Company plans to hold in-person events to strategically communicate the Company's value at offline events, while devising and implementing effective strategies for optimal outreach. This will also help us foster a sense of community among stakeholders, promoting networking and collaboration.

These methods have been fairly successful for other similar platforms. Last year, the major sportsbooks spent over \$500MM in marketing spend which was mainly in online advertising as well as TV/Radio. TV/Radio and promotions/sponsorships can be much more expensive so the Company believes it makes sense to start to build a brand using more cost-effective methods first.

The target demographic is constantly online and engaging in social media relating to sports/trading. Many of these consumers watch sports / events (or get relevant updates) on a daily basis so targeting channels (such as X), where they are already spending a lot of time on, will be extremely effective. All of the aforementioned methods also leverage platforms and activities already popular with sports bettors, making the outreach feel natural and relatable. There will be an educational component to these methods, which will attract not only seasoned bettors but also curious users interested in stepping into prediction markets. Together, these strategies not only enhance visibility but also create meaningful touchpoints that resonate with sports and betting enthusiasts, driving user acquisition and retention.

Since each market has unique characteristics and preferences, the Company will develop localised strategies to effectively engage the target audience in each region. These strategies will take into account regional nuances such as sports preferences, viewing habits, and cultural attitudes towards betting and prediction markets. For instance, in regions where football is a dominant sport, campaigns may focus on leveraging major tournaments or local leagues. To maximise impact, we will partner with KOLs who are highly popular and trusted within specific regions. These influencers will help bridge the gap between the platform and potential users by creating relatable connections.

Additionally, campaigns will be tailored to align with each region's cultural considerations and behaviors. This includes adapting messaging to local languages, using relevant imagery, and focusing on how audiences interact with sports and predictions.

During the pre-launch phase, the Company will hire an external marketing agency to scale its marketing efforts. As the Company scales, the directors will consider onboarding an internal hire to manage our marketing operations. The Company plans to bring on marketing consultants and third parties to help once it starts to get traction. The agencies that we have interviewed have significant expertise within building platforms like this from the ground up.

Once the Company scales, there will be a full internal marketing team given the importance of the function to the success of the Company. The Company will have a Head of Marketing / Business Development that oversees all marketing efforts. The Company is currently in the process of interviewing for this individual who will build the team around them.

The Company will use SEO and other tools to enhance the marketing efforts. Bonuses and special offers will be very important to acquire users as other platforms in the space have been very successful in these strategies. Players want to have many free bets / trials before they start to deposit their own money and it will be no different with the Company/ The Company will also have favourable commercial partnerships with its institutional users, who will receive further fee reductions and bonuses.

Based on preliminary proposals from several marketing agencies, the Company estimates an upfront fee of approximately \$10,000 USD, followed by a monthly retainer of a similar amount. PredictEX will engage with the selected agency for a minimum of three months. Research also shows that many sportsbooks have said that every \$1MM spent on marketing returns approximately \$4-7MM over 2-3 years. This is a massive payback and shows the power of marketing spend within the space. Nearly 70% of players join platforms due to advertising so it is crucial that the amount spent in this category is extremely important to the Company's growth. In Year 1, the Company expects to spend over \$1MM on marketing which it plans to scale over time as needed.

Branding



The brand is meant to illustrate the convergence of predictions (including sports) and institutional trading. The target market should find that the brand is simple and easy to understand. In addition, it should feel somewhat familiar to the other sports betting platforms in the market with a colour scheme that is easily attracted.

15. Operations, Back Office & Accounting

The directors, designated official and operations manager, the MLRO and key account team will have access to the company's back office reporting system.

Suntera Accounting and Tax Limited, through its specialist gaming accountants, will prepare consolidated quarterly management accounts for the operational companies. This information will be used to prepare the quarterly GSC returns and the year-end financial statements. Suntera Accounting & Tax will also keep a live bank reconciliation and invoices schedule.

The accounting function undertaken by Suntera Accounting & Tax will include:

- **Live bookkeeping** - provision of a dedicated bookkeeper under the supervision of an accountant working on the companies' books in a live environment depending on the frequency of reports and available data.
- **Quarterly Management Accounts**
- **Annual financial statements**
- **Full liaison with auditors** - the accounting team will work closely with the auditors, providing all necessary schedules and information during the audit process.
- **Regulatory returns** – completion of the financial sections of the regulatory returns required by the regulatory authority. This will ensure the returns and accounting data are fully aligned.
- **Gaming Tax computations** – the data will come directly from the accounting system ensuring the computation and accounting data are fully aligned.
- **Ad hoc requirements** – this could include a trial balance at a given date, the nominal ledgers or a list of creditors, for example.

Some of all of the services listed above may be taken in-house, via direct employees of the organisation based on-Island, following a period of successful operation.

16.Banking and Payments

An application will be made with a Curacao banking provider to provide the operational and player protection client bank accounts.

The account will be funded from a payment option on the payment page. Registered players will be able to fund their account at any time.

The PredictEX platform has been designed to be integrated with many of the online payment processors such as Moonpay, however, additional providers are still to be determined:

17.Financials

Please see attached the Financial Projections.

18.Sensitivity Analysis

Please see the attached Sensitivity Analysis.