

The background of the entire slide is a dark grey, textured surface with a repeating pattern of hexagons. Each hexagon is outlined with a thin, glowing red line, creating a honeycomb effect. The text is centered on this background.

APOSTA

G R O U P

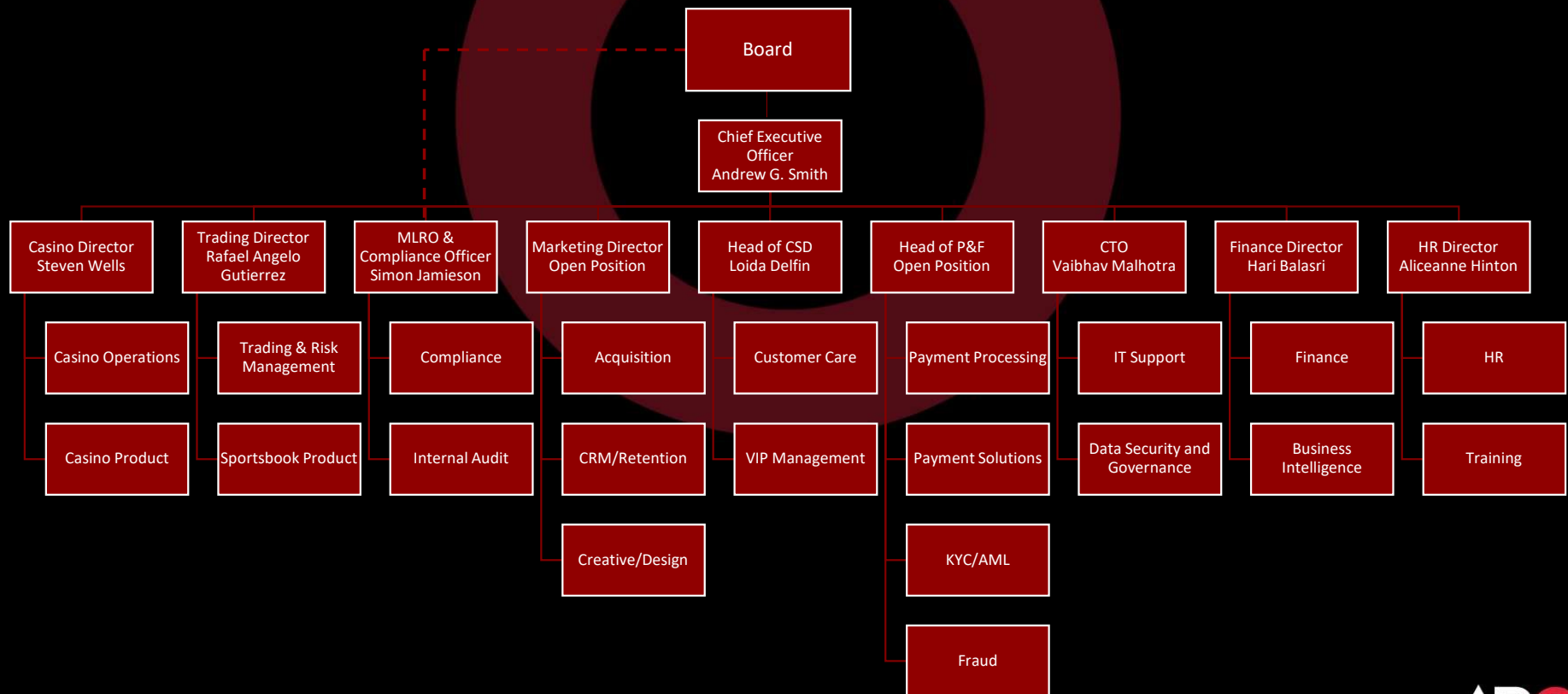
Business Plan

March 2024

Business Overview

- The Aposta Group was formed by Messrs. Colby Paulding and Noah Rose, with the intention of creating a brand-led remote gaming group. The Founders appointed experienced iGaming Executive, Mr Andrew G. Smith, as Aposta Group CEO.
- The founders currently own and run a successful domestically-regulated Australian wagering business, the Amused Group, and intend to further leverage this capability to support the Aposta Group where desirable.
- Aposta Group specializes in B2C iGaming, via its global brand, Casino123. Over time additional brands will be launched to complement Casino123 as well as localize the offering in key markets.
- A brand-led digital marketing capability combined with the operational infrastructure of the Amused Group combine to create a competitive iGaming operation.

Company Management Structure



Business Strategy for Growth

- Casino123 is a Global Brand but investment will be targeted to Japan, New Zealand and Spanish-speaking Latin America (LATAM)
- The brand will leverage a multi-channel approach to growth in its target markets sourcing traffic from key affiliates (such as Samurai-Click) and Casino Review sites (such as Casino Daddy)
- This will be complemented by Social Media, Search Engine Optimization and Paid Media activations across both digital and in-market
- Casino123's tone will be one of irreverence and "grown up fun", featuring the brand's "King" character
- Casino123 has an extensive list of excluded markets based on Regulatory, Supplier and Financial factors, including:
Afghanistan, Aruba, Australia and its territories, Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, the French Republic and its territories, Germany, Greece, Hungary, Iran, Ireland, Italy, Democratic People's Republic of Korea, Lithuania, the Kingdom of the Netherlands (including Bonaire and Curacao), Province of Ontario, the Philippines, Poland, Portugal, Romania, Saba, Serbia, Singapore, Sint Maarten, Slovenia, Spain, Statia, Sudan, Sweden, Syria, Trinidad & Tobago, the United Kingdom, the United States of America and its territories, Vanuatu and Yemen.

Business Objectives and Forecast

- The business expects to launch Casino123 in July 2024, initially in two markets/languages with a third coming online in October 2024
- Acquisition has been forecast to start slowly and then accelerate as the Brand builds its presence in-market, SEO-investment begins to pay dividends and further Affiliates are brought on, reflected in the forecast by the monthly active player count reaching around 10,000 in Year 1 and then growing to over 50,000 in Year 2
- Additional brands and markets are considered a Phase 2 for the business, and so have not been included in the Forecast
- Business funding will come from Shareholder Loans in the early stages with net cash surpluses conservatively forecast from mid-Year 2
- The Group defines success across Key Result Areas including Player Acquisition and Retention, Revenue Conversion/Profitability, Regulatory Compliance and Social Care.

Financial Forecast

ACTIVES	Year 1*	Year 2*	Year 3*
Opening Actives	-	10,216	56,027
Net Churn	(11,534)	(124,139)	(230,857)
FTDs - Affiliates	14,500	113,700	162,850
FTDs - Paid Search	3,625	28,125	40,053
FTDs - Paid Media	3,625	28,125	40,053
Closing Actives	10,216	56,027	68,125
REVENUE	Year 1*	Year 2*	Year 3*
Casino - Stakes	€98m	€986m	€1,666m
Casino - Payouts	(€95m)	(€961m)	(€1,625m)
Casino - GGR	€2.4m	€24.6m	€41.7m
Hold %	2.5%	2.5%	2.5%
Sportsbook - Bets	65,641	799,717	1,433,844
Sportsbook - Stakes	€1m	€9m	€15m
Sportsbook - Payouts	(€1m)	(€9m)	(€14m)
Sportsbook - GGR	€0.1m	€0.7m	€1.2m
Hold %	8.0%	8.0%	8.0%
Total - GGR	€2.5m	€25.4m	€42.9m
Less: Bonuses	(€0.4m)	(€4.5m)	(€7.8m)
Total - NGR	€2.1m	€20.9m	€35.1m

OPERATING EXPENSES	Year 1*	Year 2*	Year 3*
Marketing & Branding	(€1.1m)	(€8.6m)	(€13.6m)
PSP & Bank Fees	(€0.4m)	(€3.8m)	(€6.5m)
Platform and Software Licenses	(€0.6m)	(€5.2m)	(€8.6m)
Salaries & Offices	(€1.4m)	(€1.9m)	(€2.3m)
Regulatory Fees & Taxes	(€0.0m)	(€0.0m)	(€0.0m)
IT & Infrastructure	(€0.1m)	(€0.1m)	(€0.1m)
Professional Services	(€0.1m)	(€0.1m)	(€0.1m)
Travel & Entertainment	(€0.1m)	(€0.1m)	(€0.1m)
Depreciation & Amortisation	(€0.0m)	(€0.1m)	(€0.1m)
Management Profit	(€1.8m)	€1.0m	€3.7m
CIT Expense	€0.4m	€0.0m	(€0.8m)
CASHFLOW WORKINGS	Year 1*	Year 2*	Year 3*
Inflows	€1.6m	€18.9m	€34.6m
OPEX	(€3.7m)	(€19.3m)	(€31.1m)
CAPEX	(€0.1m)	(€0.1m)	(€0.1m)
Corporate Tax	-	-	-
Pre-Financing Cash Inflow/(Outflow)	(€2.3m)	(€0.6m)	€3.4m
Financing Flows	€2.6m	€1.0m	(€3.4m)
Net Cash Inflow/(Outflow)	€0.3m	€0.4m	(€0.0m)

Years are forecast from April to March // Base on filings and remittance deadlines, the CIT assessed in Year 3 are forecast to be settled in early Year 4 // Loan repayments of initial funding are expected to commence in Year 3

Key Suppliers

- The Aposta Group's consumer proposition will be powered by a platform, casino and sports betting product and payment solutions provided by third parties.
- The third party platform provider selected is Latvia-based SoftGamings, with whom terms have been agreed and are currently preparing the Group's first site for launch.
- The product and payments suppliers, while core to the consumer proposition, are numerous and will change over time based on customer preferences, market conditions and changes in business circumstance.
- In its first phase, the operational resourcing for Aposta will be provided by a Manila-based BPO as well as the Australia-based Amused Group, with plans to open additional offices in locations and time zones to best serve the business' needs.
- The Group's banking is currently provided by Malta-based PayMix but this will be expanded over the coming months to ensure redundancy and continuity

Risk Evaluation and Management

- The Aposta Group operates a risk-based approach to all forms of Compliance and Risk Management while at the same time ensuring that all explicit legal and regulatory requirements are met.
- Financial Audits are undertaken as per local requirements in each jurisdiction in which the group maintains an entity and operations.
- The Compliance Officer is tasked with internal audit as well as ensuring that all regulatory obligations are monitored and met. This task is resourced by the Compliance Officer's team plus external consultants on a needs-basis.
- Given its lean operating model and flat organizational structure the Aposta Group's Risk Committee is its Management Board – the CEO and the two Founders – plus the Compliance Officer.

Legal and Governance

- The Management Board of the Amused Group consists of the two Founders, Messrs. Paulding and Rose, and Mr Smith, the Group's CEO. Attendees by invitation to provide updates and insight on their respective business areas include the Casino Director, Finance Director and MLRO/Compliance Officer.
- Operational Board Meetings will be held monthly, with more formal Board Meetings held quarterly.
- While the day-to-day decisions of the business will be made by Mr Smith within the scope of his authority (maximum authority to commit/spend of EUR100,000) any material strategic decisions or large-scale investment decisions must be made at Management Board (and therefore UBO) level.
- With its composition of three sitting members, there is limited risk of a deadlock on any vote.
- While no formal ESG policy currently exists, the Group's Social and Governance culture is ingrained in everything we do and the Group aspires to integrate an Environmental consciousness into its operations as the business matures.

Policies and Procedures

- Aposta Group's policies and procedures are prepared internally in most cases, with the primary owner being the Chief Executive Officer. Consultation with subject matter experts and external advisors is sought where appropriate to supplement internal knowledge or in the cases of highly technical requirements.
- Any changes to policies will be, where required, communicated to the GCB as soon as is reasonably possible but always within any stipulated timeframes
- The Board feels that this approach is appropriate as the Group's CEO is an experienced industry executive, having a broad operational exposure and led Fraud, Compliance and Responsible Gaming Functions in the past. In addition, he was regularly involved in industry consultation with the Ministry of Finance and the GCB during the overhaul of the Curacao Gaming Regulations. Having a vested professional, reputational and financial interest in the business results in the CEO's interests being well aligned with those of the business and the various policy stakeholders – both internal and external.