

INVESTOR UPDATE

MAGNÆRA™ - Business Update & Two-Scenario Summary

Prepared for Richard J. Brick / True Global · September 2026

Since our July conversation, MAGNÆRA has moved materially closer to the measurable operating proof you highlighted: €230k has been injected, the first two machines are due next week, and the commercial pipeline now exceeds the current deployment capacity.

€230K	2	€500K	2
SEED CAPITAL INJECTED INTO MAGNÆRA	TEST MACHINES DUE NEXT WEEK	DUTCH SPORTS-INVESTOR INTEREST UNDER DISCUSSION	ADDITIONAL FUND DISCUSSIONS
402	1,032	€11.39M	€41.13M
SCENARIO 1 ACTIVE MACHINES - MONTH 21	SCENARIO 2 ACTIVE MACHINES - MONTH 21	SCENARIO 1 GROSS REVENUE	SCENARIO 2 GROSS REVENUE

What has changed since our last discussion

Your point in July was that the investment story would become much easier once we could point to measurable proof. That is exactly the stage we are now entering. The core product and software are developed, the first machines are arriving for live tests, and the near-term constraint is increasingly deployment capacity rather than product development.

- €230,000 has now been injected into MAGNÆRA and is being deployed across machines, product, software, inventory and execution.
- Two machines are scheduled to arrive next week, allowing the first physical validation tests and real sales / activation data to begin.
- Management is in discussions with Dutch sports-focused investors regarding approximately €500,000 of immediate capital, alongside conversations with two additional funds. These amounts are not treated as committed capital in the attached model.
- The current bottleneck is machine availability and execution capacity relative to the commercial pathways now under discussion.

Commercial access / validation pathways

Area	Current pathway / discussion	Why it matters
Sports	Cádiz CF · Leganés · Real Madrid	Clubs, stadiums, tours, member campaigns and fan communities provide repeatable Sports deployment routes.
Culture / public institutions	Museo del Prado · Comunidad de Madrid	High-intent visitor environments test premium cultural collectibles and connected visitor experiences.
Global brands / music & events	Recent meeting with Coca-Cola global leadership and WPP	Tests the same physical-digital infrastructure in brand activations, music and event environments.

**PLATFORM &
ECONOMICS**

One physical-digital system, multiple high-intent channels

The commercial thesis remains simple: monetise the physical sale, then extend each collectible into a registered digital relationship.

Core MAGNÆRA architecture

Layer	Function	Commercial relevance
Physical collectible	Standard · Premium numbered · Swarovski	Immediate product revenue and collector value.
QR / NFC activation	Unique activation and registration	Links the physical item to its owner and digital identity.
Digital passport / registry	Serial, certificate, collection history	Persistent identity and repeat engagement.
NEXUS	Collections, stock, serials, machines, activations, analytics	Operating backbone for network scale.
Content / Memories / World	Ongoing content and community	Supports recurring collections, Drops and repeat purchase.

Core unit economics used in both financial scenarios

Metric	Management case	Metric	Management case
Weighted ASP	€17.75	Weighted manufacturing cost	€3.473
Commercial venue share	15.0%	Outsourced logistics	7.0%
Payment processing	1.8%	Handling / replenishment	€0.25 / unit
Contribution / magnet	€9.80	Contribution margin	55.2%
Blended future sales rate	14.5 units/day	Order-to-live lag	5 months

Football-club member campaign engine

5,000	€40	€200K	€77.4K
PREMIUM NUMBERED MAGNETS / CAMPAIGN	PVP / MAGNET	GROSS BILLINGS / CAMPAIGN	CONTRIBUTION / COMPLETED CAMPAIGN

The model assumes one 5,000-unit Premium numbered club campaign every three months. Five campaigns are delivered inside the 21-month horizon, producing €387k of cumulative campaign contribution in both scenarios.

Cost discipline - professional validation

- Lean fixed OPEX starts at €15.7k/month and is explicitly decomposed into COO, NEXUS/software, design, commercial/licences, rent/admin and legal/IP.
- The 7% outsourced logistics charge remains active; the mature €50.838k/month internal logistics reference is not added simultaneously.
- Scenario 2 now scales personnel, technology, G&A, legal/commercial and brand/sales costs beyond 500 active machines rather than keeping fixed OPEX flat.
- D&A and a 25% positive-EBIT corporate-tax provision are included in the professional investor view; VAT/import VAT, additional royalties and repairs/spares remain open diligence items where source values are not yet available.

SCENARIO 1

Organic compounding from €230k seed capital

Lower external-capital requirement; growth is funded mainly by operating cash and disciplined reinvestment.

€230K	402	800
TOTAL EQUITY FUNDING	ACTIVE PHYSICAL MACHINES - APR-28	COMMERCIAL MACHINES ORDERED
€11.39M	€5.32M	€3.93M
GROSS REVENUE	EBITDA	NET INCOME AFTER D&A / TAX PROVISION

Deployment path

Milestone	Network / capital event
Sep-26	€230k seed capital enters MAGNÆRA.
Oct-26	Two shareholder-funded pilots begin validation.
Mar-27	30 commercial machines active.
Oct-27	72 active physical machines.
Dec-27	132 active physical machines.
Feb-28	202 active physical machines.
Apr-28	402 active physical machines; 800 commercial machines ordered, with 400 still in deployment pipeline.

21-month economics

Metric	Amount	Professional reading
Gross revenue	€11.39M	Vending + completed club campaigns.
Net revenue retained	€10.99M	After club revenue share.
Variable costs	€5.22M	Manufacturing, venue share, logistics, processing, handling and campaign costs.
Personnel & fixed OPEX	€0.84M	Revenue-gated cost structure.
EBITDA	€5.32M	46.8% of gross revenue.
D&A	€0.07M	Analytical 60-month depreciation proxy.
Corporate-tax provision	€1.32M	25% positive-EBIT reserve.
Net income	€3.93M	After D&A and tax provision.

Liquidity and working capital

Gross cash	Inventory WC	Machine WIP / prepayments	Net post-period commitments	Liquidity after tax reserve & commitments
€3.58M	€0.11M	€1.11M	€0.39M	€1.87M

SCENARIO 2

Institutional acceleration with a €4.0M round

Same operating base, but capital compresses the time required to reach large-scale deployment.

€4.23M	1,032	1,030
TOTAL EQUITY FUNDING	ACTIVE PHYSICAL MACHINES - APR-28	COMMERCIAL MACHINES ORDERED
€41.13M	€19.65M	€14.53M
GROSS REVENUE	EBITDA	NET INCOME AFTER D&A / TAX PROVISION

Deployment path

Milestone	Active machines	Capital / deployment event
Mar-27	32	€4.0M institutional round and first 100-machine order.
May-27	32	300-machine institutional programme fully ordered.
Aug-27	132	First institutional cohort operational.
Oct-27	332	Network accelerates materially.
Nov-27	532	Network moves above 500 machines; post-500 OPEX scaling begins.
Jan-28	732	Further follow-on cohorts active.
Mar-28	1,032	1,030 commercial machines active plus two pilots.

Professional cost scaling

Network scale	Fixed OPEX / month	Treatment
332 active	€180K	Original revenue-gated tier.
532 active	~€302K	Post-500 category scaling begins.
732 active	~€390K	Personnel, technology and operating structure expands.
1,032 active	~€515K	No longer capped at the previous €288.08K mature threshold.

21-month economics and liquidity

Metric	Amount	Professional reading
Gross revenue	€41.13M	Vending + completed club campaigns.
Personnel & fixed OPEX	€2.94M	Includes post-500 operating scale.
EBITDA	€19.65M	After the expanded cost structure.
D&A	€0.27M	Analytical 60-month depreciation proxy.
Corporate-tax provision	€4.86M	25% positive-EBIT reserve.
Net income	€14.53M	After D&A and tax provision.
Ending gross cash	€21.76M	Before tax reserve and post-period obligations.
Liquidity after tax reserve & commitments	€15.79M	Conservative available-liquidity view.

SCENARIO COMPARISON

Capital efficiency versus speed

Both scenarios use the same product economics and recurring club-campaign assumptions; the primary difference is deployment speed and capital intensity.

Metric	Scenario 1 Organic	Scenario 2 Institutional
Equity funding	€0.23M	€4.23M
Active physical machines - Apr-28	402	1,032
Commercial machines ordered	800	1,030
Gross revenue	€11.39M	€41.13M
Net revenue retained	€10.99M	€40.73M
Variable costs	€5.22M	€18.54M
Personnel & fixed OPEX	€0.84M	€2.94M
EBITDA	€5.32M	€19.65M
Net income	€3.93M	€14.53M
Ending gross cash	€3.58M	€21.76M
Liquidity after tax reserve & commitments	€1.87M	€15.79M

What the professional review changed

- Scenario 2 fixed OPEX now continues to scale beyond 500 machines, reaching approximately €515k/month at 1,032 machines rather than remaining flat at €288.08k/month.
- Salary and operating-cost envelopes are explicitly traceable to the original lean and mature structures.
- Working capital now separates inventory, machine capital work-in-progress, logistics payables, installation obligations and the club-campaign receivable / obligation cycle.
- D&A and a corporate-tax provision have been added so EBITDA is no longer the only profitability measure.
- The model distinguishes gross cash from conservative liquidity after tax reserve and identified post-period commitments.

Scenario 1 remains the capital-efficient proof path. Scenario 2 shows what happens if institutional funding is used to compress the deployment timetable. Neither scenario should be interpreted as guaranteed performance; manufacturing capacity, signed locations, rights/licences and live sell-through remain execution variables.

WHY NOW

The discussion is moving from concept risk to execution evidence

The next step is to convert the first live machines and advanced commercial access into measurable proof.

What we would like Rich to see now

- The business is no longer waiting for product development: hardware is arriving and the first live validations can begin.
- Commercial access has broadened across football, culture / public institutions and global-brand conversations.
- The current constraint is the speed at which MAGNÆRA can manufacture, install and operate enough machines to service the opportunities already under discussion.
- The financial model now includes a more professional treatment of salaries, operating expenses, working capital, post-500 scale, D&A and tax reserve.
- The two scenarios make the strategic trade-off explicit: Scenario 1 proves the model with limited external capital; Scenario 2 uses institutional capital to accelerate evidence, market coverage and installed capacity.

Current funding discussions

Alongside the €230k already injected into MAGNÆRA, management is speaking with Dutch sports-focused investors who have expressed interest around a €500k investment, as well as two additional funds. These discussions are not included as committed capital in the two-scenario financial model.

Suggested next step with Rich

We would like to re-open the conversation as the first machines go live and initial operating data becomes available. At that point we can share live pilot KPIs, location-specific documentation, the updated manufacturing schedule and the funding structure that best fits the pace of validated demand.

The central question is no longer whether MAGNÆRA can build the product. It is how quickly the company can convert commercial access into repeatable operating proof and scale without compromising execution discipline.

Source: MAGNÆRA 21-Month Two-Scenario Business Case - FINAL VALIDATED and Business Breakdown - FINAL VALIDATED. Current operating update supplied by management, September 2026.