

Business Plan for Interstellar Entertainment N.V

1. Introduction

Interstellar Entertainment N.V (“**Interstellar**”) is a B2C online gambling company which has been set to operate online gambling under a Curacao gaming licence. As part of the strategic vision, Interstellar will obtain a new Curacao gaming licence directly with the Curacao Gaming Board. This business plan outlines the essential aspects of the company’s operations, including target markets, forecast, games to be offered, payment processing, customer support, marketing activities, organizational structure and risk management.

2. Overview of the business

Interstellar is wholly owned by High Roller Technologies Inc, which is a company incorporated in Delaware, United States of America, and is the parent company of the High Roller group. The High Roller group offers a variety of gambling services.

Interstellar will offer real money gambling through a third-party gambling platform through which it will offer games and operational expertise including an in-house customizable frontend and content management system (CMS) which offers enhanced search engine optimization, direct API integrations, faster load times, and scalability.

The third-party player account management system gives Interstellar a high level of control over game integrations, payment provider solutions, and overall player management. The company has a very experienced operational management team who will actively oversee engagement with players and partners. The platform is based around a set of gaming products which will be offered to players in select markets throughout the world. The company currently offers more than 3,000 games from over 50 providers, representing largely the entire range of iGaming games including video slots, blackjack, roulette, baccarat, craps, and video poker. A number of its most popular games are available to play with a live dealer including blackjack, video poker, roulette, baccarat, craps and game shows. These games and game suppliers will be critical to Interstellar’s operations.

The game offering incorporates attractive graphics, targeted bonuses, and interactive social elements in a secure environment. Its selection of games includes, but are not limited to those sourced from:

- Evolution Gaming
- Pragmatic Play
- Push Gaming
- No Limit City
- Play’n GO
- Relax Gaming
- Red Tiger Gaming
- Big Time Gaming
- Netent
- Quickspin
- Games Global

3. Launching The Premium Brand HighRoller.com

In January 2022 the High Roller group launched its premium brand HighRoller.com replacing its legacy brand CasinoRoom.com.

The vision is to be the premium online destination for high rollers around the world. The group believes that the highroller.com domain provides it with a strategic asset to build a brand appealing to high value players. The founders, board of directors, and management of the High Roller group collectively have over 100 years of iGaming experience, having founded, listed, and successfully exited a range of companies working in some of the most competitive global iGaming and e-commerce markets. The group's branding and operational focus is to establish and continue to grow significant market shares in the international online casino markets.

Interstellar's growth will be driven by attracting and acquiring new players, engaging its existing players, and by entering new geographical markets, and implementing a multi-brand strategy. The company believes that one of its main competitive strengths stems from an established record of digital performance marketing, operational excellence from the founding team, and seasoned senior management giving it a competitive advantage in the markets it operates now and in the future.

4. High Roller group's Growth Strategy

The High Roller group intends to achieve rapid, cost efficient and sustainable growth by utilizing high margin cash flow generated from online casino operations in the current international markets where it operates and to enter and grow sustainable revenues in newly regulated and soon to be regulated markets.

The High Roller group soft launched its second brand, Fruta.com, in December 2023, allowing select players to test Fruta.com prior to going live in Q1 of 2024 with the planned marketing initiatives. In addition, the group is exploring opportunities for future brand launches under different licences.

5. Financial forecasts

Please see attached spreadsheet.

6. Target Markets and URLs

As mentioned above, Interstellar will operate online casino operations on the following two brands:

- www.highroller.com
- www.fruta.com

It will accept players aged 18 and over from the following markets:

- Norway (not locally regulated)
- Ireland (not locally regulated)
- Sweden (locally regulated, but permissible to accept players from Sweden provided no target marketing)
- Rest of Canada (excluding Ontario)
- Brazil

The target markets may change from time to time and will continuously be reviewed to ensure compliance with local laws and regulations. The company is also aware that marketing restrictions will apply to different jurisdictions and these will be adhered to ensure that its operations are legal and conducted within the applicable legal and regulatory framework. The company will also comply with any regulatory developments in the jurisdictions from which it will accept players.

Markets that are strictly prohibited are: Curacao, USA, the Netherlands, France, Dutch West Indie and Australia.

7. Payment Processing

To facilitate players in securely being able to deposit and withdraw funds from their gaming accounts, the company will partner with reputable payment providers, and which will be tailored to the particular markets in which the company's players are based.

Payment providers as well as banking will be material dependencies for the company. In order to mitigate any risks pertaining to these, the company will always have in place multiple payment and banking partners at any given time.

8. Customer Support

The company is committed to delivering top-tier customer support. Its customer support operations will be based in Malta and will deliver efficient and multilingual assistance for the global player base. The key components for the company's customer support strategy are:

- **Multilingual Support:** The team in Malta will be proficient in multiple languages to cater to diverse players.
- **24/7 Availability:** Round-the-clock support through live chat, email, and phone channels.
- **Issue Resolution:** Efficient handling of inquiries and issue resolution across various topics, including account management and gaming-related queries.
- **Quality Assurance:** Continuous training and quality control to uphold the highest service standards.

9. Marketing Activities: Affiliate Marketing

The company will rely on an effective affiliation marketing to attract players to its sites. It will, therefore, engage with reputable and experienced affiliate partners to achieve this, and the affiliate marketing plan includes:

- **Affiliate Program:** Establishing a structured program inviting webmasters and marketers to promote its gaming services.
- **Affiliate Partners:** Collaborating with reputable partners possessing strong online presence and gaming industry expertise.
- **Attractive Commission Structure:** Competitive commissions for successful player referrals to incentivize its affiliates.
- **Performance Tracking:** Implementing robust tracking and reporting tools to measure affiliate performance accurately.
- **Marketing Materials:** Providing marketing materials like banners, landing pages, and promotional content to aid affiliate marketing efforts.
- **Regular Communication:** Open and transparent communication with affiliates to foster mutually beneficial relationships.

The company's affiliate marketing will be closely monitored and optimized to maximize new player acquisition and to drive growth in its player base whilst at the same time adhering to any regulatory and ethical standards.

10. Team Structure

The company has established a clear organizational structure with designated roles and responsibilities.

The senior management positions within the company include:

- **Group CEO: Ben Clemens:** Overseeing the overall group strategy and operations.
- **CEO: Idan Levy:** Overseeing the overall company strategy and operations.
- **CFO: Matthew Teinert:** Managing financial aspects and budgeting.
- **COO: Reuben Borg Caruana:** Responsible for day-to-day operations.

- CTO: Isaac Zammit: Managing technology and IT infrastructure.
- CMO: Sven Kaltenecker: Managing marketing.
- Interim CLO: Terese Thagaard: Overseeing legal and compliance.

A management organogram can be found in Appendix 1.

The senior management meets twice a week to discuss matters and take any necessary decisions. If there is a deadlock in management, the parent company will have the ultimate say in the question. All senior managers will report to and be held accountable to the company's parent company.

The company will operate with a strong commitment to responsible gaming, regulatory compliance, and anti-money laundering. Its goal is to become a reputable and trusted name in the online gambling industry, offering a secure and enjoyable experience for its customers. Legal and compliance advice and support are provided inhouse and/or where necessary by external lawyers.

11. Target KPIs

The success of the company will be measured using the following KPIs and business objectives:

Customer Acquisition and Retention

- Acquisition Metrics: Success is often measured by the number of new players acquired through various marketing channels. Tracking the cost of acquisition (CPA) and comparing it against the lifetime value (LTV) of a customer is crucial.
- Retention Metrics: Keeping players engaged and active over time. Metrics like daily/monthly active users, churn rate, and frequency of visits are important.

Revenue and Profitability

- Gross Gaming Revenue (GGR): This is a primary indicator of the financial health of the casino, representing the difference between the amounts wagered minus the winnings paid out.
- Net Profit: Beyond GGR, looking at overall profitability after expenses like marketing, platform maintenance, and licensing fees is critical for long-term success.

Player Experience and Satisfaction

- User Experience: Ensuring a seamless, enjoyable, and easy-to-navigate platform keeps players returning.
- Customer Feedback: Regular surveys and feedback mechanisms to gauge player satisfaction and make improvements.

Compliance and Responsible Gaming

- Regulatory Compliance: Adhering to all legal and regulatory requirements in the jurisdictions the casino operates in. This includes fair play certifications, data protection, and anti-money laundering measures.
- Promoting Responsible Gaming: Implementing tools and resources to prevent problem gambling, which is not only a regulatory requirement but also a metric of corporate responsibility.

Innovation and Technology

- Adoption of New Technologies: Staying ahead in the market by leveraging the latest technologies like AI for personalized experiences or blockchain for enhanced security and transparency.

- **Game Variety and Quality:** Continuously updating the game portfolio with high-quality and diverse games to cater to a wide range of preferences.

Market Expansion and Brand Presence

- **Brand Awareness:** Building a strong brand presence both online and, if applicable, offline.
- **Entering New Markets:** Expanding into new geographical areas while complying with local regulations.

Long-Term Strategic Goals

- **Sustainability:** Establishing a business model that ensures long-term profitability and sustainability.
- **Partnerships and Collaborations:** Forming strategic partnerships for content, technology, or marketing.

Social Responsibility and Community Engagement

- **Community Involvement:** Participating in community events or charities, which can enhance brand image and customer loyalty.
- **Environmental Responsibility:** Adopting practices that reduce the environmental impact, if applicable.

12. Corporate governance framework

The company is currently in the process of implementing a corporate governance framework. It will be the structures and processes for the control of entities, departments and decision making. It shall focus on the relationship between individuals in different positions within a company or group of companies. An audit of these will take place annually and is intended to investigate the efficiency and accountability within an organisation.

The company believes that good governance is vital in gaining stakeholders' and employees' trust and confidence.

Audit

The internal audit of corporate governance will look at matters such as:

- Are roles and responsibilities documented and clearly understood? Audit support in this area can range from assessments and interviews with key stakeholders.
- Are plans and strategies clear and do they align with key objectives? It will be assessed whether the right stakeholders have been involved in the development and approval of these plans; whether key milestones and risks are identified, regularly monitored by senior management.
- Is the right information (including both financial and non-financial) being reported to monitor progress against objectives and provide early warning indicator of key risks to management. It can further be assessed whether information with stated plans and the extent to which the information is leveraged to support timely corrective action.

An audit report will be available after each annual audit and the risk register will be updated.

13. Summary of Risk Factors

The business, like any other business, is subject to a number of risks, including risks that may prevent it from achieving its business objectives or may adversely affect the business, financial condition, results of operations, and cash flows. These risks may include the following:

- Competition in the online casino gaming industry is intense and, as a result, the company may fail to attract and retain players who may be attracted to competing betting and gaming options.
- The success, including win or hold rates, of existing or future online wagering products depends on a variety of factors and is not completely controlled by the company.
- If the company fails to detect fraud or theft, including by its players and employees, its reputation may suffer, which could harm the brands and negatively impact on the business, financial condition, results of the operations and can result in government and civil investigations and litigations.
- The growth prospects may suffer if the company is unable to offer additional new and exciting gaming products. In addition, if it fails to make the right investment decisions in the offerings or technology platform, it may not attract and/or retain key players and its revenue.
- Recruitment and retention of the company's executives and key employees are vital to growing the business and meeting its strategic goals. The inability to recruit executives or key employees, or the loss of any of such executives or other employees could harm its business.
- The nature of the operations subjects the company to taxation in a number of jurisdictions and changes in, or new interpretation of, tax laws, tax rulings or their application by tax authorities could result in additional tax liabilities and could materially affect the business, financial condition, results of operations and prospects.
- Negative publicity or an adverse shift in public opinion regarding online gambling may adversely impact the business and player retention if such change in public opinion occurs in the market(s) in which the company operates.
- Failure to comply with regulatory requirements or to successfully obtain licenses or permits could adversely impact the company's ability to comply with licensing and regulatory requirements or to obtain or maintain licenses in other jurisdictions, and could cause financial institutions, online and mobile platforms and distributors to stop providing services to it.
- The company's products and other software applications and systems could contain undetected errors which could adversely affect the operating results if they go undetected.

14. Policies and procedures

The company prepares internally its policies and procedures. They are considered to be living documents and are constantly revisited and updated according to changes in the regulatory environment, additional guidance published as well as internal changes to systems / processes.

Policies are renewed on an annual basis against an independently prepared regulatory checklist. A gap analysis is then carried out and documented on file, and any necessary changes implemented. Prior to approving changes, all proposed amendments are first discussed with the relevant stakeholders. Accepted amendments will be agreed and subsequently signed off by senior management in one of their bi-weekly meetings.

Policies and procedures are available upon request.

Appendix 1

