

Business Plan- Go East B.V – 2024 License Application

Go East B.V was formed in May 2020 through a Curacao sub-license to Master License #5536/JAZ and began operating behind the top tier domain Lotteryworld.com shortly after in August 2020. Go East's (GE) main target was the online lottery market where state/government run options are unreliable, offer small prizes or in many cases are completely non-existent.

Bets (only from permitted territories) are accepted on the results of two types of lottery following an insurance model against any large winnings:

- 1) Existing popular lotteries such as Powerball, Mega Millions and EuroMillions.
- 2) Bespoke lotteries with results generated from a regulated and insured RNG

The domain immediately started to flourish due to an affiliate network of websites with a substantial number of players who were sent to the site immediately following its launch. The CEO and UBO continues to work at a digital marketing company specialising in organic SEO of online lottery players with a portfolio of websites that have in excess of 10 million users per month. This experience in generating content and websites that are optimised for search engines is unrivalled in the online-lottery business and there is no company in the world with more users per month on their portfolio when it comes to the lottery vertical. The marketing company with these websites continues to be run by the same CEO that is in place for Go East B.V and the partnership is fully in place for them to continue to work together as it is mutually beneficial. This same marketing company is engaged with other Curacao license holders that do not operate in the lottery vertical and also sends them players for a fee.

Because of this, GE has the competitive edge over any other online lottery betting operator in the world due to a huge portfolio of players at their disposal and the key knowledge required to build a site from scratch that will perform well in search engines without paid input.

Currently, as of March 2024, Lotteryworld.com is not operational as a gambling operator in taking bets as it undergoes a period of restructuring. This has occurred as our partner that provided the software for the website had to cease operations with GE due to no fault of our own and instead changing their own business plan and operations away from B2B and focussing on their B2C arm. GE is currently in the process of finding a new software provider, of which several options are being discussed, and will hopefully be operational by early Q3 2024.

Key Roles

Currently GE is run by the CEO, Mika Brown, and there are no other full-time employees at the company, other than the compliance officer. The way GE has been setup is so that everything is streamlined in that the CEO can run things on his own as the majority of functions that are needed for the site to run are provided by the software provider for the website.

The sole director of GE is e-Management N.V, a company in Curacao, that are tasked with overseeing the entire operations of the company at the top of the structure above the CEO. eManagement N.V are second to none in their local knowledge of running a business in Curacao and continually make

sure that GE follows all the local demands of companies in Curacao, whilst continuing to make sure it follows all the steps required of a gaming company. The continue to oversee that all financial and tax requirements are met, advise and consult with the CEO on all matters regarding the improvement of the company, and also review and advise on all legal documentation required for the company. As they are acutely aware of the requirements of a Curacao company, they are the sole signatory on behalf of the company to make sure we are in accordance with laws at all times.

The newly installed compliance officer for GE is a Mr Chris Brown, who is also based in the UK. Mr Brown is a veteran of the internet gaming industry, specifically in the lottery industry, having started his company aiming at gaining online lottery traffic in 1994. Since then, Mr Brown has followed all regulations required by the UKGC and has specific experience in following requirements from compliance officers at companies to which he has sent players. He has also led a number of teams in compliance for GDPR in the UK and monitored the overall groups compliance on those regulations. Mr Brown has committed to being the full-time compliance officer for GE and to extend his own learning on gambling specific compliance through a number of online courses and examinations to make sure that his expertise on the matter stays up to date. Mr Brown will remain as a freelancer that invoices the company, rather than becoming a contracted employee, to maintain his impartiality in all compliance matters. eManagement N.V are also in a position to advise Mr Brown what is needed in terms of compliance for a Curacao gaming company.

With our new software provider, the same level of care and scrutineering of players will take place with a full team watching all transactions and player accounts, and will continue to report directly to the main compliance officer. There are also many triggers installed in the software itself that are fixed to the levels agreed in our previous sub-license, and actually more stringent than those required, to trigger checks should any thresholds be met.

Forecasts

Business forecasts, predictions and targets can be found in the supplementary excel file. These forecasts have taken into account previous accounting and figures from the FS for previous years, but also remembering that we will have to rebuild our player base with the launch of the new website.

Strategy

The initial strategy at the relaunch of Lotteryworld.com is the use of our affiliate network of other lottery websites to send players to Lotteryworld.com for betting. The methodology for this is already in place and can be done at the flick of a switch and start sending players immediately to Lotteryworld.com to start playing. In the initial instance, players from India, South Africa and Canada will be sent to Lotteryworld.com as they were the markets we were previously entered into before we had to stop operations in November 2023. Lotteryworld.com is also in a position to immediately start operating at a high level in India due to owning the rights to "Lotto India" which is a custom RNG lottery that is the only one of its kind nationally in India.

Once the domain has been active for a month and any issues with the player journey ironed out, we will begin remarketing the availability of Lotteryworld.com to our previous players. We have kept an extensive database of all our old players, with their approval for us to keep their information and

market to them in the future, so that we can inform them that we are reopen. We expect this to immediately bring another huge wave of players to Lotteryworld.com, all of whom are keen lottery players and should have a much higher conversion percentage than those from the affiliate network.

Once we have consolidated our position within India, South Africa and Canada we will look to other territories to grow into. The Curacao license is extremely beneficial in the fact we can operate in almost any country around the world, with a few exceptions. We have absolutely no intention of operating in the United States, France (and its outlying territories), Curacao itself, the Netherlands or any other Geo that is not allowed by our license. We have sufficient player bases through our affiliate network outside of these countries, so we do not need to enter these countries to be successful. We will have strict policies in place to make sure that players from these countries cannot play by checking IP addresses against an extensive database, along with simple steps of not offering those countries at sign up. Through our entire time operating to this point we have never had a single player from the restricted territories sign up.

The main area of countries we will target after India, South Africa and Canada are the countries in the middle east. The majority of these countries do not have state run lotteries or access to any lottery at all, but will be familiar of their concept. The main reason for a lack of lotteries are the religious beliefs of the leaders of the countries, however not all citizens have the same beliefs, so there is a wide-open market without local competition. A few local operators have started lotteries with ineffective methods of getting round local laws which, as we are not located there, do not apply to us. There are also an extremely high population of Indian citizens in these middle eastern countries, for which we will have already established ourselves as one of the top operators and knowledge of us should have already filtered these markets. Our affiliate network of sites also has a high number of users from these countries, ready to start sending players to us when we are ready. We expect this roll-out to consume most of 2025.

2026 we plan to move ourselves into Africa and into as many countries there as we can. They are similar to the middle east in that there are very few state lotteries or lottery options for players, and the ones that are running are extremely unreliable with their results and paying their winners. Positioning ourselves as a reliable operator with years of paying customers on time will immediately give us a following of the players that are fed up with being let down by state run entities. Furthermore, we can offer lottery jackpots they never could have imagined, at a much cheaper entry, immediately making us a top competitor in the market. As with all previously mentioned Geo's, the majority of players will come from our affiliate network who have a substantial player base from Africa.

Further in 2026 it will be our intention to approach state governments in India and Africa to see if they would like us to run their state lotteries for them. For many years now the state-run lotteries come and go from month to month and are constantly changing the way they run certain lotteries, and almost all of them are offline only and still require paper tickets. We can offer an immediate online solution with far superior jackpots to the ones they offer now and much easier overall player and game management. Expanding in India and Africa and becoming a state level operator is a key aspect we want to achieve for full consolidation of our superior status in these Geo's.

With the continuous stream of players coming from our network of websites we expect to see continuous growth of players and gradual increase in the number of registrations, FTDs and overall gross betting income. Previous data from operating from August 2020 to November 2023 we saw continuous growth of 50% in the first 12 months, then lowering to roughly 20% forwards from there. These figures mainly take into account the regular lottery players who enter draws (bi)weekly and are

repeat customers. The affiliate network of sites has already demonstrated that the number of new players coming in outweighs the number of players who leave or stop playing, showing we have at the bare minimum sustained growth and did not see a single month of lower active player numbers than the month before.

A key aspect of Lotteryworlds.com growth and strategy is to take advantage of periods where lottery jackpots from big draws such as Powerball and Mega Millions are extremely high, and offer top prizes over \$1 billion in value. During these periods we can see player numbers increase ten-fold and it is key to take advantage of these periods to make sure we register as many new players as possible and take as many bets as possible. This will be done by internal marketing and streamlining the website to make sure that players have an easy route to play and register, but also in our affiliate network of sites by promoting these lotteries and their jackpots to players that may not already know about them. We have done this numerous times in the past when Powerball and Mega Millions have reached levels over \$1 billion and have tested the best ways to maximise our performance. These events are extremely beneficial as they can also last a number of weeks, rather than just a one-off event as the jackpot grows.

A key takeaway from these events is also that we build a large, new player base that we can re-market to at a later date. Betting on lotteries online can see a lot of players play one or two times and then stop, so our marketing needs to be effective in bringing players back to play more frequently and to turn into regular players. We have demonstrated the ability to do this previously, and will run a number of A/B tests to see what type of marketing works best with these specific inactive players.

Funding from outside sources will not be required. Due to our previous operations, we have a large cash reserve that can be used for initial costs of the company to start operating again, and can also sufficiently cover other costs for at least 2-years if there was no income at all for the company. This will not be the case, as we will see income come into the company immediately once we start operating again in-line with the attached forecast.

On top of our growth from our affiliate network we also plan to see organic growth from SEO to our site directly. Our CEO has over a decade of experience in the exact field of getting players from search engines onto lottery specific websites for nearly every country in the world. Because of this he knows the exact things that need to be done on a lottery site to make it rank high in any search engine and drive organic growth that is completely free. SEO for a website does take time, and we don't expect to see a significant number of organic players coming until at least 6-months into re-opening operations. Whilst Lotteryworld.com has been dormant it has been functioning as its own affiliate site, attracting players and then sending them to another operator for a revenue share fee. The pages it has been doing this for will be included on the operating site so that we can maintain the organic traffic these pages have been getting in the meantime, so we aren't starting completely from scratch with our SEO efforts.

Once the cash flow for the company has reached a level we are happy with, in that all costs are covered and there is a positive cash flow month to month, we will begin to engage in paid advertising and paid marketing. Our CEO has years of experience in running paid search campaigns to which we can immediately start using in desired Geos that are allowed by these search engines. This methodology is extremely clear in that we pay to rank at the top of search engines and bid against competitors on certain words people enter into these search engines. We would bid an amount lower than the average lifetime player value of players in these countries so we would see overall growth in the player pool and income. We would engage in a similar methodology for social

advertising, however here we would commit an amount to pay for advertising and the social media company will show it to as many people as it can. We have engaged in this type of marketing before and saw incredible growth for a very low investment, however there are many hurdles to it due to being a gambling company, which many social media companies do not allow advertising for.

Suppliers

Our key supplier right now is Payment Execution, as they are the only financial institution in which we have an operational bank account. We are actively looking for another online banking institution, and another account with a more reputable bank that is not at risk of closing. We are actively engaging in discussions to open an account with Valyuz bank who are similar to Payment Execution so that we would have two banking options should one fail. Outside of this we are engaging with a specialist company who can get us a bank account at a reputable bank that lowers the risk of immediate closure.

The supplier we have for the software for our website is yet to be determined, and will be signed at a later date once discussions have been completed and terms agreed. We will engage in a 2-year agreement with this company as a minimum, with both sides having a 90-day notice period should they want to stop the partnership, giving us more than enough to find a suitable alternative.

The final supplier is the marketing company Take That Ltd for which our CEO is also the CEO of. There is currently no written partnership in place, however it is planned to get one written up and signed so that there would be no interruption should the CEO on either side change. The agreement is mutually beneficially both practically and financially, so there would be no reason for either side to change its mind here.

Other than banking, software and marketing suppliers we do not have any suppliers or dependencies that cannot be fixed immediately should there be interruption.

Risk and Governance Management

Risk at all levels is managed by the CEO in accordance with the directors as he is the one running the company day-to-day and has the clearest view to the risks and challenges that could affect Go East B.V, whilst the directors are the ones with knowledge locally of what is required in Curacao. This includes constant monitoring of the financials of the company, issues that could affect the markets in which Go East operates and the activities of competitors. Financial audits are conducted with an outside company MMO Caribbean, and legal advice is given to Go East B.V by Lewis Silkin LLP, a top law firm based in London, UK, in addition to that from the directors.

Decisions at all levels are taken by the CEO and directors. All board meetings are conducted between these two parties and all steps that must be taken by a Curacao company are monitored and covered by eManagement N.V. The top-level decisions of the company are made by the CEO in accordance with guidance or requirements from the directors and the compliance officer.

As Go East B.V grows and becomes a larger company then more people will be added to top level management of the company. For now, with operations being small by comparison to many other

gaming companies located in Curacao, all levels of management of the company can be conducted by the CEO effectively, as they were for a number of years with no interruption to operations and all laws and governance followed to the letter.

KPIs and Objectives

The company does not employ specific key performance indicators or objectives that must be hit, or certain targets of financials or player statistics that we would constitute a success or want to aim for going forwards. As explained earlier, the lottery betting market can be highly volatile due to large lottery jackpots coming in and causing random periods of extremely high growth that can then drop off the next month. This makes targets from month to month and year to year difficult as clear linear growth might not be possible.

A clear objective is to grow our overall presence in the markets previously mentioned and to expand in these markets until we are one of, if not the top, lottery operator online. We have the player base from our affiliate network to start this, but will need organic and paid-marketing growth to make ourselves one of the top operators. All of this is achievable if we follow the strategy mentioned previously. Targeting becoming, or assisting, a state-run lottery is a key objective for Go East to continue its growth.

To this end, success would be determined by the company continuing to be profitable and increasing that profit year on year.

Policies and Procedures

Policy making is done internally through the CEO with advice from directors and compliance officer to make sure that all requirements of the business are met and to make sure the conditions of the license given to Go East are met continually throughout the operations of the business. Making sure these policies are maintained is the CEO's duty in accordance with the software provider, and constant monitoring of these policies will be in place by both the CEO, the compliance officer and the directors.

Go East B.V will keep the GCB apprised on a timeline that the GCB dictates and will be strictly followed. Whatever reporting, auditing and reviewing the GCB mandates will be followed to the letter as this is a key requirement in keeping Go East operating to the rules it is required to. The compliance team will be fully briefed on what these timelines and requirements are.

The CEO is fully qualified in making sure this is abided to as it is purely his responsibility and will be monitored by the directors at eManagement N.V and the compliance officer. Because there are no other employees to influence or alter the policies, there will be no conflict and the measures can be put in place and followed.

Final Notes

Go East B.V and its top tier domain Lotteryworld.com are in a unique position of immediate success due to a few significant factors:

- After operating for three years, successfully and profitable, we know what to do differently upon being granted a new license to continue our business operations with a new platform and software provider. We have a clear process to not make the same mistakes we took before and will be able to become more profitable and quicker than before
- We are poised for immediate success due to a huge affiliate network of sites we have, all of which are ready to advertise Lotteryworld.com to well over two million prospective players a month. This number will only increase with the added success of the affiliate network and the entry into past and new markets as and when we are able to, both of which are determined by our own timeline rather than external ones.
- Go East is immediately ready to enter its determined markets and has enough of a platform in those markets to not need to even consider markets restricted by our license. For the entire time we have been operational we have never had a single player from restricted markets, and never had any issues with our AML situation
- eManagement N.V acting as directors for the company means GE will always be in accordance with the requirements of a Curacao based company and provide an extra level of compliance in addition to the compliance officer.

Go East B.V may be a small company with no employees and just the CEO and compliance officer to speak of, but this was due to limitations on us in our first years of operation and having no requirement for more employees or a full board. Upon being granted a new license we would be happy to put in place positions that are required by the GCB and what they think would be necessary. We remain at your disposal at any time for clarification of any points.