

InterStorm Curacao N.V

Online Gaming Business Plan 2024

1. Company Overview

InterStorm (Curacao) N.V. a company with registration number 137453, and registered address at 17 Santa Rosaweg, Willemstad, Curacao. It was incorporated on 19 October 2015. In April 2017 InterStorm (Curacao) launched a fully licensed Online Casino and Sportsbook under the brand name “Shangri La”.

InterStorm (Curacao) N.V. is licensed and regulated under sublicense No. #8048/JAZ2016-003 issued by Antillephone N.V. since March 2016, holder of Master Licence # 8048/JAZ of the Central Government of the Netherlands Antilles.

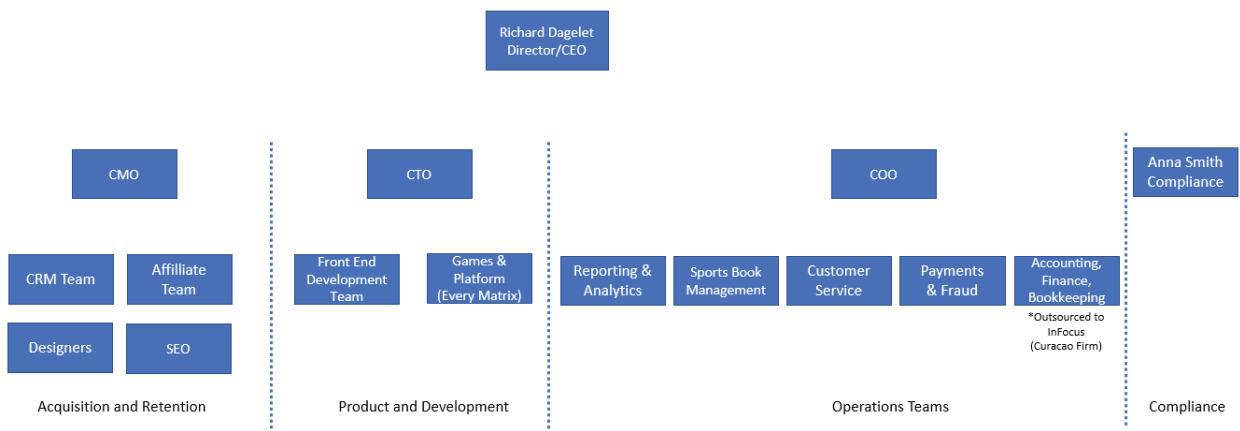
The website providing casino table games, slot games and sports betting can be found at www.shangrila.com. The license certificate also includes a number of additional domains which can be found [here](#).

InterStorm (Curacao) N.V is a wholly owned subsidiary of InterStorm Ltd a company with registration number 1907648, and registered address at Sea Meadow House, Blackburne Highway, P.O. Box 116, Road Town, Tortola, British Virgin Islands. The U.B.O. of InterStorm Ltd is Michael Boettcher, founder of Storm International and the Shangri La casino brand. Mr. Boettcher owns 72.5% of InterStorm Ltd. One other shareholder owns 9%, with all other shareholder owning 2% or less.

Since launching in 2017 the Shangri La online brand has worked in close cooperation with the land-based casinos of the same name to attract players, grow the business, and provide a combination of online and offline services to its players.

For the financial year 2022 InterStorm (Curacao) N.V. has generated revenue of euro 9,508,718 with profits of euro 1,787,900. For the next three years the business intends to continue this trend, while steadily growing by an average of 5% per year, as can be seen in section 3 of this document.

2. Management Structure Org Chart



*The team structure depicted above is accurate as of March 2024.

The senior management team shown in the diagram above has a combined 40+ years of online gaming experience. This experience is evidenced by 7 profitable years of operations, every year since launch.

3. Three Year Forecast

The company is self-sufficient and has been profitable since its first year of operation. As can be seen from the previous 2 year's financial data, the revenue for 2021 was 11,706,886 EUR with profit of 3,346,745 EUR, and for 2022 was 9,508,718 EUR revenue with profits of 1,787,900 EUR.

The figures below are based on the previous year's data with a 5% growth rate applied and accordingly a 5% increase in operational costs. This projection is both a realistic and conservative estimate due to it being based on figures that have previously been achieved.

REVENUE	2024	2025	2026
	EUR	EUR	EUR
OPERATION REVENUE	8,880,000	9,324,000	9,790,200
REVENUE FROM OPERATING ACTIVITY	8,880,000	9,324,000	9,790,200
EXPENSES			
PLATFORM FEES	(2,040,000)	(2,142,000)	(2,249,100)
FEES PAYMENT PROVIDERS	(1,560,000)	(1,638,000)	(1,719,900)
PROFESSIONAL FEES / CONSULTING	(1,020,000)	(1,071,000)	(1,124,550)
SOFTWARE / SUBSCRIPTIONS	(540,000)	(567,000)	(595,350)
MARKETING / REPRESENTATION	(960,000)	(1,008,000)	(1,058,400)
LEGAL & ADMINISTRATION EXPENSES	(540,000)	(567,000)	(595,350)
TOTAL OPERATING EXPENSES	(6,660,000)	(6,993,000)	(7,342,650)
RESULT FROM OPERATIONS	2,220,000	2,331,000	2,447,550
LICENSE FEES / GAMING TAX	(60,000)	(63,000)	(66,150)
FINANCIAL COSTS	(96,000)	(100,800)	(105,840)
TOTAL EXPENSES	(6,816,000)	(7,156,800)	(7,514,640)
TOTAL COMPREHENSIVE INCOME	2,064,000	2,167,200	2,275,560

4. Marketing and Growth Strategy

As can be seen in section 3, approximately €1,000,000 per year is allocated to marketing. This represents 11% of planned revenue. This is a lower percentage than industry standard, but is understandable when considering the Shangri La online brand works in close cooperation with the traditional Shangri La offline casinos to acquire and retain players.

The planned breakdown of the annual marketing budget is as follows:

- 10% allocated to SEO and keyword optimisation. This includes:
 - o Link building.
 - o Page content optimisation.
 - o Keyword protection.
- 60% allocated to online affiliate deals. This includes:
 - o Revenue share agreements.
 - o CPA (cost per acquisition) agreements.
 - o CPM (cost per million impressions) agreements.
- 30% allocated to offline (in casino) promotions and bonuses. This includes:
 - o Registration bonuses.
 - o Deposit bonuses.
 - o Weekly rewards.

The goal of these marketing strategies is to meet the required 5% growth targets for player acquisition, total deposits, revenue, and ultimately profit.

The business risk rational for existing target markets is based on providing high quality services to hard-to-reach markets, this including but is not limited to providing multi-lingual and multi-currency customer support. The website includes the following clause regarding restricted countries within the Terms and Conditions:

For various legal or commercial reasons, we do not permit accounts to be opened by, or used from, customers based or residing in certain jurisdictions, including, but not limited to Australia, Austria, Belgium, Bulgaria, Canada (Ontario Region), Curaçao, Denmark, France, Germany, Greece, Italy, Lithuania, Netherlands, territories formerly part of Netherland Antilles (Aruba, Bonaire, Curaçao, Sint Maarten, Sint Eustatius, Saba), Poland, Portugal, Romania, Spain, United Kingdom, Ukraine and the United States of America.

5. Key Suppliers and Dependencies

InterStorm (Curacao) N.V already has in place several agreements with third parties to ensure smooth operation of the business. The list below represents the most critical suppliers:

- a. **Every Matrix:** Casino and Sports betting platform provider.
- b. **Advania:** Website front end hosting.
- c. **Evolution Gaming, Pragmatic Games, EGT, Play N Go:** Major games providers. In total more than 50 games providers are available via the Every Matrix casino platform.
- d. **Payments Execution, Finductive:** Electronic Money Institutions providing operational banking services.
- e. **DevCode, HexoPay, Praxis:** Payments gateways to facilitate payment processing.
- f. **Fast Track, Cell Expert:** Marketing and CRM tools

All categories apart from the first two include multiple suppliers to provide redundancy in case of loss of service or interruption. The first two (Every Matrix and Advania) are global technology suppliers with multi-location disaster recovery and back up services. This means any unplanned interruptions can be managed via standard IT recovery and risk procedures.

InterStorm Curacao is neither a white label operator, or a B2B provider. Therefore, it retains full control of all customer interaction, business operations, and company strategy. All decisions regarding player interaction, wagering and accounts funds management are contractually retained by InterStorm Curacao as the party to supplier agreements with Every Matrix and Payment Processors. These suppliers have no influence over operational decisions regarding these areas.

The company financial model follows the industry standard model; whereby the majority of payments to platform providers, games provider and payment suppliers is based on a percentage of revenue or transaction volumes. This arrangement provides natural flexibility and resilience for the company because when revenues decline, the major expenses also decline. This ensure the company has a low fixed cost basis and maintains profitability under lower than expected revenues.

6. Risk Management

InterStorm (Curacao) N.V. operates in a dynamic and regulated environment, therefore Risk Management is an essential part of our business operations. The key areas are:

- Financial Risks
- Strategy Risks
- Compliance Risks (including Reputational Risks)
- Operational Risks (including External Fraud, Ineffective Controls, Third Party Risks)
- Information Security Risks / Cyber Risks

Strategical, Financial and Compliance risks are overseen by the Managing Director, the Operational risks are managed by the COO and Information Security risks by our CTO.

The Risk Management Framework includes compilation of financial reports, bi-annual compliance reviews, annual senior management meeting, weekly management meetings, Self-Assessment/Self-Audit of all departments, Risk Register.

To avoid duplicate and ineffective risk treatment, the operational risks are discussed during weekly management meetings. The Department Heads identify the current and emerging risks applicable to their teams and business areas and report them to the COO during their regular meetings, when the risks are assessed and evaluated. The risks that affect several departments or disrupt service for the customers would be prioritized. Following this, managers evaluate controls in place and decide together how those risks must be treated and who will be responsible for each risk (risk manager). All significant risks are put into Risk Register. During the subsequent meetings risk managers report back on their progress.

**The compilation of financial statements is performed in accordance with International Financial Reporting Standards for small to medium sized entities, including the Dutch Standard 4410, "Compilation engagements", by inFocus N.V. an external accounting firm established in Curaçao.*

7. Legal and Governance

The InterStorm (Curacao) N.V. current board of directors consists of Mr. Richard Marie Dagelet, who is the sole managing director. Mr. Richard Marie Dagelet is a Dutch national residing permanently in Curacao, with extensive e-gaming experience. He is also the C.E.O. of the company.

The U.B.O. of the company is not involved with running the company on the daily basis.

The sole managing director interacts with senior management daily by email and calls (or as needed basis). While senior management is involved in discussion of ideas and strategies, the final decision always remains with the sole managing director. Only he has the power to engage the company in legally binding acts, and all the draft agreements (while can be proposed by senior management) are finally approved and signed by the sole managing director only.

The board cannot be deadlocked, because the sole managing director has the sole power to run it. There are no other people invited to the board meeting.

In the past, at the annual general shareholder meeting, one additional person has been invited, for the secretarial role only.

The legal support and advice is provided by full time dedicated consultant legal advisor, that is in touch with the sole managing director and other senior management, by email (on daily basis) and on the phone (on as needed basis).

Mrs. Anna Smith is acting as the Compliance Officer. She has extensive experience in A.M.L., K.Y.C. and compliance issues.

The Company is incorporated, run, and managed in Curaçao. The sole Managing Director is residing in Curaçao. There are no other board members.

All the decision-making takes place in Curaçao, as irrespective of proposals, the final decision-making authority, be it through board resolution or signature of any legally binding agreement is done only by the Curaçao residing Managing Director.

The Company is an e-commerce company, mostly run online, using a remote work model, as the on-line business requires a diverse talent pool, knowing multiple languages, various technologies, a full range of time-zones, and such talent is not always available locally. When and if the local availability of talent will rise, the Company might hire more persons locally.

The bookkeeping is performed in the Curaçao by a Curaçao based accountant, and the final statements are prepared in accordance with the Curaçao regulations.

Curaçao tax returns are submitted to the Curaçao Ministry of Finance, and Curaçao profit tax is paid.

To the best of our knowledge, the Company is not considered a tax resident of any other state or jurisdiction.

The Company maintains a level of equity in consistent with its functions, as the equity is always positive, exceed the initial share capital, but consistent with the asset-light business model, normal for an e-commerce company, that uses modern technology instead of fixed assets.

The Company is renting a local office, at Santa Rosaweg 17, Curaçao, where the documents are kept and from where the Managing Director makes the day-to-day decisions.

Due to the ongoing process regarding the new Curacao legislation, the company will continue to operate under both the GCB license and as a sub-license from a master license holder. Assuming the GCB is in agreement with this situation, the Company will continue under this structure until further clarity is provided under the new law.

The company is not under any ongoing litigation with customers or suppliers. Management is not aware of any threat of action from players or suppliers, and has no outstanding liabilities to players due to disputes. The company also has no outstanding financial obligations to the master license holder.

8. KPIs and Business Objectives

InterStorm (Curacao) N.V. utilises SMART business objectives, meaning each objective set must be:

- Strategic
- Measurable
- Achievable
- Relevant
- Time-Bound

All financial targets align with the top-level goal of 5% growth in revenue and profit. In order to achieve the desired 5% growth, all SMART objectives must have a direct impact on the player lifecycle journey. Simply speaking, to increase profitability by 5% while also maintaining the current costs ratio, the following KPIs must also increase by 5%:

- Player Acquisitions (registration)
- Total deposits
- Revenue

Non-financial SMART objectives will fall into one or more of the following categories:

- Staff training, retention, and satisfaction
- Regulatory compliance
- Technical performance and stability

9. Policies and Procedures

Policies and Procedures are prepared internally by the Compliance Officer in cooperation with managers of relevant departments. The Compliance Officer is responsible that the policies adhere to legal and regulatory requirements and reflect business goals. All Policies are approved by the Managing Director. Policies and Procedures are reviewed on a regular basis, at least annually.

The Compliance Officer has over 15 years' experience of working for the Gaming industry, and over 7 years in compliance roles with specific knowledge of Curacao, the UK, and Malta gaming regulations. To remain impartial and eliminate any potential conflict, the Compliance Officer does not oversee any other teams or departments. This guarantees transparency, fairness, and alignment for all departments with our internal policies and procedures.

The Compliance Officer also holds the UKGC Personal Management Licence and MGA Key Function (for Compliance and Prevention of ML/TF) Certificate.

To ensure continued professional development the Compliance Officer aims to dedicate at least 20 hours a year for external training. Recent training includes the following:

- GOVERNANCE, RISK & COMPLIANCE training with iGaming Academy, Malta
- GAMBLING ADVERTISING training with the Advertising Standards Authority, UK
- Cryptocurrency training with International Compliance Association.

The Compliance Officer follows legal and regulatory announcements closely and communicates regularly with the Managing Director and senior management.

It is the Compliance Officer's duty to review internal processes and procedures to make sure that policies are followed, and internal procedures are effective. Department managers ensure that the procedures are written in a clear way so they can guide all employees on how to follow the approved policies and provide a roadmap for day-to-day operations based on internal processes.

Communication of policies and procedures to the relevant employees is an important part of the company's training program.

The required Policies and Procedures will be submitted together with the new license application. Other Policies are available upon request from our supervisory authorities.

Managing Director , **Richard M. Dagelet**

Signature: 

28 March 2024