

Winnables

BUSINESS PLAN

10 May 2023

EXECUTIVE SUMMARY

Company overview

Winnables is an online web3 competition platform powered by blockchain technology. The platform will allow users to participate in competitions, with the potential to win Non Fungible Tokens (NFTs) prizes and more.

Company Structure

Initial Shareholders and UBOs:

- Edoardo Marzocco – 50% shares of the issued share capital; and
- Domenico Marzocco – 50% shares of the issued share capital

It is expected that the direct shareholder will be a Monaco holding company which is in the process of being incorporated.

Our team

- Edoardo Marzocco oversees the company's overall management.
- Domenico Marzocco oversees the product division and assists Edoardo in managing the company.
- Pierre Mouchan is a freelance front-end developer and design advisor.
- Mourad Kejji is a freelance back-end developer and smart contract expert.

Business activity

This section provides information on our business activity. It includes information on our items, processing solutions, and payment system.

Market analysis

This section provides information on our brand and how we differentiate ourselves from our competitors. It provides an analysis on our target market, including information on our target customers, their needs and preferences and how we plan to reach them. It provides a detailed explanation of our unique selling proposition to potential customers and competitor analysis which examines our strengths against direct and indirect competitors.

Game-content and software providers

Winnables are in process of building an in-house software, website (front and back end) and the admin panel (which we will use to import products to the main website and look at stats about competitions, items and players). Our in-house software shall enable us to :

- a) Offering easy-to-use platforms that enable users to manage raffle tickets easily;
- b) Secure our raffles platform by offering block-chain based security solutions; and
- c) Using impartial, verified randomisation algorithms for choosing winners.

KYC, AML AND AVS PROTOCOLS

Know Your Customer (KYC)

We will ensure that all our customers are verified by carrying out necessary KYC checks. The KYC information shall be obtained from the customers at the time of onboarding of the new customers.

We will contract with a specialist third party entity, which would obtain all the KYC documents from the customers and maintain updated records of all the customers.

Anti-Money Laundering (AML)

We will ensure that we prevent suspicious customers and transactions from entering the financial system by have a robust AML policy.

We list out the process before, which we will strictly follow to ensure that we comply with AML regulations:

- a. Customer Due Diligence
- b. Enhanced Due Diligence
- c. Ongoing customer monitoring
- d. Independent AML audits.
- e. Employees training

Address Verification System (AVS)

We will use AVS to verify our customers' address to ensure they are accurate and up to date. This helps to ensure that the person using the crypto wallet is the rightful owner and prevent identity theft.

Financial Projections

This section provides information on our 3-year budget plan and how we plan to generate revenue on our platform in the next three years. It includes a detailed breakdown of our expected monthly inflows, monthly outflows and cash summaries. The monthly inflows detail our expected revenue each year, the monthly outflows outline our expected expenses each year, and the cash summaries provide an overview of our expected cash position at the end of each month over the next three years.

1. BUSINESS OVERVIEW

Winnables is an online competition platform powered by blockchain technology. A blockchain, also known as distributed ledger technology (DLT), is a digital ledger or database where encrypted blocks of digital asset and transactions data are stored and chained together, forming a chronological single-source-of-truth for the data.

Any data stored on the blockchain is unable to be modified, making the operations of our platform secure and transparent, and ensuring legitimacy.

The users will need to connect to the platform via their MetaMask crypto wallet. MetaMask is an online app where it is possible to buy, store, send and swap cryptocurrency and NFTs. All transactions on the platform are conducted with cryptocurrency, and the platform will allow users to participate in raffles, with the potential to win NFTs and cryptocurrency prizes.

In the future, the platform will host tournaments/games where users can compete against each other to win digital prizes. Winnables' online platform will provide blockchain support to ensure fair and unbiased raffles, and to provide users with a secure and trustworthy platform to participate in.

Winnables shall ensure that all the winners are not shortlisted by Winnables, but by the blockchain. Users shall also be able to inspect and analyse every action the smart contracts make.

Online Lottery Market

The online lottery market has seen significant growth in recent years, driven by the increased availability of online platforms and the potential for large pay-outs. However, traditional online lottery platforms have been plagued by concerns over fairness and transparency, which has led to a lack of trust among users. Blockchain technology offers a solution to these concerns by providing a transparent and secure platform for conducting these types of competitions.

This market is expected to grow significantly in the coming years as more individuals become aware of the benefits of blockchain technology and its potential to revolutionise online lotteries.

Why Curaçao?

Due to Curacao's compact gambling laws, Curacao jurisdiction is the most favourable option for obtaining a licence.

The licence covers every kind of iGaming-related activity in one, single, license. Game providers, software developers and providers, operators, and games such as online raffles, lotteries, sports betting, online casino, lotto, online poker, eSports, live games, scratch cards are all covered.

The process of obtaining a gambling licence is expedient with limited bureaucracy compared to other gambling licensing jurisdictions. This provides companies the opportunity to test their concepts before tackling a tougher jurisdiction.

The acquisition of a Curacao gambling licence also brings with it many benefits. These include benefits related to the operation of our company as well as corporate and fiscal incentives. If an enterprise has only foreign-sourced profits, they will be taxed between 0-3% on their total profits.

2. COMPANY STRUCTURE

The initial shareholders of the Company will be:

- Edoardo Marzocco – 50% of the share capital
- Domenico Marzocco – 50% of the share capital

We expect, in the near future, that a newly incorporated Monaco holding company to be the direct shareholder of the Company. The shareholders of the Monaco holding company will be the same Edoardo Marzocco (50%) and Domenico Marzocco (50%).

As such, the ultimate beneficial owners of the Company will not change and will remain the same.

3. OUR TEAM

Our team is currently made up of four people – Edoardo, Domenico, Mourad, and Pierre.

- **EDOARDO MARZOCCO** oversees the company's overall management.
- **DOMENICO MARZOCCO** oversees the product division and assists Edoardo in managing the company.
- **PIERRE MOUCHAN** is a freelance front-end developer and design advisor.
- **MOURAD KEJJI** is a freelance back-end developer and smart contract expert.
- **AXEL FIOLE** will be developing the admin panel front end and set up all database to store information.

To support our business growth, we have set aside a budget of EUR 136,000 for the first year, which we plan to use to hire additional team members.

Experience in the industry

As a team, we come from diverse backgrounds and complement each other's skills and expertise. We are venturing into a new industry with a proven business model and are excited to bring our collective knowledge and experience to the table.

Edoardo Marzocco

Edoardo has several years of experience as a crypto investor, dating back to 2017. Through this experience, he has gained a deep understanding of the various cycles of the crypto market. In 2022, he began investing in blue chip NFTs and has since built a portfolio valued at over \$1.5 million. Alongside his work in crypto, he also runs an online advertising portal for real estate agencies based in Monaco. The portal generates approximately EUR 1 million in annual revenue and has seen a 2.5x increase in valuation since its acquisition. This experience has taught him

the importance of strategic thinking, taking a long-term approach, and managing a team. Edoardo also has a strong understanding of IT infrastructure and how it supports online businesses, having implemented successful changes to the portal's platform and user experience.

Domenico Marzocco

In 2023, Domenico will receive his BSc diploma in Project management for construction from the prestigious university UCL, which ranks consistently in the Top 10 in the national and international league tables for best universities in the world since 2010. Domenico has also done several months of work experience in real-estate, as he aspires to continue down this path later on. However, it was during the 2020 COVID-19 pandemic that he found his passion for the world of blockchain through non-Fungible-tokens and cryptocurrencies. At present, he looks to make his big step as the co-founder of Winnables.

Mourad Kejji

Mourad is passionate and experienced developer with a strong sense of problem solving, Mourad started coding in JavaScript in 2003 as a young teenager and switched to Smart contract development in 2016 when he first discovered Ethereum. He began writing production-ready smart contracts in 2020. After collaborating on, and co-founding several NFT and DAO projects, Mourad joined the team to bring his expertise to better serve the Winnables community.

Pierre Mouchan

Pierre is the founder of Saplings, a purpose-driven project dedicated to directing the proceeds from NFTs towards NGOs that work towards mitigating climate change. His expertise primarily lies in front-end web development, and he has a proven track record of leading teams to deliver award-winning results. With 2.5 years of experience as a start-up founder, he is well-versed in the entrepreneurial world and has honed his leadership, decision-making, and problem-solving skills. Pierre considers himself to be a multi-disciplinary professional with a passion for making a positive impact in the world.

We are looking to hire:

- **Customer Support and Community Manager**, to help our customers with their queries and engage and moderate our Discord community.
- **Product Manager** to find and purchase new products, add them to our website.
- **Social Media Manager** responsible for creating and implementing social media campaigns, collaborating with influencers, and managing content creation for our social media pages.
- **Full Stack Developer** to make any necessary changes to our website, admin panel, and smart contracts.

As our revenue increases, we plan to continue hiring new employees throughout the year to support our business growth.

In the first year of business, all employees will be remote but mainly located in Europe. Currently we have two part time employees based in Italy, Serbia, and Paris.

We expect to hire other talents based in Europe and after seven months of business rent an office for us and our employees.

4. BUSINESS ACTIVITY

At Winnables, we provide unique online web3 competition powered by blockchain technology. Our goal is to create a fair and transparent environment for all players who participate in every competition on our website. We achieve this by using Chain-link VRF (Verifiable Random Function) to ensure that every draw on our website is tamper-proof and cannot be manipulated by any third party or our development team.

The games provided on the platform will be extraction-based competitions where one or more players can win. Players can participate in web3 competitions by purchasing tickets, the more tickets a user purchases the more chances he will have to win the item. Each ticket purchased will have a random number assigned (by chainlink and its network). If a ticket number matches with the number given by chainlink (RNG), the ticket holder takes the prize home.

The extraction will be made via Chain-link VRF (Verifiable Random Function) a random number generator (RNG) that enables the smart contracts to access random values without compromising security or usability.

To further enhance transparency, we carefully source and verify all items available to win. Our digital items, such as NFTs and coin purses, are purchased and sourced by us, and their authenticity can be easily verified through metadata on the blockchain, including the smart contract address and token ID.

Non-fungible Tokens (NFTs)

The NFTs that will be awarded as winnings include but are not limited to:

- Cryptopunks
- Bored Ape Yacht Club
- Mutant Ape Yacht Club
- Doodles
- Moonbirds
- Otherdeed for the Otherside

- Clone X – X Takashi Murkami
- Sandbox
- Meebits

These are all ‘blue-chip’ NFTs that achieved over £125,000 Ethereum in sales volume (individually), so approximately worth more than \$150,000,000.

These NFTs will be purchased only on the biggest online NFT marketplaces, such as Open Sea, LooksRare and Raribles etc.

With these items being on-chain, they can be tracked down to be able to verify the authenticity and ownership. This will allow users/players to verify if “winnables.com” is actually owner of the item that is offered to be won.

We will also work with other NFT projects pre-vetted by us, which will be given to us for free in exchange for marketing and creating competitions exclusively for their community.

Processing Solutions and Payment System

Using a cryptocurrency wallet, such as Metamask, Ledger, or Coinbase Wallet, to store funds and receive prizes in a game is a common practice in blockchain-based games and NFT minting. It offers players the ability to maintain control over their funds and eliminates the need for a centralized authority to manage pay-outs.

Players can create a cryptocurrency wallet by following the instructions provided by the specific wallet provider. Once the wallet is created, players can transfer their cryptocurrency to that wallet from a cryptocurrency exchange or another wallet. User can also use their metamask to purchase crypto but will need to pass a KYC verification.

To participate in the game, players will need to connect their cryptocurrency wallet to the game’s interface. This is typically done by clicking on a “connect wallet” button and then selecting the wallet provider they are using. The user will need to ensure it has required balance in their account before participating in raffles and purchasing tickets.

Once the wallet is connected, players will need to register their username, first name, last name, and e-mail address. Players will then be able to purchase tickets or participate in free entry competitions. If they win, the prize will be automatically transferred to that same wallet.

Smart Contracts

Smart contracts are self-executing programs that run on the blockchain and can automate various aspects of a game, such as pay-outs, selecting a prize winner, verification of game results, and handling of game assets.

By interacting with smart contracts, players can ensure that the game operates fairly and that they receive their winnings as promised. For example, a smart contract can be programmed to automatically distribute winnings based on predefined rules, without the need for a centralized authority to manage pay-outs. Thus, creating a fair and trustworthy environment for players.

5. MARKET ANALYSIS

Our Brand

Our brand is the foundation and an integral part of our business. By way of our branding, we will differentiate ourselves from our competitors and create a strong connection with our customers.

EAT (Entertainment, Art, Talent) LLC will act as our branding agency and guide us on our branding strategy to assist us in delivering a concept and design that is instantly recognisable to our customers.

We will also invest in building a strong online presence to ensure our brand is visible to potential customers when they are searching for web3 games. Our main domain name is winnables.com. We have also sub domains to consolidate the brand (winnables.co and winnables.xyz).

Key features of the Winnables brand:

- a) **Memorable and Catchy:** The name “Winnables” is short, memorable, and easy to pronounce. This makes it more likely that people will remember our brand and share it with others.
- b) **Playful and Fun:** The name “Winnables” has a playful and fun connotation, which fits well with our focus on creating an entertaining and engaging platform. It also suggests that winning is within reach for everyone who plays on our platform.
- c) **Differentiation:** The name “Winnables” is distinctive and different from other web3 games. This helps us stand out in a crowded market and attract new players who are looking for something unique.

Overall, the name “Winnables” can help us create a strong brand identity and differentiate ourselves from our competitors, while also conveying a sense of playfulness and fun.

We are currently in the process of trademarking the Winnables brand in Europe, United Kingdom and United States.

Target Market

Our primary target market is current NFT owners and crypto enthusiasts, as participation in our Winnables competition requires an e-wallet. We are confident that e-wallets will experience exponential growth in the next few years, which will allow us to expand our target market and to include more mainstream users.

For digital items, our target market is worldwide, as the winner will receive their prize instantly, eliminating any logistical issues.

Selling Proposition

Our unique selling proposition is based on the “4 Ps” of marketing.

Our promotional strategy is different from our competitors who rely heavily on short-term giveaways on a single social media platform, Twitter. Instead, we are creating organic content that includes articles, proprietary images, and interactive and engaging content. We are sharing this content across three social media platforms – Instagram, TikTok, and Twitter – as well as on our website for SEO targeting. This approach is more sustainable and offers greater reach and engagement over the long term.

For digital items, we create custom animations and visual effects to make the unboxing experience as engaging as possible.

By providing a fun and entertaining unboxing experience, we hope to create a lasting impression on our players and foster a sense of excitement and anticipation around our platform.

Competitor Analysis

Our online raffle platform has several advantages to our competitors.

We are committed to providing a safe and secure platform to our users. Unlike some of our competitors, our platform is licenced to operate, and we comply with all relevant legal requirements and regulations to operate our business and ensure our users and their data is protected. This provides assurance and help build trust with users knowing that they are participating in a legitimate raffle.

Through our online platform, we offer a user-friendly interface that is simple and intuitive as well as a wide range of payment options to make it easy for users to navigate and participate in raffles.

Our platform is also more accessible than traditional raffle platforms as users can access it from anywhere in the world with internet connection. This means that users can participate in raffles from the comfort of their own home or while on-the-go.

It is also more cost-effective than traditional raffle platforms because it does not require the same overhead costs as traditional platforms. We use blockchain technology to reduce transaction costs and eliminate the need for intermediaries. This results in lower fees for users and makes it easier to run raffles without users having to worry about high costs. However, there is a cost on the user side which is fundamental – gas fees. These can be very high and sometime cost as much as a ticket. They are however fundamental, and they ensure trackability of each transaction and interaction with the smart contract. We have identified a way to reduce them by a lot by bridging two blockchains net. This will give us a real competitive advantage against our competitor, and this without compromising trackability.

6. GAME-CONTENT AND SOFTWARE PROVIDERS

Our team will be responsible for the development of the website, admin panel, and smart contract. Pierre Mouchan and Mourad Kejji will oversee the development of each of these components.

The website, Winnables.com, will serve as the platform for users to participate in competitions, view past competitions, and learn more about our company.

Admin Panel

Our in-house admin panel will provide our team and product manager with access to data from past and current competitions. This data will allow us to gain insight into how our competitions are performing.

Additionally, the admin panel will allow us to add new competitions to the Winnables website.

Chainlink Verifiable Random Function

The smart contract will be built on the Ethereum blockchain and will contain the rules for the lottery.

To ensure fairness and transparency in the selection of the winning ticket, we will integrate Chainlink into the smart contract. When the raffle is closed, Chainlink's Verifiable Random Function (VRF) will generate a random number and select the winner.

Our use of Chainlink VRF ensures that our competitions are fully transparent and free from manipulation by any third party, including our own team. This provably fair and tamper-proof selection process is auditable and resistant to tampering, thanks to the use of blockchain technology.

Software Provider

The software is being built in house (like mentioned above) to ensure the following:

- a) Offering easy-to-use platforms that enable users to manage raffle tickets easily.
- b) Securing our raffle platform by offering block-chain based security solutions; and
- c) Using impartial, verified randomisation algorithms for choosing winners.

7. KYC, AML AND AVS PROTOCOLS

Know Your Customer (KYC)

We will ensure that all our customers are verified by carrying out necessary KYC checks. The KYC information shall be obtained from the customers at the time of onboarding of the new customers at our platform. This will enable us to ensure that only legitimate customers are permitted to participate on our platform.

To comply with the KYC requirements, we will contract with a specialist third party entity, which would obtain all the KYC documents from the customers and maintain updated records of all the customers.

We will also ensure that that a secure and transparent verification of customer identity by obtaining the following information from the customer:

- Customers' full name;
- Photo identification;
- Proof of date of birth;
- Proof of address; and
- any other information or documentation as necessary

We will also provide regular staff training as we believe it's essential to provide regular training for employees involved in KYC procedures to ensure they are up to date with the latest regulations, procedures and technologies. This will help improve the quality of the KYC process and reduce the risk of non-compliance.

Anti-Money Laundering (AML)

We will ensure that we prevent suspicious customers and transactions from entering the financial system by have a robust AML policy.

We understand that to prevent from becoming a source of crime and comply with AML regulations, a thorough AML compliance program must be in place. Among other things, it should define how the company detects, assesses, and reports financial crime.

We list out the process before, which we will strictly follow to ensure that we comply with AML regulations:

Customer Due Diligence (CDD): Before a customer will be allowed to participate at the platform, we will carry out a CDD check. This would involve obtaining the customer's information to verify their identity and evaluate whether they are involved in any crime.

Enhanced Due Diligence (EDD). In cases of higher money laundering risk, we will carry out EDD check. One of the most vital components of EDD is checking customers' source of funds to ensure that they don't come from illegal activity. EDD includes verification of source of funds (SoF) documents, which include debit/credit cards, bank statements, savings accounts, recent pay checks, etc.

Ongoing customer monitoring. This is an extra layer of risk management which we will perform which would involve ongoing due diligence checks on the customers and scrutiny of their transactions.

Independent AML audits. We will also carry out independent AML audits to detect our deficiencies and failures (if any) in our AML strategies and correct the deficiencies and failures immediately.

Employees training. We will provide necessary training such as annual refresher courses to our employees to ensure they are up to date with the latest AML regulations.

Address Verification System (AVS)

In addition, we will use AVS to verify our customers' address to ensure they are accurate and up to date. This helps to ensure that the person using the crypto wallet is the rightful owner and prevent identity theft.

By implementing these processes, we can ensure that our platform is operating legally and ethically and protect both the platform and our customers from fraudulent and criminal activities.

8. FINANCIAL PROJECTIONS

We have estimated our future financial performance and display our revenue, expenses, and profit projections in the template below (**Three-Year Budget Plan**).

These projections will be indicative to our internal planning and decision-making and allow us to make strategic decisions on our operations and growth.

Monthly Inflows

Our revenue projection under monthly inflows breaks down our expected cash inflows that we anticipate receiving each month.

These inflows include refunds, Winnables NFT Pass Sales, our capital injections from our current shareholders to generate profit in the initial stages of business and increase cash flow, expected sales from tickets to our users for NFTs by month and our commission from consignment with a fixed percentage of 10% for total sales.

Monthly Outflows

Our expense projection includes a breakdown of our expected costs by category.

These include our products and their related costs (including shipping, boxing and chainlink fee), marketing costs, professional services, employees, subscriptions, banking, legal activities, research and development of new technologies, products and services to stay competitive in the market and create revenue streams and finally administrative costs, including other general expenses that are necessary for our company to function.

Cash Summaries

Our cash summaries are indicative of our expected cash position at the end of each month over the next three years.

It includes our opening balance at the beginning of each month and our closing balance at the end of each month. Here, we calculate our projections for cash inflows and outflows during that period, which is then subtracted from the total opening balance.

Conclusion

Our financial projections indicate that our platform is poised for growth.

We anticipate that our platform will gain traction with users who are looking for a secure and transparent way to participate in raffles and our projections show that we will be able to achieve profitability within the next three years.

We are confident that our platform will be a leader in the online raffle space and look forward to our continued growth and success.

Three-Year Budget Plan

Annexed as Schedule 1 with this Business Plan

Annexure 1 Three-Year Budget Plan