

BUSINESS PLAN

Euphoriagames

Euphoriagames



TABLE OF CONTENTS

Section	Name of section
1	Introduction
2	Objectives of the Operation
3	Proposed Company Structure

4	Marketing and Sales Plan
5	Assumption for Financial Projections

1. INTRODUCTION

Euphoriagames, which forms part of Qualibu, was incorporated in Curacao. The main aim for setting up Euphoria Games is to offer remote gaming services, both from a business to business perspective as well as from a business to players' perspective in various countries. From a risk perspective the promoters took the decision to separate these different businesses, having a different target Euphoria Games will be focusing on the business to business perspective and applying Curacao Licence while the other part of the business will be B2C. Prospective clients will also include licensees who are already licenced in Curacao but who might want to diversify their product or obtain additional licence/s. All Qualibu's games will be casino games and other RNG games.

The business model is a very common one attracting as many operators to the platform as is possible. This because, whether the company has one client or many operators using its software platform, the total costs would approximately be the same, hence there is a very good opportunity to take advantage of economies of scale even when going from one operator to two operators. Business connections will be made at gaming fairs and conferences as well as through Qualibu's involvement in various gaming fora. It is management intention that the remote gaming licence would be obtained by May 2024 end of September, hopefully from there we will be Qualibu has also its own website where prospective operators can obtain further information about our products and games but also the control system to help operators manage the players' activity and general player management. The website www.euphoriagames.net is made available and even marketed through various gaming media. A substantial investment has already been made in developing the software, for it to be error free and also to be aesthetically enjoyable for the players. Another substantial amount has been invested in the back office control system and also in marketing the product. Further details about our marketing strategy are provided in the Marketing and Sales plan.

2. OBJECTIVES OF THE OPERATION

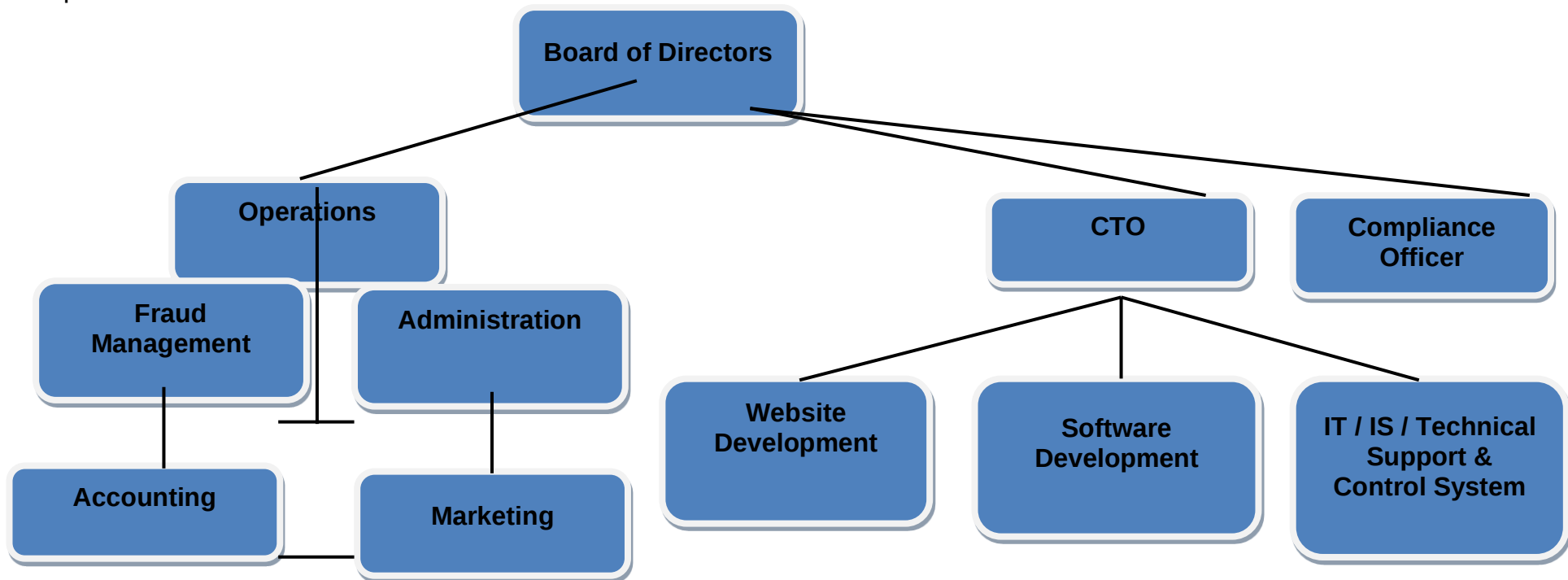
The primary objective of Qualibu is to convert our sublicense in Curacao into Master Licence from Curaçao Gaming Control Board. We anticipate that obtaining such a licence will provide peace of mind to other operators wanting to operate in this industry and ultimately to the players that would be playing on our clients' websites. We want our business partners, that is, the prospective operators to have peace of mind that they are dealing with a platform and operator of great integrity, hence offering their players the same peace of mind that they in turn would want to have of an operator and that their dealings will be handled with care and diligence and within the remit of the Remote Gaming Regulations. With this licence we intend to

promote the remote gaming software and control system primarily in the LATAM market and possibly even venturing towards the Asian market, since we believe that there is potential for our product in that market too. Qualibu intends to be as broad as possible in respect of its target market and the intention is that operators passing the due diligence checks, will be accepted as our clients and they can then apply for their own remote gaming licence. Along the years, Qualibu will continuously upgrade and enhance its product for better servicing the operators using our platform.

We are customer focused, providing operators fast, excellent and personalised services. Our objective is for our customer to find it relatively simple to set up and obtain their own remote gaming licence, hence the aim for Qualibu to be a one stop shop, providing all the technical assistance and support that is normal for software operators but also assisting in other services that might not be deemed central to our core services, but that would greatly help our operators setup allowing them to rely on our full product and services, especially during the initial months. They will also have the opportunity to branch off in later months, thus for example, using our hardware setup but then eventually deciding to setup their own hardware and hence no longer requiring such services from us.

3. PROPOSED COMPANY STRUCTURE

The company will initially mainly depend on external service providers. There is a key person will be the main liaison with the Curacao Gaming Authority, however the day to day running of the operations will be handled by the expert external service providers.



4. MARKETING AND SALES PLAN

The target market of Qualibu will mainly be the European market but will also attract prospective operators from other continents. A study is presently being carried out about the Asian market as a prospective market for the B2B product. Qualibu gaming products will be offered in various languages and as the markets increase or a new jurisdiction is added, the respective languages will be added on. Thus, languages are considered as an opportunity to attract more business to the platform. The marketing and development of the games will be targeted to attract players of different age groups. The aim is to attract the players with the largest disposable income and also those individuals that are more likely to be attracted to this sort of entertainment to our operators' website and thus attracting them to use the Qualibu products and games. Even though new on the market we expect the Euphoria games to be well received as attention to detail has been given great importance, this has resulted in a high quality product, both aesthetically and technically.

Our competitive advantage is that we aim to be customer orientated and also offering games that are fresh, new and interesting, and above all from a sound regulated jurisdiction with a long history in remote gaming. Our customer focus is emphasized by the fact that we will help operators using our product every step of the way in respect of their own licence application. The smoother it is for them, the faster they will be able to Go Live, thus attracting more players to our platform.

The marketing campaigns in respect of Qualibu will mainly focus on making us known in the gaming world and hence we will focus on entering as many forum discussions as possible, attendance at large fairs and expos. We can now however make the Euphoria games brand known. From an online perspective we aim to get introduced on the main operator websites such as igamingsuppliers.com and bestonlinecasinos.com advertising on such websites and through other gaming and social networks to make our brand known. The marketing expense is significant enough to Qualibu to attract prospective operators to our product. Since the industry is so cutthroat we understand that it is not easy to obtain new operators and hence why our projections are very modest in respect of prospective operators. Any agreement reached with any prospective operator will be regulated by a commercial contract that would have all conditions, rights and obligations of operation stated in the contract's terms.

Marketing research will also be carried out to identify other potential markets as well as the appropriate promotional methods to attract prospective operators and possible new market/s.

Methods of Marketing

- Attendance at large fairs and Expos such as G2E Las Vegas, G2E Asia, ICE totally Gaming and others that would help us in promoting our platform to prospective operators, making our games known and also showing the features and functionality of our platform through demos.

- Getting published on major casino websites such as igamingsuppliers.com and bestonlinecasinos.com. These will provide us with exposure over the internet.
- Attendance to major gaming conferences and participation in gaming fora and online blogs.
- Provision of variety of bonuses that operators using our platform may adopt to attract more players to their websites and ultimately to our gaming platform. Such bonuses may include welcome bonuses, special event bonuses, game specific bonuses, friend referral bonuses etc.
- Once the number of operators operating on the platform increase we will also consider contribution driven community jackpots. These are already very popular among large operators and players alike as it increases the payout if a player had to win a community jackpot. Details of relevant terms & conditions and approval will be sought from the regulator prior to launching such a jackpot.
- Website and social network advertising and banners from other websites will also be used to introduce and make our brand known to prospective operators as well as the public at large.
- Optimizing our website for search engine optimization. (SEO).
- Market research will also be adopted to identify new target markets as well as identify the best marketing methods to make our product known to prospective operators wanting to get licenced from Malta.

5.ASSUMPTIONS FOR FINANCIAL PROJECTIONS

- Forecast having 20 operators in the 1st year of operation an additional 20 operators in the 2nd year and 50 operators in total by the end of the 3rd year of operation;
- Neptune's income will be based on charging for the provision of the gaming software and control system software and the relevant technical support for the whole system. The proposed commercial arrangement between Qualibu and prospective operators for these services is of 15% of the Net Casino Income (NCI) monthly, where $NCI = Bets - Wins - Bonus$. If the result is less than €50,000 then the charge will be of a minimum of € 5,000 per month;
- All payments to service providers will be allowed 30 days credit;
- Debtors are allowed 30 days credit;

- Marketing expenses have been budgeted at € 2,000 in the first year of operation;

FORECAST STATEMENT OF COMPREHENSIVE INCOME

	<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>	<u>Month 4</u>	<u>Month 5</u>	<u>Month 6</u>	<u>Month 7</u>	<u>Month 8</u>	<u>Month 9</u>	<u>Month 10</u>	<u>Month 11</u>	<u>Month 12</u>	<u>Total Year 1</u>	<u>Total Year 2</u>	<u>Total Year 3</u>
	€ '000s	€ '000s	€ '000s	€ '000s	€ '000s	€ '000s	€ '000s	€ '000s	€ '000s	€ '000s	€ '000s	€ '000s	€ '000s	€ '000s	€ '000s
Gross Revenue	13	13	30	60	64	70	80	90	95	120	200	250	520	800	1,000
Bonus	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed costs:															
Licence Fee	(40)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(17)	(9)	(9)
Gaming Tax	(0)	(0)	(1)	(5)	(5)	(6)	(7)	(8)	(10)	(10)	(10)	(12)	(19)	(20)	(40)
Gaming Software charge	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(84)	(88)	(93)
Control System charge	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(84)	(88)	(93)
Third Party Contractors	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(23)	(159)	(167)
Legal & Accounting Costs	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(11)	(11)	(11)
Director's remuneration	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(12)	(12)	(12)
Total fixed costs	(69)	(30)	(32)	(31)	(32)	(32)	(33)	(33)	(33)	(33)	(34)	(34)	(390)	(430)	(484)
Variable costs															
Marketing & Advertising	(2)	(2)	(2)	(2)	(2)	(2)	(29)	(29)	(29)	(29)	(29)	(29)	(350)	(350)	(350)
Payment processing fees	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(49)	(113)	(180)
Setup Costs	(11)	0	0	0	0	0	0	0	0	0	0	0	(111)	0	0
Staff Training	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other expenses	(2)	(2)	(2)	(8)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(27)	(27)	(27)
Total variable costs	(19)	(8)	(8)	(39)	(8)	(40)	(35)	(35)	(35)	(35)	(35)	(35)	(536)	(490)	(557)
Total costs:	(75)	(38)	(40)	(67)	20	(68)	(68)	(68)	(69)	(69)	(69)	(69)	(926)	(919)	(1,041)
EBITDA	(62)	(25)	(10)	(40)		(28)	(21)	(15)	(8)	(2)	5	11	(402)	292	892

Business Plan

Depreciation	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(20)	(20)	(20)
EBIT	(64)	(27)	(49)	(42)	(36)	(29)	(23)	(16)	(10)	(3)	3	10	(422)	272	872
Company tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(253)
Result after tax	(172)	(55)	(49)	(42)	(36)	(29)	(23)	(16)	(10)	(3)	3	10	(422)	272	619

FORECAST CASHFLOW STATEMENT

Cashflow from Operating Activities

Net Profit before Tax	-422	272	619
Adjustments for Depreciation	1	1,000	1,000
	-421	1,272	1,619

Operating Profit before Working Capital Changes

Decrease (increase) in debtors	0	0	0
Increase (decrease) in creditors	10	7	10

Cash generated from (used in) operations	10	7	10
Interest Received	0	0	0
Interest Paid	0	0	0
Tax Paid	0	0	0
Net Cash from (used in) operating Activities	0	0	0

Cashflows from investing activities

Purchase of Tangible Fixed Assets		0	0
Net Cash used in Investing Activities	0	0	0

Cashflows from financing activities

Proceeds from capital contributed	25	0	0
Proceeds from shareholder loans		0	0
Payment of Shareholder loans	0	0	

Net Cash from (used in) financing Activities			
	25	0	0
Net Movement in Cash and Cash Equivalents			
	-386	1,279	1,629

Business Plan

Forecast Statement of Financial Position

Forecast Statement of Financial Position

	Year 1 €	Year 2 €	Year 3 €
Fixed Assets	0	0	0
Operating Accounts	-328	373	730
Debtors	-	-	-
Total Assets	-328	373	730
Capital & Liabilities			
Trade Creditors	69	76	86
Creditors	69	76	86
Long Term Liabilities			
Shareholders Loan			-
Share Capital	25	25	25
Retained Earnings	-422	272	619
Total Capital & Liabilities	-328	373	730