

# Razzy Business Plan and Corporate Governance

Updated March 25, 2024

## 1. Overview

- 1.1. Razzy is engaged in the provision of Sportsbook, Casino, and additional gaming services. Our endeavor is to revolutionize the entertainment and betting sectors. The cornerstone of our strategy is a steadfast commitment to delivering unparalleled customer service within the industry. This is achieved through a meticulous process of engaging with our clientele, thereby gaining valuable insights. By harnessing state-of-the-art technology and leveraging advanced data analytics, we aspire to not only meet but surpass our customers' expectations, ensuring compliance with all applicable legal and regulatory standards.
- 1.2. Razzy offers a total of around 2,500 casino games including slots, table games, live casino and other games from many different suppliers, and also a few proprietary games. The sportsbook offers bets on a wide selection of sports, leagues and markets.

## 2. Legal and Regulatory Compliance

- 2.1. Razzy operates under a sublicense from Curacao Interactive Licensing N.V., sublicense number #5536/JA, which authorizes us to offer online gambling and igaming services. This sublicense is a testament to our commitment to legal and regulatory compliance in the igaming sector and signifies our authority to operate within the defined legal framework.
- 2.2. Jurisdictional Compliance: Curacao
  - 2.2.1. As a sublicensee of Curacao Interactive Licensing N.V., Razzy is subject to the laws and regulatory oversight of Curacao. Our operations, including but not limited to game offerings, financial transactions, and customer interactions, are conducted in strict adherence to the regulations established by the Curacao government and the directives of Curacao Interactive Licensing N.V.
  - 2.2.2. Compliance with Curacao Regulations: We are committed to upholding the high standards required by our licensing authority. This includes ongoing compliance with all regulatory requirements related to online gambling and igaming operations in Curacao. Our policies and procedures are designed to align with these requirements, ensuring a secure, fair, and responsible gaming environment for our customers.
- 2.3. AML and KYC Procedures:
  - 2.3.1. In line with Curacao's regulatory framework, Razzy has implemented rigorous Anti-Money Laundering (AML) and Know Your Customer (KYC) procedures. These procedures are essential for preventing financial crimes and ensuring the integrity of customer transactions. Our AML and KYC policies comply with Curacao's regulations, aiming to detect, prevent, and report suspicious activities in accordance with legal obligations.
- 2.4. Data Protection and Customer Privacy:
  - 2.4.1. We recognize the importance of data protection and privacy. Our operations comply with Curacao's data protection regulations, ensuring that customer data is handled securely, confidentially, and in accordance with legal requirements. This includes implementing appropriate technical and organizational measures to protect customer information from unauthorized access, disclosure, alteration, or destruction.

## 3. Corporate Governance Structure (Future Implementation)

- 3.1. Board of Directors
  - 3.1.1. Composition: The Board will consist of five directors, including two independent directors with experience in the igaming industry, legal compliance, and financial management.

3.1.2. Responsibilities: The Board will oversee the company's strategic direction, ensures compliance with regulatory requirements, approves major policies, and reviews the effectiveness of governance practices.

3.1.3. Meetings: Regular meetings will be held quarterly and as needed to address specific issues.

### 3.2. Committees

3.2.1. Audit Committee: Oversees financial reporting, audits, and internal controls. Comprises at least one independent director.

3.2.2. Compliance Committee: Ensures regulatory compliance, oversees the implementation of compliance programs, and monitors changes in legal requirements. Led by the Chief Compliance Officer.

3.2.3. Risk Management Committee: Identifies, evaluates, and manages risks related to operations, finance, and compliance.

### 3.3. Management Roles

3.3.1. Chief Executive Officer (CEO): Responsible for overall business strategy, operations, and performance.

3.3.2. Chief Compliance Officer (CCO): Ensures compliance with regulatory requirements, oversees KYC and AML procedures, and serves as the primary contact with regulatory bodies.

3.3.3. Chief Technology Officer (CTO): Oversees the development and security of technology platforms.

3.3.4. Chief Financial Officer (CFO): Manages financial operations, including accounting, financial planning, and reporting.

## 4. **Corporate Governance Structure (Revised for Startup Phase)**

### 4.1. Board of Directors (Future Implementation)

4.1.1. Given our current status as a startup with limited personnel, the full implementation of a Board of Directors as described will be phased in as Razzy grows. In the interim, the founding members will collectively fulfill the roles and responsibilities typically overseen by a Board. This includes setting strategic direction, overseeing operations, and ensuring compliance with legal and regulatory requirements. As the company expands, we will establish a formal Board of Directors, including the appointment of independent directors with expertise in gaming, legal compliance, and financial management to enhance governance and strategic oversight.

### 4.2. Committees (Future Implementation)

4.2.1. Audit Committee: At this early stage of our development, the functions of the Audit Committee will be managed by the founding team, with external advice and services as necessary. We will prioritize establishing practices for financial reporting and internal controls, even before the formal committee structure is in place. As Razzy grows, we will form an Audit Committee, comprising at least one independent director, to oversee financial integrity, audits, and compliance with internal controls.

4.2.2. Compliance Committee: Currently, compliance activities are managed directly by the Chief Compliance Officer with support from the entire team, ensuring adherence to regulatory requirements and best practices. A dedicated Compliance Committee will be established as part of our governance structure expansion. This committee will be responsible for monitoring compliance, reviewing policies, and adapting to new legal and regulatory challenges.

4.2.3. Risk Management Committee: Risk management is a critical concern from the outset; thus, the founding team, led by the Chief Compliance Officer, will actively identify, assess, and manage risks. The formal establishment of a Risk Management Committee will occur as part of the company's evolution. This future committee will systematically handle risks related to operations, finance, and compliance, enhancing our ability to respond to internal and external changes effectively.

4.3. Razzy recognizes the importance of solid corporate governance for long-term success and credibility in the gaming industry. The phased implementation of our governance structure is designed to be flexible, allowing us to lay the groundwork for best practices from the beginning, even as we operate

with a lean startup team.

- 4.4. This approach ensures that we maintain focus on compliance, risk management, and strategic oversight while remaining agile and responsive to the fast-paced nature of the igaming sector. We are committed to expanding our governance framework in line with our growth, enhancing our capabilities, and meeting the expectations of regulators, partners, and customers.

## 5. Team

| Position                   | Hired | Planned | No need |
|----------------------------|-------|---------|---------|
| Chief Executive Officer    | X     |         |         |
| Chief Commercial Officer   | X     |         |         |
| Chief Financial Officer    | X     |         |         |
| Chief Marketing Officer    | X     |         |         |
| Head of Compliance         | x     |         |         |
| Chief Technology Officer   |       | x       |         |
| Head of Product            |       | x       |         |
| Head of Engineering        |       | x       |         |
| IT Manager                 |       | x       |         |
| Head of Client Acquisition |       | x       |         |
| Head of Client Engagement  |       | x       |         |
| Territory Manager          |       | X       |         |
| Business Intelligence      |       | X       |         |
| Head of Risk               |       | x       |         |
| Head of Treasury           |       | x       |         |

## 6. Experience

- 6.1. Describe your experience in online gambling or related domain. Please provide websites, companies, people names, references, projects, anything that can speak in your favor:

| Experience                                                            | Description                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Online gambling<br>Please specify the websites you are/were a part of | Two co-founders have been in the gambling space for over 5 years. CEO have over 20 years' experience in building and scaling startups as well as VC and finance. CBD and COO have over 10 years' experience in business development. Our CMO has been working in the sector for 7 years with major operators                |
| Current business / activity                                           | Previous experience growing companies through early stages to M&A ranging from \$50M~\$200M. CEO has worked directly with esports teams, events and sponsorships in Japan and APAC. Global payment processors to enable us to work with local partners, local and global banks in order to structure proper financial rails |

- 6.2. Expertise Does any member of your team has expertise in the following activities? A list of some clients that we have worked with in the past include but is not limited to: Yuga Labs, Azuki, Animoca, Sandbox, Decentraland, Blizzard, Binance, Binance chain, Polygon, Monte Carlo Casino, Marina Bay Sands Casino, Coinbase, Hugo Boss, Rolex, Uber, Citibank, SBI Group, Galaxy Digital, DCG, Phillip Morris International, LVMH, Dior, Aston Martin, BMW, Ferrari, Lexus, Japan Air, American Express Centurion, Mastercard, Ripple, Hyatt Group, Hilton Group

| Expertise | Description |
|-----------|-------------|
|-----------|-------------|

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Casino Promotion         | The two co-founders Matt and Cole and CMPO have been working in the sector for the past 4-7 years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Bonus Program Developing | <p>Yes, Matt and Cole the co-founders as well as the CMO have experience in building bonus programs and:</p> <p>Developing a tiered loyalty program where players earn points for each game they play, with the number of points earned increasing with each tier. Benefits can include exclusive bonuses, faster withdrawals, or access to VIP games. This rewards long-term players and encourages them to keep playing. Offering competitive welcome bonuses to attract new players. This could take the form of a deposit match, free spins, or free bets. Make sure to clearly communicate the terms and conditions of these bonuses, including any wagering requirements.</p> <p>Schedule regular promotional events such as tournaments, leaderboards, or seasonal events that offer special bonuses. This not only provides a sense of variety and excitement for regular players but can also attract new players looking for unique experiences.</p>                                                                                                                                                                                                                                                                                       |
| Retention activities     | <p>Yes CEO and CMO have experience working in discords, email and direct customer service to help deal with first line support, build loyalty and gamification programs and special offers to incentivize players and reduce churn.</p> <p>We have implemented a well-structured loyalty program that rewards players for their frequency of play and longevity with the service. Regularly provide bonuses, free spins, or bet credits to keep players engaged. The more a customer engage and spend in the platform, the greater the rewards they should receive. These were built in play and earn, play and earn, as well as play to earn games that involved crypto and NFT's</p> <p>By regularly updating and diversifying the offering of games and tasks to cater to a broad range of tastes and preferences on a global scale. We were able to tailor the user experience by personalizing game recommendations based on a player's history and preferences.</p>                                                                                                                                                                                                                                                                            |
| Content management       | <p>Yes CEO, CMO and CFO have experience in</p> <p>Content Creation: Developing engaging, relevant, and high-quality content tailored to the target audience. This enables us to understand your audience's needs and interests, planning topics, writing, and designing posts, and ensuring all content is optimized for SEO.</p> <p>Content Scheduling and Publishing: We have been organizing and scheduling content to ensure consistent posting across all digital channels like blogs, social media platforms, emails, etc. with experience in Hubspot, HootSuite, and many other CRM's Through the use of content calendars and automation tools to streamline processes and maintain a regular posting schedule to keep your audience engaged. We incorporate data and analytics to monitor client behaviors and patterns enabling us to create more efficient and optimized content individualized to the client.</p> <p>Through monitoring and evaluating the performance of content through analytics tools to gain insights into what types of content are resonating with the audience. Based on these insights, content strategies are continuously adjusted and improved to increase engagement, reach, and overall effectiveness.</p> |

## 7. Internal Controls and Audit

7.1. The internal controls and audit framework of [Company Name] is designed to ensure the reliability of financial reporting, compliance with laws and regulations, and the effectiveness and efficiency of operations. This section elaborates on the various components of our internal controls system, illustrating how each is implemented to safeguard assets, prevent and detect fraud, and manage risk across all levels of the organization.

### 7.2. Control Environment

- 7.2.1. Corporate Governance: The foundation of our internal controls, emphasizing ethical behavior, accountability, and the importance of compliance throughout the organization. This includes the commitment of the Board of Directors and senior management to integrity and ethical values.
- 7.2.2. Organizational Structure: Clearly defined roles, responsibilities, and authorities to facilitate effective decision-making and accountability. This structure supports the achievement of the company's objectives and ensures clear lines of reporting and communication.
- 7.3. Risk Assessment
  - 7.3.1. Risk Identification and Analysis: Regular assessments to identify and analyze risks that could affect the achievement of the company's objectives, including financial, operational, compliance, and reputational risks.
  - 7.3.2. Risk Management Strategies: Development and implementation of strategies to manage identified risks, including avoidance, reduction, sharing, and acceptance. This process is dynamic, with continuous monitoring and reassessment of risks as the business environment and operations evolve.
- 7.4. Control Activities
  - 7.4.1. Policies and Procedures: Establishment of policies and procedures to guide the operation of the company's activities, ensuring alignment with business objectives and compliance with regulatory requirements.
  - 7.4.2. Segregation of Duties: Key control to prevent fraud and errors by dividing responsibilities among different people for authorizing transactions, recording transactions, and maintaining custody of assets.
  - 7.4.3. Access Controls: Security measures to limit access to physical and digital assets, information, and systems to authorized individuals. This includes password policies, encryption, and physical security controls.
  - 7.4.4. Reconciliation and Review: Regular reconciliation of accounts and review of operations to detect and correct discrepancies, ensure completeness and accuracy of financial and operational data, and evaluate performance against standards and objectives.
- 7.5. Information and Communication
  - 7.5.1. Information Systems: The implementation and maintenance of information systems that support the recording, processing, and reporting of the company's activities. Systems are designed to ensure the integrity, confidentiality, and availability of data.
  - 7.5.2. Communication Channels: Established channels for effective communication within the organization and with external stakeholders, including regulators, customers, and partners. This ensures that relevant information is disseminated in a timely and understandable manner, facilitating informed decision-making.
- 7.6. Monitoring Activities
  - 7.6.1. Ongoing and Separate Evaluations: Continuous monitoring of internal controls integrated into the daily activities of the company, supplemented by periodic evaluations conducted by internal and external auditors.
  - 7.6.2. Corrective Actions: Procedures for addressing deficiencies identified through monitoring activities, including modifications to controls, processes, and policies to strengthen the internal control system.
- 7.7. Internal Audit Function
  - 7.7.1. Independence and Objectivity: The internal audit function operates independently of the daily operations, with direct reporting lines to the Audit Committee of the Board of Directors. This ensures objectivity and freedom from management or other influences.
  - 7.7.2. Audit Plan: Development and implementation of an annual audit plan based on a risk assessment, covering all areas of the company's operations. The plan is flexible to adapt to changes in the business environment, risks, and operational priorities.
  - 7.7.3. Audit Reports: Regular reports to management and the Audit Committee, detailing findings, recommendations, and follow-up on previously identified issues. These reports contribute to the continuous improvement of the internal control environment.
  - 7.7.4. The internal controls and audit framework of [Company Name] is fundamental to maintaining the integrity, reliability, and transparency of our operations. By adhering to these controls, we

ensure the safeguarding of assets, compliance with regulations, and the achievement of our business objectives in a controlled and efficient manner.

## 8. Ethics and Integrity

### 8.1. Code of Conduct

8.1.1. A code of conduct for all employees, emphasizing ethical behavior, integrity, and respect for laws and regulations.

### 8.2. Conflict of Interest Policy

8.2.1. Procedures for identifying, disclosing, and managing conflicts of interest among board members, management, and staff.

### 8.3. Anti-Bribery and Corruption Policies

8.3.1. Zero tolerance for bribery and corruption, with guidelines for compliance with anti-corruption laws.

## 9. Stakeholder Engagement

### 9.1. Customer Support and Dispute Resolution

9.1.1. Systems for providing customer support, handling inquiries and complaints, and resolving disputes fairly and transparently.

### 9.2. Communication with Regulatory Bodies

9.2.1. Procedures for timely and transparent communication with the Curacao Gaming Commission and other regulatory entities.

## 10. Monitoring, Review, and Continuous Improvement

10.1. Ongoing monitoring of compliance with this framework and regulatory requirements.

10.2. Regular reviews of governance practices and policies for continuous improvement.

10.3. Adaptation of policies and procedures as the company grows and as new regulatory requirements emerge.

## 11. Razzy Projections and calculations:

|                                  | Y1                 | Y2                  | Y3                   | Y4                   | Y5                     |
|----------------------------------|--------------------|---------------------|----------------------|----------------------|------------------------|
| <b>End of Year total players</b> | <b>5,174</b>       | <b>35,351</b>       | <b>111,004</b>       | <b>348,377</b>       | <b>1,093,357</b>       |
| Average Monthly Players (AMP)    | 2,432              | 19,354              | 69,330               | 217,592              | 682,898                |
| SBK Total Action                 | \$25,173,473       | \$198,792,385       | \$709,060,423        | \$2,225,377,189      | \$6,984,186,928        |
| Casino Total Action              | \$50,346,946       | \$397,584,769       | \$1,418,120,845      | \$4,450,754,377      | \$13,968,373,856       |
| <b>Total Revenue (GGR)</b>       | <b>\$3,901,888</b> | <b>\$30,812,820</b> | <b>\$109,904,366</b> | <b>\$344,933,464</b> | <b>\$1,082,548,974</b> |
| Cost of sales                    | -\$983,645         | -\$7,633,876        | -\$27,228,807        | -\$85,457,266        | -\$268,201,508         |
| Cost of sales as a % of revenue  | -25%               | -25%                | -25%                 | -25%                 | -25%                   |
| <b>Gross profit</b>              | <b>\$2,918,243</b> | <b>\$23,178,944</b> | <b>\$82,675,559</b>  | <b>\$259,476,198</b> | <b>\$814,347,466</b>   |
| Sales and marketing              | -\$729,561         | -\$5,794,736        | -\$20,668,890        | -\$64,869,050        | -\$203,586,866         |
| <b>Contribution</b>              | <b>\$2,188,682</b> | <b>\$17,384,208</b> | <b>\$62,006,669</b>  | <b>\$194,607,149</b> | <b>\$610,760,599</b>   |
| Operating costs                  | -\$1,179,168       | -\$1,785,843        | -\$2,305,393         | -\$2,936,378         | -\$3,048,155           |
| <b>Adjusted EBITDA</b>           | <b>\$1,009,514</b> | <b>\$15,598,365</b> | <b>\$59,701,276</b>  | <b>\$191,670,771</b> | <b>\$607,712,444</b>   |
| Adjusted EBITDA Margin %         | 26%                | 51%                 | 54%                  | 56%                  | 56%                    |
| <b>Adjusted Operating Profit</b> | <b>\$999,419</b>   | <b>\$15,442,381</b> | <b>\$59,104,263</b>  | <b>\$189,754,064</b> | <b>\$601,635,320</b>   |

## 12. Budget

12.1. What is the budget secured for the project? Choose the most appropriate figure for the first 12 months of operation:

| Project 12 months budget, EUR |   |
|-------------------------------|---|
| > 500,000                     | x |
| 200,000 – 500,000             |   |
| 100,000 – 200,000             |   |
| 100,000 >                     |   |

12.2. Please specify how the budget is distributed across the period:

| Period   | Month 1 | Month 2 | Month 3 | Month 4 | Month 5  | Month 6  |
|----------|---------|---------|---------|---------|----------|----------|
| Sum, EUR | €51,060 | €62,493 | €75,426 | €90,806 | €109,775 | €132,717 |

### 13. Target Markets

- 13.1. Our initial target markets were chosen through analysis of current public listed companies and the areas and success that they have had. We combined this with research and analysis into the local competitor market, adoption of both smartphone, internet penetration and post COVID digital transformation. Through the commercialization of sports, extensive media coverage, and the emergence of esports have fueled the growth in sports betting.
- 13.2. What are the countries you are planning to target: Every county that is covered by the Curacao license, once we obtain additional licenses, we will target additional countries. Initially we will start marketing in LATAM, Canada ex Ontario, and India.

### 14. Player Acquisition

- 14.1. Describe in a few sentences your strategy for player acquisition: We have a network of influencers and micro-influencers that will enable a broad reach across LATAM that we will activate through social and live events.
- 14.2. Targeted Online Advertising: Using tools such as Google Ads, Facebook Ads, and other programmatic advertising platforms to reach a highly targeted audience. This could include demographics like age and location, but also behaviors, such as people who already play online games or follow gambling-related content. Utilize retargeting strategies to capture potential customers who have shown interest but haven't yet signed up.
- 14.3. Affiliate Marketing: Collaborating with influencers, bloggers, or other websites related to the gambling and entertainment industry, which can direct traffic to your online casino. Offer them an attractive commission structure for every new player they bring in. This can be particularly effective because these affiliates have already built trust with their audiences.
- 14.4. Welcome Bonuses and Promotions: Offer competitive welcome bonuses, free spins, or initial deposit matches to attract new users. Make sure to communicate these promotions effectively through your advertising campaigns. Also, consider hosting tournaments or other special events that can attract new players and provide a fun, competitive environment.
- 14.5. SEO and Content Marketing: Use SEO strategies to improve the ranking of your online casino in search engine results. Publish high-quality content that will provide value to potential players, such as articles about game strategies, industry news, and tips for responsible gambling. This can help build trust with potential players and establish your brand as an authority in the industry.

### 15. Key Suppliers and Material Dependencies

15.1 BetConstruct Partnership: We have partnered with BetConstruct, a leading provider of betting and gaming solutions, to utilize their casino and sportsbook platform. This strategic alliance allows us access to an extensive portfolio of third-party games without the need for direct contracts with each game provider. BetConstruct also furnishes us with vital sports data and betting lines creation for our sportsbook.

- 15.1.1. Risk Management: To mitigate the risk of dependency on BetConstruct, we regularly review our service level agreements (SLAs) to ensure uptime guarantees and have a contingency plan in place for platform continuity. Our technical team maintains a robust incident response protocol to address any platform-related issues swiftly. We conduct periodic market evaluations to stay informed about alternative providers, should the need to switch arise.

- 15.2. Banking and Financial Redundancy:** In anticipation of our corporate bank account openings, we are implementing a risk mitigation strategy that includes the establishment of both primary and secondary banking relationships. This approach is designed to minimize the impact of any potential interruptions, such as one account becoming unexpectedly unavailable.
- 15.2.1. Risk Management:** We monitor the financial health and regulatory compliance of our banking partners to anticipate and prepare for potential changes in their operational status. By diversifying our banking operations across multiple institutions, we reduce the risk of service disruption.
- 15.3. Corporate Structure Resilience:** Our corporate structure is strategically designed to reduce risk exposure. The gaming license is held by a company incorporated in Curacao, our Payment Service Providers (PSPs) are contracted through a Cypriot entity, and we have a separate Cyprus company dedicated to contracting other third-party vendors, including employee services, marketing, and consulting.
- 15.3.1. Risk Management:** The segregation of financial operations across different entities serves to shield our gaming operations from financial interruptions. This multi-tiered structure also offers legal and regulatory insulation, ensuring that challenges in one segment of the business do not affect the others.