

Thot Management BV

Business Plan

Version control

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Table of contents

Version control	2
Table of contents.....	3
Purpose.....	4
Mission Statement.....	4
The iGaming Industry	4
Overview.....	4
Curacao license	4
Company.....	5
Thot Management BV	5
The Company Directors	5
Risk Policies and Procedures.....	6
Board Meetings.....	7
Third party relationships	7
Payment Methods.....	7
Technology & Back end Infrastructure	7
Customer Assistance and Fraud Prevention	7
Promotion and Advertising Efforts.....	8
Search Engine Optimization	8
Referral Partners and Media Outlets	8
Unique Selling Proposition	8
The Gaming System.....	8
Strengths	9
Opportunities	9
Projections	10
KPIs.....	10

Purpose

The purpose of this document is to provide the Curacao Gaming Authority with an insight into the current operations and strategy of Thot Management BV, a company set-up to operate poker and casino products online.

Mission Statement

Thot Mgmt believes that with its wealth of industry experience in both B2B and B2C, that it can capitalise on a strong brand with long-term market recognition and has the expertise to challenge the gaming market. With a focus on poker and casino and emerging markets, Thot Mgmt is looking to create longevity in the global industry for many years to come.

The iGaming Industry

Overview

The iGaming sector has witnessed substantial growth in recent years and is expected to maintain this upward trajectory. According to independent projections, the global online gaming market is anticipated to reach USD 138.10 billion by 2028, with a consistent CAGR of 6.51%.

The Global online gambling market is forecasted to achieve a revenue of USD 107.30 billion in 2024, with an anticipated annual growth rate of 6.51% (CAGR 2024 – 2028), the number of users is expected to be 243.2m users by 2028, with a projected rate of 48.6%, the user penetration in the Online Gambling market is highest in Canada.

The European online gambling market continues to show impressive growth year-on-year, its size is estimated at USD 46.94 billion in 2024, and is expected to reach USD 56.45 billion by 2028, growing at a CAGR of 4.72% during the forecast period (2024 - 2028). By 2028, the number of users in the European Online Gambling market will be at 6.54% in 2024.

Curacao license

Thot Mgmt has ran a successful business under a Curacao iGaming Licence for more than 10 years, and has found it enhanced their competitive advantage in the iGaming Market. The attraction of a Curacao licence is that it offers:

- Confidence stems from regulation by a respected authority recognized in international markets, making it one of the most esteemed regulators in the online casino industry worldwide;
- Encompasses all games of chance and streamlines licensing for all gambling operations into a single license;
- Backing from a government that acknowledges the significance and legitimacy of conscientious operators in the iGaming industry;
- Highly competitive taxation system;
- Legal certainty enabling lawful operations and ensuring access to a wider option of payment solutions.

Company

Thot Management BV

Thot Mgmt has been operating a successful business under the current ownership since 2012, allowing them to develop many industry relationships and strategies that contribute to their success.

Thot Management cares about its teams and investing in both their personal and professional development.

Thot Mgmt recognises that it operates in a demanding and dynamic industry and prides itself on its continuous development of the brand its technology.

The Organisation Structure of the company:

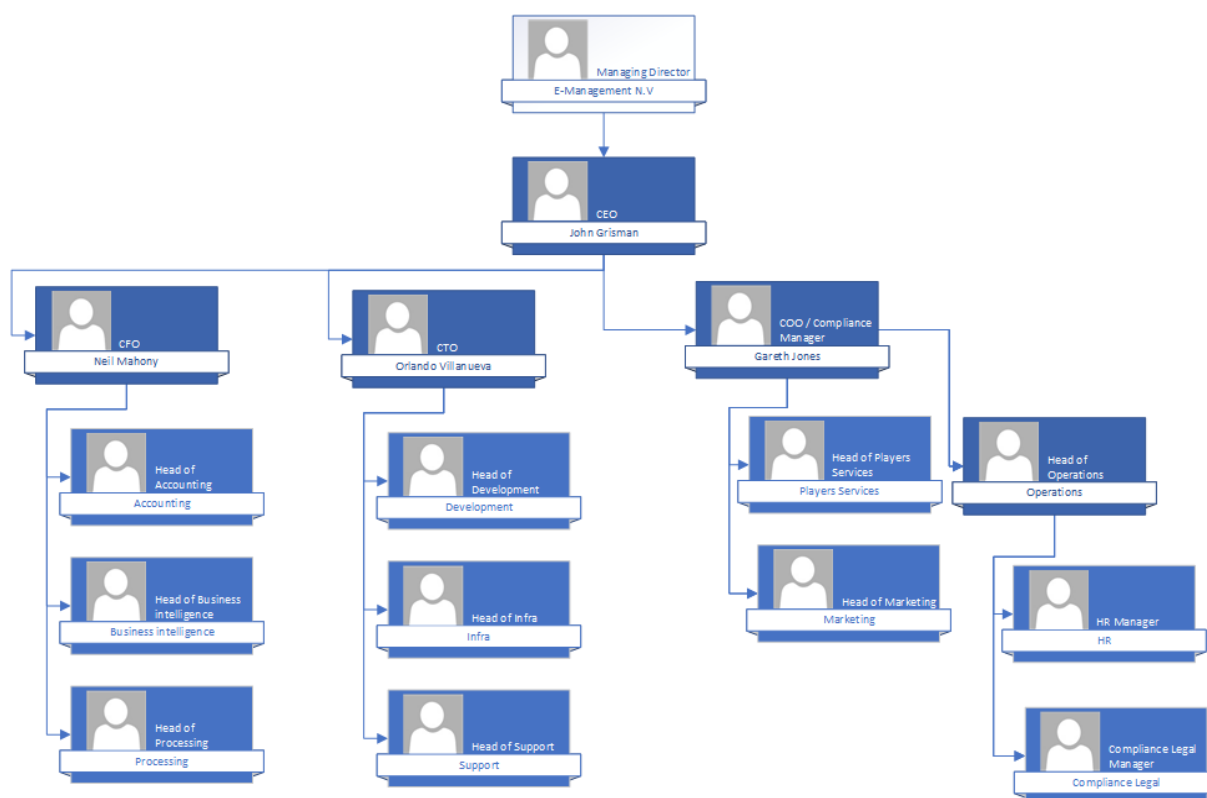


Figure 1: Organisational Structure

The Company Directors

The Directors of Thot Mgmt are responsible for:

- assessing the online gaming market continuously to identify risks, opportunities, and new legislative developments.

- adopting and maintaining an Integral Strategy to safeguard and enhance the company's businesses, licenses, assets and workforce.
- determining the feasibility of investing in other online gaming and entertainment ventures for the company.
- ensuring compliance with all financial and legal obligations to gaming authorities, aligned with any issued licenses.
- providing adequate resources and support to enable the company to achieve its goals effectively.
- reviewing and endorsing financial and operational plans, ensuring alignment with the broader strategic objectives of Thot Mgmt.

Risk policies and procedures

Each department adheres to policies set forth by the Directors of the business and adapts processes according to the requirements. These include but are not limited to the following areas related to risk:

Operations – both automated and manual processes are utilized to ensure KYC and KYT for all client transactions.

Compliance – responsible for receiving reports of suspicion of Money Laundering and Terrorism Funding. They will receive these reports and determine whether the suspicion is correct and will be reported to the relevant authority.

Finance - Internal controls consists of five interrelated elements:

- management oversight and the control culture;
- risk recognition and assessment;
- control activities and segregation of duties;
- information and communication; and
- monitoring activities and correcting deficiencies.
- monitors Source of Funds

The internal control systems should provide reasonable assurance that: -

- the business is planned and conducted in an orderly and prudent manner;
- transactions and commitments entered into have proper authority;
- management is able to safeguard the assets and control the liabilities of the business;
- there are measures to minimize the risk of loss from irregularities, fraud and error, and to identify and rectify them when they occur;
- the accounting and other records provide complete, accurate and timely information;

- management is able to monitor on a regular and timely basis, among other things, the adequacy of the capital, liquidity, profitability and the quality of assets;
- management is able to comply with regulatory requirements

Board Meetings

Bi-annual board meetings are held with the following attendees:

- CEO
- COO
- CFO

Additional team members might be asked to join to discuss topics relevant to their position.

The general format of the meeting is as follows:

- Roll call
- Current financial performance
- Forecast for the remainder of the year
- Following year budgets – strategy, growth expectations etc
- Compliance
- New business – any areas of the business that requirements the boards attention

Third party relationships

Payment Methods

Thot Mgmt provides the leading payment solutions tailored to meet the needs of their target markets.

These options encompass VISA and Mastercard payments, direct bank Transfers, and 3rd party integrations like eWallets, seamlessly incorporated into our in-house cashier system.

We ensure to have multiple options for each payment method, so the client never experiences issues or delays with trying to deposit or withdraw their funds. We pride ourselves on our instant payment methods.

Technology & Back end Infrastructure

Thot Mgmt will utilize in-house built technology for its central platform, encompassing both poker and casino operations, alongside with sports-betting.

Customer Assistance and Fraud Prevention

Both in-house resources and a third-party call centre will handle Support and Fraud Management, utilizing tools like Acuitytec, BinBase, IPStack and Iovation integrated into the platform.

Promotion and Advertising Efforts

Continually focusing on optimizing its products, processes, and procedures, Thot Mgmt currently serves markets authorized under the Curacao License, spanning from Europe to Canada and across the globe.

Thot Mgmt utilizes the following channels for marketing purposes:

- Search Engine Optimization (SEO)
- Affiliate Marketing
- Email Marketing **
- Retargeting
- Media Buying

Search Engine Optimization

We possess ample expertise in Search Engine Optimization (SEO), acknowledging the competitive landscape and the time investment it entails. Consequently, we have allocated a reasonable budget to ensure that our projected investment doesn't adversely affect the short-term performance of our brands. This strategic approach underscores our commitment to sustainable growth and long-term success in the market.

Referral Partners and Media Outlets

Utilizing outcome-driven marketing ensures a tangible assurance of results and enables us to easily gauge our marketing efficacy. Leveraging our extensive industry network, we closely collaborate with media companies and affiliates across diverse channels. Our affiliate program management will be facilitated through the Income Access platform, ensuring streamlined and effective partnership management.

Unique Selling Proposition

Incorporating a distinct selling proposition will lead to reduced acquisition and retention costs. Our strategy involves synergising innovation and product development to craft standout features that deliver exceptional value to end users. This approach will yield products that appeal to both seasoned players and newcomers to online gaming, enhancing overall engagement and loyalty.

The Gaming System

Our platform represents cutting-edge technology, enabling seamless integration of multiple products including Casino, Poker, Racebook and Sportsbook.

We utilize the following tools/services:

- Connective Games Poker product
- Sportsbook in house platform, with external odds feeds.
- Racebook in house platform, with external odds feeds.

- For Casino section, we have seamlessly integrated various platforms, including Betsoft, Evolution and RNG, among others.

We continually enhance our offerings across all products to ensure our site consistently delivers fresh experiences to our players.

Strengths

Our cutting-edge platform stands as a testament to our commitment to delivering top-tier technology to our players, prioritizing mobile accessibility for enhanced UX. Leveraging this strength, we ensure that our platform remains at the forefront of technological advancements, catering to the evolving needs of our players across various devices.

With a renowned brand name, we capitalize on easy recognition, facilitating robust SEO strategies and bolstering our marketing endeavours. This strength not only improve brand visibility but also fosters trust and loyalty amount our target audience, driving sustained growth and engagement.

Our strength lies in our capacity for in-house software development, which has proven its efficacy and competitiveness in established markets. This internal capacity empowers us to adapt swiftly to market demands, ensuring agility and innovation in our offerings. Additionally, our dedicated team of developers provides round-the-clock support, reinforcing the reliability and seamless operation of our systems throughout the year.

Opportunities

By automating essential business functions and processes, we have the opportunity to reduce operational costs significantly. This initiative not only streamlines our operations but also enhances efficiency, allowing us to allocate resources more effectively towards strategic growth areas.

Exploring player loyalty programs presents a promising opportunity for us to prioritize player retention efforts. By implementing tailored loyalty programs, we can incentivize continued engagement and strengthen relationships with our player base. This proactive approach to player retention aligns with our goal of fostering long-term loyalty and maximizing customer lifetime value

Projections

Profit & Loss Summary Forecast			
EUR '000	2024	2025	2026
Revenue	7,024	7,586	8,117
Direct Costs	3,414	3,763	4,058
Contribution	3,610	3,823	4,058
Fixed Costs	2,177	2,238	2,354
EBITDA	1,433	1,585	1,705
	20.4%	20.9%	21.0%

KPIs

Thot Management has developed a business intelligence tool that integrates all customer transaction and product data. This allows us to analyse various aspects of the business as follows:

1. Client behaviour
2. Client lifecycle
3. Client value
4. Marketing success metrics
5. Product results
6. Internal productivity i.e. how fast we complete a client payout
7. Financials

All of the above can be sliced and diced into various segments, utilizing a number of filters such as; Transaction Dates, Location, Marketing channel, Game type etc.

It also allows us to perform some quite sophisticated data modelling on marketing efforts and predictive models.