

Business Plan

Bets Entertainment N.V.

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Contents:

Introduction. Business and objectives

- 1. Overview of Products, Brands and IP**
- 2. Company Management Structure**
- 3. Business Forecast.**
- 4. Strategy for Business Growth.**
- 5. Key Suppliers.**
- 6. Business Risk Evaluation**
- 7. Legal and Governance Framework**
- 8. Target KPIs and Business Objectives**
- 9. Policies and Procedures.**

Introduction. Business And Objectives

Bets Entertainment N.V. is a multi-brand gaming operator providing to its players diversified and innovative gaming experience relying on modern technology solutions (referred to as either the "Company" or "We").

Our mission is to build a global multi-brand that will continuously offer disruptive innovation to customers by combining years of experience with innovative technologies to offer a unique and personalized gambling experience to players. Our team is composed of seasoned professionals in the industry who have extensive experience in managing, developing, and promoting gambling products and services.

When applying for GCB license the Company intends to continue its operations under the GCB license exclusively rather than use it in conjunction with the existing sub-license granted by the Master License holder as soon as the GCB license is granted in order avoid any legal and management complexity.

Competitive Advantage:

Our company's competitive advantage is our team's experience, combined with our innovative technology solutions. We have a deep understanding of what players want and need, and our technology allows us to offer personalized recommendations to each player based on their interests and behavior. This personalized approach sets us apart from other gambling companies and allows us to build a loyal customer base.

1. Overview of Products, Brands and IP

The Company went live with its operations in 2021 and is currently offering its services via the following brands:

1red.com



onluck.com



bitstrike.io



bets.io



spinch.com



lokicasino.com



Although the brands are operated by one company, they have different target jurisdictions and promoted in different ways.

To illustrate, bonus programs, activity calendars, branding and creative works vary from brand to brand. The websites are promoted mostly by affiliate partners while 1RED and BETS.IO, being boutique brands within the group and offering sports betting services, have entered into partnership/brand ambassador agreements with some athletes well known in Africa in order to provide end users with better sports betting experience.

Moreover, the Company has hired inhouse frontend developers team in order to implement

exclusive gamification features at ONLUCK, BETS.IO and SPINCH and help these brands to stand out from the rest of the casino websites developed by outsourced specialists.

In addition, the brands offer different payment methods. BITTIGER and BETS.IO are exclusively crypto brands while SPINCH, 1RED offer only traditional payment methods and both fiat, crypto payment options are available at ONLUCK, LOKICASINO.

The Company owns the following proprietary Trademarks (EUIPO registered Trademarks):

BETSIO
1RED
ONLUCK
SPINCH

Trademark applications for the rest of the brands are in preparation and will be submitted in April 2024 by the authorized patent attorneys.

The Company intends to provide its customers with a wide array of gaming services, focusing primarily on the provision of the following types of games:

- Slot Games, including Video Slots, Classic Slots
- Instant Win Games
- Virtual Sports Games
- Table Games, including Blackjack, Baccarat, Roulette
- Live Casino Games, including Blackjack, Roulette, Andar Bahar, and Casino War

The Company provides each of these types of games to its customers in desktop and mobile versions.

2. Company Management Structure

The extensive professional experience held by a number of individuals, which will be servicing the Company, will undoubtedly provide it with a solid framework and operational strategy.

Management Team

- Aleksandar Andreev– CEO with 5 years’ experience in gaming industry.
- Boriss Pancenko - Compliance Officer with 7 years’ experience in gaming industry.
- Andreev Aleksandar - CPO with 5 years’ experience in gaming industry.
- Kristina Laynveber - CFO with 3 years’ experience in gaming industry.
- Kristina Laynveber - COO with 3 years’ experience in gaming industry.

- Jakubovskis Konstantinis - CTO with 4 years' experience in gaming industry.

These individuals are involved the below operations of the Company.

Finance Department:

The main objectives of this business area are as follows:

- To prepare management accounts and financial statements on a periodic basis.
- To manage the Company's finances and financing plans.

Product Department consisting of

1. Data Team:

The main objectives of this business area are as follows:

- To manage and analyse statistical data being held by the Company for the purposes of identifying the strengths and weakness of its operations.
- To generate reports about the Company's operations as may be required for business, compliance or other reasons from time to time.

2. Customer Support:

The main objectives of this business area are as follows:

- To act as a first point of contact for the Company's customers.
- To handle customer queries and complaints.
- To identify risks which customers may pose to the Company and to categorize those risks for the purposes of being able to set mechanisms for their prevention and mitigation.
- To conduct due diligence exercises on customers of the Company.
- To carry out actions for the purposes of preventing fraud.
- To handle payments to customers.
- To seek to develop relationships with new service providers such as payment solution and fraud prevention providers.

3. Product Department:

The main objectives of this business area are as follows:

- To generally manage the operations of the Company from a business perspective
- To seek to develop relationships with new service providers such as game providers.
- To act as an intermediary between the Legal & Compliance business area and the rest of the business areas to ensure a smooth working collaboration.
- To act as an intermediary between the Management of the Company and the rest of the business areas in order to ensure that the business directions and requests provided by Management are met.

- To create designs and illustrations for the appearance of the Company's websites, content and marketing material.
- To identify key components for development with the aim of continuously improving the customer's experience on the Company's website.

Human Resource Management:

The main objectives of this business area are as follows:

- To recruit employees upon request by the Company.
- To coordinate and monitor the performance of employees employed with or servicing the Company.
- To handle the management of payroll and contractual agreements with respect to employees.
- To generally assist the Company in any administrative matters it may require.

Marketing Department:

The main objectives of this business area are as follows:

- To establish relationships with external partners for the purposes of promoting the services being offered by the Company.
- To manage an Affiliate Program for the purposes of handling the relationship with all affiliates of the Company.
- To develop campaigns and other promotional activities for the Company.
- To carry out search engine optimization.

CRM Management:

The main objectives of this business area are as follows:

- To establish a relationship with the customers of the Company and ensure that they are satisfied with the services that the Company is providing.
- To act as an extension of the Marketing & Advertising business area, dedicated more specifically to existing customers.

Legal & Compliance:

The main objectives of this business area are as follows:

- To handle all legal matters of the Company, including the liaison with external legal counsel and advisors engaged by the Company.
- To ensure that the Company's operations are being conducted in a manner which is compliant with the legislation, regulations and licensing conditions to which it is subject.
- To ensure that the Company processes personal data of individuals, including customers, employees, etc., in a manner which is compliant with the applicable legislation and regulations relating to data protection.
- To ensure that the Company conducts its operations in a manner which is applicable with the legislation, regulations and licensing conditions to which the Company may be subject from an anti-money laundering / counter-terrorist funding perspective.
- To monitor customer behavior in order to be in a position to flag any suspicious behavior or transactions.
- To report any suspicious activities to the relevant regulatory authority.
- To implement policies and procedures with the general aim of preventing the Company from being used as a vehicle for money laundering and/or terrorist funding.

3. Business Forecast

	GGR	NGR*	Marketing Costs	Operating Costs (salaries, additional services)	Costs (PSP, game providers)	Costs for conferences attending	Expected Net Profit
March 2025	€18.000.000	€14.400.000	€6.000.000	€2.400.000	€3.960.000	€200.000	€1.840.000
March 2026	€25.000.000	€20.000.000	€7.500.000	€4.000.000	€5.500.000	€300.000	€2.700.000
March 2027	€40.000.000	€32.000.000	€12.000.000	€6.500.000	€8.800.000	€600.000	€4.100.000

*NGR is calculated as Total Bets - Total Wins - Bonuses – Positive Manual Balance Corrections- Platform Fees.

The above business forecast is based on the current availability of funds supported by the crypto wallet and bank statements of the Company, management reports and latest

financial statements of the Company. We also expect some GGR increase resulting from launch of three additional brands with well-established platform providers.

4. Strategy for Business Growth

Our target customers			
Our target customers: men and women over 30 years old with above average income, with experience in playing in online casinos, able to spend more than 150 euros per month on entertainment			

Gender:	Income:	Target regions:	Values of target audience:
All genders	EUR 75000+	New Zealand, Norway, South Africa and Vietnam, Japan and South Korea as new markets	1. Passion to casino games and new tech products. 2. Simplicity and easiness of product use is a concern. 3. The interest to cryptocurrency and opportunity to earn on it and invest. 4. The importance of secureness of personal data storage.

What research have we conducted to understand our market, including our industry, regions, customers, competitors?
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- Desk or online research
- Market testing and research
- Online and offline conferences, events, meetups
- Met with suppliers
- Personal experience
- Social media research

How will we promote our business?

- Digital marketing and PR activities
- Social media channels activities
- Events and exhibitions
- Direct partnership with Affiliates and Media buying teams

Source of wealth: Own operational funds + attracted investments

Strengths:

1. Experienced Team: Our team consists of seasoned professionals in the gambling industry, with a combined experience of more than 5 years. This expertise enables us to navigate the complexities of the market effectively.
2. Innovative Technology: Our innovative technology solutions allow us to provide personalized recommendations to players, giving us a competitive edge in delivering a unique gambling experience.
3. Market Growth: The global gambling market is projected to grow, providing a favorable environment for our business to thrive.
4. Multiple Departmental Structure: Our organized departmental structure includes various departments like Technical, Product, Finance, CRM, Support, Affiliate and Marketing. This structured setup ensures efficient operations.

Weaknesses:

1. Dependence on Outsourcing: some departments such as HR, Analytics, Accounting are currently outsourced, and transitioning them to in-house operations may pose challenges in terms of control and quality.
2. Competitive Market: The gambling industry is highly competitive, with established players. Gaining market share may be challenging.

Opportunities:

1. Market Growth: The global gambling market is projected to grow, providing ample opportunities for our expansion and growth.
2. Target Customer Base: Focusing on customers above 30 years old with above-average income presents a lucrative segment for our business.
3. Launching Multiple Casinos: Our medium and long-term objectives of launching multiple casinos offer the potential to capture a wider audience and increase revenue.

Competitive Advantage:

Our company's competitive advantage is our team's experience, combined with our innovative technology solutions. We have a deep understanding of what players want and need, and our technology allows us to offer personalized recommendations to each player based on their interests and behavior. This personalized approach sets us apart from other gambling companies and allows us to build a loyal customer base.

Marketing goals 2024 - 2027

Increase brand awareness/ Develop a strong brand presence across currently targeted countries as well as to get media presence in Asian markets.

As a result:

- Increase brand presence in media/increase number of brand mentions
- Increase organic traffic on the website
- Attract new partners and build stronger relations with existing ones

The Global PR strategy 2024-2027

Cooperation with media — Publications/interviews/quotes in the media:

- Media: paid and earned

Media Campaigns:

- Working with opinion leaders/B2B influencers
- Sponsorship of sports teams/ esports
- Creative video campaigns

Working with existing partners/own resources:

- Joint projects with major partners
- Content: market analysis/case study, blog

Own events:

- Online meetups
- Conference

Awards & Sponsorship of Awards:

- Participation in awards
- Sponsorship of industrial awards

Main Marketing Channels

- Affiliate marketing (Partnership program promotion)

- SEO-optimized brands' web products (Main website, affiliate's platform, landing pages, website blog)

- SMM

1. Running brand accounts in social networks - Facebook, Instagram, Twitter, LinkedIn.
2. Brand channels in messengers - Telegram

- CRM marketing (for existing clients), cross-marketing with partners

- **Paid Ads** (Meta, LinkedIn, YouTube, TikTok, Telegram, Influencers & Streamers)

- **Media Buying** (Digital banner ads, video ads, text ads, native ads)

- **PR activities** (Press releases, thought leadership articles, industry reports, product announcements, webinars, podcasts, listings, forums, brand ambassadors)

5. Key Suppliers

Platform Providers

Our current provider for gaming platform service is SoftSwiss (Dama N.V.) having proven experience and both B2B and B2C background in gambling industry. Respecting diversity and willing to provide our players with different user experience we plan to launch another 5 brands with Soft2Bet, TrueFlip Group and Softgamings platform providers in 2024-2025 and expect them to get B2B licenses as soon as it becomes mandatory under the Curacao legislation.

Particular financial conditions of partnership may vary from platform provider to platform provider. However, we expect the providers to charge a certain percentage (5-12%) from the revenue generated by the websites as well as monthly game providers and additional services fees.

Payment Gateways

As explained above, some brands within the group accept crypto payments and use Alpha Po LLC (d/b/a Coinspaid) merchant gateway for this purpose while other website accepting payment in fiat use the following merchant gateways:

Pay CC (Waptransfer Limited)

NextOn (TAU Impex S.R.O)

Paycos (Ragget Limited)

Payment Center (Ecom Center Limited)

UtorG (Utrg UAB)

When choosing a payment gateway to work with we usually pay attention to players data security level provided by the contracting party as well as their transaction commission and settlement cycles preferring the latter to be made every week or at least every month.

Game Service Providers

In providing its services, the Company understands that its customers will have different preferences and styles when it comes to their choice of games. In order to be able to cater for as many different preferences as possible, the Company intends to obtain its games from a number of different game service providers, each having their own specific unique selling points.

In selecting which game service providers to engage, the Company carries out a rigorous vetting exercise both from a market relevance perspective as well as from a reputation and reliability perspective. In particular, the Company assesses the popularity and success of the games developed by a game service provider, their attractiveness to end-customers in general and the likelihood that these games will appeal to its own customers. The Company recognizes that the online slot games market is become increasingly competitive as a result of constant innovation efforts being undertaken by game service providers. This offers a positive advantage to the Company, as it will be in a position to constantly and continuously provide more novel and improved games to its end-customers. Additionally, the Company chooses to only enter into contractual arrangements with reputable game service providers having a proven track record of compliance with applicable rules and regulations.

Top Games providers:

Pragmatic Play Live
Evolution
Play'n GO
Relax Gaming
Absolute Live Gaming
Spinomenal
BGaming
ELK
Endorphina
Gamebeat
Push gaming
3 Oaks

As common practice all game providers' fees are charged by the platform provider acting as games supplier at the same time as the Company does not have direct agreements with game providers as of now.

Technology & Devices

The Company shall primarily be offering its services via a website which will be available in desktop, tablet and mobile versions. In order to ensure its competitiveness on the market

the Company intends to take full advantage of all the latest operating systems, devices and browsers. Additionally, the Company intends to adopt a responsive layout which will be split depending on the devices being used.

Desktop and tablet devices will be considered as one unified experience in order for the layout to be responsive and cater for different resolutions. Customers making use of mobile devices will be given a different experienced, all being based on the same layout. The concept is intended to be made easier to interact with on smaller screens when a mobile device is used.

The Company plans on making its services available via the following operating systems and devices:

- iOS Safari
- Android App
- Google Chrome
- Apple Safari
- Mobile PWA
- Mobile, Desktop, Tablet

6. Business Risk Evaluation.

Threats:

- Regulatory Changes: The gambling industry is subject to regulatory changes, which can affect operations and profitability.
- Economic Downturn: Economic fluctuations can impact disposable incomes and, subsequently, the gambling industry.
- Strong Competition: Competing with established players in the market can be challenging, especially when trying to gain market share.
- Technology Risks: As technology plays a crucial role in our business, any technological failures or disruptions can have a significant impact.
- Marketing and Sales Costs: As we plan to allocate significant budgets to marketing and sales, any unexpected costs or lack of desired results could pose a threat.
- Supplier Relationships: Relying on specific game providers for revenue share and guaranteed GGR values may become a vulnerability if these relationships are not stable or if the providers face challenges.

7. Legal and Governance Framework.

Company Legal Structure

Mr. Aleksandar Andreev is individual entrepreneur with more than 5 years' experience in gaming industry. Mr. Andreev is holder of 100 % share in Bets Entertainment N.V.

Curacao company itself has a subsidiary in Cyprus (operational and payment agent company).



Aleksandar Andreev being sole UBO and sole CEO is responsible for general overall management of the Company.

Legal and compliance support of the Company

Legal and compliance support is provided by inhouse Compliance Officer and GBO

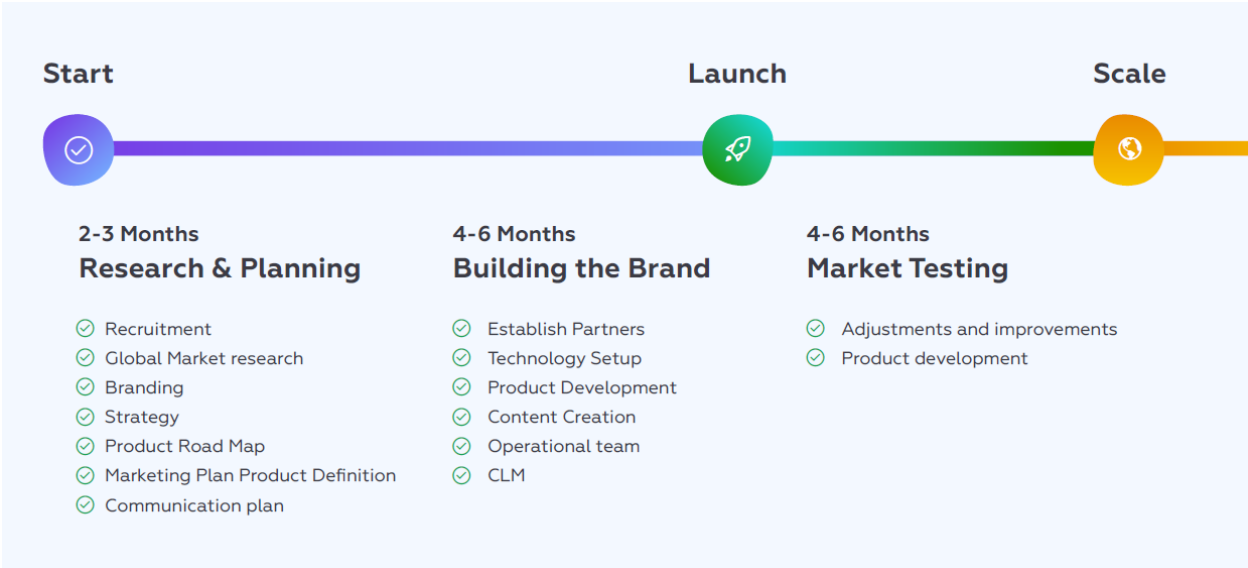
International Financial Services Ltd offering comprehensive corporate and compliance services worldwide, specializing in gaming and cryptocurrency.

GBO International Financial Services LTD has been operating since 2009, has accumulated thousands of satisfied clients around the world and provides the Company with all necessary and required compliance advisory services regarding regulatory and licensing requirements, as well all other legal corporate matters.

The Company also works with Taxxa Group, a Curacao based entity, helping the Company to navigate through tax accounting and tax compliance issues.

8. Target KPIs and Business Objectives.

The Company is planning to launch 5 additional brands in the next 3 years along with scaling current brands and products in terms of profitability according to the following timelines:



The Company’s business objective is to reach the financial results provided in our Business Forecast (Section 3 of this Business Plan).

9. Policies and Procedures.

We developed and approved the following Policies and Procedures as a part of ensuring compliance with regulatory requirements, maintaining integrity and compliance with applicable laws and managing business risks:

- Anti-Money Laundering, Countering Financing of Terrorism and Combating Proliferation Financing Policy (AML/CFT/CPF).
- Customer Identification and Verification (KYC) Policy.
- Player Complaints Handling Procedure.
- Responsible Gaming Policy.
- Player Account and Fund Management Procedure.
- Player Account Suspension and Closure Procedure.
- Information Security Policy.

The above Policies and Procedures have been developed internally by Boriss Pancenko, the Company's Compliance Officer. We believe that Boriss Pancenko has good qualification and competency, relevant skills and knowledge to prepare those Policies and Procedures, because Boriss Pancenko is an experienced professional with a solid background in gaming industry, iGaming compliance standards and best practices.

Furthermore, Boriss Pancenko assumes a role with the Company that is independent and separated from other management roles in terms of reporting lines in order to keep Compliance Officer role clearly independent and not conflicting with other business roles and senior management within the Company.

The above Policies and Procedures shall be regularly reviewed and, if necessary, revised to comply with applicable rules, regulations, policies, and best practices. The present Policies and Procedures must be adhered to by the Company and Company's staff to mitigate reputational, regulatory, legal and financial loss risks.