

YGF Entertainment B.V.

Jurisdiction of incorporation: Curaçao

Prepared: 1st of June 2023

Edited: 7th of March 2024

Confidentiality Agreement

This is a confidential document between **YGF Entertainment B.V.** (the 'Company') and the master license holder **Xecutive Corporate Management** (the 'Authority'). It contains confidential and/or proprietary information that may not be disclosed or discussed with anyone outside the aforementioned organizations without the written approval of the Company and the Authority.

1. Executive Summary

YGF Entertainment B.V. ("YGF Entertainment") was incorporated in April 2022 for the principal purpose of supplying its customers with certified and licensed online games.

Armed with the necessary skills, industry knowledge, operational setup, technical setup, integration capability, and sales pipeline, YGF Entertainment is well-positioned to become a regulatory compliant, high-quality content provider in the regulated Curaçao gaming market.

The people working on and managing this project have decades of experience in the online betting field. Their main goal is to build a sustainable and high-quality product.

2. Business Profile

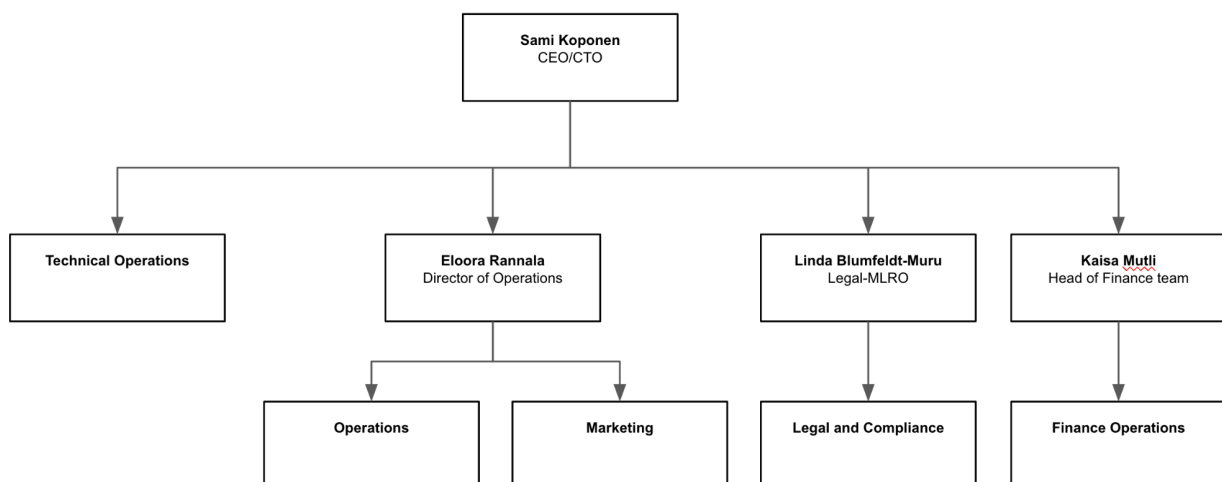
Structure	Company
Country	Curaçao
Established	11 April 2022
Registration #	160515

Business Location	Office in Curaçao (Location #1) Schout Bij Nacht Doormanweg 40 P.O. Box 4745 Curaçao
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Whale.io

	Office in Estonia (Location #2) Suur-Patarei tn 13 10415 Tallinn Estonia
Website	whale.io
IP	Company is the owner the website whale.io and the source code in software. Company is the registered owner of the domain name. Company in process of becoming the owner of the registered trademark.

Organisational Structure



3. Market analysis

The online casino market has a large number of offerings. However, they are all homogenous in their approach of offering every possible gambling product in an uncured mess making it very difficult for people who are interested in a single niche to find a place they want to consistently play in.

Company intends to develop a unique solution for mobile games utilizing through the web browser and mobile application and designed to reach an entirely new niche of players.

4. Sales and Marketing plan

Social Media and SEO

Company will use mainstream social media acquisition channels, such as Telegram, Twitter and Google, by leveraging an existing experienced team in digital marketing. The process will be done in multiple phases, rolling out further marketing expenses once initial traction has been proven. Sales funnel will target crypto savvy, higher education and income individuals. A high importance will be placed on customer acquisition cost and the tracking of lifetime value development. Once Company proves that cost per customer acquisition is lower than customer net contributions, Company intends to invest heavily into the digital marketing space.

Affiliates

Company will be performing customer acquisition via industry affiliates who will share the information about the new site via their social media channels. The affiliates will have a following in the crypto space.

Refer a Friend

Whale.io

Company is developing a Refer-a-Friend concept where existing customers can bring new customers and earn commission from it.

Partnerships

The second part of our acquisition strategy is to build partnerships with existing business contacts from the industry that have a community driven approach.

Markets

Expand into new markets, especially for Asia focussed customers.

5. Operational plan

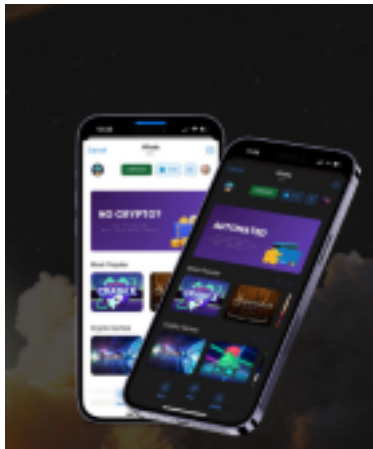
Company is led by a team of industry experts, the senior team consists of Project Owner, Operational Manager, Developer and Advisor. The Company is looking to expand the team as soon as the site is fully operational. It's also worth mentioning that founders are very involved and vested in the business which brings strong vision and passion to the organisation.

Integrations

The games will be provided via 3rd party aggregation platform - Hub88 (licensed in Curacao). The Company has already integrated diversified payment methods, including TON and ETH.

Road map

- to develop the product (Speed, automation)
- improve UI designs to make the customer experience smooth (new lobby and profile section)
- additional features (TON Node, Onramp, additional games, QR code)



Automation

Whale.io

Company's goal is to make the experience as automated as possible. Customer support will be mainly automated via bot:

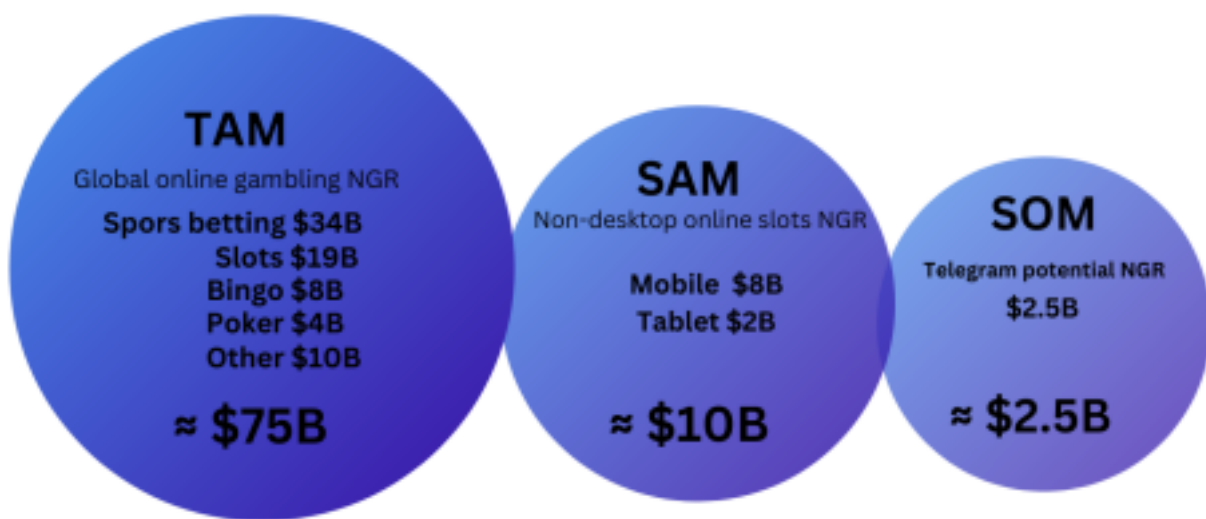
<https://t.me/whalegamessupport>

6. Financial plan

Current CAC has been extremely low and over 90% of traffic is completely organic. A lot of guerilla marketing has been used, being active on social media and word-of-mouth marketing has also played in the Company's favor.

The Company has over 12-months of runway considering current expenses and will not increase burn before the underlying business model has been proven. This means that the predicted customer's lifetime value must be higher than the cost to acquire a new customer. This phased out approach will help the Company establish the right target audience before expanding further.

Based on early traction the predicted LTV of whale.io customers is \$1200. A large focus on driving traffic will be on affiliates that operate on a revenue share model. This also helps de-risk the Company.



Data from Statista, Deloitte, KPMG, GVE

Business forecast for 3 years

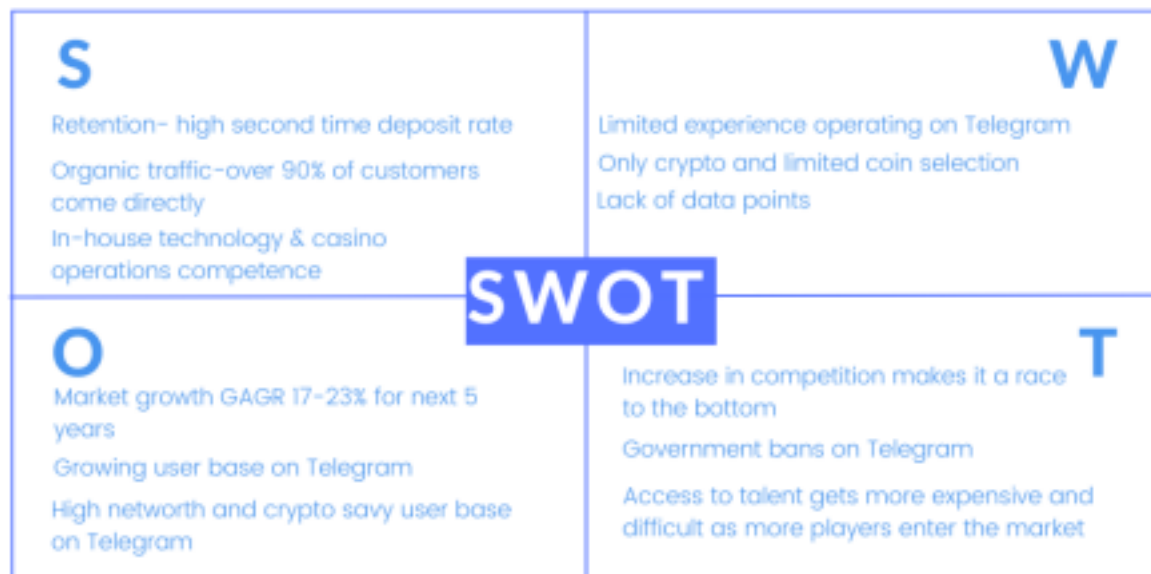
	January - December 2024	January - December 2025	January - December 2026
Revenue			
Bets	€ 504 528 978.48	€ 1 621 329 094.94	€ 5 088 425 239.58
Wins	-€ 492 252 774.61	-€ 1 581 531 654.81	-€ 4 963 355 661.73
GGR	€12 276 203.87	€39 797 440.13	€125 069 577.84
Margin	2.43%	2.45%	2.46%
Total Contribution	€7 885 615.32	€25 635 129.88	€80 622 181.46
Margin	64.23%	64.41%	64.46%
Expenses			
Salaries	€ 1 061 778.94	€ 2 837 540.29	€ 4 122 805.94
External development	€ 736 108.36	€ 1 568 279.75	€ 2 217 153.58
Marketing & Operational	€ 3 350 278.34	€ 4 516 704.43	€ 8 111 352.22
Other	€ 117 613.55	€ 359 399.29	€ 586 258.23
Total Expenses	€5 265 779.19	€9 281 923.77	€15 037 569.97
EBITDA	€2 619 836.13	€16 353 206.11	€65 584 611.49
Margin	33.22%	63.79%	81.35%

7. Scenario and Perspectives

Whale.io

The Company has taken multiple precautions to de-risk the operations. The founders have extensive experience in founding and operating casinos. They do not rely too heavily on outside help, yet they have delegated or outsourced where possible (for example Hub88 integration for games). The company is self-funded and has plenty of runway.

If the project is successful, the Company may wish to set up similar projects for different target markets.



8. Key Suppliers

The business is integrated with Hub88 which gives us access to hundreds of suppliers. The business has no dependency issues. There are hundreds of aggregators and thousands of suppliers for both games and payments.

Biggest of them are: Evolution, Pragmatic, No Limit City, Hacksaw, Caleta, Kalamba, Turbo Games, Spribe.

Risk evaluation and management

The assessment and management of risks play a pivotal role in ensuring the success and sustainability of Whale Holdings. We understand that the gaming industry is dynamic and filled with both internal and external factors that can significantly impact our operations. To effectively address this, we have implemented a comprehensive risk management framework that encompasses various phases.

First and foremost, our risk assessment process involves a meticulous examination of potential threats and opportunities. We consider both internal factors such as project complexity, resource availability, and team expertise, as well as external factors like market trends, competition, and regulatory changes. This broad perspective allows us to identify risks proactively and respond with agility.

To mitigate these risks, we employ a multi-pronged strategy. Internally, we emphasize robust project planning and team collaboration to streamline development processes. We allocate resources efficiently, maintain strict quality control, and continuously enhance our product

offerings to keep pace with the industry's evolving standards. Externally, we diversify our market presence, engaging in market research and establishing strategic partnerships to reduce our vulnerability to market fluctuations.

Auditing is a critical component of our risk management framework, ensuring accountability and transparency. Regular audits and reviews of our projects, financials, and compliance standards are conducted to identify vulnerabilities and track progress.

At the heart of our risk management approach is a dedicated oversight team. This team is responsible for monitoring and responding to emerging risks and opportunities.

We have a 45-person advisory team of industry experts and C-level executives that dedicate time and effort to make sure risks are acknowledged and mitigated.

Target KPIs and business objectives

The business targets can be seen in the business forecast. The goal is to leverage community marketing to acquire customers at a much lower cost than the industry average. The main KPIs for us are customer acquisition cost (CAC), customer lifetime value (LTV), gross gaming revenue (GGR), net gaming revenue (NGR) and second deposits (SD). The goal is to move towards \$1 CAC and \$20 LTV.