

BUSINESS PLAN

CAECUS N.V.

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Version 2.0.



Director
Capital Trust Corporation N.V.

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1. Company Structure

The operational responsibilities of Caecus N.V.'s managing director are undertaken by Capital Trust Corporation N.V.

Capital Trust Corporation N.V. also acts as the regional representative of Caecus N.V. in Curacao, bringing substantial administrative expertise in the oversight of legal entities.

Haris Constantinou serves as the company's Chief Compliance Officer, entrusted with ensuring organizational procedures comply with governmental regulations. His role covers a wide range of responsibilities, from advising management to carrying out comprehensive risk assessments. He plays a vital role in identifying, preventing, monitoring, and resolving potential risks, offering valuable insights on risk mitigation strategies. In addition, he offers strategic advice on minimizing and effectively managing these risks.

Larysa Tereshchenko serves as the company's Chief Financial Officer (CFO), with primary responsibility for overseeing the company's financial strategy, planning, and overall financial management. Her role includes developing forecasting models, assessing investment risks, and ensuring adherence to accounting procedures. Ultimately, her efforts contribute to maintaining the financial stability of the business and enhancing profitability.

Maksym Markov holds the role of Chief Technical Officer (CTO) within the company. His responsibilities include the setup, modification, and maintenance of computer hardware and software. Additionally, he provides support to customers with technical issues and inquiries, ensuring a thorough understanding of their individual needs and circumstances.

2. Legal and Governance Framework

Caecus N.V. is managed by a board of managing directors elected by shareholders (“**Board**”). The main functions of the Board are to set strategy, oversee management, and protect the interests of shareholder (s) of our company. A company’s Board is in charge of guiding and supervising operations to ensure optimal performance.

Important matters concerning the company, its shareholders, its employees are deliberated by the Board. It participates in:

- Assisting the company in defining its long-term goals, primary objectives, and direction;
- Making operational decisions;
- Senior executives and high management’s recruitment and dismissal;
- Establishing executive compensation;
- Establishing a procedure and timetable for its communications with the UBO of the company.
- Providing executives planning and decision-making advice;
- keeping an eye on budgets and guaranteeing adequate funds when crucial resources are needed;
- Overseeing accounting and financial operations and making the required adjustments to protect company funds and assets;
- Approving important policies;
- Making significant decisions;
- Monitoring our company’s performance
- Directing the management of emergencies;
- Establishing and maintaining a powerful, enduring, and favorable brand identity for the public and the business.

Boards function most effectively when they focus on high-level and forward-looking matters. However, at times they must also become involved in day-to-day decision-making alongside senior management. When the Board notices unfavorable outcomes, it may examine management matters more closely to rectify the company’s course and fulfill its obligations to shareholders.

Our company’s Board takes a proactive stance in major decisions, particularly those with potential negative impacts or significant financial ramifications. Prioritizing long-term goals, the Board forecasts the company’s trajectory for up to five years. Key decisions such as facility operations, expansions, or major investments aligned with long-term strategic objectives are within the Board’s purview.

This proactive approach also entails the Board’s oversight of matters, including governance, legal issues, conflict resolution, community engagement, executive compensation. Management provides comprehensive information to aid the Board in making well-informed decisions, including thorough analyses and recommendations.

Regular performance evaluations enable the Board to measure progress against benchmarks and identify positive or negative trends. The Board determines the necessity of its involvement after reviewing trends spanning a minimum of three consecutive reporting periods.

Before taking action, the Board consults with management to understand their approach to resolving issues and their capability to reverse unfavorable trends. While maintaining accountability, the Board empowers management to handle specific matters independently where appropriate.

The Board supports the Ultimate Beneficial Owner (UBO) in executing Board decisions, including contract

management and termination. Utilizing its networks, the Board may assist the UBO in achieving company goals.

In cases where a decision lacks sufficient approval from directors or shareholders, or a deadlock arises due to tied votes, resolution methods include the chairman's decisive vote, collaborative efforts to reach a solution, or external mediation, arbitration, or expert determination.

Management must promptly report significant issues to the Board, especially if legal or governmental authorities are involved.

The Chief Compliance Officer plays a pivotal role within the management team, providing crucial guidance and direction for routine company decisions. Advising the Board on legal matters related to fiduciary duties, the CCO collaborates closely with executive leadership to uphold the company's integrity and compliance standards. The CCO's involvement in Board meetings ensures alignment between management and the Board.

3. Overview of Third-Party Services Utilized by the Company

In order to enhance our operations and provide a comprehensive gaming experience, our company has entered into agreements with various third-party service providers.

Platform Services: We have partnered with Highflir B.V., a registered company in Curacao (registration number: 149996), to utilize their advanced platform. This platform encompasses the Sportsbook, modules for security and data protection, anti-fraud and risk management tools, as well as analytics capabilities.

Gaming Software Providers: Collaborating with Highflir B.V., a renowned gaming software producer, allows us to develop a diverse and thrilling gaming portfolio.

Sportsbook Software: Our use of cutting-edge sportsbook software ensures seamless bet placement, extensive coverage of sporting events, and real-time odds updates for our sports betting enthusiasts. The platform provider supplies these gaming options.

Payment Service Providers: We work with trusted payment service providers to facilitate secure and hassle-free transactions. Our players have access to a range of secure deposit and withdrawal methods, including renowned providers like Skrill and Jeton.

Identity Verification Services: Maintaining a safe gaming environment is of utmost importance to us. To verify player identities and comply with regulatory standards, we use internal identity verification services and will soon implement third-party services.

Anti-Money Laundering (AML) Tools: Regulatory compliance is paramount to us. We employ cutting-edge AML tools to detect and prevent any suspicious financial activities.

Customer Support Software: Our dedicated customer support team uses state-of-the-art tools to provide players with timely and round-the-clock assistance. This ensures that our players receive the support they need whenever they need it.

4. Overview of Business Products, Services/Brands, and Proprietary Intellectual Property

Caecus N.V., established on May 16, 2023, was founded with the mission of transforming the gambling industry by delivering an exceptional gaming experience. From its inception, the company has been driven by an unwavering commitment to integrating advanced technology solutions and prioritizing customer satisfaction. This approach has supported its rapid growth, expanded market presence, and enhanced reputation within the sector.

Under the astute leadership of Ihor Hniedash, our ultimate beneficial owner, Caecus N.V. has evolved from a promising startup into a leading player in the online gaming realm. Our journey has been marked by continuous innovation and an consistent pursuit of excellence. The adoption of new technologies and the ability to respond swiftly to market developments have been pivotal in setting us apart from competitors.

Strategic diversification has been a cornerstone of our growth strategy, with Caecus N.V. offering a comprehensive suite of gambling products and services tailored to diverse customer preferences. From sports betting and innovative digital gaming experiences to traditional casino games, our extensive product portfolio, coupled with user-friendly platforms, ensures a seamless and engaging client experience.

Central to our success is our customer-centric approach. Caecus N.V. is committed to delivering personalized services, understanding and addressing evolving client needs, and fostering a responsible and secure gaming environment. Integrity and ethical conduct underpin every aspect of our operations.

Beyond business expansion, our company is dedicated to making a positive impact on both the industry and the community. We actively promote responsible gaming, engage in community initiatives, and uphold high standards of corporate social responsibility.

To strengthen a competitive edge and meet the needs of key consumer segments, the company has identified six core competencies essential for meeting client needs and differentiating the business:

Market Expertise

Multichannel Access

Multilanguage Capabilities

Regional Market Insights

Personalized Customer Engagement

Commitment to Innovation

5. Target KPI's and business objectives

Revenue and profit

The most visible measures of our company's success are revenue and profit. These reflect the income generated from our sales and the amount retained after covering costs. Depending on our business objectives, revenue and profit might be calculated on a monthly, quarterly, or annual basis. To assess performance against our goals and rivals, we also compare our revenue and profit with previous periods, our budget, or industry benchmarks.

Customer satisfaction

Another key indicator of our company's performance is customer satisfaction. This reflects how satisfied our clients are with our services and how likely they are to make additional deposits, recommend us to others, or write positive reviews. Numerous techniques, including surveys, feedback forms, testimonials, ratings, and loyalty programs, can be used to gauge customer satisfaction. We may also use recognized metrics such as net promoter score (NPS), customer satisfaction score (CSAT), or customer effort score (CES).

Employee engagement

Employee engagement measures the commitment, motivation, productivity and overall job satisfaction of our employees. High levels of employee engagement can positively influence company performance by reducing staff turnover, improving customer service, increasing innovation, and boosting morale. Employee engagement may be assessed through surveys, interviews, performance reviews, and recognition initiatives. To assess the attitudes and actions of your staff, we can also utilize employee engagement indicators, such as employee engagement index (EEI), employee satisfaction score (ESAT), or employee net promoter score (eNPS).

Growth potential

Growth potential refers to our company's ability to expand its market share, customer base, product offering, or revenue streams in the future. Assessing growth potential can provide insight into our competitive advantages, business opportunities, and strengths and how we can use them to support our long-term objectives. Numerous techniques, including scenario planning, SWOT analysis, market research, and forecasting, can be used to assess growth potential. In order to calculate our business potential and profitability, we also use growth potential parameters like customer acquisition cost, customer lifetime value, market penetration rate, and market growth rate.

Long-term business objectives

We have identified the following common long-term business objectives as having a strong impact on the sustainable growth and success of our business:

1. Increase sales

Growth from year to year is one of the most important indicators of whether our business is succeeding. By this time next year, we hope to have more clients than we do today. We also want to increase our profitability.

2. Build brand recognition

Maintaining a continuous social media presence, frequently taking part in community events and activities, and having a distinctive company logo all contribute to our objective of creating a memorable brand that will endure for years to come.

3. Create a stellar reputation

Our strategy for establishing a stellar reputation is to provide each and every client with exceptional service and maintain high standards in all aspects of our operations.

4. Open a new location

For our company, growing is a worthwhile long-term objective. Our objective is to take our business internationally. We develop a strong consumer base to get there, and accomplishing these other long-term objectives can assist us in doing so.

5. Launch a new product

We contemplate growing our company by introducing a new good or service. We can find new goods or services that our company might eventually offer by conducting a market gap study and talking to our current clientele.

6. Financial Considerations

Our business is strategically poised for growth within the Online Game of Chance sector, with a comprehensive financial plan designed to drive expansion and maintain or increase market share. The plan encompasses Forecasted Statement of Profit & Losses and Other Comprehensive and Forecasted Cash Flow Statement.

Forecasted Statement of Profit & Losses and Other Comprehensive Income:

Our annual revenue projections are carefully crafted, taking into account various factors such as competitive landscapes, local and international events, economic conditions, and socio-political unrest. We aim to achieve a fifteen increase in revenue compared to the previous year.

Expenses: Our budgeting process includes both regular operational expenses and anticipated future costs. This encompasses ongoing expenses like commissions to platform (content provider), royalty, marketing, salaries and other ongoing costs of operation. Additionally, provisions are made for unforeseen expenses to ensure financial resilience. Accurate assessment and evaluation of associated expenses enable effective growth management and financial sustainability.

Forecasted Cash flow Statement:

Annual cash flow forecasts enable proactive management of financial challenges and identification of potential cash flow issues before they impact operations adversely. Optimal payment arrangements with contractors facilitate budgeting for expansions and investments, ensuring prudent financial management.

Overall, our company boasts remarkable financial stability and sufficient liquid assets to meet player winnings promptly. With the growing market for online games of chance, our strategic plans are poised to meet the evolving needs of our business and capitalize on emerging opportunity.

7. SWOT Analysis

Strengths:

- Highly skilled staff with comprehensive knowledge of available products.
- Strong customer relations and interactions.
- A sizable and loyal client base provides a sturdy foundation for expansion.
- Effective collaboration with suppliers.
- Efficient internal communication channels.
- Successful implementation of marketing strategies.
- Innovative and visually appealing website design.
- Flexibility in decision-making processes.
- Enhanced operational protocols.
- Reputation for innovation within the industry.
- Strong brand recognition, facilitating differentiation and fostering customer loyalty.

Weaknesses:

- Expensive platform fees.
- Market research data may not be accurate.
- Dependence on payment providers.
- Heavy reliance on marketing expenditure

Opportunities:

- Expanding market: The industry in which our company operates is growing, offering opportunities for increased market share.
- E-commerce: Leveraging online platforms can broaden our reach to a wider audience.
- Capitalizing on loyal customer base.
- Introducing incentive programs such as loyalty schemes.
- Benefiting from profitable trends and favorable market conditions.

Threats:

- Competition from rival companies offering similar products.
- Economic downturns impacting consumer spending.
- Regulatory changes affecting business operations.
- Economic and geopolitical instability.
- Potential mimicry of advertising campaigns by competitors.

8. Financial Plan.

The company's projections for the following three years are included in this business plan. The predicted actions of the corporation are expected to yield the following financial outcomes.

CAECUS N.V. Forecasted Statement of Profit & Losses and Other Comprehensive Income

	Year 1	Year 2	Year 3	Total
CAECUS N.V.	EUR	EUR	EUR	EUR
Revenue				
GGR (Gross gaming revenue)	371 450 000	427 167 500	491 242 625	1 289 860 125
Gross Revenue	371 450 000	427 167 500	491 242 625	1 289 860 125
Cost of Sales				
Marketing cost	(102 530 933)	(114 834 645)	(128 614 803)	(345 980 381)
Royalty	(1 906 000)	(1 906 000)	(1 906 000)	(5 718 000)
Commission to Platform / Content provider	(150 631 810)	(168 707 627)	(188 952 542)	(508 291 979)
Total Cost of Sales	(255 068 743)	(285 448 272)	(319 473 345)	(859 990 360)
Gross Profit	116 381 257	141 719 228	171 769 280	429 869 765
Administrative expenses				
Salaries	(375 362)	(420 405)	(470 854)	(1 266 620)
Other marketing fees	(154 341)	(172 862)	(193 606)	(520 810)
Legal and professional services	(147 950)	(165 704)	(185 589)	(499 243)
Total Administrative Cost	(677 653)	(758 971)	(850 048)	(2 286 673)
Other expenses	(167 875)	(188 020)	(210 582)	(566 477)
EBITDA	115 535 729	140 772 236	170 708 650	427 016 615
Amortisation & Depreciation	0	0	0	0
Net Profit for the year	115 535 729	140 772 236	170 708 650	427 016 615
Other comprehensive income	0	0	0	0
Total comprehensive income for the year	115 535 729	140 772 236	170 708 650	427 016 615

Forecasted Cash flow statement

	Year 1	Year 2	Year 3
CAECUS N.V.	EUR	EUR	EUR
CF from operating activity			
GGR (Gross gaming revenue)	371 450 000	427 167 500	491 242 625
Marketing cost	(102 530 933)	(114 834 645)	(128 614 803)
Royalty	(1 906 000)	(1 906 000)	(1 906 000)
Commission to Platform / Content provider	(150 631 810)	(168 707 627)	(188 952 542)
Salaries	(375 362)	(420 405)	(470 854)
Other marketing fees	(154 341)	(172 862)	(193 606)
Legal and professional services	(147 950)	(165 704)	(185 589)
Other expenses	(167 875)	(188 020)	(210 582)
Net CF from operating activity	115 535 729	140 772 236	170 708 650
CF from investing activity			
Acquisitions of intangible assets	0	0	0
Net CF from investing activity	0	0	0
CF from financing activity			
Additions to long-term financing liabilities	0	0	0
Repayment of long-term financing liabilities	0	0	0
Dividend paid to shareholders	0	0	0
Net CF from financing activity	0	0	0
Change in cash and cash equivalents	115 535 729	140 772 236	170 708 650

9. Risk evaluation and management

Before evaluating risks, it's crucial to understand their significance and potential impact. We use a Qualitative Risk Assessment approach to assess risks.

Qualitative risks are characterized by unforeseeable events with varying degrees of consequences, ranging from minor to major. These risks are typically categorized as high, medium, or low. A risk matrix is commonly used in qualitative risk assessment to prioritize identified risk factors. The matrix maps risks based on their probability of occurrence and potential impact, providing a visual representation of how likely an event is and how severe its consequences could be.

By enhancing our understanding of the risk landscape, a risk matrix supports the proactive management and mitigation of risks.

Our company uses a risk matrix to prioritize risks and develop appropriate mitigation strategies. These risks may span financial, operational, strategic, external, or internal domains. The risk assessment matrix categorizes risks into different severity levels using a color-coded chart: high risks are depicted in red, moderate risks in yellow, and low risks in green.

Severity/Likelihood	Negligible	Minor	Moderate	Significant	Severe
Very Likely	Low	Medium	Medium	Red	Red
Likely	Low	Low	Medium	Medium	Red

Severity/Likelihood	Negligible	Minor	Moderate	Significant	Severe
Possible	Low	Low	Medium	Medium	Medium
Unlikely	Low	Low	Medium	Medium	Medium
Very Unlikely	Low	Low	Low	Medium	Medium

The likelihood categories are defined as follows:

Very Likely: Risks in this category are highly probable and almost certain to occur, typically with a likelihood of 91 percent or higher.

Likely: These risks have a probability of occurrence between 61 and 90 percent, requiring ongoing attention and mitigation efforts.

Possible: Risks in this category have a 41–60 percent chance of occurring and should be addressed accordingly.

Unlikely: Risks in this category have a relatively low chance of occurrence, ranging from 11 to 40 percent.

Very Unlikely: These risks have a minimal chance of happening.

An example of the risk matrix in use would be a company identifying a potential data breach. Following assessment, the impact is deemed [Major] due to potential financial losses and reputational harm, and the

possibility is deemed “Possible.” This risk would be represented on the matrix in the relevant “Possible” and “Major” cells. It is most likely classified as a “High” risk, meaning that mitigation plans need to be created and put into action.

The risk assessment matrix helps management and relevant experts develop a focused plan for addressing the most significant risks by ranking them according to urgency and potential impact. Since such risks may lead to the greatest losses, directing attention and resources to the highest-risk areas supports the wider business strategy.

Proper preparation for cost-related risks arising from factors such as scope creep can also contribute to a project’s success. In this respect, the risk matrix makes it easier to prepare for unforeseen events and adverse outcomes.

We recognize that the risk environment is ever-changing, and to reflect this, we update our risk assessment matrix from time to time.

Although emerging risks are, by definition, not always immediately identifiable, our company uses enhanced enterprise risk management procedures to identify significant areas of vulnerability. By monitoring early warning indicators and trigger events that suggest unusual or adverse developments, we aim to maintain business continuity in an increasingly complex and dynamic risk environment.

We also are categorizing risks according to the following criteria:

- Strategic Risk: the dangers posed by poor business assessments.
- Operational Risk: dangers resulting from malfunctions in internal protocols or processes.
- Financial Risk: the dangers of suffering a financial setback.
- External Risk: dangers originating from outside sources.

Another tool our company uses to tailor or adjust risk scoring is **weighting**. For example, where certain risks are particularly relevant to a specific project, function, or department, they may be assigned greater weight within the overall risk assessment.

In the last phase, we rank the risks according to their likelihood and impact and develop a plan for risk assessment and mitigation.

10. Policies and Procedures

Policies and procedures are fundamental to our company's operations. Together, they collaborate a framework for day-to-day activities, ensuring compliance with legal and regulatory requirements, guide decision-making, and streamline internal processes. Effective implementation of policies extends beyond enforcing tasks; it also empowers employees to strengthen the company's efficiency by using time and resources effectively.

Emphasizing the importance of adhering to policies and procedures is crucial for our staff. Compliance supports smooth operations, promotes effective team and management structures, and enables the timely identification and correction of procedural errors and inefficiencies.

We are committed to adhering to current and forthcoming legislation in Curaçao, particularly regarding our obligation to keep the Gaming Control Board (GCB) informed.

The Board of Directors ensures that individuals/entities responsible for implementing policies and procedures are qualified, competent, and free from conflicts of interest. This is supported through comprehensive training programmers.

Regular training sessions strengthen compliance with our policies and procedures and reduce the likelihood of errors. By fostering a culture of continuous learning, we can turn potential challenges into opportunities for improvement.