

BUSINESS PLAN

Casiworx N.V.

Date: February 2023

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1. DEFINITIONS AND EXPLANATIONS

The Company	Casiworx N.V., reg. nr: 163922, legal address: Landhuis Groot Kwartier Groot Kwartierweg12, Curaçao
Business Plan	Casiworx N.V. Business Plan.
Brand	The combination of properties (i.e. name, colour, logo, theme, etc.) within a site that gives it an identity and makes it distinct from other sites.
iGaming	Refers to all forms of online gambling and betting on the outcome of events, games or sporting competitions on the Internet
Responsible gaming	Responsible gaming comprises policies and requirements that apply to gambling stakeholders to make sure they respect the highest standards of quality and offers a safe user experience that protects people from the potential negative consequences of online gambling.
Platform	The whole technology solution that will be deployed for iGaming operations, including but not limited to, the platform and underlying infrastructure, network devices, operating systems and databases, as well as gaming software and other applications.
NETWORX	SIA "NETWORX", a company duly registered in Latvia, with registration No. 40103516911 and operating since 28.02.2012
Tech stack	The combination of technologies used to build and run an Platform or project.
AML	Anti-money laundering refers to laws and regulations intended to stop criminals from disguising illegally obtained funds as legitimate income.

KYC	Know Your Customer are guidelines and regulations that require to verify the identity, suitability, and risks involved with maintaining a business relationship with a customer.
Affiliate marketing / Affiliates	A process where publishers earn a commission by promoting a product or service using an affiliate link.
Revenue share / RevShare	Reward model used by gambling affiliate programs. By working on this model a certain percentage of the casino's income is paid
CPA	Rewards model used by gambling affiliate programs. Working on this model, a fixed fee for each new player who makes the first deposit in the casino is paid.

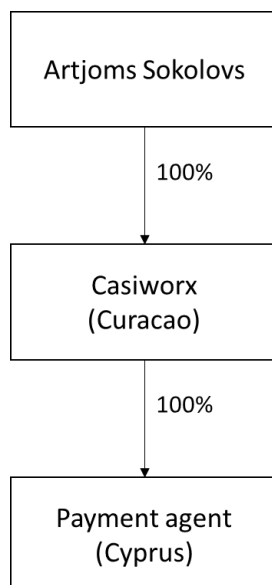
2. OWNERSHIP STRUCTURE

The Company presents an ownership structure whereby Artjoms Sokolovs is the sole beneficiary with 100% ownership of the Company. The Company, in turn, holds 100% ownership of a payment agent Xenith Ltd situated in Cyprus, as depicted in Figure 1: Ownership structure.

A seasoned asset management and investment expert, Mr. Sokolovs has extensive experience and knowledge in finance, sports, banking, brokerage, lending, and real estate. He co-founded and serves as the General Manager of one of the Baltic's football clubs since 2012, which enabled him to create new products and partnerships with top regional online casinos, attract investors and sponsors, and arrange partnerships with the leading online casinos and other top firms in the region.

Moreover, Mr. Sokolovs has performed top Directorship duties in Private Banking, Wealth Management, and Business Development in high-scale businesses, including some of the Baltic's most notable banks, credit institutions, and investment companies. With his expertise in management, business operations, and in-depth understanding of all business processes, he is able to manage businesses effectively.

Figure 1: Ownership structure



3. OPERATIOANAL STRATEGY

- 3.1. The Company's primary objective is through innovation in products, technology and marketing, to offer high quality iGaming entertainment. Focusing on offering an entertaining casino experience the Company committed to upholding the highest standards of integrity, transparency, and player safety.
- 3.2. The Company applies for the Curacao gaming license due to it's legitimacy, credibility and global reach.
- 3.3. The Company will offer a diverse range of games and features, including traditional casino games, live casino, sports betting and cutting-edge customer experiences.
- 3.4. Responsible gaming and consumer protection are among the Company's most important priorities.

4. PRODUCTS AND SERVICES

- 4.1. The Company will offer its services under the online casino Brand SlotyStake.
- 4.2. The Company will operate online casino under the domain name www.slotystake.com
- 4.3. A strong product offering is one of the keys to achieving Company's goals and objectives.
- 4.4. The Company will offer:
 - 4.4.1. casino classic – includes slots, where the player bets on a winning combination of symbols in a field that usually comprises three to five columns;
 - 4.4.2. live casino - includes traditional table games like blackjack and roulette, which are played against a croupier in real time via a live streaming video link;
 - 4.4.3. sports betting - includes players betting on wide range of sports with different bet types, and odds, as well as live betting options.
- 4.5. The Company will use advanced encryption technologies to ensure that players' personal and financial information is always protected.
- 4.6. Customer support team will be available 24/7 to assist players with any questions or concerns they may have.
- 4.7. The Company will use are secure, reliable, and flexible payment options , allowing players to easily deposit and withdraw funds from their accounts.
- 4.8. The Company plans to provide white label solution, where partner will take on the responsibility of marketing and promoting the casino brand, while the Company will take care of administration of financial and legal transactions as well as technical aspects of running the platform and ensuring compliance with regulations. The Partner will be bound to the Company's solution only.

5. OPERATINONAL PLATFOM

- 5.1. The Company is using a Platform supplied by NETWORX. NETWORX Platform provides a powerful back-end and front-end solution with various integrations for the Company, which is a comprehensive tool that provides the ability to manage and grow business operations.
- 5.2. The back-end solution provides a set of tools for managing the online casino operation. This includes game management tools, allowing to add and remove games, configure game settings, and track game performance. The Platform also offers player management tools, such as player tracking, player segmentation, and player retention tools, allowing to understand and engage with players more effectively.
- 5.3. The front-end solution will provide players a user-friendly and visually appealing interface that allows them to easily navigate through the various games and services offered by the Company. The front-end solution is responsive and optimized for both desktop and mobile devices, providing a seamless gaming experience across all devices.
- 5.4. NETWORX Platform will provide a range of integrations with leading game providers, payment gateways, and other third-party services, allowing operators to easily connect to and integrate with a variety of services. This includes integrations with leading game providers, offering a vast selection of games to players, and integrations with leading payment gateways, making it easy for players to deposit and withdraw funds from their accounts.
- 5.5. The platform provides a range of reporting and analytics tools, giving real-time insights into the performance of the operations. This includes data on player behavior, game performance, and other key metrics, allowing to make informed decisions and optimize their operations.
- 5.6. Under the arrangement, NETWORX is delivering following modules:
 - 5.6.1. User onboarding (Native and Social).
 - 5.6.2. Front-end website:
 - Online and live dealer casino system;
 - CMS.
 - 5.6.3. Wallet system – for fiat, crypto and multi-currency.
 - 5.6.4. Account management system:
 - CRM;
 - KYC module;
 - Affiliate system;

- Marketing tools;
- Reward/Bonus system;
- English, Spanish and French languages.

5.7. NETWORKX Platform provides following third-party integrations:

5.7.1. Payment provider: *Carouseller*.

5.7.2. Games: *SoftSwiss, SoftGamings*.

5.7.3. Sportsbook: *BetBuy*.

5.8. Front-end website includes following essential pages for providing players with the information and resources they need to enjoy a safe and enjoyable gaming experience for the Brand of the Company:

5.8.1. Home page: This is the main page of the Brand website, which features an overview of the casino's offerings, promotions, and bonuses.

5.8.2. About Us: This page provides information about the Brand, our history and mission.

5.8.3. Games: This page lists all of the games available, including slots, table games, and live dealer games.

5.8.4. Promotions: This page provides details on the various promotions, bonuses, and rewards offered by the Brand.

5.8.5. Payments: This page lists the various payment methods available for , including deposit and withdrawal options, as well as any fees or limits associated with each method.

5.8.6. Responsible Gaming: This page provides information and resources for responsible gambling, including tips on how to gamble safely and responsibly.

5.8.7. Privacy Policy: This page outlines Company's privacy policy, including how player information is collected, stored, and used.

5.8.8. Terms and Conditions: This page provides the terms and conditions that govern the use of the website and its services, including details on player eligibility, bonuses, and account management.

5.8.9. Contact Us: This page provides contact information for the Brand, including email addresses, and live chat options, so that players can get in touch with customer support if they have any questions or concerns.

5.8.10. Sports: This page provides a wide range of sports, bet types, and odds, as well as live betting options.

5.9. Tech Stack:

5.9.1. Technologies: Node.js, Next.js.

5.9.2. Database: PostgreSQL (AWS AuroraDB).

5.9.3. Other technologies: ElasticSearch (AWS OpenSearch).

6. OPERATIONS

- 6.1. In order to provide high-quality support to our customers, the Company has outsourced the customer support to NETWORX, whose solution consists of following elements:
- 6.1.1. Support channels: The platform provider offers a range of support channels to get in touch with support, such as email and live chat.
 - 6.1.2. Support hours: Support representatives are available around the clock, 24/7.
 - 6.1.3. Training and staffing: Support staff is duly trained to ensure that they have the necessary skills and knowledge to handle a range of customer issues, from technical problems to payment inquiries.
 - 6.1.4. Ticketing system: All customer inquiries are tracked and managed via ticketing system, ensuring that all issues are addressed promptly and efficiently.
 - 6.1.5. Escalation procedures: In the event that a customer issue cannot be resolved at the initial support level, there are escalation procedures in place to ensure that the issue is escalated to the appropriate level of support.
- 6.2. The Company implements effective AML and KYC measures in order to prevent financial crimes, protect our customers, and safeguard our reputation.
- 6.3. The Company considers AML and KYC compliance a fundamental aspect of good corporate governance and a key factor in ensuring long-term success and sustainability.
- 6.4. The Company has implemented following steps for the verification of the players:
- 6.4.1. Request for Documentation: To make any deposits or withdrawals, the player needs to provide documentation to verify their identity and legal age. This includes a copy of the player's government-issued ID or passport, as well as a proof of address, such as a utility bill or bank statement.
 - 6.4.2. Review of Documentation: After receiving the player's documents The Company verifies that they meet the necessary regulatory requirements. This includes verifying that the ID is valid, that the name and date of birth match, and that the proof of address is recent and valid.
 - 6.4.3. Verification: Once the documentation has been reviewed, the Company verifies the identity of the player. This may involve contacting the player directly to ask for additional information or documentation, or conducting a video call to confirm the player's identity.

- 6.4.4. Approval or Rejection: Based on the results of the verification process, the Company will either approve or reject the player's account. If the account is approved, the player would be able to start playing at the online casino.
- 6.5. The Company have implemented controls in accordance with which, the customers depositing over the amounts stipulated by the legislation, will be required to provide appropriate documentation confirming the source of funds. In the future, automated document verification systems will be implemented.

7. MARKETING

- 7.1. With the increasing popularity of online gaming, it is goal of the Company to develop a comprehensive marketing plan that targets the right audience and effectively communicates the distinctive features and benefits of our platform.
- 7.2. Marketing strategy is focused on a deep understanding of the target audience. The Company aims to understand what motivates the players to choose a particular online casino.
- 7.3. The Company is focused on building a strong Brand, establishing trust and credibility, and creating a memorable and engaging user experience. By combining innovative marketing tactics with a focus on customer satisfaction and retention, the Company aims for long-term success in an increasingly competitive industry.
- 7.4. The main markets of the Company's potential customers will be Finland.
- 7.5. One of the main channels for attracting customers that the Company intends to use is Affiliate marketing as it is the most effective way to reach new players and increase our user base. By partnering with Affiliates, the Company will leverage the reach and influence of established websites to promote the Brand to a wider audience.
- 7.6. To maximize the profitability of an Affiliate marketing strategy the Company makes focus on building strong relationships with Affiliates and providing them with the support and resources they need to succeed. The Company provides personalized marketing materials and promotions, timely and responsive support, and collaborating on marketing initiatives to maximize the impact of the partnership.
- 7.7. As a reward system for Affiliates the Company will use hybrid model, a combination of Revenue share and CPA. This hybrid model is designed to incentivize affiliates to bring in new players while also providing them with a share of the revenue generated by those players over time.
- 7.8. The Company will offer bonuses as part of the marketing strategy.
- 7.9. With the launch of the Brand, the Company intends to regularly test the effectiveness of other alternative customer acquisition channels and analyse subsequent customer conversion results, which could include SEO, link building, PPC, media advertising media advertising exhibitions, and other marketing activities.

8. FINANCIALS

- 8.1. This section of the Business Plan outlines our financial projections, including income statements, cash flow statements, and balance sheet. These projections are based on assumptions and factors specific for the industry and our operational model which impacts the financial performance of the business.
- 8.2. Financial projections are made for the next four years of the Company's operations. The scenario is based on the growth in the number of active players and the total size of the deposits. Detailed descriptions of the financial projections are set out in the Annex 1 to the Business Plan.
- 8.3. Following assumptions are made:
- 8.3.1. Total registrations in 4 years will be 47 273. Registration rate to deposit of 30% is applied for players attracted by Affiliate Marketing and 10% for other channels.
 - 8.3.2. Average life time deposit of one non-VIP player amounts to 700 EUR.
 - 8.3.3. **Net gaming revenue (NGR)** being the same as GGR, which will be EUR 1,395,928 in the first year and increase to EUR 9,615,051 in the fourth year.
 - 8.3.4. **For the Affiliate marketing hybrid model** CPS is set at €120 per player and the RevShare component is set at 40%. The Company assumes lower component values at the end of the Year 4.
 - 8.3.5. **Technology platforms** fees are based on €20,000 set-up fee and monthly fees are calculated by the model of revenue share with the platform and the service providers at 5% and 15% consecutively with min. cap in the amount of €5,000.
 - 8.3.6. SG&A expenses to increase from €1,683,243 in year one to €8,546,658 in year four, leading to a net loss of €288,542 in year one and net income of €1,063,480 in year four. The Company's equity will also increase from €11,458 in year one to €2,690,484 in year four.

Annex 1

Financials - Annual EUR					
		Year 1	Year 2	Year 3	Year 4
KEY INDICATORS					
Active players	#	4,000	7,134	7,164	7,176
Total deposits	#	734,070	1,396,669	1,421,483	1,431,787
INCOME STATEMENT					
Amount wagered	EUR	1,994,183	12,322,001	13,555,330	13,735,788
Winning payouts	EUR	598,255	3,696,600	4,066,599	4,120,736
GGR	EUR	1,395,928	8,625,401	9,488,731	9,615,051
GGR margin	%	70.0%	70.0%	70.0%	70.0%
Gambling tax	EUR	0	0	0	0
NGR	EUR	1,395,928	8,625,401	9,488,731	9,615,051
NGR margin	%	70.0%	70.0%	70.0%	70.0%
SG&A		1,683,243	7,843,683	8,645,702	8,546,658
Payroll	EUR	72,000	325,500	501,000	552,000
Social Tax	EUR	5,976	27,267	41,999	46,274
Motivation program	EUR	0	3,015	5,010	5,520
Marketing	EUR	1,061,157	4,794,614	5,111,849	4,899,598
Payments Related to Staff	EUR	0	6,330	11,923	13,468
Customer support (outsourcing)	EUR	10,170	60,255	64,365	64,595
Technology Platforms	EUR	304,014	1,725,080	1,897,746	1,923,010
IT Services	EUR	13,010	26,722	28,341	27,784
AML external services	EUR	4,854	24,879	26,256	26,335
Bank service	EUR	0	0	0	0
Transactional Fees	EUR	114,360	614,594	659,380	667,806
Advisory & Prof.services	EUR	62,500	137,900	192,000	212,000
Rent & Utilities	EUR	7,650	17,850	20,400	20,400
Insurance	EUR	0	0	0	0
Communications	EUR	900	2,550	3,675	3,900
Business Trips	EUR	3,500	9,000	9,000	9,000
Transport Exepenses	EUR	0	0	0	0
Representations	EUR	0	1,350	1,800	1,800
Other admin.expenses	EUR	23,152	66,778	70,958	73,167
EBITDA	EUR	(287,315)	781,717	843,029	1,068,393
EBITDA margin	%	0.0%	6.3%	6.2%	7.8%
Depreciation	EUR	1,227	3,680	5,520	4,913
EBIT	EUR	(288,542)	778,037	837,509	1,063,480
EBIT margin	%	0.0%	6.3%	6.2%	7.7%
Interest expense	EUR				
Income taxes	EUR				
Net income	EUR	(288,542)	778,037	837,509	1,063,480
Net margin	%	0.0%	6.3%	6.2%	7.7%

Financials - Annual EUR					
		Year 1	Year 2	Year 3	Year 4
BALANCE SHEET					
Common equity	EUR	300,000	300,000	300,000	300,000
Share Premium	EUR	0	0	0	0
Reserves (software)	EUR	0	0	0	0
Retained earnings	EUR	(288,542)	489,495	1,327,004	2,390,484
Equity	EUR	11,458	789,495	1,627,004	2,690,484
Accounts payable	EUR	92,000	166,000	169,000	170,000
Short-term debt	EUR	0	0	0	0
Other current liabilities	EUR	0	0	0	0
Current liabilities	EUR	92,000	166,000	169,000	170,000
Long-term debt	EUR	0	0	0	0
Other long-term liabilities	EUR	0	0	0	0
Long-term liabilities	EUR	0	0	0	0
Total Liabilities and Equity	EUR	103,458	955,495	1,796,004	2,860,484
Cash and due from banks	EUR	6,685	779,402	1,617,931	2,686,324
Accounts receivable	EUR	92,000	166,000	169,000	170,000
Inventory	EUR	0	0	0	0
Other current assets	EUR	0	0	0	0
Current assets	EUR	92,000	166,000	169,000	170,000
Intangible assets	EUR	0	0	0	0
Fixed assets	EUR	4,773	10,093	9,073	4,160
Long-term investments	EUR	0	0	0	0
Other long-term assets	EUR	0	0	0	0
Long-term assets	EUR	4,773	10,093	9,073	4,160
Total Assets	EUR	103,458	955,495	1,796,004	2,860,484
Check		0.0	0.0	0.0	0.0
CASH FLOW					
Operating activities	EUR	(287,315)	781,717	843,029	1,068,393
Net income	EUR	(288,542)	778,037	837,509	1,063,480
Depreciation	EUR	1,227	3,680	5,520	4,913
Current assets	EUR	(92,000)	(74,000)	(3,000)	(1,000)
Other liabilities	EUR	92,000	74,000	3,000	1,000
Investing activities	EUR	(6,000)	(9,000)	(4,500)	0
Capital expenditures	EUR	(6,000)	(9,000)	(4,500)	0
Sale of fixed assets	EUR	0	0	0	0
Other long-term assets	EUR	0	0	0	0
Financing activities	EUR	300,000	0	0	0
Short-term debt/financing	EUR	0	0	0	0
Long-term debt/financing	EUR	0	0	0	0
Equity	EUR	300,000	0	0	0
Cumulative cash flow	EUR	6,685	772,717	838,529	1,068,393
Beginning cash balance	EUR	0	6,685	779,402	1,617,931
Ending cash balance	EUR	6,685	779,402	1,617,931	2,686,324
Check		0.0	0.0	0.0	0.0