

BUSINESS RATIONALE & OPERATIONS

Riviera Entertainment N.V.

1. EXECUTIVE SUMMARY

This document provides a comprehensive overview of our online gaming business, including the strategic rationale, operational model, payment infrastructure, supplier relationships, target markets, and risk management framework. Our business is designed to deliver a premium gaming experience while maintaining the highest standards of regulatory compliance and player protection.

2. BUSINESS RATIONALE AND STRATEGY

2.1 Market Opportunity

The global online gaming market presents significant growth opportunities driven by:

- Increasing smartphone penetration and mobile internet access
- Growing acceptance of online entertainment and gaming
- Enhanced payment technologies enabling seamless transactions
- Improved regulatory frameworks providing legal certainty
- Technological advances in gaming content and user experience

2.2 Value Proposition

Our platform differentiates itself through:

- Curated selection of premium gaming content from leading providers
- Mobile-first design optimized for all devices
- Fast and secure payment processing with multiple options
- 24/7 multilingual customer support
- Competitive bonuses and loyalty rewards program
- Robust responsible gaming tools and player protection

2.3 Business Model

Our revenue model is based on:

- **Gaming Revenue:** Commission from gaming activities (slots, table games, live dealer)
- **Sports Betting:** Margin on sports betting activities
- **Affiliate Partnerships:** Revenue sharing with qualified marketing partners

3. PAYMENT GATEWAY INFRASTRUCTURE

3.1 Primary Payment Gateways

Provider	Payment Methods	Geographic Focus	Settlement Period
ApcoPay	Credit/Debit Cards, E-wallets	Our Core Markets	T+7
Betapin	Bank Transfers, Local Methods	Our Core Markets	T+7
AlphaPo	Cryptocurrency	Global	T+0 (instant)

3.2 Payment Processing Features

- PCI DSS Level 1 compliant payment infrastructure
- 3D Secure authentication for card transactions
- Real-time transaction monitoring and fraud detection
- Automated KYC checks integrated with payment flow
- Multi-currency support with competitive FX rates
- Instant withdrawal processing for verified accounts
- Redundant payment routing for high availability

3.3 Transaction Limits and Controls

- Minimum deposit: €20 (or equivalent)
- Maximum deposit: €5,000 per transaction (higher limits for VIP)
- Withdrawal limits: €5,000 per day, €20,000 per month
- Enhanced due diligence for transactions exceeding €2,000
- Velocity checks and unusual pattern detection

4. KEY SUPPLIER RELATIONSHIPS

4.1 Gaming Content Providers

Supplier	Content Type	Commercial Model
Alea Aggregator	Slot Games, Live Casino	Revenue Share: 8-15%
Softswiss Aggregator	Slot Games, Live Casino	Revenue Share: 8-15%
Altenar	Sports Betting Platform	Revenue Share: 8-12%

4.2 Technology and Infrastructure Suppliers

- **Platform Provider:** Omega Technology Services - Provides core gaming platform and back-office systems
- **Hosting Services:** AWS - Multi-region hosting with 99.99% uptime SLA
- **CDN Provider:** Cloudflare - Global content delivery for optimal performance
- **Security Services:** Cloudflare- DDoS protection, WAF, and security monitoring
- **Customer Support:** Freshdesk- 24/7 multilingual support services

4.3 Compliance and Certification Services

- **RNG Testing:** BMM/ GLI - Independent testing and certification
- **KYC/AML Services:** Inhouse - Identity verification and screening
- **External Auditor:** XCM- Annual financial and compliance audit
- **Legal Counsel:** XCM - Curacao gaming law specialists

4.4 Commercial Terms and Risk Sharing

Our supplier agreements are structured to:

- Align incentives through revenue-sharing arrangements
- Include performance guarantees and SLAs
- Provide flexibility to scale with business growth
- Ensure data ownership and portability
- Include termination clauses for regulatory compliance

5. TARGET MARKETS AND CUSTOMER SEGMENTATION

5.1 Geographic Markets

Region	Target Share	Payment Methods
Europe	20%	Cards, E-wallets, Bank
Asia Pacific	30%	E-wallets, Crypto, Cards
Latin America	40%	Local methods, Bank
Other	10%	Crypto, Cards

5.2 Restricted Markets

We do not accept players from the following jurisdictions:

- United States and its territories

- United Kingdom
- France and French territories
- Netherlands and Dutch Caribbean territories
- Australia
- Countries subject to international sanctions
- Any jurisdiction where online gaming is explicitly prohibited

5.3 Customer Acquisition Strategy

Marketing Channels:

- Affiliate marketing program (60% of new customers)
- Digital advertising (SEO, SEM, social media) (25%)
- Brand partnerships and sponsorships (10%)
- Direct and referral traffic (5%)

Player Retention Programs:

- Tiered VIP loyalty program with increasing benefits
- Personalized bonus offers based on play patterns
- Regular tournaments and promotional events
- Dedicated VIP account managers

6. RISK ANALYSIS AND MITIGATION

6.1 Operational Risks

Risk	Impact	Mitigation
Payment processor failure	High - Transaction disruption	Multiple gateway redundancy, real-time monitoring
Platform downtime	High - Revenue loss, reputation	99.99% SLA, multi-region hosting, DR plan
Cyber attack / data breach	Critical - Legal, financial, reputation	ISO 27001, SOC 24/7, encryption, pen testing
Key supplier termination	Medium - Content/service gap	Multiple suppliers, contractual protections

6.2 Regulatory and Compliance Risks

Risk	Impact	Mitigation
License suspension/revocation	Critical - Business closure	Rigorous compliance program, MLRO oversight

AML/CFT violations	Critical - Fines, license risk	Automated monitoring, EDD procedures, training
Market regulatory changes	Medium - Market restrictions	Geographic diversification, legal monitoring
GDPR/data protection breaches	High - Fines up to €20M	DPO role, privacy by design, breach protocols

6.3 Financial Risks

Risk	Impact	Mitigation
Liquidity shortage	Critical - Cannot pay winners	Minimum reserve requirements, credit facilities
Fraud and payment disputes	High - Direct financial loss	Advanced fraud detection, KYC verification
Currency exchange fluctuations	Medium - Margin compression	FX hedging strategy, multicurrency accounts
High roller wins/variance	Medium - P&L volatility	Betting limits, statistical monitoring, reserves

7. GROWTH STRATEGY

7.1 Short-Term Goals (Year 1)

- Achieve 50,000 registered players
- Establish affiliate network of 100+ partners
- Complete all regulatory certifications
- Achieve breakeven on monthly basis by Q4

7.2 Medium-Term Goals (Years 2-3)

- Expand to 200,000+ registered players
- Launch proprietary mobile applications
- Expand Games portfolio and sports betting offering.
- Enter additional geographic markets
- Achieve 20%+ EBITDA margin

8. FINANCIAL MODEL SUMMARY

Detailed financial projections are provided in the separate 3-Year Financial Forecast document. Key highlights:

- **Revenue Model:** Gaming yield (GGR) minus bonuses
- **Breakeven:** Expected by month 10-12
- **Year 3 Revenue Target:** 96M
- **EBITDA:** 12% over 3-year period