

BUSINESS PLAN

For operators of games of chance

Losartez B.V.

(<https://lukscasino.com>

<https://caracalbet.com>)

Business Plan Version: 1.0.

Our Mission

Losartez B.V. (hereinafter referred to as the “Company”) is dedicated to offering a wide range of exciting, entertaining, and rewarding online casino and sportsbook options to our esteemed clientele. Our goal is to provide them with an exhilarating gaming experience that allows them to immerse themselves in the excitement and thrill of sports and games while making informed and strategic decisions.

Our overarching mission is to establish ourselves as the leading provider of betting products within the region, offering an extensive selection of sports, games, and events tailored to suit every preference and inclination. We are committed to utilizing state-of-the-art technology and cutting-edge software solutions to enhance the quality and accessibility of our offerings. Moreover, we prioritize delivering exceptional customer service, facilitated by our team of knowledgeable and approachable staff members who are dedicated to assisting clients in navigating their options and making optimal decisions aligned with their individual needs.

In pursuit of these goals, the Company has entered into a strategic partnership with BTB Betlab Holdings Ltd, a distinguished software development company with a strong reputation for excellence. With a presence in numerous countries, BTB Betlab Holdings Ltd is ideally suited to support our efforts and assist in achieving our vision.

Company and Management

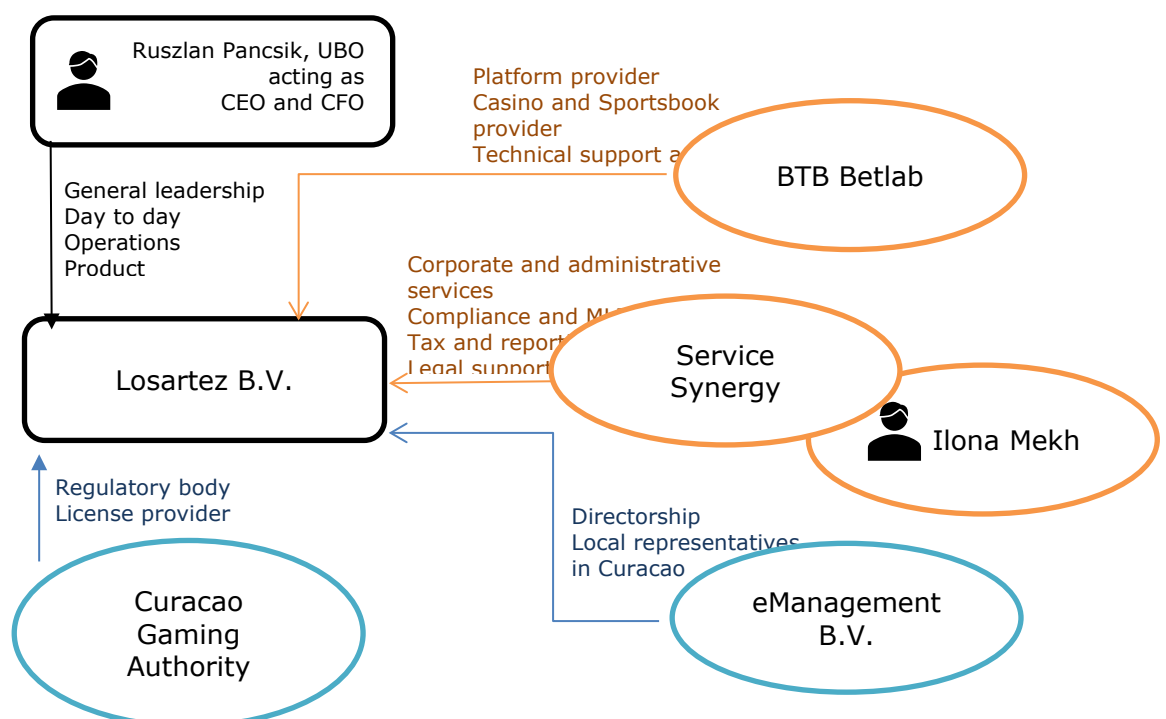
As the company is currently operational but still in its startup phase, the core team will comprise a select few individuals who will hold core operational positions within the organization, while managerial functions will be secured by the Company’s managing director represented by e-Management N.V. registered at Emancipatie Boulevard, Dominico F. Don Martina 31, Curacao, the company with the lasting and sounding experience in the industry.

The Owner of the company, Mr. Ruszlan Pancsik, applies for the Curacao Gaming License to replace a previous sublicense held with CIL organisation. Mr. Pancsik, the sole shareholder, is a successful and innovative entrepreneur with extensive experience in both the payments and gambling industries. This expertise positions him to serve as a CEO and CFO of the Company.

The business model devised for the company aims to leverage the founder's extensive business network to negotiate favorable terms with counterparties such as Platform, Casino, and Sportsbook providers, payment solutions, and technical and customer support services. The core concept is to optimize variable costs to align with revenue generated, thereby minimizing initial investment requirements.

The company has entrusted its routine corporate administration and compliance functions to Service Synergy, a provider with a proven track record of expertise in managing and supporting businesses, particularly within the gaming industry. A dedicated compliance team offers a comprehensive, turnkey solution, ensuring that all regulatory and industry-specific requirements—such as policy drafting, compliance processes, controls, AML (Anti-Money Laundering), KYC (Know Your Customer), and other key areas—are meticulously structured and seamlessly integrated into the business's day-to-day operations. The service provider also maintains a highly capable team dedicated to ensuring the optimal execution of additional non-core functions, including legal support, financial consulting, tax advisory, and reporting. As per requirement of the Gaming Control Board of Curacao, Ilona Mekh as a member of Service Synergy team was appointed as a Compliance officer for a Company.

In general, the Organizational and functional structure of the company can be described as follows:



As is common in early-stage companies, the majority of operational functions have been outsourced, while core strategic decisions are retained by the Ultimate Beneficial Owner (UBO), who acts as both the business and product owner. This structure aligns with traditional startup models, where the focus remains on agility and core competencies, while leveraging specialized external expertise.

BTB Betlab Holdings Limited, serving as the company's technical partner, provides essential platform, casino, and sportsbook services, while Service Synergy takes on the critical role of major sub-contractor. Service Synergy manages all corporate, administrative, and advisory functions, positioning itself as a strategic business partner that ensures smooth operational and governance practices. In addition, Service Synergy provides the company with Compliance and Money Laundering Reporting Officer (MLRO) services, ensuring that the company's policies, procedures, and controls are fully aligned with regulatory requirements. This safeguards the company's adherence to all relevant legal and compliance frameworks.

Key stakeholders also include eManagment B.V. (eManagment) and the Curacao Gaming Authority (previously GCB). eManagment is a key corporate service provider in Curacao that provides both directorship, and the mandatory role of local representative in Curaçao, ensuring compliance with the jurisdiction's regulatory framework. The CGA, as the new regulatory authority in Curaçao, is set to replace the previously utilized licensing provider, reflecting the evolving compliance landscape for companies operating under Curaçao law. These partnerships and regulatory bodies are fundamental to maintaining the company's legal standing and operational integrity within the global gaming market.

By entrusting key functions to these specialized partners, the company is able to focus on scaling its core business, while remaining compliant with both local and international regulations.

Corporate governance, Risks and Controls

The company has established a lean yet highly effective corporate governance structure, designed to support both operational efficiency and regulatory compliance. The Ultimate Beneficial Owner (UBO) currently serves as the Chief Executive Officer (CEO) and eManagement, a reputable Corporate Service Provider based in Curaçao, is taking care of all the corporate affairs as well as the directorship duties.

Key operational and technical functions that demand specialized expertise, such as gaming platform development and maintenance, financial and tax reporting, internal audit, regulatory compliance, KYC and Anti-Money Laundering and Risk Oversight (AMRO) affairs are outsourced to trusted service providers. These partners, as outlined in previous sections, have a proven track record of delivering high-quality services in these areas, allowing the company to focus on its core business activities while ensuring these critical functions are expertly managed. By outsourcing these functions to experienced, certified teams, the company significantly reduces potential risks, ensuring that compliance and governance are handled by experts with in-depth knowledge of the gaming industry's regulatory landscape.

The Money Laundering Reporting Officer (MLRO), represented by Ilona Mekh plays a critical role in ensuring the company's compliance with anti-money laundering (AML) and counter-terrorism financing (CTF) regulations. The Company will engage an experienced MLRO to address key issues, including:

1. To develop Company's Policy and secure their implementation;
2. To design and implement the AML program;
3. To verify adherence to local laws and regulations regarding the detection and deterrence of money laundering and terrorist financing;
4. To review compliance with the casino's policy and procedures;
5. To organize training sessions for the staff on various compliance-related issues;
6. To analyze transactions and verify whether any are subject to reporting according to the indicators mentioned in the Ministerial Decree regarding the Indicators for Unusual Transactions;

7. To review all internally reported unusual transactions for their completeness and accuracy with other sources;
8. To keep records of internally and externally reported unusual transactions;
9. To execute closer investigation of unusual transactions if necessary;
10. To prepare the external report of unusual transactions;
11. To make necessary changes to the AML program;
12. To remain informed on the local and international developments on money laundering and terrorist financing and to make suggestions to management for improvements; and
13. To prepare periodic information on the casino's efforts against money laundering and financing of terrorism and financing of proliferation.

Our Services

The Company is targeting Middle East market at its beginning stage, planning to make focus particularly on Egypt, Jordan, Kuwait, and Lebanon, recognizing the significant potential in these regions. Various forms of online gambling, such as casino games, poker, and fantasy sports, are gaining popularity among users in these countries. With a majority of users accessing the internet through mobile devices, the mobile platform has become a key driver for the expansion of online gambling in these regions. Consequently, operators in the sector are optimizing their platforms for mobile users to capitalize on this trend.

An analysis of online gambling in selected markets reveals a diverse participant base, ranging from frequent gamblers to occasional participants. While some users view online gambling as an occasional source of entertainment or face constraints limiting their involvement, a substantial number of active participants consider it a regular recreational pursuit.

Projections indicate that revenue in the online gambling markets of these countries is expected to see significant growth over the next few years. Middle East represent substantial growth opportunities due to their increasing internet penetration and tech-savvy populations.

Marketing strategies should capitalize on these emerging markets while navigating the evolving regulatory frameworks. Tailoring marketing campaigns to resonate with local

preferences and cultural nuances is crucial. The strong cultural affinity towards traditional games and sports can be leveraged to promote relevant offerings.

Social media platforms such as Facebook, Instagram, and YouTube are widely used in these regions. Online gambling operators can engage audiences through targeted advertising, influencer partnerships, and engaging content that aligns with local interests. Providing convenient and secure payment options that cater to regional preferences is crucial. This may include local payment methods and support for transactions in local currencies.

Losartez B.V. is planning to launch its new products, Lukscasino and Caracalbet, attracting players by providing a sophisticated casino experience with localized games, high-quality graphics, secure payment options, attractive promotions, and excellent customer support. Product's sports betting facilities are differentiated from competitors through the comprehensive sports coverage, live betting features, innovative betting options, targeted marketing, and ensuring regulatory compliance. By focusing on these strategies, the company can effectively tap into local's tech-savvy and wealth sustainable population, driving market success.

Our Competitive Advantage

We firmly believe that the future of gaming lies in tailoring products to meet the diverse needs of players. Our commitment extends beyond profitability; it encompasses fostering a safe, efficient, and enjoyable working environment for our team, while consistently exceeding our clients' expectations. We believe that everyone deserves access to thrilling, entertaining, and rewarding betting options, and we are dedicated to delivering the best products and services available in the market.

To align our casino sales and marketing strategies with our business objectives, we have enlisted the expertise of top sales and marketing specialists. Our approach to promoting our business to potential customers is as follows:

Grand Launch: We will ensure a spectacular launch for our online casino business to make a memorable impact in the market.

Digital Promotion: Our online casino business will receive extensive promotion across various digital platforms, including social media channels such as Facebook, Twitter, and Instagram. Engaging content and targeted advertising will captivate audiences and generate excitement.

Direct Outreach: Introductory letters about our online casino business will be dispatched to a diverse range of recipients, including sports clubs, households, and corporate organizations. This direct outreach will help us reach a broad audience and attract potential customers from various demographics.

By employing a multifaceted approach to promotion and leveraging the power of digital and direct marketing channels, we are confident in our ability to establish a strong presence in the market and attract a loyal customer base.

Financial Considerations

As for the forecasted financials, for the first five years of operation we foresee the following:

Thsd USD	Year1	Year2	Year3	Year4	Year5
Revenue total Incl:	925	1,131	1,376	1,669	2,031
Casino	515	639	785	966	1,188
Sport	410	492	590	703	843
COGC					
Royalties	259	317	385	467	569
Other Direct expenses	120	147	165	200	244
Gross Profit	546	667	826	1,001	1,219
Operating expenses (OPEX)					
Administrative expenses	111	136	179	217	244
Licensing Expenses	65	65	65	65	65
Marketing Expenses	333	407	454	501	508
Other Expenses	37	57	83	100	122
Total OPEX	546	664	780	883	939
PBIT	(0)	3	45	119	280

The financial projections provide a comprehensive overview of Casino and Sports Betting Gross Gaming Revenue (GGR) with the prospective expanding to a Sports Betting in a year

perspective, shedding light on the company's anticipated earnings. The projected income growth from Casino revenue is forecasted to marginally surpass the percentage of royalties owed to casino providers each year.

In terms of expenditure, marketing expenses are initially set to represent 36% of the GGR in the first year, gradually decreasing to 27% thereafter. This reduction reflects the dynamic nature of costs associated with user acquisition and retention efforts. Similarly, Other Direct Expenses, including bonuses aimed at extending player lifespan during the initial stages, primarily consist of commission fees to Payment Service Providers (PSPs) covered by the Company rather than players.

Administrative costs are expected to remain relatively stable as a percentage of revenue from year to year on a level approximately 12%. This stability is attributed to the business model's focus on product development rather than diversification into new markets or products. Consequently, the projected revenue growth is deemed adequate to accommodate any additional administrative support requirements.

Over the initial two-year period, the owner plans to pursue a cost-effective strategy aimed at generating nominal net profits to fortify market share growth. This strategic approach underscores the company's commitment to maximizing its presence within the market during its early stages of operation.

Conclusions

Our vision for the gambling industry is to cultivate an online casino enterprise that not only competes favourably with established leaders in the field but also emerges as a formidable contender against top gambling establishments globally. We aspire to establish our online casino business as the premier brand in the industry worldwide.

To realize this ambition, we are assembling a motivated and passionate team with a steadfast belief in our collective ability to achieve success. Our team is committed to innovation and continuous improvement, ensuring that we deliver exceptional gaming experiences to our customers.

In addition to the above, we emphasize the following points in the conclusion:

Commitment to Innovation: We are dedicated to pushing the boundaries of innovation in the gambling industry, constantly seeking new ways to enhance our offerings and stay ahead of the curve.

Regulatory Compliance: We place a strong emphasis on regulatory compliance and uphold the highest standards of integrity, transparency, and responsible gaming practices. Our commitment to compliance ensures a safe and secure gaming environment for our customers.

Strategic Partnerships and Alliances: We recognize the value of strategic partnerships and alliances in enhancing our capabilities, expanding our reach, and driving growth opportunities in the competitive gambling market. We are actively seeking partnerships that align with our values and contribute to our long-term success.

Long-Term Vision for Sustainable Growth: Our long-term vision involves setting clear goals and objectives, implementing robust business strategies, and fostering a culture of innovation, teamwork, and accountability. We are committed to sustainable growth and success in the gambling industry, ensuring our longevity and prosperity for years to come.