

Business Plan

Taktonum Group N.V.

December 2023

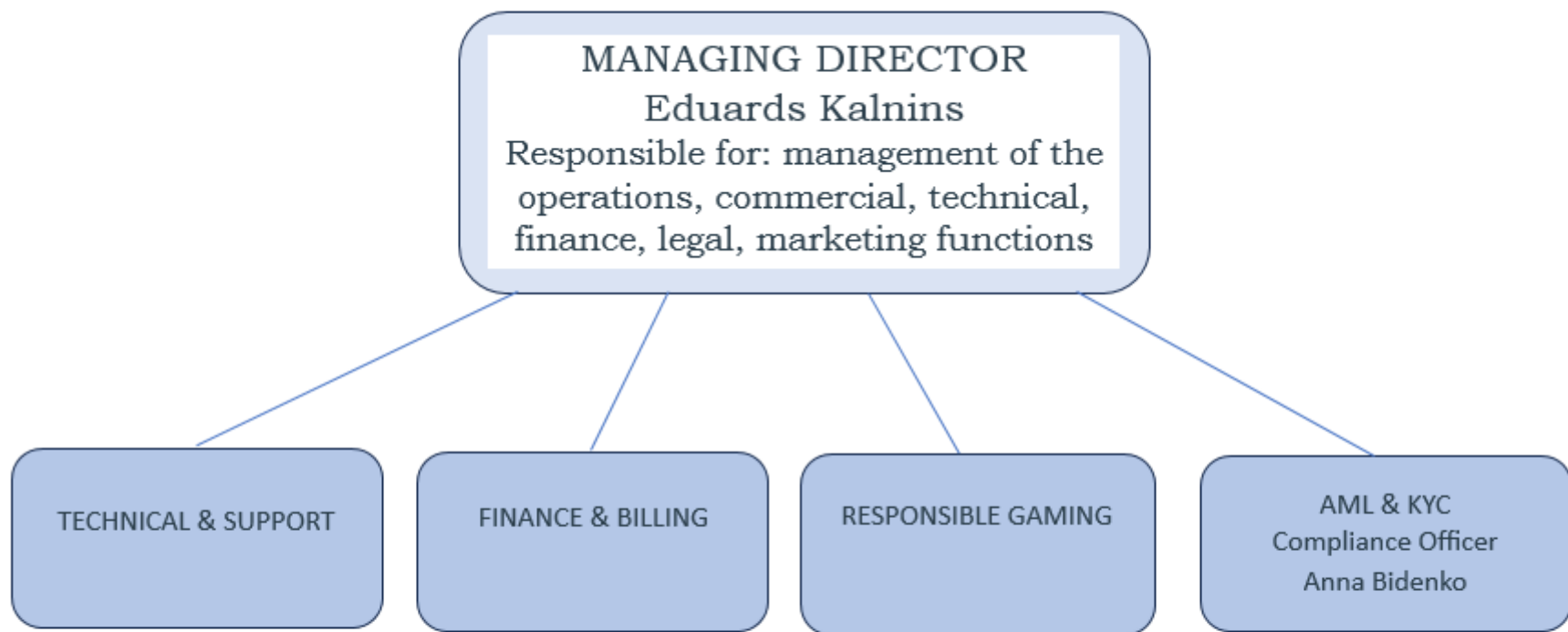
Overview of the business

Taktonum Group N.V. is a company established in 2021 under the laws of Curaçao with registration number 159208. Despite being a relatively young company, it has exhibited exceptional performance and achieved good results within just two years of its establishment. The Company Brand Name is weiss.bet, the primary domain is <https://weiss.bet/>

The Company's business portfolio encompasses services related to organizing, managing, supporting and operating different types of remote gaming activities, comprising such types of games like betting, games of chance, live dealer games and other interactive games, for clients established or residing outside of Curaçao.

Key factors contributing to the Company's competitive edge are:

- **Customer-Centric Approach:** the Company's unwavering focus on understanding and exceeding customer expectations ensures lasting relationships and loyalty;
- **Global Reach:** With a strategic global presence, we have successfully expanded our reach and tapped into diverse markets;
- **Compliance:** Upholding the highest standards of regulatory compliance and promoting responsible gaming are integral to the Company's business ethos.



* The CFO and CTO will be appointed within 12 months of the issuance of the license

Company management structure

Chief Executive Officer - A chief executive officer (CEO) is the highest-ranking executive in a company, whose primary responsibilities include making major corporate decisions, managing the overall operations and resources of a company, acting as the main point of communication between the shareholders, and being the public face of a company. A CEO is elected by the shareholders of a company.

Chief Financial Officer - A chief financial officer (CFO) is the officer of a company that has primary responsibility for managing a company's finances, including financial planning, management of financial risks, record-keeping, and financial reporting. In some sectors, the CFO is also responsible for analysis of data. The CFO usually reports directly to the chief executive officer of a company.

Chief Technical Officer - A chief technology officer (CTO) is the executive in charge of a company's technological needs as well as its research and development. The CTO usually reports directly to the chief executive officer of a company.

Company management structure

Compliance Officer - is a professional responsible for overseeing, implementing, and maintaining compliance with all relevant laws, regulations, industry standards, internal policies, and guidelines. The Compliance Officer usually reports directly to the chief executive officer of a company.

Business forecast for 3 years - Income Statement Forecast

	2024	2025	2026	total 3 years
Net Gaming Revenue	2,011,813	2,551,466	3,235,876	7,799,155
(-) Game providers	261,536	331,691	420,664	1,013,890
(-) Marketing	623,662	790,954	1,003,121	2,417,738
(-) Payment systems	120,709	153,088	194,153	467,949
(-) Motivation (employees)	20,118	25,515	32,359	77,992
(=) Variable Contribution Margin	985,789 49.0%	1,250,218 49.0%	1,585,579 49.0%	3,821,586 49.0%
Fixed Costs				
Salaries - management	120,000	120,000	120,000	360,000
Salaries - IT	480,000	480,000	480,000	1,440,000
Salaries - other	24,000	24,000	24,000	72,000
IT expenses / subscriptions	5,400	5,400	5,400	16,200
Licenses	12,000	12,000	12,000	36,000
Rent & utilities	8,400	8,400	8,400	25,200
Legal expenses	87,600	87,600	87,600	262,800
Bank fees	43,800	43,800	43,800	131,400
Depreciation	1,236	3,553	5,372	10,161
Other expenses	43,800	43,800	43,800	131,400
Total fixed costs	826,236	828,553	830,372	2,485,161
Net Income	159,553	421,665	755,207	1,336,425
Net Income (after tax)	127,642	337,332	604,166	1,069,140

The Company will generate a NGR (net gaming revenue) in the amount of **\$4 mln** during the next 3 years of operations at an average variable contribution margin of 49%. Fixed costs will average about **\$828 000 per annum**.

Net income after tax is forecasted at **\$1.3 mln**

Financing Section - Cash Flow Forecast

Cash Flow Statement	Year 1	Year 2	Year 3	Total
	2024	2025	2026	
Operating Cash Flow				
Net Earnings	127,642	337,332	604,166	1,069,140
Plus: Depreciation & Amortization	1,236	3,553	5,372	10,161
Changes in Working Capital				
(increase) dcr in accounts receivable	(11,434)	(3,335)	(4,230)	(18,999)
(increase) dcr in prepaids	-	-	-	-
Increase (dcr) in accounts payable	21,434	15,009	19,035	55,477
Increase (dcr) in accrued taxes	12,405	14,316	18,208	44,929
Cash from Operations	151,283	366,875	642,550	1,160,708
Investing Cash Flow				
Investments in Property & Equipment	(12,000)	(12,000)	(12,000)	(36,000)
Cash from Investing	(12,000)	(12,000)	(12,000)	(36,000)
Financing Cash Flow				
Issuance (repayment) of debt	-	-	-	-
Issuance (repayment) of equity	-	-	-	-
Cash from Financing	-	-	-	-
Net Increase (decrease) in Cash	139,283	354,875	630,550	1,124,708
Opening Cash Balance	22,000	161,283	516,158	22,000
Closing Cash Balance	161,283	516,158	1,146,708	1,146,708

The Company will generate a cash flow in the amount of \$1.1 mln during the next 3 years of operations.

That includes \$1.1 mln of cash flow from operations (after changes in working capital).

Financing Section - Balance Sheet Forecast

Balance Sheet	Year 1	Year 2	Year 3
	2024	2025	2026
Assets			
Cash	161,283	516,158	1,146,708
Prepaid Expenses	1,000	1,000	1,000
Accounts Receivable	12,434	15,769	19,999
Inventory			
Property & Equipment	10,764	19,211	25,839
Total Assets	185,481	552,138	1,193,546
Debt + Equity			
Accounts Payable	91,385	106,394	125,428
Accrued Taxes	12,405	26,721	44,929
Debt			
Equity Capital	311,110	311,110	311,110
Retained Earnings	(229,419)	107,913	712,079
Total Liabilities & Shareholder's Equity	185,481	552,138	1,193,547

The Company's balance sheet is forecasted to accumulate cash flow from operations.

It also contains AR, AR prepaids and other standards balances.

Key suppliers

The Company's primary suppliers include :

- Endorphina Ltd
- Velund Investment Ltd
- PGM SOLUTIONS LIMITED
- Mikai Tech Ltd
- Game Vector N.V.
- Relax Gaming International Limited
- SUM AND SUBSTANCE LTD

The Company applies comprehensive business and risk management strategies regarding the potential loss of key suppliers . These measures encompass proactive planning, the deployment of robust risk mitigation strategies, and ongoing monitoring of supplier relationships and supply chain dynamics .

Key suppliers and risk management

Business Management encompasses several key practices :

- Supplier diversification entails identifying alternative suppliers for critical components or services and proactively establishing relationships with them ;
- Supplier Relationship Management : Building strong relationships with key suppliers which includes regular meetings, performance reviews, and collaboration on innovation initiatives ;
- Contingency Planning entails identifying alternative sourcing options, maintaining safety stock levels, and establishing rapid response protocols for supplier failures ;
- Contractual Agreements : Ensuring that supplier contracts include provisions for performance metrics, quality standards, and dispute resolution mechanisms ;
- Supplier Audits involves conducting periodic audits of key suppliers to assess their financial stability, operational reliability, and adherence to regulatory requirements .

Risk Management comprises :

- Evaluating the financial impact of supplier disruptions and formulating risk mitigation strategies to minimize potential losses;
- Implementing robust operational risk management practices, including business continuity planning and initiatives to enhance supply chain resilience .

Legal and governance framework

The Ultimate Beneficial Owner of the Company (UBO) manages decision-making at a strategic level.

The Company is under the complete ownership and control of the UBO who possesses 100% of its shares. The ownership structure ensures smooth decision-making processes within the Company, eliminating the possibility of deadlocks or other operational challenges.

The UBO plays a crucial role in defining long-term objectives, endorsing significant business decisions, and guiding the overall direction of the Company. The UBO's involvement in decision-making extends to choices that profoundly influence the Company's trajectory, investments, and major transactions.

Risk evaluation and management

In the gaming industry, the processes of risk assessment, mitigation, and auditing are indispensable for ensuring regulatory compliance, safeguarding stakeholders' interests, enhancing customer trust, and upholding financial stability. Here is an outline of how these procedures are executed within the Company :

1. Risk Assessment :

- The Company systematically identifies potential risks inherent in its operations, encompassing areas such as regulatory adherence, financial volatility, cybersecurity vulnerabilities, and reputation preservation ;
- Thorough evaluations are conducted to assess the probability and potential impact of each identified risk on the Company's objectives and operational framework ;
- Risks are methodically prioritized, with particular emphasis placed on adherence to licensing requirements, anti-money laundering (AML) statutes, data privacy regulations, and other legislative provisions specific to the gaming sector.

Risk evaluation and management

2) Risk Mitigation :

- The Company formulates and enacts protocols aimed at mitigating identified risks . This includes the establishment of robust anti-money laundering (AML) and Know Your Customer (KYC) measures to deter fraudulent activities ;
- Operational safeguards are instituted to shield against cyber threats, with the adoption of encryption protocols, firewall installations, and to provide security assessments ;
- Adequate financial reserves are upheld to cover potential losses and ensure the Company's financial stability ;
- Fraud detection mechanisms prevent and identify unauthorized access to platforms and tampering with payment processing systems .

3) Auditing :

- The Company undertakes routine business audits to ascertain adherence to regulatory mandates and evaluate operational efficiency ;
- External audits are commissioned through the engagement of impartial auditors, tasked with furnishing an unbiased evaluation of the Company's fiscal well-being, regulatory compliance, and alignment with industry standards .

Business objectives

The Company measures success and tracks long-term objectives through financial performance, regulatory compliance, customer satisfaction, and sustainable growth .

1) Financial Performance encompasses :

- Tracking revenue growth over time, including gross gaming revenue (GGR) net revenue, and profit margins ;
- Evaluating the Return on Investments in technology, marketing, and infrastructure to ensure they contribute positively to the company's bottom line ;
- Managing and overseeing operational expenditures, such as marketing expenses, licensing fees, and technology investments, to uphold favorable profit margins .

2) Regulatory Compliance involves :

- Ensuring adherence to licensing requirements and regulatory mandates to uphold a valid operational license ;
- Successfully navigating regulatory audits to demonstrate adherence to industry standards and regulations .

Business objectives

3) Customer Satisfaction involves :

- Assessing customer retention rates and analyzing player loyalty metrics to evaluate the efficacy of marketing tactics, customer service endeavors, and gaming offerings ;
- Implementing measures for responsible gaming to enhance player safety, mitigate problem gambling, and foster a positive gaming environment .

4) Sustainable Growth encompasses :

- Monitoring market share and evaluating competitive positioning within the gaming industry to identify growth opportunities and potential challenges ;
- Assessing the effectiveness of expansion strategies, such as venturing into new markets, by analyzing market penetration and revenue growth metrics ;
- Aligning business strategies with long-term objectives, such as diversifying revenue streams, leveraging emerging technologies, to foster sustainable business growth .

5) The Company's decision to operate under a sub-license or a GCE License depends on obtaining a GCE License and the terms that will be applied . This determination is affected by factors such as pending guidelines, notably those pertaining to Game Certification . A similar approach will be upheld regarding forthcoming gaming legislation in Curacao.

Policies and procedures

The Company's policies and procedures serve as the foundation of the Company's commitment to transparency, accountability, and responsible business practices .

The Company's policies and procedures cover a wide range of areas, including :

- Customer identification and verification;
- Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF);
- Account and fund management;
- Information security;
- Dispute resolution etc.

The Company regularly reviews and updates the policies and procedures to keep them current and in compliance with the latest developments in legal and industry standards.

The Company encourages open communication channels for employees to report any concerns related to policy compliance. This ensures a transparent and responsive approach to addressing potential issues.