

# **BUSINESS PLAN**

For operators of games of chance  
under license 1668/JAZ (Curaçao eGaming)

Velatus N.V.

Business Plan Version: 1.0.

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## 1. Company management structure

Capital Trust Corporation N.V. officiates functions of the managing director of Velatus N.V.

Capital Trust Corporation N.V. performs the duties of a local representative for Velatus N.V. operating within Curacao. (SMES) Solutions for Management and Employment Support N.V. has extensive administrative experience overseeing legal organizations.

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The company's **CEO** is Joel Bermeo Garcia. Joel Bermeo Garcia manages the company's growth, boosts earnings, and raises share prices. Joel Bermeo Garcia oversees every aspect of an organization's daily activities.

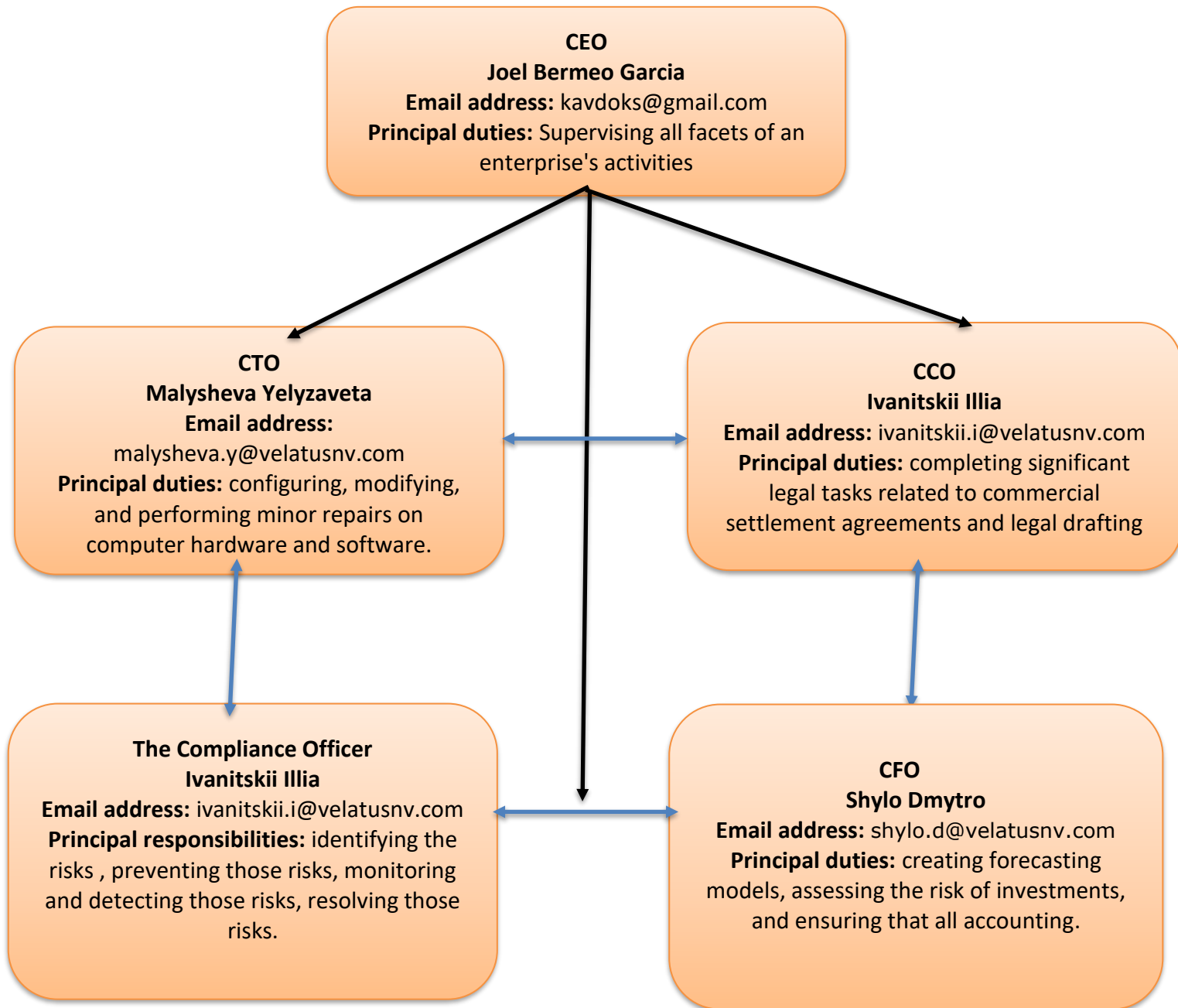
**The company's the Chief Technology Officer (CTO)** is Malysheva Yelyzaveta. Responsible for customization, modification, minor repair of computer equipment and software. Among other things, Elizaveta Malysheva is responsible for assisting clients with various technical problems. She answers their questions to learn more about each particular situation.

Ivanitskii Illia is the company's **Chief Compliance Officer (CCO)**. He is managing and supervises the company's legal affairs, including key legal processes, drafting of documents, and entering into commercial agreements. It is its responsibility to ensure that any guidance on improper legal activity is immediately brought to the attention of senior management to maintain ethics and integrity in the organization.

Shylo Dmytro is the company's **Chief Financial Officer (CFO)**. Responsible for establishing forecasting models, assessing investment risks and ensuring compliance with all accounting protocols. Including, it will maintain the financial stability of our company and finally increase profitability.

Ivanitskii Illia is **the Compliance Officer** in the company is responsible for ensuring that their procedures comply with government requirements. His duties range from advising management to risk assessment. His main tasks are to identify risks, prevent them effectively, monitor, detect, resolve and advise on minimizing these risks.

You can familiarize yourself with the structure of the company image on this page:



## 2. Legal and governance framework

In the absence of a decision at the General Meeting, the board of directors of a company may consist of one person. In this case, its number should not be limited. The Board of Directors includes persons who have been elected by the shareholders.

The leading functions of the Board are considered to be the definition of the strategy, supervision of management and protection of interests of shareholders (s) of our company. The Board of Directors is responsible for instructing and monitoring operations to ensure good performance.

Significant issues concerning the company, its shareholders and employees are discussed by the board of directors.

Takes part in:

- Support the company in determining its long-term goals, leading objectives and directions;
- Making operational decisions;
- Recruitment and dismissal of senior managers;
- Establishment of management fees;
- Establishing a schedule of interaction with the CEO and beneficial owner of the company. The CEO manages the company in accordance with board directives;
- Planning and decision-making advice to managers;
- Monitor the budget and ensure that the necessary funds are available when important resources are required;
- Control of accounting and economic operations, making important adjustments to protect the company's funds and assets;
- Approval of important policies;
- Taking important decisions;
- Our company performance forecast
- Instruction on emergency management;
- Create and maintain a strong, sustainable and supportive brand identity for society and business.

The Board of Directors is committed to addressing high-level and future-oriented issues, but at times they have to focus more on participating in the day-to-day decisions of our top management. When the Board sees a negative outcome, it must pay special attention to the difficulties faced by management to solve the company's problems and fulfill its own promises to stakeholders and shareholders.

Our Board of Directors plays an important functional role in making important decisions. This applies to issues that have every chance to adversely affect companies or that have some financial implications. The Board of Directors of our company becomes a long-term goal. They achieve it by forecasting the future of the company for up to 5 years. Such important decisions to close or open facilities, as well as necessary acquisitions in accordance with the company's long-term strategic plans, are determined by the board of directors.

This means that our board is aware of the issues so that they can make a decision. This includes, among other things, addressing emerging issues related to board conduct, legal issues, conflicts of interest, public works, management compensation and evaluation of CEO activities. In order for the Board to make reasoned and informed decisions on important issues, management shares all the necessary information with them. The manual includes well-documented analyses and recommendations.

In order to benchmark growth performance, the Board regularly reviews performance reports on budget utilization. The Board decides whether an issue requires the attention of it, after examining trends over at least three consecutive reporting periods.

The Board consults with management before making a decision to see how they are addressing the problems and whether there is room for change. It does not intervene in certain cases by holding management accountable for results.

The Board of Directors assists UBO and CEO in implementing board decisions, including the conclusion and termination of the contract. At times the CEO may need assistance from the Board of Directors. In order to help UBO and CEO improve their performance, the Board of Directors may need to intervene on occasion. The Board of Directors can help CEO/UBO by using their community connections to achieve our goals.

In case the decision does not receive the required number of positive votes from directors or shareholders, or in a situation where opinions are divided into equal proportions between two directors and half of the shareholders, one of which votes "for" the decision and the other "against" A **deadlock** may arise at the level of directors or shareholders.

The solution is as follows:

- The President votes;
- Best efforts: Parties come together and unanimously decide;
- Mediation, arbitration or expert opinion: This matter may be referred to a third party, who may be a specialist in conflict resolution or an expert in a particular field of dispute, who will help the parties to reach a common view.

The Administration is obliged to report to the Board on important issues, especially if they are addressed by the Public Prosecutor, the tax authorities or other public institutions.

The Chief Compliance Officer is a member of the management team. This is due to the fact that their advice and guidance are necessary when making systematic company decisions.

**The Chief Compliance Officer (CCO) of the company** advises the Board on all important legal matters and aspects related to the Board's fiduciary responsibilities and provides the necessary support to executive management. The functions of the trustees of the company are divided between the board and the CCO. **The Chief Compliance Officer works in the same system with the members of our company's board, regularly attending board meetings.**

### 3. Description of services provided by third parties to the company

The company has the already concluded agreement for using the software, which was concluded with HIGHFLIER B.V., the company incorporated in Curacao (registration number: 149996. Software means any proprietary software belonging to HIGHFLIER B.V., GPs and/or any of their respective groups or related companies and partners used for the purpose of providing the Services.

**Providers of Gaming Software:** To deliver a diverse and captivating gaming portfolio, we will collaborate with HIGHFLIER B.V., a provider of gaming software.

**Sportsbook Software:** Velatus N.V. will employ state-of-the-art sportsbook software. This will ensure easy bet placement, thorough coverage of sporting events, and real-time odds updates for our sports betting enthusiasts. The games are provided by the platform provider.

**Payment Service Providers:** We'll work with trustworthy payment service providers to make transactions simple and safe. A variety of safe and useful deposit and withdrawal options, such as Visa/Mastercard and eWallets like AP Global Corporation LLP, Skrill Limited, Jeton Limited, will be available to players.

**Identity Verification Services:** Creating a secure gaming environment is essential. The company will use identity verification services to validate player identities and ensure regulatory compliance.

**Anti-Money Laundering (AML) Tools:** We will use state-of-the-art AML tools to spot and halt any dubious financial activity in order to assure regulatory compliance.

**Customer Support Software:** Velatus N.V. 's customer service agents will use sophisticated software to provide players with prompt, round-the-clock assistance and support.

#### 4. Overview of the business products and services/brands as well as proprietary IP

Velatus N.V. was founded on 5 May 2023. During her activity she not only managed to improve the sphere of gambling, but also provided a unique and unprecedented gaming experience. From its inception to the present day, the company strives to adhere to the principles of integration of advanced technological solutions in its activities and also pays special attention to customer satisfaction. This fundamental commitment enabled the company to grow and grow rapidly, establish its presence in the market and earn a reputation in the sector.

Velatus N.V. is actively developing under the competent and strategic guidance of Joel Bermeo Garcia, our ultimate beneficial owner. From a promising start-up, the company has grown into a well-known player in the online gaming world. Velatus N.V. has been constantly improving. Our tactics and flexibility in responding to rapidly changing market trends have played a decisive role in making us unique and different from our competitors.

The main criterion of our success is a wide range of products and services for gambling, adapted to the needs of a variety of customers. Velatus N.V. Suitable for all kinds of players with a wide range of games including sports betting, innovative digital gaming experience and classic casino games. A diverse range of products and services, combined with an easy-to-use platform, guarantee customer interest and attention.

Our client-centered approach is the basis of our success. Velatus N.V. is dedicated to providing individual services that meet all the needs and requirements of our customers, as well as promoting and developing a safe gaming environment. Every aspect of our work is based on our unequivocal commitment to uphold the highest standards of integrity and ethical conduct.

We would especially like to emphasize that our company strives for active participation and support of various spheres of life in addition to expanding its business. We actively support responsible games, participate in many interesting projects and set high standards of corporate social responsibility.

The company attracts a variety of consumer segments, developing an obvious competitive advantage. To meet the needs of our customers and give business such a competitive edge, six core competencies have been identified as the most needed. These include the following:

- Industry Knowledge
- Multichannel Access
- Multilingual Opportunities
- Regional Market Information and Analysis
- Individualized Approach
- Originality

## 5. Target KPI's and business objectives

### **Income and profit**

One of the most obvious indicators of the success of our company is the revenue and profit, reflecting the amount of money we receive from sales and the amount you save after we cover our expenses. We can compute income and profits on a monthly, quarterly, or annual basis, depending on our business goals. We must compare our revenues and profits with prior quarters, our budget, or industry benchmarks in order to see whether the Cape handles our objectives and rivals.

### **Client satisfaction**

Also, one of the key performance indicators of our company is customer satisfaction, reflecting how satisfied they are with our offers, the quality of services and how likely they will make additional deposits in the future, recommend us to others or write positive reviews about us. Various methods, including surveys, feedback forms, reviews, ratings and loyalty programs, can be used to assess customer satisfaction. To measure the relationship and experience of our customers, we can also use customer satisfaction metrics such as Net Promoter (NPS), Customer Satisfaction Assessment (CSAT) or Customer Effort Assessment (CES).

### **Upside potential**

Growth potential measures our company's capacity to grow its customer base, market share, services provided, and revenue streams in the future. The growth potential can provide insight into our competitive advantages, business opportunities and strengths, and how we can use them to achieve our long-term goals. A variety of methods can be used to assess growth potential competently and effectively, including scenario planning, SWOT analysis, market research and forecasting. To calculate our business potential and profitability, we also use growth potential parameters such as customer acquisition cost, customer cost of living, market entry rate and market growth rate.

## **Long-term business objectives**

We noted the most common (and greatest) long-term business goals that can affect the success of our business development, namely:

1.     Sales growth

Sales growth is always one of the most important indicators of how well our company functions. We aim to have more clients than we do at this time next year. We intend to become more profitable as well.

2.     Creating a familiar brand

Frequent presence in social networks, active participation in public events and activities, as well as the company's corporate logo - will contribute to our goal in creating a memorable brand that will function for many years.

3.     Opening of a new location

For our company, growth is an important long-term goal. Our goal is to make business global. We are building a solid consumer base to achieve this, and achieving other long-term goals can help us do so.

4.     Development and implementation of a new product

We will actively develop our company by offering new products or services. We are looking for new products or services that our company can eventually offer by conducting a gap study and discussing with our existing customers.

## 6. Financial Considerations

### 6.1. Overview of intended strategy for the business growth and to secure/maintain/grow market share with specific financial and marketing plans

In addition to analyzing our company's financial position within the Online Game of Chance industry, our corporate financial and marketing plans offer a growth estimate for the future. The six elements of plans are the operation planning, break-even point analysis, statement of financial position, cash flow forecasting, sales forecast, and expenses.

**Sales Forecast:** Here, the annual sales are projected. A variety of factors are taken into account in our sales forecasting plan, such as competitive environments, regional and global events, the status of the economy in each jurisdiction, protests and civil unrest, etc. The company hopes to boost revenue by two to five percent over the prior year.

**Expenses:** Our budget accounts for both ongoing expenses and anticipated future costs as well as related charges. Typical expenses include rent, utilities, salaries, and other ongoing costs of operation. Maintenance needs, hikes in the minimum wage, and tax rate changes are examples of future costs that need to be prepared for. A portion of the budget is also reserved for unanticipated expenses, such as operational damage. To make sure our business is solvent, we plan for future costs by reducing spending and raising sales. Estimates of related costs are linked to various undertakings, such as expanding into new areas or recruiting and integrating more employees. Precisely determining and analyzing related expenses helps company manage their expansion while staying within their means.

**Statement of Financial Position:** The statement of financial status serves as the foundation for the balance sheet of our business. Regular asset evaluations provide a more complete picture of the status of the company's finances than a cash flow or profit statement alone.

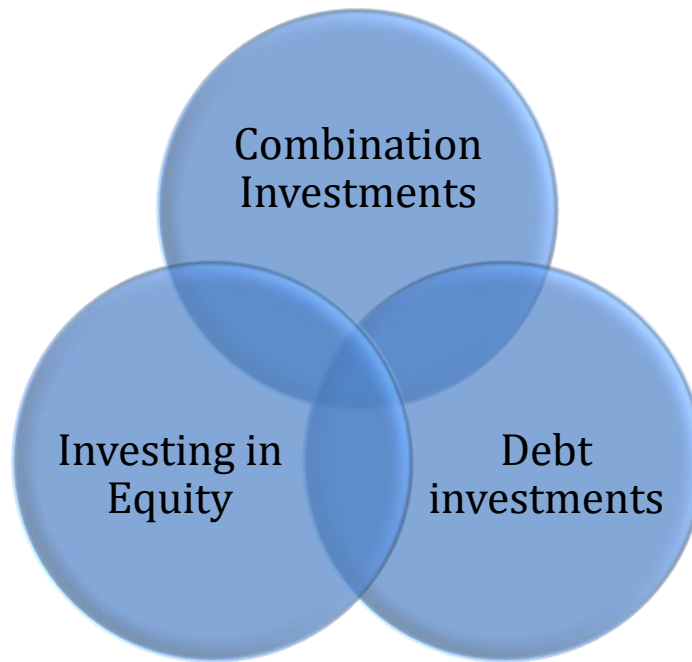
**Cash Flow Forecasting:** It is possible to forecast annual cash flow. This helps us get through challenges and bad times financially. It also helps us identify cash flow problems before they have a detrimental effect on our business. We have put up the best payment plans we can for our contractors. This gives us a clear picture of how much money will be left over at the end of each month, which helps us budget for future expansions and other expenditures.

**Break-even point Analysis:** The profit from each additional unit sold is compared to the fixed costs in this analysis. The examination of the break-even point ensures that the business keeps a profit margin while ensuring that it remains competitive.

**The goal of operations planning is** to provide a comprehensive picture of the company's operational requirements and ensure that the business is run as profitably as possible.

Because of this, the Company enjoys exceptional financial stability and has sufficient liquid assets to promptly distribute rewards to players. In order to meet all of the demands of the business, the market for online games of chance is expanding.

Investment schematic looks like:



**Debt investments:** This type of investment is any transaction that appears as an asset on the balance sheet. Buying a loan or accounts receivable from another business that will ideally generate income in the future is one example.

**Investing in Equity:** In the future, the corporation might raise funds through well-known private equity operations like leveraged buyouts, mergers and acquisitions, and venture capital investments.

**Combination Investments:** This type of investment blends stock and loan components. Mezzanine debt is one instance of this, where our business lends money to another business in exchange for stock. Another strategy that our organization may use in the future is to invest in intangible assets like trademarks or patents, which may or may not be regarded as investments depending on the plan.

## 6.2. SWOT analysis.

Our SWOT analysis looks like:

### **Strengths:**

- ✓ Superb personnel with a strong grasp of the products that are accessible;
- ✓ Effective customer relations;
- ✓ A sizable and loyal customer base offers a firm foundation for expansion;
- ✓ effective dialogue with suppliers;
- ✓ effective internal communication;
- ✓ Effective marketing techniques;
- ✓ Innovative webpage;
- ✓ Adaptability when making decisions;
- ✓ A strong brand may assist a business in differentiating itself from the competition and building a loyal consumer base;
- ✓ Enhanced Functional Protocols;
- ✓ A reputation for novelty.

### **Weaknesses:**

- ✓ Expensive monthly rentals;
- ✓ Market research data may not be current.

### **Opportunities:**

- ✓ A sector is growing: Our company operates in a market that is growing and has the potential to expand and capture larger market shares;
- ✓ A new distribution channel: Our business may reach a wider audience by using e-commerce, a new distribution channel;
- ✓ Devoted customers;
- ✓ Introduce reward programs (like loyalty programs);
- ✓ Profitable Trends, sometimes referred to as "Tailwinds"

### **Threats:**

- ✓ Competing businesses sometimes provide a similar product;
- ✓ A slowing economy could mean that people are making less purchases;
- ✓ modifications to laws;
- ✓ Competitors can launch a brand-new or almost identical advertising campaign to ours.

### 6.3. Business forecasts for 3 years

#### Budgetary forecast

This business plan contains the company's forecasts for the next three years. Both the optimistic and pessimistic alternative scenarios have forecasts. The following financial results are anticipated from the corporation's anticipated activities.

Gaming software licensing is the process of obtaining licenses from reputable suppliers of gaming software. 215 000 EUR is the estimated starting price.

Marketing and Advertising: To boost brand recognition and attract players, a portion of the first marketing budget is allocated to carefully considered advertising campaigns. 175 000 EUR is the estimated starting price.

Operational Costs: Staff salaries, customer support, payment processing fees, and regulatory compliance measures are all included in the annual projection for ongoing operational costs. The starting price of 275 000 EUR is estimated.

Licensing and regulatory fees are those associated with obtaining and maintaining licenses from regulatory agencies. An initial cost of 20,000 EUR is projected.

| Optimistic scenario                     | First year | Second year | Third year |
|-----------------------------------------|------------|-------------|------------|
| Total earnings                          | 7,100,000  | 7,329,500   | 8,910,000  |
| Total expenses<br>(direct and indirect) | 2,550,000  | 2,648,444   | 2,818,222  |
| Net outcome                             | 4,550,000  | 4,681,056   | 6,091,778  |

| Optimistic scenario | First year | Second year | Third year |
|---------------------|------------|-------------|------------|
| Total investments   | 2,000,000  | 2,087,1523  | 2,465,446  |
| Earnings margin (%) | 7          | 9           | 10         |

| Pessimistic scenario                    | First year | Second year | Third year |
|-----------------------------------------|------------|-------------|------------|
| Total earnings                          | 6,003,500  | 6,176,549   | 6,714,333  |
| Total expenses<br>(direct and indirect) | 2,625,000  | 3,006,000   | 3,181,574  |
| Net outcome                             | 3,378,500  | 3,170,549   | 3,532,759  |

| Pessimistic scenario | First year | Second year | Third year |
|----------------------|------------|-------------|------------|
| Total investments    | 1,160,000  | 1,444,000   | 1,919,000  |
| Earnings margin (%)  | 5          | 6           | 8          |

## 7. Risk evaluation and management

Before we can evaluate a danger, we need to be persuaded of its significance and seriousness. To evaluate risks, we employ qualitative techniques.

Qualitative risks are characterized as unpredictable events with a wide range of occurrences from minor to major. Hazards are often categorized as high, medium or low. In order to deal with the highest severity problems first and then with low probability hazards, in a qualitative risk assessment we usually map the identified risk factors to the x and y axes of the risk matrix. The probability of a risk event occurring and the possible consequences that could arise are the basis of the risk matrix.

A risk matrix helps us to manage risks and reduce them before they occur.

Our company uses a risk matrix to detect various risks and create a suitable plan of possible negative consequences. Risks can be financial, operational, strategic, external or internal. The colour-coded risk assessment table shows different hazards according to their severity: high risks are shown in red, moderate (medium) risks are shown in yellow, and low risks are shown in green.

**RISK ASSESSMENT MATRIX (EXAMPLE)**

| Severity/<br>Likelihood | Neglegible | Minor  | Moderate | Significant | Severe |
|-------------------------|------------|--------|----------|-------------|--------|
| Very Likely             | Low        | Medium | Medium   | Red         | Red    |
| Likely                  | Low        | Low    | Medium   | Medium      | Red    |
| Possible                | Low        | Low    | Medium   | Medium      | Medium |
| Unlikely                | Low        | Low    | Medium   | Medium      | Medium |
| Very Unlikely           | Low        | Low    | Low      | Medium      | Medium |

**Very Likely:** Highly probable hazards are those that are practically guaranteed to occur. Typically, threats in this category have a probability of at least 91 percent.

**Likely:** A likelihood of between 61 and 90 percent indicates a likely risk. These risks will inevitably reappear, thus continuous attention and a consistent mitigation strategy are required.

**Possible:** Of all potential dangers, about half have a 41–60 percent chance of coming true and need to be taken seriously.

**Unlikely:** The likelihood of events falling into the improbable group is between 11 and 40 percent.

**Very Unlikely:** The very nature of very rare dangers is that they have very little likelihood of occurring.

An explanation of the employed risk matrix. Let's say a business finds evidence of a possible data breach. The likely financial loss and reputational harm are the reasons for the "severe" effect assessment and the "possible" likelihood assessment. In the relevant "possible" and "major" cells of the matrix, the risk will be reflected. This suggests that risk mitigation plans need to be established and implemented since it is likely to be classified as 'high'.

The risk assessment matrix helps us to prioritize the most relevant risks. It enables professionals to develop an effective, targeted strategy for managing high-risk situations. Concentrating our attention and resources in the areas of greatest risk is an advantage to our business plan, as these risks can lead to the greatest losses.

A project's success will be guaranteed if the cost risk arising from variables such as scope creep is suitably planned for. Murphy's law preparation is significantly easier using the risk matrix.

We update our risk assessment matrix multiple times a year, or at least once a year, in recognition of the dynamic nature of the risk environment.

Given that emerging risks are inherently unknown, our firm can utilize enhanced enterprise risk management procedures. Our firm can maintain business continuity in an increasingly complex and dynamic risk environment by monitoring early warning indicators or events that indicate a problem.

Additionally, we are classifying hazards based on the following standards:

1. Strategic Risk: the risks brought on by subpar business analyses.
2. Operational Risk: perils brought on by breakdowns in internal procedures or protocols.
3. Financial Risk: the potential consequences of experiencing a financial loss.
4. External Risk: Perils that come from outside the area.

A further method our organization use to customize or adjust hazards is known as "risk weighting."

In the final step, we rank the risks according to their predictions and consequences and develop a risk assessment and mitigation plan.

## **8. Policies and Procedures**

1) Our company's procedures are a very important component. Together, policies and procedures form a daily operations schedule. They ensure adherence to legal and regulatory standards, offer direction for making decisions, and streamline internal processes. But putting the concept into practice entails more than just forcing workers to perform tasks they dislike. By adhering to specific policies and processes, our employees assist our business become more robust and well-rounded, which improves how well it uses its time and resources.

For us, it is crucial that staff members comprehend the rationale behind adhering to policies and guidelines. Everyone who abides by our policies, guidelines, and procedures helps our business to continue operating without interruption. Structures of command-and-control function as anticipated. In addition, mistakes and malfunctions in processes can be promptly identified and rectified.

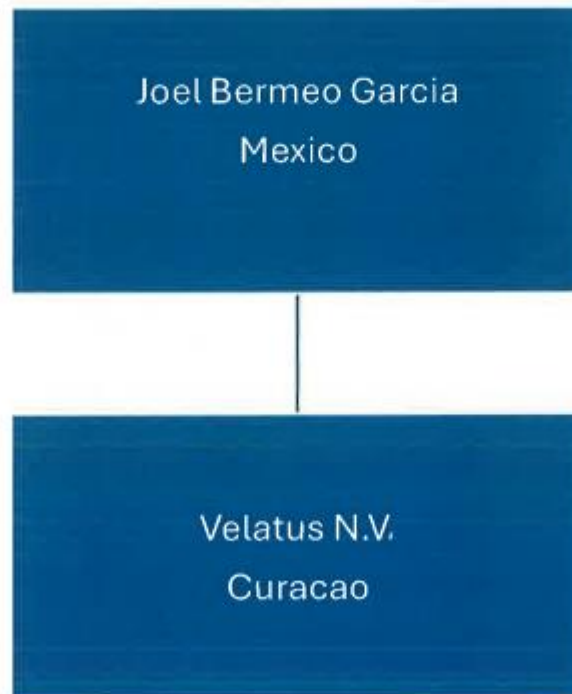
2) Because the Board offers training, the board of directors is certain that every natural or legal person who carries out policies and procedures is qualified, competent, and free from conflicts.

In order to improve our compliance policies and procedures, we frequently offer training. If our team members feel confident in their expectations, they are less likely to commit these errors. Through ongoing employee training, we assist dispel the myth that those who don't comply with particular rules are bad people.

3) We will adhere to current and future Curacao legislation on our obligation to keep GCB informed.

## 9. Company ownership structure

You can familiarize yourself with the company ownership structure image on this page



## **10. Conclusion**

The company was unable to provide more specifics due to the short deadline, however we are delighted to provide more information upon request.