

Business Plan

DUTCH LION TECHNOLOGIES N.V.

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Introduction

Dutch Lion Technologies N.V., a limited liability company established in Curacao on September 22, 2021 (further “Company”). The purpose of the Company is to establish and offer casino content through its domains for the purpose of generating revenues. This content will utilize random number generated online casino product services. In addition, Company will explore possibility to offer B2B and white-label services.

Executive Summary

Company was founded by a corporate entity named Etosha Holdings Inc., which is a company incorporated in Alberta, Canada. All shares in Company are held by Etosha Holdings Inc. The sole shareholder in Etosha Holdings Inc. is Lion Gaming Group Inc., a Canadian gaming company with management who possesses necessary experience and expertise in operating e-commerce, online gaming and software development businesses. Since initial incorporation company launched several test websites and operated in pilot mode up until now. Company will receive authorization from Company owner or from white-label clients to use certain url-domains to build and market the websites.

Company will target world-wide based online gaming users except for end-users from those jurisdictions which are restricted by Curacao gaming regulator and jurisdictions where online gambling is strictly prohibited or jurisdictions in which Company’s management decided not to operate either due to business feasibility or regulatory reasons. Company will not operate in Malta.

During late 2023 company created additional websites - <https://whalebet.io/> and <https://apebet.io/> which are currently in test mode and are planned to be marketed in Q3 2024.

Mission, Strategies and Objectives

Vision

Company’s vision is to become trusted online gaming operator offering the widest range of online gaming and gambling products among Curacao-based and other similar jurisdiction operators.

Objectives/Goals

Company goals within nearest 2-3 years has been defined as follows:

- Re-launch marketing on the newly-created pilot websites by May 30, 2024. with at least 4 well-known gaming software providers.

- Establish partnerships and contracts with at least 10 major affiliate networks and advertisers by May 31, 2024.
- Launch additional 3 websites during Q3 of 2024 and conclude agreements with at least 3 more reputable gaming software providers.
- Achieve operating profits of approximately 100,000 EUR in year 2024, 250,000 EUR in 2025, and 400,000 EUR in 2026

Keys to Success

Keys to success for Company are:

- **High Quality Content.** All websites will emphasise content which is of the highest quality to the target audience.
- **Credibility and Reputation.** Since the websites are in specialized online gaming field and targeted towards end-users seeking fairness, domain credibility is a key success factor. Main traffic to the websites will come from affiliates references on the internet through referrals and word of mouth across online gaming blogs. Therefore, establishing a reputation as reputable operator and providing high quality support and pay-outs services is key to the success of Company business.

Strengths, Weaknesses, Opportunities and Threats (SWOTs)

Strengths:

- Company will outsource IT, management and support to contractors who have 10 years of experience in IT services, website development and running e-commerce websites in the online gaming industry.
- Company owner and key management hold relevant qualifications and expertise in IT and marketing which facilitate proper selection and skilled management of reputable and professional service providers.

Weaknesses

- Timeframe to complete fully operational launch of activities according to objectives may be too short due to IT resources limited availability and tight schedule with outsourced service providers. Any delays with at the initial stage may affect significantly further developments and work schedules of IT related part of the project and therefore business as a whole.

Opportunities

- There are a limited number of websites which will have similar innovative design and broad content of gaming software products.

Threats

- Larger and better funded companies can duplicate our products and services easily. Regulatory restrictions widening across the world towards offshore-based online casino operators.

Strategies

In order to achieve swift launch and development of the business, the following strategies will be followed:

- Develop (re-develop) websites for the authorized URLs using new innovative design and features.
- Continually add new content by establishing partnerships with new software providers to provide end-users with new products, features and services on regular basis.
- Build strong core network of affiliate partners.
- Build opt-in email subscription lists through enrolments on each of the websites and distribute weekly promotions and news.
- Establish improved work processes for compliance and payments department to facilitate swift communication on KYC and pay-outs to end-users.

Products and Services

The products that business will provide are:

- **Online casino.** High quality online casino games and slots from major gaming software providers in the industry as well as other new emerging and innovative gaming software developers and licensors.
- **Sportsbook.** Selected sportsbook products from 2-3 providers. Will be limited only for certain websites and depending on the thematic and target market of the website.
- **Language.** All websites are to be localized in most of the major languages with outsourced professional units specializing in client support services offering possibility to communicate with clients in fluent English and other local languages.

Revenue Sources

Company will generate revenues through offering RNG based (random number generator) online gaming applications whereby a pool of end-users generates certain margin (house edge) of income from total stakes and returns.

During first year of operations throughout 2024, it is expected that total of 6 websites shall generate approximately 1,000,000 EUR of net gaming revenue (stakes less returns, less direct gaming marketing costs) This projection is an approximate estimate and will depend greatly on the timely launch and effectiveness of building traffic to all of the websites.

Organic traffic and advertising

Nearly half of the income is to be generated from organic traffic by implementing in-house SEO professional team, marketing specialists arranging mail and relevant online portals advertisings. Performance and profitability from traffic is regularly monitored and measured using industry tools and services.

Affiliate Programs

Nearly half of revenues are planned to be generated through affiliates. Each gaming website will have its own affiliate website, support team and professional industry online service tools (e.g. Post Affiliate Pro / Quality Pro) for attracting, communication, registration, link tools, performance monitoring and transparent commission calculations and swift monthly payment terms. It is estimated that affiliate costs will range from 15-40 % of net gaming revenues.

Marketing Plan

The company's operations will focus as well on marketing activities. Apart from working on affiliate programs Company's marketing will encompass advertising image and careful selection of effective media channels. Company will strive to be visible on major online gaming channels (websites and blogs) and offer unique attractive image of our websites.

Market Analysis

A market analysis has not been performed, as this is not required initially since Company will offer products which are already on the market. We will perform market analysis for new product lines which we will be developing. Market analysis for these products will include monitoring competition, surveying consumers, and researching demand for items through other sources such as professional industry related articles, websites, and magazines.

Competition

An analysis of the competition has not been performed. During the initial start-up of the business, an analysis of the competition will be performed.

Marketing department will maintain a file on each of ten competitors. In this file we will keep copies of their advertising and promotional materials, their pricing strategy, and any other information which can be collected.

Customer Profile

Each of the websites will target a different customer with attempt to avoid overlapping of customers between the sites. Customer profile per each website will depend on style, design, image and popularity per geographical area and age.

Advertising

Advertising budget will be funded initially with at least 10,000 EUR per month in the first year of operations and reaching 20,000 EUR per month in the following years. In addition Company dedicates a fixed budget of approximately 5,000 EUR per month for mail services and other related online tools for marketing activities. Advertising will consist of online registration with search engines, email and direct mail to established customers, industry magazines (e.g. iGaming Business), advertisements on popular industry affiliate channels and blogs.

Operations Plan

Company will cooperate with service providers from various jurisdictions, including but not limited to Canada, Montenegro, Cyprus and Latvian based companies who specialize in IT and support services outsourcing whereas management, accounting, license and hosting services will be outsourced from Curacao based service providers.

The company will manage and control operations through management's regular business meetings with dedicated and outsourced key service providers for IT services and client support unit.

Location

Business will be deemed to be located across several geographical locations including Curacao, Cyprus, Montenegro, Canada and Latvia since Company outsources most of the services from dedicated service providers.

As the business grows, there is no geographic advantage to locating it at one location over another. This is because the business is a completely online business with no requirements to be tied to a specific physical location. As such, principals are flexible to manage and operate from and with any global location.

Production

Apart from management and control maintained in-house, the Company will outsource services for production in the following areas.

- **Website Development and Updates.** Websites will be developed by IT services providers based in Malta, Montenegro, Canada or Latvia. Localizations works will be outsourced from various online specialized service providers (e.g. AllinTranslations) or via freelance service networks such as Elance and Upwork.
- **Gaming Software.** The company will conclude contracts with major gaming software providers such as Pragmatic, Overform Limited, Oryx, Mr. Sloty, Booming Games and others to be defined and added in the course of operations.
- **CRM and gaming platform.** The company will use its own CRM and gaming platform to connect gaming software applications from external providers and to connect/integrate ApcoPay and DevCode payment gateways with technical integrations connected to various payment methods.
- **Search Engine Optimization (SEO).** SEO activities will be performed in-house except for link building. Link building will be outsourced through services provider based in Latvia and their sub-contractor located in Germany.
- **Client support.** End-user support services will be handled by Latvian based company with dedicated unit specialising in online support for online gaming and other e-commerce services.
- **Payment and Compliance.** Basic day-to-day payments and compliance will be rendered by Latvian based service provider. In addition, company will involve independent project management firm for top level control and management.
- **Corporate services and accounting.** Director service and accounting will be rendered by Curacao based service provider.

Management & Administration

Company's executive management and director will be based in Curacao through outsourcing Curacao-based professional management services firm. Apart from director services same entity also will render accounting services. In addition, Company will outsource operational management team for the positions of chief operating officer respectively. Company will outsource independent IT and client support services provider firm based in Montenegro and Latvia which may offer to outsource in addition marketing manager as well as compliance and finance officer positions. During the initial start-up period compensation for outsourced management team will be determined based on Company's business performance.

Managerial Style

Decisions Making. Company owners will be the decision makers with regards to company's general business strategy and direction whereas company's director will

undertake the role of final and authorized approver and signatory for business contracts, authorizations and corporate governance of the company.

Project Management. Project management will be according to the PMI PMBOK standards and will follow that process. Gantt charts will be used for schedule management.

Record Keeping. Company will use excel tools to managerial accounting records and other applications for business analysis (such as Tableau and other similar applications) Company will outsource from local provider accounting service to maintain records, prepare and submit relevant local regulatory and financial reports using its own tools and resources.

Communication. Communication within the company will be primarily via conference calls and emails. For any communications for which a record is desired will be made through emails or special resolutions will be drawn up if necessary.

Management

The management team will consist of the following positions – CEO, CTO, COO, Marketing manager, Finance manager. The CEO is responsible for overseeing the overall operation of the company. The CEO ensures that the company’s vision is pursued, that goals are set and followed, and the company’s strategy is followed. The CEO reviews the Business Plan periodically to confirm that the plan is current, still applies to the company’s needs, and that the company is following the plan.

Finance manager will be responsible for maintaining all primary financial records, ensuring with local accounting firm that the company complies with all tax laws and provides financial reports to management.

Marketing manager - responsible for the marketing of the company, its products. Marketing includes product development, creating and distributing newsletters, link building and any other marketing needs that arise.

CTO - responsible for developing and maintaining all IT systems including website, desktop/laptop computers, applications and search engine optimisation (SEO).

COO - responsible for the day-to-day operations of the business. This includes ensuring that inquiries are answered, content is maintained on the websites and the overall operation of the business continues in an organized and proficient manner.

Financial Plan and Operating budget

Company updated top level financial plan which conservatively projects overall expected financial performance of the Company. Although many of the projections are based off pilot programs and statistical averages, the projections are merely approximations based

on management's experience within industry. The success of this business is determined by its ability to launch in timely manner all media channels (websites).

Operating budget is based on known operating expenses prorated throughout the year on a monthly basis. Revenues and costs associated with running the business are listed below in the estimated profit and loss statement:

Item	2024, EUR	2025, EUR	2026, EUR
<u>Net gaming revenues</u>	1,000,000	1,080,000	1,242,000

Cost of sales (affs, soft, psp)	524,000	486,000	558,900
IT services	171,500	180,000	216,000
Advertising	96,000	102,000	108,000
Management and corp. costs	28,500	35,500	42,500
Gaming license	40,000	40,000	40,000
Hosting and other services	40,000	54,000	60,000
<u>Total expense:</u>	900,000	897,500	1,025,400

Profit / Loss for the year	100,000	182,500	216,600
<i>Profit / Loss margin %</i>	10%	17%	17%