

Business Plan

Cosmos Interactive Entertainment N.V.

Prepared for the Curacao Gaming Control Board

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Strictly Private and Confidential

1 - Executive Summary

The purpose of this business plan is to apply for a B2C gaming licence to provide a platform for consumers in Asia. The games hosted on the Company's platform will include a wide range of online slot machine style games. The service offered will be for game players to have a unique experience of playing online gambling on a world-class facility. The various software platforms to be used are among the best in the industry in terms of optimized entertainment experience in a highly secure environment. Cosmos Interactive Entertainment N.V. ("The Company") will offer slot games developed in house.

This business plan will also showcase the expected financials and operations over the next three years. Cosmos Interactive Entertainment N.V. is a corporation that will generate revenues through customers playing on slot games under the brand "Cosmos" and the URL is www.cosmosbett.com. To complement the Company's marketing team, it will engage the services of one or more affiliate partners for its advertising and marketing campaigns. The affiliates will help with brand recognition initiatives and in positioning our business.

Cosmos Interactive Entertainment N.V.'s mission is to become one of the most recognized online gaming operators in the Asian region within the next 3 years in terms of providing a platform where customers can play quality slot machine games. The Company will be funded by its founder, Ms Tzu-Hsuan LIAO, who has over five years of experience in the field of modern leisure and entertainment.

2 – Business Strategy and Model

Cosmos Interactive Entertainment will generate revenues from offering slot machine games to players that become registered members of the website. The Cosmos website will target the Asian markets with its platform and its products will be geared for these markets as necessary. Game offerings will be a mixture of slots developed in-house.

Games will be offered on both mobile and desktop platforms, with games available for all of the most commonly used operating systems, with specific focus on ensuring that the Asian mobile gaming market is catered for.

Listed below are the key business objectives of Cosmos. The stated objectives will shape the strategies that will be employed by the Company moving forwards. The Company has not made projections within this plan beyond the initial three-year period as the usefulness and reliability of such long-range forecasts is often limited. The financial projections which can be found in Appendix of this business plan showcase that the prospective business is both financially secure and profitable.

3 – Nature of Games

Cosmos will provide an extensive range of slot games for customers to enjoy. A slot game has three or more reels which spin when a button is pressed. The game normally involves matching a verity of winning combination of symbols. The winning amount is determined by the size of the bet and the combination of symbols that appear. House edge is expected to average out at 8% on each bet placed.

The player will need to choose one slot game from various slot games offered, bet on the game and spin the reel. If the combination of symbols matches any one of the winning rules, the price will be paid to the player as a multiplication of the betting amount and the rate corresponding to the winning combination.

4 – Website Look & Feel

The licensed entity will operate under the brand “Cosmos” and the URL www.cosmosbett.com. The URL shows the look & feel of the website, however it is under on-going improvement.

5 – Technologies

Cosmos servers will be hosted by (TBC). Our web application will operate under a secure and monitored environment. All user activities and database queries will be logged. In order to provide the most optimized entertaining experience to the players, the design of our web server will be well structured to minimize the potential latency and networking threats. The idea behind the structure of our web server can be described in four aspects:

- A. DNS servers: According to the fact that the most time-consuming part when accessing a web page is the DNS resolving, we have spent a lot of effort in constructing long-term cooperation with some of the most reputable DNS service providers around the world. Presently, we have signed agreements with multiple DNS services partners. Some of these partners have offered us high-defence DNS service which can prevent most of the DDOS and CC attacks targeting our websites.
- B. Proxy servers: We will assign a lot of proxy servers in the major domestic area which has the most optimized speed and route to our main web server. On top of our proxy servers, we have another layer of firewall which will enable us to further block any potential attacks. Domain names are resolved to point to these firewalls. In this case, one web page inquiry sent by the end user will reach the main web server by passing through the high-defence DNS, an extra layer of firewall and the proxy servers. Each of the inquiries will be logged in these routing points in order to allow the system administrators to trace all activities. Locating proxy servers in each geographic location will speed up the serving speed for local users and latency felt by the players will be kept minimal.
- C. Web servers: All visits received by the proxy servers will be up-steamed to several main web servers according to the load of each server so that all web inquiries can be processed within a minimal time interval. Each of our web servers will be located behind a firewall which will block any unwanted visits and attacks. Thanks to the most up-to-date Nginx web hosting technologies, our main web servers will be able to process multiple threads in parallel which will dramatically increase the processing speed under heavy load. With a powerful hardware and enterprise level networking bandwidth, our servers will be capable of serving thousands of players online simultaneously.
- D. Database servers: The user information and data will be stored in database. Requests to web server which require data retrieval from the database may cause an overload of the servers. To avoid this, each of these servers will be equipped with a large RAM space and fierce CPUs to increase the processing power. Also, there will be several database servers synchronizing the data from the main database server to back up the valuable data which will allow us to quickly retrieve any lost and faulty data entries.
- E. Data Redundancy: All servers will have their source code and data regularly backed up to at least 2 geographic distinct locations. This is accomplished with a private circuit connecting between the live production data centres. In addition, the data centres will have local backups to network storage to ensure all data can be backed up to meet all data regulatory requirements. To reduce data recovery time, high availability service is implemented using dual or triple redundancy

amount of servers, ensuring services will not be interrupted if one or more critical servers become unavailable.

With an experienced system administrator team in Cambodia, we are confident that we will be able to provide the best service to our customers. Our Company's priority will be to deliver a secure environment as well as a fast responding web application to all our players.

6 – Market Analysis

The rising investments in internet infrastructure of 5G technology in South East Asia in recent years resulted the increase of online population. According to the e-Conomy Southeast Asia (SEA) 2020 report, around 40 million users from Malaysia, Vietnam, Singapore, the Philippines, Indonesia, and Thailand came online for the first time in 2020. This resulted in increasing the number of internet users to around 400 million, representing 70% of the region's population. Similarly, digital payments in Southeast Asia are estimated to reach USD 1 trillion by 2025. The online gambling market size crossed USD15 billion in 2019 and is anticipated to showcase around 18% growth rate between 2020 and 2026 due to the fact that the legalisation of sports betting in many South East Asian countries, faster adoption of smart phones and digital payments.

We anticipate that the majority of Cosmos customers will be active via mobile devices, however we will also construct a strong desktop presence for those customer who wish to use a computer. Cosmos will bring a safe and socially responsible gaming experience to all of our target markets.

7 – Player Profile

Cosmos players are social gamers range over 21 years old. They have smartphones to participate in slot games at a time convenient to them.

8 – Competition Analysis

The business environment in the online gambling industry has been very competitive and is continuously evolving. In the 1980s, gambling was limited to land-based casinos and state lotteries. With the advent of the internet, various linkages have been created and an extensive range of information, resources, and services are delivered instantly. International commerce became easier and the game has completely changed. This new regime brought forth the birth of online gaming and gambling.

Following is a comprehensive analysis of Michael Porter's five forces that will show that the online gambling industry can be profitably entered at this time.

New Market Entrants

It is relatively easy for a new firm to enter the online gambling industry because there are no significant barriers, and the industry can support several profitable companies. A large-scale firm may have an advantage over a small competitor in terms of excess server capacity to support more online gamers. However, the large firm's ability to leverage the extra resources to attain significantly

lower costs will only be the same as a small firm operating with just a few servers and maintenance staff. Hence, being a start-up company, Cosmos's size relative to the existing gaming companies is not necessarily a hindrance.

The extensive licensing process is an initial barrier and likewise, owners will have to pay gaming taxes and other regulatory compliance costs once the business is operational. Moreover, gaming companies will require marketing expertise and resources in order to promote their products and services and be able to survive in this very competitive industry.

Established and reputable websites do have a customer lock-in advantage over new entrants. This may not be of much value as online players can easily transfer between sites. Except for poker sites, where many players may converge in a popular site, other online gaming sites do not have much network value because players play against the house.

Buyer Power

Online players do not have much bargaining power as they are scattered, and the majority of players choose to be anonymous. Hence, there can be no collective action to go against gambling sites. A player leaving a particular website does not necessarily encourage other players to leave as well.

Gambling websites offer flexible wager amounts, and the house edge is fixed for any given game. As such, online gamblers may become indifferent as to which website to access as products and services are almost similar across all gambling websites. Therefore, the Company will just have to ensure the website's reliability and efficiency in the delivery of its services to safeguard customer retention.

Supplier Power

A primary supply resource for an online gambling business is manpower. The employees include customer service representatives, technical support, and managers. The issue of labor supply as a point of bargaining power is relatively minimal as laborers are aplenty and may be hired anytime. Reasonably priced software and hardware resources are similarly readily available.

Suppliers with stronger bargaining power are the third-party companies responsible for money transfer transactions from online players to gaming sites (e.g., credit card, prepaid card, e-wallet, PayPal, etc.). However, the availability of various payment gateways will provide several options and allow greater flexibility for Cosmos.

Product and Technology Development

The closest substitute to online gambling is live gambling in a land-based casino. However, this can be troublesome for most players as they must travel to the casino, walking through crowds, dealing with smokers, etc. Internet gambling provides a convenient alternative as a player simply logs onto a computer, access a website, and gamble privately. Subsequently Cosmos does not feel that land-based casinos represent a real threat to its offering.

Product differentiation in the industry is quite difficult to achieve since almost all business aspects (e.g., promotions, gimmicks, graphics, etc.) may be easily copied by competitors. Technology and equipment used in operating an online gambling website are also readily available. Technological innovations in substitutes do not matter much as these can be easily copied and adapted.

Competitive Rivalry

To date, online gambling has grown into a dynamic and sizable enterprise. Driven by the growing number of online gaming players, the industry saw a significant rise in the number of gaming operators. As of 2023, there are over 3,500 online casinos, poker rooms and other gaming sites. Among the biggest operators in the Asian market are Bet365, 888 holdings and Omni Slots Play. Product pricing competition among gambling websites does not exist in the industry as all basically offer the same house advantage on every game. Advertising can be an effective tool in attracting more players. In the end, the website's reliability and efficiency in the delivery of its service is the key towards gaining more customers.

In addition to this, our company prides itself on its youthful and energetic manpower complement. The organization is made up of highly motivated employees who excel in the areas of modern leisure and entertainment, information technology, product research and development, and enterprise management. Our talented team provides a solid foundation towards the steady development of the Company. With the objective of creating a good and friendly working environment, the principals invest in training and skills development as well as in various social activities for the benefit of all its employees.

9 – Marketing Strategy

- 1) Localised and rich culturally nuanced slot games for each South East Asia country.
- 2) Communicating in culturally appropriate messages.
- 3) Slot games are designed for mobile phones.
- 4) Local affiliates will be treated as partners instead of agents. Each year affiliates will be invited to learn and socialise with Cosmos key employees to understand company vision and strategies for their markets. Cosmos and affiliates are to work together for both short and long terms.

10 – Banking and Payments

(Bank TBC) will provide the Company's operational and player protection client bank accounts.

When registering on the site, players will be invited to establish an account – a stored value account which will store funds specifically for the purpose of betting on the cosmos website.

The account will be funded from a payment option on the payment page. Registered players will be able to fund their account at any time.

Cosmos's platform has been designed to be integrated with many of the online payment processors such as:

- Visa Credit Card
- Visa Debit Card
- MasterCard Credit Card

The following rules of payment processing will apply to Cosmos Interactive Entertainment N.V.:

- Cosmos will make reasonable efforts to ensure that deposits and cash-outs are processed in a timely manner. The company gives no warranties regarding the amount of time needed to complete processing. Cosmos cannot be held responsible for delays in the banking networks, failures on part of the processor or actions of other parties involved in the processing of funds

that may result in processing delays, reprocessing or reversal of transactions or the seizure or freezing of funds, nor will be liable for any actual or consequential damages arising from any claim of delay or seizure.

- Cosmos will not be liable for any actual or consequential damages arising from any claim of delay or loss as a result of invalid, incomplete or erroneous financial or personal data provided by the User with their deposit or cash-out request.
- In compliance with anti-money laundering legislation, users of the site will be made aware that they may be required to produce personal documentation (such as Government issued ID, bank statements and utility bills) upon request in order for their deposit or cash-out to be processed. This allows Cosmos to help protect the Users and prevent Cosmos being used as a vehicle for money laundering or fraud.
- Any cancelled or rejected cash-out will be refunded to player's account in the currency and amount debited from player's Cosmos account balance with the original cash-out request before currency conversion took place.
- Any returned deposit will be debited from the account in the currency and amount credited to the cosmos account balance with the original deposit request after currency conversion took place.
- Cosmos is not a currency exchange company. It is not responsible for any loss due to changes in exchange rate.
- If the method of deposit is not an instant method, the exchange rate will be applied when the company is provided a confirmation of the deposit by the payment processor.

11 – Financials

Please see the attached Financial Forecast in Appendix A.

12 – Sensitivity Analysis

Shareholder funds will be used to finance the two-year investment and costs, to include: website development, game development, company formation, securing URLs, fully managed hosting services, establishment of banking services and limited marketing activities etc.

13 – Customer Support and Customer Complaints Handling

At go-live Cosmos Interactive Entertainment will have a dedicated customer support team in place. 24-hour customer service support will be available 7 days a week via email, ticket support and live help chat. All correspondence is logged and is readily available to ensure quality control. The following support options will be provided:

- Customer support – skilled customer service representatives will assist customers with their problems and issues in real time and with utmost professionalism. The agents will have experience in handling billing, product support, status updates and other functions related to customer service.
- Technical support – the skilled technicians will be capable of handling technical support for the internet based services, software, computers and peripherals, networks and a variety of other products.
- Complaints handling – Full details of each complaint will be recorded, including full details of the submission and resolution.

14 – Data Protection and Privacy Policy

Cosmos will ensure that all customer data is processed, used and stored in line with Curacao Gamign Control Board and with Company policy.

As part of the Cosmos Account Opening process, the company will ask customers to provide it with certain personal information, including a name, postal address, e-mail address and password as well as to certify that a customer is not underage. It will use that personal information to confirm various financial transactions, to occasionally send events and news information and to provide customer support services. The name the customer registers with must be real. In addition, it is very important to ensure that information provided by a customer is valid, since it will be used in the course of validating financial transactions and the other aforementioned purposes.

Cosmos undertakes substantial efforts to protect the confidentiality of the identity, preferences and other information it has collected about individual Players and will not knowingly allow access to this information to anyone outside, other than to the Player or to Cosmos employees, employees of other companies related to or affiliated with Cosmos and to third party service providers who use personal information to provide services in respect of being a Player with Cosmos

All recipients of personal information shall be bound by applicable data protection laws to keep personal information private at no less a level than that by which Cosmos is bound. Cosmos makes a substantial investment in its server, database, backup, firewall and encryption technologies to protect the collected information.

Full details can be found in the Appendix.

15 – Player Protection

Cosmos Interactive Entertainment is going to safeguard player deposits and to ensure they receive their true and fair winnings. This will be ensured through a player protection client account operated under Bank TBC.

16 – Responsible Gaming

Online gaming is fun, exciting, entertaining and can also be lucrative. At the same time online gaming can also be addictive that's why Cosmos will work actively to prevent problems related to gaming.

Players that lose control over their gaming risk not only their financial situation; it can also affect the family with adverse consequences. Players must therefore be made well aware of the risks of online gaming.

The Company strives to minimize the damage and problems that can arise because of gaming addiction by developing responsible gaming and training programs for gaming company employees and by offering help line services and personal advice services.

Users will also have the ability to:

- Choose not to receive marketing emails by sending an email to support@cosmosbett.com
- Players can modify account or set a maximum betting limit if appropriate.
- In order for the players to self-limit their participation, they can request this by emailing to support@cosmosbett.com The request will be treated as high priority.

17 – Terms and Conditions

Full details of the Terms and Conditions relating to the site can be found in the attached Appendix.

18 – AML and Know Your Customer Procedures

Cosmos will comply with all appropriate AML and KYC procedures when onboarding new operators and clients.

Full details of AML and KYC procedures can be found in the attached Appendix.