



Business plan

Online Casino Creation

2025

MEMORANDUM OF CONFIDENTIALITY

This document in whole or in parts, the materials in its composition, as part of applications, tables are the intellectual property of the project customer and cannot be transferred without his permission to third parties or used for any other purposes other than those indicated in the summary.

Copying or duplication of this document in whole or in part is prohibited.

CONTENTS

1	SUMMARY	6
1.1	Summary of the project	6
	Vision	6
	Mission	6
	Goals and objectives of the project	7
	Flow of funds schematic	7
1.2	List of games	8
	Slots (Slot Machines)	8
	Tables with live dealers (Live Dealer Games)	8
	Tables and card games	8
	Video Poker	9
1.3	Organizational structure	9
1.4	Assessment of risks	10
	Potential Loss of Capital	10
	Strategies for Mitigating Risks	10
1.5	Financing of the project	10
	Financial resource requirements and financing structure	10
	Conditions for reimbursement of investor funds	10
1.6	Indicators of the project	11
2	PROJECT OVERVIEW	13
2.1	Products & services	13
	Platform description	13
	The Platform's structure	13
	Compatibility with related platforms	14
2.2	Registrations and opening of an account	15
2.3	Log in and logout	17
2.4	Terms and conditions/ rules and procedures	17
2.5	Responsible gaming	19
2.6	Payouts	20
2.7	Withdrawing	20
2.8	A list of the games provided	21
3	ONLINE GAMBLING MARKET OVERVIEW	23
3.1	Income and turnover	23
3.2	New groups of players	27
3.3	Current trends in online casinos	29
	Virtual reality technology	29
	Social games combined with slot machines	30
	Progressive Poker Jackpot with a live dealer	30
	Live-games	30

Skill games	30
Gamification	30
Entertainment content	31
Big data	31
Mergers and acquisitions	31
Messengers	31
3.4 Russian online gambling market	32
3.5 Market Forecasts	34
The future of online gambling in Russia	35
4 RISKS WHEN OPENING AN ONLINE CASINO	37
5 INVESTMENT PLAN	39
5.1 Volume and structure of investments	39
5.2 Project Milestones and Implementation of Investments Schedule	40
5.3 Risk assessment	41
6 INCOME PLAN	42
6.1 Scope of services	42
Planned number of casino guests	42
6.2 Volume of income	42
7 PROJECT COSTS DURING THE OPERATION PERIOD	44
7.1 Fixed costs	44
Staffing and salary	44
7.2 Variable costs	44
Direct production costs	44
7.3 Analysis of the project revenue structure	46
7.4 Analysis of the break-even point	48
Breakeven Analysis Assumptions	48
Operational break-even	48
<i>Excluding the tax component</i>	48
<i>Considering the tax component</i>	48
Break-even analysis for the whole project	49
8 FINANCIAL PLAN	50
8.1 Conditions for attracting investment resources	50
Financial resource requirements and financing structure	50
Conditions for reimbursement of investor funds	50
8.2 Indicators of the cash flow plan	50
Investment activities	50
Operating activities	50
Financial activities	51
8.3 Indicators of Profit and Loss Plan	51

8.4	Company's value	51
8.5	Project Financial Performance	52
9	PROJECT RISK ANALYSIS	55
9.1	Factors affecting the company's activities	55
	Classification of factors by spheres of manifestation	55
	Classification of factors by sources of occurrence	55
	Classification of factors by the environment of occurrence	55
	Classification of factors due to the occurrence	55
9.2	Quantitative risk analysis (sensitivity analysis)	56
	Analysis parameters	56
	NPV sensitivity	57
	Net profit sensitivity	57
	Conclusion	57
10	DESCRIPTION OF CALCULATION	60
10.1	Assumptions	60
	General assumptions	60
	Breakeven Analysis Assumptions	60
10.2	Project parameters	60
	Planning horizon and calculation step	60
	Calculation currency and inflation	60
	Formation of project cash flows	61
	Profit distribution	61
10.3	Calculation of profit indicators	61
10.4	Calculating the budget effect	61
10.5	Calculation of project performance criteria	62
	Absolute indicators	62
	Discounted indicators	63
	Investment Analysis Ratios	65
	Payback indicators	67
10.6	Calculation of financial ratios	68
	Solvency indicators	68
	Financial soundness indicators	70
	Business activity indicators	70
	Profitability indicators	72
10.7	Methodology for calculating the value of the company	73
11	LIST OF TABLES AND DIAGRAMS	74
11.1	List of tables	74
11.2	List of diagrams	74
12	APPENDIX.....	75

1 SUMMARY

1.1 Summary of the project

Bet4win.net is an online casino gambling platform. It was founded with the aim of providing an exciting and safe gaming experience for connoisseurs of gambling entertainment in accordance with the laws of Curacao.



In the event of the online casino's closure, whether due to internal factors or other objective reasons, the security payment is refundable to the casino owners. However, it serves as an untouched deposit during the operational phase, acting as a safeguard in the event of jackpot wins and ensuring minimal losses.

Regulatory authority: Curacao Gaming Control Board.

Brief description of the company:

Bet4win.net is an online casino gambling platform. It was founded with the aim of providing an exciting and safe gaming experience for connoisseurs of gambling entertainment in accordance with the laws of Curacao.

Vision

Bet4win.net vision is to become the leading online gambling platform, providing customers with a unique and emotionally intense gaming experience. We strive to: provide a variety of entertainment, ensure security and trust, Innovation and technological progress, attractive bonuses and promotions, partnership with the community, sustainable growth

Mission

The mission of Bet4win.net is to provide customers with an exciting, safe and innovative gaming space where they can enjoy the excitement, communicate with like-minded people and experience the emotions of winning. We strive to:

- Develop a unique gaming experience: Constantly expand the portfolio of games, providing users with variety and choice so that everyone can find something to their liking.
- Ensure honesty and transparency: Maintain high standards of fair play, provide transparent statistics and results so that players can fully trust the process.
- Guarantee security and Privacy: Provide a high level of protection for users' data and finances so that they can enjoy the game without worrying about their privacy.
- Technology Innovation: To implement advanced technologies to ensure stable and fast operation of the platform, as well as to offer innovative gaming capabilities.

Goals

- Development of the gaming portfolio:

Short-term goal: To add at least 20 new games to the current portfolio over the next 6 months.

Long-term goal: To expand the gaming portfolio to 100 unique games over the next two years.

- Increasing User Activity:

Short-term goal: To increase average user activity by 15% over the next 3 months. Long-term goal: To achieve a 50% increase in activity within a year.

- Improving data security:

Short-term goal: To implement advanced data security technologies over the next 4 months.

- Introduction of innovations in technology:

Short-term goal: To introduce a new game engine with improved graphics and performance over the next 5 months.

- Creating a loyalty program:

Short-term goal: To launch a loyalty program with unique bonuses for active players over the next 2 months.

Goals and objectives of the project

The project involves the creation of a company offering online games.

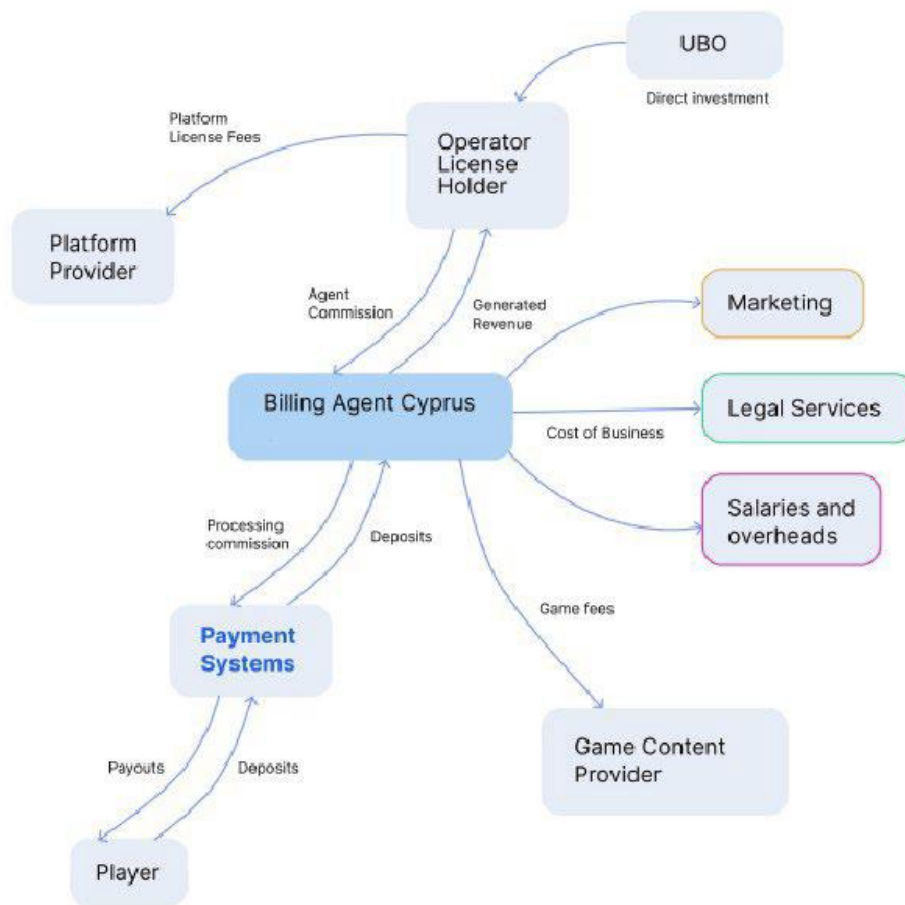
To achieve the set goals, it is required to solve the following tasks:

- acquisition of the platform core (back office).

Flow of funds schematic

The business costs of the project include the costs of licensing fees for the platform provider, web marketing, employee fees and compensation to the game content provider.

Diagram 1. Flow of funds



1.2 List of games

Slots (Slot Machines)

Description: Slots are one of the most popular types of casino games. Players spin the reels with symbols and try to get winning combinations. Modern slots offer a variety of themes, bonus rounds and dynamic gameplay.

Tables with live dealers (Live Dealer Games)

Description: These games allow players to enjoy the excitement of playing card games (such as blackjack, poker) or roulette, in real time using video streaming. Live dealers bring the atmosphere of a real casino by providing an interactive and authentic experience.

Tables and card games

Description: This type of game includes classic casino games such as blackjack, baccarat, craps, and poker. In these games, the player's strategy and decision-making skills influence the outcome, which makes them popular among those who prefer skill to excitement.

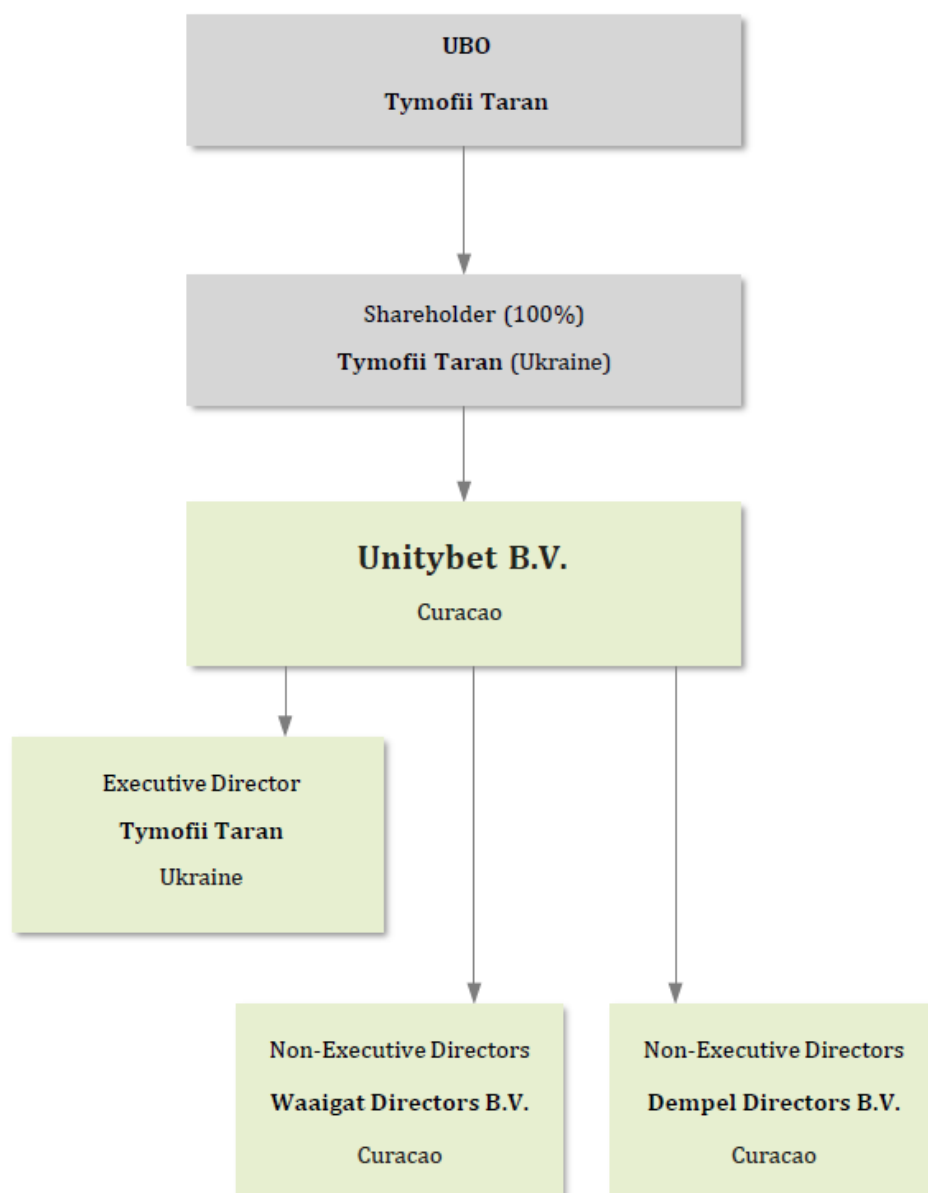
Video Poker

Description: Video Poker is a combination of slots and poker where players face video versions of classic poker games. Players are trying to put together the best poker hand, and the winnings depend on the combination of cards. Video poker provides a balance between strategy and luck.

1.3 Organizational structure

Organizational structure of the company is below.

Diagram 2. Organizational structure



1.4 Assessment of risks

Potential Loss of Capital

In the initial phase, there is a possibility of incurring financial losses associated with the allocation of funds for registration, rent, and office equipment. Should the online casino cease operations due to internal or other objective reasons, the security payment is refunded to the casino owners. However, it is crucial that this amount remains untouched throughout the ongoing operation of the online casino, functioning exclusively as a deposit in the event of winning the jackpot. This measure is implemented to guarantee that losses are mitigated to the minimum possible extent.

Strategies for Mitigating Risks

Benefiting from a cumulative expertise of 10 years within the online casino industry among the founders and co-owners and complemented by the seasoned managerial experience of the project mentor, our initiative is strategically poised to minimize risks associated with market entry to the utmost degree.

1.5 Financing of the project

Financial resource requirements and financing structure

The need for financial resources for the project is 125,1 thousand euro.

It is planned that the financing of this project will be carried out at the expense of the investor and the company's expense.

The amount of own funds will be 125,1 thousand euro (100%).

Conditions for reimbursement of investor funds

The co-investor's funds are reimbursed after the profit is made.

1.6 Indicators of the project

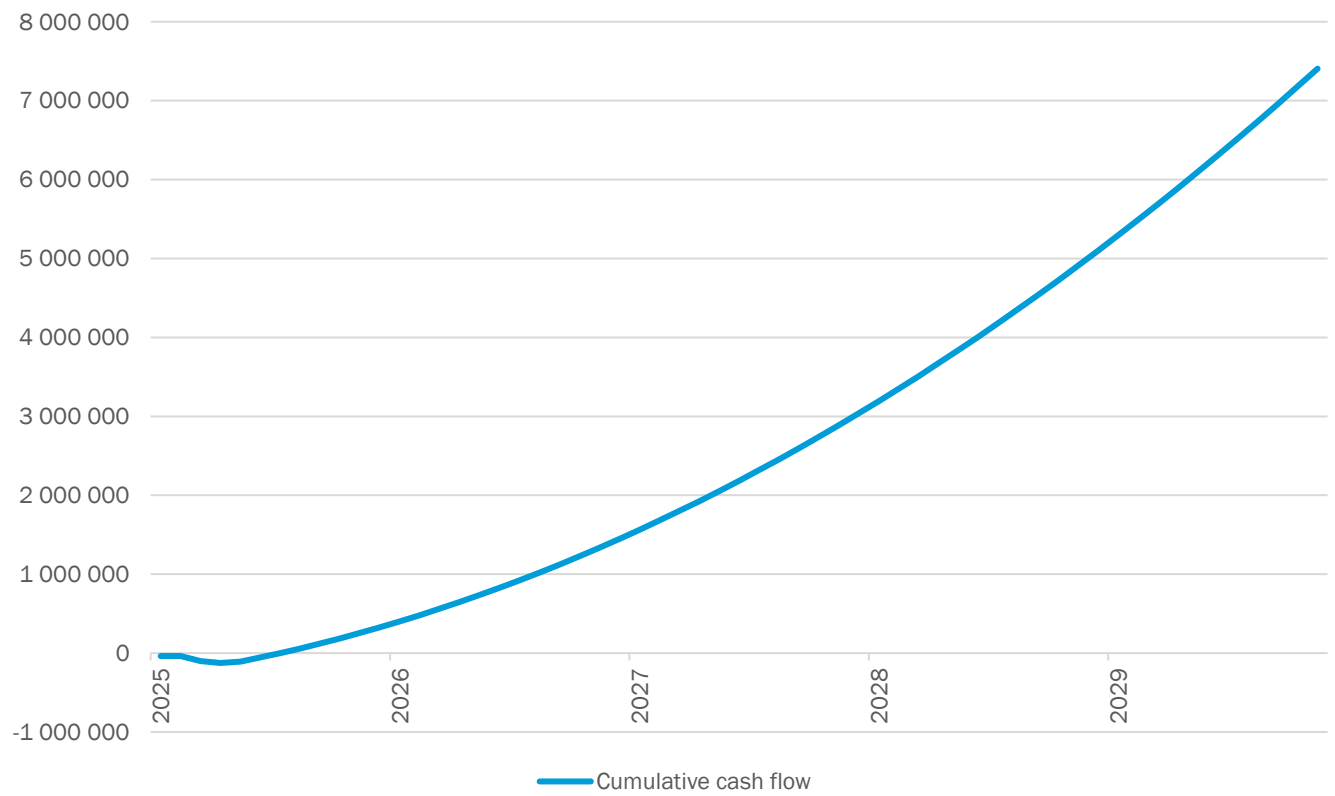
The economic efficiency of the project was confirmed by calculating traditional financial indicators used in project analysis.

The project calculation horizon is 60 months (5 years). The investment period of the project (until the launch of the project) is 3 months (0,3 years). Project working period (from the moment of launch) is 57 months (4,8 years).

Table 1. Indicators of the project

№	Name of the indicator	Rate
1	Calculation period of the project, year	5,0
2	Calculation period of the project, month	60
3	Laid-down capital (LDC), euro	125 097
4	Sum of proceeds (SP), incl. VAT, euro	16 750 405
5	Sum of proceeds (SP), excl. VAT, euro	16 750 405
6	Net average operational receipts per month (NAOR), euro	123 428
7	Average demand balance per month (ADB), euro	2 696 350
8	Net profit for the project period, euro	7 405 666
9	Net value (cash balance (NV)), euro	7 405 666
10	Average profitability for the project period (net profit to proceeds	44,2%
11	Discounting rate (DR), %	19,2%
12	Net present value (NPV), euro	4 260 458
13	Net present value (NPV), incl. terminal value (DTV), euro	4 544 720
14	Average Rate of Return of investments (ARR)	1184,0%
15	Return on investment (ROI)	5919,9%
16	Capitalization rate, %	1189,9%
17	Profitability index (PI)	117,92
18	Internal rate of return (IRR)	1655,2%
19	Modified internal rate of return (MIRR)	16,2%
20	Pay back period of the project in whole (PBP), incl. financing scheme	8 months
		0,7 years

Diagram 3. Payback of the project, euro



2 PROJECT OVERVIEW

2.1 Products & services

Platform description

XCloud LTD, registered at Voukourestiou, 25, Neptune house, 1st floor, Flat/Office 11, Zakaki 3045 Limassol, Cyprus, under registration number NE 443631, specializes in providing software solutions for casinos. Our software provides round-the-clock data flow and technical support, ensuring high performance and reliability of operations. We work with advanced technologies to provide our customers with an efficient and reliable solution, while offering a wide range of services to meet their needs.

The Platform's structure

The functional structure of the Platform includes the following modules:

- a) the option to register as a customer
- b) the option to log in and reset the password
- c) the option to make deposits and withdrawals
- d) the option to place bets
- e) the option to view betting history
- f) the option to view deposit history
- g) the option to receive bonuses
- h) the option to view bonus history
- i) the option to contact the customer support team
- j) the option to self-exclude
- k) deployment of two-factor authentication
- l) deployment of secret phrase authentication
- m) service for integrating the Platform with the payment services of other third-party providers through an API
- n) service for notifying customers about a future event, changes, adverts, and marketing for promotions by email, text message and pop-up message on mobile devices
- s) tool for protecting and restricting access and assigning competences to Fertami's employees (BackOffice) and displaying an employee's level of access in their profile

- t) profiles for the technical service departments of remote operating units (B2C) including the department structure, information about the SLA and the serviced business units of the operator or affiliates 15
- u) technical support service including the systems for logging in, registration, and recording and resolving questions and problems from service contractors when using email services or live communication
- v) display of short messages to customers (primarily the status of their account and customer legal compliance)
- w) the option for customers to put forward and discuss customer ideas to improve the platform's services and install new services, and the option to introduce ratings
- x) document management – files received from customers – loading files and exchanging them with colleagues securely, tagging, the option to add comments and information about users that downloaded files, version control
- y) cookie service – storage and sharing of useful links to various online resources, customer recommendations and content on the basis of information accumulated about a customer, improvement and suggestions for customers to make using the platform easier and more efficient
- aa) Anti-fraud and AML service – the option to connect third-party resources through an API from government bodies in different jurisdictions to verify customers when they register and if they engage in suspicious activity
- bb) service for monitoring suspicious customer activity, such as using different payment methods and a large number of small deposits, bets, and withdrawals.

Compatibility with related platforms

The Platform is compatible with third-party betting platforms and individual slots, casino, corporate back-office portal sufficient for general navigation and information research, a payment system aggregator, and a customer support module.

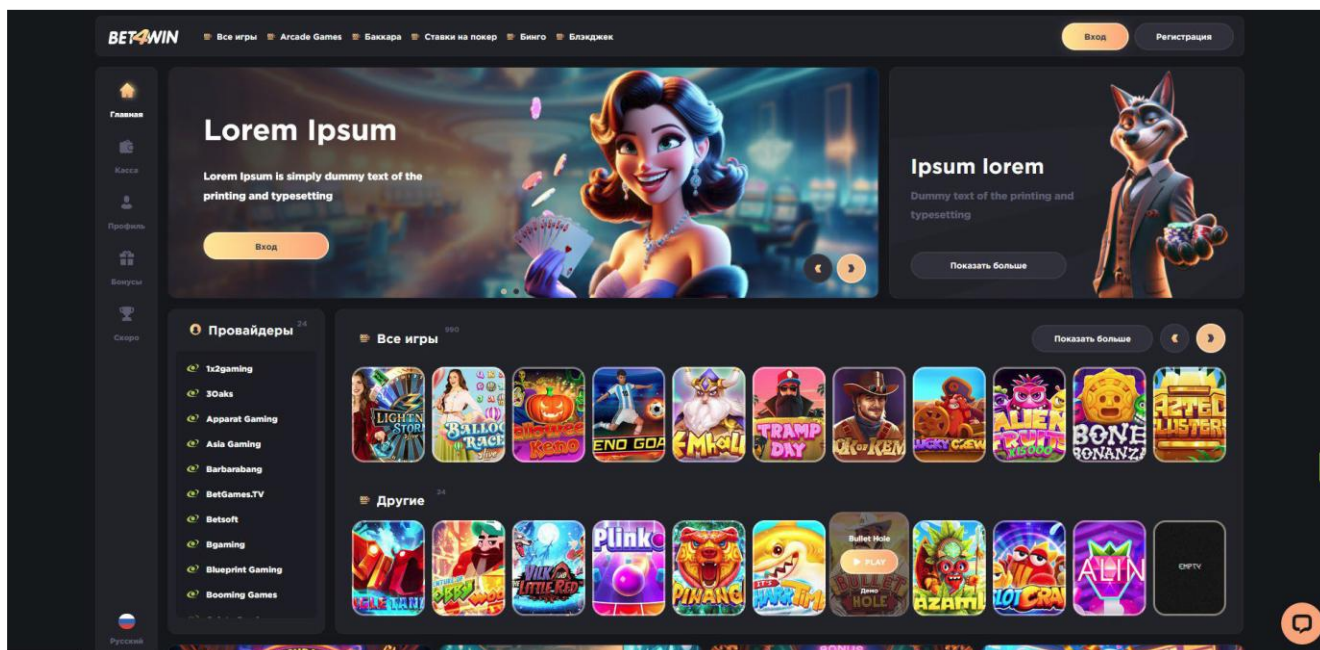
The Platform also supports:

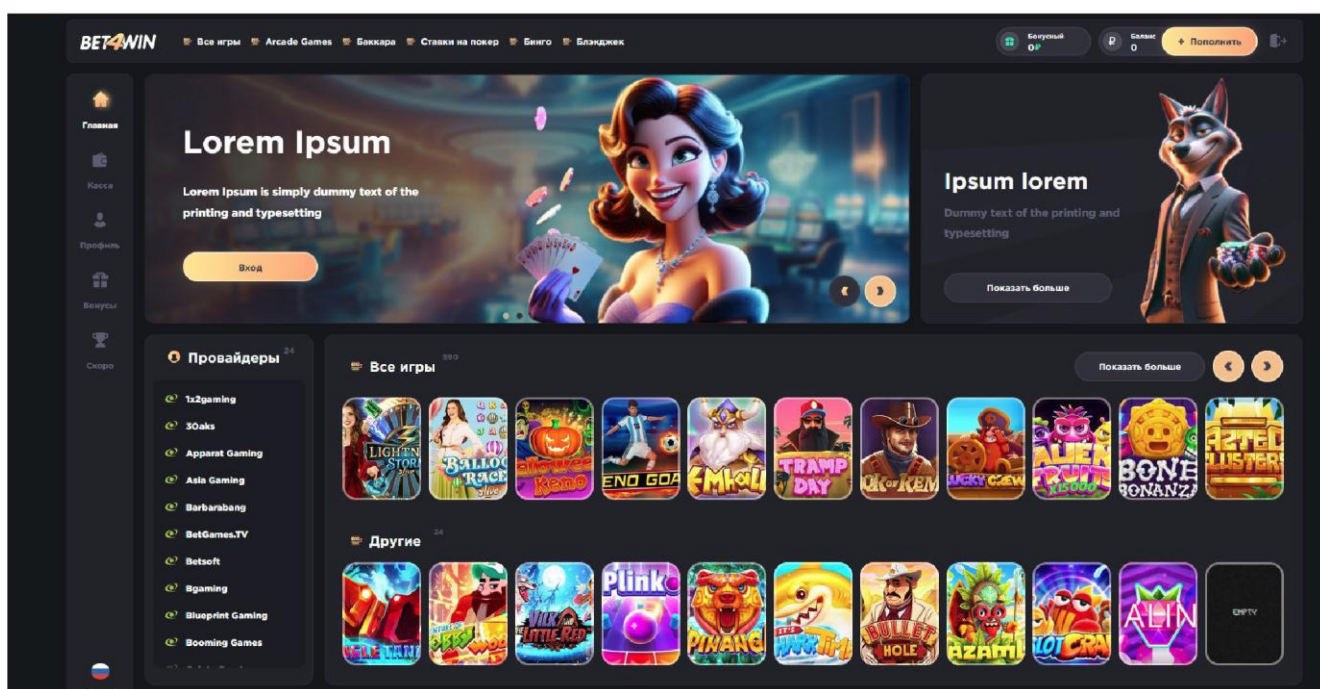
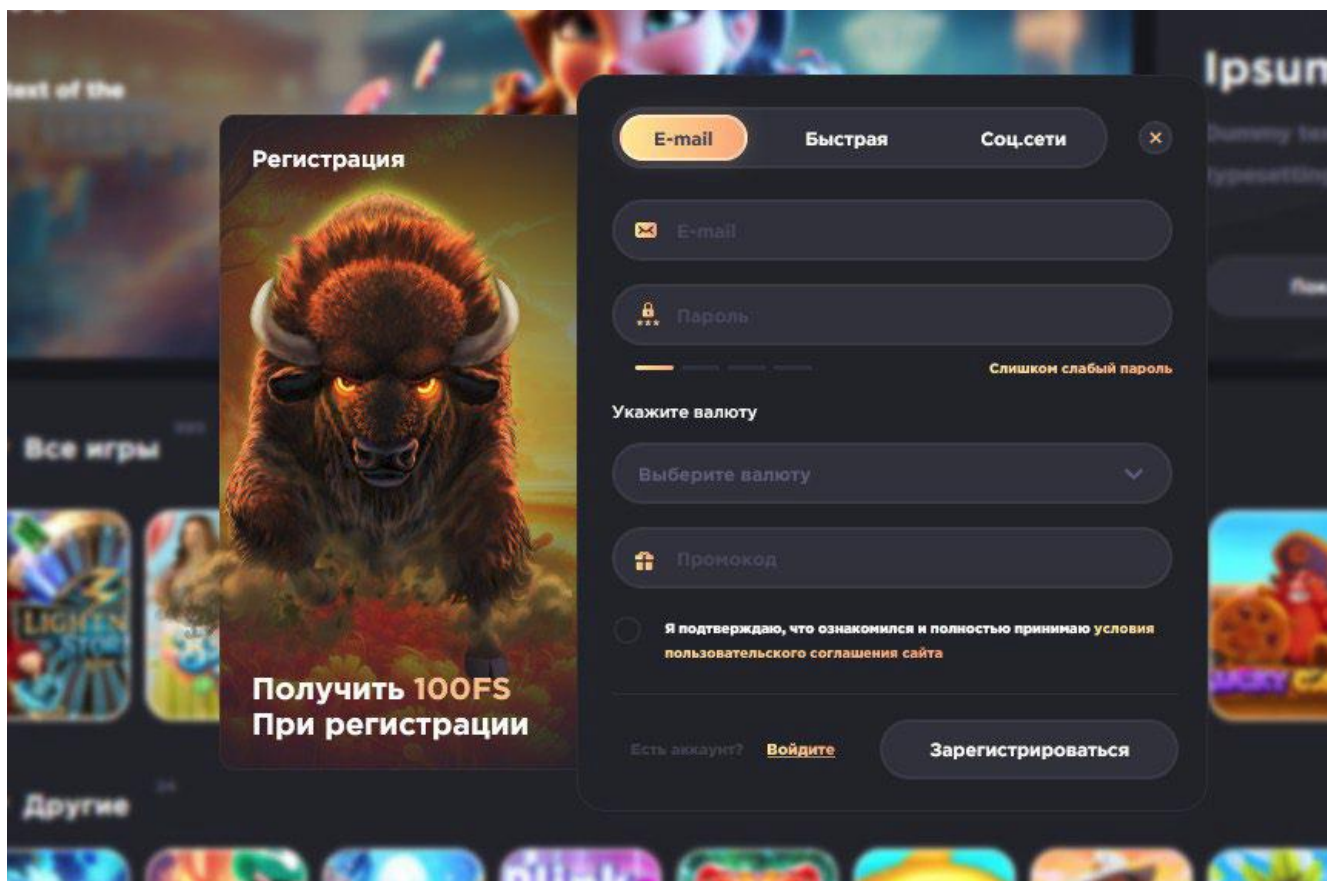
- a) marketing modules from third parties
- b) integration with the business solutions including CMS, CRM, and BackOffice
- c) integration with external platforms such as Microsoft Office, business email, tasks and calendars, and a platform for sending mass messages by email and SMS
- d) integration with additional structures providing prior verification services on customers, KYC, AML, fraud prevention, and PEP lists to help the operator decide whether to accept certain users
- e) provision of API for several modules

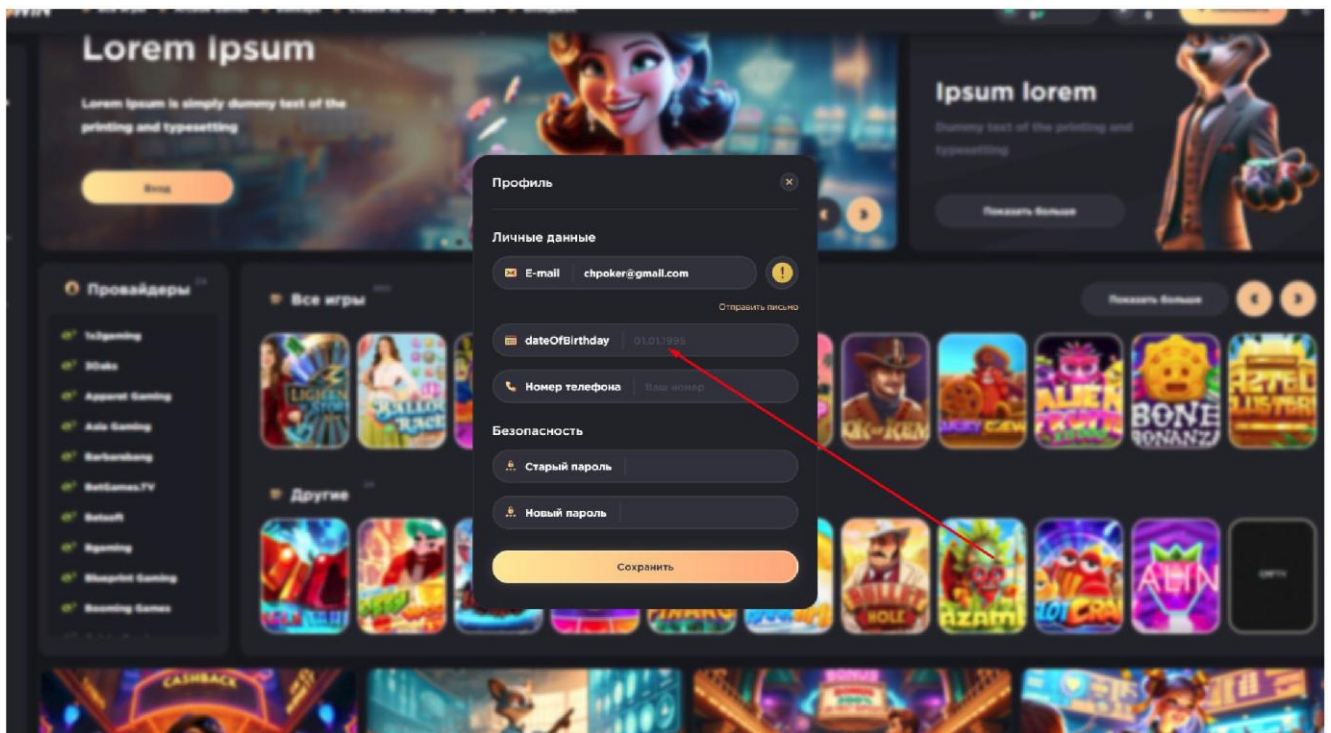
- a) iOS
- b) Android
- c) Windows

The Platform supports adaptive web design (or an adaptive user interface) capable of carrying out W3C CSS3 requests with a changing proportion grid and also supports flexible changes to image proportions.

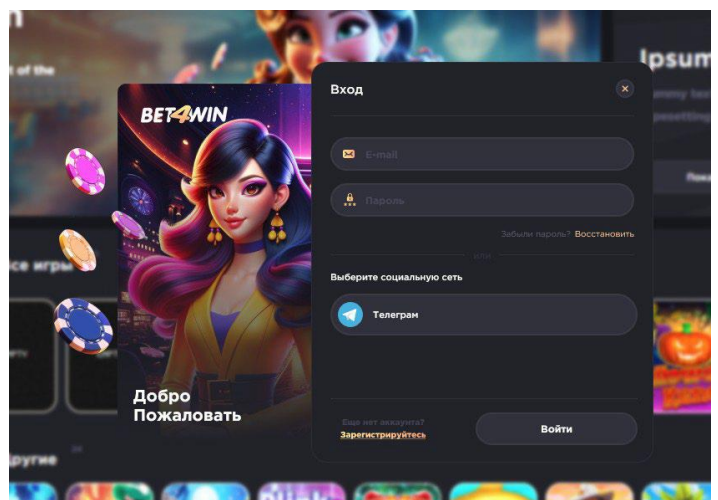
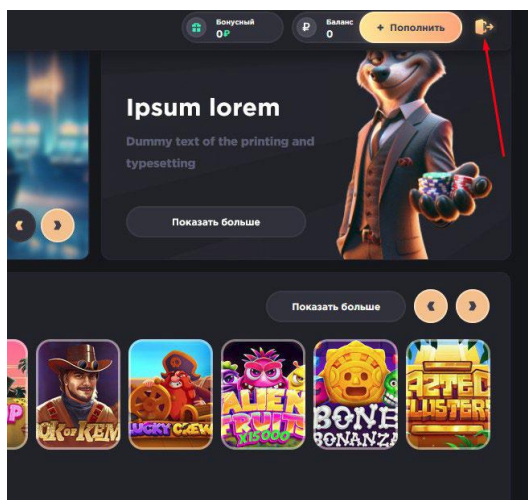
2.2 Registrations and opening of an account







2.3 Log in and logout



2.4 Terms and conditions/ rules and procedures

Terms of Service: Defines the rules and conditions that users must agree to when using the online casino platform, including aspects like eligibility, account usage, payments, and other operational guidelines.

Responsible Gaming: Outlines the casino's commitment to promoting responsible gambling, providing information on setting limits, offering support for problem gambling, and ensuring a safe and enjoyable environment for users.

Self-exclusion: Describes the process through which individuals can voluntarily exclude themselves from gambling activities on the platform for a specified duration, typically to manage gambling habits or address addiction issues.

Dispute resolution: Details the procedures and mechanisms available to resolve conflicts or disputes that may arise between the casino and its users, often outlining steps for escalation and resolution.

Anti-Money Laundering: Explains the measures implemented by the casino to prevent and detect any attempts to use the platform for money laundering activities, including identity verification and transaction monitoring.

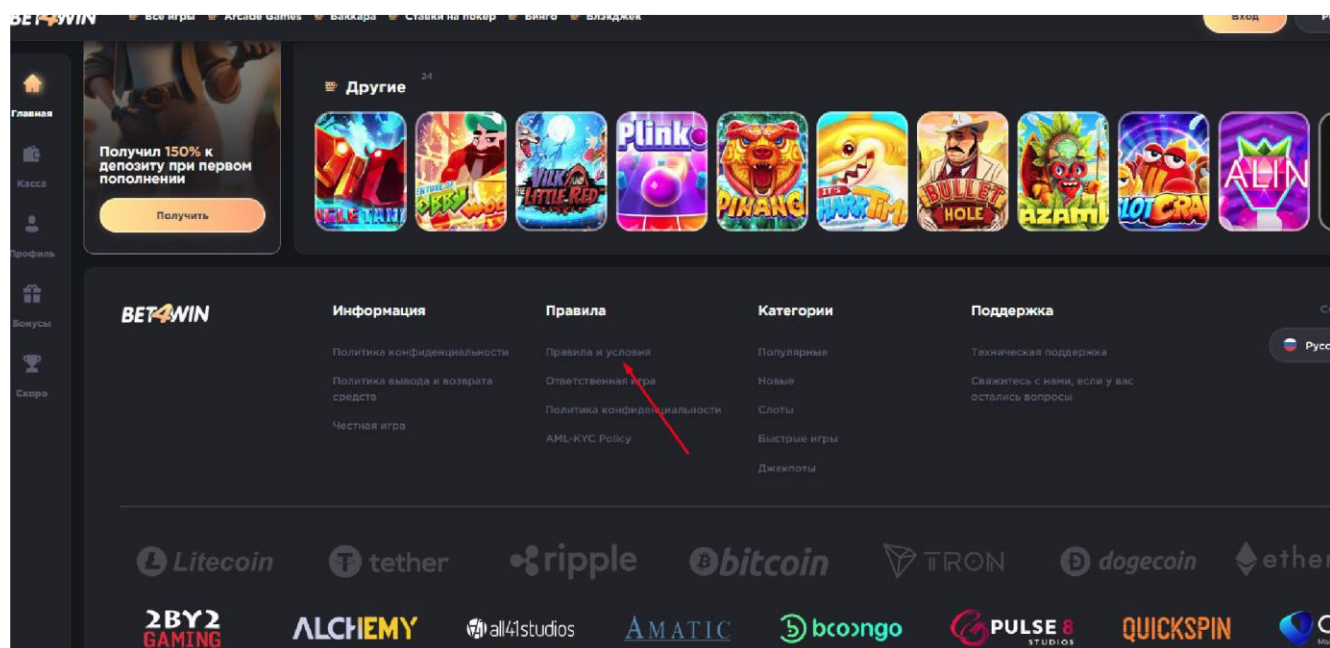
Fairness & RNG Testing Methods: Discusses the fairness of games offered by the casino, ensuring they are random and unbiased, often mentioning the use of Random Number Generators (RNGs) and the methods used to test and verify their fairness.

KYC Policies: Describes the "Know Your Customer" policies, which involve verifying the identity of users to prevent fraud, money laundering, and underage gambling, typically through ID checks and document submissions.

Privacy & Management of Personal Data: Explains how the casino collects, uses, stores, and protects users' personal information, outlining privacy practices and data management procedures in compliance with relevant regulations.

Accounts, Payouts & Bonuses: Details account management procedures, payout methods, and the terms and conditions related to bonuses, including wagering requirements and restrictions.

Betting rules: Provides specific rules and regulations governing betting activities on the platform, including game-specific rules, maximum and minimum bets, and any additional terms for different types of bets.



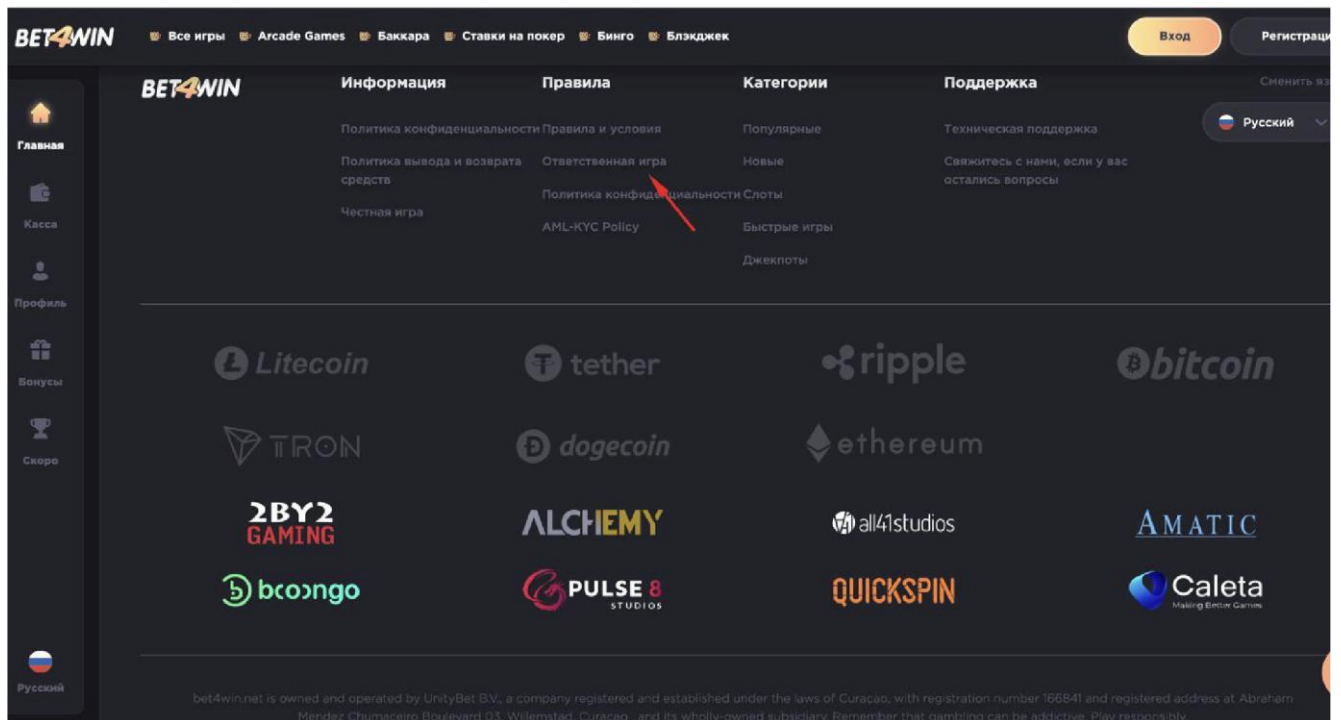
2. Your Account

2.1. Legal requirements

2.1.1. Reference to the "Account" shall mean an account registered by you on the Website after accepting and agreeing to these Terms. By registering an Account you declare that you are over 18 years of age or of a higher minimum legal age as stipulated in the jurisdiction of your residence under the laws applicable to you. It is your sole responsibility to know whether the services available on the Website are legal in the country of your residence. Persons who are under age of 18 years are not allowed to use the Website and/or any services available on it.

2.1.2. You are not allowed to register on the Website and use our services if you are a resident of Aruba, Australia, Bonaire, Curacao, France, Iran, Iraq, Netherlands, Saba, Spain, St Maarten, Statia, U.S.A or the U.S.A dependencies, United Kingdom. We reserve the right to refuse customers from any other countries over and above the aforementioned jurisdictions at our own discretion.

2.5 Responsible gaming



singular or in plural.

Definitions

For the purposes of these Terms and conditions:

- **Account** means a unique account created for You to access our service or parts of our service.
- **company** (referred to as either "the company", "We", "Us" or "Our" in this Agreement) refers to curacao co
- **service** refers to the Website.
- **Website** refers to fastpari.com.
- **You** means the individual accessing or using the service, or the company, or other legal entity on behalf of which such individual is accessing or using the service, as applicable.

Responsible Gambling and Self Exclusion

Responsible Gambling

Gambling means for the majority of our Users, entertainment, fun and excitement. But we also know that for some of our Users gambling has negative side effects. In the medical science is pathologic gambling since many years as serious sickness recognised.

Since our first day we think about this problematic and try out best to help. Under "Responsible Gambling" We understand multiple steps of measures, with which a gambling provider can help to lower the possibility of negative side effects appearing. -In case they already appear we also try to take active steps against them.

The most important instrument against negative side effects from gambling are

2.6 Payouts

9. ВНЕСЕНИЕ И СНЯТИЕ СРЕДСТВ С УЧЕТНОЙ ЗАПИСИ

9.1. Вы должны внести определенную необходимую сумму в Личный кабинет, чтобы играть на Веб-сайте.

9.2. Вы гарантируете Компании, что:

9.2.1. Деньги, которые вы внесли на свою учетную запись, не являются полученными от какой-либо деятельности, которая запрещена и/или уголовно наказуема, и/или незаконна;

9.2.2. Все внесенные деньги принадлежат вам, и никакая третья сторона не имеет права требовать эти деньги.

9.3. Вы должны вносить деньги только с личных счетов, платежных систем и/или кредитных карт, зарегистрированных на ваше имя, так как Компания не принимает взносы от третьих лиц (например, родственников, друзей, одного из супругов и/или партнеров). Если наша проверка безопасности показывает нарушение этого требования, вся сумма выигрыша аннулируется и возвращается нам.

9.4. Если банковский перевод запрашивает возврат денег законному владельцу, получатель несет ответственность за все расходы и банковские сборы.

9.5. Компания оставляет за собой право использовать услуги третьих сторон и/или финансовых учреждений для обработки электронных платежей, но только если нормативные положения таких организаций и/или финансовых учреждений не противоречат положениям настоящих Условий пользования. Вы автоматически даете свое согласие соблюдать такие нормативные положения.

9.6. В силу характера услуги возврат средств не производится. Вы соглашаетесь не отказываться от каких-либо совершенных вами транзакций, не делать никаких возвратов или отмен платежей, не аннулировать никакие взносы, произведенные в свой Личный кабинет. Также вы соглашаетесь возмещать Компании неоплаченные взносы, а также любые расходы, понесенные Компанией в процессе получения ваших средств.

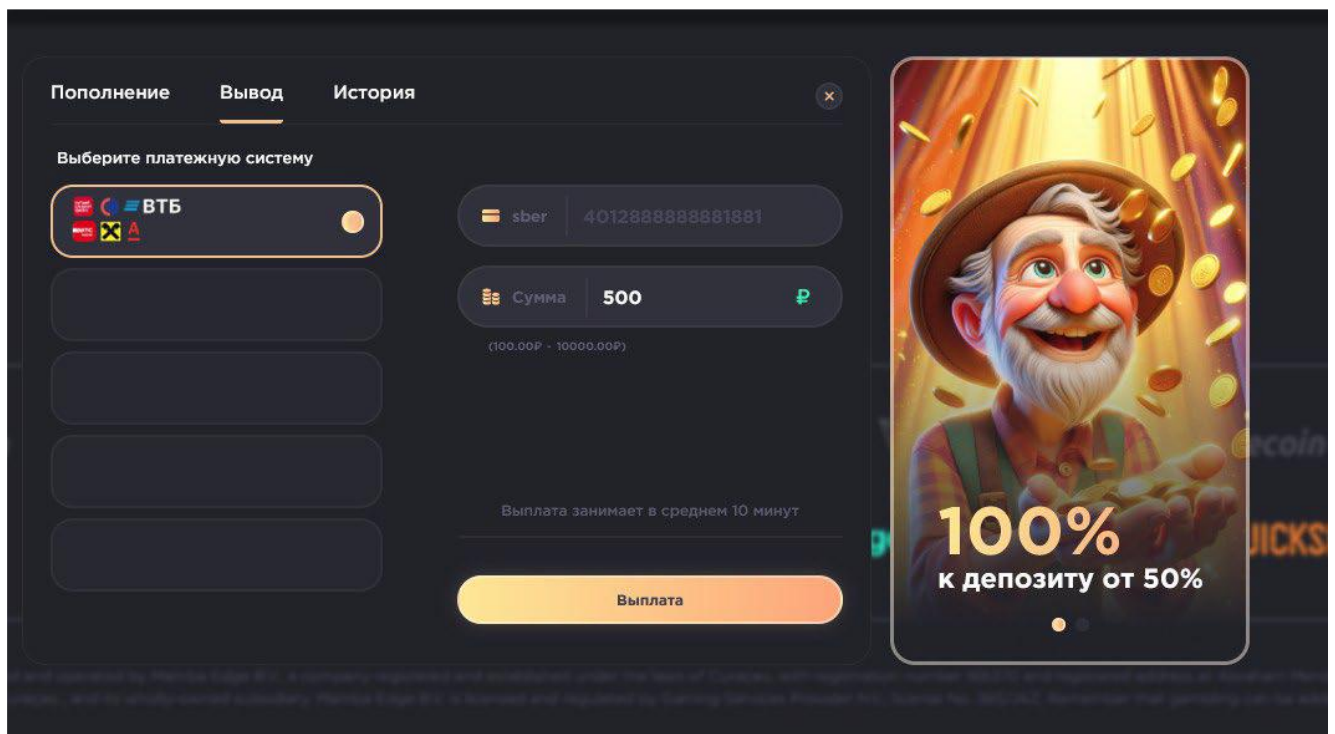
9.7. В случае произведения подозрительного или мошеннического платежа, в том числе использования украденных или утерянных кредитных карт и/или любой другой мошеннической деятельности (в том числе возвратов платежей и отмен платежей), мы имеем право заблокировать вашу учетную запись, отменить любые произведенные выплаты или аннулировать выигрыши. Мы имеем право сообщать о любых случаях мошенничества или незаконных действиях в соответствующие органы и/или правоохранительные организации (включая бюро кредитных историй). Мы имеем право использовать услуги агентств по взысканию долгов для возмещения платежей. Компания не несет ответственности за любое несанкционированное использование кредитных карт, независимо от факта кражи кредитной карты.

2.7 Withdrawing

Withdrawals can be made using the payment methods specified below, as follows: FIAT

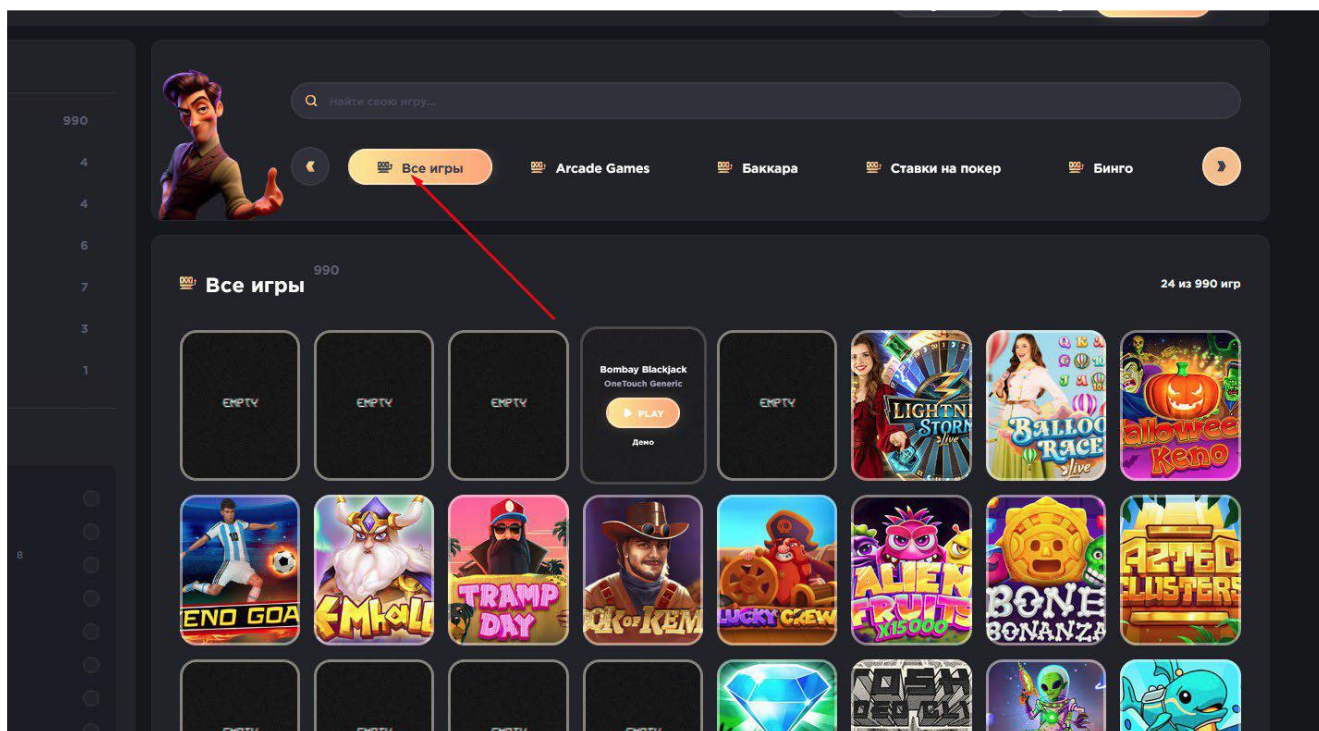
- provided that the deposit was made in FIAT and CRYPTO - provided that the deposit was made in cryptocurrency.

Payment service provider (at the connection/planning stage): Piastrix, PayCos



2.8 A list of the games provided

The games will be provided by partners in the Appendix.



3 ONLINE GAMBLING MARKET OVERVIEW

3.1 Income and turnover

2020 has become a successful year for online casinos around the world due to the pandemic and self-isolation. In many countries the revenue of the entire gambling market has grown by a third - at least in relation to the previous 2019. This indicates the robustness and promise of this business model.

Over the past few years 85 countries around the world have legalized online gambling. Online betting and betting in slot machines and other gambling games together account for 70% of the income of all Internet gambling.

Gambling on the global network is very popular due to the wide variety of offers and comfortable gaming process without any restrictions. The largest income from online slot machines is generated in the UK, USA, China, Austria, Germany, France and Italy.

Research firm Juniper has calculated that online gambling betting turnover will reach \$ 950 billion by 2022 and will continue to grow, Yogonet reports.

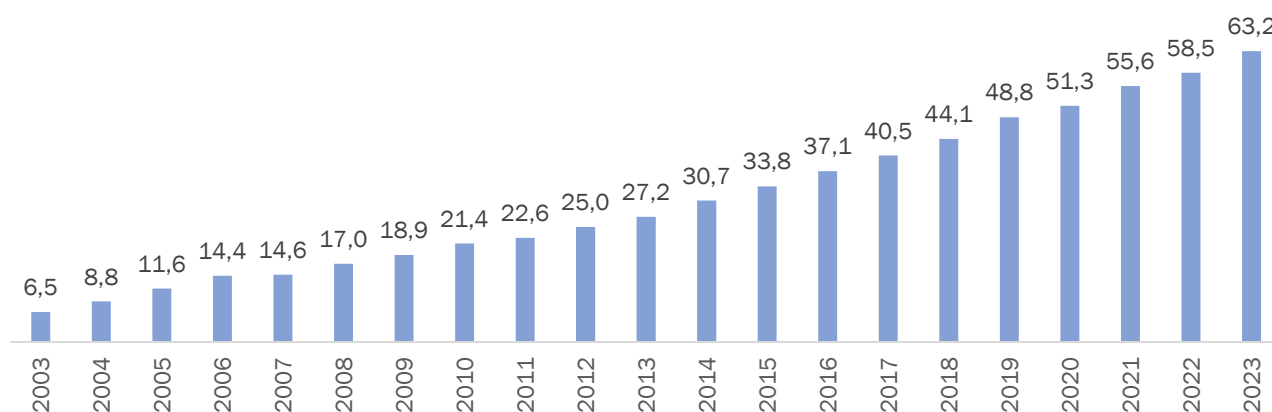
According to Juniper research, gambling is increasingly moving to the online environment. Moreover, the greatest activity is shown by mobile applications. The share of bets made using mobile phones is constantly growing.

The authors of the study also noted that, despite the general trend towards the regulation of national gambling markets, a few countries are moving towards the prohibition of gambling via the Internet and mobile applications.

The global online gambling market already accounts for 13% of the total global legal gambling market and this figure is constantly growing.

About 85 countries have allowed online gambling, according to a study by the American Gaming Association. And most of these countries are in Europe.

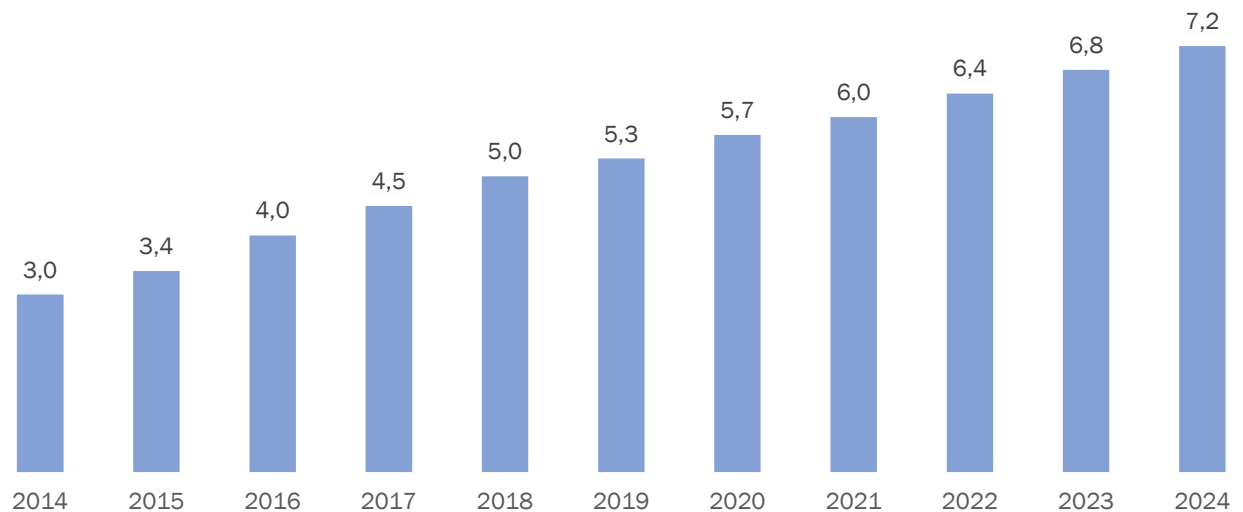
Diagram 4. Volume of global online gambling market, billion euros



Gross Gaming Revenue is a financial indicator that determines the gross revenues of a gambling establishment. The GGR parameter allows you to track the dynamics of the behavior of gambling players around the world.

BV1sion presented an overview of the online casino market in 2019, including the GGR market predictions. In 2019, GGR was \$ 5.3 billion (up from \$ 5 billion in 2018). It is predicted that GGR will grow further and will reach \$ 5.7 billion this year (2020), and \$ 7.2 billion in 2024¹.

Diagram 5. Forecast of Gross Gaming Revenue, \$ billion

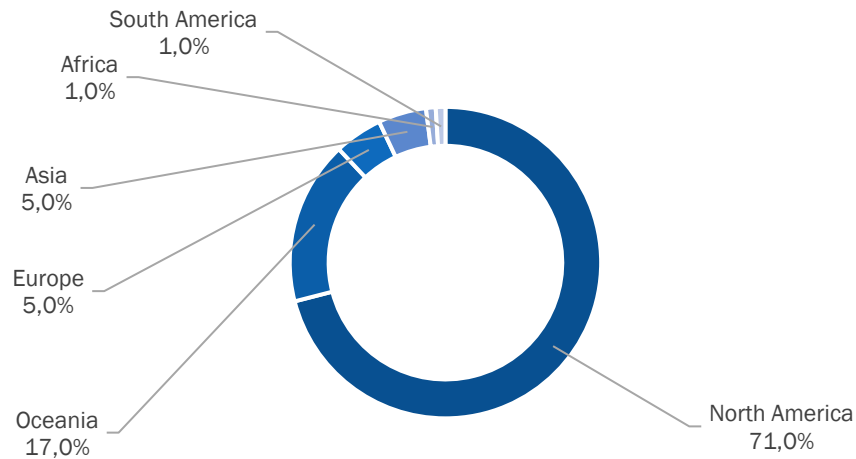


In terms of geographic division, North America continues to dominate the online casino industry, representing 71% of the total market.

At the same time, Oceania (Australia, Fiji, New Zealand, Polynesia, New Guinea, etc.) also has a strong presence with 17% of the global GGR in 2019, significantly ahead of Asia and Europe with 5%.

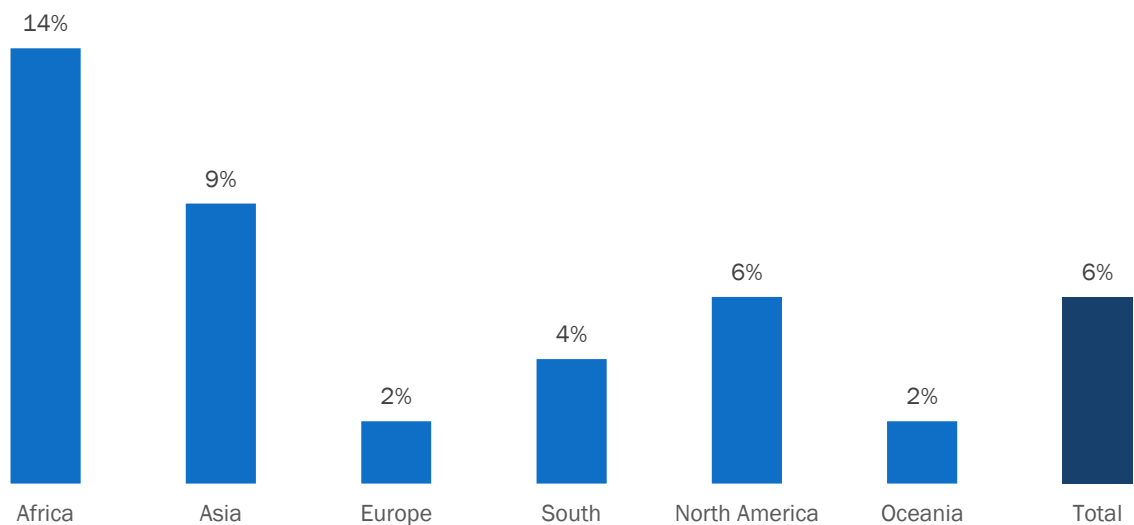
¹ <https://3snet.co/news/2020-forecasts-gambling/>

Diagram 6. Regional structure of gross income of the gambling business in 2019



Africa posted the fastest growth rate in 2019 at 14% YoY, while Europe experienced very modest growth.

Diagram 7. Growth in gross income by region in 2019



Since online betting in the US is limited and subject to state regulations, the European Union is the largest regulated market in the industry. More than 70% of the world's casinos restrict access to Americans, making the US the most restricted country for the segment. For comparison, players from Iran are only restricted in about 30% of casinos.

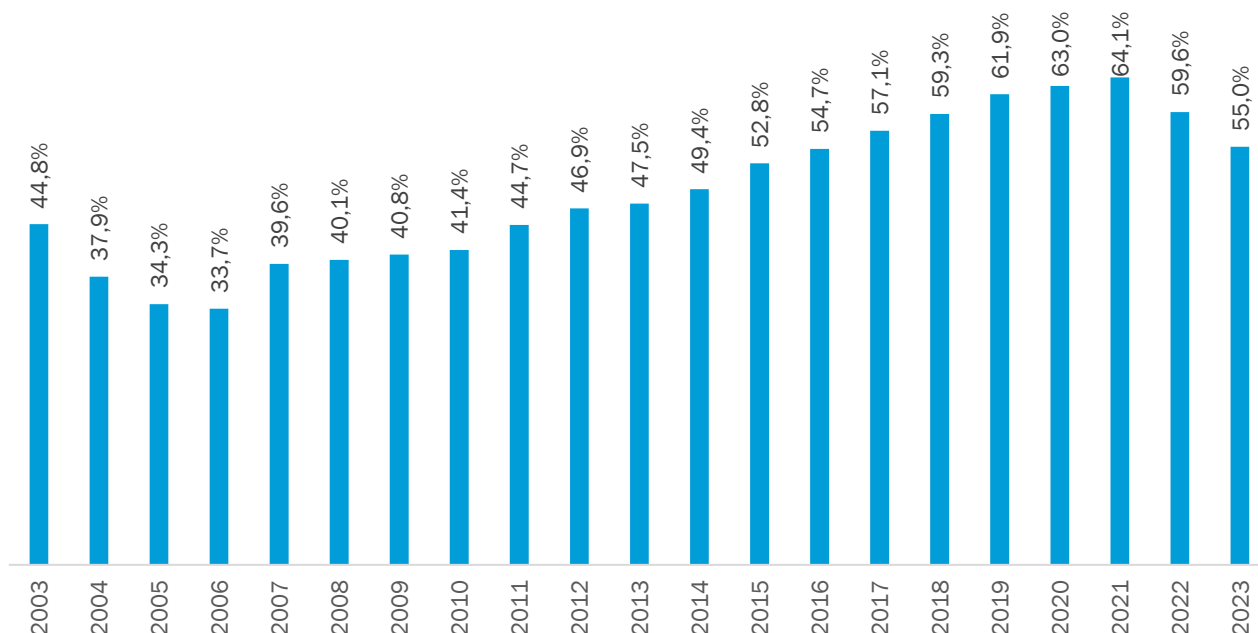
The European Commission reports that today the online gambling industry is worth \$ 14.7 billion and continues to grow. Online casino gambling is the fastest growing gambling segment in the European Union with an annual growth rate of 15%.

There was also talk about simplifying the rules. Last year, the European Commission said: "Operators of online gambling operating in the European Union are forced to obtain licenses in several countries, which

require licensing. But a more general approach would be better for them. More compliance requirements create unnecessary infrastructure duplication and costs, which adds unnecessary administrative burdens for regulators.”

The largest markets in the EU are the UK, Italy and Germany.

Diagram 8. The share of the "white market" in online gambling revenue worldwide



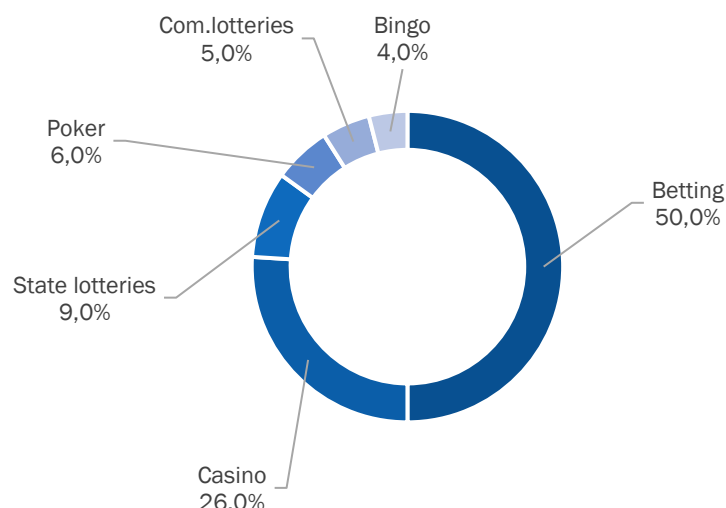
By creating more rules for real money online gambling, the European Union and the United States are reshaping the industry. According to a report by The Wall Street Journal, insiders believe that increased regulatory complexity will lead to mergers. This will become important as costs and taxes skyrocket. The process will make the industry more stable, although there will be fewer companies competing for more market share.

America is cut off from the European market when it comes to online poker, but New Jersey could change that if it merges with jurisdictions in the EU. Nevada and Delaware, two states with legal online poker, share working capital among themselves. New Jersey wants to team up with them and get players from Europe. There will be a tax-sharing agreement involved, so all parties benefit.

The addition of PokerStars, which was acquired by Canadian corporation Amaya Gaming Group for \$ 4.9 billion in New Jersey, is likely to accelerate the unbundling of working capital. PokerStars is awaiting a license from the state's gambling regulators.

Since 2003, the market has grown by an average of 23% annually. The dominant elements were betting, casino and poker. Online gaming is becoming more and more popular, and its progress is driven by factors such as the spread of the Internet, the emergence of new markets and new groups of players.

Рисунок 9. Online gambling income by game type



3.2 New groups of players

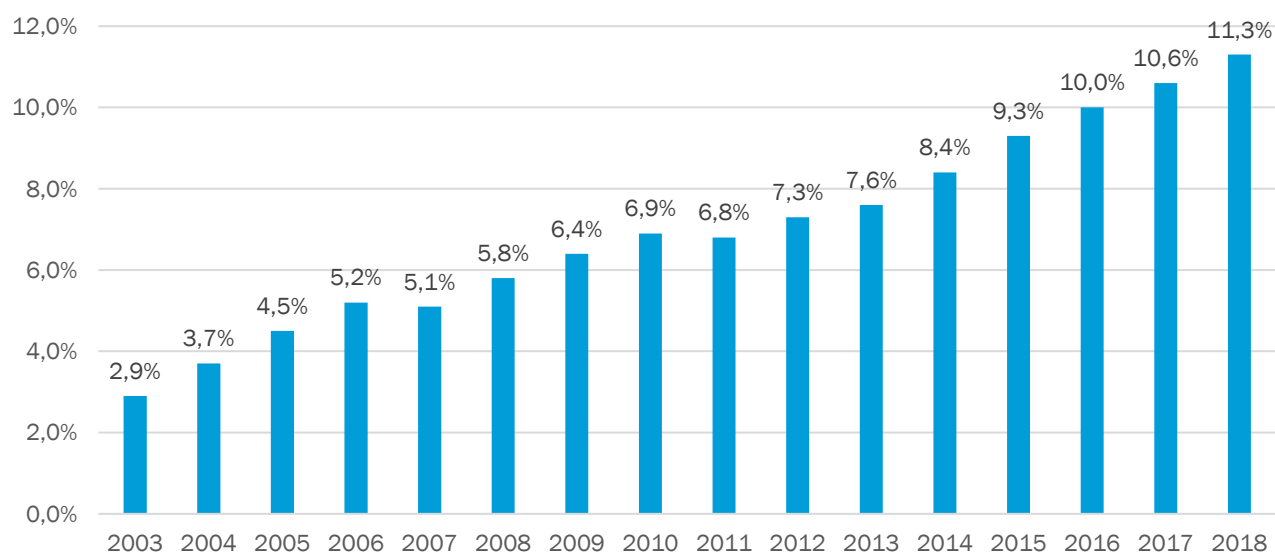
Since 2004, the number of female Internet users aged 18 to 74 has increased by more than 80%, and men by 60%. Online gambling attracted mostly young men, but now it is becoming more popular among women and older people.

Different types of players have different preferences and reasons to play. Most people do it for fun, others do it to win money, and some do it to relax. Whatever the reason, operators and developers should keep an eye on player preferences. Age differences between players are also increasing as the Internet continues to spread in society. The image of the average male player between the ages of 25 and 35 is becoming increasingly blurred.

According to a study by GP Bullhound, 43% of all online gamblers in 2009 were women. Their favorite segment is still bingo, but they play in different directions. Research shows that the play behavior of men and women is different. Women tend to play longer and bet lower, while men do it more often and bet more, but the games are shorter.

Bingo is becoming more and more popular because the game offers the opportunity to relax in a social society.

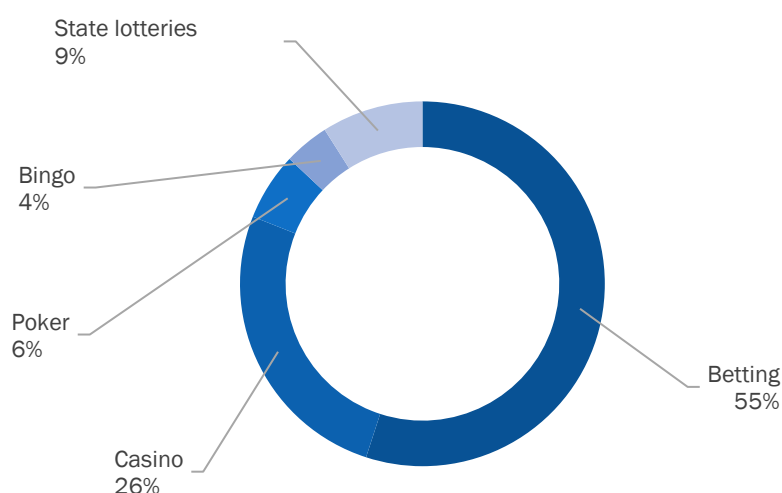
Diagram 10. Share of online gambling income from total gambling income in the world



It is important to note that most of the popular forms of remote gambling today are traditional casino games, betting and poker variations. The popularity of different types of online gambling depends on gender. The bingo industry is expected to have the highest growth rates as more women are interested in the iGaming industry and bingo.

Nevertheless, online gambling is still more popular among men. Young men are especially prone to gambling. Women enjoy playing just as much, but they choose simpler games like lotteries and slots. The difference can be explained by the socialization of the roles of men and women. Betting, casino games and skill games are traditionally associated with male audiences, while women are more accustomed to playing, having fun, rather than getting an adrenaline rush.

Diagram 11. Online gaming revenue by type, 2019



3.3 Current trends in online casinos

Due to the pandemic and self-isolation in many countries, 2020 has become a very successful year for online casinos around the world: there is an increase in the revenue of the entire online gambling market in the world by a third compared to the previous period last year. And during the crisis of 2008, it practically had no effect on the wallet of online casino customers. This indicates the robustness of this business model.

New technologies are having a profound impact on the gaming market. Active development is predicted for mobile gambling, and only the best new products will withstand competition, which means that users will notice an improvement in the quality of mobile gambling.

All technical changes, including those related to the speed of mobile data transmission, will not be particularly noticeable to end users, they will take place, so to speak, in the background. But the qualitative and specific changes will be on the face.

The main surprise will be virtual reality in online gambling. Thanks to the development of Microsoft HoloLens, HTC Vive and Playstation VR, video slots and other online games will become more spectacular and amazing than ever before soon.

Virtual reality technology

New advances in VR technology make it possible to faithfully reproduce the emotions and physiological sensations experienced by a person in a real casino. With the help of virtual reality glasses, anyone who wishes today can walk through the hall of a masterfully recreated gambling establishment, talk to the dealer and place bets at any gaming table.

Such giants of the gaming market as Microgaming, Novomatic, NetEnt, Lucky VR, Topgame Technology and others are working in the direction of the development of virtual reality games.

Back in the winter of last year, at the international conference ICE Totally Gaming, Microgaming presented an impressive stand, where the virtual roulette game was demonstrated. The software used has clearly shown that virtual reality is achievable, and a great future awaits it in the gambling industry.

The company NetEnt is actively studying VR technologies. Visitors to exhibitions dedicated to online gambling have already repeatedly experienced the Jack and the Bean Tree slot machine. The amazingly realistic journey was appreciated by both players and competitors.

Talking about their achievements in the field of virtual reality, Novomatic representatives note the main advantages of realistic online games: full immersion in the gameplay; incredible emotions, even brighter than in real life; the ability to use the resource in any convenient place where there is an Internet connection; exciting and varied plots.

Novomatic is one of the pioneers in the implementation of VR technology in online gambling, which has many new developments.

Recently, the idea of the possibility of integrating virtual gameplay into social networks has been repeatedly expressed. Most likely, such an idea will soon be implemented.

Social games combined with slot machines

Online gambling in a social format is gaining popularity. We recently reviewed the new Castle Builder 2 slot from Microgaming, which evolves gameplay through advances in spinning reels and placing bets.

The advantage of social gambling is that it is much more dynamic and addictive than a traditional slot machine. Such games allow you to choose a playable character and follow different paths depending on the character of the hero. In addition, the characters are invited to develop: to accumulate experience, skills and achievements, and due to this, get more favorable conditions for the game. The role of the reel slot machine is that the winning combinations not only bring money, but also the resources necessary to continue in the game.

Currently, slot machines with social game capabilities are in great demand, so many developers are working on their creation. In the second half of 2019, several fresh new products were released.

Progressive Poker Jackpot with a live dealer

Slot machines with a progressive jackpot are chosen by many gamblers, as this is a chance to win a large cash prize. Now this technology is smoothly spreading to poker. Evolution Gaming has already introduced the world's first Jumbo 7 Progressive Jackpot in Live Casino Hold'em!

The initial size of the jackpot is 1,000,000 euros, but since it is cumulative, the amount increases in proportion to the activity of the players. Evolution Gaming Product Director Todd Haushalter noted that the jackpot could grow to an incredible € 30,000,000! Agree, playing poker with such a prize at stake is much more fun. The game also has a second level jackpot with lower fixed payments.

Other developers of live online casino games are also considering introducing an attractive progressive jackpot for players.

Live-games

Live dealer games have become very popular in the past year. And this is just the beginning of their successful development. This year, it is expected to further popularize live games in conjunction with VR technology. The developers plan to create even more realistic games with improved functionality and open new studios for broadcasting games in real time.

Skill games

Most modern players rely not only on luck, but also on their own skills. This inspired many providers to develop platforms containing strategy games. They need to apply certain skills, which is very attractive for players. This promises immense popularity for skill games soon.

Gamification

This concept implies the use of game dynamics and game thinking to attract an audience to the process and solutions to marketing problems. Gamification will no doubt become a new trend in gambling and promises new missions, competitions, bonus programs and rewards to attract gamblers.

Entertainment content

Online casino operators strive to keep users on their resource in every possible way. Now, in addition to chats, special sections with useful non-game content will be used for this: movies, TV series, music videos and TV shows. In addition, plot details of many slots will appear in online casinos.

Big data

Another trend of the current year will be Big Data technology. It provides the collection and storage of a huge amount of information and is indispensable for the progressive online gambling industry. Thanks to the ability to analyze and sort a large amount of data, games will effectively adapt to the interests and needs of the target audience.

Mergers and acquisitions

According to experts' forecasts, the development of the gambling market is so rapid that by 2022 its volume will exceed \$ 60 billion. So, in 2021, gambling companies will expand and increase their capital.

Messengers

The new possibilities of the mobile Internet are constantly attracting players. If earlier social networks and telephone means of communication were in trend, now the position of the leader is taken by convenient instant messengers.

Slotegrator is seriously interested in this trend and has created its own Telegram casino. Integration of the gaming platform into the messenger allows users to enjoy gambling on their smartphone at any time.

Individual slots

Creation of slots for individual orders will also be included in the top online casino services. The development of unique slots will allow operators to gain a competitive advantage in the market and maximize brand awareness.

Cryptocurrencies

Cryptocurrencies are famous for such significant advantages as anonymity, convenience, minimum fees and the absence of prohibitions from legislation. Thanks to this, they will become one of the most popular means of payment in the field of Internet gambling. In addition to bitcoin, the following currencies will gain popularity: litecoin, dogecoin, ethereum, ripple, monero, zcash and others.

Currently, the use of cryptocurrencies by customers is alarming, since they are associated with illegal, i.e. gray financial market. At the first stage, it is not recommended to use settlements with clients in cryptocurrency.

Security issues in online gambling

New technologies imply the search for new ways to solve security issues. Moreover, DDoS attacks have become more frequent lately. In the past year, they have done a lot of damage to online bookmaker sites. As it turned out, even large operators with close attention to security issues, such as Britain's William Hill,

are not immune from hacker provocations. Last fall, the services of this operator were unstable, and with 5 million revenue a day, the losses will be rightly called significant.

In 2019, a significant proportion of gambling operators' investments were directed towards security.

Women are actively interested in online gambling

The trend of an increase in the number of female gamblers in online casinos was outlined back in 2015. And now it is only getting stronger. According to the research conducted, the fair sex prefers to gamble on personal gadgets and in private. This allows for more leeway and avoids ridicule from male players.

The most active gamblers are women under the age of 35, but older ladies are also not averse to occasionally spinning the reels of slot machines, starting a roulette wheel or throwing cards.

Online casinos made especially for women have already begun to appear, and some operators are conducting advertising campaigns aimed specifically at women.

3.4 Russian online gambling market

The first Russian online casino "Shans.ru" was created by Dmitry Pavlovsky, now - the vice-president of the bookmaker "League of Betting". In 2000, the internet was gaining popularity. To launch a casino on the Internet, it was enough to obtain a Goskomsport license for gambling. The author of the idea was Oleg Zhuravsky. He literally charged with energy, could predict the future of markets that did not yet exist. League of Betting appeared: instead of dark basements, bookmakers began to open spacious and comfortable bookmaker clubs.

In 2005, the turnover of the gambling industry in Russia was \$ 5-6 billion. By 2006, Goskomsport issued 6.3 thousand licenses for the gambling business. About 60% of Russian gambling clubs were located in Moscow and St. Petersburg. But in 2006, the State Duma passed a law banning gambling throughout Russia, except for four special zones. All casinos, including those on the Internet, closed by 2009. Oleg Zhuravsky, meanwhile, united a dozen colleagues into the National Association of Bookmakers. On behalf of the association, he convinced lawmakers that bookmakers work on the principle of an intellectual game, and their work was not prohibited.

Poker tournaments, bingo shows, slot games, roulettes are now held in four permitted zones. One of the well-known poker rooms even created a special online platform for players from Russia PokerStars_Sochi. The creation of these gambling zones resulted in the closure of hundreds of bookmakers, but did not remove from the game online casinos, which have become even more popular among the population during the period of isolation.²

Despite the ban, there are dozens of companies operating in the online gambling industry in Russia. Online casinos are prohibited in Russia, but companies can produce special gaming software, which can then be integrated on the resources of foreign platforms³, or launch licensed casinos for players from other countries.

² https://mobile.ruscable.ru/news/2021/2/12/Regulirovanie_onlajn-gemblinga_v_Rossii_i_SNG_Zap/

³ <https://vc.ru/u/164361-vika-ilina/257456-tehnologii-i-azart-kak-ustroen-sovremennyy-rynok-gemblinga>

You cannot access the sites of legal casinos from the IP addresses of those countries where gambling is prohibited - among them are Russian, Canadian and Japanese IPs.⁴

In recent years, at least 20 Russian companies have invested in online casinos. In total, according to various estimates, there are from 2 thousand to 3 thousand legal online casinos in the world.

Online casino projects are rarely launched in only one country, which is why the gambling industry is considered one of the most global and international. Casinos are usually focused on one region, for example, Scandinavia, South Africa or the CIS countries.

Marketing depends on the country that an online casino is targeting. For example, CIS is the style of Azino777, JoyCasino, Vulkan – a marginal subculture. You cannot enter the European market with such a product. In Scandinavia, simple pastel designs and casino characters are popular. You will not be able to play at this casino from Russia. In Europe, unlike Russia, gambling is not perceived as a way to make money, but as entertainment. The average gambling deposit in Europe is 100-300 euros, in the CIS market - about 10 euros. But you can make money on the number of players. Completely different business models are for Europe and Russia.

The annual Moscow gambling forum once again proves that this industry is developing in Russia and legally, despite the ban on gambling on the Russian Internet.

Russian laws prohibit online casinos that do not block Russian IP addresses, that is, target Russians. These casinos operate on the gray market. Its volume in Russia is estimated at € 1 billion per year. The operators of these casinos are subject to criminal liability - imprisonment for up to six years. Also, advertising of gambling is prohibited in Runet. But it is already possible to place commercials on services like YouTube, since they are not Russian.

Any other work in the online gambling industry in Russia is permitted. Many companies are already opening representative offices in Russia. For example, the head office of Octavian is located in St. Petersburg, which is part of the Novomatic holding (one of the three largest manufacturers of online casino software in the world). Octavian develops technologies, in particular for online casinos and online games, for clients located outside of Russia. They opened an office in St. Petersburg, because there have always been many professional talented developers in this city.

The creators of the turnkey online casino Boss Gaming Studio are planning to open their own office in Moscow in addition to the three existing ones in Europe. Russian bans do not scare them, their business is legal. The company does not promote gambling in prohibited markets but provides a licensed platform. This does not conflict with the laws banning gambling in Russia.

⁴ <https://pro.rbc.ru/demo/5b755ea09a79474adb26b137>

3.5 Market Forecasts

Research company Juniper calculated that betting turnover in the online gambling segment will reach \$ 950 billion by 2021 and will continue to grow even before the pandemic, according to Yogonet.

According to Juniper research, gambling is increasingly moving to the online environment. Moreover, the greatest activity is shown by mobile applications. The share of bets made via mobile phones is constantly growing.

The authors of the study also noted that, despite the general trend towards the regulation of national gambling markets, a few countries are moving towards a complete ban on gambling via the Internet and mobile applications.

The global online gambling market already accounts for more than 13% of the total global legal gambling market and this figure is constantly growing.

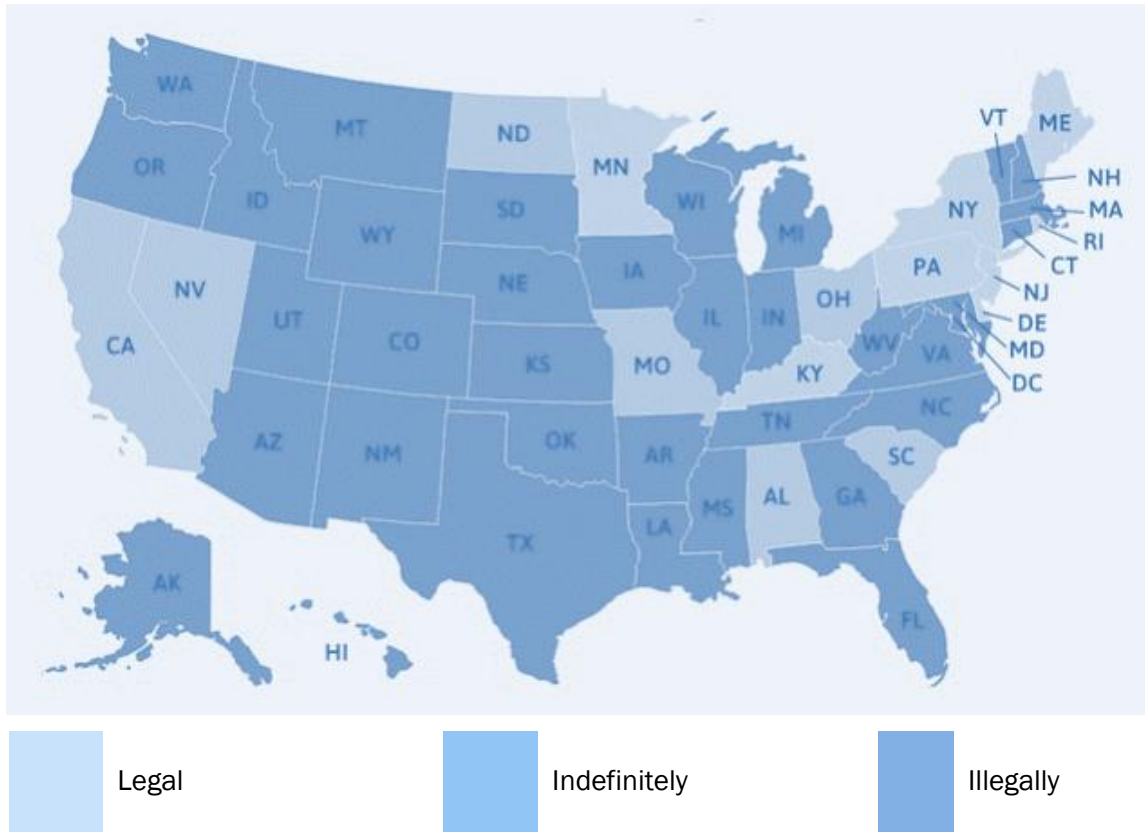
Niche revenue is expected to reach \$ 65 billion by 2021, and the niche itself will undergo a series of changes and reforms depending on the market.

Online gambling is booming in Europe, with slots showing the biggest profit growth - 84% in 2019. Operators are aware of the enormous potential of the European niche and are making good use of the region's advantages (a lighter tax regime in Gibraltar, the Isle of Man and Malta).

It is also in Europe that modern technologies for the gambling business are actively developing. This applies to classic slots, video slots and VR (virtual) - gambling. A young generation of players is entering the market, and companies are doing their best to meet the high requirements. This is how esports betting and skill-based games emerged.

The United States remains one of the largest and most important regions for the gambling business. It is planned that online gambling and betting companies will be legalized in the country. It is also expected that the US market will reopen its doors to large international companies this year.

Diagram 12. Online gambling market in the USA



In Australia, residents spend nearly \$ 1,000 a year on gambling, the highest in the world. According to Gambling Capital experts, this situation has arisen since it is here that slots can be placed not only in special halls, but also in ordinary pubs.

The Asian market is the largest in the world in terms of volume, and every year the demand for gambling is only growing. 2019 showed softening in the field of law - more and more countries are legalizing online betting and even casinos. This trend has moved into 2020, which opens new perspectives for the industry. See also the best deals from Asian casinos at 3snet.

In Africa, the online gambling market is now at the stage of rapid development and growth. The main problem is that currently, in most countries of the continent, casino activities are not regulated in any way (but they are not prohibited at the legislative level either). Therefore, it will take time to fully unleash the potential of this market.

The future of online gambling in Russia

Gambling enthusiasts and prominent casino operators continue to be optimistic that Russia will one day pass and enforce better gambling laws such as those of Sweden, Denmark, the UK and New Zealand. For

now, they will have to cross their fingers, as Russia is in no hurry to make any changes to the legislation on online gambling.⁵

In Europe alone, in 2019, several states at once took a step in this direction:

- France decided to create a single regulatory body for gambling.
- Germany has launched the development of a law on online casinos that is common to all lands.
- Greece has officially started issuing licenses for online gambling.

The same processes are taking place in Ukraine, where the Rada is trying to agree on a law on the legalization of gambling on the Internet. And in Belarus, which launched the first online casinos in 2020.

One of the main reasons for such a project is that the Belarusian authorities understand: in the absence of legal national operators, players go to illegal foreign ones, and money flows abroad. And if so, then creating your own gambling operator will be much more correct than bans and locks.

At the same time, the income of many countries is significantly replenished due to such a business. For example, the UK has up to \$ 1 billion a year in taxes from casino operations (25 times more than Russia), including online taxes. So the Russian Federation loses a lot of money due to the fact that there are no licensed companies of this profile.

However, despite all these processes in neighboring states, the position of Russia remains unchanged: there are no serious moves towards softening the law on casinos, especially online ones.

But although Russia has not yet shown its readiness to follow the civilized path of legalization, it is possible that it will still choose it in the future.⁶

⁵ <https://semashko.nnov.ru/fonts/sd/onlajn-kazino-pochemu-zapreshcheno-v-rossii.html>

⁶ <https://igorka.ru/casino/est-li-v-rossii-legalnyie-onlajn-kazino>

4 RISKS WHEN OPENING AN ONLINE CASINO

Unstable legislation

Each country has its own rules regarding gambling, which change quite often. You need to understand that, perhaps, the casino owner will need to decide how to reformat the establishment in the event of changes in the law.

Instability of equipment operation

Since the main locale is the internet, it's important that everything runs like clockwork. If the site or server goes down, the casino will suffer serious losses.

Software

The structure of an online casino is a kind of constructor consisting of three types of software (software, or so-called software): a gaming platform, a payment solution, and gaming content.

Payment systems are the least risky category. All payment solutions are seriously tested by regulatory authorities, banks, etc. Here the risk of getting low-quality software is minimized.

The biggest risk for operators is non-original, or so-called pirated, software. As a result, you can lose experienced and serious players who understand software. They will choose the casino that has the original software. Because it guarantees both payouts and a clear return to player (RTP) percentage. Another aspect that operators often overlook is the back doors. Backdoors is a malicious algorithm that programmers often "screw" onto handicraft software to simply steal money from unsuspecting operators. In addition to backdoor, there is a huge number of errors, bugs, which also entail financial losses.

"Pirate" software is an illegal thing. Clients simply cannot know either the final provider or who they are contracting with, because there is a whole chain of intermediaries. At a certain moment, when you invested money in the development of a casino, installed software, launched a project, spent money on marketing, your provider will simply disappear. This will not happen with the original software, because you always know with whom you have a contract, who is behind this contract and to whom in case of something to contact with problems.

The last aspect is a violation of the copyright law, which is often ignored, but in our country, there is still a possibility to prosecute a person under this law.

A very important aspect when choosing software is security. Serious software development companies spend colossal resources on it. Creation of secure software requires additional time and human resources. Companies deliberately do this in order to end up with a product that will provide security to all customers. And that's something worth working for.

Another very important aspect is the so-called usability, which is often neglected when developing software, because people are chasing functionality. Forgetting about usability, you can face a problem when a lot of unsystematic functionality accumulates on one platform. It is necessary to think about ease of use at all

stages: both when drawing up a technical assignment for software development, and subsequently, during modernization and upgrades.

High competition

The owner of a gambling business can receive a lot of money, since this type of service is in great demand. Many seek to occupy a niche, but only casinos with the right approach to business achieve success. You need to tune in to the fact that you must work hard to earn.

Money laundering

Regulatory organizations conduct constant checks about money laundering by criminal structures, financing of terrorism through online casinos. If evidence of inadequate anti-money laundering activities is found, casinos may have their license revoked.

Advertising

Regulatory organizations ensure that gambling advertising is socially responsible, with attention to protecting children, young people and other vulnerable persons from harm or exploitation. This applies to the images of toys, comic book characters, cartoons, fairy tales, brands that children like.

Loss of funds

At the first stage, losses of funds spent on registration, rent and office equipment are possible.

The security payment, in the event of the closure of the online casino for internal reasons or other objective reasons, is returned to the casino owners, but must remain unused during the operation of the online casino as a deposit in case of winning the jackpot, i.e. losses can be minimal.

Risk insurance

Thanks to the combined 10 years of experience in the field of online casinos of the founders and co-owners of the project and the managerial experience of the project mentor, the risks of entering the market will be minimized as much as possible.

5 INVESTMENT PLAN

5.1 Volume and structure of investments

The total investment required for the project is 125,1 thousand euro.

The funds raised under the project are planned to be distributed in the following areas of financing:

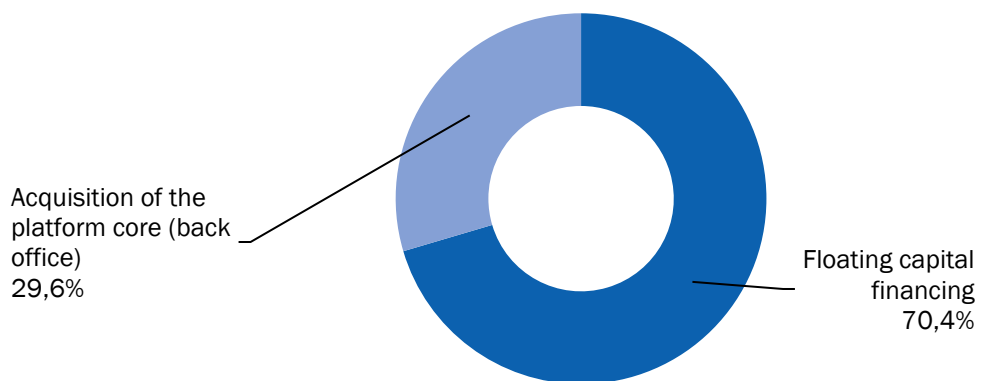
- acquisition of the platform core (back office);
- floating capital financing.

Table 2. Investment budget

euro		
No	Name	Value, incl. VAT
1	Acquisition of the platform core (back office)	37 000
2	Floating capital financing	88 097
	Investment total excl. floating capital	37 000
	Invested capital total (actual need for cash)	125 097

The largest share in investment costs is floating capital financing (about 70%).

Diagram 13. Investment cost structure



5.2 Project Milestones and Implementation of Investments Schedule

The total project implementation period is 60 months (5 years).

The duration of the investment period (before the launch of the project) is 0,3 years.

In the process of project implementation, the following steps must be completed:

- first stage: acquisition of the platform core (back office).

A phased work schedule with a financing schedule is presented in the table below.

Table 3. Financial plan

euro		Feb-25	Mar-25	Apr-25	May-25	Jun-25
Month of the project	Total for 5 years	1	2	3	4	5
Month from the project launch					1	2
Number of days in the period		28	31	30	31	30

Finance plan

euro		Feb-25	Mar-25	Apr-25	May-25	Jun-25
1 Acquisition of the platform core (back office)	37 000	37 000				
2 Floating capital financing*	88 097				64 857	23 240
Investment total excl. floating capital	37 000	37 000	0	0	0	0
Invested capital total (actual need for cash)	125 097	37 000	0	0	64 857	23 240

*Negative value shows that this sum of investment is financed by current earnings of the project

Diagram 14. Investment cost financing schedule, euro

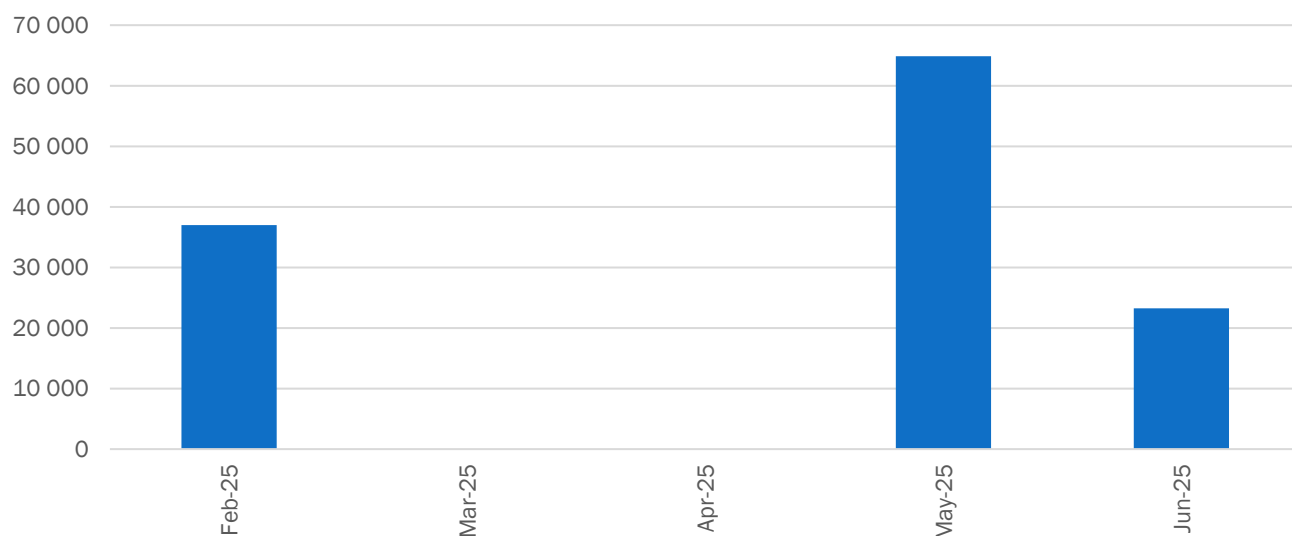
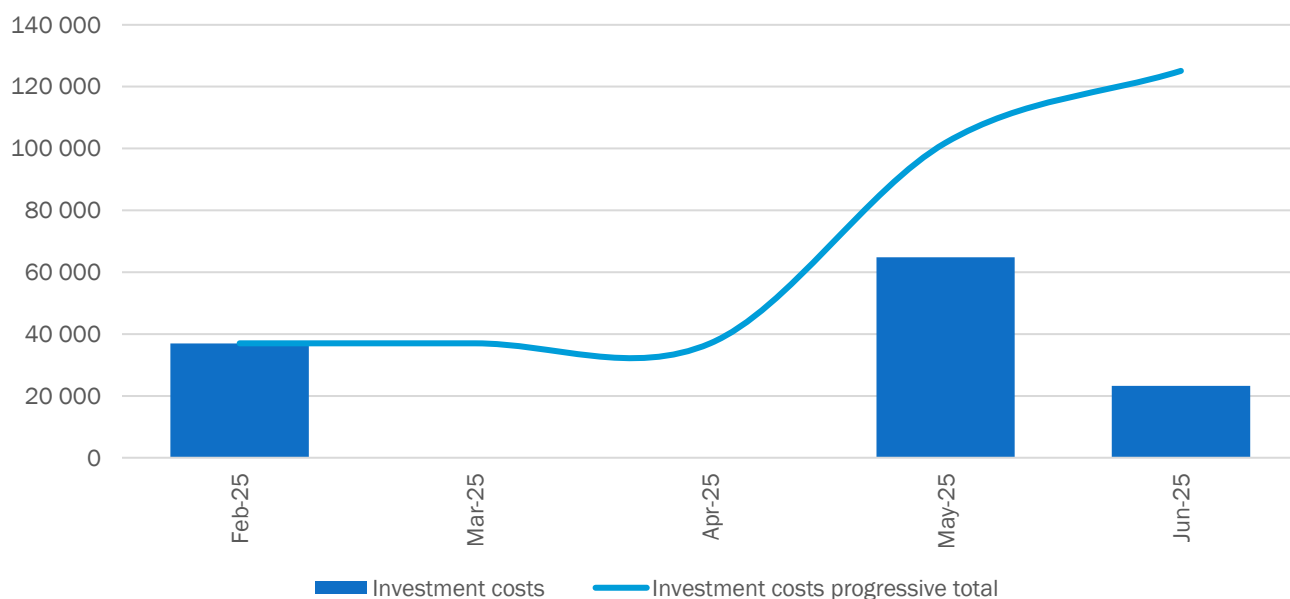


Diagram 15. Investment cost financing schedule, euro



5.3 Risk assessment

Investments in the project have a high degree of riskiness, since in case of exiting the project before it reaches self-sufficiency, subject to the sale of the enterprise in separate parts, and not as part of the property complex and in the case of an urgent sale (within 2-3 months), the share of irrecoverable investments will be about 100,0%. Therefore, the recoverable amount is roughly estimated at 0,0 thousand euro. A detailed explanation is given in the table below.

Table 4. Assessment of the investment share

euro					
No	Name	Value	Discount rate (if sold in 2-3 month period)	Ammount of discount	Ammount of payback
1	Acquisition of the platform core (back office)	37 000	100%	37 000	0
2	Floating capital financing	88 097	100%	88 097	0
Total / average		125 097	45%	125 097	0
Share of risk investments					100%

6 INCOME PLAN

6.1 Scope of services

Planned number of casino guests

The planned volume of attracting new guests is 5 896 people per month.

Average income per guest is 10 euro per month. At the same time, each newly appeared guest plays on average for 3 months, after this period it is necessary to invest new funds in advertising to retain or re-attract him.

In the form of cash winnings, the casino pays out 95% of the funds credited by guests to the casino account (entered into the system).

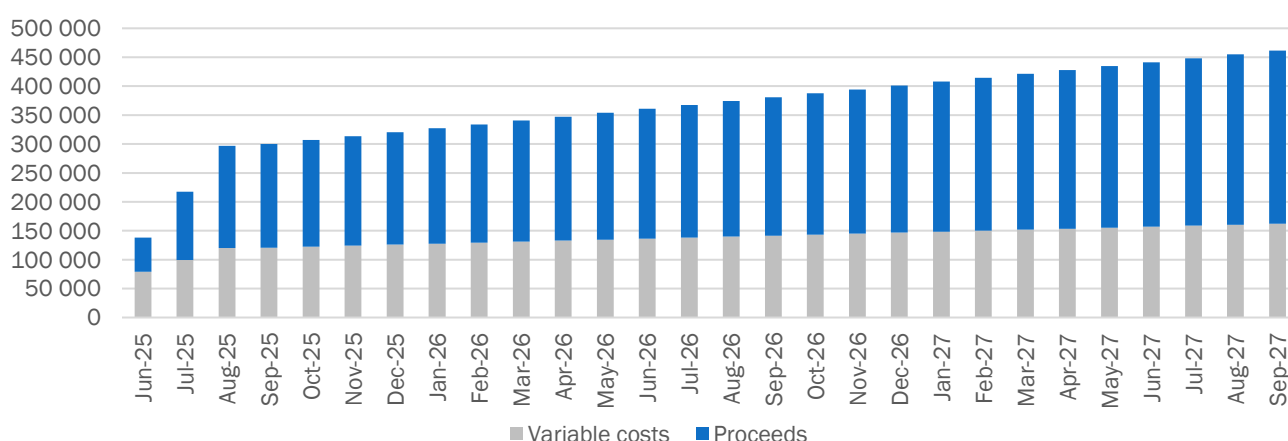
Thus, the income (proceeds) of the casino itself is 5% of the funds entered by the guests into the gaming system.

4 months after the start of the online casino, a referral program is connected - 5 new partners per month. Each partner ensures the arrival of new guests in the amount of at least 50 monthly.

6.2 Volume of income

The average monthly income for the project period (5 years), taking into account the gradual reaching the design capacity, will be about 279,2 thousand euro. At the beginning of the project, it is planned to have an income of 59,0 thousand euro per month, after the company reaches its design capacity – 265,5 thousand euro per month.

Diagram 16. Dynamics of proceeds from sales and direct costs, euro



The total amount of proceeds for the project period (5 years) will amount to 16 750,4 thousand euro.

An aggregate plan for generating income and financing direct costs is presented in the table below (a detailed plan is presented in the Appendices).

Table 5. Income and direct cost plan (before reaching design capacity)

	euro		2025	2026	2027	2028	2029
Month of the project	Total for 5 years		1 - 11	12 - 23	24 - 35	36 - 47	48 - 59
Month from the project launch			1 - 8	9 - 20	21 - 32	33 - 44	45 - 56
Number of days in the period			334	365	365	366	365

Basic parameters of the project

Average income per guest per month, euro	10
Advertising costs, per month	58 957

Physical indicators	Unit	-						
Total number of guests	ppl		19 437	25 937	31 937	37 937	43 937	
Number of new casino guests	ppl	330 159	41 270	70 748	70 748	70 748	70 748	
Number of new guests of the referral program	ppl	371 250	3 750	34 500	70 500	106 500	142 500	
<i>For reference:</i>								
Cash turnover with an average percentage of	euro	335 008 100	22 024 520	54 449 040	68 849 040	83 249 040	97 649 040	
Cumulative total number of referral partners		7 425	75	690	1 410	2 130	2 850	
Proceeds excl. VAT	Income from 1 guest	16 750 405	1 101 226	2 722 452	3 442 452	4 162 452	4 882 452	
	total	16 750 405	1 101 226	2 722 452	3 442 452	4 162 452	4 882 452	
Casino income	10,0	16 750 405	1 101 226	2 722 452	3 442 452	4 162 452	4 882 452	
Variable costs excl. VAT	Income from 1 guest	9 142 439	854 579	1 646 730	1 895 130	2 143 530	2 391 930	
<i>Basic expenses</i>								
	total	5 876 110	639 840	1 115 852	1 223 852	1 331 852	1 439 852	
Advertising costs	10,0	3 360 549	471 656	707 484	707 484	707 484	707 484	

7 PROJECT COSTS DURING THE OPERATION PERIOD

The following types of costs were identified in this project:

- fixed costs;
- variable costs.

7.1 Fixed costs

Staffing and salary

According to the staffing table, the total estimated number of personnel is 5 people with a standard workload with an average salary of 580 euro per month.

The total payroll will amount to 2,9 thousand euro per month (34,8 thousand euro per year).

It is planned to pay for the work of all employees of the company on a time-based basis. At the same time, in the future, it is planned to develop a system of financial incentives (bonuses, bonuses, etc.).

Table 6. Staffing table with salaries

					euro
No	Position	Number of people	Salary	Total per month	Total per year
<i>Personnel</i>					
1	Senior technician	1	700	700	8 400
2	Operator-consultant	3	400	1 200	14 400
3	Marketing Specialist	1	1 000	1 000	12 000
Total		5		2 900	34 800

5 additional staff are employed for every 6000 new clients. The cost of additional personnel is shown in variable costs.

7.2 Variable costs

Direct costs

A complete list of current variable costs is presented in the table below.

Table 7. Variable costs

euro				
No	Item of expense	Euro per unit, total	%	Calculation base
<i>Basic expenses</i>				
1	Advertising costs	10		for 1 new client
2	Percentage of the platform gross profit, but not less	3 000	15%	gross profit for the previous month

A detailed plan for financing direct costs is presented in the Appendices.

Diagram 17. Structure of variable costs (to the total volume of variable costs)

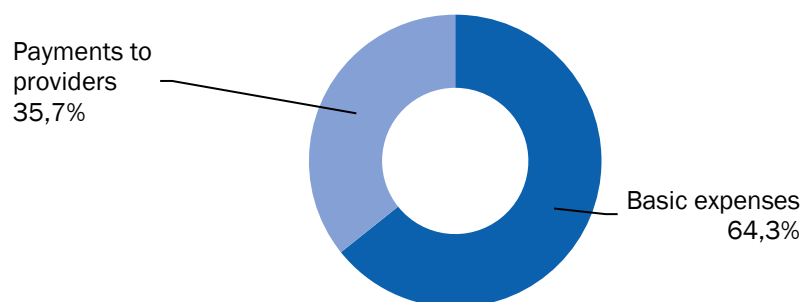
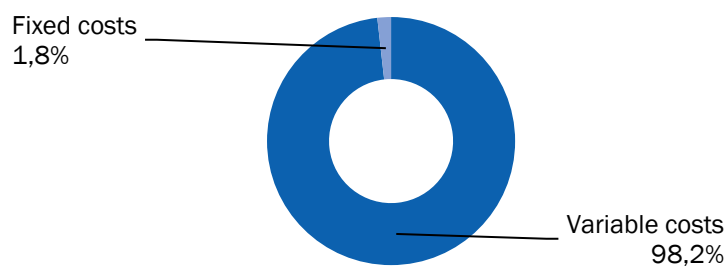


Diagram 18. The ratio of fixed and variable costs



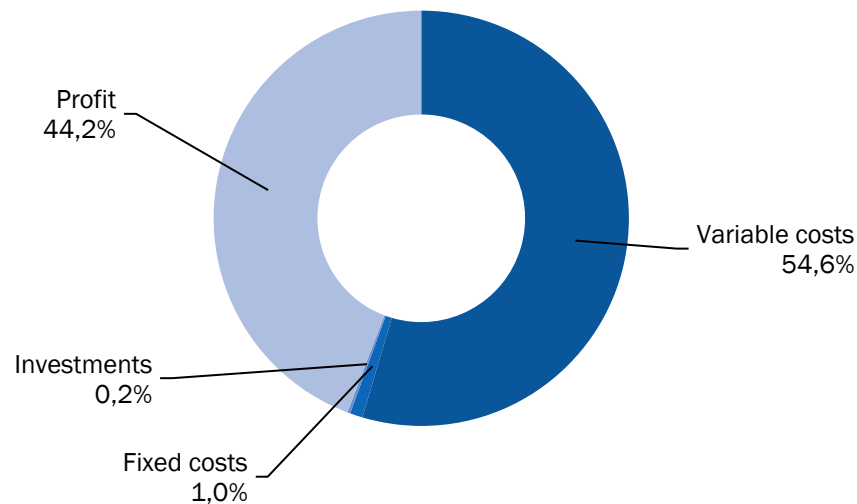
7.3 Analysis of the project revenue structure

The easiest way to analyze the main cost streams and their share in the total cost is to analyze the distribution of total revenue for the project period (5 years). The structure of the distribution of proceeds by main cost groups and profit in descending order will look as follows:

- variable costs - 54,58%;
- profit - 44,21%;
- fixed costs - 0,99%;
- investments - 0,22%.

The diagram below illustrates that the share of the project's proceeds that goes to net profit is 44,2%.

Diagram 19. The structure of distribution of proceeds from sales to costs and profit



The table below shows the shares of individual items of operating income and costs in the total volume of income for the project (the data are shown according to the plan in aggregate for the entire period of the project, the percentages are given from the volume of revenue).

Table 8. Revenue structure (costs and benefits)

euro

No	Parameter	Monthly average	Monthly average (excl. VAT)	Annual average	Annual average (excl. VAT)	Total for 5 years	Total of 5 years (excl. VAT)	%
1	Proceeds	293 867	293 867	3 526 401	3 526 401	16 750 405	16 750 405	100,00%
2	Operating costs TOTAL	163 294	163 294	1 959 524	1 959 524	9 307 739	9 307 739	55,57%
3	Variable costs total	160 394	160 394	1 924 724	1 924 724	9 142 439	9 142 439	54,58%
4	Basic expenses	103 090	103 090	1 237 076	1 237 076	5 876 110	5 876 110	35,08%
5	Payments to providers	57 304	57 304	687 648	687 648	3 266 329	3 266 329	19,50%
4	Fixed costs total	2 900	2 900	34 800	34 800	165 300	165 300	0,99%
7	Salary	2 900	2 900	34 800	34 800	165 300	165 300	0,99%
8	Investment (excl. floating assets) TOTAL	649	649	7 789	7 789	37 000	37 000	0,22%
9	Cash balance at the end of the project TOTAL	129 924	129 924	1 559 088	1 559 088	7 405 666	7 405 666	44,21%
10	Profit TOTAL	129 924	129 924	1 559 088	1 559 088	7 405 666	7 405 666	44,21%

7.4 Analysis of the break-even point

The break-even point shows the minimum sales volume at which the company does not receive a loss (sales revenue is equal to the cost of production). The financial strength margin shows the possibility of reducing sales to the threshold of zero profitability.

Break-even Analysis Assumptions

When searching for the break-even point of this project, the following assumptions were used:

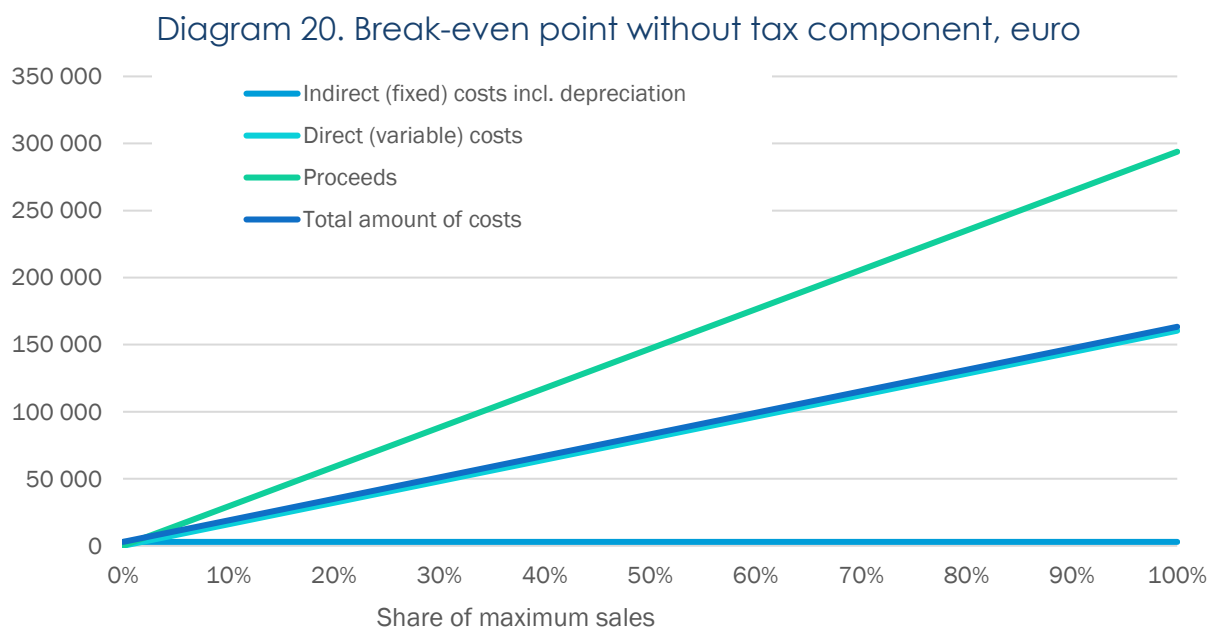
- variable costs increase in proportion to the increase in sales (i.e., sales volumes for each line of business increase with the same proportions);
- to analyze the break-even point, considering taxes, the average amount of taxes for the project period per month was taken, which increases in proportion to the growth in sales;
- to analyze the investment break-even of the project (break-even points for the project as a whole), investments and the cost of capital (interest) are included in the same way as fixed costs (do not change with increasing revenue).

Operational break-even

Excluding the tax component

The average monthly break-even sales volume calculated on the basis of operating income, variable and fixed costs, excluding taxes, is 6,4 thousand euro (or 2,2% of average revenue).

The financial strength margin is 287,5 thousand euro (97,8% of average revenue).

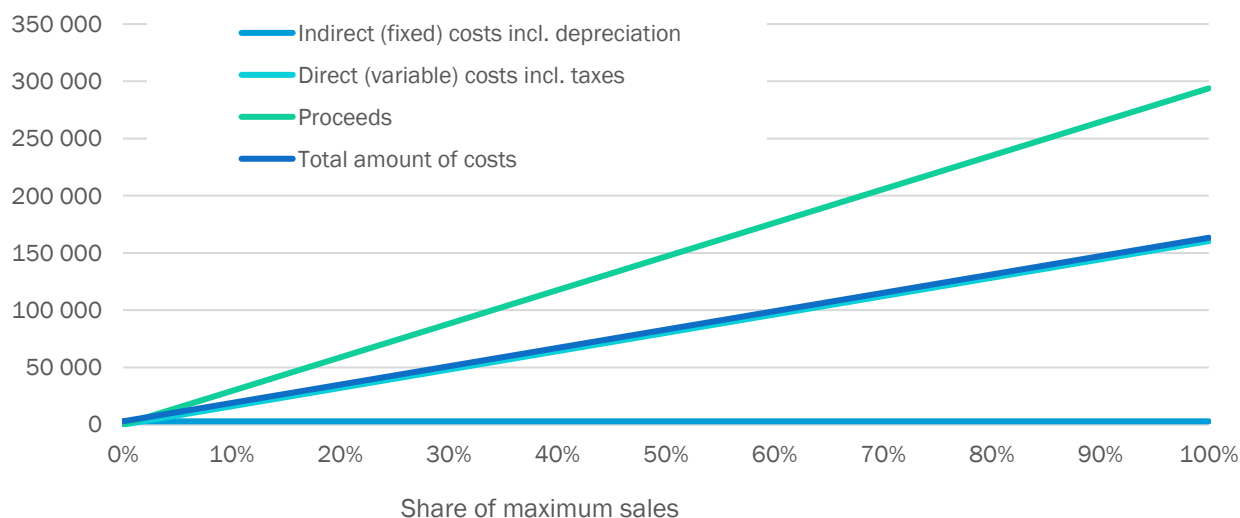


Considering the tax component

The average monthly break-even sales volume, calculated on the basis of operating income, variable and fixed costs and taxes, is 6,4 thousand euro (or 2,2% of average revenue).

The financial strength margin reaches 287,5 thousand euro (97,8% of average revenue).

Diagram 21. Break-even point including the tax component, euro

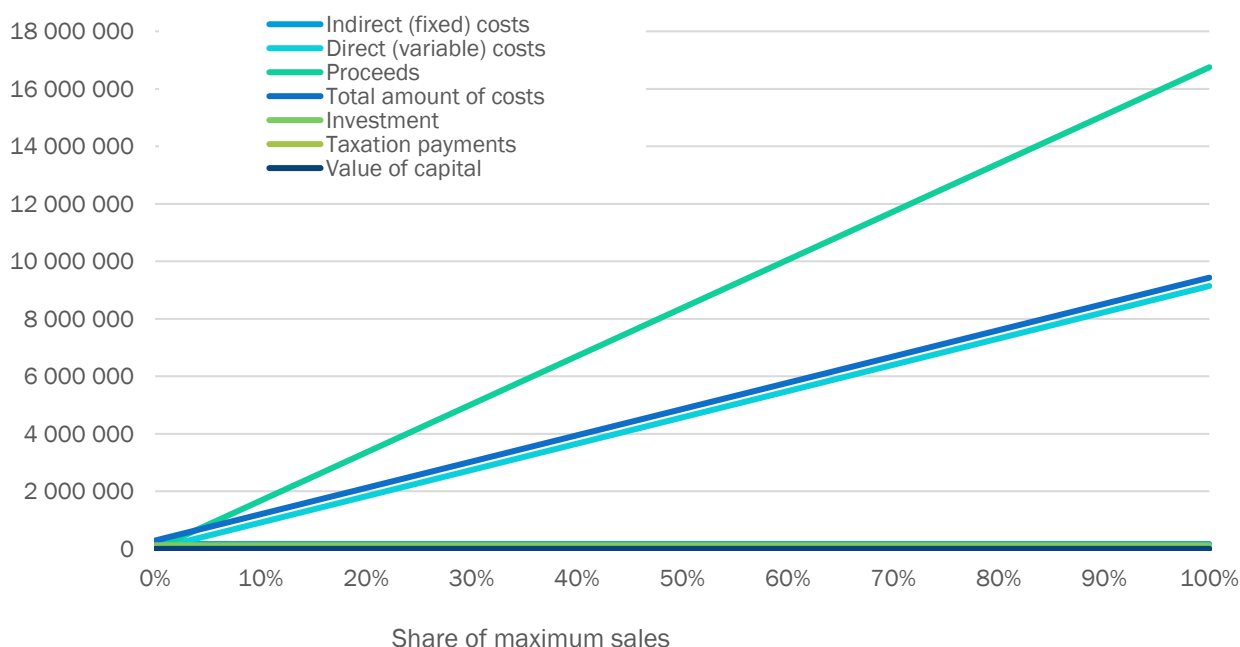


Break-even analysis for the whole project

As part of the investment project as a whole, taking into account investment costs and the declared sales volume for the entire project period, the break-even sales volume is equal to 639,4 thousand euro (3,8% of the total project proceeds).

The financial strength margin reaches 16 111,0 thousand euro (96,2% of the total project proceeds).

Diagram 22. Break-even point of the project as a whole, euro



8 FINANCIAL PLAN

8.1 Conditions for attracting investment resources

Financial resource requirements and financing structure

The need for financial resources for the project is 125,1 thousand euro.

It is planned that the financing of this project will be carried out at the expense of the investor and the company's expense.

The amount of own funds will be 125,1 thousand euro (100%).

Conditions for reimbursement of investor funds

The co-investor's funds are reimbursed after the profit is made.

8.2 Indicators of the cash flow plan

The cash flow plan combines three cash flows together:

- investment flow (characterizing long-term investments in the development of the company, as well as possible further income from the sale of these assets);
- operating flow (describing the current activities of the company);
- financial flow (showing the sources of financing investment investments and operating costs).

Investment activities

The balance of the investment cash flow of the project is equal to the aggregate of all long-term financial investments (investment budget), except for working capital - 37,0 thousand euro.

Operating activities

Positive cash flows from operating activities are generated by sales proceeds. Negative cash flows are the company's operating costs.

The amount of proceeds for the period of the project reaches 16 750,4 thousand euro.

Negative cash flow reaches 9 307,7 thousand euro and consists of the following main components:

- variable costs - 9 142,4 thousand euro;
- fixed costs - 165,3 thousand euro.

Thus, the balance on operating activities at the end of the project will be equal to the amount of net profit and will be 7 405,7 thousand euro.

Financial activities

The financial flow consists of receipts of own and credit funds for financing the project, as well as their subsequent reimbursement.

Thus, the financial balance is zero.

A detailed cash flow plan is presented in the Appendices.

8.3 Indicators of Profit and Loss Plan

The amount of proceeds for the project period will amount to 16 750,4 thousand euro. The total volume of direct costs will reach 9 142,4 thousand euro.

Thus, the gross profit is 7 608,0 thousand euro.

Fixed costs for the project period will be 165,3 thousand euro.

Profit before tax will be 7 405,7 thousand euro.

The volume of net profit, taking into account the write-off of the entire amount of investment costs (through depreciation), will reach 7 405,7 thousand euro.

A detailed plan of profit and loss is presented in the Appendices.

8.4 Company's value

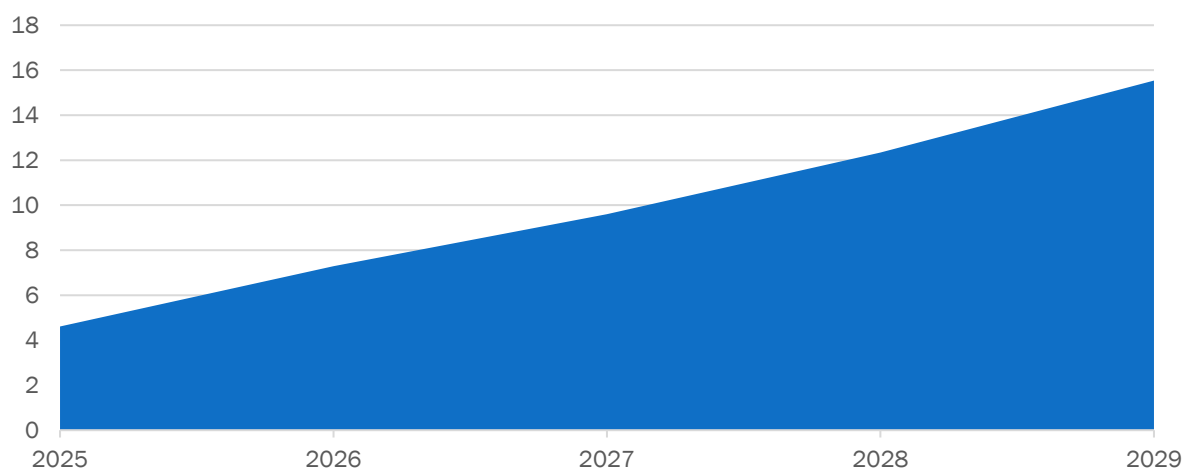
The cost of the company at the end of the project (after 60 months (5 years)) will be 15 539 thousand euro.

The dynamics of the company's value is shown below.

Table 9. Dynamics of the company's value

	thousand euro				
	2025	2026	2027	2028	2029
Company value	4 606	7 288	9 606	12 337	15 539

Diagram 23. Dynamics of the company's value, million euro



8.5 Project Financial Performance

The project calculation horizon is 60 months (5 years). The investment period of the project (until the launch of the project) is 3 months (0,3 years). The working period of the project (from the launch) is 57 months (4,8 years).

To calculate the financial indicators of the project, taking into account the nature of the project, a discount rate of was adopted.

In total, for the entire period of the project implementation, 16 750,4 thousand euro of sales proceeds will be received.

The total cost for the project period will amount to 9 344,7 thousand euro.

The average monthly net operating income will amount to 123,4 thousand euro. The average current balance of the cash account on the current account for the entire period of the project will amount to 2 696,3 thousand euro.

Net profit upon completion of the project will amount to 7 405,7 thousand euro.

The cash flow plan, the plan of income and expenses, the forecast balance and the calculation of payback and indicators of investment analysis for the project are presented in the Appendices.

Table 10. Financial and investment indicators of the project

No	Name of the indicator	Rate
1	Calculation period of the project, year	5,0
2	Calculation period of the project, month	60
3	Laid-down capital (LDC), euro	125 097
4	Sum of proceeds (SP), incl. VAT, euro	16 750 405
5	Sum of proceeds (SP), excl. VAT, euro	16 750 405
6	Net average operational receipts per month (NAOR), euro	123 428
7	Average demand balance per month (ADB), euro	2 696 350
8	Net profit for the project period, euro	7 405 666
9	Net value (cash balance (NV)), euro	7 405 666
10	Average profitability for the project period (net profit to proceeds	44,2%
11	Discounting rate (DR), %	19,2%
12	Net present value (NPV), euro	4 260 458
13	Net present value (NPV), incl. terminal value (DTV), euro	4 544 720
14	Average Rate of Return of investments (ARR)	1184,0%
15	Return on investment (ROI)	5919,9%
16	Capitalization rate, %	1189,9%
17	Profitability index (PI)	117,92
18	Internal rate of return (IRR)	1655,2%
19	Modified internal rate of return (MIRR)	16,2%
20	Pay back period of the project in whole (PBP), incl. financing scheme	8 months
		0,7 years

Diagram 24. Cash flows for the project, euro

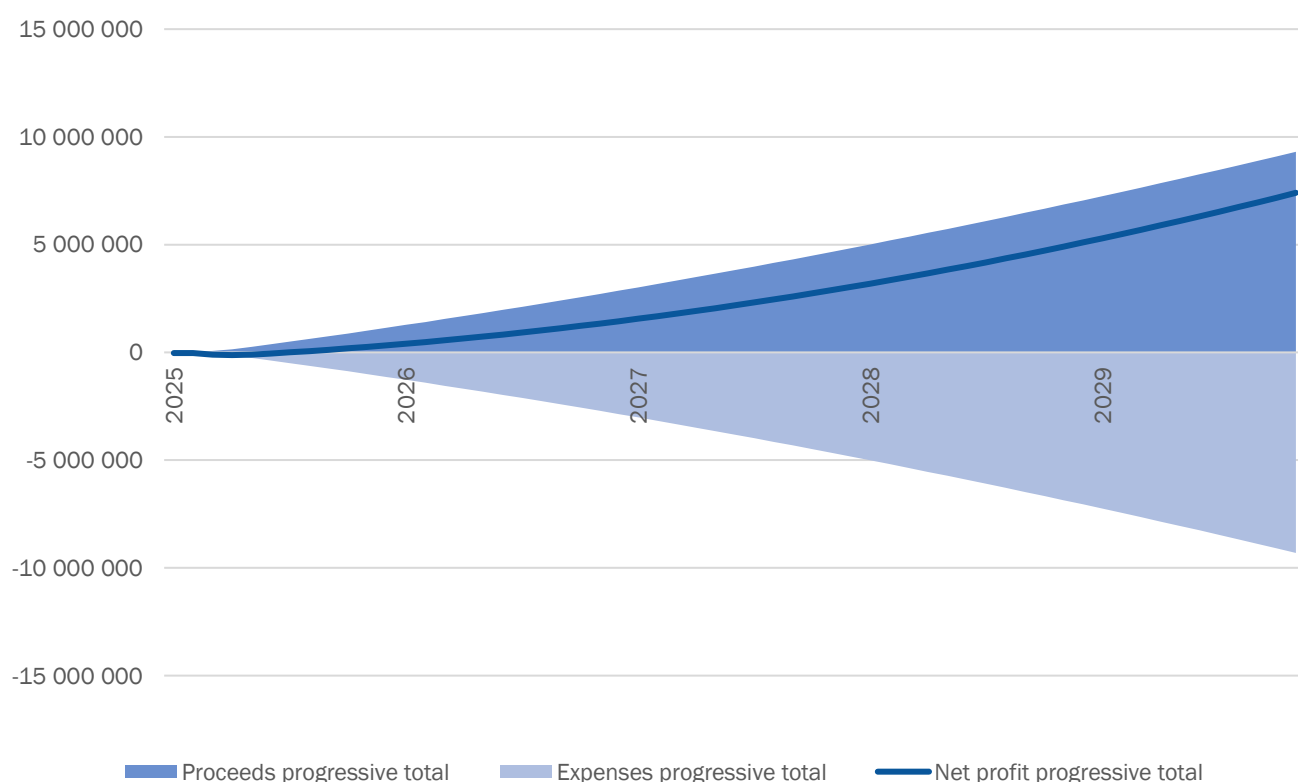
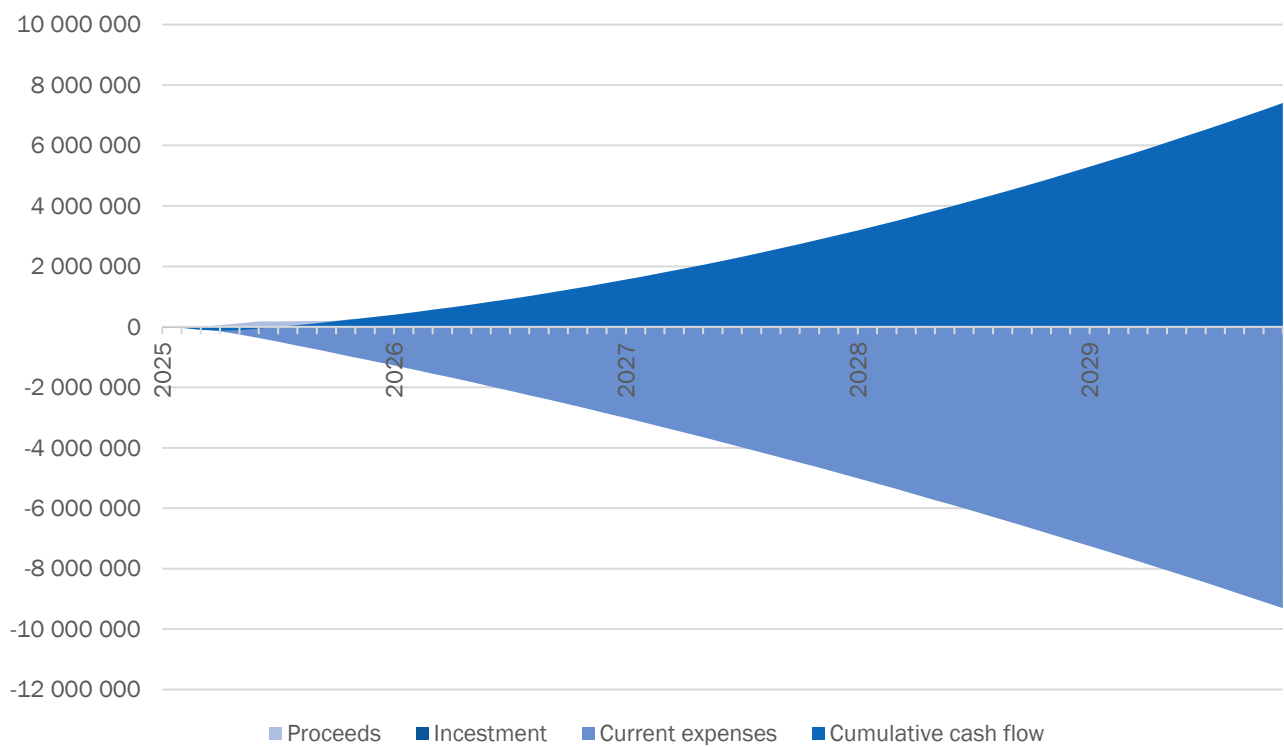


Diagram 25. Payback of the project, euro



9 PROJECT RISK ANALYSIS

In its most general form, risk is the likelihood of incurring losses or losses.

Investment risk characterizes the likelihood of unforeseen financial losses, its level in the assessment is determined as the deviation of the expected income from investment from the average or calculated value. Therefore, the assessment of investment risks is always associated with the assessment of expected income and their losses.

The purpose of risk analysis is to provide the necessary data for making decisions on the advisability of participating in the project and developing measures to protect against possible financial losses.

9.1 Factors affecting the company's activities

During the implementation of the project, as well as during the period of further operation, the enterprise may face various types of risks:

Classification of factors by spheres of manifestation

- economic;
- political;
- social;
- ecological;
- other types.

Classification of factors by sources of occurrence

- economic;
- associated with persons;
- due to natural and economic factors.

Classification of factors by the environment of occurrence

- external unpredictable events;
- external predictable but uncertain events;
- internal unpredictable events;
- internal predictable but uncertain events.

Classification of factors due to the occurrence

- uncertainty of future events;
- unpredictable behavior of partners;
- lack of information.

A qualitative assessment (risk identification) is based on expert assessments of the possibility of a threat and the degree of adverse consequences that arise. A qualitative assessment can be relatively simple, its main task is to determine possible types of risks (areas of occurrence), as well as factors affecting the level of risks when performing a certain type of activity. The advantage of the qualitative approach is its versatility, no need for accurate initial data and expensive software tools, the ability to conduct an assessment before

calculating the effectiveness of the project. The main disadvantages include: difficulty in attracting independent experts and subjective assessments.

The quantitative assessment of threats expresses the likelihood of their implementation and the degree of impact in numerical values. The use of a quantitative assessment is advisable if it is possible to express possible losses in the event of consequences in the event of risks arising in an exact measure (for example, the amount of costs for the acquisition and commissioning of equipment, in case of not obtaining a license to carry out licensed activities or the volume of contracts with customers, in the case of damage to business reputation).

The meaning of identifying risks at the stage of investment design is that for the analysis, assessment and, ultimately, risk management, it is initially necessary to identify possible risks in relation to a specific project, while such important work as finding the causes of their occurrence or describing their possible consequences implementation, development of measures that compensate or minimize risks and obtain a full cost estimate of all indicators, can be carried out at subsequent stages.

For this project a quantitative risk analysis was carried out.

9.2 Quantitative risk analysis (sensitivity analysis)

Analysis parameters

A quantitative risk analysis was carried out using the sensitivity analysis method. The method involves the assessment of the maximum possible deviations of the main parameters of the project from the base case while maintaining the minimum positive value (close to zero) of the resulting indicator within the analyzed project horizon.

The main parameters affecting the financial results of the project were identified:

- proceeds;
- investments;
- variable costs;
- fixed costs;
- taxes;
- discounting rate.

A sensitivity analysis was performed for the following resulting indicators:

- net profit (with a long planning horizon, it is equal to the cash balance at the end of the project);
- net present value (NPV).

The impact of changing these parameters on the indicators of profitability and project efficiency are presented in the table below.⁷

⁷It should be noted that possible deviations in the "net profit" indicator will always be greater than in the indicator of net present value. Since the "net present value" indicator gives an estimate of the project considering discounting (cheaper) future cash flows, the project's sensitivity to this indicator is always higher. Simplified: Net Income gives an

NPV sensitivity

Critical deviations of key indicators in terms of net present value (the project does not pay off in 5 years) are: a decrease in revenue by more than 42,4%, an increase in investments by more than 2000,0%, an increase in variable costs by 75,5%, an increase in the size of fixed expenses by 2000,0%, an increase in the tax burden by 2000,0%, an increase in the amount of accrued and paid interest by more than 2000,0% or an increase in the discount rate by more than 2000,0%.

Priority of factors:

- the most influencing factor - proceeds; the critical deviation reaches 42,4% of the calculated level (with this deviation and higher, the project does not pay off in 5 years);
- the least influencing factor - interest; the critical deviation reaches 2000,0% of the calculated level.

Net profit sensitivity

Critical deviations of key indicators for net profit (the project does not pay off in 5 years) are: a decrease in revenue by more than 44,2%, with an increase in investments by more than 1318,3%, an increase in variable costs by 81,0%, an increase in the size of fixed expenses by 2000,0%, an increase in the tax burden by 2000,0%.

Priority of factors:

- the most influencing factor - proceeds; the critical deviation reaches 42,4% of the calculated level (with this deviation and higher, the project does not pay off in 5 years);
- the least influencing factor - taxes; the critical deviation reaches 2000,0% of the calculated level.

Conclusion

The assessment of possible deviations of the initial parameters allows us to conclude about the low degree of riskiness of the project, since a critical change in the most sensitive parameter (revenue) in relation to the base case, even by 0,0%, allows you to keep the payback within the calculation horizon (no more than 5 years), the project has a reliable margin of financial strength.

estimate of the accumulated cash at the end of the project, and "Net Present Value" is an estimate of the accumulated cash at the end of the project, adjusted for inflation.

Diagram 26. Critical deviations of key project factors (in terms of NPV)

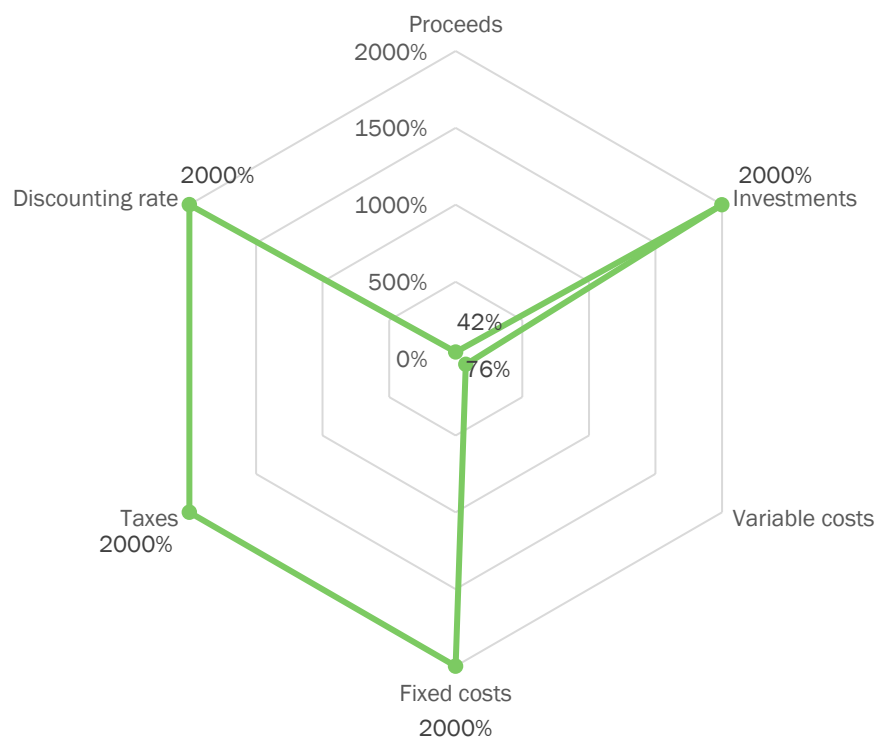


Table 11. Impact of changing individual parameters on project performance indicators

№	Changes	Change of a parameter, %	Net profit, euro	NPV, euro	IRR, %	Pay back period of the project in whole (PBP), incl. financing scheme	Discounted payback period of the project in whole (DPBP), incl. financing scheme	Profitability index (PI)	Average Rate of Return of investments (ARR)	Рентабельность вложенных инвестиций (ROI)
	Initial alternative of the project		7 405 666	4 260 458	1655,2%	8 months	8 months	117,9170	1184,0%	5919,9%
1	Change of proceeds	-10%	5 730 626	3 256 031	924,9%	9 months	9 months	90,3532	875,0%	4374,8%
2		+10%	9 080 707	5 264 885	2698,9%	7 months	7 months	145,4809	1523,6%	7617,9%
3	Change of investment	-10%	7 412 696	4 264 102	1781,0%	7 months	8 months	131,0189	1221,2%	6106,2%
4		+10%	7 397 896	4 256 814	1546,5%	8 months	8 months	107,1973	1148,8%	5743,8%
5	Change of variable costs	-10%	8 319 910	4 824 510	2559,6%	7 months	7 months	133,3959	1499,5%	7497,3%
6		+10%	6 491 422	3 696 406	1046,8%	9 months	9 months	102,4381	932,5%	4662,6%
7	Change of fixed costs	-10%	7 422 196	4 271 144	1676,6%	7 months	8 months	118,2103	1192,2%	5960,8%
8		+10%	7 389 136	4 249 772	1634,0%	8 months	8 months	117,6238	1175,9%	5879,5%
9	Change of taxation	-10%	7 405 666	4 260 458	1655,2%	8 months	8 months	117,9170	1184,0%	5919,9%
10		+10%	7 405 666	4 260 458	1655,2%	8 months	8 months	117,9170	1184,0%	5919,9%
11	Change of discounting rate	-10%	7 405 666	4 476 941	1655,2%	8 months	8 months	123,6853	1184,0%	5919,9%
12		+10%	7 405 666	4 058 943	1655,2%	8 months	8 months	112,5410	1184,0%	5919,9%

Table 12. Sensitivity analysis of the project

№	Parameter (X)	Change of a parameter, %	NPV, euro	Change of NPV if the Parameter is changed, euro	Change of NPV if the Parameter is changed, %	NPV deviation to Parameter change $ \Delta \text{NPV}\% / \Delta X\% $	Breaking change of NPV		Breaking change of profit	
							NPV=0	Sensibility ranking*	Profit=0	Sensibility ranking*
1	Proceeds	-5%	3 758 244	-502 214	-11,8%	2,4	-42,4%	2	-44,2%	3
2	Investments	+5%	4 258 636	-1 822	0,0%	0,0	+2000,0%	4	+1318,3%	5
3	Variable costs	+5%	3 978 432	-282 026	-6,6%	1,3	+75,5%	3	+81,0%	4
4	Fixed costs	+5%	4 255 115	-5 343	-0,1%	0,0	+2000,0%	4	+2000,0%	6
5	Taxes	+5%	4 260 458	0	0,0%	0,0	+2000,0%	1	+2000,0%	1
6	Discounting rate	+5%	4 157 913	-102 544	-2,4%	0,5	+2000,0%	4		

*Sensitivity level: 1 - the largest sensitivity (even little change in % influences the project considerably)

10 DESCRIPTION OF CALCULATION

10.1 Assumptions

General assumptions

The calculation is made at constant prices. It is assumed that in the future, the growth of income and costs will be proportional and will have an equal impact on all market participants.

The residual value of the project's assets at the end of the billing period is not considered when analyzing the integral indicators of the project, since it is not expected to close the enterprise, exit participants and sell assets.

Breakeven Analysis Assumptions

When searching for the break-even point of this project, the following assumptions were used:

- variable costs increase in proportion to the increase in sales (i.e., sales for each line of business increase with the same proportions);
- to analyze the break-even point including taxes, the average amount of taxes for the project period per month was taken, which is distributed similarly to variable costs;
- to analyze the investment break-even of the project (break-even points for the project as a whole), investments and the cost of capital (interest) are included in the same way as fixed costs (do not change with increasing revenue).

10.2 Project parameters

Planning horizon and calculation step

A planning horizon of 60 months (5 years) was chosen, which makes it possible to analyze the payback of the project when changing the initial parameters (sensitivity analysis), and also reflects the period of recovery of all or most of the invested funds (investments).

At the same time, the investment period of the project (until the launch of the project) is 3 months (0,3 years). The working period of the project (from the date of launch) is 57 months (4,8 years).

The calculation is performed on a monthly basis with the ability to analyze summary data for enlarged periods.

Calculation currency and inflation

The settlement currency is euro.

Inflation is not taken into account in the calculations, since it is assumed that the inflationary increase in the expenditure side of the project is offset by a proportional increase in selling prices and hence income.

Formation of project cash flows

Net cash flow by project steps is formed from operating outflows and cash inflows. Based on the net cash flow, project performance indicators are calculated (see below).

Profit distribution

In the calculations, retained earnings are not reinvested - the project does not take into account the possibility of investing temporarily free funds to obtain additional income (interest on deposits, income on shares or bonds, etc.).

10.3 Calculation of profit indicators

Earnings Before Interest and Tax (EBIT) is the difference between gross profit and operating costs, the financial result from all types of activities before income tax and interest on borrowed funds.

$$EBIT = \text{Profit (loss) before tax} + \text{Interest payable}$$

EBITDA is an analytical indicator equal to the volume of profit before deducting expenses for taxes, interest, and accrued depreciation. EBITDA is calculated as follows: net profit + income tax expense + interest paid + depreciation charges on tangible and intangible assets.

$$EBITDA = \text{Profit (loss) before tax} + \text{Interest payable} + \text{Amortization}$$

10.4 Calculating the budget effect

The budget effect is calculated using the formula:

$$B_t = R_t - E_t$$

where:

R_t – budget revenues in period t ;

E_t – budget expenditures in period t .

Thus, the budget effect is the excess of the revenues of the corresponding budget over the costs in connection with the implementation of this project for the t -th step.

Budget revenues include:

- tax revenues;
- non-tax revenues (payments for land lease, etc.).

Budget expenditures include:

- subsidies for various purposes;
- budget losses from the provision of tax rebates.

The integrated budgetary effect is calculated using the formula:

$$B_{\text{инт}} = \sum_{t=1}^n \frac{R_t - E_t}{(1 + r)^t}$$

where:

R_t – budget revenues in period t ;

E_t – budget expenditures in the period t ;

r – the discount rate;

n – number of periods.

10.5 Calculation of project performance criteria

Absolute indicators

Laid-down capital (LDC) is the amount of funds that must be attracted to implement the project (initial investment in the project, investment costs).

$$LCD = investment + financing\ of\ working\ capital$$

Sales Proceeds (SP) is the aggregate of project revenues, sales proceeds.

Net Average Operating Revenue (NAOR) is the average amount of cash remaining at the disposal of the enterprise after reaching the design capacity, after each reporting period (month, quarter, year), which can be used to repay the funds invested in the project and accumulation (in the form of net profit).

Average Demand Balance (ADB) is the average amount of cash remaining at the disposal of the enterprise after reaching the design capacity, after each reporting period (month, quarter, year), which can be used to repay the funds invested in the project and accumulation (in the form of net profit).

Net Profit (NP) is calculated as the difference between the aggregate of income adjusted for VAT and the aggregate of costs adjusted for VAT, as well as income tax. If the property amortization period is less than or equal to the project calculation horizon, the amount of the project's net profit should be equal to the balance of funds at the end of the project, reflected in the cash flow plan.

$$\begin{aligned} \text{Net Profit} = & \text{revenue excl. VAT} - \text{variable costs excl. VAT} - \text{operating costs excl. VAT} - \text{depreciation} \\ & - \text{interest} - \text{taxes} \end{aligned}$$

Net Value (NV) is the balance of funds on the company's current account at the end of the project. If the property amortization period is less than or equal to the project calculation horizon, the cash balance is equal to the project's net profit reflected in the profit and loss plan.

$$\text{Net income} = \text{revenue} - \text{variable costs} - \text{operating costs} - \text{interest} - \text{taxes}$$

Discounted indicators

Discounting is the reduction of all cash flows (payment flows) to a single point in time. Discounting is the basis for calculating the value of money considering the time factor.

Discounting allows you to determine the current value of funds that are planned to be received in the future.

Discounting Rate (DR, %) is an indicator reflecting the minimum allowable return on invested capital (at which an investor will prefer participation in a project to an alternative investment of the same funds in another project with a comparable degree of risk). Discounting is the adjustment of future cash flows to the current period, considering the change in the value of money over time.

The discount rate reflects the value of money, considering time factor and risks, since money received now is preferable than money that will be received in the future.

The discount rate is defined as the weighted average cost of capital (WACC), which considers the cost of equity (equity) capital and the cost of borrowed funds.

$$\text{WACC} = (R_f + \beta(R_m - R_f)) \left(\frac{E}{V} \right) + \frac{1}{(1 + r)^t} \left(\frac{D}{V} \right) (1 - t_c)$$

where:

R_f - the risk-free rate of return;

β - the coefficient that determines the change in the price of a company's shares in comparison with the change in the price of shares for all companies in this market segment;

$(R_m - R_f)$ - market risk premium;

R_m - average market rates of return on the stock market.

E - the market value of equity (share capital). It is calculated as the product of the total number of ordinary shares of the company and the price of one share;

D - the market value of borrowed capital. In practice, it is often determined by accounting statements as the amount of loans to a company. If this data cannot be obtained, then available information on the ratio of equity and debt capital of similar companies is used;

$V = E + D$ - the total market value of the company's loans and its share capital;

r - the discount rate;

t - period;

t_c - income tax rate.

Data sources for calculating the formula:

- Bloomberg Agency;
- MED strategy
- Tax Code of the Russian Federation
- Design data

To determine the cost of equity the Capital Assets Pricing Model (CAPM) is used.

The discount rate (rate of return) on equity (Re) is calculated using the formula:

$$R_e = R_f + \beta(R_m - R_f),$$

Where:

R_f is the risk-free rate of return;

β is the coefficient that determines the change in the price of a company's shares in comparison with the change in the price of shares for all companies in this market segment;

(R_m - R_f) - market risk premium;

R_m - average market rates of return on the stock market.

Rate of Discounting is the rate of return on capital that satisfies both the investor and the business. It allows the investor to receive information about how much higher his future income is compared to the risk-free rate, i.e. the rate that he can get if he places, for example, his resources on a deposit in a bank.

$$RD = \frac{1}{(1 + r)^t}$$

Where:

RD is the discount rate;

r is the discount rate;

t - period.

Net Present Value (NPV) is the sum of cash flows (receipts and payments) associated with operating and investment activities, discounted (discounted) at the time of the start of the investment. Project acceptance criterion $NPV \geq 0$. This indicator allows you to classify options and make decisions based on a comparison of investment costs with the income from the project given at the time of the start of the investment.

Net present value (NPV) reflects:

- the sum of current effects for the entire calculation period, reduced to the initial step;
- excess of integral results over integral costs;
- the absolute value of the income from the project considering the expected change in the value of money and depends on the discount rate.

NPV values:

- NPV must be non-negative for an effective project;
- the more NPV, the more efficient the project;
- when comparing alternative projects, preference should be given to the project with a large NPV value (if it is positive).

$$NPV = \sum_{t=0}^N \frac{CF_t}{(1 + i)^t}$$

Where:

N is the number of periods;

CF_t - cash flow in period *t*;

i - discount rate;
t - period.

Internal Rate of Return (IRR, %) is value of the discount rate at which NPV = 0. At this point, the discounted cost stream is equal to the discounted stream of benefits (cash outflows are equal to cash inflows considering the discount), i.e. it has the economic meaning of a discounted break-even point.

The indicator determines the maximum cost of the attracted capital at which the investment project remains profitable. In another formulation, this is the average return on invested capital provided by this investment project, i.e. the efficiency of capital investment in this project is equal to the efficiency of investing at IRR interest in any financial instrument with a uniform income.

IRR is calculated as the value of the discount rate at which NPV = 0. As a rule, IRR values are found either by graphical methods (by plotting the dependence of NPV on the discount rate) or using specialized programs.

The internal rate of return is calculated from the equation:

$$IC = \sum_{t=1}^N \frac{CF_t}{(1 + IRR)^t}$$

Where:

IC - investment cash flow in the zero period

N is the number of periods;

CF_t - cash flow in period *t*;

IRR - discount rate;

t - period.

Modified Internal Rate of Return (MIRR, %) is the value of the discount rate at which NPV = 0 for the case when payments related to the implementation of the project (investments) are brought to the beginning of the project using a discount rate based on the cost of capital raised (financing rate or the required rate of return on investment), and the proceeds from the project are brought to its end using a discount rate based on the possible income from reinvestment of these funds (rate of return on reinvestment).

$$\sum_{t=0}^n \frac{I_t}{(1 + r)^t} = \frac{\sum_{t=1}^N CF_t * (1 + d)^{n-t}}{(1 + MIRR)^n}$$

Where:

CF_t - cash flow from the investment project in period *t*;

I_t is the cost of an investment project in period *t*;

d - reinvestment rate (interest rate of possible reinvested income of an investment project)

r is the discount rate (sometimes called the barrier rate);

n is the sum of the number of period.

Investment Analysis Ratios

Average profitability for the project period (Profitability), % is the ratio of the net profit accumulated during the project period to the income received during the same period (to the proceeds without VAT).

$$Profitability = \frac{net\ profit}{revenue\ excl.\ VAT}$$

Average Rate of Return (ARR), % presents the profitability of the project as the ratio between the average annual income from its implementation and the value of the initial investment.

ARR is interpreted as the average annual income that can be obtained from a project.

$$ARR = \frac{\sum_{t=1}^n CF_t}{I_0 * n/12}$$

Where:

CF_t – cash flow from the investment project in period t ;

I_0 – initial costs;

n – the sum of the number of periods (months).

Return on Investment (ROI) characterizes the ratio of net profit to the amount of invested capital (initial investment in the project).

$$ROI = \frac{\sum_{t=1}^n CF_t - I_0}{I_0 n}$$

Where:

CF_t – cash flow from the investment project in period t ;

I_0 – initial costs;

n – the sum of the number of periods (months).

Capitalization rate is the ratio between the net income from a property and its original price or capital expenditure. Representing the investor's estimated interest income, it allows you to compare different investment options and select the option that brings the highest annual interest rate.

$$Capitalization\ rate = \frac{\sum_{t=1}^n NI_t}{I_0 * n/12}$$

Where:

NI_t – net income from an investment project in period t (excluding payment of interest on a loan and other commercial expenses);

I_0 – initial costs;

n – the sum of the number of periods (months).

Profitability Index (PI) is a criterion for evaluating an investment project, defined as the quotient of dividing the reduced income (discounted operating flow) from the project by the present value of costs (discounted investment flow).

Profitability index (PI):

- increased by one ratio of NV to the accumulated volume of investments;
- increased by one ratio of NPV to the accumulated discounted volume of investments;
- the ratio of the sum of these effects to the amount of capital investment.

The PI indicator shows the relative value of the project's profitability, the relative return on the investment of the project. It determines the amount of profit per unit of invested funds.

$$PI = \frac{\sum_{t=1}^n CF_t / (1+r)^t}{I_0}$$

Where:

CF_t – cash flow from the investment project in period t ;

I_0 - initial costs;

r - discount rate;

n - sum of the number of periods (months).

Payback indicators

Pay-Back Period (PBP) is the expected period of reimbursement of the initial investment from net cash receipts (cash receipts minus expenses). The time during which the proceeds from the operational activities of the enterprise will exceed the investment costs.

PBP = n , at which the following condition is met:

$$\sum_{t=1}^n CF_t > I_0$$

Where:

CF_t – cash flow from the investment project in period t ;

I_0 - initial costs;

n - sum of the number of periods (months).

Discount Pay-Back Period (DPBP) is payback period (see above) but considering discounting.

DPBP = n , at which the following condition is met:

$$\sum_{t=1}^n \frac{CF_t}{(1+r)^t} > I_0$$

Where:

CF_t – cash flow from the investment project in period t ;

I_0 - initial costs;

R - discount rate;

n - sum of the number of periods (months).

10.6 Calculation of financial ratios

Solvency indicators

Solvency ratio (L1) shows the ability of the organization to cover its debts at the expense of current assets, without resorting to a sale of property.

$$L_1 = \frac{A1 + 0.5 * A2 + 0.3 * A3}{P1 + 0,5 * P2 + 0,3 * P3}$$

Where:

A1 - amounts for all items of cash that can be used to perform current settlements immediately. Balance lines 250 + 260.

A2 = assets that take time to turn into cash. This group can include receivables (payments for which are expected within 12 months after the reporting date), other current assets. Balance lines 240 + 270.

A3 = this is inventory, accounts receivable (payments for which are expected more than 12 months after the reporting date), value added tax on the acquired values. Balance lines 210 + 220 + 230.

P1 = accounts payable, dividend payments, other short-term liabilities. Balance lines 620 + 630.

P2 = short-term loans from banks and other loans due to be repaid within 12 months after the reporting date. Balance lines 610 + 660.

P3 = long-term borrowed loans and other long-term liabilities - items in section IV of the balance sheet "Long-term liabilities". Balance line 590

Absolute liquidity ratio (L2) shows what part of short-term debt can be repaid by cash.

$$L_2 = \frac{l. 250 + l. 260}{l. 610 + l. 620 + l. 630 + l. 660}$$

Where:

l.250 – short-term financial investments;

l.260 – monetary funds;

l.610 – short-term loans and credits;

l.620 – accounts payable;

l.630 – debt to the founders for the payment of income;

l.660 – other short-term liabilities

Critical assessment coefficient (L3) shows what part of short-term obligations can be immediately repaid at the expense of funds in accounts, as well as receipts from settlements.

$$L_3 = \frac{l. 240 + l. 250 + l. 260}{l. 610 + l. 620 + l. 630 + l. 660}$$

Where:

l.240 – accounts receivable (less than 12 months);

l.250 – short-term financial investments;

l.260 – monetary funds;

l.610 – short-term loans and credits;

l.620 – accounts payable;

l.630 – debt to the founders for the payment of income;

l.660 – other short-term liabilities.

Current liquidity ratio (L4) shows the possibility of repayment of short-term liabilities at the expense of current assets.

$$L_4 = \frac{l. 290}{l. 610 + l. 620 + l. 630 + l. 660}$$

Where:

l.290 – current assets;

l.610 – short-term loans and credits;

l.620 – accounts payable;

l.630 – debts to the founders for the payment of income;

l.660 – other current liabilities

Provision with Own Sources of Financing Ratio (L7) shows what part of current assets is financed from own sources.

$$L_7 = \frac{l. 490 - l. 190}{l. 290}$$

Where:

l.490 - capital and reserves;

l.190 - non-current assets;

l.290 - current assets.

Quick liquidity ratio shows the ability to repay short-term liabilities at the expense of the most liquid part of current assets (except for reserves).

$$R_{ql} = \frac{A1 + A2}{P1 + P2}$$

Where:

A1 = amounts for all items of cash that can be used to perform current settlements immediately. Balance lines 250 + 260.

A2 = assets that take time to turn into cash. This group can include receivables (payments for which are expected within 12 months after the reporting date), other current assets. Balance lines 240 + 270.

P1 = accounts payable, dividend payments, other short-term liabilities. Balance lines 620 + 630.

P2 = short-term loans from banks and other loans due to be repaid within 12 months after the reporting date. Balance lines 610 + 660.

Financial Independence Ratio in terms of the formation of stocks and costs - shows what part of stocks and costs is formed at the expense of own funds.

$$K_{\Phi H33} = \frac{l. 300}{l. 210 + l. 220}$$

Where:

l.300 – balance currency;

l.210 – reserves;

l.220 – VAT on purchased valuables.

Financial soundness indicators

Autonomy Ratio shows the share of own funds in the total amount of funding sources.

$$K_{ab} = \frac{l.490}{l.300}$$

Where:

l.490 – capital and reserves;

l.300 – balance currency;

Dependency ratio shows the ratio of the organization's own and borrowed funds.

$$K_{\phi_3} = \frac{l.700}{l.490}$$

Where:

l.700 – balance currency;

l.490 – capital and reserves.

Maneuverability coefficient provides the share of the enterprise's funds that is in mobile form.

$$K_m = \frac{l.490 - l.190}{l.490}$$

Where:

l.490 – capital and reserves;

l.190 – non-current assets.

Business activity indicators

Asset turnover ratio characterizes the effectiveness of the organization's use of all available resources (regardless of sources).

$$\text{Asset turnover ratio} = \frac{\text{revenue excl. VAT}}{l.700}$$

Where:

l.700 – balance currency.

Equity capital turnover ratio determines the rate of equity capital turnover (equity capital activity)).

$$\text{Equity turnover ratio} = \frac{\text{revenue excl. VAT}}{l. 490}$$

Where:

l.490 – capital and reserves.

Turnover rate characterizes the number of inventory updates.

$$\text{Turnover rate} = \frac{\text{revenue excl. VAT}}{l. 210}$$

Where:

l.210 – reserves.

Stock circulation time characterizes the average number of days of stay of goods in the organization from the moment of receipt until the moment of sale.

$$\text{Stock circulation time} = \frac{l. 210}{\text{revenue excl. VAT} * 360}$$

Where:

l.210 – reserves.

The ratio of accounts receivable and payable characterizes the creditworthiness of the organization.

$$\text{The ratio of accounts receivable and payable} = \frac{l. 230 + l. 240}{l. 620}$$

Where:

l.230 – accounts receivable (more than 12 months);

l.240 – accounts receivable (less than 12 months);

l.620 – accounts payable.

Profitability indicators

Return on invested capital characterizes the number of monetary units of profit received from a unit of asset value (regardless of the sources of funds).

$$\text{Profitability}_{\text{BK}} = \frac{l.470}{l.700}$$

Where:

l.470 – retained earnings;

l.700 – balance currency.

Return on equity (ROE) characterizes the number of monetary units of profit received from a unit of invested equity.

$$ROE = \frac{l.470}{l.490}$$

Where:

l.470 – retained earnings;

l.490 – capital and reserves.

Profitability of working capital characterizes the number of monetary units of profit received from a unit of current assets.

$$\text{Profitability of working capital} = \frac{l.470}{l.290}$$

Where:

l.470 – retained earnings;

l.290 – current assets.

Profitability of turnover characterizes the number of monetary units of profit received from a unit of proceeds from sales.

$$\text{Profitability of turnover} = \frac{l.470}{\text{revenue excl. VAT}}$$

Where:

l.470 – retained earnings.

Marginal profitability characterizes the number of monetary units of the marginal profit received from the unit of proceeds from sales.

$$\text{Margin profitability} = \frac{\text{gross profit}}{\text{revenue excl. VAT}}$$

10.7 Methodology for calculating the value of the company

The company's present value is calculated as the sum of the company's net profit for the next 3 years, accumulated retained earnings, residual value of intangible assets and fixed assets, inventory balances, accounts receivable minus accounts payable and debt.

When calculating the value of the company at the end of the year, the net profit for the last month multiplied by 36 (profit forecast for 3 years) is taken into account.

$$\text{Company value} = \text{net profit} * 36 + l. 110 + l. 120 + l. 210 + l. 230 + l. 240 + l. 470 - l. 620 - l. 510$$

Where:

l.110 - intangible assets;

l.120 - fixed assets;

l.210 - reserves;

l.230, 240 - accounts receivable;

l.470 - retained earnings;

l.510 - loans and credits;

l.620 - accounts payable.

11 LIST OF TABLES AND DIAGRAMS

11.1 List of tables

Table 1. Indicators of the project.....	11
Table 2. Investment budget.....	39
Table 3. Financial plan.....	40
Table 4. Assessment of the investment share.....	41
Table 5. Income and direct cost plan (before reaching design capacity)	43
Table 6. Staffing table with salaries	44
Table 7. Variable costs.....	45
Table 8. Revenue structure (costs and benefits).....	47
Table 9. Dynamics of the company's value.....	51
Table 10. Financial and investment indicators of the project.....	53
Table 11. Impact of changing individual parameters on project performance indicators	59
Table 12. Sensitivity analysis of the project.....	59

11.2 List of diagrams

Diagram 1. Flow of funds.....	8
Diagram 2. Organizational structure	9
Diagram 3. Payback of the project, euro.....	12
Diagram 4. Volume of global online gambling market, billion euros	23
Diagram 5. Forecast of Gross Gaming Revenue, \$ billion	24
Diagram 6. Regional structure of gross income of the gambling business in 2019.....	25
Diagram 7. Growth in gross income by region in 2019.....	25
Diagram 8. The share of the "white market" in online gambling revenue worldwide	26
Рисунок 9. Online gambling income by game type	27
Diagram 10. Share of online gambling income from total gambling income in the world.....	28
Diagram 11. Online gaming revenue by type, 2019.....	28
Diagram 12. Online gambling market in the USA.....	35
Diagram 13. Investment cost structure	39
Diagram 14. Investment cost financing schedule, euro.....	40
Diagram 15. Investment cost financing schedule, euro.....	41
Diagram 16. Dynamics of proceeds from sales and direct costs, euro	42
Diagram 17. Structure of variable costs (to the total volume of variable costs).....	45
Diagram 18. The ratio of fixed and variable costs.....	45
Diagram 19. The structure of distribution of proceeds from sales to costs and profit.....	46
Diagram 20. Break-even point without tax component, euro	48
Diagram 21. Break-even point including the tax component, euro	49
Diagram 22. Break-even point of the project as a whole, euro	49
Diagram 23. Dynamics of the company's value, million euro	52
Diagram 24. Cash flows for the project, euro	53
Diagram 25. Payback of the project, euro	54
Diagram 26. Critical deviations of key project factors (in terms of NPV).....	58

12 APPENDIX

The List of the GP(s):

NO	GP(S)	ROYALTY %
1	Ainsworth Games	12,00%
2	Alchemy Gaming	13,00%
3	All41 Studios	11,00%
4	AllWaySpin	10,00%
5	Amatic Industries	13,00%
6	Apollo Games	11,50%
7	BBTECH	11,00%
8	Belatra Games	12,00%
9	Bet2Tech	11,00%
10	BetGamesTV	14,00%
11	Betsoft	12,00%
12	BetSolutions	12,00%
13	Bgaming	10,00%
14	Booming games	14,00%
15	Booongo	12,00%
16	BTG / Big Time Gaming	14,00%
17	Caleta Gaming	11,00%
18	Casino Technology (CT Gaming)	11,50%
19	Champion	9,00%
20	Colossus Bets	12,00%
21	Crazy Tooth Studio	13,00%
22	Cyberslot	10,00%
23	D-Tech	12,00%
24	Edge Gaming	12,00%
25	EGT Interactive	15,00%
26	Electric Elephant	14,00%
27	ELK Studios	11,00%
28	Endorphina	11,00%
29	Eurasian / EA gaming	12,00%
30	Evoplay	12,00%
31	Evolution**	15,00%
32	Eyecon	14,00%
33	Fantasma	13,00%
34	Fortune Factory Studios	11,00%
35	Gamshy	12,50%
36	Gamzix	9,00%
37	Genesis Gaming	13,00%
38	Gold Coin Studios	12,00%
39	Golden Race	12,00%

NO	GP(S)	ROYALTY %
40	Golden Rock Studios	11,00%
41	Green Jade	10,00%
42	Habanero	11,00%
43	HackSaw Gaming	12,00%
44	Half Pixel Studios	14,00%
45	Hollywood TV	12,00%
46	Igrosoft	9,00%
47	Inspired gaming	12,00%
48	Iron Dog Studios	12,00%
49	ISoftBet	12,00%
50	Just For The Win (JFTW)	13,00%
51	KA Gaming	11,00%
52	Kalamba Games	12,00%
53	Kiron Interactive	14,00%
54	Leander	10,00%
55	Leap Gaming	11,00%
56	Lightning Box Games	12,00%
57	LiveG24	12,00%
58	Mancala Gaming	10,00%
59	Maskot	11,00%
60	Matrix games	10,00%
61	MGA	14,00%
62	Microgaming	13,00%
63	MrSlotty	12,00%
64	Neko Games	14,00%
65	Neon Valley Studios	14,00%
66	NetEnt	15,00%
67	NetGame Entertainment	11,50%
68	NetGaming	11,00%
69	Nolimit City	13,00%
70	Old Skool	12,00%
71	One Touch	11,00%
72	OnlyPlay	10,00%
73	PG Soft	12,50%
74	Plank Gaming	14,00%
75	Platipus	11,00%
76	Playbro	11,00%
77	PlayPearls	10,50%
78	Playson	12,00%
79	PlayTech	15,00%
80	Pragmatic Play	12,00%
81	Probability Jones	13,00%

NO	GP(S)	ROYALTY %
82	Pulse 8	13,00%
83	Pushgaming	12,00%
84	Quickspin	14,00%
85	Rabcat	13,00%
86	Realistic Games	11,00%
87	Red Rake Gaming	12,00%
88	Red7 Games	11,00%
89	Redtiger	13,00%
90	Relax Gaming	13,00%
91	Ruby play	11,00%
92	SA Gaming	11,50%
93	Salsa Technology	11,00%
94	SimplePlay	11,00%
95	Skillzz Gaming	11,00%
96	Slingshot Studios	13,00%
97	Slot Exchange (X Card)	11,00%
98	Snowborn Studios	13,00%
99	Spadegaming	12,00%
100	Spearhead Studios	14,00%
101	Spinmatic	12,00%
102	Spinomenal	11,00%
103	SpinPlay Games	13,00%
104	Spribe	11,00%
105	Storm Gaming	14,00%
106	Stormcraft Studios	14,00%
107	Switch Studios	13,00%
108	Thunderkick	12,00%
109	Thunderspin	10,00%
110	TrueLab	11,50%
111	TVBET	11,00%
112	Vela Gaming	11,00%
113	Vibra Gaming	11,00%
114	Virtual Generation Games	12,00%

Sales Plan and Direct Costs
Cash Flow Budget
Profits and Losses Report
Calculation of Payback and Project Indicators

euro		Total for 5 years	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	2026	2027	2028	2029	2030
Month of the project			5	6	7	8	9	10	11	12 - 23	24 - 35	36 - 47	48 - 59	60 - 60
Month from the project launch			2	3	4	5	6	7	8	9 - 20	21 - 32	33 - 44	45 - 56	57 - 57
Number of days in the period			30	31	31	30	31	30	31	365	365	366	365	31

Basic parameters of the project

Maximum operating rate				100%
Average income per guest per month, euro				10
Advertising costs, per month				58 957

PHYSICAL INDICATORS

Physical indicators			Unit	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of guests			ppl	1 675 041	5 896	11 791	17 687	17 937	18 437	18 937	19 437	272 245	344 245	416 245	488 245	43 937
Number of new casino guests			ppl	330 159	5 896	5 896	5 896	5 896	5 896	5 896	5 896	70 748	70 748	70 748	70 748	5 896
Number of new guests of the referral program	50		ppl	371 250	-	-	250	500	750	1 000	1 250	34 500	70 500	106 500	142 500	13 500
For reference:																
Cash turnover with an average percentage of payments	95%		euro	335 008 100	1 179 140	2 358 280	3 537 420	3 587 420	3 687 420	3 787 420	3 887 420	54 449 040	68 849 040	83 249 040	97 649 040	8 787 420
Cumulative total number of referral partners	5						5	10	15	20	25	58	118	178	238	270
INCOME AND EXPENSE ACCRUALS																
Proceeds excl. VAT	euro		Income from 1 guest	16 750 405	58 957	117 914	176 871	179 371	184 371	189 371	194 371	2 722 452	3 442 452	4 162 452	4 882 452	439 371
Casino income	5%		10,0	16 750 405	58 957	117 914	176 871	179 371	184 371	189 371	194 371	2 722 452	3 442 452	4 162 452	4 882 452	439 371
Variable costs excl. VAT	euro		Income from 1 guest	9 142 439	79 297	99 637	119 977	120 840	122 565	124 290	126 015	1 646 730	1 895 130	2 143 530	2 391 930	210 540
Basic expenses																
		total		5 876 110	67 801	76 644	85 488	85 863	86 613	87 363	88 113	1 115 852	1 223 852	1 331 852	1 439 852	124 863
Advertising costs			10	3 360 549	58 957	58 957	58 957	58 957	58 957	58 957	58 957	707 484	707 484	707 484	707 484	58 957
Percentage of the platform gross profit, but not less	3 000		15%	2 515 561	8 844	17 687	26 531	26 906	27 656	28 406	29 156	408 368	516 368	624 368	732 368	65 906
Payments to providers																
		total		3 266 329	11 497	22 993	34 490	34 977	35 952	36 927	37 902	530 878	671 278	811 678	952 078	85 677
Payments for input of funds into the system by guests			0,5%	1 675 041	5 896	11 791	17 687	17 937	18 437	18 937	19 437	272 245	344 245	416 245	488 245	43 937
Payments for withdrawing funds from the system by guests			0,5%	1 591 288	5 601	11 202	16 803	17 040	17 515	17 990	18 465	258 633	327 033	395 433	463 833	41 740

euro		Total for 5 years	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	2026	2027	2028	2029	2030
Month of the project			1	2	3	4	5	6	7	8	9	10	11	12 - 23	24 - 35	36 - 47	48 - 59	60 - 60
Month from the project launch						1	2	3	4	5	6	7	8	9 - 20	21 - 32	33 - 44	45 - 56	57 - 57
Number of days in the period			28	31	30	31	30	31	31	30	31	30	31	365	365	366	365	31
Cash flow from INVESTING total	VAT	-37 000	-37 000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Acquisition of the platform core (back office)	0%	-37 000	-37 000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OPERATING cash flow total		7 442 666	0	0	0	-64 857	-23 240	15 377	53 994	55 631	58 906	62 181	65 456	1 040 922	1 512 522	1 984 122	2 455 722	225 931
Proceeds inpayment excl. VAT	VAT	16 750 405	0	0	0	0	58 957	117 914	176 871	179 371	184 371	189 371	194 371	2 722 452	3 442 452	4 162 452	4 882 452	439 371
Casino income	0%	16 750 405	0	0	0	0	58 957	117 914	176 871	179 371	184 371	189 371	194 371	2 722 452	3 442 452	4 162 452	4 882 452	439 371
Expenses total	VAT	-9 307 739	0	0	0	-64 857	-82 197	-102 537	-122 877	-123 740	-125 465	-127 190	-128 915	-1 681 530	-1 929 930	-2 178 330	-2 426 730	-213 440
Variable costs total		-9 142 439	0	0	0	-61 957	-79 297	-99 637	-119 977	-120 840	-122 565	-124 290	-126 015	-1 646 730	-1 895 130	-2 143 530	-2 391 930	-210 540
Basic expenses	0%	-5 876 110	0	0	0	-61 957	-67 801	-76 644	-85 488	-85 863	-86 613	-87 363	-88 113	-1 115 852	-1 223 852	-1 331 852	-1 439 852	-124 863
Payments to providers	0%	-3 266 329	0	0	0	0	-11 497	-22 993	-34 490	-34 977	-35 952	-36 927	-37 902	-530 878	-671 278	-811 678	-952 078	-85 677
Fixed costs total		-165 300	0	0	0	-2 900	-2 900	-2 900	-2 900	-2 900	-2 900	-2 900	-2 900	-34 800	-34 800	-34 800	-34 800	-2 900
Salary		-165 300	0	0	0	-2 900	-2 900	-2 900	-2 900	-2 900	-2 900	-2 900	-2 900	-34 800	-34 800	-34 800	-34 800	-2 900
Investing and Operations total		7 405 666	-37 000	0	0	-64 857	-23 240	15 377	53 994	55 631	58 906	62 181	65 456	1 040 922	1 512 522	1 984 122	2 455 722	225 931
progressive total		7 405 666	-37 000	-37 000	-37 000	-101 857	-125 097	-109 720	-55 727	-96	58 810	120 991	186 447	1 227 369	2 739 891	4 724 013	7 179 735	7 405 666
Cash flow from Financial operations total		0	37 000	0	0	64 857	23 240	0	0	0	0	0	0	0	0	0	0	-125 097
Own funds	100%	125 097	37 000	0	0	64 857	23 240	0	0	0	0	0	0	0	0	0	0	0
Own funds repayment		-125 097	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-125 097
TOTAL CASH FLOW OF THE PROJECT		7 405 666	0	0	0	0	0	15 377	53 994	55 631	58 906	62 181	65 456	1 040 922	1 512 522	1 984 122	2 455 722	100 834
progressive total (cash balance)		7 405 666	0	0	0	0	0	15 377	69 370	125 001	183 907	246 088	311 544	1 352 466	2 864 988	4 849 110	7 304 832	7 405 666

For reference:

Gross financing requirement of the project	125 097	37 000	0	0	64 857	23 240	0	0	0	0	0	0	0	0	0	0	0	0
Floating capital financing	88 097	0	0	0	64 857	23 240	0	0	0	0	0	0	0	0	0	0	0	0
Revenue-based financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

euro		Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	2026	2027	2028	2029	2030
Month of the project	Total for 5 years	1	2	3	4	5	6	7	8	9	10	11	12 - 23	24 - 35	36 - 47	48 - 59	60 - 60
Month from the project launch					1	2	3	4	5	6	7	8	9 - 20	21 - 32	33 - 44	45 - 56	57 - 57
Number of days in the period		28	31	30	31	30	31	31	30	31	30	31	365	365	366	365	31
Proceeds inpayment excl. VAT	16 750 405	0	0	0	0	58 957	117 914	176 871	179 371	184 371	189 371	194 371	2 722 452	3 442 452	4 162 452	4 882 452	439 371
Casino income	16 750 405	0	0	0	0	58 957	117 914	176 871	179 371	184 371	189 371	194 371	2 722 452	3 442 452	4 162 452	4 882 452	439 371
Direct costs	9 142 439	0	0	0	61 957	79 297	99 637	119 977	120 840	122 565	124 290	126 015	1 646 730	1 895 130	2 143 530	2 391 930	210 540
Basic expenses	5 876 110	0	0	0	61 957	67 801	76 644	85 488	85 863	86 613	87 363	88 113	1 115 852	1 223 852	1 331 852	1 439 852	124 863
Payments to providers	3 266 329	0	0	0	0	11 497	22 993	34 490	34 977	35 952	36 927	37 902	530 878	671 278	811 678	952 078	85 677
Gross profit (margin)	7 607 966	0	0	0	-61 957	-20 340	18 277	56 894	58 531	61 806	65 081	68 356	1 075 722	1 547 322	2 018 922	2 490 522	228 831
gross (marginal) profitability	45,4%	0,0%	0,0%	0,0%	0,0%	-34,5%	15,5%	32,2%	32,6%	33,5%	34,4%	35,2%	39,5%	44,9%	48,5%	51,0%	52,1%
Fixed costs	165 300	0	0	0	2 900	2 900	2 900	2 900	2 900	2 900	2 900	2 900	34 800	34 800	34 800	34 800	2 900
Salary	165 300	0	0	0	2 900	2 900	2 900	2 900	2 900	2 900	2 900	2 900	34 800	34 800	34 800	34 800	2 900
Other operating costs (excl. VAT)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Earnings before Interest, Taxation, Depreciation & Amortisation (EBITDA)	7 442 666	0	0	0	-64 857	-23 240	15 377	53 994	55 631	58 906	62 181	65 456	1 040 922	1 512 522	1 984 122	2 455 722	225 931
EBITDA profitability	44,4%	0,0%	0,0%	0,0%	0,0%	-39,4%	13,0%	30,5%	31,0%	31,9%	32,8%	33,7%	38,2%	43,9%	47,7%	50,3%	51,4%
Disposal of investment	37 000	37 000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lump-sum costs	37 000	37 000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Earnings before interest and taxes (EBIT)	7 405 666	-37 000	0	0	-64 857	-23 240	15 377	53 994	55 631	58 906	62 181	65 456	1 040 922	1 512 522	1 984 122	2 455 722	225 931
EBIT profitability	44,2%	0,0%	0,0%	0,0%	0,0%	-39,4%	13,0%	30,5%	31,0%	31,9%	32,8%	33,7%	38,2%	43,9%	47,7%	50,3%	51,4%
Profit / loss before tax	7 405 666	-37 000	0	0	-64 857	-23 240	15 377	53 994	55 631	58 906	62 181	65 456	1 040 922	1 512 522	1 984 122	2 455 722	225 931
progressive total	7 405 666	-37 000	-37 000	-37 000	-101 857	-125 097	-109 720	-55 727	-96	58 810	120 991	186 447	1 227 369	2 739 891	4 724 013	7 179 735	7 405 666
Profit tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net profit	7 405 666	-37 000	0	0	-64 857	-23 240	15 377	53 994	55 631	58 906	62 181	65 456	1 040 922	1 512 522	1 984 122	2 455 722	225 931
net profitability	44,2%	0,0%	0,0%	0,0%	0,0%	-39,4%	13,0%	30,5%	31,0%	31,9%	32,8%	33,7%	38,2%	43,9%	47,7%	50,3%	51,4%
progressive total	7 405 666	-37 000	-37 000	-37 000	-101 857	-125 097	-109 720	-55 727	-96	58 810	120 991	186 447	1 227 369	2 739 891	4 724 013	7 179 735	7 405 666

euro	Total for 5 years	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	2026	2027	2028	2029	2030
Month of the project		1	2	3	4	5	6	7	8	9	10	11	12 - 23	24 - 35	36 - 47	48 - 59	60 - 60
Month from the project launch					1	2	3	4	5	6	7	8	9 - 20	21 - 32	33 - 44	45 - 56	57 - 57
Number of days in the period		28	31	30	31	30	31	31	30	31	30	31	365	365	366	365	31

MAIN CASH FLOWS

Current income, incl. VAT	16 750 405	0	0	0	0	58 957	117 914	176 871	179 371	184 371	189 371	194 371	2 722 452	3 442 452	4 162 452	4 882 452	439 371
Current expenses, incl. VAT	9 307 739	0	0	0	64 857	82 197	102 537	122 877	123 740	125 465	127 190	128 915	1 681 530	1 929 930	2 178 330	2 426 730	213 440
Variable costs total	9 142 439	0	0	0	61 957	79 297	99 637	119 977	120 840	122 565	124 290	126 015	1 646 730	1 895 130	2 143 530	2 391 930	210 540
Fixed costs total	165 300	0	0	0	2 900	2 900	2 900	2 900	2 900	2 900	2 900	2 900	34 800	34 800	34 800	34 800	2 900
Taxes total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current operating cash flow	7 442 666	-	-	-	(64 857)	(23 240)	15 377	53 994	55 631	58 906	62 181	65 456	1 040 922	1 512 522	1 984 122	2 455 722	225 931
Current operating cash flow, excl. interest	7 442 666	-	-	-	(64 857)	(23 240)	15 377	53 994	55 631	58 906	62 181	65 456	1 040 922	1 512 522	1 984 122	2 455 722	225 931
Investments excl. floating assets, incl. VAT	37 000	37 000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Invested capital	125 097	37 000	0	0	64 857	23 240	0	0	0	0	0	0	0	0	0	0	0
Equity	125 097	37 000	0	0	64 857	23 240	0	0	0	0	0	0	0	0	0	0	0
Cash flow from operations and investments total	7 405 666	-37 000	-37 000	-37 000	-101 857	-125 097	-109 720	-55 727	-96	58 810	120 991	186 447	1 227 369	2 739 891	4 724 013	7 179 735	7 405 666
Investment cash flow progressive total	-37 000	-37 000	-37 000	-37 000	-37 000	-37 000	-37 000	-37 000	-37 000	-37 000	-37 000	-37 000	-37 000	-37 000	-37 000	-37 000	-37 000
Cash flow from operations progressive total	7 442 666	0	0	0	-64 857	-88 097	-72 720	-18 727	36 904	95 810	157 991	223 447	1 264 369	2 776 891	4 761 013	7 216 735	7 442 666

RATES CALCULATION

Beta of share capital taking into capital structure		0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98
Beta Bloomberg		0,980	0,980	0,980	0,980	0,980	0,980	0,980	0,980	0,980	0,980	0,980	0,980	0,980	0,980	0,980	0,980
The share of debt Project		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
The share of equity Project		100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Profit tax rate Law		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
The cost of equity	19,2%	20,1%	20,1%	20,0%	20,0%	20,0%	19,9%	19,9%	19,9%	19,8%	19,8%	19,8%	19,6%	19,2%	18,9%	18,6%	18,4%
Discount rate		0,98	0,97	0,96	0,94	0,93	0,91	0,90	0,89	0,87	0,86	0,85	0,77	0,65	0,55	0,47	0,43
Non risk rate																	
Yield value of Eurobonds, RusBonds		5,97%	5,97%	5,97%	5,97%	5,97%	5,97%	5,97%	5,97%	5,97%	5,97%	5,97%	5,97%	5,97%	5,97%	5,97%	5,97%
Inflation forecast																	
Ministry of Economic Development forecast 2030		0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
Beta factor (β)		0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98	0,98
Market premium		6,74%	6,74%	6,74%	6,74%	6,74%	6,74%	6,74%	6,74%	6,74%	6,74%	6,74%	6,74%	6,74%	6,74%	6,74%	6,74%
Company specific risk premium		7,50%	7,47%	7,44%	7,41%	7,38%	7,35%	7,31%	7,28%	7,25%	7,22%	7,19%	7,00%	6,66%	6,33%	6,02%	5,86%
Weighted average cost of capital, WACC	19,2%	20,1%	20,1%	20,0%	20,0%	20,0%	19,9%	19,9%	19,9%	19,8%	19,8%	19,8%	19,6%	19,2%	18,9%	18,6%	18,4%
Discount rate		0,98	0,97	0,96	0,94	0,93	0,91	0,90	0,89	0,87	0,86	0,85	0,77	0,65	0,55	0,47	0,43
Equity cost		20,08%	20,05%	20,02%	19,99%	19,96%	19,93%	19,90%	19,87%	19,84%	19,81%	19,78%	19,58%	19,24%	18,92%	18,61%	18,44%
The interest rate on the loan		15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%
Profit tax rate Law		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
After-tax cost of credit		15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%	15,00%
The share of debt Project		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
The share of equity Project		100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Alternative investments rate	14,4%																

euro	Total for 5 years	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	2026	2027	2028	2029	2030
Month of the project		1	2	3	4	5	6	7	8	9	10	11	12 - 23	24 - 35	36 - 47	48 - 59	60 - 60
Month from the project launch					1	2	3	4	5	6	7	8	9 - 20	21 - 32	33 - 44	45 - 56	57 - 57
Number of days in the period		28	31	30	31	30	31	31	30	31	30	31	365	365	366	365	31

INTEGRAL RATES

Free cash flow to the firm, FCFF	7 405 666	-37 000	0	0	-64 857	-23 240	15 377	53 994	55 631	58 906	62 181	65 456	1 040 922	1 512 522	1 984 122	2 455 722	225 931
Free cash flow to the firm, FCFF progressive total	7 405 666	-37 000	-37 000	-37 000	-101 857	-125 097	-109 720	-55 727	-96	58 810	120 991	186 447	8 535 033	24 091 497	45 307 162	72 182 027	7 405 666
Discounted free cash flow to the firm, FCFF	4 260 458	-36 440	0	0	-61 035	-21 543	14 041	48 570	49 301	51 430	53 489	55 477	797 904	978 444	1 087 782	1 146 120	96 918
Discounted free cash flow to the firm, FCFF progressive total	4 260 458	-36 440	-36 440	-36 440	-97 475	-119 018	-104 977	-56 406	-7 106	44 325	97 813	153 290	6 803 271	17 634 577	30 146 090	43 621 194	4 260 458
Terminal value, TV	15 903 855	-2 407 718	0	0	-4 238 620	-1 520 985	1 007 778	3 543 716	3 656 350	3 877 059	4 098 368	4 320 277	7 029 537	9 823 004	12 698 580	15 654 035	15 903 855
Terminal value (TV) (based on average values)	662 661	3 706 844	4 119 221	4 440 891	4 772 201	5 289 784	5 703 820	6 022 202	6 244 656	6 472 177	6 700 286	6 928 981	9 718 632	12 590 460	8 338 237	1 314 912	662 661
Discounted terminal value, DTV	284 262	3 650 742	3 995 652	4 242 844	4 490 955	4 903 537	5 208 435	5 417 327	5 534 070	5 650 814	5 763 635	5 872 632	6 915 890	7 563 891	4 250 630	571 490	284 262
Internal rate of return, IRR	1655,2%																
Payback period, months	8																
Payback period, years	0,7																
Net present value (NPV), euro	4 260 458																
The discounted payback period, months	8																
The discounted payback period, years	0,7																

Free cash flow to equity, FCFE	7 405 666	-37 000	0	0	-64 857	-23 240	15 377	53 994	55 631	58 906	62 181	65 456	1 040 922	1 512 522	1 984 122	2 455 722	225 931
Free cash flow to equity, FCFE progressive total	7 405 666	-37 000	-37 000	-37 000	-101 857	-125 097	-109 720	-55 727	-96	58 810	120 991	186 447	8 535 033	24 091 497	45 307 162	72 182 027	7 405 666
Discounted free cash flow to equity, FCFE	4 260 458	-36 440	0	0	-61 035	-21 543	14 041	48 570	49 301	51 430	53 489	55 477	797 904	978 444	1 087 782	1 146 120	96 918
Discounted free cash flow to the firm, FCFF progressive total	4 260 458	-36 440	-36 440	-36 440	-97 475	-119 018	-104 977	-56 406	-7 106	44 325	97 813	153 290	6 803 271	17 634 577	30 146 090	43 621 194	4 260 458
Terminal value, TV	15 903 855	-2 407 718	0	0	-4 238 620	-1 520 985	1 007 778	3 543 716	3 656 350	3 877 059	4 098 368	4 320 277	7 029 537	9 823 004	12 698 580	15 654 035	15 903 855
Terminal value (TV) (based on average values)	662 661	3 706 844	4 119 221	4 440 891	4 772 201	5 289 784	5 703 820	6 022 202	6 244 656	6 472 177	6 700 286	6 928 981	9 718 632	12 590 460	8 338 237	1 314 912	662 661
Discounted terminal value, DTV	284 262	3 650 742	3 995 652	4 242 844	4 490 955	4 903 537	5 208 435	5 417 327	5 534 070	5 650 814	5 763 635	5 872 632	6 915 890	7 563 891	4 250 630	571 490	284 262
Payback period, months	8																
Payback period, years	0,7																
Net present value (NPV), euro	4 260 458																
The discounted payback period, months	8																
The discounted payback period, years	0,7																