

Business Plan

Techcore Holding B.V.

December 2023

Overview of the business

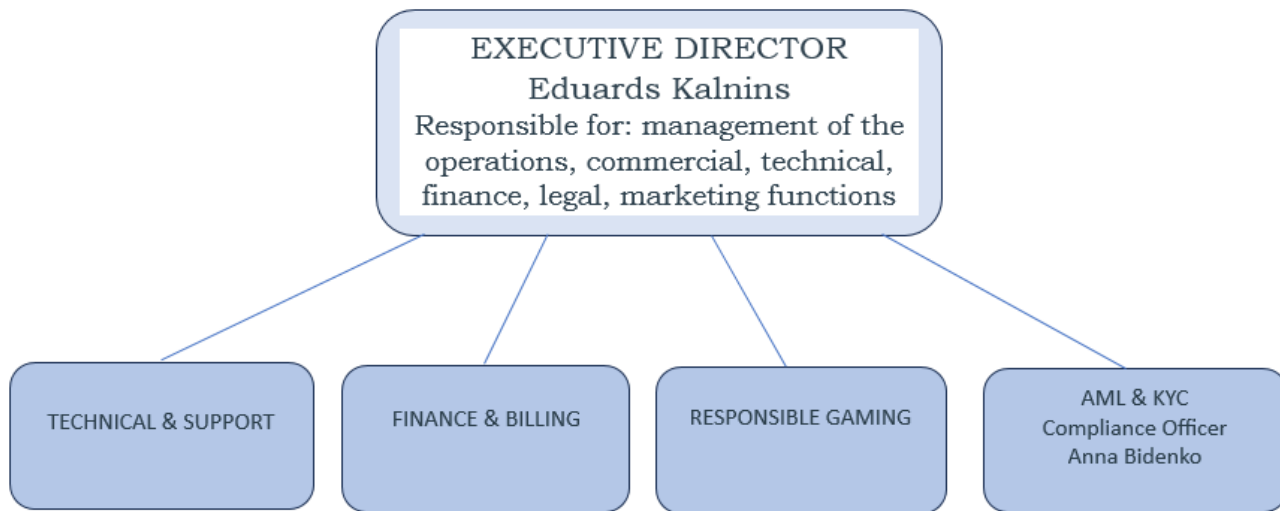
Techcore Holding B.V. is a company established in 2019 under the laws of Curaçao with registration number 151612. Since then the Company became a prominent player in the gaming industry and continues its development in this area, setting itself far-sighted goals and objectives.

The key components of the Company's business include organizing, managing, supporting and operating different types of remote gaming activities, comprising such types of games like betting, games of chance, live dealer games and other interactive games, for clients established or residing outside of Curaçao. The Company Brand Name is fairspin .io, the primary domain is [https://fairspin .io/](https://fairspin.io/)

What sets the Company apart in the marketplace is our commitment to:

- offering high-quality service;
- customer satisfaction, ensuring that services meet or exceed customer expectations;
- transparency in all business dealings;
- safeguarding the privacy and security of customer and employee data;
- complying with relevant laws and regulations governing the industry.

Company management structure



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

Company management structure

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

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

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

Company management structure

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

Business forecast for 3 years - Income Statement Forecast

	2024	2025	2026	total 3 years
Net Gaming Revenue	26,824,179	34,019,545	43,145,009	103,988,734
(-) Game providers	3,487,143	4,422,541	5,608,851	13,518,535
(-) Marketing	8,315,496	10,546,059	13,374,953	32,236,508
(-) Payment systems	1,609,451	2,041,173	2,588,701	6,239,324
(-) Motivation (employees)	268,242	340,195	431,450	1,039,887
(=) Variable Contribution Margin	13,143,848 49.0%	16,669,577 49.0%	21,141,055 49.0%	50,954,480 49.0%
Fixed Costs				
Salaries - management	1,200,000	1,200,000	1,200,000	3,600,000
Salaries - IT	2,400,000	2,400,000	2,400,000	7,200,000
Salaries - other	600,000	600,000	600,000	1,800,000
IT expenses / subscriptions	960,000	960,000	960,000	2,880,000
Licenses	12,000	12,000	12,000	36,000
Rent & utilities	240,000	240,000	240,000	720,000
Legal expenses	120,000	120,000	120,000	360,000
Bank fees	960,000	960,000	960,000	2,880,000
Depreciation	34,963	53,270	67,636	155,869
Other expenses	960,000	960,000	960,000	2,880,000
Total fixed costs	7,486,963	7,505,270	7,519,636	22,511,869
Net Income	5,656,885	9,164,307	13,621,419	28,442,611
Net Income (after tax)	4,525,508	7,331,446	10,897,135	22,754,089

The Company will generate a NGR (net gaming revenue) in the amount of **\$51 mln** during the next 3 years of operations at an average variable contribution margin of 49%. Fixed costs will average about \$7.5 mln per annum.

Net income after tax is forecasted at \$23 mln.

Financing Section - Cash Flow Forecast

Cash Flow Statement	Year 1	Year 2	Year 3	Total
	2024	2025	2026	
Operating Cash Flow				
Net Earnings	4,525,508	7,331,446	10,897,135	22,754,089
Plus: Depreciation & Amortization	34,963	53,270	67,636	155,869
Changes in Working Capital				
(increase) dcr in accounts receivable	(45,783)	(44,470)	(56,399)	(146,652)
(increase) dcr in prepaids	(20,000)	-	-	(20,000)
Increase (dcr) in accounts payable	166,025	200,115	253,794	619,934
Increase (dcr) in accrued taxes	342,136	191,459	243,219	776,813
Cash from Operations	5,002,848	7,731,819	11,405,385	24,140,053
Investing Cash Flow				
(-) Investments in Property & Equipment	(120,000)	(120,000)	(120,000)	(360,000)
Cash from Investing	(120,000)	(120,000)	(120,000)	(360,000)
Financing Cash Flow				
Issuance (repayment) of debt	-	-	-	-
Issuance (repayment) of equity	-	-	-	-
Cash from Financing	-	-	-	-
Net Increase (decrease) in Cash	4,882,848	7,611,819	11,285,385	23,780,053
Opening Cash Balance	2,000,000	6,882,848	14,494,668	2,000,000
Closing Cash Balance	6,882,848	14,494,668	25,780,053	25,780,053

The Company will generate a cash flow in the amount of \$25.8 mln during the next 3 years of operations.

That includes \$24.1 mln of cash flow from operations (after changes in working capital).

Financing Section - Balance Sheet Forecast

Balance Sheet	Year 1	Year 2	Year 3
	2024	2025	2026
Assets			
Cash	6,882,848	14,494,668	25,780,053
Prepaid Expenses	150,000	150,000	150,000
Accounts Receivable	165,783	210,253	266,652
Inventory			
Property & Equipment	190,037	256,767	309,131
Total Assets	7,388,668	15,111,688	26,505,836
Debt + Equity			
Accounts Payable	1,046,025	1,246,140	1,499,934
Accrued Taxes	342,136	533,594	776,813
Debt			
Equity Capital	5,200,000	5,200,000	5,200,000
Retained Earnings	800,508	8,131,954	19,029,089
Total Liabilities & Shareholder's Equity	7,388,668	15,111,688	26,505,836

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

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

Key suppliers

The Company's primary suppliers include :

- Intuition Software Solutions Ltd.
- Game Vector N.V.
- Hub88 International B.V.
- Ultrasoft N.V.
- BET PLAY B.V.
- Green Rock Limited
- Endorphina Ltd
- Play'n GC Hungary Kft
- Relax Gaming International Limited
- SUM AND SUBSTANCE LTD

The Company implements comprehensive business and risk management strategies concerning the potential loss of key suppliers . These measures include proactive planning, the implementation of robust risk mitigation strategies, and continuous monitoring of supplier relationships and supply chain dynamics .

Key suppliers and risk management

Business Management encompasses several key practices :

- Diversification of Suppliers involves identifying alternative suppliers for critical components or services and establishing relationships with them in advance ;
- Supplier Relationship Management : Building strong relationships with key suppliers fosters open communication channels and enables proactive problem -solving ;
- Ensuring that supplier contracts include provisions for performance metrics, quality standards, and dispute resolution mechanisms ;
- Supplier Audits involves conducting periodic audits of key suppliers to assess their financial stability, operational reliability, and adherence to regulatory requirements .

Risk Management includes :

- Assessment of the financial impact of supplier disruptions and development of risk mitigation strategies to minimize potential losses;
- Implementation of robust operational risk management practices, such as business continuity planning and supply chain resilience initiatives .

Legal and governance framework

Decision-making and strategic oversight are managed by the Ultimate Beneficial Owner of the Company (UBO).

The UBO ultimately owns and controls the Company, holding 100% percentage of its shares, allowing the Company to operate without deadlocks or other difficulties in making decisions .

The UBO is responsible for setting long-term goals, approving major business decisions, and providing overall direction .The UBO may be involved in decision-making for the Company, especially decisions that have a significant impact on its direction, investments, or major transactions .

Risk evaluation and management

In the gaming industry, risk assessment, mitigation, and auditing are crucial components to ensure compliance with regulations, protect shareholders, customers and maintain financial stability. Here's an overview of how these processes are conducted by the Company :

1. Risk Assessment :

- The Company identifies potential risks associated with its operations, such as regulatory compliance, financial instability, cybersecurity threats, and reputation risks ;
- The Company assesses the likelihood and potential impact of each identified risk on the Company's objectives and operations ;
- The Company prioritizes risks and ensures compliance with licensing requirements, anti-money laundering (AML) regulations, data protection laws, and other relevant regulations specific to the gaming industry .

Risk evaluation and management

2. Risk Mitigation :

- The Company develops and implements procedures to mitigate identified risks . For example, implementing robust AML and Know Your Customer (KYC) procedures to prevent money laundering and fraud ;
- The Company establishes operational safeguards to protect against cybersecurity threats, such as firewalls, encryption protocols, and regular security audits ;
- The Company maintains adequate financial reserves to cover potential losses and ensure the Company's financial stability ;
- The Company implements fraud detection procedures to prevent and detect fraudulent activities, such as unauthorized access to platforms or payment processing systems .

3. Auditing :

- The Company conducts regular business audits to assess compliance with regulatory requirements, evaluate operational efficiency, and identify areas for improvement ;
- The Company engages independent auditors to perform external audits and provide an objective assessment of the Company's financial stability, compliance with regulations, and adherence to industry best practices .

Business objectives

For the Company measuring success and achieving long-term business objectives involves an approach that encompasses financial performance, regulatory compliance, customer satisfaction, and sustainable growth . Here's how such the Company may measure success and track progress towards long-term objectives :

1) Financial Performance includes : - monitoring revenue growth over time, including gross gaming revenue (GGR) net revenue, and profitability margins ; - monitoring and controlling operational expenses, including marketing costs, licensing fees, and technology investments, to maintain profit margins .

2) Regulatory Compliance includes : - ensuring compliance with licensing requirements and regulatory standards to maintain a valid operating license ; - successfully passing regulatory audits to demonstrate adherence to industry regulations .

3) Customer Satisfaction includes : - measuring customer retention rates and track player loyalty metrics to evolve the effectiveness of marketing strategies and gaming offerings ; - implementing responsible gaming measures to promote player safety, prevent problem gambling, and foster a positive gaming environment .

Business objectives

4) Sustainable Growth includes : - monitoring market share and track competitive positioning within the gaming industry to identify growth opportunities and potential threats ; - evaluating the success of expansion strategies, such as entering new markets, based on market penetration and revenue growth metrics ; - aligning business decisions with long-term strategic objectives, such as diversifying revenue streams, expanding into new markets, or leveraging emerging technologies, to sustainably grow the business over time .

5) Compliance with License Conditions : The Company's choice to maintain operations under a sub-license or transition to a GCE License depends on obtaining the GCE License and its associated terms . This decision is influenced by factors such as pending guidelines, particularly those concerning Game Certification, which are yet to be issued. The same approach will be maintained regarding forthcoming gaming legislation in Curacao.

Policies and procedures

The Company is committed to upholding the highest standards of integrity, ethics, and legal compliance in all aspects of the Company's operations .

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

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

The policies and procedures undergo regular reviews and updates to ensure they remain current and aligned with evolving legal and industry standards.

The Company established robust mechanisms for monitoring compliance with the policies and procedures. This includes internal audits, regular assessments, and proactive measures to address any identified gaps.