

Middle Kang B.V.

BUSINESS PLAN

September 2024

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1 Confidentiality Statement

The information contained herein is confidential between MIDDLE KANG B.V. (MK) and Gaming Control Board (hereinafter 'GCB'). This document contains private information that may not be divulged or discussed with anyone outside the aforementioned organisations without written consent from MIDDLE KANG B.V. Group. The information contained herein shall limitedly and exclusively be used for the purpose it is being provided, that is, the issuance of a remote gaming license.

2 Brief Overview

The Business Plan indicates the MIDDLE KANG B.V.'s intention to incorporate a company, named MIDDLE KANG B.V. Technology Company BV Ltd (the "Company") which shall obtain a B2C Licence from the new Gaming Control Board of Curacao. This will enable the Company to offer

- sports betting,
- casino games,
- lottery,
- card games, and
- live games.

The eligible registered users are individuals over the age of 18 who are located in jurisdictions where online gambling on websites operated by a Curacao licensed entities is not prohibited by law.

3 Description of the Company

3.1 Type of Licence

The licence being requested by the Company is a B2C Licence for Middle Kang B.V.

3.2 Type of Games

The games offered are segmented into; provably fair games, casino games, live games, sports betting and card games

3.2.1 Provably Fair Games

Provably fair games are games that are based on provably fair technology. The provably fair technology uses cryptography to ensure:

- Transparent game result randomization with predefined house edge,
- The fairness of each game result is verifiable by every user - no third-party audit is required.

Provably fair technology will be used to generate results for a variety of game types that might include:

Usual game cycle phases:

- Specification of the bet amount and the game parameters that influence its risk-reward ratio,
- Game on going with result presentation at the end.
- Collect potential wins/losses or specify parameters for the next round as in step 1. Again.

The offered provably fair games are certified by an accredited testing lab.

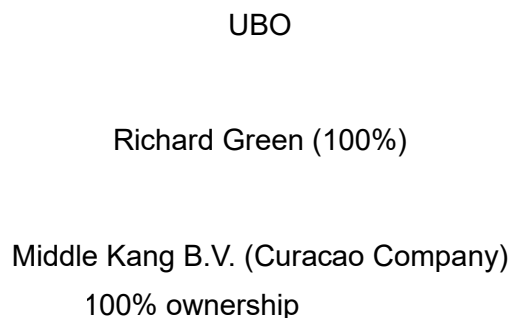
3.2.2 Digital Video Slots

Digital slot games are games that are triggered via a spin of different images on a grid formation. The spin can be triggered by the user, or the user can choose that the spin automatically starts after the result of the previous spin event. A bet amount of the user's choice is staked towards each spin.

The result of the game is randomly generated upon each spin. The user is not allowed to change the bet amount throughout the spin.

4 Group Structure

The group structure is formed as follows:



5 The Team

The team behind the Company has been operating in the respective industries for several years with leading operators in the market, and brings a wealth of experience and expertise to this venture. The skills and expertise of the key roles required in the team is provided below: (kindly delete any of the below posts which are not applicable)

Team structure:

Chief Financial Officer (CFO)

The Accounting and finance will be outsourced to our local CSP G-Force.

Chief Compliance Officer (CCO)

Alex Muscat has been appointed as Chief Compliance Officer.

The CCO effectively oversees and manages all legal affairs and activities:

- provides legal guidance on complex legal issues affecting Company;
- identifies, assesses and mitigates legal risks associated with the Company's operations;
- develops policies, guidelines;
- ensures compliance with applicable laws, regulations, and corporate governance standards;
- oversees contract negotiation and drafting processes;
- establishes and enforces compliance programs to ensure adherence to legal and regulatory requirements, etc.

Chief Technical Officer (CTO)

Currently, Company is in the process of hiring a CMO/CTO and plans to close these positions in Q1 of 2025 after the license is issued as well as CMO.

6 Overview of the Software

The gaming software consists of:

- 1. The gaming platform backend**
- 2. The web client frontend**
- 3. The gaming software**

6.1 The Gaming Platform is the backend application of the platform that enables and supports all the user actions that are not related to the game itself. The gaming platform integrates to all the third-party data providers to read all the user and game activity data in order to perform any actions on the player account and experience based on the player's activity. The Gaming platform backend, through the frontend application, will enable the user to:

- Create account in the system.
- Login and logout from the system.
- Complete the necessary KYC verification.
- Deposit and withdraw funds for gambling.
- See the information about current balance.

- See all the user profile information, transaction, betting history and other activity data.
- Set, view and change any limits related to deposits and game activity.
- See all legal information that are required (Terms of Service, Privacy policy, AML policy, Licences, Self-exclusion).
- Contact the customer support.

Our platform offers a comprehensive range of products, including sports betting, casino games, lottery, card games, and live games. Each product features top-tier games such as Slots, Baccarat, Roulette for online casino, Baccarat, Blackjack, Roulette for live casino, and so on. Games are provided by games providers which have relevant certificates for their games. For example, our sports betting offerings are supported by SABA Sports, while casino games are powered by Pragmatic Play, and live games provided by Evolution”.

6.2 The Web Client is the frontend application of the platform. The frontend of the platform is the developed website that can be accessed by the users. The web client will enable the user to perform any activity related to deposits, withdrawals, and staking any bets on any of the available games. The frontend will also enable the user to read all the relevant information processed and stored by the backend application and other third-party gaming providers. In cases that are relevant to user personal information and gaming limits, the frontend web client will enable the user to write any changes needed to these data sets.

6.3 The Gaming software are the sets of games that are integrated to the gaming platform backend through proprietary technology or through third party gaming providers. The gaming software is the crucial part of the system and central place that enables users to place bets in the specific game. The platform provides multiple provably fair games to the users. Each game will enable user to:

- Enter the betting amount
- Half or double the betting amount
- Place the bet
- Cancel the bet

7 Operations

The operations of an online gambling operator are formed by a number of systems and people integrated together to form a reliable, fast and trustworthy experience for the end users. Operations cover all the transactional action points which a user takes on the gambling product.

These include:

- User registration
- Customer Deposits

- Customer Withdrawals
- User KYC
- User Due Diligence
- Support to users

The Company's goal is to provide the users with a secure and trusted process to optimize the user key operations for;

- Creating and approving a user account,
- Provide all the needed documentation,
- Completing deposit,
- Playing a game,
- Completing a withdrawal,
- Solve any query related to the user's activity.

These are all the result of a set of carefully selected platforms, systems, and processes which are connected together to support both the operator and the user throughout each transactional process. Each tool and platform is solving a specific process area, and the integration of several tools and platforms enable the operator to optimise and automated the time taken for the user to get through any transactional step of their journey, thus delivering a faster, better, and more trustworthy experience to the end user.

7.1 User Registration

The product will offer an intuitive registration process whereby the users are primarily asked to enter their login and contact details in the required fields:

Primary required Fields:

- Email
- Password
- Date of birth
- Nationality

Other data fields such as IP and country of registration will be obtained automatically without the need of manual input. The email address will need to be verified by the user after the completion of these fields.

This step of the registration will allow the user to access the product as a registered user and will allow the user to start depositing funds to the player account.

It is worth emphasizing that the player is not required to submit any due diligence documentation for verification of his identity at the registration phase. The submission of the Due Diligence will be triggered depending on the requirements of the license regulator. This may be triggered prior to the deposit process, or subsequently, when a specific cumulative deposit amount is reached by the user as required by the license regulator. The user data fields required in the second step of the KYC process would define the customer's residential

address against which any KYC documentation further on provided by the customer will be verified.

7.2 Customer Deposits and Withdrawals:

The operation to process customer deposits and withdrawals is executed by different technologies which are integrated with each other. The modules holding the technologies that process deposits and withdrawals are the **Payment Cashier** and the **Payment Service Providers**.

7.2.1 Payment Cashier:

The Payment Cashier is an in-house build technology which handle within it the communication and financial transactional data between the player accounts from several Payment Service Providers and the clients' account on the operator side. The Payment Cashier is integrated to the platform to read and write player account financial balances in order to trigger actions based on the financial history of the player and to update the player balances following successful deposits and withdrawals. The Payment Cashier is also integrated to third party KYC tools (Sumsu) to enable the request and processing of player personal documents throughout the player onboarding cycle. The Payment Cashier will be integrated with:

1. **The Platform** – in order for all transfer of funds to be recorded and displayed accordingly in the systems.
2. **The Client Funds Account with a Banking institution** – in order for the settlement of player funds from the player's accounts to the operator's accounts to be processed.
3. **KYC & AML Tools** – to verify that the funds are being deposited and withdrawn by authenticated users.
4. **The Product** – to present to the users/players the Deposit/Withdrawal of funds options through their experience.
5. **The Payment Service Providers** – explained below.

7.2.2 Payment Service Providers (PSPs) & AML Processes

We exclusively use jiajun pay.

Know your customer (KYC) and anti-money laundering (AML) are not only just regulatory obligations that online casinos are required to implement, but such processes also safeguard the Company against account takeover attacks and money laundering efforts. The KYC process involves the players to upload the necessary documentation to verify their personal information, and in some cases, the source of the funds being deposited to their player accounts. The Company's structured KYC process will be used for:

- **Identity Verification:** As per the basic requirement of the CDD, it is imperative to identify and verify the player's identity, all while keeping personal data secure.
- **Age Verification:** It is important to verify the age of the onboarded players in order to comply with the geographically varying minimum age requirements.
- **Ongoing Monitoring:** Continuous AML monitoring for high-risk clients and identification of suspicious gaming and gambling patterns such as re-checking of early withdrawals.

- **Risk-Based CDD:** For optimum resource allocation, it is imperative to apply different levels of Customer Due Diligence on a Risk sensitive basis.
- **Transaction Monitoring:** Our transaction monitoring software as a service tool allows for easy-to-use case management to track and manage alerts and notifications. Moreover, our advanced machine learning and network analytics-based Risk Rating Engine takes into account hundreds of attributes, behaviours, relationships, and adverse media intelligence in order to assess the customer risk on an ongoing and dynamic basis and alert you of trends

7.3 Anti Money Laundering & Counter Terrorist Financing

Online gaming may be used as a means of laundering funds that have been generated from criminal activities which often involve cross-border organised crimes. Criminals abuse the system by obscuring the link between the funds that have been generated and the original criminal activity. Having a comprehensive compliance programme in place, particularly for anti-money laundering, is not only a legal requirement in most jurisdictions but good business practice in order to protect the company as best possible from being an accomplice in any potential criminal activity.

Additionally, cyber criminals are constantly looking for new ways to target online businesses in order to facilitate money laundering and the online gaming sector is an attractive one for such crimes. Games such as online poker and instances whereby possessing multiple accounts with the same operator would be possible, are all ways how money can be laundered. One of the most common occurrences is where funds are deposited into one account and then withdrawn from a legitimate account in order to mask the original source of the money.

Different online gambling licenses require different measures to combat money laundering. Although the levels of requirements vary from one jurisdiction to another, it is always considered as good practice to have the necessary AML tools and processes in place to perform all the adequate checks on the identity of the customer and the source of funds deposited to their player account.

The Company shall apply for a Curacao Sub Licence, thus it shall ensure its compliance with the following AML legislative documents:

- National Ordinance on Identification when rendering Services (Landsverordening identificatie bij dienstverlening, N.G. 2010, no. 40 as last amended by N.G. 2015, no. 69);
- National Ordinance on the Reporting of Unusual Transactions (Landsverordening Melding Ongebruikelijke Transacties, N.G. 2010, no. 41 as last amended by N.G. 2015, no. 68);
- Regulations for Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) issued by the Gaming Control Board.

In essence, the Company shall establish and maintain an AML compliance program and shall have clear policies and procedures which shall *inter alia* include:

- Business Risk Assessment;
- AML Policy establishing the rules that Company shall follow in relation to: organisational structure, onboarding of the players, levels of applicable CDD

requests depending on the risk level of each individual player; ongoing monitoring of CDD and transactions; sanction screening; roles and responsibilities of all stakeholders; reposting of unusual and suspicious transactions, record keeping and employee screening and training.

- AML Procedure – step by step procedures for execution on the rules established by the AML Policy.

7.4 Performing KYC and AML checks

Today's technology allows operators to integrate specific specialized tools to their platforms to ensure that AML and KYC (Know Your Customer) processes such as the ones required by regulated jurisdictions. The KYC and AML processes are streamlined and automated for the players to go through whilst using the online casino or sports betting products. Such processes include:

- Real person checks with facial verification,
- Automated documents verification checks,
- Document validation and counter-checking.

All the tools needed to process transfer of funds in line with regulations and adhering the business to the several requirements by specific jurisdictions are built by integrating various tools to the platform that will automate most of these procedures. This provides a solid and substantial process to ensure that all deposited player funds are legitimate.

The Company shall use SumSub verification platform for identity documentation verification, biometric checks and AML screening: PEP, sanctions, watchlists and adverse media checks.

8 Marketing Research and Plan

8.1 Industry Analysis

While revenues of brick and mortar casinos plummeted during the pandemic, online gambling continues to thrive. The Global online gambling market size was valued at USD 57 billion in 2021. It is estimated to reach USD 153 billion by 2030, growing at a CAGR of 11.7% during the forecast period (2022–2030). Europe accounts for the largest market share and is estimated to grow at a CAGR of 12% over the forecast period.

The widespread availability of low-cost mobile applications for online gaming and betting is anticipated to drive market expansion throughout the forecast period. In addition, increasing internet penetration is expected to increase the use of online gaming platforms worldwide. This is leading to a rise in global investments in online gambling platforms and the number of live casinos. In addition, the growing popularity of the freemium business model is anticipated to fuel market expansion throughout the forecast period.

Additionally, the success of the online casino industry depends on using modern technologies. Therefore, blockchain technology became a real revolution in the industry. The number of sites that work and use cryptocurrency as a payment method is growing. This is due to higher level of security, transparency, transaction convenience, speed and cost efficiency, privacy and much more benefits that cryptocurrencies bring to the table.

8.2 Swot Analysis

Strengths

- Strong record in successful product innovation related to relevant fields – software development, marketing, growth, customer care.
- Well-established software blockchain built- platform as 100% our intellectual property which provides a strong foundation for fast development and response to market changes.
- Experienced team having several years of experience in the industry.
- Strong distribution network.

Weaknesses

- New games being launched to market.

Opportunities

- Both iGaming and Crypto markets are rising with high projected market sizes in years to come.
- The company is focusing on for further innovation due to rapid changing trends and technology development.
- In-house game and platform development.
- The technology, the platform, and the processes are built to adapt to change and jurisdictional regulation needs.

Threats

- Strong and well established competition.
- Competitors have larger R&D experience since they are much longer in the business.
- Regulatory uncertainty around crypto assets.

8.3 Marketing Strategy

The marketing for the brand and the product will be prudently planned to reach the targeted audiences in the specific target markets. The target markets will be Indonesia, Brazil, Vietnam. The brand will be featured across trusted publishers to gain the trust from audiences in target markets by creating a granular approach from a language and content perspective. The Company's marketing team will focus on creating informative content and target its communication across every language that the product caters for.

Marketing Plan by Channel:

The marketing channels in the marketing mix are predominately digital advertising channels through which online gambling brands and products can be promoted according to the laws of the targeted geographical region. The main channels in the marketing mix are:

8.3.1 Search Engine Optimization

The behaviour of most internet users when looking for anything online is to open a search engine app or browser and type their search in the search field. This behaviour is done even if the user knows the website which he/she wants to visit. The results presented by the Search Engine are the most likely the links that the users chose to click to find what they are looking for. Thus, Search Engine Optimisation is the most crucial and first step where online marketing forces should be focused. Brand Protection is also an additional benefit from an early focus

and investment in SEO. When new brands launch, it is easy for affiliates to rank for the brand keyword before the brand itself. A good SEO plan will limit the affiliate forces to rank for the brand name keyword.

8.3.2 Affiliates

In unregulated markets, Affiliation is the main driver to reach target audiences and gain for short term profitability. Affiliates benefit from being able to rank for search keywords before operators and can hence direct large volumes of traffic to the operators which give them the best deal. Most Affiliate Marketing publishers offer comparison sites for online gambling brands and products to inform their audiences about the most adequate gambling site for their likes and needs. We plan to partner up with affiliate partners who publish trusted and reliable information on online gambling brands and products towards our target audiences. Affiliate Marketing would be managed by dedicated Affiliate Managers.

8.3.3 Communities

As a crypto friendly casino, we have the opportunity to target crypto savvy audiences. The critical point for every marketing plan is to know where our audiences are. Crypto audiences have a significant presence on community channels and platforms such as **Telegram** and **Discord**. Having a presence on community channels on these platforms is essential to create a trusted brand presence whilst also serving as a source of contact to several potential affiliates and **Key Opinion Leaders** who are very active on these channels and their comments can make or break the reputation of a brand/product. Such platforms also present the opportunity for the brand to have its own channel where players can be informed of updates and offered several marketing offers whilst building a community of players. Dedicated Community Managers will be responsible to handle communities.

8.3.4 Influencers

Across Community platforms, Social Media platforms, and Content platforms we have opportunity to engage with influencers who have a vast following from our target audiences. By engaging with such influencers to promote our brand we are targeting specific audiences in specific markets who associate themselves with the influencers and would be exposed to our brand. Influencer marketing campaigns would be managed by Community Managers or the relevant Area Managers depending on the platform.

8.3.5 Public Relations

As a new brand in a very competitive industry it is essential to be visible across industry related media publishers both for external stakeholder and potential players to increase the public's trust in the brand. This entails in continuously having up to date news to share about the Company and utilise the contacts with industry media publishers to feature these news.

8.3.6 Social Media

The company aims to be very active on its social media channels whereby relevant information on games and featured events will be shared and where customers or potential customers can connect with the brand outside the site itself. The Company will refrain from advertising offers to under age audiences or to invest in paid social media campaigns in unregulated markets or geos where the license does not permit to operate.

8.3.7 Sponsorships

The company will also study the possibility of sponsoring individuals, groups, or events that attract and cater for the targeted audiences. Such sponsorships will be done in an openly

published partnership with the entity being sponsored to ensure the rightful use of image rights in relevance to the support of the individual, group or event.

8.3.8 Branding Guidelines

The Company believes in establishing a strong and trusted brand. In this regard, the marketing team together with the product designers, identify and clarify a brand book which specifies how any visual presence of the brand is communicated and published across all channels. A brand book will be created as a guideline to represent the brand in the best way possible and to clarify the;

- Single brand logo with color and black&white variations
- Brand colors.
- Brand fonts.
- Positioning of the logo, message and call-to-action on every banner.
- Brand content language.
- Logo, headline and content positioning, length and language.

All of the above should be streamlined and follow the pre-determined rules to create harmony across all published media and set the brand perception for the audiences.

9 Market Locations

The company aims to welcome a global audience to enjoy the games offered through its digital product. The product will initially be offered China, India, Malaysia and jurisdictions that do not fall within the list of restricted territories.

The list of restricted territories includes but will not be limited to: Afghanistan, Aruba, Australia, Belarus, Belgium, Bonaire, China, Côte d'Ivoire, Curaçao, Democratic Republic of the Congo, France, Germany, Iran, Iraq, Italy, Israel, Liberia, Malta, Netherlands, North Korea, Sudan, Syria, Trinidad and Tobago, United Kingdom, United States and its dependencies, military bases and territories, Yemen, and Zimbabwe.

10 Financial Forecast

The company plans to invest a decent sum over three years to build the product, run the operation and market the brand/s in India, Malaysia. The main focus will be on recruiting top talent within the company, and investing in and partner with the most appropriate marketing sources. The company aims to break even within the same year of operation.

Middle Kang B.V. Profit and Loss Account for the Period Ending			
	Y1	Y2	Y3
	€	€	€
Income	452,861.32	911,691.86	2,609,144.08
Cost of Sales	-65,686.13	-111,569.19	-281,314.41
Gross Contribution	387,175.19	800,122.68	2,327,829.67
Operating Expenses	-301,391.20	-420,427.56	-940,663.22
Gross Profit / (Loss)	85,783.98	379,695.12	1,387,166.45
Administrative Expenses	-82,969.20	-193,443.78	-527,245.93
Net Profit / (Loss)	2,814.78	186,251.34	859,920.51