

Tsokel N.V.

Business Plan Version: 1.0.

This Business Plan, including any attachments, is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential, and exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited.

Our Mission

The primary goal of Tsokel N.V. (hereinafter referred to as the “Company”) is to offer a diverse selection of captivating, engaging, and profitable online casino and sportsbook options to our esteemed clientele. Our aim is to provide them with an exhilarating experience, allowing them to immerse themselves in the excitement and thrill of sports and games while making well-informed and strategic decisions.

Our overarching mission is to establish ourselves as the leading provider of betting products within the region, offering an extensive range of sports, games, and events tailored to cater to every preference and inclination. We are committed to utilizing only the most cutting-edge technology and advanced software solutions available in the industry. Moreover, we prioritize delivering unparalleled customer service, facilitated by our team of knowledgeable and approachable staff members who are dedicated to assisting clients in navigating their options and making optimal decisions aligned with their individual needs.

To achieve our objectives, the Company has strategically partnered The Mill Software Limited, a renowned and seasoned software development provider with a proven track record of excellence. With a global presence spanning various countries, The Mill Software Limited is well-equipped to support our endeavors and contribute to the realization of our vision.

Company and Management

As the company embarks on its journey as a startup, the management team will consist of a select few individuals who will assume key managerial positions within the organization. Among these key figures are individuals with extensive experience in the industry, possessing a profound understanding of both the business landscape and market dynamics.

At the helm of the company is Mr. Theoklis Andreou, the owner, who intends to apply for the License. As the main source of investments, Mr. Andreou has demonstrated his prowess as an uncommonly successful entrepreneur, particularly in the marketing sector of the gambling industry. With a profound understanding of online betting and gambling strategies, Mr. Andreou is well-equipped to navigate the complexities of the industry. Initially, he will assume the role of Chief Financial Officer (CFO), leveraging his knowledge and experience to oversee the company's financial operations, conduct comprehensive financial planning, and analyze the organization's financial strengths and weaknesses.

In his capacity as CFO, Mr. Theoklis Andreou will play important role in shaping the financial trajectory of the company, ensuring prudent financial management, and driving sustainable growth. His responsibilities will encompass a wide range of financial activities, including

budgeting, forecasting, financial reporting, and risk management. Additionally, Mr. Theoklis will collaborate closely with other members of the management team to develop strategic initiatives aimed at maximizing profitability and optimizing financial performance.

As a seasoned entrepreneur with a keen understanding of financial intricacies, he is poised to steer the company towards success, laying the foundation for long-term viability and prosperity in the competitive gambling industry landscape.

The role of Compliance and Legal within the company is of paramount importance, especially in the highly regulated gambling industry. Compliance ensures that the company operates within the bounds of all applicable laws, regulations, and industry standards, while Legal manages all legal matters pertaining to the company's operations.

The Compliance function is responsible for developing, implementing, and monitoring policies and procedures to ensure adherence to anti-money laundering (AML) and counter-terrorism financing (CTF) regulations. This includes conducting ongoing risk assessments, monitoring transactions for suspicious activity, and ensuring that all employees receive adequate training on compliance-related matters. Additionally, Compliance serves as the primary point of contact for regulatory agencies and oversees the submission of regulatory reports and filings.

On the other hand, the Legal department is tasked with handling all legal aspects of the company's operations. This includes drafting and reviewing contracts, licenses, and other legal documents, as well as providing legal guidance and support to various departments within the organization.

Marketing Manager plays a crucial role in driving brand awareness, customer acquisition, and revenue growth in the competitive gambling industry. The responsible person will be involved in

- Developing and Implementing Marketing Strategies,
- Managing Advertising and Promotions,
- Analysing Market Trends and Performance,
- Collaborate with Sales and Product Teams,
- Lead and Develop Marketing Team

Our Services

The Company's targeting market at its beginning stage planning to take Finland, New Zealand and India in the future.

One of the key factors driving the growth of the Online Gambling market in Finland is the increasing popularity of online gaming among the Finnish population. Finnish customers have shown a strong interest in online gambling, with a growing number of people choosing to gamble online rather than at traditional brick-and-mortar casinos. This shift in customer preferences can be attributed to several factors, including the convenience and accessibility of online gambling platforms, the wide variety of games available online, and the ability to play from the comfort of one's own home.

One of the key trends in the online gambling market in New Zealand is the rise of mobile gambling. With the increasing popularity of smartphones and tablets, more and more people are accessing online gambling platforms through their mobile devices. This trend has led to the development of mobile-friendly gambling websites and dedicated mobile apps, providing users with a seamless and convenient gambling experience on the go. Another trend in the market is the growing popularity of online sports betting. New Zealand has a strong sports culture, with rugby, cricket, and football being widely followed by the population. Online sports betting platforms allow users to place bets on their favorite sports events, adding an extra level of excitement and engagement to the games. The convenience of online sports betting, combined with the availability of live streaming and real-time updates, has contributed to its increasing popularity in the country.

Our Competitive Advantage

We strongly believe that the future of gaming lies in tailoring our products to meet the diverse needs of players. Our primary goal is to cultivate a secure, efficient, and enjoyable environment for both our team and our clients, consistently exceeding expectations and delivering exceptional results.

We are dedicated to providing everyone with access to thrilling, engaging, and rewarding betting options, ensuring that our clients receive nothing but the finest products and services available. To achieve this, we have enlisted the expertise of top sales and marketing specialists to align our casino sales and marketing strategies with our business objectives.

Our approach to promoting our business to potential customers is multifaceted.

First and foremost, we will launch our online casino business with a significant impact, ensuring a memorable debut that captures the attention of our target audience.

We will leverage the power of the internet to effectively promote our online casino business, utilizing various social media platforms such as Facebook, Twitter, Instagram, and others to reach a wide audience and generate interest in our offerings.

In addition to our digital marketing efforts, we will also engage in direct marketing initiatives, sending introductory letters about our online casino business to various sports clubs, households,

and corporate organizations. This targeted approach will help us connect with potential customers and establish meaningful relationships within our community.

Financial Considerations

As for the forecasted financials, for the first five years of operation we foresee the following:

thsd USD	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	3 354	10 547	21 806	42 925	77 264
Casino	3 354	7 110	14 932	29 864	53 755
Sport		3 437	6 874	13 061	23 509
COS	1 677	5 327	10 903	20 818	36 314
Royalties	805	2 479	5 015	9 658	16 998
Bonuses and promotions	436	1 371	2 835	5 151	8 499
Other direct expenses	436	1 477	3 053	6 009	10 817
Gross Profit	1 677	5 220	10 903	22 107	40 950
Operating Expenses	1 542	4 851	9 921	18 028	31 679
Administrative Expenses	503	1 529	3 162	6 009	10 817
Marketing Expenses	771	2 531	5 015	9 014	15 453
Other Expenses	268	791	1 744	3 005	5 409
Net Profit	135	369	982	4 079	9 271

The calculations include both Casino GGR and Sportbook GGR, as shown on the above Financial table. The revenue predictions for Casino GGR from year to year are expected to be higher than the Sportsbook operations as demonstrated for each year. The expected income growth from casino will slightly reduce the percentage of royalties on casino providers every consecutive year.

Marketing costs are expected at average 22% of GGR and bonuses and promotions – 12%.

Other direct expenses mostly consist of commission fees to PSPs paid by the Company instead of the players. Administrative costs assumed to grow from year to year as it will reflect the number of new employees joining and potential plans to start development of own software on 4-5 years perspective. For the first 2 years, the owner plans to direct almost all net profit on marketing to maximize growth of its market share

Conclusions

In our pursuit within the gambling industry, we are driven by a vision to not only compete but to excel. We aspire to forge an online casino enterprise that stands shoulder to shoulder with the giants of the industry, setting new benchmarks of innovation and excellence worldwide.

Central to our mission is the unwavering dedication of our team—a collective force propelled by a shared belief in our potential to achieve greatness. Leveraging our diverse expertise, innovative strategies, and unyielding resolve, we are poised to reshape the landscape of online gambling and claim our position among the industry's foremost leaders.

In addition to the above, we emphasize the following points:

Commitment to Innovation: We are committed to pushing the boundaries of innovation in the gambling industry, continuously seeking new ways to enhance our offerings and provide exceptional gaming experiences to our customers.

Regulatory Compliance: We place a strong emphasis on regulatory compliance, upholding the highest standards of integrity, transparency, and responsible gaming practices. Our commitment to compliance ensures a safe and secure gaming environment for our customers.

Strategic Partnerships and Alliances: We recognize the value of strategic partnerships and alliances in enhancing our capabilities and driving growth opportunities. We actively seek partnerships that align with our values and contribute to our long-term success.

Long-Term Vision for Sustainable Growth: Our long-term vision involves setting clear goals and objectives, implementing robust business strategies, and fostering a culture of innovation, teamwork, and accountability. We are committed to sustainable growth and success, ensuring our longevity and prosperity in the gambling industry for years to come.