

Business Plan – Luster N.V.



Document Name	Business Plan
Company Name	Luster N.V.
Presented For	Curaçao Gaming Control Board (GCB) License Application
Approved On	February 2024

TABLE OF CONTENTS	
1	Executive Summary
2	Company Structure
3	Business Forecast
4	Business Strategy
5	Key Suppliers
6	Risk Evaluation and Management
7	Legal and Governance Framework
8	Target KPIs and Business Objectives
9	Policies and Procedures

1. EXECUTIVE SUMMARY

Luster N.V. was incorporated in Curaçao on 13 August 2020 and has been operating to date under a sub-master license providing remote gambling services to customers online. The business manages 3 websites which are tailored to various markets globally.

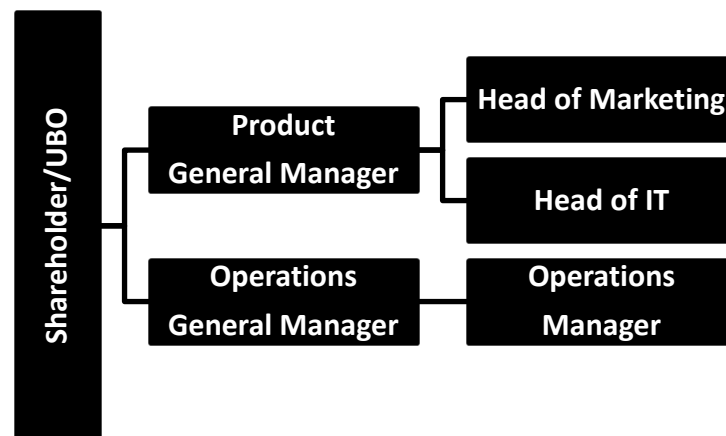
Luster N.V. is the parent company of Cyprus company Luxerite Limited, which holds the function as a European payment processing services for the operations. Luster N.V. holds 100% of the shares in Luxerite Limited, which is under the common control of the UBO of Luster N.V.

The technology behind the websites is all developed by a third-party partner (MBA Ltd) that we work closely with to provide input and guidance taken from various other systems in the market. It has been built to adhere to European license regulations and requirement such as UKGC. All such AML, Fraud Prevention, Responsible Gambling and Auditing Tools have been incorporated into the systems for a more diligent control of customers using the services.

Together with the investment made in the technology with a constant interest in customer usability and satisfaction, we consider we have a competitive edge in the market over other operators.

2. COMPANY STRUCTURE

Company Strucutre Chart



Roles and Responsibilities

The Product General Manager together with the Operations General Manager, shall form the company's senior management. They will be in charge of taking high level decisions or take decisions which require discussions with other members of the company, the Shareholder/UBO will be updated and consulted on things from time to time. The Curaçao company ensures that the company operates in line with all the relevant legislations.

POSITION	NAME	ROLES AND RESPONSIBILITIES
Shareholder / UBO (CEO)	Mauricio Víquez Gomez	Business Owner, Product General Manager & Operations General Manager report into him. Not active day to day.
Product General Manager (CPO)	Neerajan Tuladah	Manages the products/websites day to day, Marketing, and IT report into him.

Operations General Manager (COO)	Joshua Ambrose	Manages all operations and customer facing functions, the Operations Manager, who oversees compliance and customer payments reports into him.
Head of Marketing (CMO)	Alex Czajkowski	Manages the marketing activities of the websites.
Head of IT (CTO)	Tern Jin-Ji	Manages and overseas the technology within the business and third parties
Operations Manager (CCO)	Mahendran Chellamuthu	Manages all compliance and customer payments related activity day to day.

3. BUSINESS FORECAST

The following financial forecasts for the next 3 years are presented in the attached spreadsheet – [Luster NV-Forecast-GCB License App-Feb24.xlsx](#). Please click [here](#) to view.

- Cash Flow
- P&L

These include all product activity and incoming revenue and all external outgoing costs. This has been based on existing activity to date.

4. BUSINESS STRATEGY

Luster N.V. endeavors to continue its growth and development in the markets in which it is currently active together with entering into other markets of interest to further extend its services to new customers.

Over the years of operations Luster N.V. has been able to establish itself in several markets across Europe, Oceanica and North America with building a good following and customer loyalty in particular countries such as Finland, Norway, New Zealand, and Canada. To date

the focus has been on services in English language but there is a desire to expand on this to provide a more localized service for existing markets plus assist with reach other such markets in South America. Ongoing evaluation of prospective markets will be in place.

We see that with the addition of a master license from the GCB and having direct contact with a regulating body, we will be able to approach and onboard with certain third-party providers that will assist with extending our range and foothold in various markets.

Our Edge

- Advanced controls accessible by customers within their account settings to manage limits (deposit, game play and session time based in day, week, month, or yearly intervals), communication contact points and self-exclusion from account access.
- Clear, transparent, and fair terms and conditions.
- Fraud management system with a 42-point check on customer activity to minimize any fraudulent activity and ensure there are no occurrences of money laundry.
- Professional and skilled 24/7 customer support.
- Local based payment solutions for certain market to ensure ease of deposits in and withdrawals out to the customer.
- Modern and UX friendly websites for customer to navigate with ease and engage with the service.
- Interactive features for customers to engage with giving them more of a chance of winning, such as tournament, missions, and cashback on losses.
- Segmentation of customers-based activity, to tailor the experience for each customer.

Market Position

- We have positioned ourselves in each of the markets from offering a fair and reliable service to customers.
- We benchmark ourselves against the top leading regulated operators globally such as Bet356, The Betsson Group, ComeOn Group, Paddy Power, and etc.

Marketing Acquisition Strategy

- Emphasizing strong SEO strategies to generate organic traffic while safeguarding against affiliates diverting traffic from our brands.
- Leveraging the vast networks brought by our skilled C-level management, affiliate collaborations will be the primary source of acquisition.
- Focusing on programmatic (Twin and retargeting traffic) and digital marketing through social media.
- Ensuring the competitiveness of our brands through aggressive and appealing promotional offers.

Marketing Retention Approach

- Utilizing the cutting-edge CRM platform, Fast Track, to optimize communication with opted-in players across email, SMS, and on-site messaging.
- Segmenting players based on markets to tailor retention strategies effectively.
- Employing anti-churn measures such as reactivation through email and SMS.
- Providing automated instant rewards to players based on their game performance to increase session time and decrease churn.
- Implementing a data analysis-driven approach to enhance player retention.
- Implementing regular promotions on a daily, weekly, and monthly basis to reduce churn.

With a well-performing casino and established CRM procedures, our initial focus is on driving traffic through selected affiliate channels, primarily utilizing revenue share deals. Once positive feedback from players and affiliates is received, and player value is evident, we will further invest in marketing, offering competitive acquisition deals such as CPA and Hybrid models.

5. KEY SUPPLIERS

In our business model, suppliers are defined as companies or individuals that provide services, platforms, or traffic to our site, as listed in the below table.

CONTENT	BANKING	PAYMENT SERVICES	OTHERS
1x2 Gaming	Migom Bank	eMerchant Pay	AWS
Betsoft	Payment Execution	Ezeewallet	Fast Track Solutions
Blue Ocean Gaming		Flexepin	Griffiths & Associates
Games Global		Gigadat	Mamo TCV Associates
Hub88		Impaya	MyAffiliates
		Jeton	
		MuchBetter	
		Neteller	
		Skrill	

6. RISK EVALUATION AND MANAGEMENT

The following risk management model has been developed to assess, mitigate, and oversee the business. Based on weekly and Monthly reporting and board meetings, upcoming changes, and industry trends, some of the key risk factors have been tabulated below.

RISK	LIKELIHOOD	IMPACT	STRATEGY
Payment service providers interruption It is possible that PSP's can have issues that can impact production/customer facing environments.	<i>Possible</i>	<i>High</i>	Ensure that we have multiple providers as contingency for any downtime by one PSP. Try to find the most reliable and solid PSP's as possible.

Platform provider relationship end: For whatever reason, our platform provider does not support our site	<i>Unlikely</i>	<i>High</i>	Legal agreements in place that could not be broken. Already been in contact with other potential providers, who could offer the same thing.
Website is hacked or goes down: Simply is no longer available to customers or includes malicious content/user journeys	<i>Unlikely</i>	<i>Medium to High</i>	Our service agreement with our platform provider means that they manage this risk and correct if anything happens. Compensation might be due if not fixed in timely manner
Negative PR or SEO attacks: Articles about our site that specifically target the site in a negative fashion, tarnishing the reputation or negatively impacting their SEO standings.	<i>Highly Likely</i>	<i>Medium to Low</i>	Within the online industry this is an ever-present threat that can vary from personal blogs (with little effect) forums all the way to top line websites. Depending on the context, can be best to ignore or rebuke publicly and in SEO circumstances, implement SEO remedies to offset any attack.
Changes in Search Engine algorithms: Google which is the world's primary search engine has a history of making changes to how it values and ranks sites. This can impact acquisition sources substantially.	<i>Possible</i>	<i>Medium</i>	Keep up to date with all latest news and likely changes that may roll out in the future. Try not to have too much dependence on SEO as an acquisition source. Ensure the sites always follow the best practice for SEO.
Changes in regulations: Local jurisdictions tend to change their regulations from time to time	<i>Possible</i>	<i>Medium</i>	Keep on top of changes in different regions and countries. Try to diversify a brand to not be dependent on one Geo so if there are any changes the impact is less severe.

Any key changes in process or new initiatives are first proposed and then run past the board to sign off, in advance of being implemented. If any scenario occur which are first time issues that pose a serious impact on the business, a board meeting is immediately called to review and strategize on the best approach to handle the situation.

Financial / Payments

The Operations General Manager will be required to ensure the companies short and long-term financial well-being. Apart from ensuring that the organizations accounts are kept in order according to the legal Accounting Standards, they will also be in charge of overseeing

the overall operations of the company.

The Compliance and Finance teams are in charge of overseeing fraud monitoring and payments to customers. This is a vital role in the organization, which will be performed to ensure payments are done in a timely manner, and regular monitoring of brand activity to detect any potential fraudulent or suspicious activity.

In accordance with the Company policy, accounting functions will be carried by the finance team of the company where the day to day running of the accounting function is carried out. The accounts department is managed by the General Operations Manager. The functions of this department are to:

- Receive and review deposits from customers
- Receive and process withdrawal requests by customers
- Daily reconciliations of payment gateway accounts and other bank accounts
- Receive invoices for recurrent expenditure for group companies
- Prepare supporting documentation for payments to be effected
- Effect payments in respect of contracts and invoices received
- Maintenance of customer funds accounts in accordance with the customer liability requirements

Monthly and annual financial and management accounting is outsourced to a Maltese firm of accountants & auditors who are familiar and highly experienced in the gaming industry. Their details are as below:

Griffiths & Associates Ltd.
Level 1, Casal Naxaro,
Labour Avenue, Naxxar.
Malta

All accounting data in respect of the gaming operation is reported on the group's control system. Monthly reconciliations of financial and gaming data together with the relevant bank and customer liability reconciliations are prepared on a monthly basis. Management accounts are prepared periodically and discussed with the management of Luster N.V.

7. LEGAL AND GOVERNANCE FRAMEWORK

Roles and Responsibilities of Product and Operations General Managers

The board is actively involved with the day-to-day operations of the group and on a weekly basis, have meetings with all relevant teams to discuss ongoing operations and any new initiatives and their potential impacts. The management team is small and agile and able to make decisions quickly with a highly unlikely chance that a deadlock scenario would happen.

In this unlikely case, then the final decision making would come to the UBO, who would review the situation and make a call on how to proceed.

Legal advice is provided ongoing through a tender agreement through a specialized law firm – Mamo, who specialize in Gaming and are based in Malta. Their details are as below:

Mamo TCV Advocates
Palazzo Pietro Stiges
103, Strait Street
Valletta VLT 1436
Malta

Overall governance frameworks follow the below.

Licensing Compliance

The main role of the director is to ensure that the licensee is compliant with laws and European directives at all times. The Managers monitor and supervise the licensee's operations, as per Gaming Regulations. This includes:

- Monitoring of the Compilation and presenting all periodic reports on time
- Monitoring of the Compilation and presenting exceptional reports on time
- Signing and presenting the Interim accounts
- Assisting any licensing agency in any investigation

- Payment of any fees due to the authority

AML and KYC Procedures and Monitoring

Customer Registration

In order for a customer to be able to play on Luster N.V. website, they need to all open an account on the website www.eddyvegas.com. Customers who do not register on the website are not able to place any stakes on any of the offered games. Upon completion of the registration process and activating their account, having accepted the terms and conditions and privacy policy, the customer is then able to make a deposit and can then start playing. Customers must confirm and verify email before depositing.

The registration process involves having the customer enter the following information:

- First Name and Last Name,
- Place and Country of Residence,
- Date of Birth,
- Correct e-mail address.
- Username
- Password (twice for verification purposes)

In order for the registration process to be successful, customers must be at least 18 years old and can only have one customer account in their name. The system does not allow registration of customers who are underage.

Customers from restricted countries are not allowed to register and use the services of the sites.

E-mail Account Activation

Before the customer is allowed to login for the first time, an e-mail is sent to the address specified in the registration form containing an activation link; it does not contain any sensitive information such as the customer's username.

Upon clicking on the activation link, the account is then activated, and the customer is then able to login to the account and make a deposit.

Customer Deposit

The customer is only allowed to deposit using a Credit Card or eWallet, which is processed using our approved payment providers. No

cash deposits are allowed by Luster N.V.

Payout Management Procedures

It is key for Luster N.V. to know who their customers are and for that reason, customers who deposit over €2,000 or submit their first withdrawal request are asked to send documents proving their identity before any withdrawal request can be accepted. Documents can be sent/uploaded through the website where upon they will be manually reviewed by the compliance team. Accepted documents are scanned copies of I.D. card, passport, driver's license, and any recent utility bills showing the customer's address.

No withdrawal requests are processed until the uploaded documents are sent by the customers and are checked and approved by the compliance team who are trained on how to verify accounts.

Withdrawals can only be made to the same account through which the deposit was made. The only exception is when customers deposit with using MasterCard. Since MasterCard does not accept payments back to the card, withdrawals can only be done through a method which is different from the one used for deposits. The compliance staff who will be making the payment have to ensure that the bank account or method to be used belongs to the customer in order reduce the risk of money laundering. No cash withdrawals are allowed.

If customer withdrawal requests accumulate to €2,300 a copy of the front and back of the registered credit cards used when making the deposit is requested.

Anti-Money Laundering Procedures

Customers are not allowed to transfer funds from one customer account to the account of any other customer, as this may give rise to money laundering activity.

Checking for Money Laundering activity is very important and thus customer activity is continuously monitored.

The compliance team regularly checks:

- Deposit patterns
- Deposit methods used by customers
- Withdrawal Patterns
- Strange Betting patterns, i.e. an account in which there is normally very little activity, starts placing a lot of bets
- Updated customer details are checked for any suspicious changes

Should a customer's activities raise suspicion that they may be involved in Money Laundering activities, the case is escalated to the management. Should management decide that the case is indicative of Money Laundering activities, it is further escalated to the MLRO (Money Laundering Reporting Officer).

Customer Support

Customer Support is in charge of serving customers by providing product and service information and resolving customer problems. The main roles of the customer support staff include resolving customer problems by clarifying the customer's queries or complaints; determining the cause of the problem; selecting and explaining the best solution to solve the problem and escalating internally to other teams as required.

8. TARGET KPIs AND BUSINESS OBJECTIVES

Reporting and data are key to decision making both as part of long-term objectives, but also as part weekly/monthly reviews and decision making.

Some of the core KPI that are used include the below:

ACQUISITION	RETENTION	CASH FLOW	P&L	PARTNERSHIPS & INTEGRATIONS
Visits	Active customers	Daily deposits	Revenue	Onboarding new payment providers
Registrations	Depositing customers	Daily withdrawals	Outgoings	Marketing and Analytical platforms
First Time Depositors	Dormant customers	Net cashflow	EBITDA	Onboarding new game providers
Conversion rates at each point of the funnel	Churn rate	Deposit to Bonus %	Liabilities	

	Re-activation rates			
--	---------------------	--	--	--

The company is data driven with advanced analytics statistics play a key part of any decision making. Each team have their own monthly targets and KPI's with the ultimate goal to grow and maintain the business and expand its ability and presence in different marketplaces.

Monthly review meetings are held at the start of each month, for the previous month, where all Managers and higher share their KPI's and decisions are made for the upcoming month accordingly.

The goal is for the business to generate ongoing sustainable revenue and income for its UBO and shareholder. There are no plans to build the business to sell it off in the future as yet.

9. POLICIES AND PROCEDURES

All policies and procedures have been built internally with in depth assistance from highly knowledgeable 3rd parties with extensive experience who specifically only deal exclusively within the gaming industry.

Accounting

The company accounting policies and procedures have been prepared internally with the assistance of an external and independent consultant, Griffith + Associates. The policies and procedures are available to be provided to GCB. These policies and procedures are to be reviewed on annual basis while the necessary amendments will be made in accordance with GCB's compliance whenever necessary. The appointed consultant is qualified and has extensive experience in drafting the policies and procedures for the gaming industry.

Operations

The company Customer support and Compliance policies and procedures have been prepared internally with the assistance of an external and independent consultant who has worked closely with UKGC licensed entities and is aware of all required day to day components that relate to how both customer support and compliance should be handled. Terms & Conditions and anything specifically legal related have been run past Mamo Associates as required.

Marketing Standards

With the assistance of the UKGC experienced consultant, the internal procedures and SOP have been put in place with a goal to be as to a similar standard as per UKGC requirements, with key parts of what is acceptable in regard to marketing and advertising including Responsible gaming, Over 18's only and ensuring any messaging is not mis-leading in regard to the likelihood of winning or an unrealistic indicator of success.

Escalations and Correspondence

Any issues that do arise where notification is required with the licensing body, we will endeavor to do so at the soonest possible time, as soon as known. Alternatively, if the licensing body makes contact in regard to a specific issue, then the Operations General Manager will be the first point of contact for direct correspondence and assistance.