

SLOTS CITY BUSINESS PLAN



B2C ONLINE CASINO

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EXECUTIVE SUMMARY

Business Purpose and Objectives

Sharkscore B.V., launched in December 2020 in Curaçao, is led by Zakhar Ryzhov, a seasoned entrepreneur with deep roots in the gaming sector. His strategic direction will position Sharkscore as a key player in the international iGaming market.

As of today, under Ryzhov's guidance, Sharkscore has developed a solid iGaming product, preparing for over a year to enter the Canadian market and then spending another year fine-tuning its offerings there. Insights from recent market surveys and forecasts for 2024 show that Sharkscore is on the right track when it comes to positioning and geo focus. The company plans to increase its efforts in the coming years in order to establish itself as a dominant player in the market.

Mr. Ryzhov has set major goals for the company:

- The main focus of Slots City's growth will consist of two main strategies - active penetration of new markets and expansion of its presence in existing markets. The main existing market as of now is Canada, and certain positive results have already been gained. The company plans to expand its presence over there. New markets, on the other hand, consist of Tier 1 countries, as well as economically developed and prospective regions in Africa and Latam, where the gambling and betting market has been showing steady growth in recent years;
- Marketing strategy and promotional activities are targeted toward player acquisition and retention, taking into account their geographical location, national, cultural, ethnic, linguistic, economic, behavioral and other characteristics, traditions and preferences. Defining the most appropriate target audience;
- Further expansion of available payment methods for deposits and withdrawals, thus simplifying player interaction;
- Addition of quality betting services to the website, which are very popular among players and complement the online casino in a profitable and organic way;
- Increased efforts in player engagement through messengers and social media to boost participation in ongoing promotions and tournaments. Automated regular email, sms and voice messages, as well as calls by call center staff to VIP players.
- Maximum expansion of the number of game providers available on slotscity.com website, so that every player could always find his favorite game as well as pick up a new one.
- Application of an effective loyalty program, including cashback (reload-bonus), bonuses for gaming activity, etc.

Summarizing the above mentioned, the company has clearly defined goals, which would be facilitated by transition to the Master license. The sub-license is expected to be disregarded.

BUSINESS OVERVIEW

Description of Products, Services, and Intellectual Property

Sharkscore B.V. offers a robust digital platform developed in-house by our skilled team. This platform is the very foundation of our services, designed with a focus on continuous improvement and addressing the dynamic needs of the iGaming industry.

Platform Development and Cloud Integration

Our platform has evolved through various architectural stages—from monolithic to microservices—enabling us to scale quickly, update efficiently, and tackle issues swiftly. Our move to cloud hosting boosts the platform's stability, allows for better load management, and reduces delays, enhancing the overall user experience.

Quality Assurance

Our QA team works tirelessly to increase autotest coverage, which helps in speeding up the rollout of new updates and ensures the platform's reliability and user-friendliness.

Accessibility Across Devices

The Slots City online casino platform is designed to work flawlessly across different devices. Users can access it via any internet browser or through our mobile app, which is currently in alpha testing, ensuring a consistent and smooth gaming experience.

Payment Methods

We offer a range of payment options, including credit cards, Canadian electronic payment systems, e-wallets, and cryptocurrencies, making deposits and withdrawals easy and flexible for users.

Bonus System

Our platform features an innovative bonus system that provides various incentives like match bonuses and free spins. We also have gamification features such as Wheel of Fortune and Loot Boxes, adding an extra layer of excitement for users.

Game Variety and Fairness

With over 4,000 games from 47 top gaming software providers, our platform ensures a wide variety of choices for players. All games are fair, with outcomes determined by a certified random number generator.

Data Analysis and CRM

We use Power BI for data analysis, helping us tailor our strategies to user behavior and preferences. Our CRM system facilitates targeted communication, enhancing user engagement and retention.

Design and User Experience

We are updating our site's design to allow users to choose between a dark or light theme and to receive customized promotions based on their location, improving the user experience.

Intellectual Property and Trademark Protection

Sharkscore B.V. develops its proprietary software by itself and is committed to protecting its intellectual property rigorously. We treat trademark protection seriously, ensuring our innovations, unique platform features, and brand identity are safeguarded within the competitive iGaming sphere.

In essence, Sharkscore B.V.'s platform is built on practical, user-focused principles, offering a reliable, versatile, and enjoyable experience for users, setting us apart in the iGaming market.

Past Performance

The company carefully managed its finances in 2023. It was a year of financial stabilization and preparation for future growth, planning, and contemplation of past experiences. It was also the year when the company decided to focus its efforts on Canada in particular. The company has managed to generate some income, however it also had to spend the money to make things run.

Most of the expenses were operations and marketing, which were constantly increasing. However, closer to the year end the marketing expenses were optimized and the staff was outsourced.

Consequently, by the end of that year, the operation managed to pick up the pace. The company started hiring people, expanding its marketing budget and planning for an increase in spending (primarily OPEX) in years to come.

This change of pace is attributed to the change of legislation in Curacao, where the company holds its license, which at first came across as a threat to the business. However, later on it was concluded that it is rather an opportunity. Grandfather scheme allows for a smooth transition, and the license value in the eyes of payment processors and banks should increase. Not to mention player trust is expected to also be higher, and thus should follow player retention numbers' uptick.

In summary, 2023 was all about setting the stage for Sharkscore B.V. to make significant achievements in the years to come.

COMPANY MANAGEMENT STRUCTURE

Organizational Chart and Key Management Roles

Sharkscore B.V. hires only professionals, prioritizing relevant experience and background in the industry and their respective fields. CVs can be provided on request. The team members have up to ten years of experience and an outstanding history of achievements. Now, they're channeling their skills and enthusiasm into making Slots City successful.

Organizational Leadership and Management

- **CEO (Chief Executive Officer):** IRYNA DASHKOVSKA

- **Role:** Sets the company's strategic direction and provides overarching leadership.
- **Authority:** Central decision-maker, shaping the company's vision and ensuring strategic objectives are met.

Iryna Dashkovska's expertise and key achievements:

- Has more than 7 years of managerial experience, including setting and executing company expansion strategies, allocating capital, and building and overseeing the executive team. On top of that, Ms Dashkovska brings over five years of distinguished leadership in digital performance, acquisition, and affiliate marketing. She is a distinguished professional in digital marketing, who masterfully propelled sportsbooks and leading gambling brands.

- **COO (Chief Operating Officer):** VASYL SHCHERBATIUK

- **Role:** Manages daily operations and ensures alignment with the strategic goals.
- **Authority:** Directs operational activities, liaising across departments to implement business strategies efficiently.

Vasyl Shcherbatiuk's expertise and key achievements:

- Boasts over two decades of expertise in IT and 16 years in executive roles, specializing in operational optimization in the online gaming and iGaming sectors. Has managed over 150 people across borders. Key roles encompass guiding R&D, managing P&L, forecasting budgets, and shaping HR strategy to enhance staff performance metrics.

- **CFO (Chief Financial Officer):** ARTEM KROITOR

- **Role:** Oversees financial strategy, including risk management, planning, and reporting.
- **Authority:** Controls financial operations, ensuring compliance and fiscal health.

Artem Kroitor's - expertise and key achievements:

- Has a commendable decade of experience. Has managed assets exceeding \$300k in a proprietary trading firm. His expertise extends into international tax consulting and structuring of cross-border operations for prestigious clients such as CAT-Zeppelin, 3M International, Privat Bank, and ING Bank, highlighting his global financial insight.
- Was responsible for overseeing due diligence for M&A operations, with transactions totaling over \$10 million and valuing businesses upwards of \$15 million.

- **CTO (Chief Technology Officer):** YAROSLAV HUSYNETS

- **Role:** Guides the technological direction, aligning tech solutions with business objectives.
- **Authority:** Heads technology development and IT infrastructure, ensuring tech advancements support business needs.

Yaroslav Husynets's - expertise and key achievements:

- Has an extensive freelance background as a back-end developer, crafting web-based applications from the ground up with technologies such as Node.js, Express, MySQL, and MongoDB.
- Proficient in PHP (Codeigniter), the MERN stack, socket.io, JavaScript, Node.js, Express, various database technologies, HTML, CSS, Bootstrap 4, React, JQuery, has comprehensive knowledge of operating systems and Strapi CMS.
- Prefers progressive, modern technologies in developing high-load applications.

- **AML/Compliance Officer:** OLEKSANDR ZAITSEV

- **Role:** Ensures adherence to legal standards and regulatory requirements, providing guidance on compliance matters.
- **Authority:** Oversees all aspects of legal compliance and anti-money laundering efforts, including responsible gaming.

Oleksandr Zaitsev's - expertise and key achievements:

- Has 5+ years of experience in AML/CTF and a strong focus on due diligence for corporate and individual clients, possess deep knowledge and expertise in KYB and KYC procedures. Worked with high-value clients from various parts of the world, including legal entities and individuals from the EU/EEA, offshore jurisdictions, Asia, North America, and other countries.
- Successfully handled a wide range of cases, conducting thorough risk assessments, identifying potential red flags, and implementing appropriate measures to safeguard against money laundering, terrorist financing, and other fraudulent activities. He has also actively participated in remediation projects, identifying gaps and conducting re-verification to ensure ongoing compliance.

- **Product Manager:** DARIA ULIANITSKA

- **Role:** Defines and steers product strategy, aligning with market needs and customer expectations.
- **Authority:** Leads product development, from conceptualization to launch, ensuring alignment with user needs.

Daria Ulianitska's - expertise and key achievements:

- Proficient with tools for market research and analysis, i.e. Typeform and UserTesting, along with project management solutions, i.e. Trello and Asana. Utilizes on a professional level Sketch and Canva, MailChimp and HubSpot.

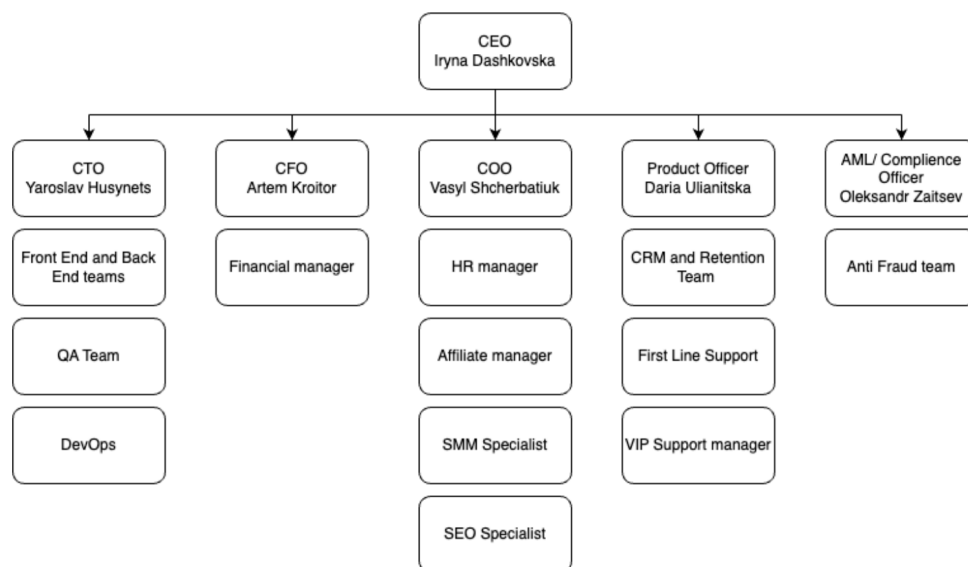
Additional Staff:

- Affiliate Manager
- First-line Support Team
- Retention Team
- Anti-fraud Team
- VIP Player Support

Supporting Roles:

- Content Creators, CRM Manager, SMM Manager, Promo Manager, Interpreters, Designers, Developers, SEO Specialist, Customer Service, Call Center Staff, HR Manager, Financial Manager, and others contribute to our collective success.

Reporting lines look as follows:



BUSINESS FORECASTS

Financial Projections for the Next Three Years

Sharkscore B.V.'s journey (Appendix 1) through 2023 can be summarized as one of strategic caution and planning. Although our revenue didn't significantly surpass our operating expenses (OPEX), we managed this gap by reinvesting profits from other ventures and using debt financing. Our working capital investment was approximately 355,300 EUR.

Marketing spend in 2023 was modest, totaling around 52,000 EUR, as we were cautious in our approach to traffic purchasing. This spending level should not be viewed as typical for our future marketing strategies.

From 2024 onward (Appendix 2), we're gearing up for increased spending across several areas, including staff, marketing, administrative costs, and technical infrastructure, i.e. servers and hosting. This ramp-up in expenses is anticipated to coincide with the start of more stable operations. We've also set aside a reserve for miscellaneous expenses.

Our marketing budget, in particular, is expected to soar by 857% in 2024, jumping from 53k EUR to 505k EUR. This significant increase underscores our commitment to driving growth. Similarly, our total expenses are forecasted to rise by 898%, from 94k EUR to 940k EUR, matched by an anticipated 613% increase in total revenue.

We project that Sharkscore B.V. will begin to see operational profitability by the end of Q3 2024 or at the latest by Q4 2024. With aggressive revenue growth driven by our marketing investments, we anticipate reaching 3.6 million EUR in revenue by the end of 2025.

The outlook for the forecast period includes a revenue of around 9-10 million EUR, with expenses close to 9 million EUR and an operational profit of about 0.63 million EUR. By 2026, we expect to achieve a profit margin of 22%, reflecting robust growth for a third-year operation. Looking further ahead to our fifth year, we aim for a return on investment of 35 - 37%.

These projections might seem rather ambitious; however, with the team we've gathered, the company's existing foundation, and the marketing test runs performed, the company is confident in its ability to demonstrate the aforementioned performance and, if luck may have it, to even exceed them.

Master license

At Sharkscore B.V., we're currently operating under a sub-license model, however we aim to obtain the master license, which is a big step for us, to tell the truth. Once we get the master license, we plan to stop using the sub-license. In the following years we plan to increase local compliance, specifically in the markets, where we will see the biggest penetration.

GROWTH AND MARKET STRATEGY

Business Expansion Strategies

Our market analysis has identified a gap in the current international market for competitive gambling solutions that cater to the evolving needs of consumers. This presents an opportunity for us to introduce innovative products that can redefine the gaming experience. Based on our marketing analysis, we conclude that it makes the most sense to promote our brand to the:

- Canadian market, as it is the most familiar to us.
- Markets of other Tier 1 countries, as they are the most potentially lucrative.
- Rapidly growing markets in Latin America.

- African markets are our long-term strategy because, given their economic, cultural characteristics and player motivation, we can foresee a rapid successful development of the Slots City brand in that region as well.

Recent insights from the Online Gambling Quarterly - Winter 23/24 Edition highlight a challenging business climate within the industry. Despite this, we see significant potential in specific regions. Latin America, for instance, is showing promising growth and is a key focus for our expansion. In contrast, markets like Western and Eastern Europe are facing challenges due to market maturity and geopolitical issues, which makes them less attractive for our immediate focus.

Our strategic focus **short-term** will be on Canada. An average Canadian demonstrates a significant interest in gambling related leisure activities.

Gambling statistics for the Canadian market show that:

- At least 6 out of 10 Canadians have spent money on gambling;
- The average Canadian spends \$6.75 per month on gambling;
- 63% of men and 57% of women report spending some money on gambling each month;
- There are over 19.3 million active online gamblers in Canada;
- 43% of women and 56% of men report having gambled online;
- The annual revenue contribution of the Canadian online gambling industry is expected to reach \$3.1 billion by the end of 2023.

These are the main reasons why the Canadian market has been a top choice for us.

Ontario is excluded from the target due to local regulation. So the main focus is on the provinces of Quebec and British Columbia. Ontario reports the highest revenues from most types of gambling. However, British Columbia generates the highest revenues from online gambling.

Residents of Quebec are the most likely to gamble, with 69% gambling.

Our strategic focus for **long-term** will be on:

- The Canadian market, leveraging our familiarity and existing presence to deepen our penetration and capture a larger market share.
- Tier 1 countries, where the potential for lucrative returns is high, and our offerings can meet the sophisticated demands of these markets.
- Latin America, capitalizing on its growth momentum to establish and expand our brand presence.

These markets are attractive to us because of the following trends:

- 1 - Demographics: these markets have a young, digitally savvy population interested in online gaming.
- 2 - Growth potential: there's significant untapped potential in the iGaming market.
- 3 - Evolving regulations: their iGaming regulations are changing and thus create new opportunities.
- 4 - Gaming Culture: they have a strong historical and cultural affinity with gaming.

5 - Economic benefits: the economics of these markets are set to grow according to the global macro models of Trading Economics and the expectations of analysts.

By focusing on these regions and continuously enhancing our platform and service offerings, we aim to achieve sustainable growth and establish Sharkscod B.V. as a dominant player in the global online casino industry.

Marketing Plans

Our marketing strategy for Sharkscod B.V. is intricately designed to engage with both existing and prospective customers through a mix of conventional and contemporary channels, aiming for widespread reach and impact. In 2023, our marketing budget was set at around 52,000 EUR. For 2024, we plan to increase our marketing budget significantly up to 505k EUR, and in 2025, we anticipate its growing even further to align with our expansion goals and to capitalize on emerging market opportunities.

- **Search Engine Optimization (SEO)**

The basis of our digital marketing strategy, SEO will enhance our website's visibility in search engine results, drawing more organic traffic. By targeting relevant keywords, we aim to attract individuals actively searching for online gambling options, increasing our potential customer base.

- **Paid Search Advertising**

To complement our SEO efforts, we'll invest in paid search advertising across platforms like Google Ads and Facebook Ads. This targeted approach will allow us to reach a broader audience, directing potential customers to our website and increasing our brand's visibility in the competitive online casino market.

- **Affiliate Marketing**

Collaborating with websites, casino review platforms, bloggers, and influencers within the gambling sector will be an important aspect of our strategy. These partnerships will enable us to tap into established audiences, leveraging the credibility and reach of our affiliates to drive traffic and acquire new customers.

- **Referral Program**

Encouraging our existing customers to refer new players is a win-win strategy. By offering incentives like free spins or bonus money for successful referrals, we not only grow our customer base but also enhance loyalty among our current players.

- **Social Media Marketing**

Our active presence on platforms such as Facebook, Instagram, X, Discord, WhatsApp, Telegram, and Viber will allow us to engage with a diverse audience. Creating engaging content and promotional campaigns will attract new players while at the same time fostering a stronger connection with our existing customer base.

- **Email and SMS Marketing**

Personalized communication through email and SMS marketing will keep our players engaged and informed. This channel will be used to announce new offers, bonuses, tournaments, and promotions, maintaining an ongoing dialogue with our audience and encouraging repeat visits to our platform.

- **Influencer Marketing**

Collaborating with popular streamers and experts in the gambling niche will enable us to tap into their follower base, leveraging their influence to promote our casino games.

This form of marketing will enhance our brand's visibility and credibility among gambling enthusiasts.

By executing this marketing plan, we aim to drive significant traffic, acquire new customers, and build a strong, loyal community around our casino, positioning Sharkscore B.V. as a leading name in the online gambling industry.

We'll continue to evaluate markets for exclusions based on regulatory landscapes and market saturation to ensure our investments are directed towards regions with the highest growth potential. With a strategic allocation of our resources, we aim for sustainable growth and solid financial health in years to come.

KEY SUPPLIERS AND DEPENDENCIES

Critical Supplier Information and Risk Management Plans

Our way of doing business includes a comprehensive approach to managing critical supplier relationships and mitigating associated risks, particularly in the realm of game vendors and financial transactions.

Initial and Subsequent Game Vendors

Our initial product release featured a diverse array of game vendors, including 3 Oaks, AGTsoftware, Amigo Gaming, and many others, totaling over forty esteemed providers. This variety ensured a wide range of gaming experiences for our users, enhancing user engagement and retention. For subsequent releases, we introduced additional vendors like Amatic, Amusnet, Apollo, extending our portfolio and maintaining our competitive edge in the market.

Platform and Software Provider

Our platform is proprietary, developed in-house, ensuring we have complete control over its functionality and security. Dreamtek Solutions B.V. (Curacao company, registration number: 156830) and ENDORPHINA LTD (Cyprus company, registration number: HE 355149) serve as our primary gaming software providers, they are aggregators that ensure our gaming content meets high standards of quality and compliance.

For betting services we have a contractual relationship with BTSG LIMITED (Cyprus company, registration number: HE 423428).

Banking and Payment Processing

Key financial operations are handled through reputable entities like Mifinity, Coinspaid, and Interac, along with various cryptocurrency options, providing a secure and diverse range of payment solutions for our customers.

The following payment processing institutions are used for 'pay-ins' and 'pay-outs':

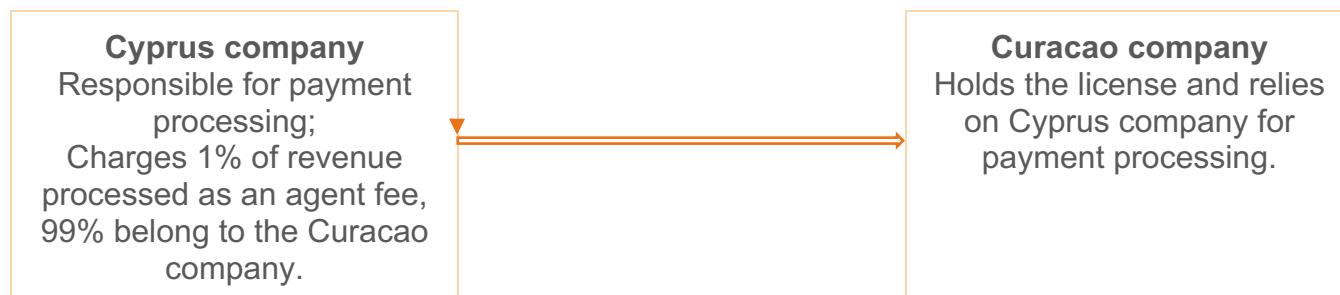
- **GIGADAT Inc.** - incorporated in Canada with Corporate Number 1122364-0;
- **MiFinity UK Limited** - incorporated in Northern Ireland with Register Reference 900090;
- **Skrill Limited** - registered in England and Wales with company number 4260907;
- **Coinspaid and Cryptoprocessing** - registered as: (I) Dream Finance OÜ, Harju maakond, Tallinn, Kesklinna linnaosa, Kai tn 4, 10111, Estonia; (II) Dream Finance UAB, Laisvės pr. 10, Vilnius, Lithuania; (III) Dream Payments Sp. z o.o., Rondo organizacji narodów zjednoczonych Str. 1, nr 1, lok. XXV floor, Warsaw, 00-124, Poland.

For banking we use:

- **Bilderlings Pay Ltd** - authorised and regulated by the Financial Conduct Authority in the United Kingdom with company number 09908958;
- **Emerald Financial Group (UK) LTD** - authorised and regulated by the Financial Conduct Authority in the United Kingdom with company number 11557885;
- **Paydo Canada LTD** - registered with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) with MSB registration number M22419089;
- **UAB Guru Pay** - Electronic money institution licence No 59 in Lithuania with company code 304891889;
- **UAB "IBS Lithuania"** - Electronic money institution licence No 10 in Lithuania with company code 304310405;
- **VIA Payments** - Electronic money institution licence No 16 in Lithuania with company code 304531663;
- **Jeton Bank Limited** - registered in the Commonwealth of Dominica, Company Number 2022/C0175;
- **The Kingdom Bank** - licensed and authorised by the Financial Services Unit, Ministry of Finance of the Commonwealth of Dominica, Company Number 3159.

We constantly monitor payment processing offerings on the market and apply for account opening with only the most reputable financial organizations. We check where they are licensed, their track record available online, customer reviews, etc.

All payment transactions are usually handled by a Cyprus company with 100% the same ownership structure as our Curacao entity. This is one of the factors that allows us to open a lot of upstanding payment solutions.



Also, a critical component that is worth mentioning about our financial strategy is the segregation of player funds. We strictly ensure that player deposits are kept separate from operational funds. This practice aligns with regulatory requirements, and also significantly enhances player trust

and security. Segregation guarantees that player funds are always available for withdrawal, irrespective of the company's financial status.

Risk Management Plans

We rely on two software providers that have an aggregator model, which enables us to access a wide range of gaming content from various vendors under two umbrellas. Such setup keeps things simple, yet provides a certain degree of leeway when it comes to diversity of our gaming portfolio, and risk management capabilities. Essentially, our risk mitigation strategies boil down to diversification, monitoring, and contingency planning.

Diversification Our platform is supported by two software providers and one betting content provider, which allows us to spread our operational risk. By not relying on a single provider, we can ensure continuity of service in the event of a disruption with one of the providers. This diversification also enables us to offer a broad range of products to our customers, enhancing their gaming experience and our market competitiveness.	Continuous Monitoring and Assessment We actively monitor the performance and service quality of our providers to ensure they meet our high standards and comply with industry regulations. Regular evaluations of their service delivery, uptime statistics, and responsiveness to issues are the basis of our monitoring efforts. This allows us to anticipate and address potential issues before they impact our operations.	Contingency Planning In the unlikely event that one of our providers fails to deliver, we have developed contingency plans to ensure minimal disruption to our services. These plans include rapid provider substitution, leveraging our existing business networking efforts. We've cultivated numerous contacts and have a shortlist of alternative software providers ready to step in if needed. This ensures that we can maintain our service offerings with minimal disruption, even on short notice.
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Through these measures, Sharkscore B.V. aims to establish a resilient operational framework that safeguards against critical supplier risks, ensuring stable, uninterrupted service delivery and a reliable gaming experience for our customers.

RISK EVALUATION AND MANAGEMENT

Risk Assessment Processes and Mitigation Strategies

Sharkscore B.V. is committed to upholding the highest standards of regulatory compliance, particularly in preventing money laundering and terrorist financing. Our risk assessment and mitigation strategies are comprehensive, encompassing both internal and external audits, as well as the establishment of oversight committees and risk registers to ensure thorough monitoring and management of risks.

Customer Verification and Monitoring

We implement multistage customer verification processes, including IP location checks, device fingerprinting, and proxy checks, to ensure the authenticity of user activities on our platform.

Our system conducts detailed analyses of customer gambling and betting behaviors to identify any irregularities.

We utilize a fraud management system with over 100 filters for in-depth customer verification, scrutinizing payment details, history, and cross-referencing customer blacklists.

Registration and Deposit Processes

At registration, users are required to provide accurate personal information and select a preferred currency, ensuring transparency and traceability of transactions.

Upon making a deposit, users must provide all necessary information related to their chosen payment method, with the company facilitating additional verification if needed.

Prior to any withdrawal, users must complete a comprehensive verification process, confirming their identity, residence, and payment method to prevent fraudulent activities.

Anti-Money Laundering (AML) Compliance

We adhere strictly to AML regulations, not accepting funds or processing withdrawals until all verifications are satisfactorily completed.

Our company maintains the right to conduct any additional checks necessary to meet regulatory requirements, ensuring all user activities are legitimate.

User data is used responsibly to verify identities in line with anti-money laundering mandates.

Financial Transactions and User Funds

Withdrawals are processed through the same methods used for deposits, adding an extra layer of security and traceability to financial transactions.

The impending PCI DSS certification underscores our commitment to securing sensitive information and fostering trust with our users.

Risk Evaluation and Management

In the context of casino operations, risks primarily revolve around player abuses and significant winnings. Our dedicated team of analysts and anti-fraud managers diligently monitors player activities, flagging unusual winning patterns or suspiciously prolonged winning streaks. A designated fund is established to cover jackpot wins, ensuring financial stability and user trust. Moreover, restrictions on playing with bonus funds in certain slots mitigate risks associated with internal and progressive jackpots.

Our Terms and Conditions specify clear limits on the payout of winnings, aligning with our commitment to financial responsibility and user safety. These measures collectively form a robust framework for risk assessment, evaluation, and mitigation, making sure Sharkscore B.V. operates with integrity, transparency, and in full compliance with industry regulations.

LEGAL AND GOVERNANCE FRAMEWORK

Board Structure and Legal Compliance Policies

Sharkscore B.V. adheres to a well-defined governance framework, ensuring strategic alignment and compliance with the highest standards of legality and ethics.

Shareholder oversight and Board composition

Corporate governance helps our company run effectively and ethically. Mr. Zakhar Ryzhov is the ultimate beneficial owner (UBO) and the only shareholder, which gives him significant influence over the company's direction. However, even with this level of control, there are still some limits that create a checks and balances system within the company.

First, Mr. Ryzhov appoints the board of directors, which currently consists of a single local Curacao trust company. The board makes sure the company is in compliance with local Curacao legislation.

There is a Limited POA in the name of Mr. Ryzhov. This POA allows him to make certain decisions on behalf of the company, but it doesn't give him unlimited control. He acts strictly within the framework of the law and the company's own rules. For example, he can't make decisions that would harm the company for his personal benefit.

Mr. Ryzhov's interaction with the company's senior executives ensures that he is informed and can guide the company's strategic direction. The executives and the board have the power to challenge decisions if they believe those decisions are not in the company's best interest.

In shareholder meetings, Mr. Ryzhov can vote on important issues. His role as a shareholder involves monitoring and evaluating the board's performance and the company's overall progress.

Board Deadlock

With only one director on the board, Sharkscore B.V. is structured to avoid any potential deadlock scenarios. This streamlined governance model facilitates efficient decision-making and swift implementation of strategic initiatives.

Executive Leadership

Our corporate officers are high-ranking individuals with distinct responsibilities. The C-level executives report directly to the CEO, who holds the final decision-making authority on all matters within the company. This structure ensures a clear hierarchy and streamlines decision-making processes across all levels of the organization.

The company's day-to-day operations are managed by the following key officers: CEO, AML/Compliance officer, CFO, COO, CTO, Product Manager.

- CEO - Reports to the board and UBO, leads strategic planning, decision-making, team management, stakeholder relations, and external representation.
- AML/Compliance Officer - Ensures legal and regulatory compliance, manages anti-money laundering programs, and assesses risks.

- CFO - Manages financial strategies, reporting, budgeting, risk management, capital structure, and financial operations.
- COO - Directs daily operations, improves processes, allocates resources, measures performance, and plans for growth.
- CTO - Leads IT strategy, manages technology infrastructure, ensures IT compliance and security, drives tech innovation, and oversees IT projects.
- Product Manager - Develops marketing strategies, manages brand, conducts market research, and leads product marketing efforts.

Legal Support

Legal support and advisory services are outsourced to specialized firms, providing Sharkscore B.V. with expert guidance on compliance and regulatory matters as needed. This approach allows the company to access high-quality legal expertise while maintaining flexibility and cost-effectiveness.

Compliance Policies

Sharkscore B.V. has established a comprehensive set of compliance policies, including but not limited to Terms and Conditions, Underage Gaming, Responsible Gaming, Self-Exclusion, Privacy, Risk Warning, AML/CFT, and KYC policies. These policies are designed to protect the company and its clients, ensuring transparency and adherence to legal standards. Available in all languages offered on the website, these documents are easily accessible to all clients, reinforcing the company's commitment to transparency and client protection.

Through this governance structure and adherence to legal compliance policies, Sharkscore B.V. demonstrates its dedication to effective leadership, strategic decision-making, and robust legal compliance, laying a solid foundation for the company's continued success and integrity.

There is no ESG policy in place at the moment, however the company considers introducing one as it grows bigger and the management structure gets more complicated.

TARGET KPIS AND BUSINESS OBJECTIVES

Key Performance Indicators and Business Goals

To ensure the sustainable growth and success of Slots City, Sharkscore B.V. has established a set of Key Performance Indicators (KPIs) and business goals that serve as benchmarks for our progress. These metrics are pivotal in steering our strategies and assessing our performance in the dynamic online gambling market.

Success Metrics and KPIs:

- **SM-1 (Financial Stability):** Aim for consistent revenue growth with income surpassing operational costs.
- **SM-2 (User Base Expansion):** Target an active user base growth to at least 2,000, demonstrating effective market penetration.

- **SM-3 (Marketing ROI):** Ensure marketing investments return within six months, validating our promotional strategies' efficacy.
- **SM-4 (Geographical Expansion):** Regularly establish a presence in new markets, showcasing our global expansion success.
- **SM-5 (User Conversion Rate):** Achieve a minimum 20% conversion rate from registration to first deposit.

Core KPIs:

- **Gross and Net Gaming Revenue (GGR and NGR):** Key financial performance indicators.
- **NGR/Deposits & Bets/Deposits Ratios:** Reflect the financial efficiency of user deposits and gaming activities.
- **Cost per Acquisition (CPA) & Average Revenue per User (ARPU):** Critical metrics for assessing acquisition costs and user value.
- **Visit-to-Registration & Registration-to-Deposit Ratios:** Indicators of platform appeal and conversion effectiveness.
- **Player Lifetime Value (LTV) & Churn Rate (CR):** Metrics to gauge long-term player engagement and retention.

Long-Term Business Objectives:

1. **Market Leadership:** Establish Slots City as a leading brand in the online gambling industry, recognized for innovative gaming experiences and customer satisfaction.
2. **Global Expansion:** Achieve a substantial market presence across targeted regions, emphasizing Canada, Tier 1 countries, and emerging markets in Africa and Latin America.
3. **Innovation and Diversification:** Continuously evolve our gaming offerings and platform features to meet and exceed player expectations, ensuring a diverse and engaging gaming experience.
4. **Customer Loyalty and Retention:** Develop a loyal customer base through an exceptional gaming experience, robust loyalty programs, and responsive customer service.
5. **Sustainable Growth:** Ensure long-term profitability and business growth, maintaining financial health and operational efficiency while adapting to market changes and opportunities.
6. **Regulatory Compliance and Social Responsibility:** Uphold the highest standards of legal compliance, emphasizing responsible gaming and contributing positively to the communities we serve.

Through aligning our day-to-day operations and strategic decisions with these KPIs and long-term objectives, Sharkscore B.V. is aimed at growth and sustained success in the industry.

POLICIES AND PROCEDURES

Development and Implementation of Policies and Compliance and Audit Plans

1. Policy and Procedure Origination

At Sharkscore B.V., the development and implementation of policies and procedures are primarily managed internally. Our in-house team, under the guidance of appointed department heads, meticulously crafts policies that comply with current legislation and industry standards on preventing and combating money laundering and terrorist financing. These policies are carefully designed to ensure comprehensive customer verification, transaction security, and responsible gaming practices, aligning with the company's commitment to uphold legal and regulatory standards.

2. Timelines and Communication with the GCB

We are dedicated to maintaining an open and transparent relationship with the Gaming Control Board (GCB). Our commitment is reflected in our proactive approach to informing the GCB about updates or changes to our policies and procedures. While the timelines for policy development and implementation can vary, our standard protocol ensures that any significant updates are communicated to the GCB via official channels within a stipulated time frame, typically within a week of policy enactment or revision.

3. Qualifications and Conflict-Free Assurance

The decision to develop policies internally is grounded in the belief that our team possesses the requisite knowledge and expertise to create effective, complaint procedures. Mr. Zakhar Ryzhov, as the sole owner, plays a pivotal role in appointing competent leaders who, in turn, ensure their teams are well-equipped to handle their responsibilities. In addition to this, outside consultancy firms are engaged where necessary to review the final draft of a policy. This mostly applies to complex policies, e.g., AML policy. This structure mitigates potential conflicts of interest, as each team operates with a clear mandate to act in the company's best interest, guided by established legal and regulatory frameworks.

4. Compliance and Audit Plans

To ensure adherence to our policies, we implement a robust compliance and audit framework. This includes:

- **Regular Internal Reviews:** Our internal audit processes are designed to regularly assess compliance with established policies, identifying areas for improvement and ensuring corrective measures are promptly implemented.
- **External Audits:** External audits can be conducted to provide an independent assessment of our compliance posture.

In summary, Sharkscore B.V.'s policies and procedures are thoughtfully designed and executed to meet the highest industry standards, ensuring legal compliance, operational integrity, and the trust of our stakeholders. Our internal expertise, coupled with a clear commitment to transparency and accountability, positions us as a responsible and forward-thinking entity in the gaming industry.

Appendix 1:

Item/Date	01.01.2023	01.02.2023	01.03.2023	01.04.2023	01.05.2023	01.06.2023	01.07.2023	01.08.2023	01.09.2023	01.10.2023	01.11.2023	01.12.2023
In	25 178	40 610	19 887	19 210	10 011	30 636	3 575	8 349	31 030	7 891	92 976	84 754
Out	(13 772)	(31 514)	(10 699)	(12 045)	(5 506)	(25 552)	(1 430)	(4 467)	(22 466)	(4 033)	(82 749)	(73 313)
In/Out	11 405	9 097	9 188	7 165	4 505	5 084	2 145	3 882	8 564	3 859	10 227	11 441
%	54,70%	77,60%	53,80%	62,70%	55,00%	83,40%	40,00%	53,50%	72,40%	51,10%	89,00%	86,50%
OPEX	(12 761)	(9 938)	(10 877)	(7 792)	(4 838)	(21 499)	(4 652)	(4 272)	(9 346)	(5 116)	(13 208)	(25 801)
Marketing	(7 165)	(5 641)	(5 701)	(4 365)	(2 610)	(2 992)	(1 052)	(2 198)	(5 289)	(2 183)	(6 387)	(7 188)
Staff	-	-	-	-	-	-	-	-	-	-	-	-
Servers & Hosting	-	-	-	-	-	-	(2 435)	-	-	-	(2 015)	(1 714)
Bank fees	(264)	(210)	(212)	(166)	(104)	(117)	(50)	(90)	(198)	(89)	(236)	(264)
Royalty	-	-	-	-	-	-	-	-	-	(997)	-	-
Administrative expenses	(5 332)	(4 087)	(4 964)	(3 261)	(2 124)	(18 390)	(1 115)	(1 984)	(3 859)	(1 847)	(4 570)	(5 089)
License fees	-	-	-	-	-	-	-	-	-	-	-	(11 546)
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit	(1 356)	(841)	(1 689)	(627)	(333)	(16 415)	(2 507)	(390)	(782)	(1 257)	(2 981)	(14 360)
Operating margin	-11,89%	-9,24%	-18,38%	-8,75%	-7,39%	-322,88%	-116,88%	-10,05%	-9,13%	-32,57%	-29,15%	-125,51%
Agent fee1%	-	-	-	-	-	-	-	-	-	-	-	-
Net profit	(1 356)	(841)	(1 689)	(627)	(333)	(16 415)	(2 507)	(390)	(782)	(1 257)	(2 981)	(14 360)
Net margin	-11,89%	-9,24%	-18,38%	-8,75%	-7,39%	-322,88%	-116,88%	-10,05%	-9,13%	-32,57%	-29,15%	-125,51%
Additional investments	1 400	800	1 700	600	300	16 400	2 500	400	800	1 300	3 000	14 400

Appendix 2:

	01.01.2024	01.02.2024	01.03.2024	01.04.2024	01.05.2024	01.06.2024	01.07.2024	01.08.2024	01.09.2024	01.10.2024	01.11.2024	01.12.2024	01.01.2025	01.02.2025	01.03.2025	01.04.2025	01.05.2025	01.06.2025	01.07.2025	01.08.2025	01.09.2025	01.10.2025	01.11.2025	01.12.2025	01.01.2026	01.02.2026	01.03.2026	01.04.2026	01.05.2026	01.06.2026	01.07.2026	01.08.2026	01.09.2026	01.10.2026	01.11.2026	01.12.2026
in	39 633	41 372	49 260	79 633	85 639	103 830	125 886	159 623	185 047	224 354	272 011	309 332	329 775	362 764	402 616	440 433	479 972	5 025 660	2 448 676	3 460 480	6 529 513	5 923 066	7 765 355	10 128 300	10 248 359	10 440 792	10 440 792	10 440 792	10 440 792	10 440 792	10 440 792	10 440 792	10 440 792	10 440 792	10 440 792	10 440 792
Out	(25 792)	(26 492)	(37 649)	(49 513)	(55 649)	(67 490)	(81 826)	(99 207)	(120 243)	(145 830)	(176 807)	(203 336)	(244 394)	(450 288)	(588 837)	(769 999)	(1 006 497)	(1 316 676)	(1 721 769)	(2 251 486)	(2 944 384)	(3 849 993)	(5 034 483)	(6 584 383)	(8 786 555)	(8 800 433)	(8 995 903)	(9 195 903)	(9 395 903)	(9 595 903)	(9 795 903)	(9 995 903)	(10 195 903)	(10 395 903)	(10 595 903)	
In/Out	13 841	14 880	86 909	29 120	30 990	36 340	44 060	120 416	64 804	78 524	95 204	106 000	165 381	212 777	253 779	270 435	338 463	413 284	516 907	616 907	704 627	763 673	2 730 872	3 543 917	1 454 297	1 440 359	1 444 889	1 444 889	1 444 889	1 444 889	1 444 889	1 444 889	1 444 889	1 444 889	1 444 889	
%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	
Costs	(15 846)	(16 262)	(16 539)	(16 811)	(17 431)	(17 832)	(18 234)	(18 636)	(19 038)	(19 440)	(19 842)	(20 244)	(20 646)	(21 048)	(21 450)	(21 852)	(22 254)	(22 656)	(23 058)	(23 460)	(23 862)	(24 264)	(24 666)	(25 068)	(25 470)	(25 872)	(26 274)	(26 676)	(27 078)	(27 480)	(27 882)	(28 284)	(28 686)	(29 088)	(29 490)	
Marketing	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	(3 546)	
Staff	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	
Services & Hosting	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	(687)	
Bank fees	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	(843)	
Royalty	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	(1 734)	
Administrative expenses	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	(550)	
Litigation fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenses	(412)	(550)	(687)	(825)	(963)	(1 101)	(1 239)	(1 377)	(1 515)	(1 653)	(1 791)	(1 929)	(2 067)	(2 205)	(2 343)	(2 481)	(2 619)	(2 757)	(2 895)	(3 033)	(3 171)	(3 309)	(3 447)	(3 585)	(3 723)	(3 861)	(3 999)	(4 137)	(4 275)	(4 413)	(4 551)	(4 689)	(4 827)	(4 965)		
Operating profit	(5 738)	(5 772)	(5 540)	(5 669)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	(5 640)	
Operating margin	-12,38%	-12,23%	-11,21%	-11,67%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	
Agent fees	(238)	(245)	(246)	(247)	(248)	(249)	(250)	(251)	(252)	(253)	(254)	(255)	(256)	(257)	(258)	(259)	(260)	(261)	(262)	(263)	(264)	(265)	(266)	(267)	(268)	(269)	(270)	(271)	(272)	(273)	(274)	(275)	(276)	(277)	(278)	
Net profit	(5 976)	(5 994)	(5 786)	(5 916)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	(5 888)	
Net margin	-11,81%	-11,21%	-11,21%	-11,67%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	-11,60%	
Additional investments	5 500	1 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500		

Total revenue	13 100 000
Total expenses	(10 000 000)
Total income	3 100 000
Total costs	(100 000)

Key analytical points regarding forecast:

1. The deficit between revenue and GFCF could be covered using reinvestments from other projects and debt financing. Total amount of working capital investments for FY24 is forecasted around 953 300 EUR.

2. During the FY23 there wasn't much invested into marketing and traffic purchasing, so the result shouldn't be used as descriptive one. Total amount of investment into Marketing is reported around 52 000 EUR.

3. Starting from the FY24, the Company should invest more in such expenses as staff, marketing, administrative, services and hosting.

4. Also with the start of the sustainable operations there also emerge such expenses as licensing fees, Royalty fees, Agent fees, Banking fees and also the Company provides forecast for other operation income.

5. Based on the previous experience the Company is expecting for the growth rates described below:

5.a. Marketing expenditures will rise for 850% from 550 to 5000 EUR in FY24

5.b. Total expenses are expected to rise even more - +80% (from 946 in FY23 to 1646 in FY24)

5.c. Total revenue is forecasted to show growth on the year-to-year basis - +61% (from 876 in FY23 to 1416 in FY24)

5.d. It is expected that the Company will be operationally profitable starting from the end of Q2 FY25 to Q2 FY26.

5.e. It is forecasted, that the revenue numbers would start to grow aggressively starting from the FY25, due to heavy marketing connected investments. The Company expects to reach the number of 3.5 mln EUR of Revenue by the end of FY25. For FY25 the company expects for 25% annual growth, so the revenue will reach a number of 4.3 mln EUR at the end of the year.

5.f. Total for the forecasted period are next:

5.g. Revenue around 6.4 mln EUR

5.h. Expenses around 50 mln EUR

5.i. Operational profit around 3.2 mln EUR