

2023

ONLINE CASINO



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1 EXECUTIVE SUMMARY

1.1 PROJECT SUMMARY

The initiator of the project is Royal Bonanza B.V. a company incorporated in Curacao.

Service will be provided by FERTAMI LTD, a company incorporated in the Republic of Cyprus, reg number HE 413010, with its registered office at: Valaoriti, 5, Flat/Office 102, Latsia, 2220, Nicosia, Cyprus. Technicalsupport is provided by a specialist:

Vladimir Avoev e-mail: vlad.a@beatbet.com, tel: +35795167871. The website is under construction. The domain is www.beatbet.com.

The list of game providers:

- AleaPlay
- Barbara Bang
- DLV
- Espresso Games
- KA Gaming
- LuckyStreak
- Mascot
- Mancala
- MultiSlot
- Netgame
- Onlyplay
- PG Soft
- tvgames
- Winfinity
- LiveG24
- Zillion

The project involves the creation of a company offering online games improved by technologies that attract players, based on the experience of working in 7 casinos that have already been created with the participation of the founders of a new gaming platform.

The security payment, in the event of the closure of the online casino for internal reasons or other objective reasons, is returned to the casino owners, but must remain

unused during the operation of the online casino as a deposit in case of winning the jackpot, i.e. losses can be minimal.

1.2 A LIST OF THE GAMES

Main types of casino games:

- Type 1 - Games of chance played against the house, the outcome of which is determined by a random generator, and shall include casino type games, including roulette, blackjack, baccarat, poker played against the house, lotteries, secondary lotteries and virtual sports games.
- Type 2 - Games of chance played against the house, the outcome of which is not generated randomly, but is determined by the result of an event or competition extraneous to a game of chance, and whereby the operator manages his or her own risk by managing the odds offered to the player.
- Type 3 - Games of chance not played against the house and wherein the operator is not exposed to gaming risk, but generates revenue by taking a commission or other charge based on the stakes or the prize, and shall include player versus player games such as poker, bingo, betting exchange, and other commission based games.
- Type 4 - Controlled skill games.

The Casino presented:

- Type 1: roulette, blackjack, baccarat, poker played against the house, lotteries, slots;
- Type 2: sportsbetting.

1.3 RISKS

Potential loss of funds

At the first stage, losses of funds spent on registration, rent and office equipment are possible,

The security payment, in the event of the closure of the online casino for internal reasons or other objective reasons, is returned to the casino owners, but must remain

unused during the operation of the online casino as a deposit in case of winning the jackpot, i.e. losses can be minimal.

Risk insurance

Thanks to the combined 10 years of experience in the field of online casinos of the founders and co-owners of the project and the managerial experience of the project mentor, the risks of entering the market will be minimized as much as possible.

1.4 SOCIAL EFFECTIVENESS OF THE PROJECT

The sum of all taxes transferred by the enterprise as a tax subject and as a tax agent in aggregate for the project period (4 years) will amount to 7 218,4 K EUR.

In total the company will employ 6 people.

1.5 INDICATORS OF THE PROJECT

The economic efficiency of the project was confirmed by calculating traditional financial indicators used in project analysis.

Table 1. Indicators of the project

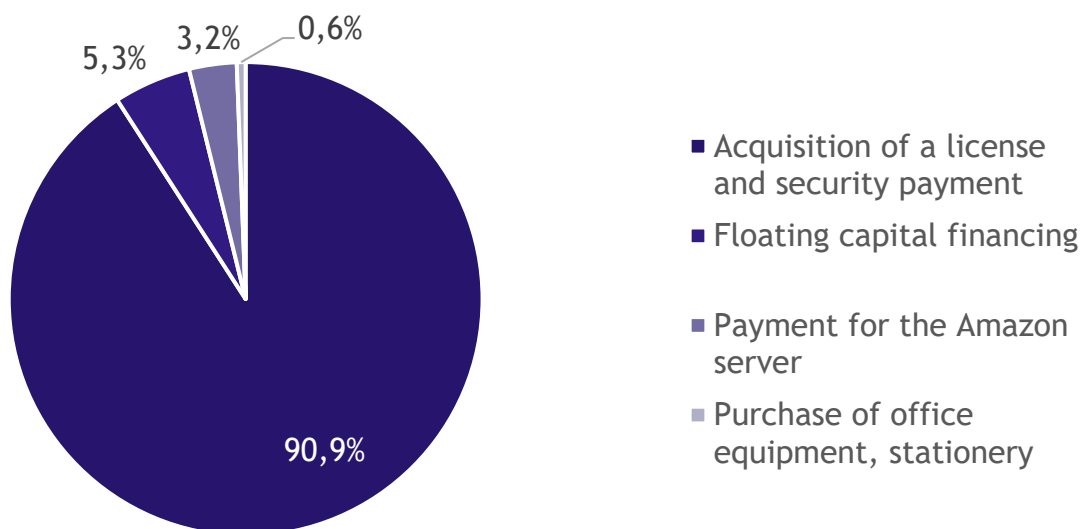
Name of the index	Value of the index
Calculation period of the project, year	4,0
Laid-down capital (LDC), EUR	400 300
Sum of proceeds (SP), incl. VAT, EUR	39 608 333
Net average operational receipts per month (NAOR), EUR	565 726
Average demand balance per month (ADB), EUR	6 131 358
Net profit for the project period, EUR	27 154 854
Average profitability for the project period (net profit to proceeds	68,6%
Discounting rate (DR), %	19,4%
Net present value (NPV), EUR	16 589 597
Average Rate of Return of investments (ARR)	1695,9%
Return on investment (ROI)	6783,6%
Profitability index (PI)	45,50
Internal rate of return (IRR)	854,7%
Modified internal rate of return (MIRR)	15,7%
Pay back period of the project in whole (PBP), incl. financing scheme	9 months
	0,8 years

2 FINANCIAL SUMMARY

2.1 INVESTMENT SCHEMATIC SHOWING TYPE OF INVESTMENTS, PROJECTED COSTS, EXPLANATION BY WHOM AND SOURCE OF WEALTH

The need for financial resources for the project is 400,3 K EUR.

Diagram 1. Investments structure



It is planned that the financing of this project will be carried out at the expense of the investor.

35% of the net profit will be sent to reimburse the investor's funds within three years from the date of launch, from the moment when the accumulated profit for the current month becomes more than 0 (from the 10th month of the project).

The amount of payments to the investor for the period of the project will be 4 924 K EUR.

2.2 FINANCIAL ESTIMATION FOR THE FIRST, SECOND AND THIRD YEAR

Table 2. Cash flow for the first year

		Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
Month of the project	Total for 4 years	1	2	3	4	5	6	7	8	9	10	11	12
Number of days in the period		30	31	31	30	31	30	31	31	29	31	30	31
Cash flow - INVESTING	-379 200	-363 800	0	0	-15 400	0	0	0	0	0	0	0	0
Acquisition of a license and security payment	-363 800	-363 800	0	0	0	0	0	0	0	0	0	0	0
Payment for the Amazon server	-13 000	0	0	0	-13 000	0	0	0	0	0	0	0	0
Purchase of office equipment, stationery	-2 400	0	0	0	-2 400	0	0	0	0	0	0	0	0
Cash flow - OPERATING	27 534 054	0	0	0	0	-21 100	18 900	58 900	98 900	138 900	153 193	167 006	198 606
Proceeds	39 608 333	0	0	0	0	40 000	80 000	120 000	160 000	200 000	240 000	280 000	320 000
Income from clients	39 600 000	0	0	0	0	40 000	80 000	120 000	160 000	200 000	240 000	280 000	320 000
Expenses total	-12 074 279	0	0	0	0	-61 100	-61 100	-61 100	-61 100	-61 100	-86 807	-112 994	-121 394
Direct costs	-3 807 500	0	0	0	0	-40 000	-40 000	-40 000	-40 000	-40 000	-47 500	-47 500	-47 500
Advertising costs	-1 760 000	0	0	0	0	-40 000	-40 000	-40 000	-40 000	-40 000	-40 000	-40 000	-40 000
Additional staff costs	-2 047 500	0	0	0	0	0	0	0	0	0	-7 500	-7 500	-7 500
Indirect costs	-1 048 400	0	0	0	0	-21 100	-21 100	-21 100	-21 100	-21 100	-21 100	-21 100	-21 100
Salary	-444 400	0	0	0	0	-10 100	-10 100	-10 100	-10 100	-10 100	-10 100	-10 100	-10 100
Accounting	-176 000	0	0	0	0	-4 000	-4 000	-4 000	-4 000	-4 000	-4 000	-4 000	-4 000
Office equipment maintenance	-110 000	0	0	0	0	-2 500	-2 500	-2 500	-2 500	-2 500	-2 500	-2 500	-2 500
Hosting	-120 000	0	0	0	0	0	0	0	0	0	0	0	0
Office rent	-66 000	0	0	0	0	-1 500	-1 500	-1 500	-1 500	-1 500	-1 500	-1 500	-1 500
Legal support	-132 000	0	0	0	0	-3 000	-3 000	-3 000	-3 000	-3 000	-3 000	-3 000	-3 000
Taxes	-7 218 379	0	0	0	0	0	0	0	0	0	-18 207	-44 394	-52 794
Profit tax	-7 218 379	0	0	0	0	0	0	0	0	0	-18 207	-44 394	-52 794
Cash flow - FINANCING	-4 523 791	363 800	0	0	15 400	21 100	0	0	0	0	-53 618	-58 452	-69 512
Co-investor's investment	400 300	363 800	0	0	15 400	21 100	0	0	0	0	0	0	0
Refunds to co-investor	-4 924 091	0	0	0	0	0	0	0	0	0	-53 618	-58 452	-69 512
CASH FLOW OF THE PROJECT	22 631 063	0	0	0	0	0	18 900	58 900	98 900	138 900	99 575	108 554	129 094
progressive total (cash balance)	22 631 063	0	0	0	0	0	18 900	77 800	176 700	315 600	415 175	523 729	652 823

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Table 3. Cash flow for the second year

Month of the project	Total for 4 years	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
Number of days in the period		13	14	15	16	17	18	19	20	21	22	23	24
		30	31	31	30	31	30	31	31	28	31	30	31
Cash flow - INVESTING	-379 200	0	0	0	0	0	0	0	0	0	0	0	0
Acquisition of a license and security payment	-363 800	0	0	0	0	0	0	0	0	0	0	0	0
Payment for the Amazon server	-13 000	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of office equipment, stationery	-2 400	0	0	0	0	0	0	0	0	0	0	0	0
Cash flow - OPERATING	27 534 054	224 281	255 881	255 881	313 156	351 339	376 356	402 031	433 631	465 231	490 906	522 506	554 106
Proceeds	39 608 333	360 000	400 000	440 000	480 000	528 333	560 000	600 000	640 000	680 000	720 000	760 000	800 000
Income from clients	39 600 000	360 000	400 000	440 000	480 000	520 000	560 000	600 000	640 000	680 000	720 000	760 000	800 000
Expenses total	-12 074 279	-135 719	-144 119	-184 119	-166 844	-176 994	-183 644	-197 969	-206 369	-214 769	-229 094	-237 494	-245 894
Direct costs	-3 807 500	-55 000	-55 000	-55 000	-62 500	-62 500	-62 500	-70 000	-70 000	-70 000	-77 500	-77 500	-77 500
Advertising costs	-1 760 000	-40 000	-40 000	-40 000	-40 000	-40 000	-40 000	-40 000	-40 000	-40 000	-40 000	-40 000	-40 000
Additional staff costs	-2 047 500	-15 000	-15 000	-15 000	-22 500	-22 500	-22 500	-30 000	-30 000	-30 000	-37 500	-37 500	-37 500
Indirect costs	-1 048 400	-21 100	-21 100	-61 100	-21 100	-21 100	-21 100	-21 100	-21 100	-21 100	-21 100	-21 100	-21 100
Salary	-444 400	-10 100	-10 100	-10 100	-10 100	-10 100	-10 100	-10 100	-10 100	-10 100	-10 100	-10 100	-10 100
Accounting	-176 000	-4 000	-4 000	-4 000	-4 000	-4 000	-4 000	-4 000	-4 000	-4 000	-4 000	-4 000	-4 000
Office equipment maintenance	-110 000	-2 500	-2 500	-2 500	-2 500	-2 500	-2 500	-2 500	-2 500	-2 500	-2 500	-2 500	-2 500
Hosting	-120 000	0	0	-40 000	0	0	0	0	0	0	0	0	0
Office rent	-66 000	-1 500	-1 500	-1 500	-1 500	-1 500	-1 500	-1 500	-1 500	-1 500	-1 500	-1 500	-1 500
Legal support	-132 000	-3 000	-3 000	-3 000	-3 000	-3 000	-3 000	-3 000	-3 000	-3 000	-3 000	-3 000	-3 000
Taxes	-7 218 379	-59 619	-68 019	-68 019	-83 244	-93 394	-100 044	-106 869	-115 269	-123 669	-130 494	-138 894	-147 294
Profit tax	-7 218 379	-59 619	-68 019	-68 019	-83 244	-93 394	-100 044	-106 869	-115 269	-123 669	-130 494	-138 894	-147 294
Cash flow - FINANCING	-4 523 791	-78 498	-89 558	-89 558	-109 605	-122 969	-131 725	-140 711	-151 771	-162 831	-171 817	-182 877	-193 937
Co-investor's investment	400 300	0	0	0	0	0	0	0	0	0	0	0	0
Refunds to co-investor	-4 924 091	-78 498	-89 558	-89 558	-109 605	-122 969	-131 725	-140 711	-151 771	-162 831	-171 817	-182 877	-193 937
CASH FLOW OF THE PROJECT	22 631 063	145 783	166 323	166 323	203 551	228 371	244 631	261 320	281 860	302 400	319 089	339 629	360 169
progressive total (cash balance)	22 631 063	798 606	964 929	1 131 251	1 334 803	1 563 173	1 807 805	2 069 125	2 350 985	2 653 385	2 972 474	3 312 103	3 672 272

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Table 4. Cash flow for the third year

Month of the project	Total for 4 years	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
		25	26	27	28	29	30	31	32	33	34	35	36
Number of days in the period		30	31	31	30	31	30	31	31	28	31	30	31
Cash flow - INVESTING	-379 200	0	0	0	0	0	0	0	0	0	0	0	0
Acquisition of a license and security payment	-363 800	0	0	0	0	0	0	0	0	0	0	0	0
Payment for the Amazon server	-13 000	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of office equipment, stationery	-2 400	0	0	0	0	0	0	0	0	0	0	0	0
Cash flow - OPERATING	27 534 054	579 781	611 381	611 381	668 656	700 256	731 856	757 531	789 131	820 731	846 406	878 006	909 606
Proceeds	39 608 333	840 000	880 000	920 000	960 000	1 000 000	1 040 000	1 080 000	1 120 000	1 160 000	1 200 000	1 240 000	1 280 000
Income from clients	39 600 000	840 000	880 000	920 000	960 000	1 000 000	1 040 000	1 080 000	1 120 000	1 160 000	1 200 000	1 240 000	1 280 000
Expenses total	-12 074 279	-260 219	-268 619	-308 619	-291 344	-299 744	-308 144	-322 469	-330 869	-339 269	-353 594	-361 994	-370 394
Direct costs	-3 807 500	-85 000	-85 000	-85 000	-92 500	-92 500	-92 500	-100 000	-100 000	-100 000	-107 500	-107 500	-107 500
Advertising costs	-1 760 000	-40 000	-40 000	-40 000	-40 000	-40 000	-40 000	-40 000	-40 000	-40 000	-40 000	-40 000	-40 000
Additional staff costs	-2 047 500	-45 000	-45 000	-45 000	-52 500	-52 500	-52 500	-60 000	-60 000	-60 000	-67 500	-67 500	-67 500
Indirect costs	-1 048 400	-21 100	-21 100	-61 100	-21 100	-21 100	-21 100	-21 100	-21 100	-21 100	-21 100	-21 100	-21 100
Salary	-444 400	-10 100	-10 100	-10 100	-10 100	-10 100	-10 100	-10 100	-10 100	-10 100	-10 100	-10 100	-10 100
Accounting	-176 000	-4 000	-4 000	-4 000	-4 000	-4 000	-4 000	-4 000	-4 000	-4 000	-4 000	-4 000	-4 000
Office equipment maintenance	-110 000	-2 500	-2 500	-2 500	-2 500	-2 500	-2 500	-2 500	-2 500	-2 500	-2 500	-2 500	-2 500
Hosting	-120 000	0	0	-40 000	0	0	0	0	0	0	0	0	0
Office rent	-66 000	-1 500	-1 500	-1 500	-1 500	-1 500	-1 500	-1 500	-1 500	-1 500	-1 500	-1 500	-1 500
Legal support	-132 000	-3 000	-3 000	-3 000	-3 000	-3 000	-3 000	-3 000	-3 000	-3 000	-3 000	-3 000	-3 000
Taxes	-7 218 379	-154 119	-162 519	-162 519	-177 744	-186 144	-194 544	-201 369	-209 769	-218 169	-224 994	-233 394	-241 794
Profit tax	-7 218 379	-154 119	-162 519	-162 519	-177 744	-186 144	-194 544	-201 369	-209 769	-218 169	-224 994	-233 394	-241 794
Cash flow - FINANCING	-4 523 791	-202 923	-213 983	-213 983	-234 030	-245 090	-256 150	-265 136	-276 196	-287 256	-296 242	-307 302	-318 362
Co-investor's investment	400 300	0	0	0	0	0	0	0	0	0	0	0	0
Refunds to co-investor	-4 924 091	-202 923	-213 983	-213 983	-234 030	-245 090	-256 150	-265 136	-276 196	-287 256	-296 242	-307 302	-318 362
CASH FLOW OF THE PROJECT	22 631 063	376 858	397 398	397 398	434 626	455 166	475 706	492 395	512 935	533 475	550 164	570 704	591 244
progressive total (cash balance)	22 631 063	4 049 129	4 446 527	4 843 925	5 278 551	5 733 717	6 209 424	6 701 819	7 214 754	7 748 229	8 298 393	8 869 097	9 460 341

3 CREW OF THE PROJECT

Vladimir - the Project Manager

More than 7 years of successful project activity in the development of modern platforms for communication, generation and elaboration of project initiatives aimed at achieving strategic goals in the field of creating Internet platforms.

Development of project documentation, selection of a framework for project implementation (rigid or flexible methodologies, depending on the type of project).

Recruitment and management of a project team of over 200 people.

The responsibilities include:

- Project implementation management.
- Communication with investors, customers and potential clients.
- Pre-project survey, collection, analysis, structuring of customer requirements;
 - ♦ definition of goals, objectives and results of the project;
 - ♦ preparation of the project for implementation, determination of "control" points and key parameters;
 - ♦ determination of the scope of work required for the development and implementation of the project;
 - ♦ assessment of the duration of work, drawing up a critical path, assessing and describing risks;
 - ♦ determining the required resources and assessing their cost, creating estimates and project budget;
 - ♦ identification of key competencies required by members of the project team, description of requirements for project roles;
 - ♦ formation of a project team, distribution and assignment by roles;
 - ♦ monitoring deviations from the plan, controlling changes in the project budget, adjusting the plan;
 - ♦ solution of all organizational and administrative issues;
 - ♦ control over the preparation of the necessary project documentation;
 - ♦ reporting on the execution of projects;
 - ♦ participation in the development / preparation of tender documents for the implementation of a new project.

Konstantin - Second Project Leader

Qualified Business Analyst with Computer Science and over 6 years of professional experience. Used first-class management and analytical skills at Alabama Casino. In previous positions, the profitability of games in this sector increased by 30%. An in-depth analysis of business processes was also carried out, which increased revenue by 23%. Well acquainted with all types of table and slot machines.

Was responsible for monitoring the actions of dealers and players in the table games section. Ensuring proper handling of money, observing players for cheating or card counting, observing for signs of dealer fatigue, and observing transactions to prevent errors. The main responsibilities were to ensure that the casino and all its employees were in compliance with government regulations, and to ensure that the casino was profitable. Was also required to hire, train, fire and supervise executives and non-executives. Later he was engaged in cryptanalysis, management of regulated portfolios of crypto investments. Responsibilities included: effective execution of transactions and risk management.

Improving investment efficiency.

Marketing research and analysis of cryptoassets, liquidity and market structure.

Communicate effectively with other key internal stakeholders.

Maria - HR Manager

More than 10 years in the field of professional selection and training of personnel in the gambling business and foreign economic activity. The responsibilities included:

- Development of a marketing plan (SWOT analysis, STEP analysis, consumer segmentation, positioning of company services);
- Organization of the work of the personnel department (subordinate to 150 people).

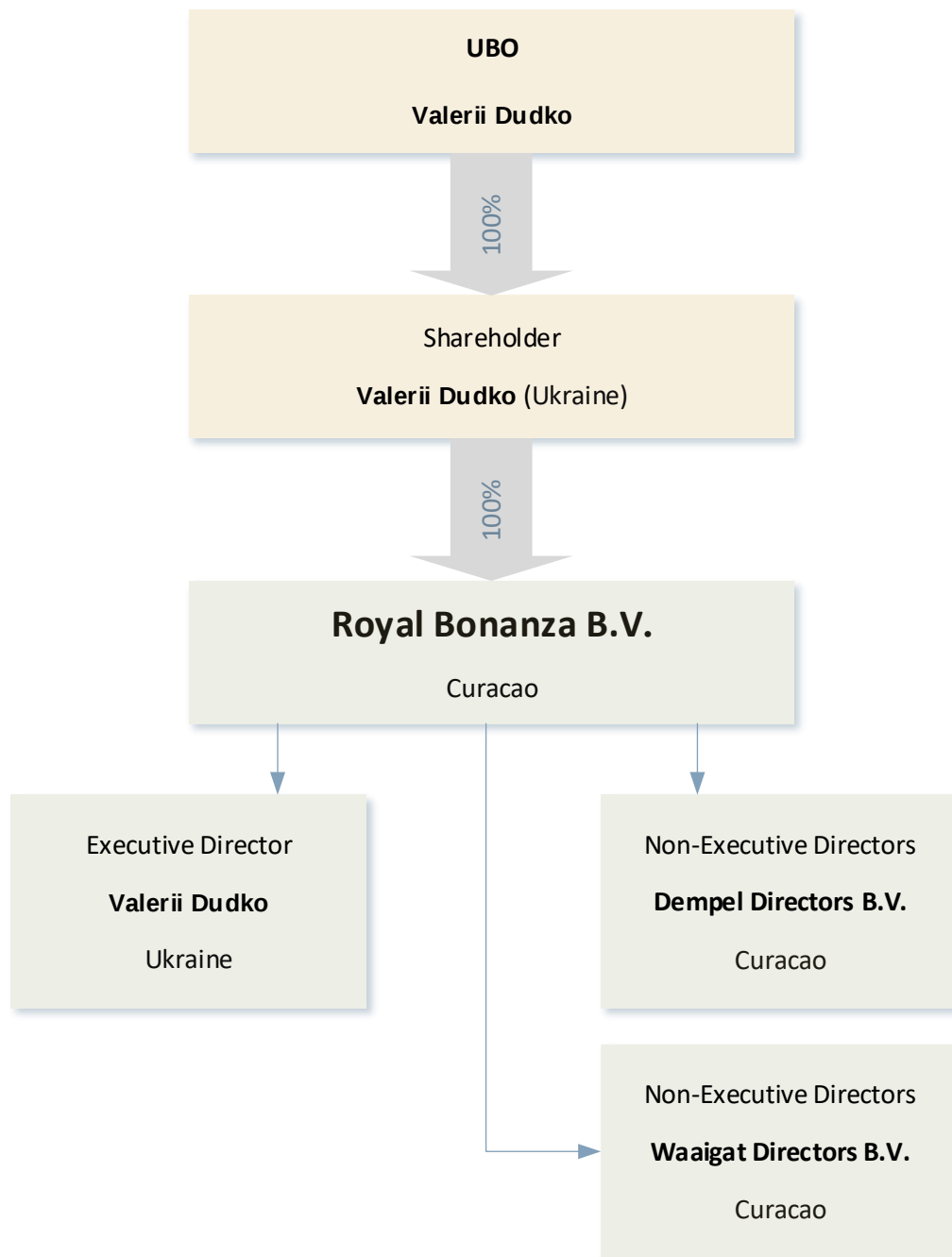
- Development, planning and organization of the development and training process for the Company's personnel.
- Managing the process of searching, evaluating, selecting and adapting.
- Organization of development of normative and regulatory documentation.
- Development and promotion of HR brand. Formation of positioning as an attractive employer in the external and internal environment.
- Automation of HR processes.
- Support for managers and employees of the Company on any issues of personnel management, labor relations management, Company policy, procedures and laws.
- Participation in pricing;
- Development of new site structures, implementation of pivot tables.
- Development of recommendations to improve the usability of partner sites.
- Writing content for the company's website;
- Preparation and organization of the company's participation in thematic exhibitions;
- Development of RIM (advertising leaflets, leaflets, brochures, business cards, banners, etc.);
- Preparation of information materials about the company;
- Google Analytics - analysis, conclusions, recommendations;
- Working with contextual advertising
- SEO promotion: compilation and analysis of the semantic core, work with contractors;
- Customer feedback support, clarification of the quality of the services provided;
- Development of a marketing plan and presentation to management.

Maxim - PR Manager

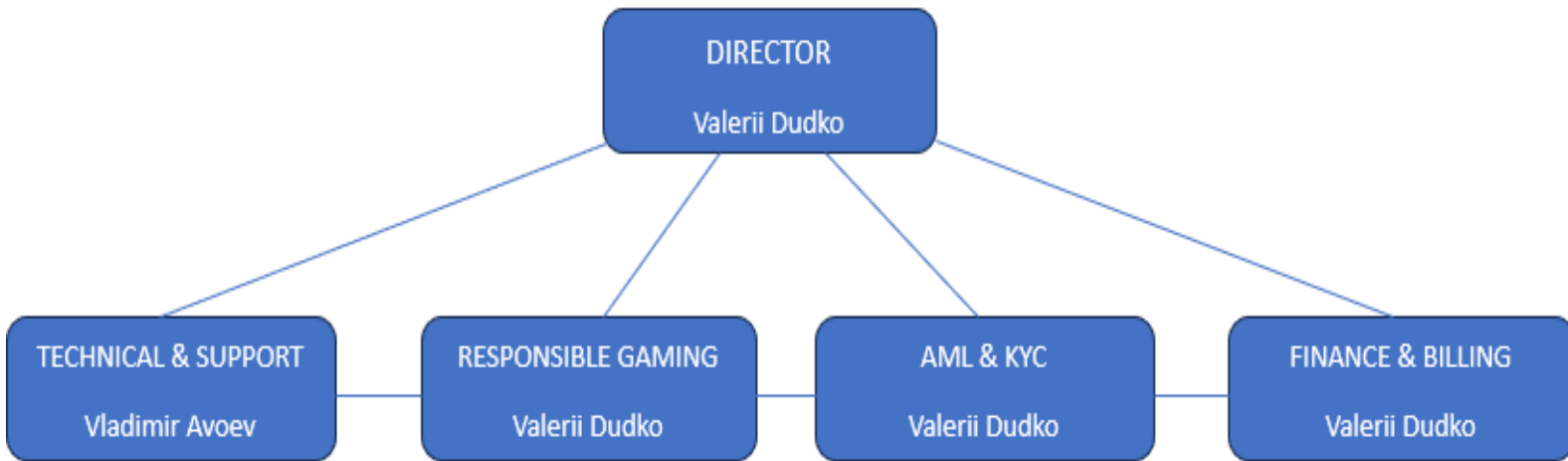
- A wide-profile specialist with extensive experience in developing and implementing a promotion strategy in accordance with the tasks and profile of the company;
- 6 years of experience in negotiation and business correspondence;
- Knowledge of the features of offline and online platforms, the ability to use them effectively;

- Organizational skills

Diagram 2. Organizational Structure of Royal Bonanza B.V.



Control Structure



4 MARKET ANALYSIS

4.1 INCOME AND TURNOVER

2020 has become a successful year for online casinos around the world due to the pandemic and self-isolation. In many countries the revenue of the entire gambling market has grown by a third - at least in relation to the previous 2019. This indicates the robustness and promise of this business model.

Over the past few years 85 countries around the world have legalized online gambling. Online betting and betting in slot machines and other gambling games together account for 70% of the income of all Internet gambling.

Gambling on the global network is very popular due to the wide variety of offers and comfortable gaming process without any restrictions. The largest income from online slot machines is generated in the UK, China, Austria, Germany and Italy.

Research firm Juniper has calculated that online gambling betting turnover will reach \$ 950 billion by 2022 and will continue to grow, Yogonet reports.

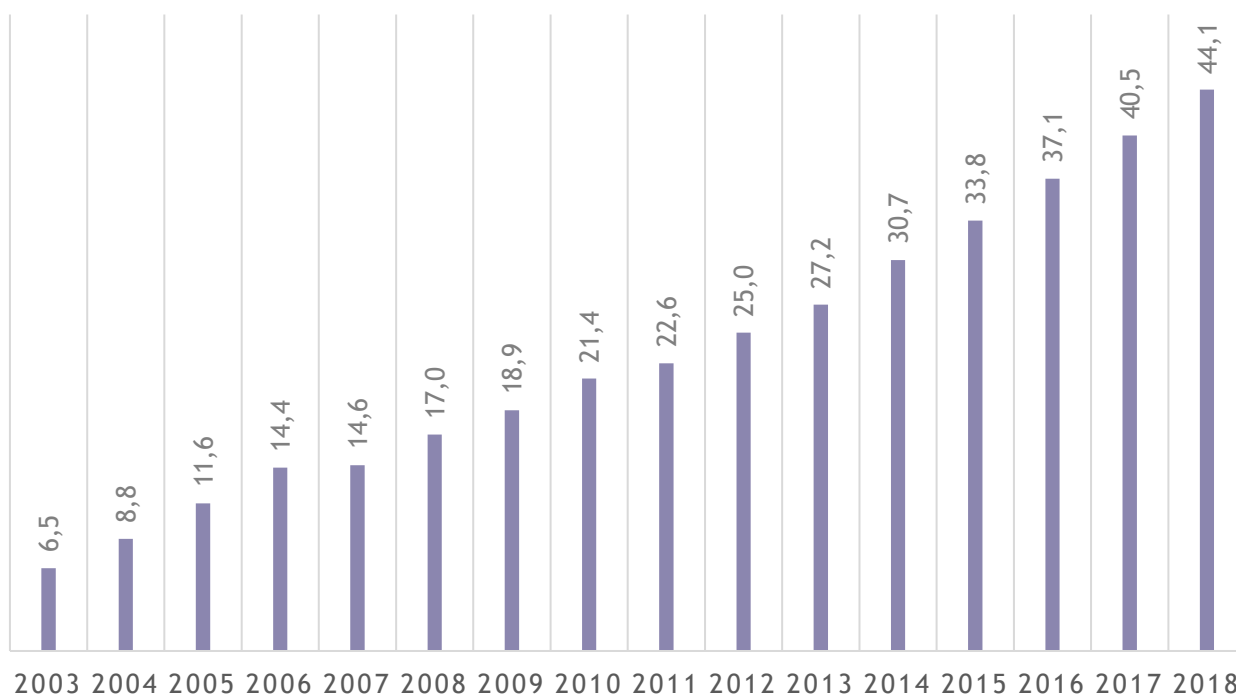
According to Juniper research, gambling is increasingly moving to the online environment. Moreover, the greatest activity is shown by mobile applications. The share of bets made using mobile phones is constantly growing.

The authors of the study also noted that, despite the general trend towards the regulation of national gambling markets, a few countries are moving towards the prohibition of gambling via the Internet and mobile applications.

The global online gambling market already accounts for 13% of the total global legal gambling market and this figure is constantly growing.

About 85 countries have allowed online gambling, according to a study by the American Gaming Association.

Diagram 3. Revenue from online gambling worldwide, billion EURs

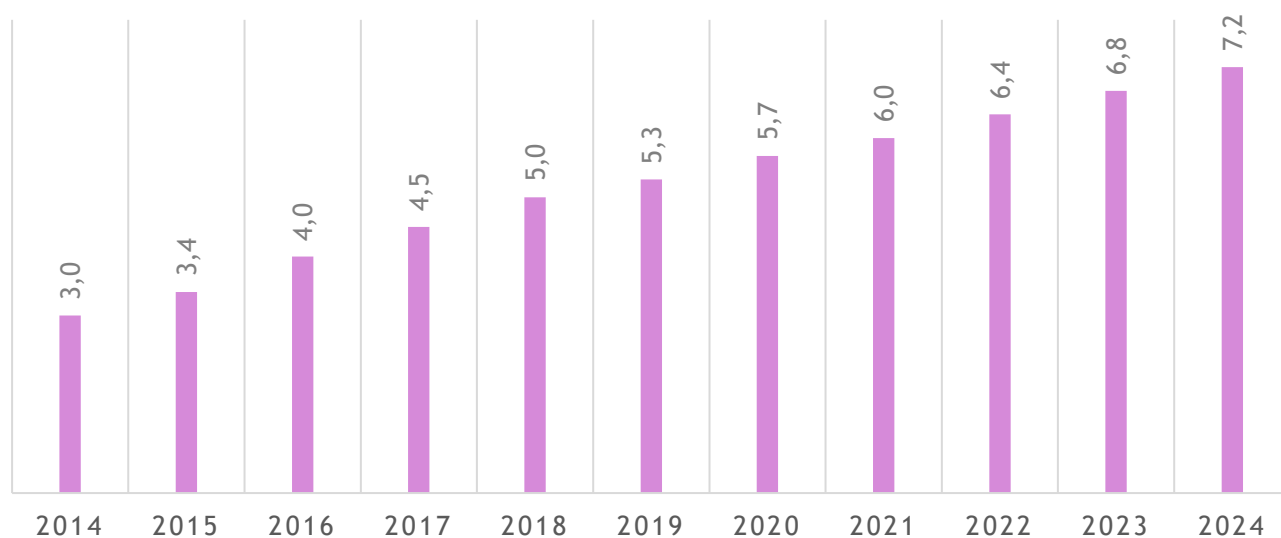


Gross Gaming Revenue is a financial indicator that determines the gross revenues of a gambling establishment. The GGR parameter allows you to track the dynamics of the behavior of gambling players around the world.

BV1sion presented an overview of the online casino market in 2019, including the GGR market predictions. In 2019, GGR was \$ 5.3 billion (up from \$ 5 billion in 2018). It is predicted that GGR will grow further and will reach \$ 5.7 billion this year (2020), and \$ 7.2 billion in 2024¹.

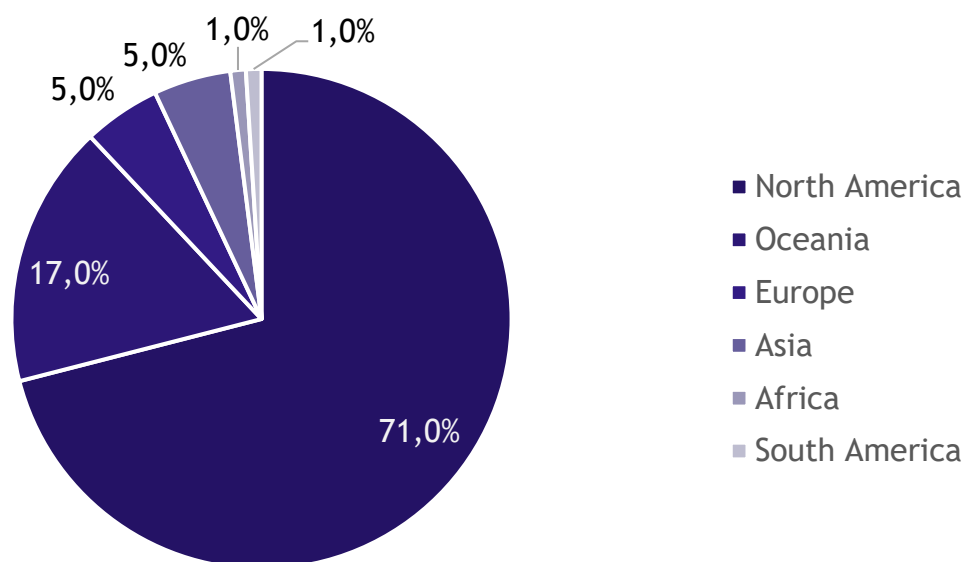
¹ <https://3snet.co/news/2020-forecasts-gambling/>

Diagram 4. Forecast of Gross Gaming Revenue, \$ billion



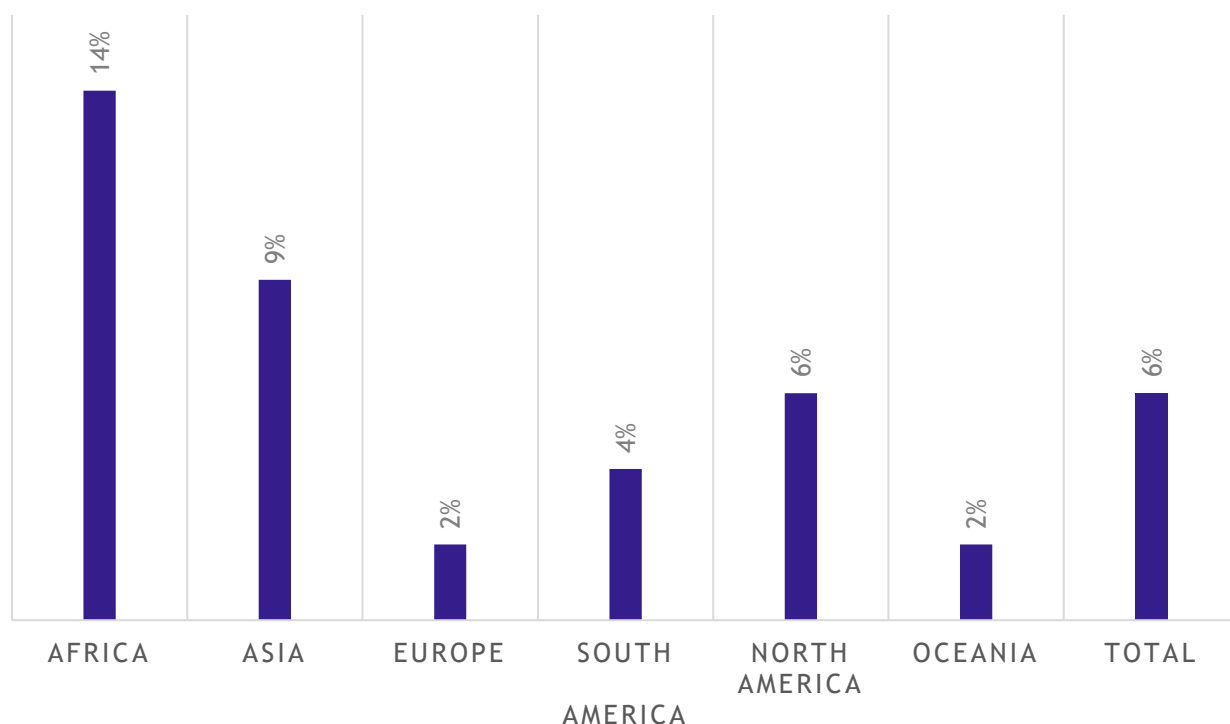
At the same time, Oceania (Fiji, New Zealand, Polynesia, New Guinea, etc.) also has a strong presence with 17% of the global GGR in 2019, significantly ahead of Asia and EURpe with 5%.

Diagram 5. Regional structure of gross income of the gambling business in 2019



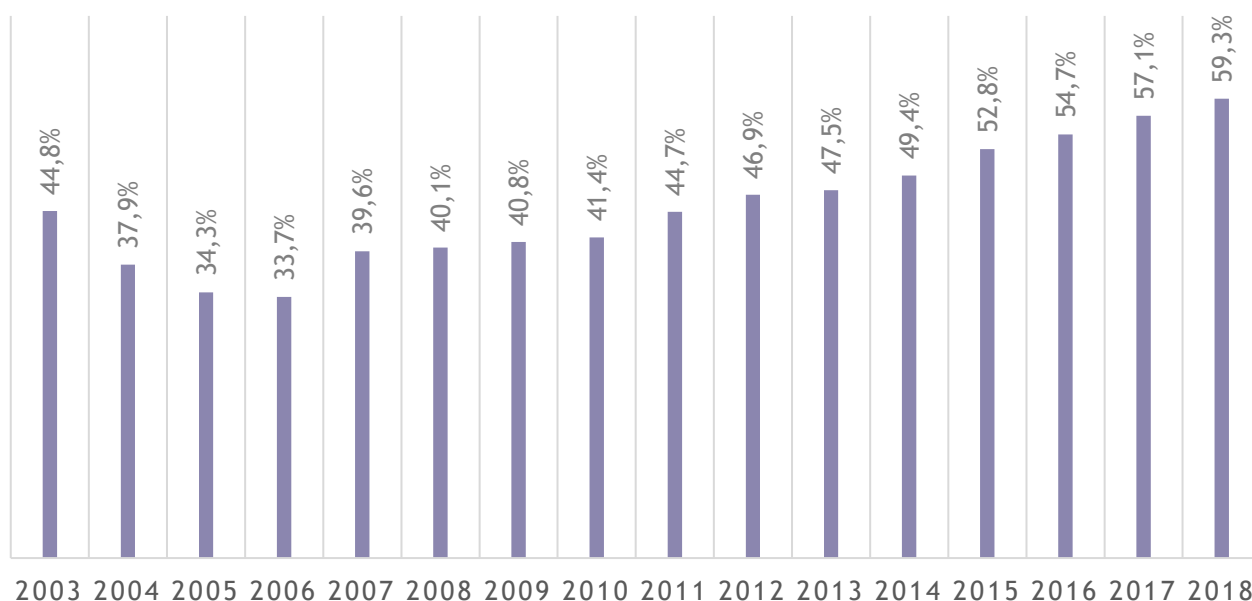
Africa posted the fastest growth rate in 2019 at 14% YoY, while EURpe experienced very modest growth.

Diagram 6. Growth in gross income by region in 2019



There was also talk about simplifying the rules. Operators of online gambling operating in the European Union are forced to obtain licenses in several countries, which require licensing. But a more general approach would be better for them. More compliance requirements create unnecessary infrastructure duplication and costs, which adds unnecessary administrative burdens for regulators.

Diagram 7. The share of the "white market" in online gambling revenue worldwide



Since 2003, the market has grown by an average of 23% annually. The dominant elements were betting, casino and poker. Online gaming is becoming more and more popular, and its progress is driven by factors such as the spread of the Internet, the emergence of new markets and new groups of players.

4.2 NEW GROUPS OF PLAYERS

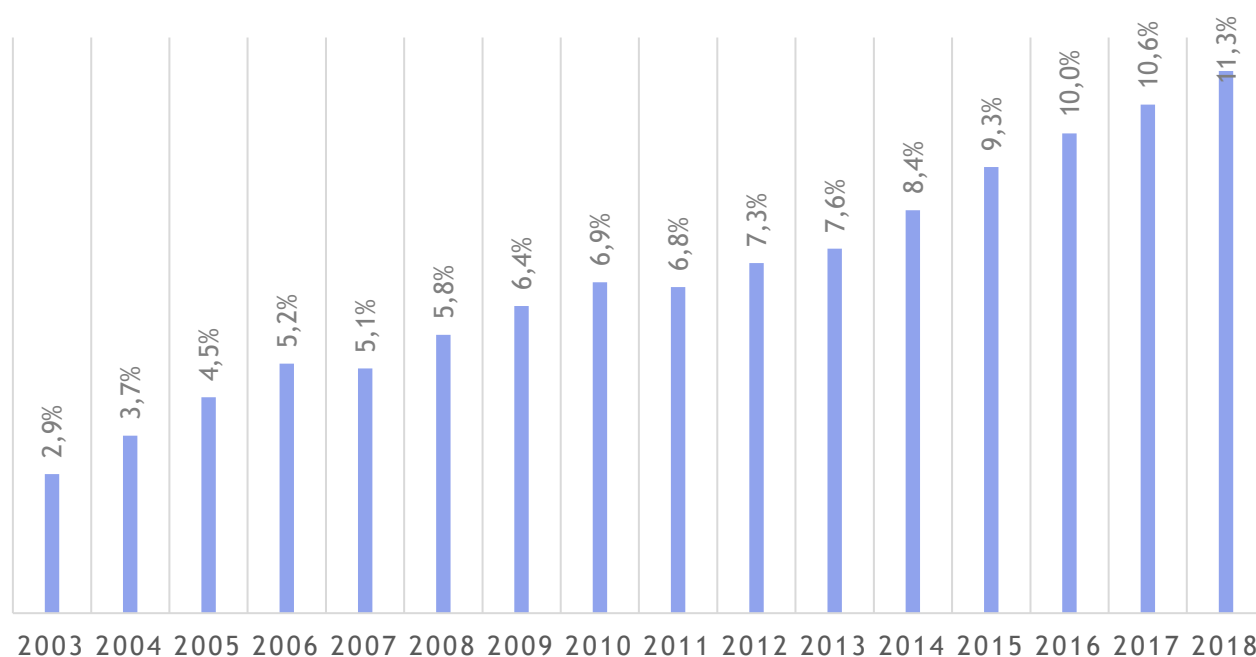
Since 2004, the number of female Internet users aged 18 to 74 has increased by more than 80%, and men by 60%. Online gambling attracted mostly young men, but now it is becoming more popular among women and older people.

Different types of players have different preferences and reasons to play. Most people do it for fun, others do it to win money, and some do it to relax. Whatever the reason, operators and developers should keep an eye on player preferences. Age differences between players are also increasing as the Internet continues to spread in society. The image of the average male player between the ages of 25 and 35 is becoming increasingly blurred.

According to a study by GP Bullhound, 43% of all online gamblers in 2009 were women. Their favorite segment is still bingo, but they play in different directions. Research shows that the play behavior of men and women is different. Women tend to play longer and bet lower, while men do it more often and bet more, but the games are shorter.

Bingo is becoming more and more popular because the game offers the opportunity to relax in a social society.

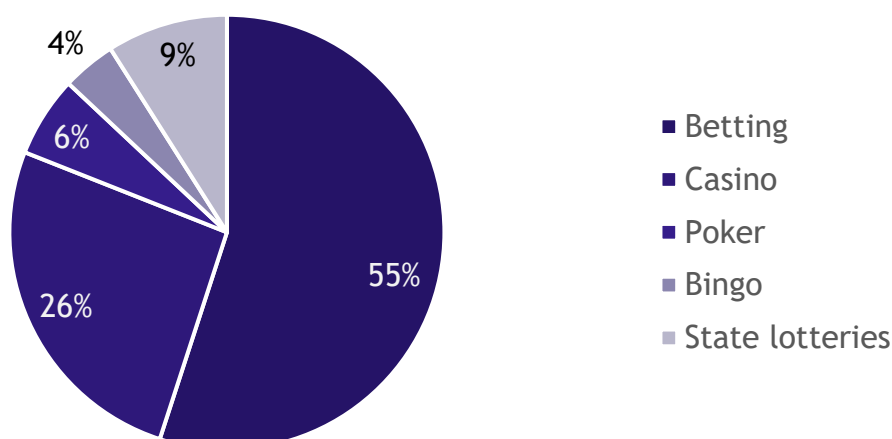
Diagram 8. Share of online gambling income from total gambling income in the world



It is important to note that most of the popular forms of remote gambling today are traditional casino games, betting and poker variations. The popularity of different types of online gambling depends on gender. The bingo industry is expected to have the highest growth rates as more women are interested in the iGaming industry and bingo.

Nevertheless, online gambling is still more popular among men. Young men are especially prone to gambling. Women enjoy playing just as much, but they choose simpler games like lotteries and slots. The difference can be explained by the socialization of the roles of men and women. Betting, casino games and skill games are traditionally associated with male audiences, while women are more accustomed to playing, having fun, rather than getting an adrenaline rush.

Diagram 9. Online gaming revenue by type, 2019



4.3 CURRENT TRENDS IN ONLINE CASINOS

The online casino industry has grown tremendously in the past decade and continues to expand at a remarkable pace. As technology advances, the online gambling industry adapts to new trends and changes. In addition, more and more new casinos are finding their way into the popular market, as you can see in this review of captaingambling.com. In this article, we'll discuss some of the trends and predictions for online casinos in 2023.

Virtual Reality

One of the biggest trends that are expected to revolutionize the online gambling industry is virtual reality. Virtual reality is a computer-generated environment that can be interacted with in a way that simulates a real-life experience. This technology has been used in various industries, including gaming, and online casinos are not left behind.

In 2023, it is expected that more online casinos will incorporate virtual reality technology into their games, creating an immersive and lifelike experience for players. With virtual reality, players can explore a casino and interact with other players, making online gambling feel like a physical casino.

Cryptocurrency

Another trend that is expected to grow in 2023 is the use of cryptocurrency in online casinos. Cryptocurrency has gained popularity in recent years due to its decentralized nature and anonymity, making it an ideal payment method for online gambling.

As more players turn to cryptocurrency, online casinos are expected to integrate more digital currencies into their payment options. This will not only make it easier for players to make deposits and withdrawals but also increase the security of financial transactions. So the growth of crypto gaming in the market should continue to expand.

Mobile Gaming

Mobile gaming has been growing in popularity in recent years, and it is expected to continue to be a significant trend in 2023. Online casinos are expected to focus more on creating mobile-friendly games and improving the overall mobile gaming experience.

With the increasing number of smartphone users, online casinos that fail to optimize their platforms for mobile gaming may lose out on potential customers. In 2023, it is expected that online casinos will offer more mobile-exclusive bonuses and promotions to attract players.

Artificial Intelligence

Artificial intelligence (AI) is becoming a significant part of various industries, including online gambling. AI is used to improve the user experience by personalizing games to each player's preferences and playing style. This technology can also be used to detect and prevent fraud and cheating.

In 2023, it is expected that more online casinos will incorporate AI technology into their platforms to enhance the user experience, increase security, and prevent fraudulent activities.

Live Dealer Games

Live dealer games have become a popular trend in recent years, and it is expected to continue in 2023. Live dealer games simulate a real-life casino experience by allowing players to interact with real dealers through video streaming. This creates a more engaging and immersive experience for players.

As more players seek a more realistic casino experience, online casinos are expected to offer more live dealer games in 2023. With advancements in technology, live dealer games will become more sophisticated, with more games, more dealers, and more immersive features.

Conclusion

The online gambling industry is expected to experience significant growth and changes in 2023. The integration of virtual reality, cryptocurrency, mobile gaming, artificial intelligence, and live dealer games will revolutionize the industry and provide players with an enhanced gaming experience.

As the online gambling industry grows and evolves, it is crucial for online casinos to stay up-to-date with the latest trends and technology to remain competitive. Online casinos that adapt and incorporate these trends are likely to attract more players and thrive in the industry.

4.4 MARKET FORECASTS

The global online gambling market's profitability indicators in 2022 were estimated to be around \$64 billion. According to a report by Grand View Research, this industry is planned to reach \$93.4 billion by 2027, with a compound annual growth rate CAGR of 8.1% (a compound annual growth rate).

According to Juniper research, gambling is increasingly moving to the online environment. Moreover, the greatest activity is shown by mobile applications. The share of bets made via mobile phones is constantly growing.

The authors of the study also noted that, despite the general trend towards the regulation of national gambling markets, a few countries are moving towards a complete ban on gambling via the Internet and mobile applications.

The global online gambling market already accounts for more than 13% of the total global legal gambling market and this figure is constantly growing.

Niche revenue is expected to reach \$ 65 billion by 2021, and the niche itself will undergo a series of changes and reforms depending on the market.

Modern technologies for the gambling business are actively developing. This applies to classic slots, video slots and VR (virtual) - gambling. A young generation of players is entering the market, and companies are doing their best to meet the high requirements. This is how esports betting and skill-based games emerged.

The Asian market is the largest in the world in terms of volume, and every year the demand for gambling is only growing. 2019 showed softening in the field of law - more and more countries are legalizing online betting and even casinos. This trend has moved into 2020, which opens new perspectives for the industry. See also the best deals from Asian casinos at 3snet.

In Africa, the online gambling market is now at the stage of rapid development and growth. The main problem is that currently, in most countries of the continent, casino activities are not regulated in any way (but they are not prohibited at the legislative level either). Therefore, it will take time to fully unleash the potential of this market.

5 RISKS OF ONLINE CASINO OPENING

Unstable legislation

Each country has its own rules regarding gambling, which change quite often. You need to understand that, perhaps, the casino owner will need to decide how to reformat the establishment in the event of changes in the law.

Instability of equipment operation

Since the main locale is the internet, it's important that everything runs like clockwork. If the site or server goes down, the casino will suffer serious losses.

Software

The structure of an online casino is a kind of constructor consisting of three types of software (software, or so-called software): a gaming platform, a payment solution, and gaming content.

Payment systems are the least risky category. All payment solutions are seriously tested by regulatory authorities, banks, etc. Here the risk of getting low-quality software is minimized.

The biggest risk for operators is non-original, or so-called pirated, software. As a result, you can lose experienced and serious players who understand software. They will choose the casino that has the original software. Because it guarantees both payouts and a clear return to player (RTP) percentage. Another aspect that operators often overlook is the back doors. Backdoors is a malicious algorithm that programmers often "screw" onto handicraft software to simply steal money from unsuspecting operators. In addition to backdoor, there is a huge number of errors, bugs, which also entail financial losses.

"Pirate" software is an illegal thing. Clients simply cannot know either the final provider or who they are contracting with, because there is a whole chain of intermediaries. At a certain moment, when you invested money in the development

of a casino, installed software, launched a project, spent money on marketing, your provider will simply disappear. This will not happen with the original software, because you always know with whom you have a contract, who is behind this contract and to whom in case of something to contact with problems.

The last aspect is a violation of the copyright law, which is often ignored, but in our country, there is still a possibility to prosecute a person under this law.

A very important aspect when choosing software is security. Serious software development companies spend colossal resources on it. Creation of secure software requires additional time and human resources. Companies deliberately do this in order to end up with a product that will provide security to all customers. And that's something worth working for.

Another very important aspect is the so-called usability, which is often neglected when developing software, because people are chasing functionality. Forgetting about usability, you can face a problem when a lot of unsystematic functionality accumulates on one platform. It is necessary to think about ease of use at all stages: both when drawing up a technical assignment for software development, and subsequently, during modernization and upgrades.

High competition

The owner of a gambling business can receive a lot of money, since this type of service is in great demand. Many seek to occupy a niche, but only casinos with the right approach to business achieve success. You need to tune in to the fact that you must work hard to earn.

Money laundering

Regulatory organizations conduct constant checks about money laundering by criminal structures, financing of terrorism through online casinos. If evidence of inadequate anti-money laundering activities is found, casinos may have their license revoked.

Advertising

Regulatory organizations ensure that gambling advertising is socially responsible, with attention to protecting children, young people and other vulnerable persons from harm or exploitation. This applies to the images of toys, comic book characters, cartoons, fairy tales, brands that children like.

Loss of funds

At the first stage, losses of funds spent on registration, rent and office equipment are possible.

The security payment, in the event of the closure of the online casino for internal reasons or other objective reasons, is returned to the casino owners, but must remain unused during the operation of the online casino as a deposit in case of winning the jackpot, i.e. losses can be minimal.

Risk insurance

Thanks to the combined 10 years of experience in the field of online casinos of the founders and co-owners of the project and the managerial experience of the project mentor, the risks of entering the market will be minimized as much as possible.

6 FINANCIALS

6.1 INVESTMENTS

Volume and structure of investments

The total investment required for the project is 400,3 K EUR.

The funds raised under the project are planned to be distributed in the following areas of financing:

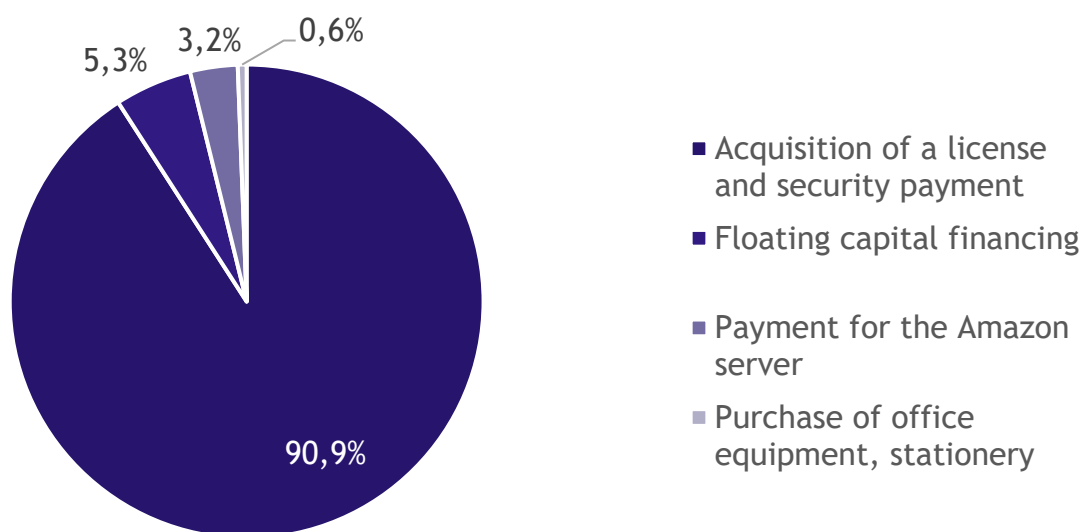
- acquisition of a license and security payment;
- payment for the Amazon server;
- purchase of office equipment, stationery;
- floating capital financing.

Table 5. Investment budget, EUR

No	Name	Value
1	Acquisition of a license and security payment	363 800
2	Payment for the Amazon server	13 000
3	Purchase of office equipment, stationery	2 400
4	Floating capital financing	21 100
Invested capital total (actual need for cash)		400 300

The largest share in investment costs is acquisition of a license and security payment (about 91%).

Diagram 10. Investments structure



Project Milestones and Implementation of Investments Schedule

The total project implementation period is 48 months (4 years).

The duration of the investment period (before the launch of the project) is 0,3 years.

A phased work schedule with a financing schedule is presented in the table below.

Table 6. Financial plan, EUR

		Total for 4	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23
1	Acquisition of a license and security payment	363 800	363 800				
2	Payment for the Amazon server	13 000				13 000	
3	Purchase of office equipment, stationery	2 400				2 400	
4	Floating capital financing*	21 100					21 100
Investment total excl. floating capital		379 200	363 800	0	0	15 400	0
Invested capital total (actual need for cash)		400 300	363 800	0	0	15 400	21 100

6.2 INCOME PLAN

Income-generating activities and products

Within the framework of this project, it is planned to receive income from the provision of online casino services.

Scope of services

Project scope of services rendering

The design volume of attracting new clients is 2000 people per month.

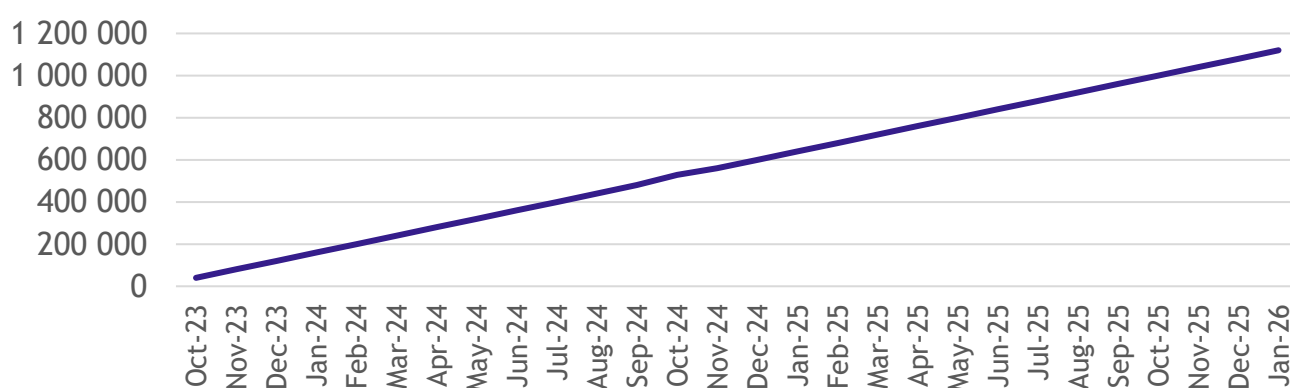
Average income per client is 240 EUR per year.

Customer income is 5% of customer turnover in online casinos.

Volume of income

At the beginning of the project, it is planned to have an income of 40,0 K EUR per month, after the company reaches its design capacity - 646,4 K EUR per month.

Diagram 11. Dynamics of proceeds from sales and direct costs, EUR



The total amount of proceeds for the project period (4 years) will amount to 39 608,3 K EUR.

An aggregate plan for generating income and financing direct costs is presented in the table below.

Table 7. Income and direct cost plan, EUR

			Total for 4 years	2023	2024	2025	2026	2027
Physical indicators			Unit	-				
Total number of clients		<i>ppl</i>		6 000	40 000	64 000	88 000	88 000
Number of new clients		<i>ppl</i>	88 000	6 000	24 000	24 000	24 000	10 000
<i>For reference:</i>								
Number of additional staff		<i>ppl</i>	200	-	25	45	65	65
Customer turnover			792 000 000	4 800 000	91 200 000	206 400 000	321 600 000	168 000 000
Proceeds			39 608 333	240 000	4 568 333	10 320 000	16 080 000	8 400 000
total			39 608 333	240 000	4 568 333	10 320 000	16 080 000	8 400 000
Income from clients		20,0	39 600 000	240 000	4 560 000	10 320 000	16 080 000	8 400 000
Direct costs			3 807 500	120 000	645 000	1 005 000	1 365 000	672 500
Advertising costs		20,0	1 760 000	120 000	480 000	480 000	480 000	200 000
Additional staff costs		1500,0	2 047 500	-	165 000	525 000	885 000	472 500

6.3 PROJECT COSTS

Indirect costs

Staff

According to the staffing table, the total estimated number of personnel is 6 people with a standard workload with an average salary of 1 683 EUR per month.

The total payroll will amount to 10,1 K EUR per month (121,2 K EUR per year).

Table 8. Staffing table with salaries, EUR

No	Position	Number of people	Salary	Total per month
1	Director	1	2 000	2 000
2	Site developer	1	1 700	1 700
3	Designer	1	1 700	1 700
4	Advertising specialist	1	1 700	1 700
5	Employee	2	1 500	3 000
Total		6		10 100

5 additional staff are employed for every 6000 new clients. The cost of additional personnel is shown in variable costs.

Other indirect expenses

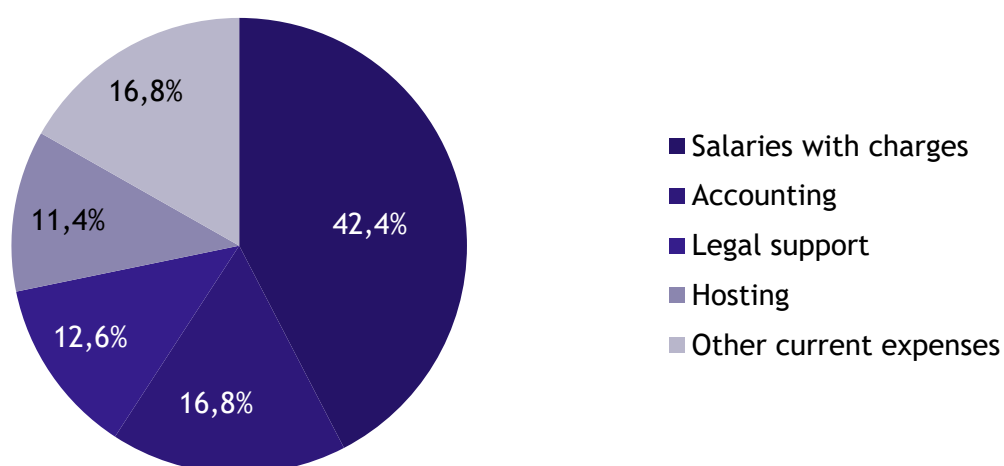
When calculating the financial indicators of this project, current indirect costs with an average amount of 11,0 K EUR per month were taken into account.

A complete list of ongoing indirect costs is presented in the table below.

Table 9. Indirect costs, EUR

№	Item of expense	Total per year
1	Accounting	48 000
2	Office equipment maintenance	30 000
3	Hosting	40 000
3	Office rent	18 000
4	Legal support	36 000
Total		172 000

Diagram 12. The structure of indirect costs



Direct costs

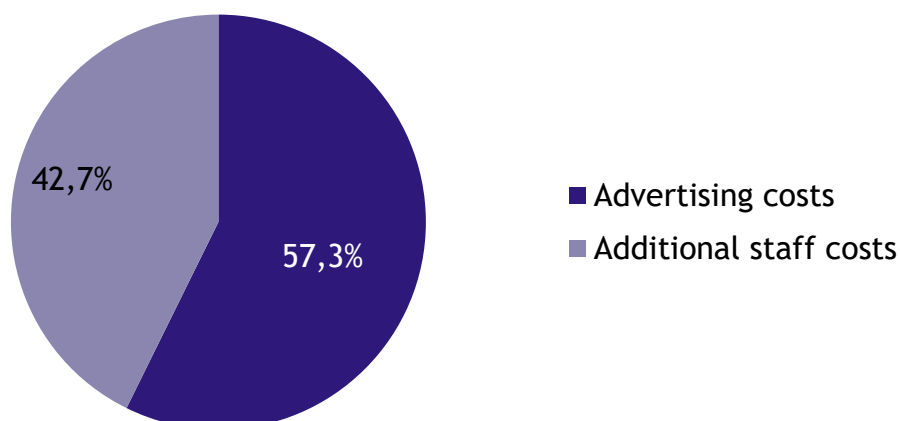
Direct production costs

A complete list of current direct costs is presented in the table below.

Table 10. Direct costs, EUR

№	Item of expense	Per unit, total	Calculation base
1	Advertising costs	20	for 1 client
2	Additional staff costs	1 500	for 1 person

Diagram 13. Structure of direct costs



Taxes

Taxes of the company as a tax subject

Within the framework of this project, the following types of taxes are taken into account:

- profit tax at rate 2,0%.

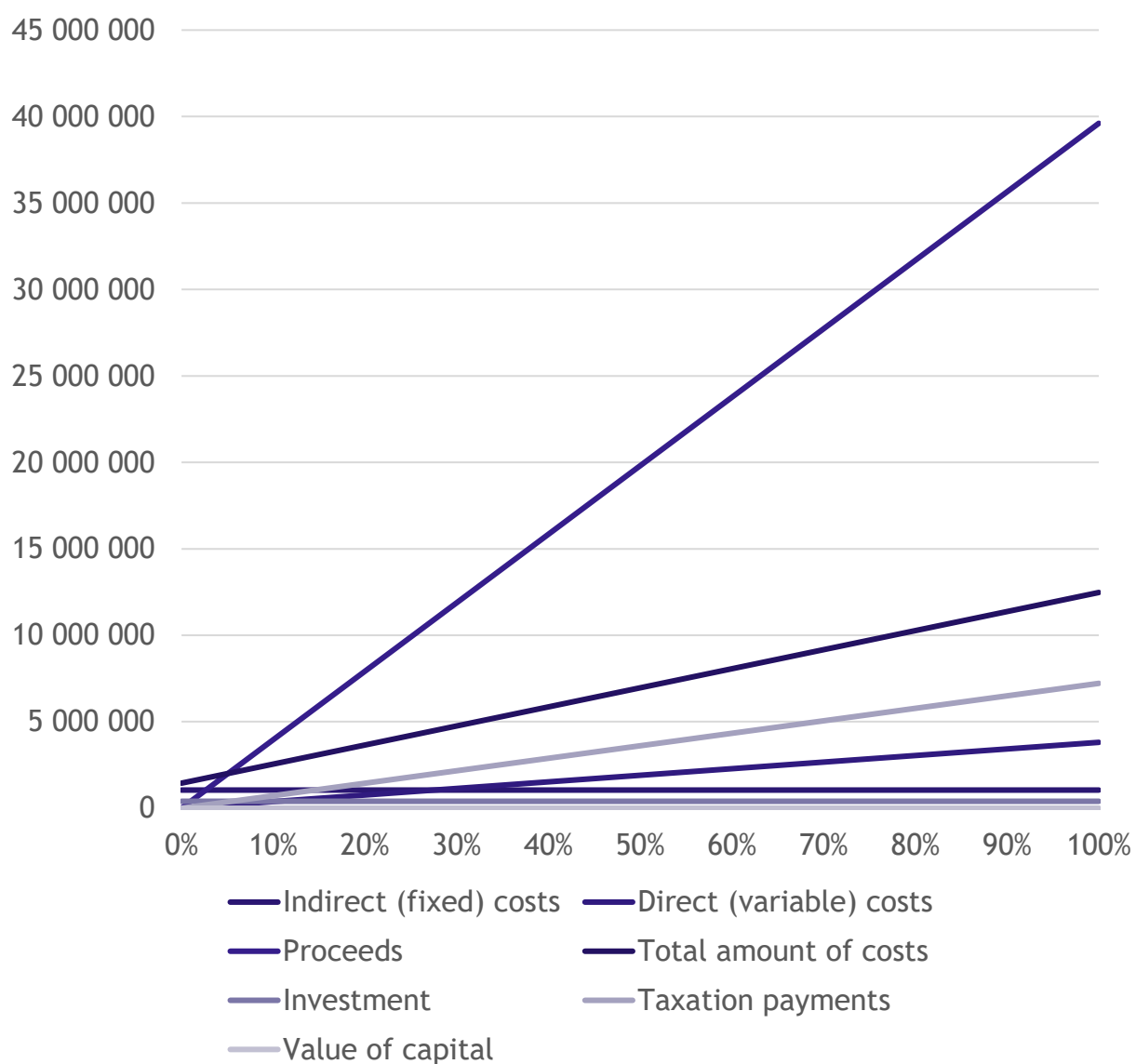
The amount of accrued and paid taxes for the project period will amount to 7 218,4 K EUR.

6.4 ANALYSIS OF THE BREAK-EVEN POINT

As part of the investment project as a whole, taking into account investment costs and the declared sales volume for the entire project period, the break-even sales volume is equal to 2 007,5 K EUR (5,1% of the total project proceeds).

The financial strength margin reaches 37 600,8 K EUR (94,9% of the total project proceeds).

Diagram 14. Break-even point of the project as a whole, EUR



6.5 FINANCIAL PLAN

The need for financial resources for the project is 400,3 K EUR.

It is planned that the financing of this project will be carried out at the expense of the investor.

35% of the net profit will be sent to reimburse the investor's funds within three years from the date of launch, from the moment when the accumulated profit for the current month becomes more than 0 (from the 18th month of the project).

The amount of payments to the investor for the period of the project will be 4 924 K EUR.

Indicators of the cash flow plan

The cash flow plan combines three cash flows together:

- investment flow (characterizing long-term investments in the development of the company, as well as possible further income from the sale of these assets);
- operating flow (describing the current activities of the company);
- financial flow (showing the sources of financing investment investments and operating costs).

Investment activities

The balance of the investment cash flow of the project is equal to the aggregate of all long-term financial investments (investment budget), except for working capital - 379,2 K EUR.

Operating activities

Positive cash flows from operating activities are generated by sales proceeds. Negative cash flows are the company's operating costs.

The amount of proceeds for the period of the project reaches 39 608,3 K EUR.

Negative cash flow reaches 12 074,3 K EUR and consists of the following main components:

- variable costs - 3 807,5 K EUR;
- fixed costs - 1 048,4 K EUR;
- taxes - 7 218,4 K EUR.

Thus, the balance on operating activities at the end of the project will be equal to the amount of net profit and will be 27 154,9 K EUR.

Financial activities

The financial flow consists of receipts of own and credit funds for financing the project, as well as their subsequent reimbursement.

Table 11. Cash flow plan

Number of days in the period		Total for 4 years	2023	2024	2025	2026	2027
			214	366	365	365	151
Cash flow - INVESTING	VAT	-379 200	-379 200	0	0	0	0
Acquisition of a license and security payment	0%	-363 800	-363 800	0	0	0	0
Payment for the Amazon server	0%	-13 000	-13 000	0	0	0	0
Purchase of office equipment, stationery	0%	-2 400	-2 400	0	0	0	0
Cash flow - OPERATING		27 534 054	56 700	2 935 530	7 127 222	11 393 222	6 021 380
Proceeds	VAT	39 608 333	240 000	4 568 333	10 320 000	16 080 000	8 400 000
Income from clients	0%	39 600 000	240 000	4 560 000	10 320 000	16 080 000	8 400 000
Expenses total	VAT	-12 074 279	-183 300	-1 632 803	-3 192 778	-4 686 778	-2 378 620
Direct costs		-3 807 500	-120 000	-645 000	-1 005 000	-1 365 000	-672 500
Advertising costs	0%	-1 760 000	-120 000	-480 000	-480 000	-480 000	-200 000
Additional staff costs	0%	-2 047 500	0	-165 000	-525 000	-885 000	-472 500
Indirect costs		-1 048 400	-63 300	-293 200	-293 200	-293 200	-105 500
Salary		-444 400	-30 300	-121 200	-121 200	-121 200	-50 500
Accounting	0%	-176 000	-12 000	-48 000	-48 000	-48 000	-20 000
Office equipment maintenance	0%	-110 000	-7 500	-30 000	-30 000	-30 000	-12 500
Hosting	0%	-120 000	0	-40 000	-40 000	-40 000	0
Office rent	0%	-66 000	-4 500	-18 000	-18 000	-18 000	-7 500
Legal support	0%	-132 000	-9 000	-36 000	-36 000	-36 000	-15 000
Taxes	%	-7 218 379	0	-694 603	-1 894 578	-3 028 578	-1 600 620
Profit tax	21%	-7 218 379	0	-694 603	-1 894 578	-3 028 578	-1 600 620
Cash flow - FINANCING		-4 546 770	400 300	-967 185	-2 494 528	-1 485 358	0
Co-investor's investment	100%	400 300	400 300	0	0	0	0
Refunds to co-investor		-4 947 070	0	-967 185	-2 494 528	-1 485 358	0
CASH FLOW OF THE PROJECT		22 608 084	77 800	1 968 346	4 632 694	9 907 864	6 021 380
progressive total (cash balance)		22 608 084	77 800	2 046 146	6 678 840	16 586 704	22 608 084

Indicators of Profit and Loss Plan

The amount of proceeds for the project period will amount to 39 608,3 K EUR. The total volume of direct costs will reach 3 807,5 K EUR.

Thus, the gross profit is 35 800,8 K EUR.

Fixed costs for the project period will be 1 048,4 K EUR.

Profit before tax will be 34 373,2 K EUR. The amount of income tax (at the current rate of 21,0% of the taxable base) will amount to 7 218,4 K EUR.

The volume of net profit, taking into account the write-off of the entire amount of investment costs (through depreciation), will reach 27 154,9 K EUR.

A detailed plan of profit and loss is below.

Table 12. Profit and loss plan

		2023	2024	2025	2026	2027
Number of days in the period	Total for 4 years	214	366	365	365	151
Proceeds inpayment excl. VAT	39 608 333	240 000	4 568 333	10 320 000	16 080 000	8 400 000
<i>Income from clients</i>	<i>39 600 000</i>	<i>240 000</i>	<i>4 560 000</i>	<i>10 320 000</i>	<i>16 080 000</i>	<i>8 400 000</i>
Direct costs	3 807 500	120 000	645 000	1 005 000	1 365 000	672 500
<i>Advertising costs</i>	<i>1 760 000</i>	<i>120 000</i>	<i>480 000</i>	<i>480 000</i>	<i>480 000</i>	<i>200 000</i>
<i>Additional staff costs</i>	<i>2 047 500</i>	<i>0</i>	<i>165 000</i>	<i>525 000</i>	<i>885 000</i>	<i>472 500</i>
Gross profit (margin)	35 800 833	120 000	3 923 333	9 315 000	14 715 000	7 727 500
<i>gross (marginal) profitability</i>	<i>90,4%</i>	<i>50,0%</i>	<i>85,9%</i>	<i>90,3%</i>	<i>91,5%</i>	<i>92,0%</i>
Fixed costs	1 048 400	63 300	293 200	293 200	293 200	105 500
<i>Salary</i>	<i>444 400</i>	<i>30 300</i>	<i>121 200</i>	<i>121 200</i>	<i>121 200</i>	<i>50 500</i>
<i>Accounting</i>	<i>176 000</i>	<i>12 000</i>	<i>48 000</i>	<i>48 000</i>	<i>48 000</i>	<i>20 000</i>
<i>Office equipment maintenance</i>	<i>110 000</i>	<i>7 500</i>	<i>30 000</i>	<i>30 000</i>	<i>30 000</i>	<i>12 500</i>
<i>Hosting</i>	<i>120 000</i>	<i>0</i>	<i>40 000</i>	<i>40 000</i>	<i>40 000</i>	<i>0</i>
<i>Office rent</i>	<i>66 000</i>	<i>4 500</i>	<i>18 000</i>	<i>18 000</i>	<i>18 000</i>	<i>7 500</i>
<i>Legal support</i>	<i>132 000</i>	<i>9 000</i>	<i>36 000</i>	<i>36 000</i>	<i>36 000</i>	<i>15 000</i>
Earnings before Interest, Taxation, Depreciation & Amortisation (EBITDA)	34 752 433	56 700	3 630 133	9 021 800	14 421 800	7 622 000
<i>EBITDA profitability</i>	<i>87,7%</i>	<i>23,6%</i>	<i>79,5%</i>	<i>87,4%</i>	<i>89,7%</i>	<i>90,7%</i>
Disposal of investment	379 200	379 200	0	0	0	0
<i>Lump-sum costs</i>	<i>379 200</i>	<i>379 200</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Earnings before interest and taxes (EBIT)	34 373 233	-322 500	3 630 133	9 021 800	14 421 800	7 622 000
<i>EBIT profitability</i>	<i>86,8%</i>	<i>-134,4%</i>	<i>79,5%</i>	<i>87,4%</i>	<i>89,7%</i>	<i>90,7%</i>
Profit / loss before tax	34 373 233	-322 500	3 630 133	9 021 800	14 421 800	7 622 000
progressive total	34 373 233	-2 574 800	14 404 200	93 040 800	236 402 400	156 244 667
Profit tax	7 218 379	0	694 603	1 894 578	3 028 578	1 600 620
Net profit	27 154 854	-322 500	2 935 530	7 127 222	11 393 222	6 021 380
<i>net profitability</i>	<i>68,6%</i>	<i>-134,4%</i>	<i>64,3%</i>	<i>69,1%</i>	<i>70,9%</i>	<i>71,7%</i>
progressive total	27 154 854	-322 500	2 613 030	9 740 252	21 133 474	27 154 854

Financial Performance

The project calculation horizon is 48 months (4 years). The investment period of the project (until the launch of the project) is 4 months (0,3 years). The working period of the project (from the launch) is 44 months (3,7 years).

To calculate the financial indicators of the project, taking into account the nature of the project, a discount rate of was adopted.

In total, for the entire period of the project implementation, 39 608,3 K EUR of sales proceeds will be received.

The total cost for the project period will amount to 12 453,5 K EUR.

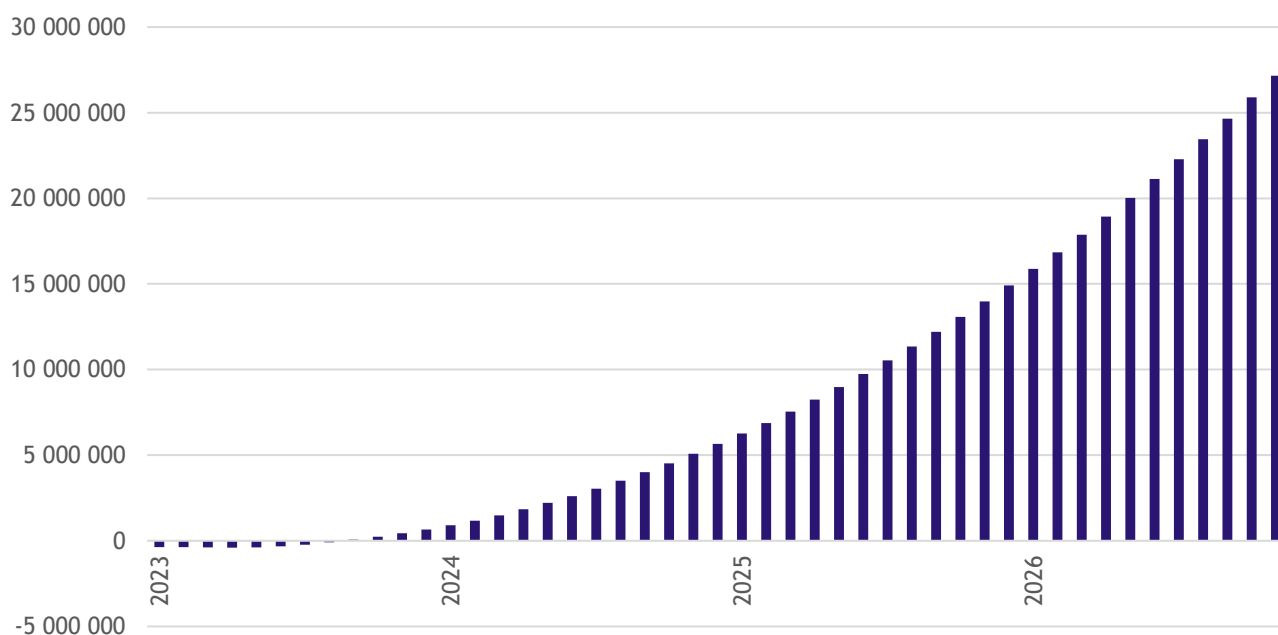
The average monthly net operating income will amount to 565,7 K EUR. The average current balance of the cash account on the current account for the entire period of the project will amount to 6 113,1 K EUR.

Net profit upon completion of the project will amount to 27 154,9 K EUR.

Table 13. Financial and investment indicators of the project

Name of the index	Value of the index
Calculation period of the project, year	4,0
Laid-down capital (LDC), EUR	400 300
Sum of proceeds (SP), incl. VAT, EUR	39 608 333
Net average operational receipts per month (NAOR), EUR	565 726
Average demand balance per month (ADB), EUR	6 113 069
Net profit for the project period, EUR	27 154 854
Average profitability for the project period (net profit to proceeds	68,6%
Discounting rate (DR), %	19,4%
Net present value (NPV), EUR	16 589 597
Average Rate of Return of investments (ARR)	1695,9%
Return on investment (ROI)	6783,6%
Profitability index (PI)	45,50
Internal rate of return (IRR)	854,7%
Modified internal rate of return (MIRR)	15,7%
Pay back period of the project in whole (PBP), incl. financing scheme	9 months
	0,8 years

Diagram 15. Payback of the project, EUR



6.6 PROJECT RISK ANALYSIS

Quantitative risk analysis (sensitivity analysis)

Analysis parameters

A quantitative risk analysis was carried out using the sensitivity analysis method. The method involves the assessment of the maximum possible deviations of the main parameters of the project from the base case while maintaining the minimum positive value (close to zero) of the resulting indicator within the analyzed project horizon.

Critical deviations of key indicators in terms of net present value (the project does not pay off in 4 years) are: a decrease in revenue by more than 85,3%, an increase in investments by more than 2000,0%, an increase in variable costs by 845,0%, an increase in the size of fixed expenses by 2000,0%, an increase in the tax burden by 375,3%, an increase in the amount of accrued and paid interest by more than 2000,0% or an increase in the discount rate by more than 2000,0%.

Priority of factors:

- the most influencing factor - proceeds; the critical deviation reaches 85,3% of the calculated level (with this deviation and higher, the project does not pay off in 5 years);
- the least influencing factor - interest; the critical deviation reaches 2000,0% of the calculated level.

Conclusion

The assessment of possible deviations of the initial parameters allows us to conclude about the low degree of riskiness of the project, since a critical change in the most sensitive parameter (revenue) in relation to the base case, even by 85,3%, allows you to keep the payback within the calculation horizon (no more than 3 years), the project has a reliable margin of financial strength.

Table 14. Sensitivity analysis of the project

№	Parameter (X)	Change of a parameter, %	NPV, EUR	Change of NPV if the Parameter is changed, EUR	Change of NPV if the Parameter is changed, %	NPV deviation to Parameter change $ \Delta \text{NPV\%} / \Delta \text{X\%} $	Breaking change of NPV		Breaking change of profit	
							NPV=0	Sensitivity ranking*	Profit=0	Sensitivity ranking*
1	Proceeds	-5%	15 619 155	-970 442	-5,8%	1,2	-85,3%	1	-86,8%	1
2	Investments	+5%	16 577 979	-11 618	-0,1%	0,0	+2000,0%	4	+857,3%	2
3	Variable costs	+5%	16 492 424	-97 173	-0,6%	0,1	+845,0%	3	+902,8%	3
4	Fixed costs	+5%	16 561 022	-28 575	-0,2%	0,0	+2000,0%	4	+2000,0%	4
5	Taxes	+5%	16 368 567	-221 031	-1,3%	0,3	+375,3%	2	+2000,0%	4
6	Interest	+5%	6 134 233	-10 455 365	-63,0%	12,6	+2000,0%	4	+2000,0%	4
6	Discounting rate	+5%	16 227 130	-362 468	-2,2%	0,4	+2000,0%	4		

*Sensitivity level: 1 - the largest sensitivity (even little change in % influences the project considerably)

7 ASSUMPTIONS AND PARAMETERS

7.1 ASSUMPTIONS

General assumptions

The calculation is made at constant prices. It is assumed that in the future, the growth of income and costs will be proportional and will have an equal impact on all market participants.

The residual value of the project's assets at the end of the billing period is not considered when analyzing the integral indicators of the project, since it is not expected to close the enterprise, exit participants and sell assets.

Breakeven Analysis Assumptions

When searching for the break-even point of this project, the following assumptions were used:

- variable costs increase in proportion to the increase in sales (i.e., sales for each line of business increase with the same proportions);
- to analyze the break-even point including taxes, the average amount of taxes for the project period per month was taken, which is distributed similarly to variable costs;
- to analyze the investment break-even of the project (break-even points for the project as a whole), investments and the cost of capital (interest) are included in the same way as fixed costs (do not change with increasing revenue).

7.2 PROJECT PARAMETERS

Planning horizon and calculation step

A planning horizon of 48 months (4 years) was chosen, which makes it possible to analyze the payback of the project when changing the initial parameters (sensitivity

analysis), and also reflects the period of recovery of all or most of the invested funds (investments).

At the same time, the investment period of the project (until the launch of the project) is 4 months (0,3 years). The working period of the project (from the date of launch) is 44 months (3,7 years).

8 TABLES AND DIAGRAMS

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