



MAGIC STONES N.V. BUSINESS PLAN

ONLINE CASINO



UPDATE 01.04.2025

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INDUSTRY OVERVIEW

Gambling is a practice deeply rooted in human behavior, historically driven by the inherent desire for excitement, risk, and the potential for reward. In the digital age, this age-old instinct has found new expression through online gambling — now one of the fastest-growing sectors in the global entertainment and technology landscape.

The online gambling industry has evolved into a multibillion-euro global market, engaging over 50% of the world's population annually in some form of remote wagering. Its growth is fueled by increased internet penetration, mobile device accessibility, gamification technologies, and regulatory modernization in key jurisdictions. The market includes a diverse spectrum of verticals such as sports betting, online casinos, bingo, lotteries, and poker — all accessible via desktop and mobile platforms.

From a regulatory perspective, the global online gambling landscape is complex and highly fragmented. Jurisdictional differences in legislation, licensing requirements, and enforcement standards pose both opportunities and barriers to market entry. Many countries maintain independent legal frameworks governing remote gaming operations. While this regulatory diversity can pose compliance challenges, it also offers significant strategic advantages to licensed operators who demonstrate robust adherence to local laws and ethical gaming principles.

Licensed platforms are subject to rigorous scrutiny by established gambling authorities. These regulators enforce stringent compliance protocols relating to player protection, anti-money laundering (AML), responsible gaming, technical standards, and operational transparency. As a result, operating within a licensed framework not only ensures legal integrity but also strengthens brand credibility and consumer trust.

In conclusion, the global online gambling industry represents a dynamic and lucrative environment with high growth potential — but also requires deep regulatory awareness, technical infrastructure, and a strong compliance culture. Success in this market hinges not only on product quality and user experience but also on the operator's ability to navigate jurisdictional complexity and build sustainable, regulation-aligned operation



Magic 365 EXECUTIVE SUMMARY

Company name: Magic Stones N.V.

Name of company's payment agent: Magic Stones Limited

Brand Name: <https://magic365.com>

Magic Stones N.V. is an online casino operator licensed by the Government of Curacao. We conducted a thorough market research and feasibility studies and we were able to come to the conclusion that Curacao license is one of the best e-gaming licensing available on the modern market. It has an excellent reputation for having a trustworthy, responsible, and stringent licensing protocol and having a Curacao license means adhering to all rules and complying with all applicable regulations.

We will ensure that we hold ourselves accountable to the highest standards by meeting our client's needs precisely and completely. We will cultivate a working environment that provides a human, sustainable approach to earning a living, and living in our world, for our partners, employees and for our clients.

BUSINESS PRODUCTS AND PROPRIETARY IP

Magic Stones N.V. operates within the online gambling industry, providing a comprehensive range of real-money gaming services aimed at delivering a seamless and engaging experience to players across the globe. The company's product portfolio includes a wide variety of popular games designed to cater to different player preferences, such as slot games, table games (e.g., Poker, Blackjack, and Roulette), and a fully immersive live casino environment that replicates the experience of a physical casino.

History and Formation of Magic Stones N.V.

Magic Stones N.V. was established with the goal of creating an innovative and customer-centric online casino platform. Through its strategic partnerships and operational excellence, Magic Stones N.V. became a player in the online gambling market, leveraging a combination of high-quality games, attractive customer offers, and cutting-edge technology.

Proprietary IP and Unique Features

Magic Stones N.V. sets itself apart from competitors by delivering a personalized and dynamic experience through its branded interface and customer-centric design. While the core gaming infrastructure is provided by our technical partners (including SoftGamings), our focus lies in tailoring the user journey, optimizing front-end functionality, and ensuring secure and seamless player engagement across devices.

In addition, our user-friendly website interface offers smooth navigation and easy access to games. The site is designed to offer customers a clear and visually appealing experience. Our innovative customer engagement tools, such as personalized game suggestions, enhance the overall gaming experience and ensure that users are continually offered new content tailored to their preferences.

Competitive Edge

The competitive edge of Magic Stones N.V. lies in its dedication to providing a high-quality, engaging, and user-centric online casino

experience. Key features that differentiate us from the competition include:

Partnership with Leading Providers:

We have formed a strategic partnership with TomHorm, a globally recognized leader in the gaming industry. TomHorm has a long-standing presence in over 20 international markets, offering a broad collection of games that feature top-tier animation and sound design. Their experienced development team ensures that the games are constantly evolving to meet the expectations of players and align with industry trends.

Focus on Quality and Customization:

Magic Stones N.V. emphasizes quality in every aspect of its platform, from the games themselves to customer support. We pay close attention to the odds and payouts for each game, ensuring that we offer fair, transparent, and competitive terms to our players.

Cutting-edge Technology:

Our technology platform is built to support a seamless, multi-device experience, allowing players to access the casino from their desktops, tablets, or mobile devices. The use of advanced security protocols and fast payment systems further enhances the reliability of the platform, ensuring customer trust and satisfaction.

By focusing on these core elements—game quality, customer satisfaction, strategic partnerships, and technological innovation—Magic Stones N.V. is poised to become a leading force in the online gambling industry, delivering a superior product that sets us apart from our competitors.

The UBO's vision for Magic Stones N.V. is to create a globally recognized brand that stands for fairness, transparency, and innovation in the online gambling world. Their leadership is focused on driving the company toward achieving long-term growth through a commitment to quality, cutting-edge technology, and exceptional customer service.

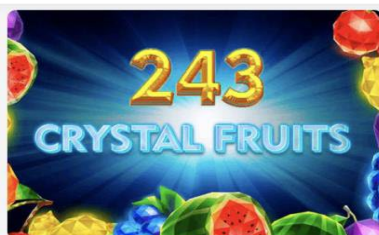
OUR PRODUCTS AND SERVICES

Such a cooperation will give the Company a number of opportunities due to the great reputation of TomHorn.

Examples of game-projects of Tom Horn:



Flaming Fruit



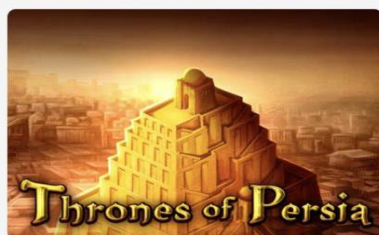
243 Crystal Fruits



Book Of Spells



Hot Blizzard



Thrones Of Persia



Sizable Win



In future we are planning to continue to expand the range of games with other providers that will match our requirements. Magic Stones has chosen Softgamings as its strategic partner with regard to the back-office platform solutions and game content provision.

OUR MISSION AND VISION STATEMENT

Vision Statement:

Our vision is to establish Magic Stones N.V. as a premier online casino and gaming brand that competes confidently with global leaders in the iGaming sector. We aim to redefine entertainment by delivering an exceptional digital experience that combines innovation, security, and user satisfaction across diverse international markets.

Mission Statement:

Our mission is to build a scalable and profitable online gaming platform that promotes responsible gaming while maximizing player engagement and value. We strive to make a meaningful contribution to the global gaming ecosystem by offering high-quality, compliant, and entertaining products supported by strong governance, customer-centric operations, and technological excellence.

Key Success Factors:

To achieve our mission and vision, we are focused on:

- diversifying our entertainment portfolio to appeal to a broad demographic;
- leveraging data and analytics to optimize customer retention and lifetime value;
- expanding into regulated markets with a compliance-first strategy;
- investing in brand trust, security infrastructure, and seamless user experience;
- fostering a culture of innovation, adaptability, and operational discipline.

Magic Stones N.V. aspires not just to participate in the industry, but to shape its future through quality, credibility, and sustainable growth

MARKET ANALYSIS

Target Market Profile:

The contemporary online gambling audience is far more diverse than traditional stereotypes suggest. While males aged 25–35 still constitute a dominant segment, the market increasingly includes both younger and older demographics, as well as a growing base of female players. Moreover, participation now spans a broad socioeconomic spectrum, including individuals from lower-, middle-, and upper-income brackets. This demographic diversification presents significant opportunities for personalized, data-driven engagement strategies.

Total Market Size:

Online gambling currently accounts for approximately 9% of the global gambling market, with online casino products representing about 30% of that share. Despite this modest percentage, the total value of the global online casino segment is nearing €40 billion and continues to experience robust year-on-year growth. This growth is largely fueled by progressive deregulation, technological innovation, and evolving consumer preferences.

Strategic Implications:

Even a small share of this expansive and rapidly growing global market represents a substantial revenue opportunity for operators with the right product, positioning, and regulatory strategy. As legislative frameworks continue to open in key markets, Magic Stones N.V. is strategically positioned to capture market share through its licensed operations, scalable platform, and diversified entertainment portfolio.

Our market approach is built on a detailed understanding of consumer behavior, market segmentation, and monetization potential across geographies. Through targeted marketing, high-quality content, and continuous product innovation, we aim to drive sustained engagement and long-term value

INTENDED STRATEGY FOR BUSINESS GROWTH AND MARKET SHARE

Magic Stones N.V. is focused on scaling its position in the global iGaming landscape by deploying a comprehensive growth strategy grounded in financial performance, market expansion, and customer value maximization.

Financial Sustainability:

Our goal is to reach operational self-sufficiency and sustainable profitability within the first 24 months of commercial operations. This will be achieved through:

- increased revenue per user (ARPU) via personalized offers and gamification;
- optimization of lifetime value (LTV) and reduction of acquisition costs (CAC);
- continuous reinvestment of net profits into high-impact areas such as marketing, compliance upgrades, and platform innovation.

Market Expansion:

We will initiate operations in the European Union, leveraging regulatory clarity and digital readiness, followed by expansion into emerging high-growth jurisdictions.

Our roadmap includes:

- localized partnerships with providers such as TomHorn to tailor content by region;
- integration of next-generation gaming formats (e.g., live casino, VR, and mobile-first UX);
- strategic licensing acquisitions aligned with regional compliance trends.

Marketing and Customer Retention:

Growth will be propelled by targeted marketing strategies and strong retention frameworks:

- performance-based campaigns and affiliate partnerships to expand reach efficiently;
- data-driven segmentation to personalize lifecycle marketing and increase loyalty;
- deployment of advanced CRM tools to enhance retention, reactivation, and player lifetime value.

MARKETING STRATEGY

a. Positioning Magic Stones N.V., through its flagship platform magic365.com/en, will position itself as a trusted, compliance-led and customer-centric brand offering secure and responsible gambling experiences. The platform will differentiate itself by combining high-quality content, best-in-class user interface design, and adherence to the highest standards of fairness and transparency. Our strategic positioning will focus on building long-term trust with users through regulatory compliance, responsible gaming tools, and consistent brand messaging.

b. Marketing Objectives Our marketing campaigns will integrate responsible gambling principles at every touchpoint. Key objectives include:

- promoting awareness of self-exclusion, time-out, and deposit limit features;
- educating users on responsible play, with transparent access to help resources and helplines;
- ensuring full compliance with EU and UK gambling advertising codes, including limitations on target demographics and content tone;
- building brand equity through content-driven engagement, strategic sponsorships, and gamified loyalty programs.

c. Sales Strategy and Tactics Our sales efforts will be guided by ethics, transparency, and sustainability:

- clear messaging around responsible play integrated into all acquisition and conversion funnels;
- inclusion of protective measures such as deposit caps and reality checks in all bonus-related offers;
- conversion-oriented UX design that encourages fair engagement rather than exploitative behavior;
- training for affiliate partners and sales channels to ensure alignment with brand values and regulatory obligations.



d. Pricing Strategy We commit to a transparent pricing structure that fosters trust and user confidence:

- all applicable fees, including processing or withdrawal charges, will be clearly disclosed at the point of transaction;
- no hidden costs or misleading bonus conditions;
- pricing practices will remain fully aligned with European consumer protection directives.

This marketing framework ensures that Magic Stones N.V. not only attracts a wide audience across jurisdictions but retains them responsibly, ethically, and with full regulatory integrity.

KEY SUPPLIERS AND MATERIAL DEPENDENCIES

At Magic Stones N.V., the success of our operations is directly supported by a carefully selected network of strategic suppliers and partners who provide essential services that ensure uninterrupted performance, regulatory compliance, and player satisfaction. Our core supplier ecosystem includes:

Gaming Content Providers:

We rely on partnerships with globally recognized game development companies to supply our platform with premium content, including video slots, table games, live dealer formats, and proprietary features. These providers ensure technical stability, game fairness, and alignment with jurisdictional standards.

Payment Processors:

Our financial infrastructure depends on trusted third-party processors who handle deposits and withdrawals with a focus on speed, transparency, and security. These partners are integral to our AML/CTF compliance framework and provide multi-currency, multi-jurisdictional capabilities.

Banking and Financial Institutions:

We work with licensed banking entities that provide liquidity management,



currency conversion, and settlement services. These institutions are vital to our treasury operations and regulatory audit readiness.

Risk Mitigation Measures:

We recognize that reliance on these suppliers introduces operational dependencies. Any disruption or termination of these partnerships could

materially impact our business continuity. As part of our enterprise risk management strategy, we maintain:

- Redundant providers and diversified integrations to reduce single-point failure;
- Service level agreements (SLAs) to define performance expectations and escalation protocols;
- Business continuity and disaster recovery plans to ensure rapid response to unforeseen disruptions.

By proactively managing supplier relationships and operational dependencies, Magic Stones N.V. safeguards its service delivery, maintains regulatory compliance, and ensures a seamless and secure experience for its users across markets.

RISK EVALUATION AND MANAGEMENT

Magic Stones N.V. operates in a dynamic and highly regulated environment, where strategic risk management is essential to ensuring business continuity, legal compliance, and responsible growth. Our approach to risk is proactive and structured, addressing a wide spectrum of financial, operational, regulatory, and reputational exposures.

Regulatory and Compliance Risk:

We adhere strictly to the legal requirements of each jurisdiction in which we operate. Regular audits, licensing reviews, and internal compliance assessments are conducted to mitigate the risk of non-compliance. We maintain alignment with AML/CFT standards, data protection laws (including GDPR), and gambling authority frameworks.

Operational Risk:

Operational risks such as technology failure, fraud, or supply chain disruption are managed through layered security, real-time monitoring, supplier redundancy, and a robust incident response protocol. Business continuity and disaster recovery plans are in place to safeguard core operations.

Responsible Gambling and Player Protection:

A central pillar of our risk strategy is the promotion of responsible gambling. Magic Stones N.V. implements a comprehensive framework that includes self-exclusion tools, customizable deposit and time limits, session reminders, and immediate access to help resources. All marketing and platform communications incorporate messages promoting safe and mindful gambling behavior.

We are fully aligned with European regulatory guidelines on responsible gambling and integrate mandatory tools to empower users to control their gambling activity. Our customer support team is trained to identify and assist players who exhibit signs of problematic behavior.

Reputational Risk:

Protecting our brand integrity is essential to our long-term success. We monitor all public-facing communications and third-party representations of our services. Ethical conduct, transparency in pricing and bonuses, and customer-first service are fundamental to our brand ethos.

Our multi-tiered risk governance model ensures that all categories of risk are identified, assessed, and continuously monitored. This enables Magic Stones N.V. to operate with resilience and integrity across diverse and evolving market conditions.

TARGET KPI'S AND BUSINESS OBJECTIVES

In the online gambling industry, Magic Stones N.V. measures success through a mix of key performance indicators (KPIs) and business objectives that align with both short-term growth and long-term sustainability.

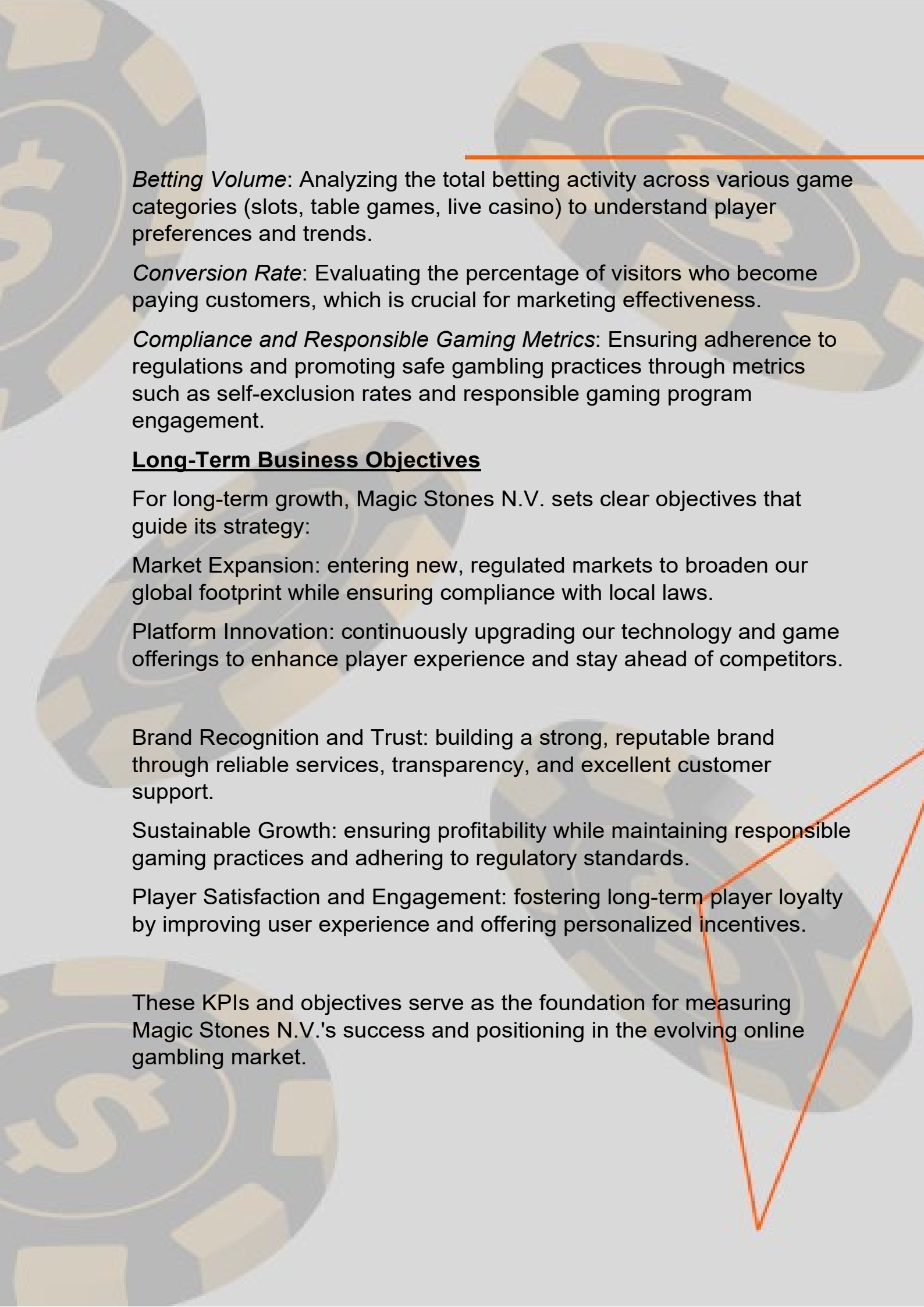
Key Performance Indicators (KPIs)

To gauge our performance in the competitive online gambling market, we focus on the following KPIs:

Player Acquisition and Retention: Tracking new customer registrations, active player rates, and retention over time.

Player Lifetime Value (LTV): Measuring the total revenue generated from a player throughout their time with the platform.

Average Revenue Per User (ARPU): Monitoring the average spend per player, helping assess customer engagement and profitability.



Betting Volume: Analyzing the total betting activity across various game categories (slots, table games, live casino) to understand player preferences and trends.

Conversion Rate: Evaluating the percentage of visitors who become paying customers, which is crucial for marketing effectiveness.

Compliance and Responsible Gaming Metrics: Ensuring adherence to regulations and promoting safe gambling practices through metrics such as self-exclusion rates and responsible gaming program engagement.

Long-Term Business Objectives

For long-term growth, Magic Stones N.V. sets clear objectives that guide its strategy:

Market Expansion: entering new, regulated markets to broaden our global footprint while ensuring compliance with local laws.

Platform Innovation: continuously upgrading our technology and game offerings to enhance player experience and stay ahead of competitors.

Brand Recognition and Trust: building a strong, reputable brand through reliable services, transparency, and excellent customer support.

Sustainable Growth: ensuring profitability while maintaining responsible gaming practices and adhering to regulatory standards.

Player Satisfaction and Engagement: fostering long-term player loyalty by improving user experience and offering personalized incentives.

These KPIs and objectives serve as the foundation for measuring Magic Stones N.V.'s success and positioning in the evolving online gambling market.

POLICIES AND PROCEDURES

At Magic Stones N.V., all company policies and procedures are developed internally to reflect our operational model, risk profile, and regulatory obligations. These frameworks are designed to ensure robust internal controls, legal compliance, and alignment with our corporate values.

An in-house appointed Anti-Money Laundering Reporting Officer (MLRO) oversees the design, implementation, and continuous improvement of our policies. This includes policies addressing AML/CFT, responsible gambling, data protection, anti-fraud mechanisms, internal audit, and operational risk control.

We are committed to regular policy review and enhancement. Any updates are promptly communicated to the relevant regulatory bodies, including the Curacao Gaming Authority (CGA), to ensure full transparency and accountability.

Magic Stones N.V. upholds a clear governance structure. The Board of Directors has full confidence in the independence, qualifications, and competence of the team responsible for drafting and enforcing these policies. The policy function operates free of conflict and with full access to operational data and senior management.

Our procedures also include mandatory enforcement of responsible gaming safeguards, such as self-exclusion protocols, time and financial limits, and player behavior monitoring — all of which are integrated into platform design and customer service training.

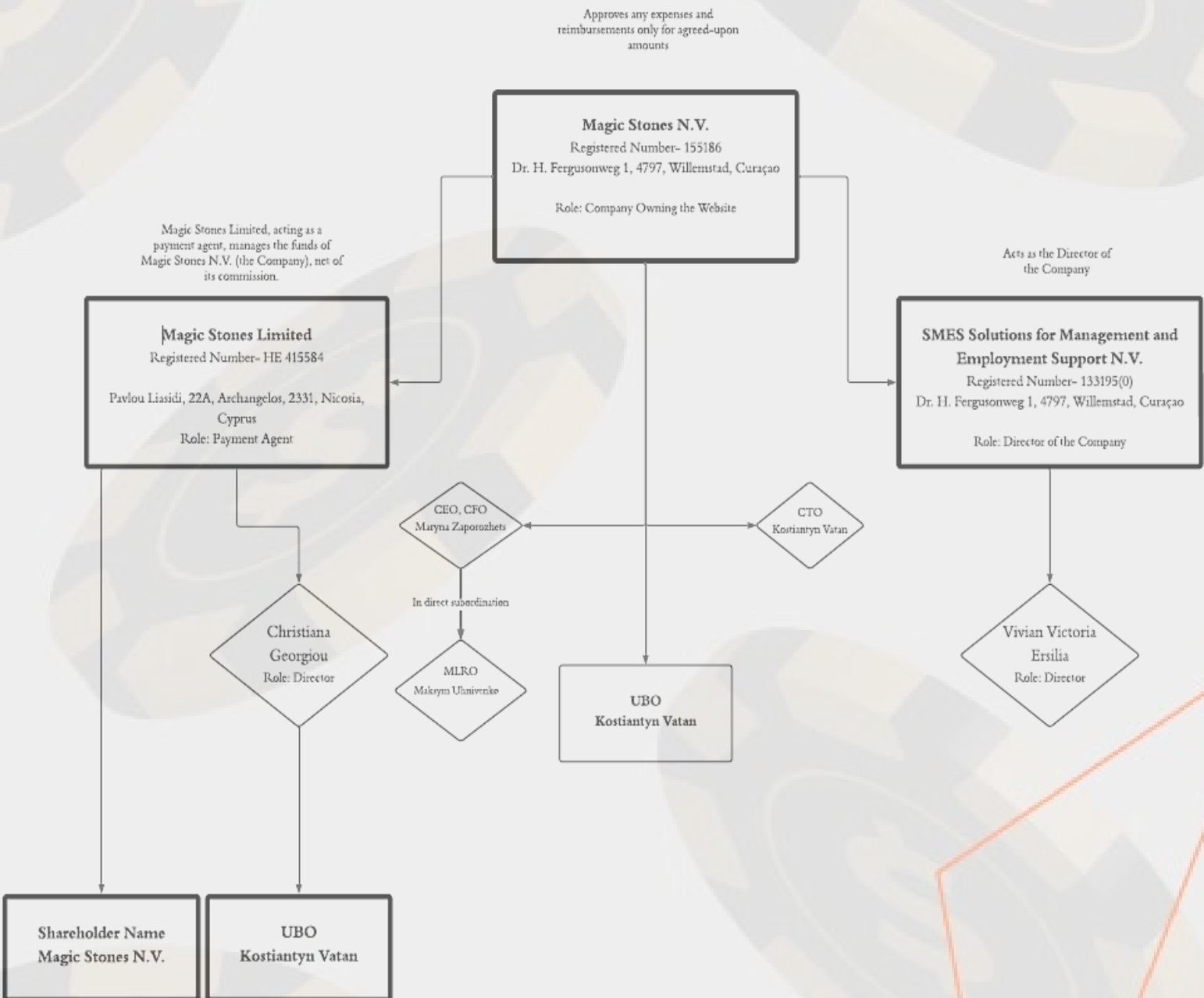
This structured and proactive approach to policy management supports operational resilience, stakeholder trust, and enduring compliance with the highest standards of the global iGaming sector.

CORPORATE STRUCTURE OVERVIEW

Given the current scale of operations, Magic Stones N.V. employs a streamlined management model in which certain executive functions are consolidated to enhance operational efficiency. As such, responsibilities traditionally assigned to a Chief Financial Officer (CFO) are executed directly by the Chief Executive Officer (CEO), who oversees all financial activities including planning, budgeting, and reporting. Likewise, the functions of a Chief Technology Officer (CTO) are delegated to the Ultimate Beneficial Owner (UBO), who is responsible for the company's technological strategy and infrastructure.

At the same time, the internal organizational structure is designed to ensure functional interchangeability among staff. The expansion of the team and appointment of individuals to specialized roles are determined based on the increasing workload, operational complexity, and financial capacity of the business. This approach allows the company to remain agile, minimize administrative overhead, and ensure continuity in the performance of key business functions while maintaining a high level of corporate oversight.

OUR CORPORATE STRUCTURE



JOB ROLES AND RESPONSIBILITIES OF KEY EMPLOYEES

Chief Executive Officer – CEO:

- Develop and implement the company's long-term strategy in alignment with its goals and objectives.
- Provide leadership and direction to ensure the company's success and growth within the industry.
- Oversee the corporate governance framework and ensure the company complies with legal and regulatory requirements.
- Approve and review the company's financial plans, budgets, and forecasts.
- Ensure financial integrity and the company's long-term financial health, including managing cash flow, profitability, and investment strategies.
- Ensure appropriate risk management measures are in place to safeguard company assets.
- Oversee daily operations and ensure efficient management of company resources.
- Ensure the company maintains high standards in product development, customer service, and other operational areas.
- Represent the company in meetings and negotiations with external parties.
- Identify, assess, and mitigate potential risks, both internal and external, to the company's business.
- Oversee the implementation of effective risk management strategies.
- Ensure the company attracts, retains, and develops skilled employees, while fostering a positive corporate culture.
- Oversee senior management team performance, ensuring alignment with company goals.
- Ensure the company operates within the framework of applicable laws, regulations, and industry standards.
- Oversee legal matters, including contracts, intellectual property, and dispute resolution.
- Drive innovation and exploration of new markets, ensuring the company remains competitive.
- Oversee the development of new products or services to meet evolving customer needs.
- Monitor business performance and key performance indicators (KPIs).
- Provide regular reports to the board on the company's progress, challenges, and opportunities for improvement.

Chief Financial Officer - CFO

- Develop and implement the company's financial strategy to support long-term growth, profitability, and sustainability in the competitive online gambling market.
- Align financial goals with business objectives, providing insights into financial forecasting, budgeting, and planning.
- Oversee the preparation and presentation of accurate financial statements, ensuring compliance with relevant accounting standards and regulations.
- Monitor and manage the company's cash flow to ensure sufficient liquidity for daily operations and business growth.
- Create financial models to evaluate potential new ventures, gaming product expansions, and market entry strategies.
- Identify, assess, and manage financial risks, including credit risk, market risk, and operational risk.
- Ensure compliance with financial regulations, tax laws, and industry-specific gambling laws, collaborating with legal and compliance teams to mitigate risk.
- Develop and maintain a robust internal control framework to prevent financial mismanagement and fraud.
- Collaborate with the executive team to assess the financial viability of new initiatives and acquisitions.

CTO (Chief Technology Officer):

- Develop and execute the company's technology vision and strategy to support business goals and growth.
- Ensure the alignment of technology initiatives with the overall business strategy to drive innovation and competitiveness in the online gambling market.
- Oversee the development, maintenance, and scaling of the online casino platform, ensuring smooth, secure, and uninterrupted user experiences.
- Lead the design and implementation of gaming systems, payment gateways, and backend infrastructure to support high-volume transactions and traffic.
- Ensure the company's systems are secure, compliant with relevant regulations, and protected from cybersecurity threats, including hacking and fraud.
- Oversee the integration of third-party software, including game providers, payment processors, and affiliate systems, ensuring smooth operations across platforms.
- Ensure the scalability and flexibility of the company's technical infrastructure to handle growing user demand and system traffic, particularly during peak periods.
- Ensure that the company's technology infrastructure complies with industry regulations, including gambling laws, licensing requirements, and data protection standards.
- Collaborate with legal and compliance teams to ensure that the company's platform adheres to jurisdiction-specific rules and regulations for online gambling.

Money Laundering Reporting Officer (MLRO):

- Ensure the company adheres to all relevant local and international AML laws, regulations, and guidelines.
- Stay updated on regulatory changes and ensure the company implements necessary adjustments to maintain compliance.
- Identify and investigate suspicious transactions or behaviors that may indicate money laundering or terrorist financing.
- Establish and maintain comprehensive internal AML policies, procedures, and controls to prevent money laundering and financial crimes.
- Regularly review and update AML policies to reflect changing regulations and emerging risks.
- Conduct regular risk assessments to identify vulnerabilities in the company's operations, customer base, and products that may be exposed to money laundering risks.
- Implement and oversee appropriate measures to mitigate identified risks.
- Ensure that all employees are adequately trained on AML laws, regulations, and the company's internal procedures.
- Conduct regular training sessions to ensure staff are aware of their roles in preventing money laundering and recognizing suspicious activity.
- Serve as the primary point of contact for all AML-related matters within the company.
- Track the effectiveness of AML controls and report any deficiencies or improvements to senior management.
- Maintain accurate and comprehensive records of all AML activities, including suspicious transactions, customer identification, due diligence efforts, and internal reports.
- Ensure that records are retained in compliance with legal and regulatory requirements for the mandated retention periods.

According to the requirements of the CGA the employee must have competencies in the field of anti-money laundering (AML), but can combine several roles, including Compliance Officer

LEGAL AND GOVERNANCE FRAMEWORK

Magic Stones N.V. has established a governance structure that balances operational efficiency with strict regulatory compliance and long-term strategic oversight.

Board of Directors and Strategic

Oversight The company is governed by a Board of Directors, which is responsible for setting strategic direction and ensuring that all operations align with applicable laws, shareholder interests, and the company's long-term business objectives. While day-to-day operations are delegated to senior management, the Board plays an active supervisory role, particularly in decisions with long-term or material impact.

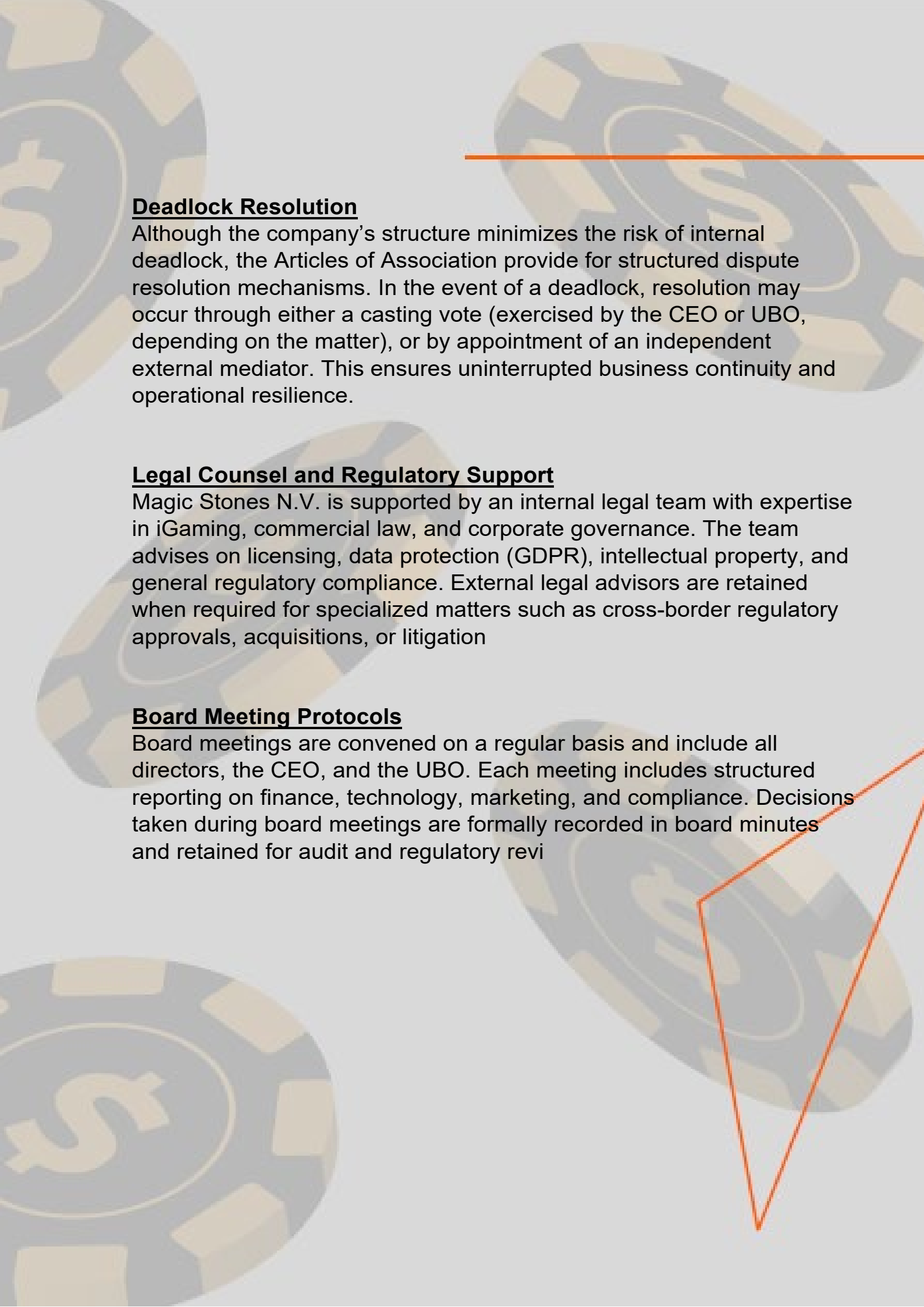
Role Allocation and Executive

Function Given the company's streamlined organizational model, the Chief Executive Officer (CEO) assumes full responsibility for financial oversight, including budgeting, reporting, and planning. The Ultimate Beneficial Owner (UBO) is directly responsible for the company's technological development, infrastructure investment, and innovation roadmap. This delegation ensures fast, coordinated decision-making while preserving strategic control at the board level.

Reserved Matters

The following matters are reserved exclusively for the Board or the UBO, and cannot be delegated without formal approval:

- *strategic decisions*: business model changes, market entry/exit, mergers or acquisitions, and new product categories.
- *financial approvals*: annual budgets, significant capital expenditures, fundraising, and equity structuring.
- *compliance and legal risk*: approval of regulatory risk management policies, audit findings, AML/CTF strategies, and response plans for legal or enforcement actions.
- *technological oversight (UBO-led)*: Infrastructure investment, cybersecurity strategy, vendor selection, and platform architecture.



Deadlock Resolution

Although the company's structure minimizes the risk of internal deadlock, the Articles of Association provide for structured dispute resolution mechanisms. In the event of a deadlock, resolution may occur through either a casting vote (exercised by the CEO or UBO, depending on the matter), or by appointment of an independent external mediator. This ensures uninterrupted business continuity and operational resilience.

Legal Counsel and Regulatory Support

Magic Stones N.V. is supported by an internal legal team with expertise in iGaming, commercial law, and corporate governance. The team advises on licensing, data protection (GDPR), intellectual property, and general regulatory compliance. External legal advisors are retained when required for specialized matters such as cross-border regulatory approvals, acquisitions, or litigation

Board Meeting Protocols

Board meetings are convened on a regular basis and include all directors, the CEO, and the UBO. Each meeting includes structured reporting on finance, technology, marketing, and compliance. Decisions taken during board meetings are formally recorded in board minutes and retained for audit and regulatory review

SWOT ANALYSIS

We are aware that there is competition in the Online Gambling industry that is why we took out time to conduct an effective SWOT Analysis before investing our money into the business.

We know that if we get things right before starting our casino, we will not have to struggle before attract loyal clients and building our membership base to a level where we can easily breakeven in record time.

STRENGTH	WEAKNESS
One of the obvious strengths that will definitely stand as a plus for magic365.com/en is high-quality product which was created with world-leading gaming provider. Another strength is the fact that the company hold Curacao license which is the proof of legality of company's activity and it will foster trust form our prospective partners and customers.	We critically looked into our business model and we were able to identify two major weaknesses. One is the fact that our activity is limited in GEOs due to the fact that not all the countries in the world accept this kind o license. The second is the fact that we may be faced with difficulties while searching for the prospective partners (PSPs, Gateways etc.) as they usually prefer experienced companies rather than startups.
OPPORTUNITIES	THREAT
Our website will highlight promotional offers and customer loyalty programs, such that our customers can try games that they have not tried before. We will provide our customers with 24/7 support and provide them with the opportunity to get the best game experience.	The online casino industry is a high-risk industry, since there is no single clear standard for regulating this area in the world. Considering that in different regions the rules for doing this business may differ, it is necessary to monitor news portals on a daily basis in order not to miss the slightest legal change and always comply with the requirements of global legislation.

BUSINESS FORECASTS FOR 3 YEARS

Initial development and early operational costs were fully covered through internal equity financing provided by the Ultimate Beneficial Owner (UBO), utilizing personal savings as the sole source of capital. The funds were allocated to support core infrastructure development, proprietary platform architecture, regulatory licensing, and compliance setup. By relying exclusively on self-financing, Magic Stones N.V. has maintained full ownership, avoided third-party liabilities, and ensured maximum strategic and regulatory alignment from the outset.

Magic Stones N.V. has developed a forward-looking, performance-driven financial forecast for the next three years, anchored in sustainable growth, positive free cash flow, EBITDA improvement, and increasing operational leverage. The forecast incorporates core financial metrics, including gross gaming revenue (GGR), operating margin, customer acquisition cost (CAC), average revenue per user (ARPU), and cumulative cash flow. These projections are aligned with our growth strategy, capital discipline, and customer-centric innovation.

Year 1: Foundation & Brand Development

In the first year of operations, our primary objective is market entry with a focus on brand positioning, user onboarding, and acquisition of early adopters. Marketing spend will be strategically allocated to digital acquisition channels and affiliate programs. Revenue is expected to grow incrementally as we establish our customer base. Cash flow may remain neutral to negative due to planned reinvestment in brand visibility, IT infrastructure, and licensing compliance. Customer acquisition cost will be at its peak in this phase, while LTV/CAC ratio will begin to stabilize.

Year 2: Revenue Acceleration & Market Penetration

By the second year, we anticipate significant top-line growth, driven by regional market expansion, product diversification, and enhanced CRM



strategies. Gross gaming revenue is projected to increase by double digits as user activity intensifies and repeat engagement becomes a key driver. Operational breakeven is targeted by mid-year, with positive EBITDA and improved contribution margins. We will also pursue performance-based partnerships to scale efficiently and reduce average acquisition costs. Cash flow is forecasted to turn consistently positive.

Year 3: Maturity, Profitability & Strategic Reinforcement

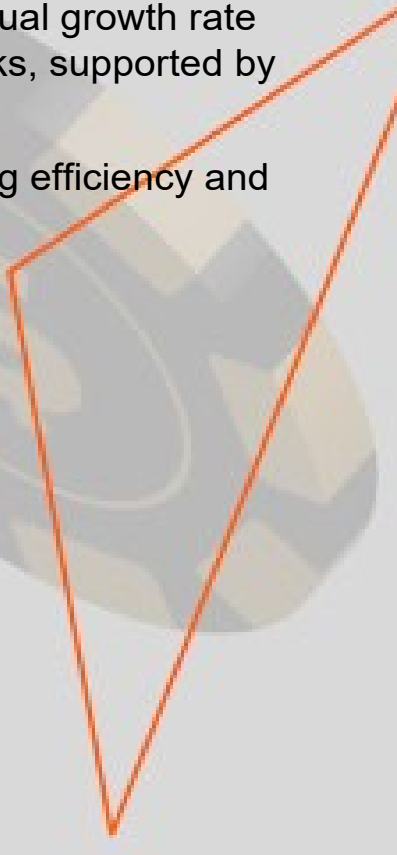
In the third year, Magic Stones N.V. aims to consolidate its market position through sustained growth in monthly active users (MAUs), improved retention rates, and higher ARPU. Profit margins will strengthen due to economies of scale and optimized backend processes. A robust cash surplus is projected, allowing reinvestment in proprietary game development, UX enhancements, and potential M&A opportunities. Capital allocation will prioritize scalability, technological innovation, and regulatory alignment to fuel long-term enterprise value.

Key Financial Assumptions:

Market Demand: Assumes steady global growth in online gambling adoption, supported by regulatory liberalization and digital payment infrastructure.

Customer Base Expansion: Forecasts a compound annual growth rate (CAGR) in active users aligned with industry benchmarks, supported by targeted promotions and loyalty schemes.

Cost Optimization: Continuous improvement in operating efficiency and reduction in fixed costs as a percentage of GGR.



BUDGET FORECAST

The online casino industry presents abundant growth opportunities, driven by a dynamic global market and increasing consumer interest in digital entertainment.

Magic Stones N.V. was founded in 2020, and after successfully overcoming initial technical and operational challenges, we officially launched operations in 2024. This deliberate strategic positioning now enables us to effectively capitalize on emerging trends and compete strongly within the global online gaming landscape.

Through extensive market research, in-depth competitive analysis, and careful assessment of industry opportunities, we've crafted a robust and performance-oriented financial forecast for the years 2025 to 2027. Our projections reflect the strength of our licensed online casino platform, operational efficiency, and the wide array of engaging entertainment services we provide.

Key Financial Indicators (2025–2027):

Gross Gaming Revenue (GGR):

€2.35M in 2025, increasing to €3.84M by 2027 — a 63% cumulative growth.

Operating Costs:

Rising in proportion to scale but improving in relative efficiency: €1.29M in 2025 to €1.97M in 2027.

EBITDA:

Expanding from €355K to €719K, reflecting operational optimization.

EBITDA Margin:

Improving year over year — 15.1% (2025), 17.0% (2026), 18.7% (2027).

Customer Acquisition Cost (CAC):

Maintained within an efficient range — €17.7–€18.8 per user.

Lifetime Value (LTV):

Strong growth from €284 (2025) to €345 (2027), supported by ARPU stability and EBITDA improvements.

LTV/CAC Ratio:

Consistently >15x, highlighting a capital-efficient and highly profitable user acquisition model.

These indicators reflect a healthy, scalable, and cash-generative business model with clear profitability dynamics and efficient capital deployment. Our forecasts are designed to ensure disciplined growth, operational resilience, and strategic reinvestment potential.

Key Financial Insight:

All operational expenses — including marketing, salaries, rent, and payment processing — are fully managed by our designated payment agent, Magic Stones Limited. As such, Magic Stones N.V. receives its earnings solely in the form of net profits, enabling efficient overhead control and a lean financial structure.

Investor Note: This financial projection assumes continued industry growth and stable macroeconomic conditions. While modeled conservatively, actual performance may vary due to market evolution, regulatory shifts, or strategic partnerships that could further enhance returns

Year	TOTAL DEPOSIT AMOUNT, EUR	TOTAL WITHDRAWAL AMOUNT, EUR	NET DEPOSIT AMOUNT, EUR	REVENUE SHARE, EUR	OTHER MARKETING EXPENSES	PSP FEE, EUR	GSP FEES, EUR	SALARIES AND RENTS COSTS, EUR	Net Results, EUR
2025,0	5259000,0	2900000,0	2350000,0	705000,0	282000,0	306000,0	282000,0	420000,0	355000,0
2026,0	6562500,0	3609375,0	2953125,0	885938,0	354374,0	382266,0	354375,0	475000,0	501172,0
2027,0	8531250,0	4692187,5	3839062,5	1151718,8	460688,0	496945,0	460688,0	550000,0	719023,0

SUSTAINABILITY AND EXPANSION STRATEGY

At Magic Stones N.V., we believe that long-term success is driven by four essential pillars: a loyal and growing customer base, a competent and motivated team, a resilient business structure, and a disciplined investment strategy. Any company lacking these foundations is unlikely to withstand the pressures of a competitive and fast-moving market.

Our primary strategic objective is to establish a self-sustaining business that operates entirely from its own cash flow, without reliance on external capital injections once operations are underway. Thanks to our streamlined model—where all financial settlements are managed through our payment agent—we are structurally positioned to achieve this goal.

We are committed to delivering high-quality, secure, and engaging gaming experiences that build trust and long-term loyalty among players. This commitment is reinforced by a corporate culture centered on continuous improvement, professional development, and a strong sense of responsibility for our team's well-being.

We firmly believe that by laying the right foundation today, Magic Stones N.V. will not only thrive but also lead as a benchmark for sustainable, agile, and forward-looking businesses in the global iGaming industry

Approved by Kostiantyn Vatan. UBO