

ORAKUM N.V.
Business Plan

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INTRODUCTION

Orakum N.V. has been incorporated with goal of becoming one of the most thriving companies in the online gaming market. What gives a competitive edge to the company is state of the art software platform offered by company featuring market leading functionality. Further advantages are:

- Relatively untapped regional markets
- Profound expertise of stakeholder
- Access to industry specific market data and insights
- Well-organized company's structure

The above, along with other advantages such as low minimum bets, wide variety of local and global events, information feed and network effects would allow Orakum N.V. to become a prominent market player. The strategy of regional expansion is pursued by having an international structure through cooperation with various companies in the field of payment processing, marketing, and software development. The choice of Curacao as jurisdiction was dictated by country's flexible legal framework and low level of taxes. The purpose of this business plan is to set out the basis upon which the Company's activities, objectives and strategy for the next three years of operations will be developed. It discusses in depth the target markets, the competition, and the future prospects and opportunities. A full set of forecasted financial statements for a three years period is also included.

EXECUTIVE SUMMARY

The Software Platform of Orakum N.V. is very easy to operate, integrate any new gaming or betting products and features. This provides additional advantage in client experience in the online gaming market as customer acquisition and retention becomes more and more challenging.

Bonnal 's task is to provide similar advantages in ease and variety of payment methods. This prerequisite was the additional driver for setting up offices in Cyprus, known for being a global hotspot of companies servicing the financial markets.

2.1 Companies

Currently the Group comprises of three companies:

- Orakum N.V.
Operation of the iGaming platform
- Marikit Holdings LTD and Zavbin LTD

Possessing necessary information and solutions within the field of payment processing and merchant account.

2.2 Competitive Edge

The Company plans to create a unique competitive advantage in attracting key customer segments. Six core competencies have been pinpointed as key in addressing customer needs that will enable the company to achieve this edge. These are:

- Market Expertise
- Multichannel Access
- Multilanguage Possibilities
- Regional Market Data and Insight
- Personal Touch
- Innovation

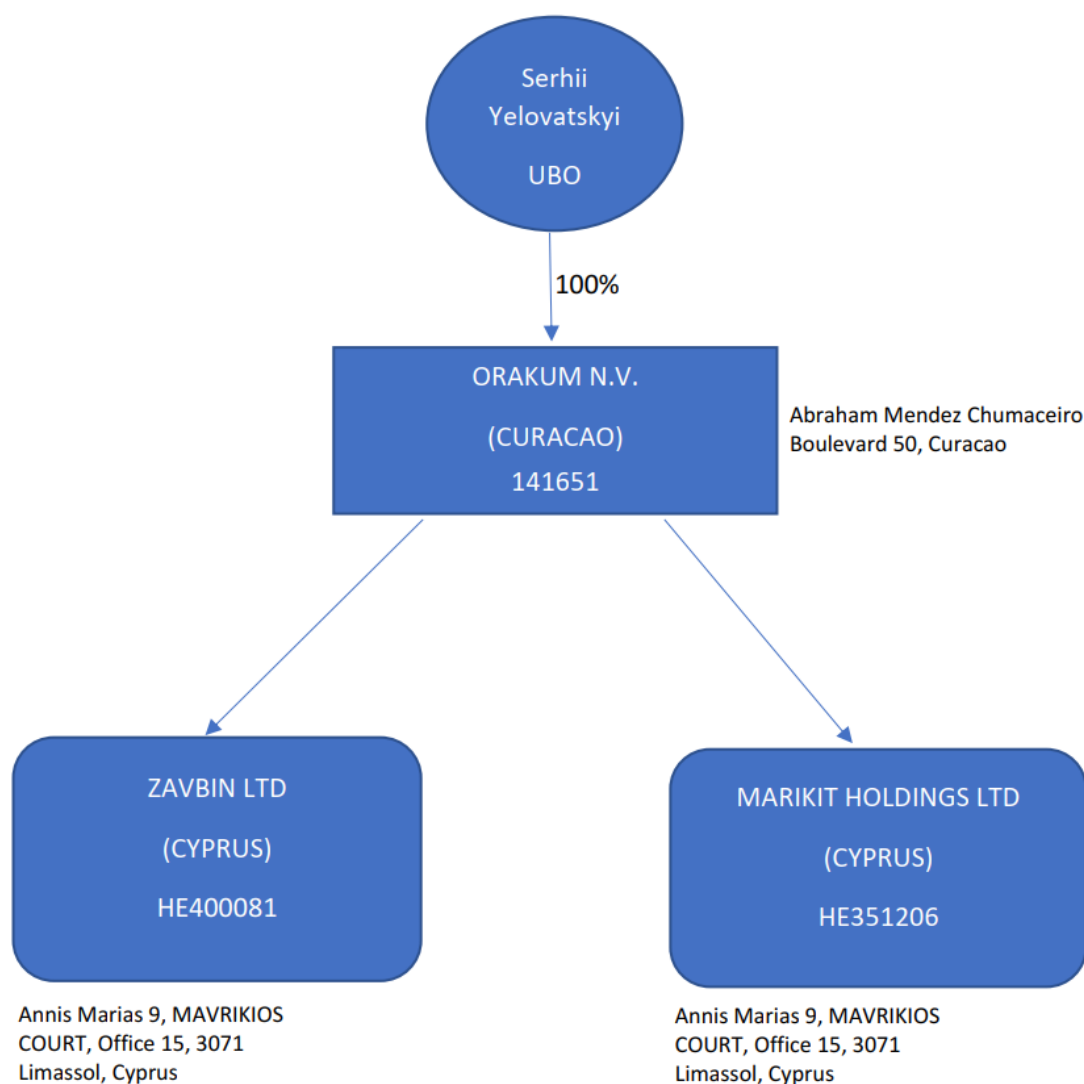
2.3 Markets

In the last decade gamers and gamblers have matured immensely, becoming increasingly sophisticated and demanding. Accordingly, their needs have become more complex and harder to cater to. Players are no longer satisfied with poor outdated platforms and narrow selection of most common games of chance, bets. Meanwhile, the regulatory framework has become more intense with ever changing regulations being imposed to adapt to new standards of player protection and responsible gaming. In order to cater to these market trends, Orakum N.V. plans to utilize its specialist expertise and talent and experience to provide uniquely customized and specialized interactive games of hazard through contracting with different game suppliers and offer the customers special and unique propositions within field of online-gambling.

Company will strive to closely monitor new tendencies on the markets, identify client preferences for online-gambling and timely adapt the new realities. Team will put their best effort to become early adopters, seeking to offer clients new games and bonuses before they become mainstream.

3. Group Structure

Organizational Chart The organizational structure as shown in the chart below identifies lines of communication run along the lines of hierarchy within the structure



4. Role of the Website

For many companies, the website is a testament to their technical sophistication, but not for companies in the online betting industry, as for them it is an essential element of the company due to the fact that the website is the platform through which the clients interact with the company. A beautiful design, a clear interface, detailed and clear information about the provided services are the main keys of engendering trust and gaining the customers' attention.

In the highly competitive field of online betting, it is very important to understand customers' needs, but nowadays it is also necessary to try predict customers' preferences, what means developing new betting strategies as well as offering the most popular casino games. In today's high-tech world website with several pages and usual interface can't draw customers'

attention, the website should be attractive and extraordinary to stand out from huge amount of others.

To address all these and other challenges our team plans to continually develop new website designs and collaborate with subsidiaries and other companies to ensure the success of the site and its promotion.

5. Market Analysis Summary

The Company performed a market analysis to study the attractiveness and the dynamics of a special market within a highly competitive industry. Throughout these analyses the strengths, weaknesses, opportunities and threats are identified

5.1 Market overview

The niche of gaming industry has seen a number of changes and growth in the past few years. However, with the changes in the global economy and industry specific trends present challenging times ahead. On top of that, regulators and players placing increasing demands on operators will inevitably lead to a changed market.

Moreover, as iGaming is made more accessible and convenient, consumers may choose to allocate a greater portion of their discretionary income to this particular form of entertainment. Compared with other online gaming and gambling genres, the sports betting is known to be the most effective way to attract and retain customers, with a lower cost per customer acquisition, the longest life span and the best cross-selling potential. A large proportion of customers worldwide have been with online sports betting providers for more than two years and are still contributing significantly to their bottom lines, according to industry insiders.

The online sports betting industry has expanded considerably over the past few years with hundreds of sites now available for customers to choose from. Insiders expect the number of new entrants to slow down rapidly. However, most midsize online sports betting websites have started looking to diversify their client base and start precise targeting of regional markets rather than global outreach.

5.2 Strengths

The main strengths identified are as follows:

5.2.1. Experienced shareholder

The Group boasts a very skilled beneficiary owner with deep knowledge of the online-gambling industry and operations who is equipped to maintain the established reputation and growth vision

Mr. Serhii Yelovatchkyi graduated from InterRegional Academy of Personnel Management in 2002 and then in graduated from Kharkiv National University of Radio Electronics (Speciality – computer systems automation and control in 2007. For almost 10 years he has been in the betting industry earning a profound expertise in managing projects of various complexity and has successfully implemented knowledge that he was receiving during studying. He is innovative and result-driven leader focused on achieving exceptional results in highly competitive environments that demand continuous improvement. He is experienced in driving process improvements while building solid working relationships

5.2.2. Convenient, flexible, and attractive interface

One of Orakum's main strengths is its user-friendly, informative and flexible interface, that can satisfy even the most discerning customer. The possibility of implementing additional widgets, pages, tools, sections, etc. plays an important role in adapting to any new challenges that may arise in the ever-changing sports betting niche.

5.3 Weaknesses

The main weaknesses identified are as follows:

5.3.1 Highly regulated environment

Although not to be considered a core “weakness” as such, regulation requires procedures and systems to be instated at the heart of Orakum which in turn need to be diligently tracked by highly professional and skilled staff. Companies can typically expect higher salary costs of such professionals and to invest immensely to follow regulatory changes and adapt to them which in turn could be turned to a strength overtime

5.3.2 New Market Segments Infiltration – Establishing the Learning Curve

When adding a new market to operate from, Orakum is required to quickly adapt to regional specifics and learning player betting preferences. Company will strive to leverage best practices and appropriate work tactics to establish a learning curve and achieve an optimal level. Nevertheless, the team which is being carefully chosen to blend industry knowledge with understanding of the regulations and the clientele demands is expected to turn this weakness into an advantage.

5.4 Opportunities

Growing global market trends indicate that opportunities are ripe. Global Gaming Revenue continues unstoppable growth. At the same time, GGR pie chart changes indicate remote gaming taking more and more prominent portion of gaming yield. Therefore, Orakum could enter a market that is poised to foreseeable growth in case proper strategy and positioning are adapted.

5.5 Threats

The main threats identified are as follows are as follows:

5.5.1 Changes in regulation

Changes in the regulatory environment under which specifically remote sports betting companies operate, may create new obligations potentially leading to increased operational costs. However, we are confident that such legislative changes will be gradual, hence the implementation of relevant regulations is estimated to unlikely negatively affect Orakum severely. Changes into tighter regulations and adaptation to them are seen as a favorable asset for the Company as it provides better online reputation in the long run

5.5.2 Competition

Some of the threats envisioned by Orakum are the following:

- Threat of market share consolidation driven by tightening margins and a resultant increased advantage of scale
- An increase in marketing spending over the next few years, as operators prepare for the introduction of new regulatory rules and taxes, which would push them to consider spending in a more targeted manner to increase loyalty
- Increasing taxes costs due to stricter regulatory environment leading to fewer betting operators able to adapt to them without increasing overhead
- Influencing betting and gaming behavior through social media
- Multinational competitors may be better capitalized to invest in marketing their products and services

However, the Group expects to utilize on its established business model and its management's experience within the region to cater to its clients growing needs which smaller competitors cannot cope with as technological developments and regulatory burdens pressurize the margins.

6. Strategy and Implementation Summary

6.1. Key areas

The broad basis of the Orakum's strategy will ultimately depend on the ability to move in the desired direction and scope over the long term. Company aims to achieve an advantage through efficient configuration of resources within the changing environment to meet the needs of the market and to ultimately fulfill stakeholder expectations.

The Company's core mission objectives are:

- To provide betting services with highest standard of quality and professionalism.
- To be recognized for the excellence of our offering
- To build strong and enduring client relationships

The following competencies will act as the “vehicles” to address customer needs that will enable Orakum to create a competitive advantage in attracting customer segments:

Market Expertise

The core of any successful organization is the knowledge and expertise displayed by the management team which conveys trust between the brand and the client. Successful firms develop a loyal relationship with clients by demonstrating that the firm understands the clients' specific needs and the clients' interests are the firm's paramount concern. In the context of attracting loyal clientele, the firm will display its specialized knowledge of the markets in targets and focus on specific client base where it has expertise in working with the client to develop, implement and monitor a comprehensive strategy.

Multichannel access

Customers want the ability to conduct their online financial transactions when they want, how they want and where they want, so through cooperation with Marikit Holdings LTD and Zavbin LTD Orakum cover this customers' necessity. The combination of integrated information and multichannel access empowers clients by putting them in full control of their player account and funds in it, via computer or through their mobile devices such as smart phones and tablets.

Perception

To win new customers and retain existing ones, firms must be perceived as competent, dependable and empathetic. Clients must also perceive that their personal data are securely protected. Client opinion is formed through a combination of personal experience, word of mouth and marketing. To compete effectively, the Company will try and attain a level of performance that is firmly associated with the qualities demanded of a world class institution.

Attention to customers' needs

A major component of successful product and service offerings is attention to customer's needs. Clients respond to high level of attention; they feel valued when their queries are addressed promptly and personally.

6.1. Market Risks

Online betting is about taking a chance by accepting a risk and expecting a return which is dependent on chance. Thus, clients always expect higher returns for the risks they undertake and many sports betting firms offer higher returns at the expense of competition. A key job for the sports betting firm is to avoid inefficient strategies. This is not a trivial pursuit. It requires estimates of risks and expected returns for individual odds offered, individual sports segments, countries and types of game. It also requires estimates of wins and losses correlations, which indicate the extent to which such wins are likely to move together or separately.

Additional challenge to address is the certain segment of clients seeking to exploit the opportunity of making chargebacks and fraudulent transactions. Orakum through cooperation with Zavbin and Marikit Holdings has identified the most common techniques employed by such individuals and worked out guidelines to minimize such risks. Company has selected number of financial services providers offering enhanced tools for combatting fraud and chargebacks.

The Group also follows a risk-based approach in its operational management and the running of its licensed operations to ensure minimization of risks at all levels.

7. Financial Plan

7.1 Financial forecast

This business plan covers the projections for the Orakum for a 3-year period. The projections have been prepared under two alternative scenarios: optimistic and pessimistic. The expected financial results of the company's projected operations are presented in the enclosed appendices.

The group is expected to generate revenue through online betting activity. The group intends on attracting only a retail client base. It is strictly checked that the retail client base possesses the right age of over 18 years of age (or legal in respective jurisdiction) and knowledge to understand the risks involved with sports betting and online funds transmissions.

Optimistic scenario	Year 1	Year 2	Year 3
Total revenue	27000000	28100000	29400000
Total (direct/indirect) expenses	9000000	9700000	10300000
Net result	18000000	18400000	19100000

Optimistic scenario	Year 1	Year 2	Year 3
Total Investments	8100000	8700000	9400000
Profit margin (%)	7	9	10

Pessimistic scenario	Year 1	Year 2	Year 3
Total revenue	23500000	24900000	26200000
Total (direct/indirect) expenses	7800000	8600000	9400000
Net result	15700000	16300000	16800000

Pessimistic scenario	Year 1	Year 2	Year 3
Total	6300000	7200000	8000000
Profit margin (%)	5	6	8