

Business Plan

Triumphbet Company N.V.

Date: 30th March 2024

Table of Contents

1. Overview.....	4
1.1. Loyalty System.....	6
1.2. Challenges of Operating in the Given Region	11
1.3. Strategy and Goals	11
2. Company Structure and Operation Method	12
2.1. Subsidiary Company	12
2.2. Managing Company.....	13
2.3. Service Companies	13
3. Marketing.....	14
4. Partners	17
4.1. Alicorn (ALICORN LTD).....	18
4.2. LuckyStreak (SIA “LSK Studios”)	18
4.3. SoftGamings (Bromston Associates Ltd.).....	18
4.4. Evolution Gaming (EG OVERSEAS SERVICES B.V.).....	18
4.5. Digitain (Digitain LLC)	19
4.6. Mascot Gaming (S.C. MNG Production SRL)	19
4.7. Igrosoft (Igrosoft DMCC)	19
4.8. Tvbet	19
4.9. Spinomenal	20
4.10. Payment providers and bank accounts.....	20
4.11. Interkassa.....	20
4.12. Colibrix.....	21
4.13. Monetix	21
5. Risk Assessment and Management	21
5.1. Operational Risks.....	21
5.2. Regulatory and Legal Risks	22
5.3. Regulatory Changes and Compliance	22
5.4. Data Protection and Privacy.....	23
5.5. Intellectual Property and Copyright	23
5.6. Legal Claims and Litigations	23
5.7. Reputational Risks	23

5.8.	Security Risks	24
5.9.	Financial Risks.....	25
5.10.	Personnel Management Risks	25
5.11.	External Risks	26
6.	<i>Policies and Procedures</i>	26
7.	<i>Finances</i>	28
7.1.	Prospects and Forecasts	29

1. Overview

Triumphbet Company N.V. (hereinafter – the Company) is developing an online product under the domain names <https://makao.com> and <https://makaobet.com>. Both domains provide access to the same service. Within the company, the project is referred to as Makao. The domain name and project title were chosen in connection with the workplace of the company's beneficial owner (hereinafter - UBO) of Triumphbet Company N.V. The UBO worked at a land-based casino named RK Makao in Kapchagay, Kazakhstan. Kapchagay is a special territory (hereinafter referred to as the gambling zone), where gambling business operations are permitted. This location, deliberately distanced from major cities (approximately 80 km to the large city of Almaty), is situated in the middle of a state highway in a small township. The state of Kazakhstan chose this approach to ensure that consumers of these services approached gambling establishments more thoughtfully. From the consumer's perspective, this was a protective measure by the state, but from the casino operator's viewpoint, it was a regulatory constraint that threatened the business's stability, as customer flow was not constant. Nevertheless, aiming for higher profits and sustainable development, this approach led casino operators to adapt to the regulation. To retain customers longer in the gambling zone, casino operators began to build casino complexes of a hotel type, where they offered luxury rooms for the casino's guests on an "All-Inclusive" basis. Business operators knew that the more time a guest spent in the area, the more revenue they would generate. To retain customers, these complexes offered a wide range of services:

- Accommodation in luxury rooms,
- Meals on an "All-Inclusive" basis,
- Entertainment programs featuring stars,
- Car and cash prize draws,
- SPA complex services,
- Numerous swimming pools.

All these could be enjoyed on one condition: make a deposit for gaming and enjoy the complex's main service – gambling.

Since gambling was prohibited in the neighboring countries, this gambling zone attracted interest from people in nearby countries. Given that the zone is at a standard distance from airports to large cities (up to 100 km from the airport), it could develop as a casino tourism destination.

While UBO was in management positions at the land-based gambling zone and was participating in the development of information systems for the land-based casino, the

UBO noted the periodic nature of customer visits. He observed that clients came to relax, and enjoyed the service, but due to the difficulty of flights or the long journey to the casino complex, repeat visits deterred them. The UBO hypothesized that this was a problem for similar gambling zones and that guests of these establishments could be offered a hybrid service, which would maintain the client's interest in the land-based business and also open up the opportunity to develop an online casino business.

According to the UBO, the psychology of a player in the land-based gambling business differs from that of a player who uses a classic online casino. The UBO noted that in land-based casinos, customers become attached to dealers, gaming devices, atmosphere, sounds, and also fulfill the need for socialization. Based on this hypothesis about player psychology, the UBO proposed to the land-based casino enterprise he worked for to sell the broadcast of games from the casino on mutually beneficial terms. Given the lack of regulation for conducting online business in Kazakhstan and the prohibition for Kazakhstan companies to offer online services altogether, the UBO decided to obtain a Curacao license to operate online.

After obtaining the Curacao license, the process of creating a hybrid casino began in collaboration with key partners. In 2017, together with Evolution Gaming, a table was set up at the Makao land-based casino in Kazakhstan, which broadcasted the game from the casino while maintaining the privacy of the casino guests. Subsequently, a contract was signed between Triumphbet Company N.V. and Evolution Gaming, giving Triumphbet Company N.V. exclusive rights to conduct the game at these tables. In return, the land-based casino received royalties from Evolution Gaming and the opportunity to maintain customer loyalty through the table broadcast solution. For the land-based casino, this offered a direct benefit as it encouraged the customer's return. The Makao online solution for broadcasting live games triggered the same emotions in guests as they experienced in the land-based casino, ultimately supporting loyalty to the on-ground service.

Later, after partnering with Evolution Gaming, collaboration began with the team at ALICORN LTD (hereinafter - the service company), which took on the responsibility for developing the web platform for the online casino, providing technical support, customer support, and hosting. According to the agreements with the service company, it created both a B2C solution for operating an online casino and a platform for B2B, which Triumphbet Company N.V. could further develop in its own interests. Thus, the UBO solved three key tasks in building a hybrid online casino:

1. Established a company in Curacao and obtained a sub-license;
2. Provided a source of traffic from the land-based casino to the online project through mutually beneficial broadcasting solutions;
3. Found a partner to create scalable software in the company's interests.

Once operational tasks were fulfilled and having captured traffic from the land-based casino, it became clear that this was high-revenue traffic. It wasn't a large number of customers, but statistics showed that the average deposit during the first year of operation exceeded 100 US dollars.

Subsequently, as the number of customers increased, the average deposit began to decrease, indicating the need to offer products not only for high-income customers. In collaboration with Evolution Gaming and the UBO, the decision was made to integrate several more live game tables from the land-based casino. This allowed customers to place bets at tables with different limits.

However, the UBO realized that any reputable casino offers two basic categories of services: live games and slot machines. As mentioned earlier, due to the remote location from the city of the gambling establishment where the UBO worked, he noticed that affluent clients who play slots enjoy a special service. The service consisted of the casino being able to reserve a specific machine for the client until their next visit if the client felt they hadn't finished playing a particular slot machine. The UBO observed that the nature of a land-based slot machine is regulated by the country's/regulator's legislation, which often tries to protect the consumer of these services by setting a clear and adequate retention percentage for a specific machine. Essentially, each machine has its electronic RNG, which by law must eventually return the stipulated payout percentage to the service consumer, creating in the player an illusory expectation of getting their cash back and leaving them feeling the gaming process is unfinished. Thus, the UBO asserts that the player's attachment forms specifically to the slot machine, which subsequently prompted the land-based casino to offer the slot reservation service to clients.

Continuing to develop the idea of a hybrid online casino, the UBO questioned - Why not allow the land-based casino customer to continue playing on a remote basis? After conducting research with the service company, the UBO decided to develop a proprietary solution for broadcasting a gaming machine from a land-based casino. Currently, the product for playing based on remote access to a slot machine has been developed, tested, and offers a competitive advantage over other online casinos. This solution requires a legal resolution to legitimize this approach to providing the game. Understandably, devices installed in casinos have all the necessary RNG certifications, but the data transport process may require additional certification.

1.1. Loyalty System

Working with traffic from the land-based casino, the company realized that customers attracted from the land-based casino did not understand the loyalty system typical for online casinos. Customers simply did not grasp that to claim their weekly game cashback (hereafter referred to as cashback), they would need to wager an amount 20 times (or

more) exceeding the cashback amount. This approach in the online business market is called wagering. Such a method is simply unacceptable in the environment of a land-based casino. According to our clients, this type of bonus approach leaves them feeling deceived. Therefore, we took decisive steps towards developing a loyalty system that works for our customers.

The foundation of the customer loyalty system is the automated classification of customers into levels based on the accumulation of points through wagering (see *Loyalty system general rules in the Figure 1*). A wager made by a customer advances them through levels, which, in turn, offer more privileges. This scheme operates both in land-based casinos and is very common in online projects. The servicing company, after evaluating other approaches to customer level distribution, concluded that linking to the wager is a more stable indicator than the amount of deposits made or the customer's losses.



Figure 1. Loyalty system general rules

Having distributed customers into levels in the loyalty system, the company added the issuance of weekly cashbacks without wagering (see *Levels in the loyalty system in the Figure 2*).

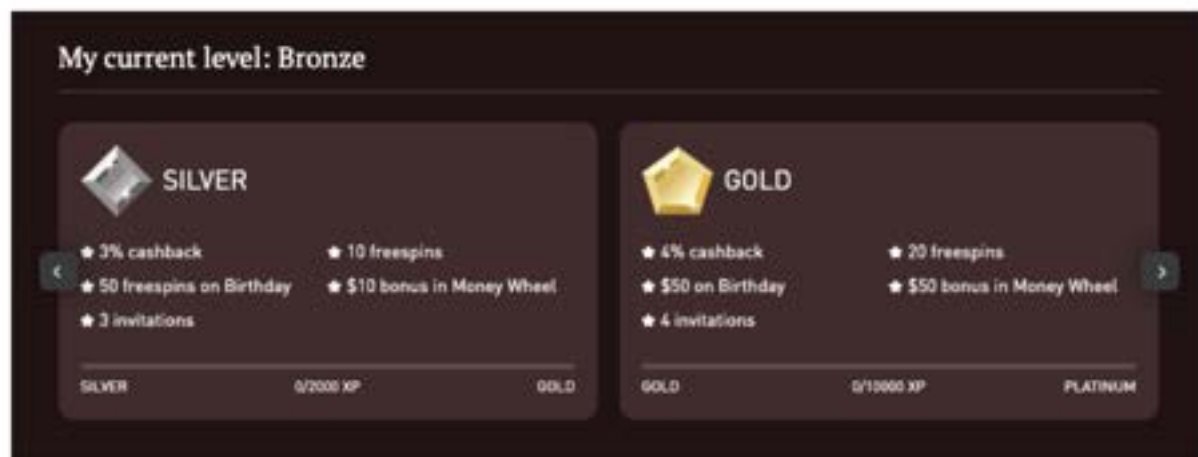


Figure 2. Levels in the loyalty system

In addition to the level-up system, the company developed an internal system of bonus points, referred to in projects as Makao coins (see an example of the internal system of bonus points in the Figure 3). Similar to the level-up scheme, customers earn coins for wagers made (depending on the game category).

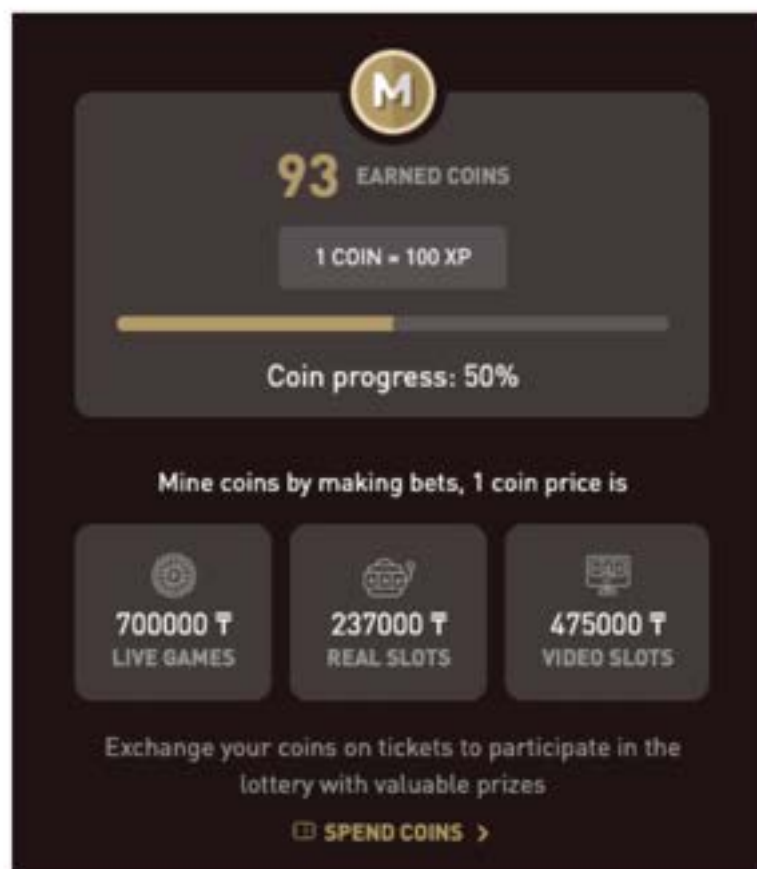


Figure 3. An example of the internal system of bonus points

Continuing to draw inspiration from land-based casino solutions, the UBO noticed that large land-based casino complexes often have stores offering a variety of products, where customers were given discounts if they played in the casino. Impressed by this approach, the company created an internal store where customers can spend their accumulated coins (see Figure 4). The store features products such as free spins, bonuses with wagering requirements, lottery tickets, and merchandised products branded with the company's logo.

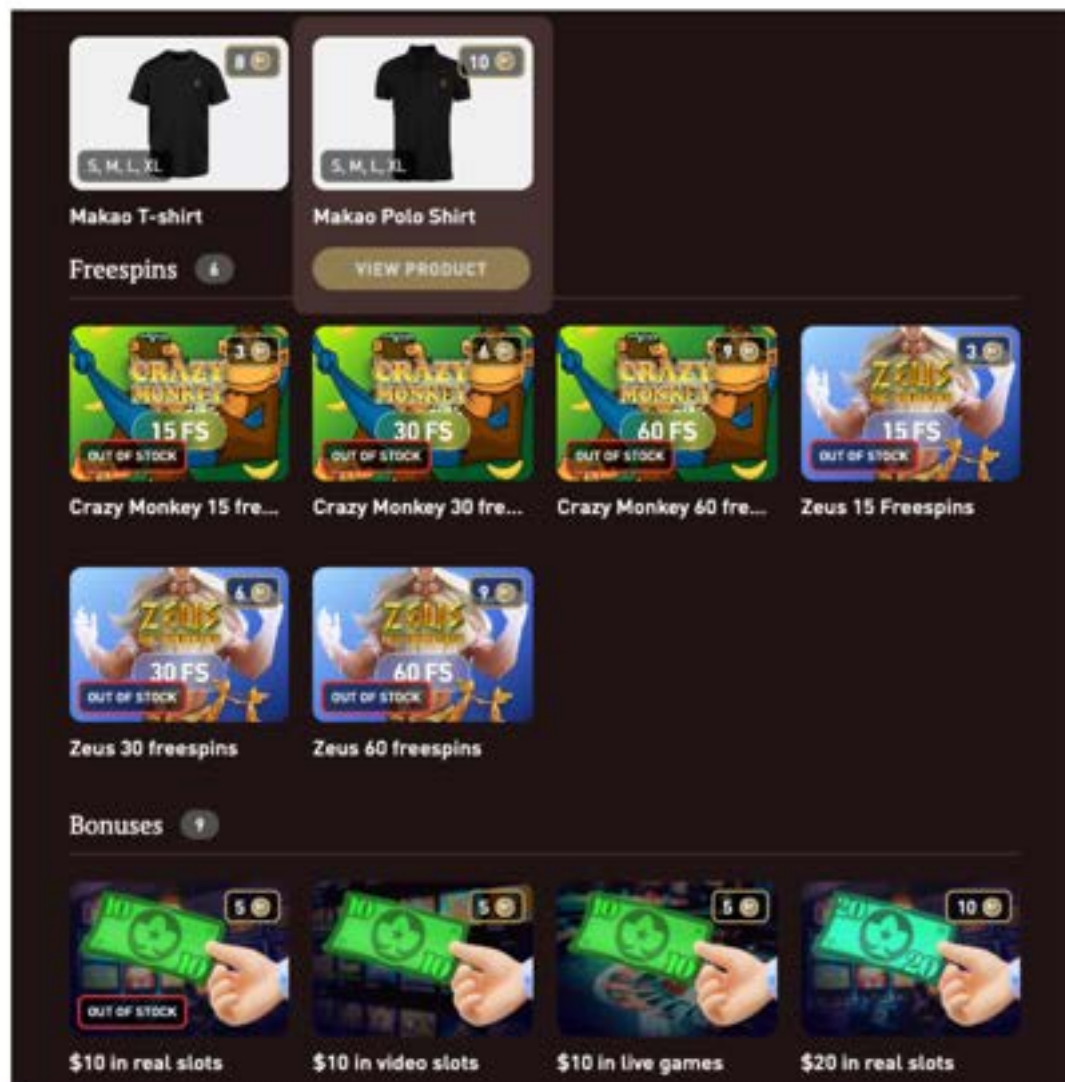


Figure 4. Internal store

Moreover, the company conducts 1 to 2 lottery draws every two months live, where larger cash bonuses are awarded (see an example of organized lottery in the Figure 5). Any player who has exchanged their accumulated coins before the draw can participate. During the draw, a chat feature is opened on the website for customers, where they can

communicate with each other and the host (see Figure 6). In this way, the company offers customers the opportunity to socialize, just like in a land-based casino.

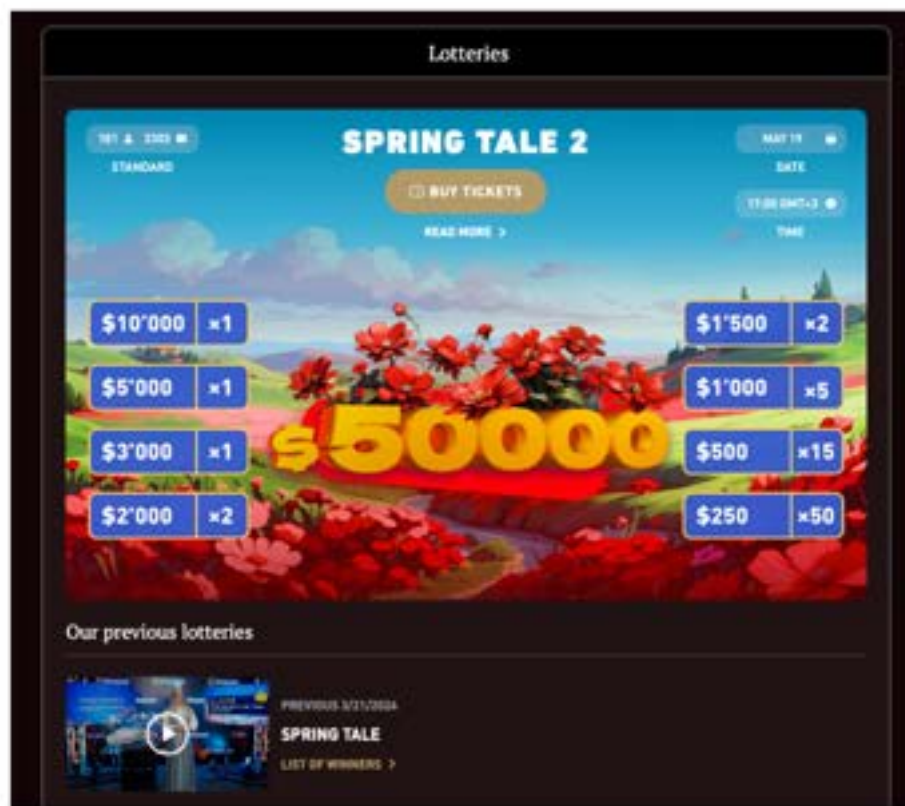


Figure 5. Organized lotteries



Figure 6. Organized lotteries

1.2. Challenges of Operating in the Given Region

In 2023, the land-based casino RK MAKAO refused to provide us with game broadcasts from the casino due to concerns that the regulator might consider their land-based business as providing online casino services, which is prohibited for local companies. Triumphbet Company N.V. was aware of such risks and, to retain the formed customer base, the servicing company had already taken actions to minimize losses.

1.3. Strategy and Goals

Despite the difficulties encountered in 2023, the company managed to capture a certain market share in Kazakhstan, Kyrgyzstan, and Uzbekistan. Even with these challenges, the company still generated over 17 million US dollars in gross gaming revenue (GGR), which, according to the UBO, meant that the experiment was successful and the method of obtaining traffic through a land-based casino worked. Due to regulatory risks in Kazakhstan, we lost the broadcast from the casino, but we were not prohibited from developing by the classic method, providing services of our gaming partners, and attracting traffic through affiliate networks/marketing on the internet. We will continue to focus on the specifics of land-based casinos and what the land-based casino business offers to propose a product more attractive to our formed customer base.

Considering that in the online casino business, the payment system for third-party gaming providers is based on the calculation of monthly gross gaming revenue (GGR), the UBO believes that such a calculation method (especially when a high percentage of GGR is for payment to the gaming partner) puts businesses in a position where they start offering bonuses and cashbacks to clients with inherently unprofitable outcomes (wagering). The UBO believes that such cooperation can be sustainable, but the competition is already so great that working on their games and approaches is now equally important in the development of the online business.

It's no secret that online casino brands participating in exhibitions simply exchange clients with each other through affiliate systems. This indicates that modern clients have a low retention rate on online products. We are not saying that we do not need to use classic methods of attraction and loyalty systems, but at the core of our business, we take approaches that we would like to indicate a high customer retention rate.

The core of our business is providing online casino services to the end customer, but due to significant efforts and work done, the company believes that we can scale the story with the hybrid casino for other entities as a business-to-business (B2B), in the form of services:

- Broadcasting roulette from land-based casinos;

- Sport-betting solutions that can be adapted for kiosks;
- Broadcasting slots from land-based casinos.

Our business goal is to develop new land-based casino brands where regulation will not hinder such a hybrid casino.

2. Company Structure and Operation Method

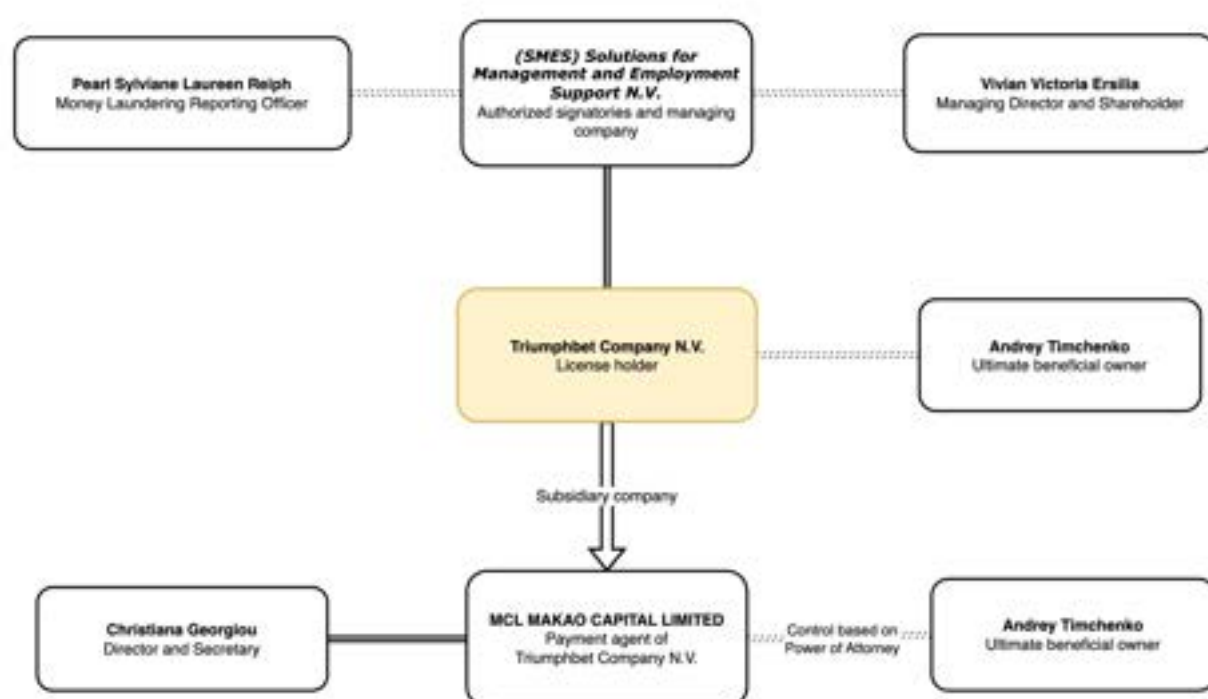


Figure 7. The structure of the Company

One of the advantages of opening and obtaining a license in Curaçao is the flexibility in structuring the company. Currently, the company does not directly employ any staff. Roles are distributed by the UBO on a remote basis through contracts with third-party companies.

2.1. Subsidiary Company

Triumphbet Company N.V. has a subsidiary, MCL MAKAO CAPITAL LIMITED. According to the "Payment agreement" dated January 3, 2020, the subsidiary takes on the provision of payment services for clients of Triumphbet Company N.V. Acting as a payment agent, the subsidiary can have a bank account or payment account on any payment platform.

2.2. Managing Company

Since 2022, our managing company has been Solutions for Management and Employment Support N.V. (SMES), and its managing director is Vivian Victoria Ersilia. The company provides standard company management services in Curaçao with an operating license. Together with SMES, we have managed to create a company policy on anti-money laundering and combating financial terrorism (AML/CFT) for operating an online casino. The managing company helps us keep up-to-date with customer identity verification requirements, analysis of their documents, sources of customer income, and evaluation of potential risks. SMES provided the service of a qualified specialist for monitoring payment operations and financial transactions, identifying and analyzing unusual and suspicious activities. Also, SMES ensures training and informing the project's service staff about the latest trends and threats in the money laundering sector.

2.3. Service Companies

In legal and financial matters, we are supervised by Bromston Associates Ltd. (aka SoftGamings). SoftGamings has been a leading developer and supporter in the iGaming industry since 2008. They offer cutting-edge solutions for the casino business and have established a good reputation in the market. They handle our legal procedures, ensuring timely submission of required documents and advising the legal department of ALICORN LTD (hereinafter - ALICORN).

ALICORN is the second service company of Triumphbet Company N.V., which carries out for the company:

- Legal support (including financial);
- Development of a strategy for using technological resources;
- Creation and development of a marketing strategy;
- Acts as the main contractor in researching and developing the gaming platform and games;
- Risk monitoring and management;
- Provides customer support;
- Offers technical support.

ALICORN is a key partner of the company, taking on responsibilities for operational activities on the condition of providing the company with specialized staff, who permanently perform strategic and operational tasks directly assigned by the UBO.

The UBO personally oversees the development of the overall company strategy and monitors its execution.

Currently, in accordance with regulation and the scale of required work, the operating scheme has been successful, causing no complications or stops in operation. In the future, the company intends to expand the board and provide a contingency plan for changing the service company to reduce risks in case of force majeure.

3. Marketing

Our Target Audience: 60% men and 40% women aged between 25 to 60 years. At present, Makao's client base is 29,000 people. According to Google Analytics, we have annual site traffic from the Republic of Kazakhstan (RK) of 85,000 unique users.

According to the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan (<https://stat.gov.kz>) in 2023, there were 4,402,362 men and 5,072,096 women aged 25 to 60 inclusive in Kazakhstan. From the above, it follows that our current clientele constitutes 0.3% of the interested market segment.

Also, the Republic of Kazakhstan has observed a population growth of 1.35% for 2023, and the expected growth rate in 2024 will be 842 people per day.

According to SBC Eurasia (the regional representation of the global betting and gaming industry community - sbceurasia.com), the turnover of the gaming industry in Kazakhstan was \$1.24 billion in 2022 (see *Figure 8*).

The largest share among all types of gambling business in RK is taken by online gambling. More than half of all funds "circulating" in the gambling business go there. In 2022, out of the total volume of services, about 353.8 billion tenge, or 61.8%, Kazakhs spent on online betting, bets in virtual bookmakers, and casinos.

The volume of services provided for organizing gambling and betting for 2022 (billion tenge)



Figure 8. The turnover of the gaming industry in Kazakhstan in 2022

According to Google Analytics of the Makao online casino site, the share of users accessing the site in Russian was 85.38%.

The ethnic composition of RK at the beginning of 2023:

- **Kazakhs** - 13,965,956 people (70.7%);
- **Russians** - 3,000,611 people (15.2%).

From the analysis of the above data, it can be assumed that the company has covered a large Russian-speaking segment of Kazakhstan and potentially could capture another 70.7% of the market. We have selected several marketing development strategies for the Makao online casino in 2024.

The first of them is the adaptation of the site, advertising, and providing services to the national language of Kazakhstan. Including advertising in the markets of Kazakhstan through contextual advertising and influencers. The following tools have been selected:

1. Developing our own affiliate platform in the format of placing offers based on revenue share (RevShare), as well as cooperating with affiliate networks and webmasters directly, focusing on interaction with the Kazakh-speaking market segment.
2. Purchasing advertising and advertising integrations from Kazakh, Kyrgyz, Uzbek influencers on YouTube, TikTok, Instagram, and Twitch. Collaborating with bloggers to provide streaming services from the site.

Below are the rates of advertising partners and expected traffic results for contextual advertising, as well as placing ads with bloggers from Kazakhstan.

Type	Service	Cost	CPM	CTR	Impressions	Clicks	Clicks2Reg	Reg2dep	Reg	Dep	\$/Dep
Facebook Ads (IOS)	Development of creatives and setting up advertising campaigns	15000	US\$11.98	0.0108			0.1399	0.1225			
	Development of landing pages and receiving final landing pages from the client										
	Analytics and optimization of advertising campaigns, implementation of conversion and micro-conversions										
	Launch of a Facebook advertising campaign										
	Preparation of reports for the client on the work done										
	% Top up Facebook ads accounts										
	Facebook Advertising budget										
Facebook Ads (Android)	Development of creatives and setting up advertising campaigns	15000	US\$8.22	0.0108			0.1347	0.1002			
	Development of landing pages and receiving final landing pages from the client										
	Analytics and optimization of advertising campaigns, implementation of conversion and micro-conversions										
	Launch of a Facebook advertising campaign										
	Preparation of reports for the client on the work done										
	% Top up Facebook ads accounts										
	Facebook Advertising budget										
Google UAC	Preparation of creatives	15000	US\$2.44	0.0082	6 153 643	38 004	0.033	0.2091	1253	282	57
	Setting up third-party analytics, analyzing internal events and adapting an advertising campaign to the target action										
	Warming up the account and setting up conversions and micro-conversions, analytics during the launch of an advertising campaign										
	Launching an advertising campaign on Google										
	Preparation of reports for the client on the work done										
	Preparing applications for launching advertising campaigns										
	Google Advertising budget										
Total		45000									

Figure 9. The rates of advertising partners

Ad type	Chanel	Followers	Views	Cost, \$	Frequency
Stories	Instagram	589 000	120 000	3175	4
Stories	Instagram	109 000	35 000	1000	4
Stories	Instagram	470 000	90 000	1715	2
Stories	Instagram	116 000	65 000	860	2
YouTube					
Integration	YouTube	281 000	200 000	1570	2
Integration	YouTube	281 000	100 000	1285	2
Integration	YouTube	336 000	50 000	1285	2
Integration	YouTube	180 000	90 000	1145	2
Stream	YouTube	192 000	400	1750	5
Twitch					
Stream	Twitch	52 400	300	3000	5
Stream	Twitch	3 900	500	3500	5
		2 610 300	751 200		35

Figure 10. The expected traffic results for contextual advertising

Expected costs for these advertising channels may amount to about \$45,000 USD per month (\$30,000 USD package for Facebook Stories and Google Search Ads + influencers, \$15,000 USD for direct interaction through our own affiliate platform).

3. Launching contextual advertising based on cost per impressions (CPM) on video streaming platforms.

Based on the population data of Kazakhstan, the potential reach of the audience is 10–13 million people per month.

According to calculations by the servicing company and video streaming providers offering partnership for advertising placement, there are about 50 – 60 million impressions available for advertising in the market. This indicates that the audience views approximately 3 - 5 pieces of content per month.

The company wants to acquire no less than 30 – 50% of the traffic (impressions) in 2024, which will ensure 15 – 20 million advertising views.

Expected costs for this advertising channel: \$40,000 USD.

4. Partners

The general Partner Scheme of the Company is shown in the Figure 11.

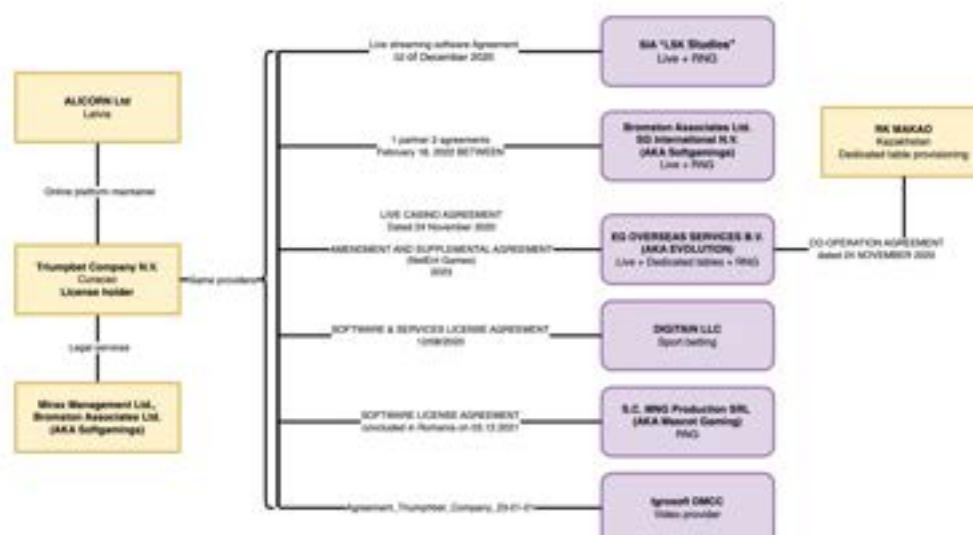


Figure 11. The Partner Scheme of the Company

4.1. Alicorn (ALICORN LTD)

The company specializes in software for the gambling industry, facilitating a seamless transition from land-based to online casinos.

As mentioned before ALICORN is a key partner of the company, taking on responsibilities for operational activities on the condition of providing the company with specialized staff, who permanently perform strategic and operational tasks directly assigned by the UBO.

4.2. LuckyStreak (SIA “LSK Studios”)

LuckyStreak has emerged as a beacon of live dealer innovation and quality, offering an immersive premium gaming experience that stands out in the competitive market. LuckyStreak delve into the heart of premium live dealer games, exploring the unique features and engaging aspects that make them a top choice for online casino enthusiasts.

Amount of the unique users according to the last three months statistics: 13.4%

4.3. SoftGamings (Bromston Associates Ltd.)

SoftGamings is a leading provider of comprehensive solutions for online casinos, offering a wide range of services including online gambling platforms, game aggregators, sports betting, virtual sports games, and more. Their platform enables rapid deployment of casinos, integration with leading game providers, and management of all aspects of the gaming business. SoftGamings is committed to innovation and quality customer service, making them a sought-after provider in the gambling industry.

Amount of the unique users according to the last three months statistics: 12.3%

4.4. Evolution Gaming (EG OVERSEAS SERVICES B.V.)

Founded in 2006, Evolution Gaming is a software developer that has concentrated all its efforts on revolutionizing the live online casino industry. It specializes in providing high-quality live casino games. Not long after its founding it managed to sign lucrative deals with some of the biggest names in online gaming. Over the years it has also been the recipient of some prestigious awards such as Live Casino Software Supplier of the Year for three years in a row.

Amount of the unique users according to the last three months statistics: 40.7%

4.5. Digitain (Digitain LLC)

Digitain is an industry leading iGaming software provider with cutting-edge solutions, catering to the online, mobile, and land-based sectors. With a proven track record of excellence, Digitain offer to their partners a world-class Sportsbook, the most reputable, trustworthy and feature-rich iGaming Platform, Virtual Sports, and more.

4.6. Mascot Gaming (S.C. MNG Production SRL)

Mascot Gaming is a casino games provider with headquarters in Spain. Presented to the gambling world with their debuting gaming set at ICE 2019 in London, Mascot Gaming has shown impressive growth and are now live in more than 100 online casinos all over the world. All games from Mascot Gaming are hosted on reliable servers and boast SLA uptime of 99.9%. What's more, they are completely built on the HTML5 platform which makes them playable across all types of desktop and mobile devices, regardless of their operating systems.

Amount of the unique users according to the last three months statistics: 10.7%

4.7. Igrosoft (Igrosoft DMCC)

Igrosoft is one of the most stable and experienced game developers that gained trust and recognition of many operators. It was founded in 1999 in Moscow as a land-based casino games provider and still produces boards for slot machines. However, the market demand had changed since the gambling regulation in Russia got strict, and Igrosoft main focus switched to online casino solutions. Igrosoft's experienced team has developed their original algorithm and brought their classic and recognizable styles from a land-based casino to online gaming supporting convenient, intuitive game options and such features as bonus rounds, multipliers and autoplay.

4.8. Tvbet

Tvbet is a leading provider of live-streamed betting games, offering a unique and immersive betting experience to players worldwide. Their portfolio includes a diverse range of games such as Keno, PokerBet, 1Bet, Backgammon, and more, all broadcasted in real-time from professional studios. With an emphasis on innovation and entertainment, Tvbet delivers high-quality streaming, interactive gameplay, and fair outcomes, ensuring an engaging and transparent gaming environment. Trusted by operators and players alike, Tvbet continues to redefine the live betting landscape with its cutting-edge technology and dynamic gaming options.

4.9. Spinomenal

Spinomenal is a leading game provider renowned for its innovative and captivating online casino games. Their diverse portfolio includes an extensive collection of slots, table games, and scratch cards, all designed with visually stunning graphics and engaging gameplay features. With a commitment to delivering high-quality content, Spinomenal ensures seamless performance across various platforms, offering players an immersive gaming experience. Trusted by operators worldwide, Spinomenal continues to push boundaries and captivate audiences with its dynamic and entertaining games.

4.10. Payment providers and bank accounts

The Scheme of the Company payment providers and bank accounts is shown in the Figure 12.

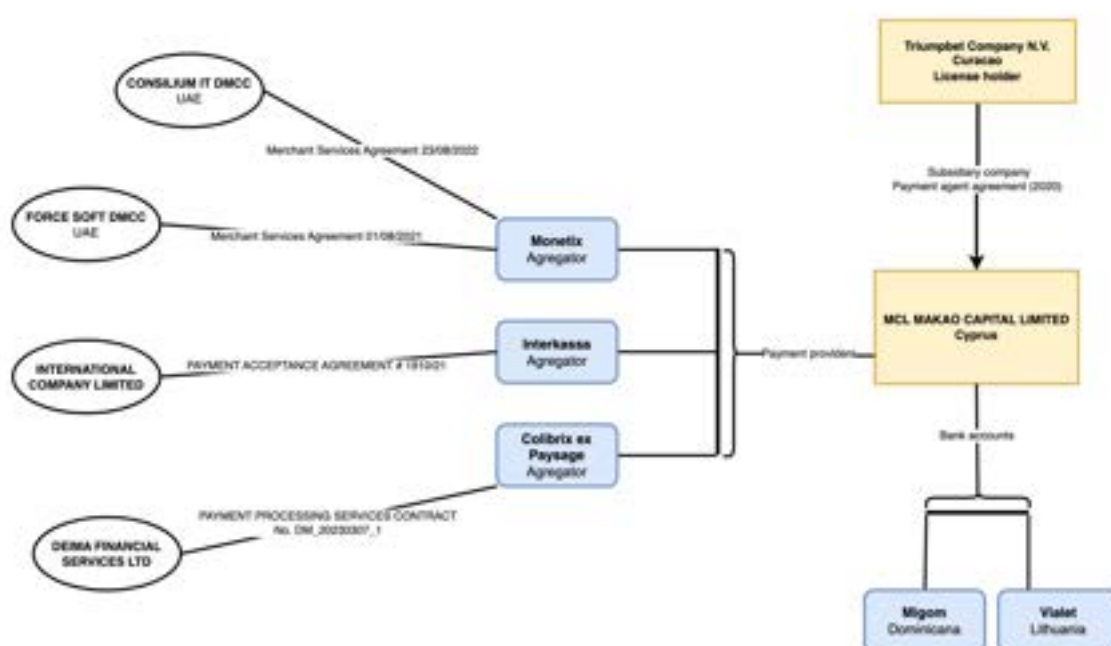


Figure 12. The Scheme of the Company payment providers and bank accounts

4.11. Interkassa

Interkassa is an international payment aggregator that offers more than 70 payment methods in one solution. The service allows accepting payments on the website, in

mobile app or messenger. With Interkassa, businesses have access to all the most popular payment methods – card payments, Apple Pay, Google Pay, mobile payments, e-wallets, etc. The company has been operating on the market since 2009, supports more than 4000 businesses and processes 3 million transactions per month.

Amount of transactions carried out via this provider: 15.6%

4.12. Colibrix

COLIBRIX is a UK-based FCA-authorised EMI that provides payment processing solutions for businesses of all sizes and types with respect to social, commercial, and governance criteria. COLIBRIX is committed to helping its merchants make their businesses more efficient and profitable through broad easy-to-use and cost-effective services.

Amount of transactions carried out via this provider: 51.3%

4.13. Monetix

Monetix is a payment service provider with a robust online banking infrastructure suitable for most types of online business. Monetix is formed of a team of professionals who are ready to share their combined experience gained over many years within the e-commerce, banking and finance sectors. By implementing unique solutions Monetix offer a simple and clear infrastructure that provides customers a safe and secure payments environment available across the globe.

Amount of transactions carried out via this provider: 31.3%

5. Risk Assessment and Management

Over the years of operation, the company has developed numerous practices for identifying, analyzing, and managing risks. This direction is led by ALICORN in collaboration with the UBO personally. For a comprehensive picture, one should refer to numerous internal risk management documents, but for an illustration of awareness in this direction within the company, we can highlight the following risks and measures taken by the company to control them:

5.1. Operational Risks

These risks are directly related to the service personnel and equipment that facilitate the operation of the online casino. In this risk category, we can identify:

- **Employee Fraud:** Employees may engage in fraud or theft, leading to financial losses.

- **Technological Failures:** Failures in software or hardware can lead to operation interruptions and losses.

- **Data Management:** Improper management or protection of customer data can lead to data breaches, undermining customer trust and attracting regulatory attention.

Management Strategies: To manage such risks, standardization of methods for accessing information systems has been implemented. Understandably, different information systems have different standards and levels of protection, but a common feature is that Triumphbet Company N.V.'s systems employ role-based information access management. This method allows for the development of a selective access management policy, effectively distributing responsibilities and visibility scopes.

The company also places great importance on logging in information systems, covering any access to information, whether it's technical personnel accessing server infrastructure, customer service, managers accessing project management systems, or clients accessing their accounts.

Technical risk identification in the company is given due attention, overlaid with internal policies and audits that detect deviations.

5.2. Regulatory and Legal Risks

The operations of Triumphbet Company N.V., like any entity in the online casino sector, are subject to significant regulatory and legal risks. These risks stem from strict and constantly changing regulatory requirements across various jurisdictions in which the company aims to conduct its activities.

5.3. Regulatory Changes and Compliance

Primary Risk: A key regulatory risk involves changes in legislation concerning gambling that can significantly impact the company's operations. This includes changes in licensing, taxation, betting and payout requirements, as well as rules regarding the advertising of gambling services.

Management Strategies: To manage this risk, the company has developed a multi-level strategy that includes regular monitoring of legislative changes through external legal consultants and the managing company. This ensures timely identification and adaptation to new requirements. The company also establishes direct communication channels with regulators to discuss changes and obtain clarifications.

5.4. Data Protection and Privacy

Primary Risk: An important aspect is the protection of client data, especially in light of the General Data Protection Regulation (GDPR) and similar legislations in other jurisdictions. Failure to comply with data protection requirements can lead to significant fines and loss of customer trust.

Management Strategies: To mitigate this risk, the company implements stringent data protection procedures, including data encryption, regular security audits, and staff training in cyber security and information protection fundamentals. The company also applies privacy policies fully compliant with legislative requirements.

5.5. Intellectual Property and Copyright

Primary Risk: The risk of infringing intellectual property, especially regarding gaming content and software, can lead to lawsuits and financial losses.

Management Strategies: The company actively manages this risk by licensing all gaming products and technologies from reputable and reliable suppliers. Regular checks of licensing agreements and the protection of own copyrights and trademarks are conducted.

5.6. Legal Claims and Litigations

Primary Risk: Lawsuits from clients, regulators, or third parties can lead to significant financial and reputational losses.

Management Strategies: The company minimizes this risk by strictly adhering to all applicable laws and regulations and through transparent and fair treatment of customers. Procedures are in place for early identification and resolution of potential claims before they escalate to court. The company also holds professional liability insurance to cover potential claims. These measures help Triumphbet Company N.V. manage regulatory and legal risks, ensuring sustainability and long-term success in the volatile online gambling environment.

5.7. Reputational Risks

Reputational risks arise from negative perceptions of the company by customers, the public, and other stakeholders. These risks can include negative reviews, scandals, customer service problems, and legal violations. To mitigate reputational risks, the following strategy is applied:

- **Monitoring and Analysis of Feedback:** A system for monitoring and analyzing complaints from customers, the public, and other stakeholders has been developed. This allows for prompt responses to negative reviews and issues, as well as identifying trends and problems that could affect the company's reputation.
- **Improving Customer Service:** Customer service processes are audited, and improvements are implemented to enhance service quality. Staff are trained to communicate with customers effectively and professionally, and to respond to their inquiries and complaints.
- **Transparency and Communication:** A strategy for transparent communication with customers, partners, the public, and regulators is created. This includes openness regarding the company's activities, regular publication of activity reports, and active engagement with stakeholders.
- **Crisis Management:** A crisis management plan for responding to emergencies, such as scandals, negative events, or public opinion crises, has been developed. This includes identifying responsible individuals, establishing communication procedures, developing public and media messages, and conducting training and drills.
- **Brand Strengthening:** A strategy for strengthening the company's brand is developed, aimed at increasing recognition and positive perception. This includes marketing campaigns, participation in community events, and active media engagement.
- **Training and Staff Development:** The company's staff are trained in ethics and professional behavior principles, as well as in managing feedback and conflicts. This helps create a customer-oriented company culture and improve the professional level of employees.

5.8. Security Risks

Security risks are related to cybersecurity threats, fraud, data theft, and privacy breaches. These risks can lead to serious consequences, including the leak of customer personal information and violation of data protection legislation. To reduce security risks, the following strategy is applied:

- **Vulnerability Analysis and Remediation:** A system for regular analysis and remediation of vulnerabilities in the company's information systems and web applications is developed. This includes regular security checks, vulnerability scanning, and fixing identified issues.
- **Data Security Measures Implementation:** Data protection measures such as encryption, authentication and authorization mechanisms, and incident monitoring and

detection systems are implemented. This helps prevent unauthorized access to confidential information and reduces the risk of data breaches.

- **Employee Security Training:** Employees are trained in information security issues, including handling confidential information, identifying phishing attacks, and other attack methods. This helps create a security culture in the company and increases staff awareness of potential threats.

5.9. Financial Risks

Financial risks are related to market instability, currency volatility, legislative changes, and tax risks. These risks can lead to losses, reduced revenues, and financial difficulties for the company. To manage financial risks, the following strategy is applied:

- **Market and Trend Monitoring:** The financial markets and economic trends are regularly monitored to identify potential risks and opportunities. This allows for prompt responses to market changes and timely decision-making.

- **Liquidity Management:** A liquidity management strategy is developed to ensure the company's financial stability and minimize liquidity shortage risks. This includes expense optimization, credit risk management, and creating reserve financial resources.

- **Compliance with Financial Legislation:** All applicable financial laws and regulations are complied with to minimize the risks of tax and legal consequences. This includes participation in tax audits, regular updating of accounting and financial reporting, and collaboration with qualified financial consultants.

5.10. Personnel Management Risks

Personnel management risks include issues with hiring and retaining qualified employees, workplace conflicts, workforce reduction, and ineffective human resource management. To manage personnel management risks, the following strategy is applied:

- **Effective Hiring and Retention:** A hiring and retention strategy for qualified employees is developed, including defining candidate requirements, using various recruitment channels, and creating an attractive corporate culture.

- **Performance Management:** A performance management system is introduced to assess and motivate employees, as well as identify and address performance issues. This helps increase work efficiency and achieve the company's business goals.

- **Leadership Skill Development:** Leaders and managers of the company are trained in leadership skills, communication, and conflict management. This helps create a strong team of leaders and improves the quality of personnel management.

- **Corporate Culture Development:** A corporate culture based on the company's values and principles is formed, promoting motivation and engagement among employees. This includes conducting training events, creating team initiatives, and supporting a work atmosphere of trust and cooperation.

5.11. External Risks

In addition to internal risks, the company acknowledges external risks. The online business environment is highly competitive, and entering new markets, the servicing company evaluates consumer preferences for product alignment offered by the company to the market. Marketing campaign expenses in occupied and/or non-conforming product markets can lead to losses in new territories.

Economic risks in the territories where the company operates, fluctuations in local currencies, and the rising popularity of cryptocurrencies can affect profitability. Therefore, the company adheres to stable approaches, regularly exchanging accumulated assets, ignoring the potential for earning on exchange rates.

For successful risk management, the company works on and regularly updates a comprehensive risk management strategy, including precautionary measures, monitoring procedures, and incident response plans. To ensure quality operation, ALICORN conducts training for service personnel on risk awareness to comply with requirements.

Information about potential risks is shared among service personnel through specialized communication channels (internal chats with system chat-bot monitoring integration), where transparency is ensured for timely response.

Information about incidents is based on an agreement to transfer information from the service company (ALICORN LTD) directly to the UBO and the managing company (SMES).

The UBO personally conducts regular internal audits to ensure compliance with risk management processes and their effectiveness. The company is aware of the risks and plans to create oversight committees and risk registries in the future.

6. Policies and Procedures

Given the company's operational structure, policies and procedures are exclusively developed and followed using third-party companies.

The combination of two service companies and a managing company (which creates strict policies) adds confidence that procedures will be fully implemented. One of the

service companies (Softgamings) has years of experience in managing similar businesses.

A significant role is also played by partnerships with payment companies and banks. We predominantly offer traditional payment methods, such as card payments, which obligate the companies we work with to report to their regulators, who often have similar policies on AML/CFT and KYC, supporting compliance with procedures.

The developing platform has already accumulated automated and manual practices for identifying and responding to requirements that must be adhered to by the operator. In the developing platform, the company places a special emphasis on automated processes for compliance. Thus, the company tries to minimize the possibility of service personnel error and improve the customer experience of its services.

On top of automated procedures, there are internal procedures that the service company follows with its service personnel. In accordance with the company's AML/CFT policy, the service company has developed internal policy documentation for operation.

Also, in the online platform, a significant part is devoted to user interfaces. Through user interests, we construct a narrative in such a way that whether it's service personnel or the end client, the interface with which he interacts is aimed at fulfilling the policies and procedures that the regulator requires us to comply with.

As examples of client interactions that comply with requirements, we can mention:

- Registration at the online casino only by mandatory fields,
- Limitation of options for choosing a country from requested territories in registration forms,
- Restriction of website access in prohibited territories,
- Mandatory provision of documents,
- Restriction of site access if the usage policy has changed,
- Restrictions on use if documents have expired.

As examples of automated checks, we can mention:

- Checking the user's name against databases of politically exposed persons or sanctions,
- Verification of the authenticity of client documents using external services,
- Monitoring of client transactions,
- Monitoring of client locations/IP addresses,
- Monitoring by unique device identifiers,

- Monitoring of winnings.

These examples illustrate how the company integrates automated and manual checks within its operations, emphasizing the importance of adhering to regulatory compliance and enhancing security and customer service through technology and thorough policies.

7. Finances

2022 was a turning point for Triumphbet Company N.V., as the company became profitable. The reason for this is that the company transitioned from the phase of accumulating operational groundwork into a growth phase.

The financial report for 2023 is still under development, but preliminary data from the back-office system allows us to estimate results and outline forecasts in line with marketing goals.

Key indicators converted to US dollars:

GGR	User Deposits Total	User Withdrawals Total	Users In/Out Total	Users Closing Balance
17 211 583	37 188 838	25 588 501	11 600 337	375 742

Significant activity in 2023 was shown by 8,700 users (more than \$15 in/out).

Payment for the company's provided services in over 95 percent of cases goes through payment service providers (card payments). Due to the specifics of how the user interacts with the balance, commissions for these services are the largest expense.

Preliminary calculations for 2023 show that commissions to payment partners amounted to about \$3.4 million USD.

The next significant expense item is payments to game providers, which in 2023 amounted to \$1.8 million USD.

The third significant expense item is costs for the servicing company, amounting to \$1.1 million USD.

Also, end indicators are significantly influenced by banking expenses, legal and licensing expenses. These indicators will be available for review in the financial report for 2023.

7.1. Prospects and Forecasts

The company plans to place a significant focus on marketing in 2024 and 2025 and capture a larger market share in the operating regions, allocating between \$80,000 to \$150,000 USD per month for the development of this direction. According to preliminary calculations by the servicing company, this will lead to a 50% increase in active users in 2024 and a 30% increase in 2025.

By implementing its own cryptocurrency acceptance solutions, the company aims to reduce the costs of payment partners. The servicing company is already introducing practices for training and motivating platform clients to use alternative payment methods. In 2024, the company aims to shift up to 15% of traffic to alternative payment methods, which will significantly reduce costs.

The company is in the process of developing many gaming solutions, which will allow reducing expenses on game providers.