



BUSINESS PLAN XZ SOLUTIONS BV

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Overview:

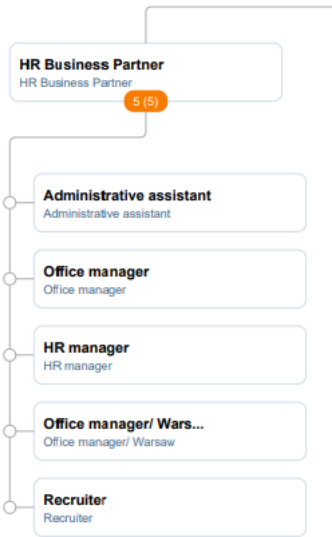
XZ Solutions BV, founded in 2021 by Zurab Katsia, launched its flagship brand Bluechip.io in May 2022. Bluechip.io is a dynamic online casino platform offering a wide array of entertainment options, including live casino games, slots, instant games, and sports betting. With a focus on providing unparalleled gaming experiences, Bluechip.io caters primarily to users in the Indian market, tapping into the region's burgeoning demand for online gaming and betting services. Through innovative technology and a commitment to customer satisfaction, XZ Solutions aims to establish Bluechip.io as a premier destination for online entertainment in India and beyond.

Company Management structure:

XZ Solutions boasts a robust HR structure, comprising 11 departments helmed by experienced professionals dedicated to driving the company's success.

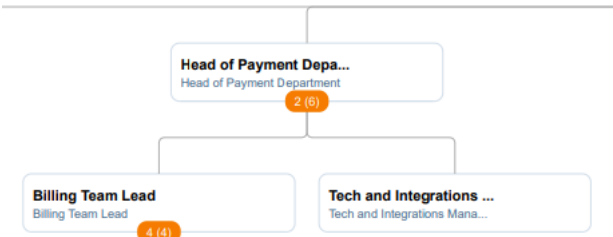
1. HR Department:

- Staffed by 6 dedicated professionals, the HR department ensures the organization's human capital needs are met effectively.



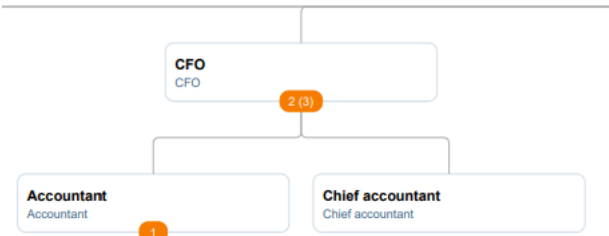
2. PSP Department:

- Headed by Julia Ponomarenko, bringing 7 years of extensive experience, and supported by 7 skilled employees, the PSP department focuses on payment service provider operations, enhancing financial transactions for seamless user experiences.



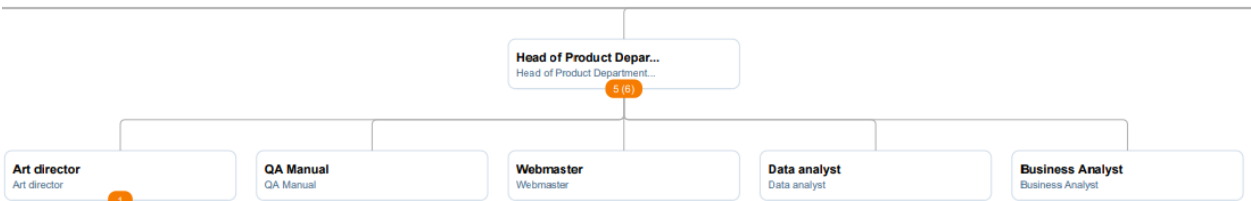
3. Financial Department:

- Led by CFO Tsothe Tsertsvadze, leveraging 6 years of expertise in iGaming, the Financial Department maintains financial health and strategic planning, crucial for sustaining growth and profitability.



4. CTO and Head of Product:

- Spearheaded by Oleksandr Bychkivskii, boasting 10 years in IT and 7 years in iGaming, this department drives technological innovation and product development to ensure cutting-edge offerings.



5. Gaming Department:

- Comprising 4 adept professionals, the Gaming Department focuses on game development and optimization, enriching the platform with engaging entertainment options.



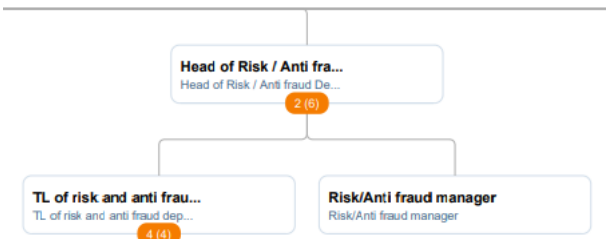
6. Marketing Department:

- Supported by a team of 10 specialists, the Marketing Department orchestrates strategic campaigns and initiatives to attract and retain customers, driving brand visibility and revenue growth.



7. Risk and Fraud Department:

- With 7 dedicated employees, the Risk and Fraud Department safeguards the platform against potential threats, ensuring a secure and trustworthy gaming environment.



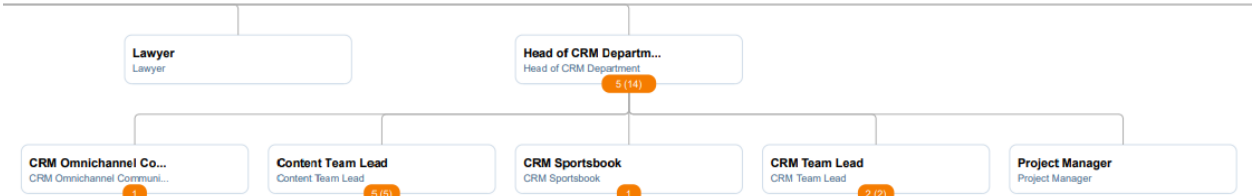
8. Sportsbook Team:

- Comprising 3 experts, the Sportsbook Team oversees sports betting operations, catering to the diverse preferences of users interested in sports wagering.



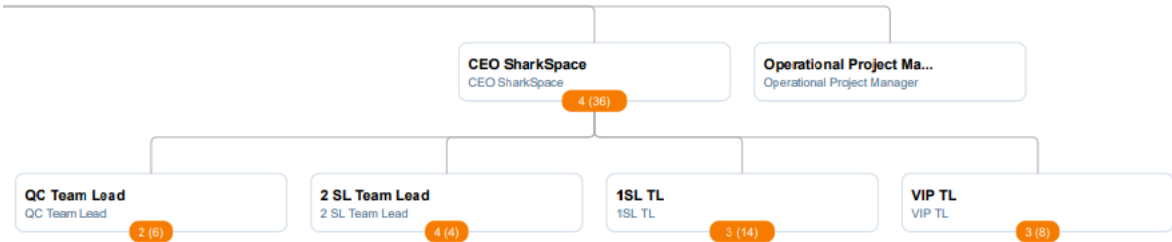
9. CRM Team:

- Staffed by 15 professionals, the CRM Team focuses on customer relationship management, enhancing user engagement and satisfaction through personalized experiences and targeted communication.



10. Customer Care Department:

- With a team of 37 employees, the Customer Care Department provides attentive and efficient support, addressing inquiries and concerns promptly to uphold customer satisfaction.



11. Legal and Compliance:

- Headed by Panov Yevhenii, the Legal and Compliance Department ensures adherence to regulatory standards and legal requirements, mitigating risks and promoting ethical business practices.

Additionally, the company is led by CEO Otar Chalagashvili, boasting 12 years of iGaming experience, and Deputy CEO Volodymyr Bondaruk, bringing 9 years of industry expertise, who provide visionary leadership and strategic direction to drive the company towards its objectives. This comprehensive HR structure positions XZ Solutions for sustainable growth and success in the competitive iGaming landscape.

Forecast

In 2024, we anticipate reaching \$42 million USD in deposits, with a projected increase to \$90 million USD by the end of 2026. Our projected expenses include 13% of total deposits allocated to PSP expenses, 14% for Games and Sportsbook expenses, and 3% for platform costs. Additionally, our growth strategy aims to acquire approximately 10,000 new users per month in 2024, with a target of reaching 13,000 new users per month by the end of 2026.

Item	2024 Year	2025 Year	2026 Year
Deposits	42 425 296	59 574 330	90 020 902
Gross Gaming Revenue	19 939 889	27 999 935	42 309 824
Net Gaming Revenue	17 945 900	25 199 941	38 078 842
PSP Expenses	5 125 289	7 744 663	11 702 717
Games and Sportbook Expenses	2 594 185	3 919 991	5 923 375
Platform Expenses	555 897	839 998	1 269 295
Other Variables Expenses	185 299	279 999	423 098
Software Expenses	682 032	896 008	1 177 117
Marketing Expenses	4 320 000	4 800 000	5 400 000
Gross profit	4 483 200	6 719 282	12 183 239
Fixed Cost and other costs	3 111 432	3 827 061	5 472 698
Net Profit	1 371 768	2 892 221	6 710 541

KEY Suppliers

1. Payment Service Providers (PSPs): We have established strategic partnerships with reliable PSPs to facilitate secure and seamless financial transactions for our platform. These suppliers play a crucial role in ensuring the efficiency and reliability of our payment processing systems.
2. Game and Sportsbook Providers: Our platform relies on high-quality gaming and sportsbook content to attract and retain users. We work closely with reputable providers to offer a diverse range of engaging and entertaining experiences to our customers. Our essential suppliers include prominent game providers such as Bromston Associates Ltd and Dreamtek Solutions B.V. Additionally, our sportsbook platform is facilitated by COMBOBED N.V
3. Technology Platform Providers: Leveraging cutting-edge technology is essential for the success of our business. We collaborate with trusted platform providers to maintain a robust and scalable infrastructure that supports our operations and enhances user experience.
4. Marketing and Advertising Partners: Effective marketing and advertising are vital for customer acquisition and brand visibility. We partner with experienced marketing agencies and media platforms to execute targeted campaigns and maximize our reach in the market.

5. Regulatory Compliance Consultants: Compliance with regulatory requirements is paramount in the financial and gaming sectors. We engage with knowledgeable consultants to ensure that our operations adhere to all relevant laws and regulations, mitigating legal risks and fostering trust among our stakeholders.

6. In terms of communication and customer relationship management (CRM), we rely on the solutions provided by Fast Track Solutions Ltd. Our data center services, crucial for seamless operations, are powered by Segment, a division of Twilio Ireland Limited. For comprehensive Know Your Customer (KYC) processes, we utilize SumSub, while Covery Limited provides our anti-fraud software. Lastly, for detailed reporting, we leverage the capabilities of Amplituda Inc.

These partnerships form the backbone of our business infrastructure, ensuring reliability, security, and efficiency across all aspects of our operations.

Risk evaluations and management.

For XZ Solutions BV, a comprehensive approach to risk assessment, mitigation, auditing, and oversight will be paramount to ensure regulatory compliance, financial stability, and operational resilience in the iGaming sector. Here's how XZ Solutions BV will manage these processes:

1. Risk Assessment:

- XZ Solutions BV will conduct thorough risk assessments to identify potential risks across various facets of its iGaming operations, including regulatory compliance, financial transactions, cybersecurity, and reputation management.
- Risks will be meticulously categorized based on their likelihood and potential impact on the business.

2. Risk Mitigation:

- After identifying risks, XZ Solutions BV will implement tailored strategies to mitigate them effectively. This may involve bolstering security measures to safeguard customer data, ensuring adherence to gambling regulations, and diversifying revenue streams to mitigate dependency risks.
- Risk mitigation strategies will be designed to address specific risks identified during the assessment process, ensuring a targeted and proactive approach to risk management.

3. Auditing:

- XZ Solutions BV will conduct both internal and external audits to assess the effectiveness of its risk management processes, internal controls, and regulatory compliance efforts.
- Internal audits will be conducted by the company's internal audit team or reputable third-party auditors to evaluate internal controls, financial reporting processes, and adherence to company policies.

- External audits will be performed by independent auditing firms to provide objective assessments of XZ Solutions BV's financial statements, regulatory compliance, and adherence to industry standards.

4. Risk Registers:

- XZ Solutions BV will maintain comprehensive risk registers to document and track identified risks, their potential impact, and the corresponding mitigation actions.
- Risk registers will serve as centralized repositories of risk-related information, facilitating communication, decision-making, and ongoing risk management efforts across the organization.

By adhering to a robust framework encompassing risk assessment, mitigation, auditing, and risk registers, XZ Solutions BV will ensure that its iGaming operations remain resilient, compliant, and well-positioned to navigate the complexities of the industry landscape.

Legal and governance framework

Legal framework

XZ Solutions BV's legal team plays a pivotal role in ensuring the company's compliance with regulatory requirements, mitigating legal risks, and safeguarding its interests in the iGaming industry. Here's how the legal team provides support and advice:

1. Regulatory Compliance: XZ Solutions BV's legal team closely monitors regulatory developments and advises the company on compliance with gaming laws and regulations in jurisdictions where it operates. They assist in obtaining necessary licenses and permits and ensure ongoing adherence to regulatory requirements.

2. Contract Drafting and Negotiation: The legal team at XZ Solutions BV handles the drafting and negotiation of contracts with suppliers, partners, and vendors. This includes licensing agreements, terms of service, and agreements with payment processors, ensuring that the company's legal interests are protected in all business relationships.

3. Intellectual Property Protection: XZ Solutions BV's legal experts manage the company's intellectual property portfolio, including trademarks, copyrights, and patents. They handle the registration of trademarks for company assets and enforce intellectual property rights against infringement by competitors.

4. Data Protection and Privacy: The legal team ensures that XZ Solutions BV complies with data protection and privacy laws, advising on best practices for data handling and user privacy. They

oversee the implementation of policies and procedures to safeguard user data and mitigate the risk of data breaches.

5. **Dispute Resolution and Litigation:** In the event of legal disputes, XZ Solutions BV's legal team represents the company in negotiations, arbitration, or litigation proceedings. They work to resolve disputes efficiently and protect the company's interests while minimizing any negative impact on its operations.

6. **AML and Fraud Prevention:** XZ Solutions BV's legal experts advise on anti-money laundering and fraud prevention measures, helping the company implement robust controls to detect and prevent financial crimes on its platform.

7. **Corporate Governance and Compliance:** The legal team ensures that XZ Solutions BV adheres to corporate governance standards and compliance requirements. They provide guidance on board responsibilities, shareholder rights, and corporate conduct to maintain transparency and accountability.

8. **Emerging Legal Issues:** XZ Solutions BV's legal team stays informed about emerging legal issues and industry trends, providing proactive advice to navigate new regulatory landscapes and capitalize on emerging opportunities in the iGaming sector.

Through proactive legal guidance and strategic counsel, XZ Solutions BV's legal team helps the company uphold high standards of legal compliance, protect its interests, and maintain its reputation as a trusted player in the iGaming industry.

Corporate governance

Corporate governance is typically structured around a centralized leadership model.

1. **CEO Leadership:** As the primary decision-maker, the CEO holds significant authority and responsibility for steering the company's strategic direction, setting goals, and overseeing day-to-day operations. The CEO is accountable for the company's performance and acts as the key liaison between senior management and other stakeholders.

2. **Senior Management Team:** The senior management team, comprising key executives and department heads, collaborates closely with the CEO to execute the company's vision and strategy. Each member brings expertise in their respective areas, such as operations, finance, marketing, and technology, contributing to decision-making and operational efficiency.

3. **Decision-Making Processes:** Decision-making processes are typically centralized, with the CEO leading discussions and making final determinations on strategic initiatives, resource allocation,

and major business decisions. Senior management provides input, analysis, and recommendations to inform these decisions, ensuring alignment with the company's goals and objectives.

4. Transparency and Accountability: Despite the absence of a formal board of directors, transparency and accountability remain critical principles in corporate governance. The CEO and senior management maintain open communication channels with employees, investors, and other stakeholders, providing regular updates on company performance, challenges, and strategic priorities.

5. Risk Management: The CEO and senior management are responsible for overseeing risk management processes, identifying potential risks, and implementing measures to mitigate them. This includes assessing regulatory compliance, financial risks, operational vulnerabilities, and reputational risks inherent in the iGaming industry.

6. Internal Controls: Without a board of directors, establishing robust internal controls becomes even more crucial to safeguard the company's assets, ensure accurate financial reporting, and prevent fraud or misconduct. The CEO and senior management implement and monitor internal control mechanisms to maintain integrity and accountability within the organization.

7. Corporate Culture: The CEO and senior management play a pivotal role in shaping the corporate culture of the organization. They set the tone for ethical behavior, professionalism, and teamwork, fostering a culture of transparency, innovation, and continuous improvement.

Target KPIs and business objectives

XZ Solutions BV has established key performance indicators (KPIs) aligned with its strategic objectives:

1. Financial Goals: XZ Solutions BV aims to achieve the financial targets outlined in its business plan, including reaching specified revenue and deposit milestones as detailed in the financial projections.

2. Market Positioning: XZ Solutions BV strives to become one of the top three online casinos and sportsbooks in India by turnover. The company will closely monitor its performance relative to competitors in the Indian market and implement strategies to enhance its market share and revenue generation.

3. Expansion into Asian Markets: XZ Solutions BV plans to expand its presence into 2-3 additional Asian countries by the end of 2026. The company will evaluate potential markets based on factors

such as regulatory environment, market demand, and growth opportunities, with the aim of establishing a strong foothold in these regions.

Policies and procedures

Policies and procedures in XZ solution BV are crucial for ensuring regulatory compliance, maintaining operational efficiency, and upholding ethical standards. Here's an overview of some key policies and procedures that is intentionally implemented:

1. Responsible Gaming Policy: This policy outlines measures to promote responsible gambling practices and prevent gambling-related harm. It includes features such as self-exclusion options, responsible gaming tools (e.g., deposit limits, reality checks), and resources for players seeking help with problem gambling.

2. Anti-Money Laundering (AML) Policy: An AML policy establishes procedures to detect and prevent money laundering activities on the platform. It includes customer due diligence measures, transaction monitoring, and reporting suspicious activities to regulatory authorities as required by law.

3. Know Your Customer (KYC) Procedures: KYC procedures verify the identity of customers to mitigate the risk of fraud, underage gambling, and identity theft. It involves collecting and verifying personal information and documentation from customers during the registration process.

4. Data Protection and Privacy Policy: This policy outlines how customer data is collected, stored, processed, and protected in accordance with applicable data protection laws. It includes procedures for obtaining consent, data security measures, data retention policies, and procedures for handling data breaches.

5. Compliance and Regulatory Procedures: These procedures ensure compliance with relevant gambling laws, regulations, and licensing requirements in jurisdictions where the company operates. It includes regular audits, monitoring regulatory changes, and implementing necessary adjustments to policies and procedures.

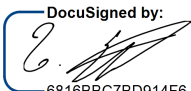
6. Security Measures: Security procedures are implemented to safeguard the integrity and confidentiality of the platform, including measures to protect against cyber threats, unauthorized access, and fraud. This may involve encryption technologies, secure payment processing, and regular security audits.

7. Customer Support and Dispute Resolution Procedures: These procedures outline how customer queries, complaints, and disputes are handled in a timely and fair manner. It includes customer

support protocols, escalation procedures, and mechanisms for resolving disputes through mediation or arbitration.

8. Employee Training and Code of Conduct: Employee training programs and a code of conduct ensure that staff members understand their responsibilities, adhere to company policies and procedures, and uphold ethical standards in their interactions with customers and colleagues.

By intentionally implementing these policies and procedures, XZ Solutions BV can foster a safe, transparent, and responsible gaming environment while mitigating legal and operational risks. Regular review and updates to these policies ensure they remain effective and aligned with evolving regulatory requirements and industry best practices.

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