

Nexus Group Enterprises N.V.

Business Plan

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Business Overview

Nexus Group Enterprises N.V. (**Nexus** or **Company**) is a prominent player in the online gaming and entertainment sector, with its flagship platform, FortuneJack.com, leading the charge. Founded with a vision to revolutionize the online gambling landscape, Nexus has steadily grown into a market leader, driven by innovation, integrity, and a devotion to delivering exceptional gaming experiences.

FortuneJack.com stands as the peak of Nexus's offerings, serving as a premier online casino and sportsbook platform. It boasts a comprehensive suite of gaming options, including a diverse selection of casino games, live dealer tables, and sports betting opportunities. Players can enjoy an array of traditional favorites alongside cutting-edge innovations, ensuring an immersive and thrilling gaming experience.

Nexus and FortuneJack.com stand out through several unique features:

1. **Innovative Technology:** FortuneJack.com leverages up to the middle technology to deliver a seamless and intuitive gaming platform. From smooth navigation to secure transactions, the platform is designed to provide players with a user-friendly experience.
2. **Extensive Game Selection:** With partnerships with top-tier game providers, FortuneJack.com offers an extensive library of high-quality games, spanning various genres and themes. This vast selection ensures that players always find something to suit their preferences.
3. **Provably Fair Gaming:** FortuneJack.com is committed to transparency and fairness in gaming. Through the use of provably fair technology, players can verify the fairness of game outcomes, fostering trust and confidence in the platform.
4. **Cryptocurrency Integration:** As a pioneer in the integration of cryptocurrencies in online gaming, FortuneJack.com allows players to deposit, wager, and withdraw using a wide range of digital currencies. This forward-thinking approach appeals to cryptocurrency enthusiasts and enhances accessibility for players in various countries.

Nexus possesses proprietary IP that underpins its competitive edge:

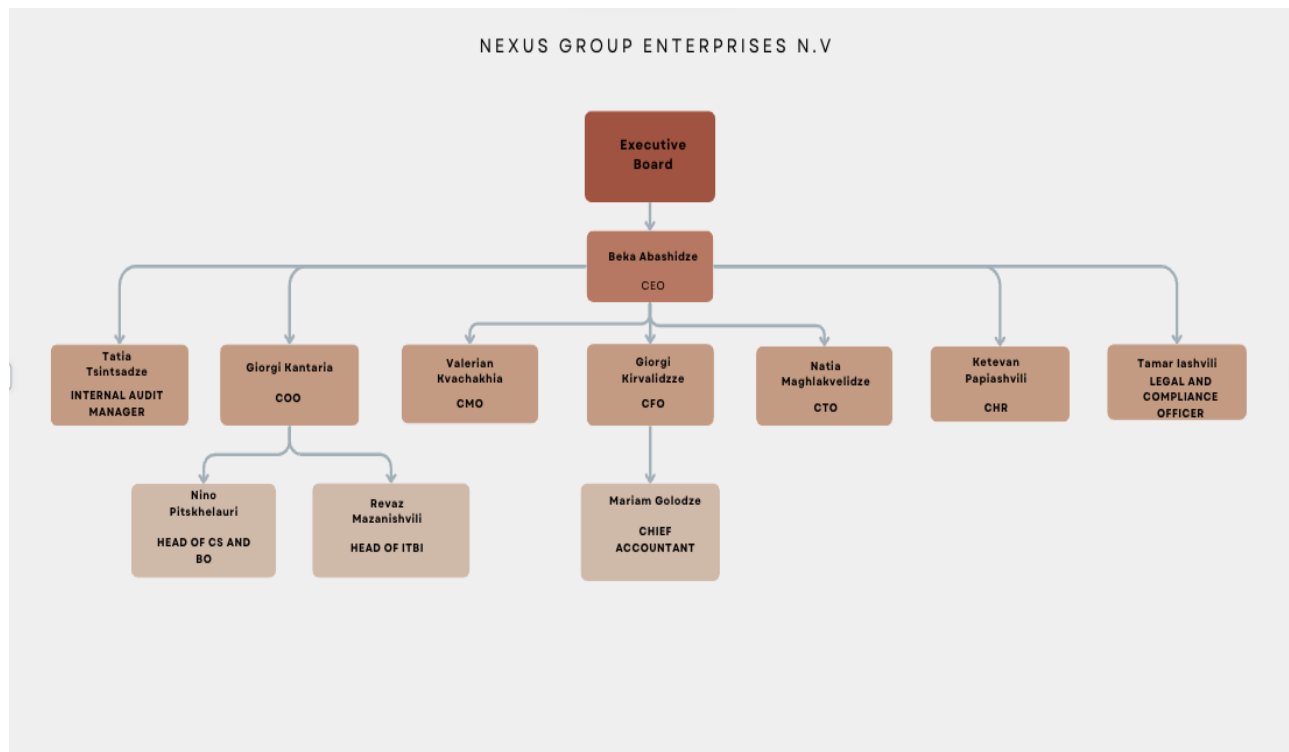
FortuneJack.com, operated by Nexus, leverages proprietary intellectual property developed and owned by the company. This includes innovative technologies, gaming features, and security protocols tailored to enhance the gaming experience and ensure the platform's integrity and reliability.

According to available information, the Ultimate Beneficial Owners (UBOs) of Nexus are reported to include:

- Techtron Limited
- Jaba Dolidze
- Alexander Tsulukidze
- Suliko Varsemashvili
- Davit Velijanashvili

Key Management Roles and Reporting Lines

This section of the business plan offers a comprehensive insight into the Company's management structure, delineating key management roles and showcasing the reporting lines within the organization. By delving into this organizational chart, stakeholders will gain a clear understanding of our leadership hierarchy and the pathways through which decision-making processes are facilitated within our business.



Business Forecasts and Company Strategy

Projection

The following table provides a comprehensive overview of the financial projections for Nexus spanning the years 2024 through 2026. These projections offer insights into various key performance indicators and financial metrics essential for assessing the Company's growth trajectory and financial health.

The table encompasses crucial metrics such as website visits, unique sign-ins, sign-ups, first-time depositors (FTDs), total wagers (bet amount), gross gaming revenue (GGR), net gaming revenue (NGR), marketing spend, gaming service provider (GSP) costs, other operational expenditures (OPEX), total OPEX, and operating profit.

By analyzing these projections, stakeholders can gain valuable insights into Company's operational performance, revenue generation, expenditure patterns, and profitability over the specified period. These insights serve as a foundation for strategic decision-making, resource allocation, and performance evaluation aimed at driving sustainable growth and maximizing shareholder value.

PL - Projection				
		Total 2024	Total 2025	Total 2026
Visits	Unique Sign ins	503 142	528 299	533 582
Sign-Ups	Count	171 495	180 070	181 871
FTDs	Count	9 017	9 919	10 018
Total Wagers (Bet Amount)	EUR	457 975 636	467 135 149	471 806 501
GGR	EUR	21 709 936	22 795 432	23 023 387
Bonus Cost	EUR	-3 629 077	-3 419 315	-3 453 508
NGR	EUR	18 080 858	19 376 117	19 569 879
Marketing Spend	EUR	-3 877 937	-3 419 315	-3 453 508
GSP Costs	EUR	-2 582 374	-2 507 498	-2 532 573
Other OPEX	EUR	-3 623 658	-4 103 178	-4 144 210
TOTAL OPEX	EUR	-13 713 046	-13 449 305	-13 583 798
Operating Profit	EUR	7 996 889	9 346 127	9 439 589

Forecast

The following cash flow forecast provides a detailed breakdown of Company's operating activities and administrative expenses for the years 2024 through 2026. This forecast offers valuable insights into the Company's cash inflows and outflows, enabling stakeholders to assess its liquidity position, operational efficiency, and financial performance over the specified period.

The table encompasses essential components such as players' net deposits, players' deposits, players' withdrawals, other income, total cash inflow, providers' commissions, affiliates' commissions, gaming license fee, employee expenses, business trips, fairs, and conference fees, selling and marketing expenses, software, support and tools expenses, service fees, office expenses, bank fees, transaction fees, other operating expenses, and total operating expenses.

By analyzing these projections, stakeholders can gain valuable insights into Company's cash flow dynamics, expense allocation, and operational efficiency. These insights serve as a foundation for strategic decision-making, resource allocation, and financial planning aimed at optimizing cash flow management and driving sustainable growth and profitability.

	Total - 2024	Total - 2025	Total - 2026
Operating Activities			
Players' Net Deposits	13 308 411	14 014 054	14 154 195
Players' Deposits	67 984 596	70 070 272	70 770 975
Players' Withdraws	(54 676 185)	(56 056 218)	(56 616 780)
Other Income	24 411	24 411	24 411
Total Cash Inflow	13 332 822	14 038 465	14 178 606

Operating and Admin. Expenses			
Providers' Commissions	(2 473 436)	(2 507 498)	(2 532 573)
Affiliates' Commissions	(2 449 254)	(2 222 555)	(2 244 780)
Gaming License Fee	(75 000)	(61 500)	(61 500)
Employee expenses	-	-	-
Business Trips, Fairs and Conference fees	-	-	-
Selling and marketing expenses	(1 315 795)	(1 196 760)	(1 208 728)
Software, Supports & Tools	(2 772 737)	(2 796 000)	(2 796 000)
Service Fees	(81 719)	(81 719)	(81 719)
Office Expenses	-	-	-
Bank Fees & Transaction Fees	(124 835)	(124 835)	(124 835)
Other Operating Expenses	(2 347)	(2 500)	(2 500)
Total Operating Expenses	(9 295 122)	(8 993 366)	(9 052 634)
CASH FROM OPERATIONS	4 037 699	5 045 100	5 125 972

Suppliers and Material Dependencies

Nexus's operations rely on a network of key suppliers and resources, each playing a major role in sustaining our activities and delivering value to our stakeholders. Additionally, identifying material dependencies helps us assess potential vulnerabilities and proactively mitigate risks.

Our key suppliers are:

1. Cloudflare Inc. (Website: <https://www.cloudflare.com/>)
2. OVH (Website: <https://www.ovh.com/>)
3. Optimove (Website: <https://www.optimove.com/>)
4. Sendgrid (Website: <https://sendgrid.com/>)
5. Gmail (Website: <https://mail.google.com/>)
6. Twilio (Website: <https://www.twilio.com/>)
7. Game Suppliers:
 - a. Mirax Management Ltd
 - b. Loberta UAB
 - c. Relax Gaming International Limited
 - d. Dama NV
 - e. COMBOBED N.V.
 - f. Authentic Gaming LTD
 - g. Digitus LTD
 - h. Intuition software solutions limited
 - i. Orbital LLC
 - j. LTD Lambda Games
 - k. GameArt

In the event of interruptions from the suppliers 1 to 5, the impact on our company would be substantial. However, the probability of such interruptions is very low. These suppliers are well-known and reputable in their respective industries, with a high level of reliability and performance. We have confidence in their ability to maintain consistent service delivery, and we appreciate their dedication to providing quality solutions that contribute to our operational success.

Nonetheless, we remain committed to assessing risks and proactively mitigating them. Our risk mitigation strategies include:

Continuous Monitoring and Communication: We employ continuous monitoring to promptly identify any emerging issues or disruptions. Additionally, maintaining open communication channels with our suppliers allows for timely collaboration on resolution efforts.

Regular Supplier Reviews and Audits: Periodic reviews and audits of our suppliers enable us to evaluate their performance, reliability, and adherence to contractual obligations. These assessments ensure that our suppliers continue to meet our expectations and uphold the high standards required for our operations.

Through these risk mitigation efforts, we strive to minimize the potential impact of supplier interruptions and maintain the resilience of our operations.

As for Game Suppliers listed above, in the event of an interruption, the negative impact would not be as high due to the presence of other game providers in our portfolio. We have intentionally diversified our game supplier network to mitigate the risk of dependency on any single provider. Furthermore, similar to our other key suppliers, the probability of simultaneous interruptions from all game providers is very low, given their established reliability and industry reputation.

However, despite our confidence in the resilience of our game supplier network, we remain vigilant in assessing and mitigating risks. Continuous monitoring, communication, and regular reviews are integral components of our risk management approach, ensuring that we can swiftly respond to any unforeseen challenges and maintain uninterrupted service delivery to our customers.

Through these proactive measures, we strive to uphold the high standards of reliability, performance, and customer satisfaction that are synonymous with Nexus Group N.V."

In addition to supplier interruptions, we recognize the importance of identifying and mitigating material dependencies that could impact our operations. These material dependencies may include reliance on specific technologies, regulatory compliance requirements, market conditions, or other external factors. By proactively assessing and addressing material dependencies, we can enhance our resilience and ensure the continuity of our operations in the face of potential disruptions.

Risk Evaluation and Management

Nexus conducts thorough risk assessments to identify potential risks that could impact its business operations. This includes risks related to regulatory changes, market volatility, cybersecurity threats, and operational challenges.

Identified risks are evaluated based on their likelihood of occurrence and potential impact on Company's objectives. Both qualitative and quantitative analysis methods are utilized to assess risks effectively and prioritize them accordingly.

Comprehensive strategies are also implemented to mitigate identified risks. These strategies may include enhancing cybersecurity measures, diversifying revenue streams, establishing internal controls, and conducting regular compliance audits.

Nexus conducts regular internal audits to assess the effectiveness of its risk management processes and controls. Internal auditor reviews key business functions, such as financial operations, customer service, and gaming operations, to identify areas for improvement and ensure compliance with regulatory requirements.

Annually, external auditors are engaged to conduct independent audits of its financial statements and Information Technology (IT) systems. External audits provide stakeholders with assurance regarding the accuracy of financial reporting and the effectiveness of IT controls and security measures.

A centralized risk register is maintained within the Company that documents all identified risks, their potential impact, and the status of mitigation efforts. The risk register serves as a comprehensive repository of risk-related information, allowing Internal Auditor to monitor and manage risks effectively.

Company's audit committee oversees the effectiveness of internal controls, financial reporting processes, and compliance with regulatory requirements. The committee liaises with external auditors, reviews audit findings and ensures that appropriate actions are taken to address any identified deficiencies.

Legal and Governance Framework

Board Oversight and Interaction with Day-to-Day Decision Making by Senior Management:

The Board of Directors (the **Board**) provides oversight and strategic direction for the company's operations. Currently, the Board comprises of one Managing Director, T.W.M. Trust N.V. The Managing Director serves as the central figure responsible for guiding the Company's strategic direction and ensuring operational efficiency. In the realm of day-to-day decision-making, the

Managing Director plays a pivotal role in overseeing and guiding senior management in their respective domains. While senior management possesses autonomy in executing their responsibilities, the Managing Director provides overarching guidance and direction, ensuring alignment with the Company's objectives and values.

Matters Reserved to Ultimate Beneficial Owners (UBOs):

UBOs hold authority over critical matters concerning the Company's trajectory and long-term sustainability. These matters may include significant financial investments, strategic partnerships, mergers and acquisitions, major operational changes, and other pivotal decisions with substantial implications for the organization's direction and prosperity. Any proposals or initiatives pertaining to these reserved matters necessitate the explicit approval or involvement of the UBOs.

Potential for Deadlock:

According to the articles of association of the Company, provisions are in place to prevent deadlock situations within the Board or with the UBOs. This ensures that decision-making processes can proceed smoothly without impasse.

Provision of Legal Support and Advice:

Legal support and counsel are furnished to the Company through legal team of experienced professionals well-versed in corporate law and regulatory compliance. Legal team serves as a resource for the Company, offering guidance, expertise, and strategic advice on a broad spectrum of legal matters encompassing contracts, compliance, litigation, intellectual property, and risk management. Their involvement ensures that the Company operates within legal boundaries and effectively navigates complex legal landscapes.

Attendance at Board Meetings and Policy Regarding Invitations:

In addition to board members, UBOs, and legal counsels, individuals pertinent to specific agenda items or matters under discussion may be invited to attend board meetings. While there are no formal policies dictating the attendance of non-board members, discretion is exercised to ensure the presence of relevant expertise or stakeholders when necessary.

In summary, the Board provides oversight and strategic direction, with day-to-day decision-making managed by senior management. UBOs play a crucial role in approving significant matters, and legal support is provided by the legal team of the Company. Board meetings may include additional attendees as necessary.

KPIs and Business Objectives

Nexus is committed to achieving sustainable growth and long-term success in the gaming industry. To measure our progress and performance, we have established a set of key performance indicators (KPIs) and business objectives that reflect our strategic priorities and aspirations.

Long-Term KPIs and Business Objectives:

Average Monthly Gross Gaming Revenue (GGR) of Non-VIP Users: Achieve an average monthly GGR of 1.0 million euros from non-VIP users to demonstrate sustained revenue growth and user engagement.

Mobile Conversion Rate Improvement: Enhance the conversion rate of mobile users to drive mobile gaming revenue and capitalize on the growing mobile gaming market.

User Bet Activity Improvement per Category (Casino, Sportsbook, Provably Fair): Increase user bet activity across different gaming categories to diversify revenue streams and expand market reach.

IT Product Delivery Rate: Improve the efficiency and timeliness of IT product delivery to enhance user experience and operational effectiveness.

New to Active Conversion Benchmark: Attain a new to active conversion benchmark of 35% or higher to foster user retention and loyalty.

Average Withdrawal Time Decrease: Decrease the average withdrawal time by at least 30% to enhance user satisfaction and promote a seamless gaming experience.

Cross-Sell and Up-Sell Services: Implement effective cross-selling and up-selling strategies to maximize customer lifetime value and revenue potential.

Cost Optimization: Implement cost optimization measures to improve operational efficiency and profitability while maintaining service quality.

New Market Entry: Strategically enter new markets to expand our geographical footprint and tap into untapped market opportunities.

Current Affiliate Program Growth: Increase existing affiliate GGR by at least 15% through targeted marketing initiatives and enhanced affiliate partnerships.

These long-term KPIs and business objectives reflect our commitment to driving sustainable growth, enhancing customer experience, and maintaining our position as a leading player in the

gaming industry. By diligently tracking and measuring our performance against these objectives, we aim to achieve our strategic goals and deliver long-term value to our stakeholders

Policies and Procedures Framework

Policies and Procedures Elaboration:

In Nexus, policies and procedures are carefully created, updated, and maintained to guarantee the highest standards of operational efficiency, governance, and compliance. We do recognize that the regulatory environment continually shifts and our industry is dynamic, calling for a proactive approach to policy management.

Our thorough policy formulation and review process demonstrates our dedication to quality. Policies and Procedures are elaborated by our in-house staff member referencing corporate standards, legal needs, and industry best practices. In all of our policy documents, we place a high priority on comprehensiveness, clarity, and connection with the Company goals.

Timelines and Commitment to GCB:

In Nexus, we recognize the paramount importance of adhering to industry regulations and complying with the requirements set forth by regulatory bodies, including the Gaming Control Board (GCB). Our policies and procedures are meticulously developed to meet these stringent industry standards, ensuring transparency, fairness, and responsible gaming practices within our operations.

We are fully committed to maintaining open lines of communication with the GCB and other relevant regulatory authorities. Any updates, revisions, or changes to our policies and procedures will be promptly communicated to the GCB to ensure full compliance and alignment with regulatory requirements.

Our dedication to keeping the GCB apprised underscores our commitment to regulatory compliance, transparency, and integrity in all aspects of our business operations. By proactively informing the GCB of any policy updates or changes, we demonstrate our commitment to upholding the highest standards of regulatory compliance and accountability within the gaming industry.

Assurance of Qualifications, Competence, and Integrity in Policy Development

The CEO of Nexus has a consistent dedication to ensuring strong governance, compliance, and

risk management practices throughout the organization. Central to this adherence is the selection of in-house staff member who will be charged to develop and uphold policies and procedures, ensuring that they possess the requisite qualifications, competence, and independence to fulfill their responsibilities effectively. The CEO takes proactive measures to ensure that employees responsible for policy and procedure development are free from conflicts of interest that could compromise their objectivity or integrity.

Additionally, the Board supervises and controls these processes, ensuring that the policies and procedures are aligned with the organization's objectives and regulatory requirements. This dual oversight mechanism, led by the CEO's commitment and supported by the Board's governance, enhances transparency, accountability, and integrity in policy development across Nexus.

The employee responsible for developing policies and procedures has an extensive background in crafting policies and procedures within the banking and insurance sectors prior to joining our team. With a proven track record of success in these industries, she brings a wealth of experience, ensuring that policies are tailored to meet our specific business needs and regulatory requirements.

In her role, several factors contribute to ensuring she remains free from conflicts of interest. Firstly, she operates autonomously and is not influenced by any internal or external pressures. Secondly, she upholds transparency by adhering to strict ethical guidelines and disclosure requirements. Lastly, she approaches policy development with impartiality, prioritizing the best interests of Nexus above personal or external interests.