

01st of October 2024

Business Plan

Disrupt Entertainment Limited N.V.

This business plan has been written to be submitted to Curacao Gaming Control Board as part of responding to the new licensing process in Curaçao. Subject of the business plan is the planned business operation for:

- Running an online gaming operation in none restricted jurisdictions.

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Curacao

Covering the business years 2024/2025/2026/2027 (included).
Ultimate beneficial owner of the company is Dobromir Ivanov Mitev

Company Number: 140327
Director of the company is G-Force Corporate Services B.V.

Business Overview

The shareholder of Disrupt Entertainment Limited N.V. is Mr. Dobromir Mitev who already been active in the gaming industry for the last 15 years. He has been working with various companies in the iGaming industry throughout the years, whether FTSE 500 listed corporations or small-scale startup ventures.

Mr. Mitev is currently a CEO and UBO of the renowned iGaming platform provisioning company in regulated markets, Dench eGaming Solutions which specialize in delivering Player Account Management system, innovative CRM and marketing automation products, together with best-in-class industry specific gamification, loyalty and exclusive jackpots modules.

It is to be noted, that every regular business year is in equation to the calendar year. The business year 2024 is an incomplete business year, covering only the months November and December 2024 which are considered a pre-launch phase. The marketing plan shows years as “year 1”, “year 2”, which runs as calendar years starting from 2025.

The company’s business core focus is online casino with ability to expand into sports betting, online poker, and bingo verticals.

Disrupt Entertainment Limited N.V. is established in 2016 with the aim to provide Dench eGaming Solutions exposure to the wider gaming market, presenting their products and actively participate in the white-label iGaming space.

Due to regulatory landscape and environment changes in the last 3 years, the company has withdrawn from attracting, realizing, and operating white label iGaming projects.

Currently the company is focusing on restarting its .com global operations under a single iGaming brand, showcasing the various innovative products, features, and capabilities which Dench eGaming Solutions has built throughout the last 8 years.

The Slotino.io brand planned to be launched by the company will provide end customers with access to number of unique and innovative capabilities, together with regulatory compliant, safe, and secure environment.

Players would have the ability to enjoy a global iGaming brand which focuses on them, providing them with all the established measures for responsible gaming, timeout and self-exclusion capabilities present in regulated iGaming markets.

Our top priority is bringing back entertainment and engagement for online casino players, while rigorously protect their personal data, KYC information and payment information, transferring and adopting numerous regulated markets policies, procedures, and practices into the wider .com iGaming business.

Disrupt Entertainment Limited N.V. has contracted with numerous iGaming providers delivering a variety of slot, casino, and sports betting content. Dench eGaming Solutions has integrated directly more than 50+ iGaming providers, numerous automated KYC software providers as well as reputable and strictly regulated payment gateways.

Company Structure

Company Structure



Disrupt Entertainment Limited N.V. will take advantage of its partner company Dench eGaming Solutions established executive structure and existing teams across development, payments and fraud, customer support, marketing, and design, responsible for the activities of existing regulated iGaming brands in Europe.

The individuals leading the various departments bring tremendous knowledge and experience in various iGaming specific policies, procedures, and processes.

Business Forecast

Presented in a separate excel sheet.

The estimations in this business plan are throughout conservative. All numbers are shown in Euro and in units of 1.000 € (k€).

Turnover

Details on turnover:

From the start-up phase of the company the brand has strong marketing abilities which can reach 100k+ Players per Day achieved through established in-house marketing activities across the affiliate iGaming space. In addition, the company possess from previous endeavors access to existing player base which will be the initial source of player registrations.

On conservative calculation it's planned to get 1% to play on the platform which will result in 3k (new) players per month.

According to the contracts with game suppliers the gaming supplier fees are from 10-18% and sometimes has set-up costs. Those have been calculated in the marketing plan on average set at 12%.

Payment Providers fees are set within the budget at 5% of the generated gross gaming revenue which throughout the years and from experience in various gaming markets it has proven to be a golden number in respect to modeling payment transaction processing fees.

Expenses

Details on expenses:

This business plan's expenses have been divided into two segments: marketing costs (strictly related to operating the business) and other costs. Those costs cover customer acquisition costs, bonuses, promotional campaigns, payment & gaming providers fees, affiliates, advertising.

Marketing costs for the Year 1 period including customers bonuses, acquisition and retention expenses are estimated to be €466K.

Costs for gaming and payment providers are estimated to reach in the same period to €107K.

Costs of operation including different administrative costs are estimated at €84K within the first year. Those costs as can be seen in the attached marketing plan will cover costs for office and important administrative staff based in Varna, Bulgaria, where platform provider costs are being waved due to utilizing proprietary technology.

The financing of the company is secured. The comparison of funds from equity capital and earnings towards the costs will show a positive result already in the first business year. The company can operate without external funding.

The group is well positioned financially possessing cash reserves across its companies of more than €500k and monthly income stream on average around €200k from which 60% are operational costs.

The marketing plan utilize a budgeting scheme against number of registrations, first time depositors, taking in consideration churn rates and provide a cumulative view over monthly active customers.

Business Strategy

The main initial focus is deploying a brand-new brand under the domain name Slotino.io which to present the group capacity to craft next generation iGaming brands infused with numerous attractive and engaging features helping the group to showcase its products, capabilities and potential to both end customers as well as any companies interested in entering the iGaming space from various jurisdictions across the globe.

Upon completion of this initial phase, the next target would be rapid deployment of the proprietary affiliate network and engagement with existing affiliates.

In addition, the brand will get involved in direct advertising within the main focus market: Canada, excluding targeting any players from the currently regulated province of Ontario which will be targeted via a license application on later stage upon satisfaction confirmation and achieving desirable retention rates from end players.

The brand would not accept registrations from any restricted jurisdiction either restricted by the Curacao Gaming Control Board or part of other sanctions lists such as the US and EU sanctioned countries.

The brand aims to penetrate the market in a highly conservative manner in order to stay within its operational and financial limits, without getting involved in exaggerated marketing spend without having clear benchmarks on results, CPA and lifetime value of acquired players.

The brand will mainly count on the following pillars:

- **Innovation:** provide different, innovative, and highly engaging player experience.
- **Large Game Catalogue:** catalogue with more than 3000+ slot and casino games.
- **Promotions:** Engaging promotions and promo games for first time visitors together with exclusive promotions around Mystery Jackpots, Wheel of Fortune, Fortune Boxes, Loyalty Program and Casino Missions.
- **Extraordinary Service:** The brand is staffed with individuals with plenty of experience in servicing iGaming customers in both regulated and .com markets and has proven in delivering customer satisfaction while maintaining regulatory and policy compliance.

Key Suppliers

The company and group of companies work with established, reputable, and fully certified partners, which are actively involved in the iGaming space in various regulated markets. These providers are broken down in the following categories:

Game Providers

The group has access to more than 50+ direct game content integrations which are actively maintained. The most renowned names include:

- PragmaticPlay
- Evolution including the studios NetEnt, RedTiger Gaming, Big Time Gaming, No Limit City
- Games Global (ex. Microgaming)
- Relax Gaming
- Quickspin
- PlayNGo
- Playtech
- iSoftBet
- ELK Studios
- Skywind Holdings
- Playson
- Amatic
- RedRake Gaming
- Spinomenal
- BeeFee games
- Fazi

- Hacksaw Gaming
- Endorphina
- Altenar

Payment Providers

The group has access and has established relationships with the following payment service providers:

- Interac
- Coinspaid
- Paramount
- Trust Payments
- Nuvei

Banking

In respect to banking services the company and the group uses various banking institutions such as:

- PayMix
- PostBank (EuroBank Bulgaria AD)

Other Providers

Aside from the main focused providers list the company and the group has access and utilize services from other service providers such as:

- iDenfy: Automated KYC verifications; forged documents checks; AML, PEP & Sanctions screening
- ShuftiPro / Zignsec / TrueNarrative: alternative KYC providers
- Twilio / SendGrid: Communication providers for delivering sms and email transactional and marketing communications.
- MaxMind: Geolocation and IP geolocation identification services
- AWS & Cloudflare: IT infrastructure, networking, DNS and DDOS protection.

Risk Evaluation and Management

Overview

As part of our commitment to responsible business operations and compliance with the regulations of the Curaçao Gambling Control Board, we have implemented a comprehensive risk evaluation and management framework. This framework is designed to identify, assess, mitigate, and continuously monitor the various risks associated with our operations. We aim to ensure that all identified risks are effectively managed, with clear oversight and accountability at every level.

Risk Assessment Process

Identification

We proactively identify potential risks across all facets of the business, including operational, financial, regulatory, reputational, and technical risks. Key areas of focus include:

- Compliance with legal and regulatory standards, particularly those relating to gaming and anti-money laundering (AML) practices.
- Financial stability and liquidity.
- Operational reliability, including IT systems and data security.
- Reputational risks related to customer interactions and marketing practices.

Evaluation

Each identified risk is evaluated in terms of its potential impact and likelihood of occurrence. This is done through quantitative and qualitative assessments, where risk levels are categorized (e.g., low, medium, high) based on their potential to disrupt operations, damage the company's reputation, or incur financial loss.

Mitigation

To mitigate identified risks, we implement tailored strategies, which include:

- **Compliance Controls:** We ensure strict adherence to regulatory requirements, including regular training for staff on compliance issues and updates to policies as regulations evolve.
- **Financial Safeguards:** To manage financial risks, we maintain robust cash flow forecasting, capital reserves, and liquidity monitoring. Additionally, we implement strict financial control measures, such as separation of duties, to reduce the risk of fraud.
- **Technology & Security Measures:** We employ state-of-the-art cybersecurity systems and protocols to protect sensitive data and ensure the integrity of our platforms as they are currently being used in regulated iGaming markets. Disaster recovery plans are in place to mitigate risks related to IT failures.
- **Reputation Management:** We have policies to govern responsible marketing, fair play, and customer dispute resolution processes to ensure the maintenance of a positive public image.

Internal and External Audits

Internal Audit

An internal audit function is delegated to the Compliance officer responsible to review and assess the effectiveness of our risk management, internal controls, and compliance mechanisms. The compliance officer reports to the rest of the management team and together with the payments and fraud team is responsible for:

- Conducting regular audits of financial transactions, gaming operations, and compliance with AML and Know Your Customer (KYC) regulations.
- Identifying any internal control weaknesses and recommending corrective actions.
- Monitoring the implementation of risk mitigation measures.

Internal audits are conducted periodically, with particular focus on high-risk areas to ensure the ongoing effectiveness of our risk management strategies.

External Audit

In addition to internal ongoing oversight of all risks, we engage independent third-party auditors to conduct comprehensive external audits of our financial records and business practices. The external auditor's review:

- Financial statements to ensure accuracy, transparency, and compliance with international accounting standards.
- Compliance with regulatory requirements.
- IT and data security systems to verify their resilience and reliability.

External audits are conducted annually, and the findings are shared with both management and regulatory bodies to ensure full transparency and accountability.

Audit and Risk Committee

To further strengthen oversight, we have established an **Audit and Risk Committee** comprising senior executives and independent advisors. This committee is responsible for:

- Reviewing the overall effectiveness of our risk management framework.
- Monitoring the implementation of audit recommendations.
- Ensuring that both internal and external audit findings are adequately addressed.
- Reviewing and approving risk management policies and strategies.

The Audit and Risk Committee meets quarterly and reports directly to the Board of Directors.

Risk Registers

We maintain a comprehensive **Risk Register** that catalogs all identified risks, their assessment outcomes, and the corresponding mitigation strategies as part of an ongoing ISO 27001 certification maintained by Dench eGaming Solutions. The register is a living document, regularly updated based on audit findings, external developments, and changes in business operations.

Continuous Improvement

Risk management is an ongoing process, and we are committed to continually enhancing our framework. We regularly monitor industry trends, regulatory changes, and emerging risks, ensuring that our risk management practices remain robust and up to date. Training programs and risk management workshops are held annually for our staff to reinforce a culture of risk awareness and compliance throughout the organization.

Conclusion

Through a rigorous and dynamic risk evaluation and management framework, including internal and external audits, oversight committees, and a well-maintained risk register, we ensure that all business operations are conducted responsibly, transparently, and in full compliance with regulatory standards. This approach safeguards our business, protects our customers, and ensures the long-term sustainability of our operations.

Legal and Governance Framework

Currently the board members are actively being part of day-to-day business operation and actively participate in decision making.

The board gathers in respect to making changes to its corporate structure, appoint auditors, review, and accept the financial results, take decision towards distribution of dividends, establishing cash reserves and/or forming financial pools for investments in R&D and supporting businesses and projects.

The structure of the board and UBOs does not expose the company and group of companies to potential deadlock.

When necessary legal support and advice is seek and provided by established industry professionals actively involved in company auditing, legal counseling and/or practicing international law.

Disrupt Entertainment Limited N.V. does not have an established ESG policy, while group companies do cover certain aspects of ESG policies as part of their internal policies and approach to following best business practices.

Target KPIs and Business Objectives

Sitting on more than 25+ years of combined industry experience, our company and group of companies has identified the core objectives towards which we strive, together with the key performance indicators which quantitatively determine our success. We have set the following objectives:

1. Customer Acquisition and Growth:

- **Objective:** To continuously grow the player base by attracting new players through marketing, bonuses, and promotions.
- **Long-term Goal:** Establish a strong market presence and expand into new regions and/or apply for licenses in specific jurisdictions where online gambling is legal.

2. Player Retention and Engagement:

- **Objective:** To maintain a high level of engagement with existing players, fostering loyalty and reducing churn.
- **Long-term Goal:** Build a loyal customer base that generates consistent, recurring revenue.

3. Revenue Growth and Profitability:

- **Objective:** To increase gross gaming revenue (GGR) through effective game offerings, competitive game portfolio, and player engagement strategies.
- **Long-term Goal:** Ensure steady revenue growth and maintain profitability by optimizing operations and controlling costs.

4. Compliance and Regulatory Adherence:

- **Objective:** To operate within the bounds of legal and regulatory frameworks, ensuring full compliance with local laws, anti-money laundering (AML) policies, and responsible gaming standards.
- **Long-term Goal:** Maintain licenses and expand regulatory approval in additional jurisdictions while promoting safe and responsible gambling practices.

5. Operational Efficiency:

- **Objective:** To improve platform stability, security, and payment processing to ensure a seamless customer experience.
- **Long-term Goal:** Enhance technology and operational processes for cost savings and improved customer satisfaction via automation and embedded AI.

We do keep track and measure the following key performance indicators for success:

1. Customer Acquisition Cost (CAC):

- **Definition:** The total cost associated with acquiring a new customer, including marketing and promotional expenses.
- **Target:** Keep CAC low while maximizing player lifetime value (LTV).

2. Gross Gaming Revenue (GGR):

- **Definition:** The total amount of money bet by players minus winnings paid out (before expenses).
- **Target:** Achieve consistent growth in GGR over time.

3. Customer Lifetime Value (LTV):

- **Definition:** The average revenue a business can expect to generate from a customer during their entire relationship.
- **Target:** Increase LTV through player retention, cross-selling, and upselling.

4. Churn Rate:

- **Definition:** The percentage of players who stop using the platform over a given period.
- **Target:** Minimize churn through better player engagement, loyalty programs, and personalized experiences.

5. Average Revenue per User (ARPU):

- **Definition:** The average amount of money each active player generates within a specific time period.
- **Target:** Increase ARPU by offering popular games, promotions, and cross-selling opportunities (e.g., casino, sports betting, etc.).

6. Player Retention Rate:

- **Definition:** The percentage of players who continue using the platform after a specific period (e.g., one month or one year).
- **Target:** Achieve a high retention rate through loyalty programs, exclusive jackpots, bonuses, and personalized content.

7. Conversion Rate:

- **Definition:** The percentage of visitors to the platform who become depositing players.
- **Target:** Increase the conversion rate by optimizing the user journey, from account registration to first deposit.

8. Compliance Metrics:

- **Definition:** KPIs related to adherence to regulatory standards, such as AML, responsible gaming, and data privacy.
- **Target:** Achieve 100% compliance with all relevant regulations to avoid penalties and retain licenses.

9. Net Promoter Score (NPS):

- **Definition:** A customer satisfaction metric that measures the likelihood of players recommending the platform to others.
- **Target:** Maintain a high NPS by delivering excellent customer service and a high-quality gaming experience.

10. Deposit to Bet Ratio:

- **Definition:** The ratio of total deposits made by players compared to the total bets placed.
- **Target:** Optimize this ratio by offering attractive games and bonus structures that encourage betting activity.

Long-Term Business Objectives

1. Sustainable Growth:

- Expanding into new markets and regions while increasing the player base and improving profitability.

2. Market Leadership:

- Establishing the brand as a trusted and innovative player in the online casino industry through innovation, user experience, and responsible gaming.

3. Customer-Centric Focus:

- Ensuring a high level of player satisfaction and engagement through continuous improvement in customer service, game offerings, and personalized experiences.

4. Operational Excellence:

- Continuously refining technology infrastructure, security protocols, and operational efficiency to support scalability and a seamless player experience.

5. Regulatory Compliance and Reputation:

- Building a reputation as a compliant, responsible, and ethical operator that meets or exceeds regulatory standards in all jurisdictions where it operates.

Policies and Procedures

All policies and procedures are done internally according to the regulatory frameworks they have to adhere. Our existing policies and procedures are established against existing regulated iGaming markets in which the group operates such as Bulgaria and/or United Kingdom.

The currently established policies and procedures are done with piece of mind and by individuals possessing more than 25+ years of combined experience in the iGaming sector.

Their experience from working together, consulting, or provisioning technology services to various established iGaming operators globally or provisioning regulatory and/or compliance risk mitigation consultancy to new ventures and/or startups, all together with lack of any regulatory breaches or fines, testify for their competence and appropriateness.

The current list of adopted policies are:

1. General Terms & Conditions
2. Privacy Policy
3. Responsible Gaming Policy
4. Anti Money Laundering Policy

In addition the team has established internal procedures for monitoring player registrations, activities and compliance with the established policies. The high-level procedures are:

1. Registration Procedure
2. Deposit Procedure
3. KYC Procedure
4. AML and Fraud Procedure
5. Withdrawals Procedure
6. Responsible Gaming Procedure