

# Business Plan of Intelligent Innovations N.V. for VulkanBet project

## 1) Overview of the business products and services/brands as well as proprietary IP.

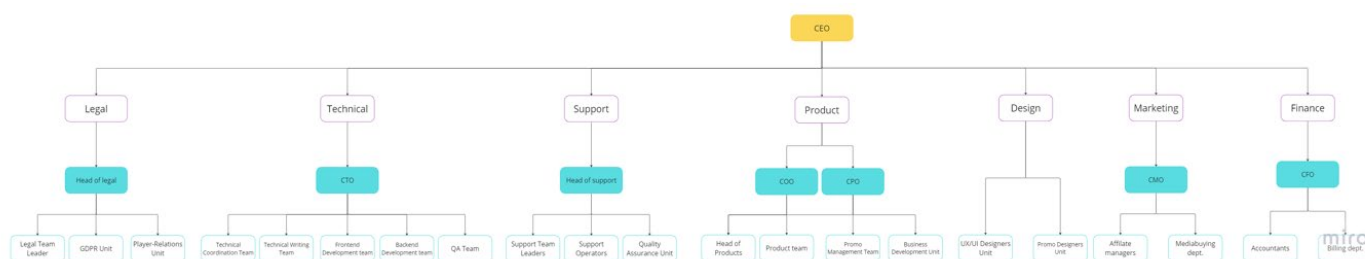
Vulkan.bet is a platform that operates in the online gambling industry, providing services in both sports betting and casino gaming. Vulkan.bet offers a sportsbook that allows users to place bets on various sports events worldwide.

The casino section of Vulkan.bet offers a wide array of games, including slot machines, table games, and live dealer options.

### Competitive Edge:

- **User-Friendly Interface:** A streamlined and user-friendly interface could provide a seamless experience for users, making it easy to navigate between sports betting and casino gaming.
- **Diverse Game Portfolio:** A wide selection of sports and casino games our competitive advantage, catering to different preferences and interests of users.
- **Responsive Customer Support:** A responsive and helpful customer support system can contribute to a positive user experience, addressing queries and concerns promptly.
- **Innovative Features:** Implementing innovative features, such as live streaming of sports events, in-play statistics, or unique casino game variants, can set Vulkan.bet apart from competitors.

## 2) Company management structure showing key management roles and reporting lines.



## 3) Business forecasts for 3 years.

### a) Three-Year Business Projections

Our future outlook for the next three years builds upon the robust performance of VulkanBet, emphasizing sustained growth, market diversification, particularly in Latin American (Chile, Peru, Brazil) and ongoing advancements in technology to elevate player experiences.

**b) Year 1-3 Revenue Forecasts:**

**GGR:** Commencing at €500k monthly, we anticipate an annual growth ranging from 10% to 13%, amalgamating organic expansion and entry into new markets. This strategic approach is poised to significantly elevate our GGR over the ensuing three years.

**c) Expenditure and Costs:**

**Marketing Expenses:** Starting at €150,000 monthly, these costs are projected to scale in tandem with market penetration, adopting a balanced approach to ensure optimal return on investment within the first six months of each initiative.

**Profitability:** Our revenue and cost forecasts, underscored by a strategic focus on marketing efficiency and operational excellence, indicate a consistent upward trajectory in net profits. This growth mirrors our ambitious expansion plans and meticulous cost management, with an anticipated annual improvement in net profit margins as we leverage economies of scale and fine-tune our marketing expenditure.

**d) Cash Flow Projections:**

Considering our expected monthly deposits of €1 million and a withdrawal rate ranging between 45% to 55%, our cash flow management strategies prioritize maintaining a robust liquidity ratio. This approach supports our operational requirements, investments in technology, platform enhancements, and facilitates market expansion endeavors.

**e) Market Diversification:**

With a dedicated focus on Latin American markets, our strategy involves substantial investments in localization and marketing to allure and retain players from these emerging regions.

**f) Product Advancements:**

Persistent investments in our gaming portfolio and platform technology will ensure our continual leadership in the online casino industry, heightening player engagement and experiences.

**g) Marketing Efficiency:**

Our focus lies on optimizing bonus costs and marketing expenditures, aiming for a reduction in the cost per acquisition (CPA) while upholding elevated player value and satisfaction.

**4) Overview of intended strategy for the business growth and to secure/maintain/grow market share with specific financial and marketing plans.**

**a) Market Expansion** To solidify and expand our market share, we are strategically venturing into new territories with substantial growth potential, with a specific focus on Latin American countries such as, Chile, Peru, and Brazil.

*Strategy:* Conduct comprehensive market research to comprehend local player preferences, and the competitive landscape. Tailor our game offerings and marketing strategies to align with local tastes and preferences.

**b) Enhancing Game Portfolio**

Our objective is to elevate player engagement and expand our audience base by diversifying our game portfolio, now extending beyond traditional offerings to encompass a wide array of options, including slot games, live casino experiences, table games, engaging crash games, a broad spectrum of classic sports betting, and a dedicated section for eSports.

*Strategy:* We will invest in integrating new game providers, forging partnerships with industry leaders, and introducing an extensive range of sports betting options, covering traditional sports and esports. Regular updates will ensure our portfolio features the latest gaming options from classic casino games to sport/eSports competitions and diverse sports betting opportunities. This strategic approach aligns with our commitment to providing a holistic and immersive gaming experience for our players.

**c) Mobile Applications for iOS and Android (Upcoming)**

Recognizing the evolving landscape, we are actively developing user-friendly applications for both iOS and Android platforms. These applications, set to launch soon, will further enhance accessibility and convenience for our players, providing a seamless and immersive gaming experience on the go.

**d) Optimizing Bonus Costs and CPA**

To enhance financial efficiency, we are committed to optimizing bonus costs and reducing the Cost Per Acquisition (CPA) through more effective marketing strategies.

*Strategy:* Conduct a thorough analysis of current bonus schemes and marketing expenditures to identify areas for optimization, both for acquisition and retention bonuses. Implement A/B testing to refine promotional offers and marketing channels. Adjust bonus schemes to strike a balance between player attractiveness and financial sustainability.

**e) Financial Projections and ROI Analysis**

Our comprehensive financial projections highlight the expected return on investment from the aforementioned strategies. We emphasize the anticipated revenue increase resulting from market expansion, cost savings derived from bonus optimization, and the projected growth in the player base through improved acquisition and retention efforts.

**5) Who are the key suppliers and material dependencies?**

- **Game Providers: Elevating the Gaming Experience**

The core of our online casino experience is built upon a diverse and engaging game portfolio. Renowned suppliers such as NetEnt, PragmaticPlay, Play'n Go, Microgaming, Endorphina, and Evolution, alongside sports betting provider Sportradar, play a pivotal role in delivering an immersive and varied gaming experience. By partnering with these industry-leading providers, we ensure that our players have access to a wide array of captivating games, spanning from classic favorites to cutting-edge innovations in both casino gaming and sports betting.

- **Payment Processors: Ensuring Seamless Transactions**

A seamless and secure transaction experience is paramount for our players. Leveraging key payment processors, including but not limited to bank cards, pre-paid cards, and locally tailored payment options in our target markets, we aim to provide our players with a hassle-free and secure environment for both deposits and withdrawals.

- **Software and Infrastructure: Uninterrupted Gaming Experience**

The backbone of our online casino consists of a robust gaming platform and a resilient infrastructure. Prioritizing reliability, we aim to minimize downtimes and technical glitches to provide an uninterrupted gaming experience for our players. Cybersecurity measures are ingrained in our system to ensure the highest levels of data protection, contributing to the overall trustworthiness of our platform. Our commitment extends to maintaining the highest standards in technology to deliver a seamless and secure environment for our players.

## **6) Financial projections for the next 3 years**

## Assumptions & Drivers

All figures in EUR

|                                                                     | Year 2024   | Year 2025 | Year 2026 |
|---------------------------------------------------------------------|-------------|-----------|-----------|
| Days in Period                                                      | 366         | 365       | 365       |
| Income Statement                                                    |             |           |           |
| Sales Growth                                                        | 7,0%        | 7,0%      | 7,0%      |
| Withdrawal (percent of Gaming Revenue)                              | 43,1%       | 43,1%     | 43,1%     |
| Chargeback and refunds (percent of Gaming Revenue)                  | 0,1%        | 0,1%      | 0,1%      |
| Consulting services (Fixed costs)                                   | - 125 000 - | 125 000 - | 125 000   |
| Providers Costs (percent of Gaming Revenue)                         | 25,0%       | 25,0%     | 25,0%     |
| Commission (percent of Gaming Revenue)                              | 5,0%        | 5,0%      | 5,0%      |
| Marketing, promo & advertising expences (percent of Gaming Revenue) | 17,0%       | 17,0%     | 17,0%     |
| Tax Rate (Percent of EBT)                                           | 1,5%        | 1,5%      | 1,5%      |



Income Statement

All figures in EUR

|                                         | Year 2024   | Year 2025   | Year 2026   |
|-----------------------------------------|-------------|-------------|-------------|
| Gaming Revenue                          | 4 815 124   | 5 152 183   | 5 512 836   |
| Chargeback and refunds                  | (2 408)     | (2 576)     | (2 756)     |
| Withdrawal                              | (2 073 854) | (2 219 023) | (2 374 355) |
| Turnover                                | 2 738 863   | 2 930 583   | 3 135 724   |
| Consulting services                     | (125 000)   | (125 000)   | (125 000)   |
| Providers Costs                         | (1 203 781) | (1 288 046) | (1 378 209) |
| License fees                            | -           | -           | -           |
| Commission                              | (240 756)   | (257 609)   | (275 642)   |
| Marketing, promo & advertising expences | (818 571)   | (875 871)   | (937 182)   |
| Direct costs                            | (2 388 108) | (2 546 526) | (2 716 033) |
| Gross profit                            | 350 755     | 384 057     | 419 691     |
| Other operating expences                | (1 000)     | (1 000)     | (1 000)     |
| Administrative expences                 | (105 000)   | (105 000)   | (110 000)   |
| Operating result                        | 244 755     | 278 057     | 308 691     |
| Financial income (loss)                 | -           | -           | -           |
| Result before tax                       | 244 755     | 278 057     | 308 691     |
| Taxes                                   | (3 671)     | (4 171)     | (4 630)     |
| Net Income                              | 241 083     | 273 887     | 304 061     |

Cash Flow Statement

All figures in EUR

|                                                        | Year 2024                  | Year 2025                  | Year 2026                  |
|--------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| <strong>Cash Flows from Operating Activities</strong>  |                            |                            |                            |
| Turnover                                               | 2 738 863                  | 2 930 583                  | 3 135 724                  |
| Operating activities expenses                          | (2 388 108)                | (2 546 526)                | (2 716 033)                |
| Other expenses                                         | (106 000)                  | (106 000)                  | (111 000)                  |
| Profit tax payed                                       | (2 500)                    | (3 671)                    | (4 171)                    |
| Cash Flows from Operating Activities                   | 242 255                    | 274 386                    | 304 521                    |
| <strong>Investing Activities</strong>                  |                            |                            |                            |
| Cash Flows from Investing Activities                   | -                          | -                          | -                          |
| <strong>Financing Activities</strong>                  |                            |                            |                            |
| Cash Flows from Financing Activities                   | -                          | -                          | -                          |
| Cash and Equivalents, Beginning of the Year            | 2 253 621                  | 2 495 875                  | 2 770 261                  |
| Increase/(Decrease) in Cash and Equivalents            | 242 255                    | 274 386                    | 304 521                    |
| <strong>Cash and Equivalents, End of the Year</strong> | <strong>2 495 875</strong> | <strong>2 770 261</strong> | <strong>3 074 782</strong> |