

STUCKTAYMORE B.V.

(d/b/a 'The BetDEX Exchange')

Registration #166445

Business Plan

Created for and submitted to:

The Curaçao Gaming Control Board

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1. Overview

The applicant, STUCKTAYMORE B.V., with Curacao registration no. 166445, is applying for an Online Gaming License with the Curaçao Gaming Control Board ('GCB').

STUCKTAYMORE B.V. (d/b/a 'The BetDEX Exchange') is a wholly-owned subsidiary of BetDEX Labs Inc., a U.S. Delaware corporation. The BetDEX Exchange (the "Exchange") was launched by former FanDuel executives with the aim of becoming the leading global sports betting exchange. Nigel Eccles, former FanDuel co-founder and CEO, serves as BetDEX's Non-executive Chair, with Varun Sudhakar as CEO, and Stuart Tonner as CTO. Together, in November 2021 they secured the largest ever seed investment round by a UK-startup.

Operating since November 2022 and currently licensed in Ireland and the Isle of Man, the Exchange is a platform that utilizes blockchain technology to revolutionize sports betting. It offers a peer-to-peer (P2P) marketplace where traders can come together and trade their opinions on different outcomes in sports using cryptocurrency. The Exchange covers betting markets across all major sports and leagues. All wagers occur on the blockchain, ensuring real-time transparency for users. Once a match is settled, funds are immediately remitted back to the winners' accounts in a public manner on the blockchain, providing unparalleled transparency and trust for our users.

Additionally, the BetDEX Exchange boasts several key advantages over industry incumbents:

- **Low Fees:** Users are charged just 3% of their net winnings as a commission, significantly lower than most platforms.
- **Transparent and Non-Discriminatory Pricing:** The Exchange has no hidden fees or premium charges, providing a fair and transparent fee structure.
- **Ease of Use:** Wagering is done using the crypto-stablecoin USDC, with plans to integrate additional fiat and crypto on-ramp/off-ramp providers for quick and easy deposits and withdrawals to the players' accounts.

2. Company Management

Varun Sudhakar (CEO, Compliance & Director):

Varun began his career in investment banking before transitioning to roles of increasing responsibility, notably as the former Head of Financial Planning & Analysis (FP&A) at FanDuel. With a wealth of experience in senior executive positions across various startups, Mr. Sudhakar played a pivotal role at FanDuel, overseeing FP&A operations and serving as COO of Hive, and VP of Simplifeye.

Nigel Eccles (Director):

Nigel brings extensive expertise to the team, having previously served as CEO and Founder of FanDuel and Hubdub. With over 20 years of experience in the betting exchange industry, Mr. Eccles played instrumental roles in FanDuel's founding and growth, serving as CEO for eight years. His professional journey also includes positions at McKinsey & Company, BETDAQ, and Flutter.

Stuart Tonner (CTO):

Stuart, the inaugural engineer at FanDuel, boasts a background as the former Head of Engineering at the Glasgow office. He also held the position of CTO at LeaseLoco, demonstrating his proficiency in technology leadership roles.

3. Financial Funding & Forecast

The source of funds for Stucktaylor operations will be \$2 million EUR out of BetDEX Labs Inc.'s previously raised \$21 million USD investment round from November 2021.

4. Financials Pro-Forma Summary

The Exchange generates revenue by applying a 3% commission on net winning market positions from its users. We anticipate a modest month-over-month growth rate ranging from 7% to 20% in the first year, driven by strategic marketing expenditures across various jurisdictions, ranging from €10,000 to €30,000 per month. As outlined in the financial projections, the venture is expected to operate at a slight loss during its initial two years before reaching breakeven in year three. ***See the attached operating model and financials for a comprehensive breakdown.***

5. Business Growth Strategy

A primary competitive advantage of the Exchange lies in its superior odds compared to other sportsbooks and exchanges. Thus, a key avenue for growth will involve showcasing these odds and advertising on various odds comparison websites, which we anticipate will drive the majority of our growth in the first year. Additionally, we will employ the following mediums to raise awareness of our product offering:

- **Website (www.betdex.com):** Serving as the primary platform, the site provides essential legal disclosures, promotes the brand and site, and facilitates user login and wagering activities. It also features sections for responsible gaming, Terms of Service, Privacy Notice, among other items. The site is registered under the names of Varun Sudhakar and BetDEX Labs, Inc., with proof of registration provided.
- **Social Media (Twitter):** Engaging with followers to provide real-time updates and information about the Exchange.

- **Social Media (Discord):** Interacting with community members to keep them informed about the latest developments regarding the Exchange.
- **Press Releases:** Issuing press releases to highlight news and events related to the Exchange.
- **Sponsorships:** Establishing strategic partnerships with sporting leagues, clubs, and athletes to educate the retail market about the advantages of wagering on our platform.
- **Paid Advertising:** Utilizing appropriate and permissible digital and print advertising channels to increase brand awareness.

By leveraging these mediums effectively, we aim to enhance visibility and attract users to our platform, thereby driving growth and achieving our business objectives.

6. Key Suppliers & Material Dependencies

Solana Blockchain: The Exchange is built on the Solana Blockchain, and all wagers occur on-chain. If transaction processing speed on the blockchain experiences a slow down, this could have an effect on how quickly our users can place a wager.

Amazon Web Services (AWS): The Exchange is hosted on cloud servers with AWS. If AWS experiences a slow down or outage, this could slow down or potentially stop the Exchange from operating during the down time.

TRM Labs: TRM Labs are a blockchain intelligence service for digital assets. The Exchange utilizes TRM as a “wallet-level KYC” service to ensure no customer crypto wallets used for wager funding are identified as being related to sanctioned or PEP individuals will be allowed to interact with the BetDEX Exchange.

Onfido: Onfido is a KYC service provider. BetDEX utilizes Onfido to collect and verify information about its customers during the account-create stage and throughout the relationship for Customer Due Diligence purposes, which includes both screening for PEP/Sanctions/Adverse Media and for ID verification purposes.

Banking: BetDex Labs Inc. has established bank accounts in the US with MVB Bank (NASDAQ: MVBF) and U-Bank to fund all of the company's operating expenses and to serve all corporate banking needs. Our UK subsidiary, BetDEX Labs Ltd., also has a separate bank account in the UK to handle all salary and operational expenses for employees based in the UK. We will also procure appropriate banking arrangements for Stucktaymore B.V. in the event we are issued a Curacao license.

7. Risk Management

Risk is continuously evaluated and managed through various measures, including the following, though not limited to, and is ultimately addressed through a risk-based methodology:

Hardware Risk Management:

Our platform is hosted on remote servers via Amazon Web Services (AWS). Additionally, daily full database backups are performed, and the database is replicated to a separate AWS instance. In the event of a disaster, the read replica database can be promoted to the master, preserving all data up to the point of failure.

Customer Risk Management:

BetDEX conducts customer identity verification through Know Your Customer (KYC) and Continuing Customer Due Diligence (CDD) processes. This approach aligns with current best practices in anti-money laundering and compliance guidelines. The company's compliance officer, boasting over 20 years of experience in compliance and legal matters, oversees these processes, with expertise in matters related to money laundering and terrorist financing.

During registration, players are required to provide full name, date of birth, address, country of residence, and attest they are of legal age. They must also agree to BetDEX's Terms and Conditions and Privacy Notice. These details are cross-checked against Onfido's extensive database to identify any Politically Exposed Persons (PEP), individuals subject to sanctions, or adverse media flags. Players triggering specific dollar thresholds must provide valid proof of identity verified by Onfido.

Any individual flagged as potential PEP/Sanctions are not allowed to register unless manually reviewed and determined to be a "false flag." When a player triggers certain dollar thresholds of play, the player's account is suspended until the individual provides to BetDEX valid proof of identity (which is likewise verified via Onfido).

Wallet Risk Management:

In addition to individual player KYC, BetDEX employs TRM Labs to verify third-party wallets associated with player accounts. This ensures compliance with sanctions lists and identifies any connections to PEPs. Wallets linked to terrorist financing, sanctions, or fraudulent activities are prohibited from interacting with the Exchange.

Ongoing Monitoring:

BetDEX continuously monitors user activity on the Exchange for any irregular behavior. Any anomalies, such as registrations with fictitious names or erratic

deposit/withdrawal patterns, prompt manual intervention, including account suspension and reporting to relevant authorities if necessary, until resolved satisfactorily.

8. Target KPIs & Business Objectives

The business will measure long-term success in three key areas:

1. **Daily Active Users:** As a start up, our key priority in year one is user acquisition. We need to build a sustainable, critical mass of users to build a healthy ecosystem for our exchange-based product.
2. **Revenue:** Revenue generated in our early years will be used to fund a portion of key expenditures, including marketing campaigns and advertisements to further grow our user base.
3. **Profitability:** Ultimately, once we hit scale by the end of year three, we aim to achieve profitability on our path to build and operate this exchange as a sustainable business model.

9. Terms & Conditions

We ensure that our users have access to the complete Terms & Conditions on our website. Our Terms & Conditions cover the following points:

1. Overview or introduction
2. Definitions or explanations of terms used
3. Cross-references to specific game rules
4. Statement regarding the possibility of modifications to the Terms & Conditions and the user's responsibility to periodically check for updates
5. Dispute resolution procedures and responsible parties
6. Procedures for addressing breaches of the Terms & Conditions by users
7. Applicable Governing Law jurisdiction
8. Agreements on age limits and legality of gambling based on the player's jurisdiction
9. Rules, rights, and tools for responsible gambling, particularly for problem gamblers
10. Statement affirming user agreement to the Terms & Conditions upon registration
11. Methods and KYC identification requirements for player registration under Anti-Money Laundering (AML) procedures
12. Handling of abandoned accounts and disposition of abandoned funds
13. Procedures for addressing blatant or palpable errors, erroneous pricing, mistakes, or omissions
14. Provision for players to review changes to the Terms & Conditions.

10. Policies and Procedures

All policies and procedures are developed and internally monitored. Material changes to policies are communicated to relevant parties, including users, employees, directors, and regulatory bodies. Key policies and procedures include:

1. Information Security Policy
2. Access Control Policy
3. Incident Response Policy
4. Change Management Procedures
5. Backup Procedures
6. Organizational Policy
7. Equipment and Application Software Details
8. Anti-Money Laundering/Countering Terrorist Funding Policy (KYC Policy)
9. Responsible Gaming Policy