

Business Plan

TopC Games



Content

1.	3
1.1.	3
1.2.	3
1.3.	3
1.4.	4
1.5.	4
1.6.	4
2.	7
2.1.	7
2.2.	7
2.3.	8
3.	9
3.1.	9
3.2.	9
3.3.	10
3.4.	11
4.	18
4.1.	18
4.2.	18

1. General business strategy and highlights

1.1. Purpose of the business

TopC Games B.V., to be incorporated company (the “**Company**” or “**We**”), plans to commence its business as an online gambling operator (B2C) under Curacao license in order to provide players with the market-best experience in the gambling entertainment.

We do not want to reinvent the wheel and simply strives to concentrate all the very best features of the modern online gambling facility on the one web-site.

We plan to set up the topcgames.com website for online casino and sports betting so that the end users can place bets on the events.

The Company is going to offer a standard set of gambling products to its customers such as:

- Bets on real and virtual sport events.
- Slots and other games based on random number generator (RNG).

1.2. Path to reach the business goal

To ensure accomplishing the goal as outlined above, the Company has defined several components:

- Well-known and reputable online gambling license
- Smoothly-working basic gambling platform
- Excellent and rich content offering
- Hassle-free payments (deposit and withdrawals), including via crypto
- Accentuated marketing strategy
- Customers’ retention via high-quality support and bonuses.

1.3. Main competitive advantages

The online gambling market or iGaming market is a very competitive area and the Company definitely understands that fact. In order to push the competitors and win its own niche, the Company will rely on the following competitive features:

- **Player-friendly interface and simpleness.** The platform under Nuxgame brand (please see more details below) is powerful professional software. The platform offered by Nuxgame brand uses leading UX/UI trends with a wide opportunity for personalization while remaining as simple as could be imagined.
- **High-end gambling content.** The Company will sublicense diversified high-end content (games and sport) using Nuxgame brand aggregator facility.

- **Accent on crypto in payments.** Cryptocurrencies have the great potential to be used in the gambling sphere. Although the Company does not want to refuse classic fiat payments, it will promote and support using of cryptocurrencies as a method of deposit and withdrawal.

1.4. Short- and long-term perspectives

As short-term (within 1-2 years after launch of operations) goals, the Company sees achievement of the following:

- Achievement of the break even point in terms of financial indicators.
- Formation of the backbone end user audience, who will remain with the Company within a long time.
- Established operational activity as key to further growth and success.

As long-term (within 5 years after launch of operations) goals, the Company sees achievement of the following:

- Stable financial profitability ensuring availability of resources for both profit distribution and reinvestments back into business
- Well-defined niche in the iGaming market.
- Reputable brand within customers allowing to retain core audience and attract new customers.

1.5. Mission and Values

The Company sees its overall business mission in establishing its own place in the iGaming market by providing customers with excellent gambling experience through using innovative technologies.

The core business values of the Company are as follows:

- **Integrity and transparency.** The Company strives to be responsible, honest and open in its dealings with all stakeholders – providers, employees, end-users and authorities.
- **Innovation.** The Company wishes to be at the forefront of the iGaming industry. It is the Company's commitment to deliver its end users with most innovative products as soon as their appear on the market.
- **Excellence.** The Company aims for excellence in everything it does – being it delivery of products to customers or interaction with partners.
- **Performance.** The Company strives to deliver outstanding performance in the context of legitimate and realistic expectations of all stakeholders.

1.6. SWOT analysis

The Company defines its *internal strengths* as follows:

- **Strong products portfolio.** The Company, thanks to the engaged aggregator, has a large product portfolio where it provides gambling products in a large range of categories.
- **Use of cryptocurrencies.** Because of security, many people enjoy and prefer these transactions for deposits, withdrawals, and gameplay in Bitcoin and other digital currencies which is one of the main payment methods which the Company plans to use in its operations.
- **Quality and speed of the platform.** Through use of the seamless platform developed by Nuxgame, the Company will ensure smooth work of the web-site.

The Company defines its *internal weaknesses* as follows:

- **Internal controls.** Operational risk resulting from inadequate or failed internal processes or systems impacting the operations of the business. The Company will do its best to ensure constant improvement of internal controls.
- **High churn rate of work force.** It is common for iGaming work to have higher churn rate of employees. The Company will have to spend a lot more compare to its competitors on training and development of its employees in order to retain the core team.
- **Lack of investments into new technologies.** The technologies are developing very rapidly today and the Company needs to put more money in technology to integrate the processes across the board. However, it could lack the source for investment in case operations goes not so good as predicted.

The Company defines *external opportunities* as follows:

- **Opening of new markets.** More and more countries where gambling has been prohibited by the law start to regulate this sphere of leisure under different patterns. The Company will constantly monitor new opportunities to offer its products in new locations.
- **New trends in iGaming industry.** Social gaming, play-to-earn games, blockchain-based casinos, automatized customers' support – all these exciting trends is already a reality for gaming industry. The Company plans to integrate new technologies into its operations as soon as practically possible.
- **Partnerships.** Commercial partnerships with other operators, marketing agencies, aggregators and payment service providers can give a sufficient boost the development of online gaming business, so the Company plans to utilize this opportunity to the fullest.

The Company defines *external threats* as follows:

- **Regulatory and legal landscape.** Constantly changing of regulatory landscape in which the Company plans to operate can make it commercially challenging or even disadvantageously to operate.
- **AML and fraud issues.** The number of fraudsters in the industry is growing rapidly and new means of money laundering using iGaming are being invented by them. It is quite challengeable for all market participants to develop sufficient counter-measures to cover all risks.
- **Third-party's technology disruptions.** The Company will be very dependent on third-party software providers and any disruptions caused by these third-parties could affect the Company's normal operations.
- **Intense competition in the iGaming industry.** Stable profitability has increased the number of players on the market in the industry over last few years which has put downward pressure on not only profitability but also on overall sales.
- **Cybersecurity.** External cyber-attack, including using distributed denial-of-service (DDoS) attacks, malwares and phishing campaigns - could lead to service interruption and further to financial loss, data breaches, regulatory action and reputational damage.

2. Corporate matters

2.1. Owner's background

The ultimate beneficial owner of the company is Ms. Plamena Hristova Chenkova (“**UBO**”). UBO will have 100% ownership interest in the company.

UBO has experience in administrative operations, gambling, exchange and banking business and finance.

From 2014 Ms. Chenkova started to work in gambling industry. She worked for the land based gambling operator as a bookmaker in Euro MH Ltd (Eurofootball). She was responsible for:

- Managing facilitation and collection of bets on sporting events;
- Managing setting the odds for bets;
- Managing submitting payments for winners;
- Managing recording all bets and winnings etc.

While working as the bookmaker, UBO received rich experience in gambling operations which she now will use in her new online business setup.

After 5 years with Euro MH Ltd., Ms. Chenkova switched to Zhelev Ltd (large land-based gambling operator under the brand Bulbet), where she occupied position of croupier. In this position, she received priceless experience in communicating with players, settling disputes, and overall running and overseeing the games according to casino rules, policies and procedures.

As a further step, Ms. Chenkova decided to apply her, already deep knowledge in gambling, in the area of iGaming or online gambling so in early 2021 she got a job within licensed Georgian mixed (online and land-based) gambling company Crystalbet operated by Mars Ltd as a customer manager. On this job, she managed customer requests and inquiries, supported customers with different questions such as pay-ins and payouts, and exclusion matters, and also was involved in handling KYC matters.

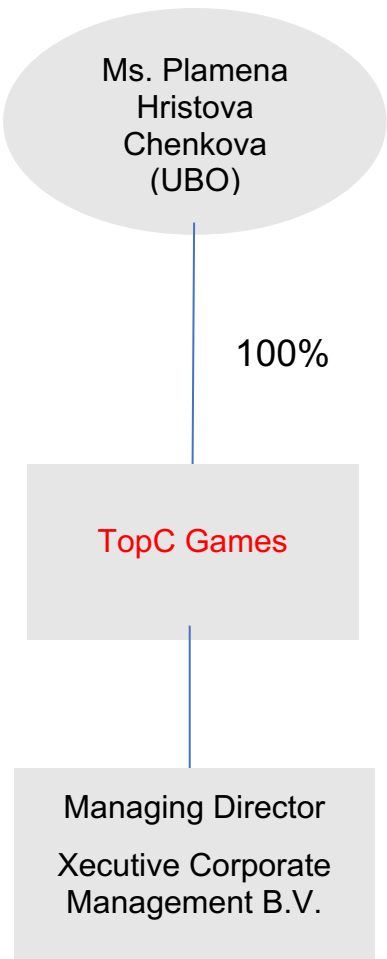
Also, Ms. Chenkova obtained experience in general accounting and cash operations, application of companies' anti-money laundering policies, spheres of customer compliance and KYC checking, when she worked as a cashier in several exchange offices in Bulgaria, namely in Di Ves Ltd and Filiana Ltd and as cashier/bank consultant at Central Cooperative Bank AD at the beginning of her professional path. She considers this experience as really valuable for running of future business.

2.2. Director

Xecutive Corporate Management B.V. will be appointed as the Managing Director of the Company.

2.3. Structure

Company’s corporate structure is presented below.



3. Execution strategy

3.1. Team and people

UBO has gathered talented professionals which includes development, operation, marketing, finance and customer support team.

General strategy of the Company will be determined by UBO, Ms. Chenkova. She will also be responsible for negotiations with the most significant partners as well as for operations' oversight and monitoring.

Ms. Chenkova considers a candidate for Company's CEO (with more than 7 years of experience on senior roles within gambling operators in Georgia) will manage usual business activities of the Company under general control of the UBO. All internal departments will be accountable before the CEO.

The Company plans to engage customer support department (approximately of 10 persons) from current and past employees of gambling operators in Bulgaria and Georgia. This department will handle all players' questions and complains.

Financial department will be sourced from Bulgaria as Ms. Chenkova has extensive social circle in accounting and finance industry. Financial department will be responsible for correct management and statutory accounting of all gambling transactions (deposits, bets, payouts, bonuses) as well as general business operations, preparation of necessary reports for management and authorities etc.

Marketing department of the Company will comprise of ca. 6 persons from Bulgaria and Georgia and will be led by sophisticated chief marketing officer from Armenia. The main purpose of the marketing department is to attract and retain players as well increase general brand awareness for the growth of business. Main marketing instruments that will be used are described below.

For IT support function and ad-hoc development or improvement, the Company plans to engage.

Legal function of the Company will be outsourced to external law firms, including Inteliumlaw (<https://inteliumlaw.com/en/>), who has over 7 year of experience in the iGaming industry.

3.2. Markets and marketing

Markets

As the Company will operate under Curacao license, it is the Company honest commitment to be compliant all the time with any applicable regulations, including those of Curacao.

Given this, the Company **will not target**:

- markets which are restricted under Curacao license requirements (i.e. USA, Netherlands, France, Dutch West Indies and Curacao)
- other markets restricted and operation is possible under local licenses (like United Kingdom, Germany)
- markets where gambling is fully or partly banned (like Turkey or China).

All other markets – which do not ban online gambling or allow operation – will be the target markets of the Company.

Marketing and advertising

The Company's is planning to cover the promotional part with help of affiliates, social media, media buying, PR and SEO settings and active players retention strategy.

As to affiliates, the Company plans to engage affiliates like Catena Media or Rake Tech, CPA-networks, web-masters like XL Media or usual single medium-size gambling rating web-sites, email-senders and owners of different mobile gambling applications.

Using modern social media channels like Telegram, YouTube, Twitch, Facebook and Discord, the Company will interact with younger audience (21-35). Collaboration with gambling streamers is also important part of the Company's SMM strategy.

The Company will ensure traffic growth by using traffic suppliers such as ExoClick etc.

The Company's SEO specialists' work with content, copywriting, meta-tags, keywords and semantic core will help web-site to get a better Google search output position.

3.3. Business KPIs

Key performance Indicators or KPIs are quantifiable measurements that reflect the critical success factors of a business. They are the key drivers that have a major impact on the performance of the business.

To properly monitor achievement of short-term and long-term goals, the Company will use the following key performance indicators:

Money-based indicators

- **Gross gaming revenue or GGR.** It is the most basic KPI to monitor in the iGaming industry. It is equal to total bets placed by the players less total wins paid to the players. GGR is the figure will be used to determine what the Company earns before taxes, salaries and other expenses are paid.
- **Net gaming revenue or NGR.** The NGR indicator shows the real casino earnings after the casino's expenses have been deducted. Such expenses can include: bonuses (ie not real money that players still use to make bets), commissions payable to payment systems, royalty fees payable to game

content providers, commissions payable to affiliate partners, recurring online gaming license fees, taxes etc.

- **Bets/deposits ratio.** This indicator shows how many times players circulate each money they have deposited. Higher figures might mean that it takes more time to lose or that the casino has been giving away too much money in bonuses whilst lower results indicate that players are losing at a faster pace.
- **NGR/deposits ratio.** Shows how much revenue is raised from the deposits made. The higher this indicator, the better for the casino.
- **Withdrawals/bets ratio.** Provides with a reliable method to project the expected true loss out of gaming activity.

Players-based indicators

- **Lifetime Value of Players or LTV:** This metric is the total amount of profit earned from a player during the period of his overall stay in the casino. LTV is critical both from the standpoint of marketing investment (when dealing with a high acquisition cost) and when looking to improve retention rates.
- **Conversion rate.** This is crucial indicator to assess the Company's marketing activities as it demonstrates proportion of people that behaved the way the Company wants to the total number of people who had a chance to do so. It could be visits/registration rate, registrations/deposits rate and so on.
- **Churn rate.** This metric is designed to show the proportion of players who discontinued playing at the casino to active players from a specified period. It is used to evaluate the quality of the Company's retention strategy.

Other metrics

- **Average Revenue Per User or ARPU.** ARPU defined as the total revenue divided by the number of subscribers, it is a measure of the revenue generated by one player, per unit time, typically per year or month.
- **Cost Per Acquisition or CPA.** The CPA indicator shows the amount of money a casino spends to get a user to sign up and make a deposit on the platform. It shows the needed average budget for marketing to attract a single player, and it also shows the effectiveness of promotional marketing and advertisements.

The tracking of these KPIs is something that is done using the online casino software. It captures, stores, and transforms the massive flow of data into ready-to-use information to the casino operators. It will then be interpreted, analyzed, and used accordingly to build the online casino's development strategies. The platform which the Company plans to use in its business activity integrates sophisticated CRM system which will properly track all necessary data.

3.4. Technologies

Core platform

To ensure smooth operation of its business, the Company plan to use turnkey online gambling solution of Nuxgame brand. This solution designed to easily integrate a variety of modules like casino or sports betting along with powerful administrative and marketing tools using a single API.

Solution powered by Nuxgame covers online slots, table games, TV games and more. Likewise, the sportsbook solution includes Live and pre-match betting options, eSports, and virtual sports. Popular sports events and primary leagues are included.

It also features an internet payment system that comprises up to 180 internationally recognized currencies. Use our advanced affiliate and agent module for an effective promotion of your brand.

More specifically, Nuxgame's turnkey solution includes:

- Ready-to-use website templates.
- A simple turnkey sportsbook and turnkey online casino back office.
- Advanced Affiliate and Agent systems with vast functionality and analytical reports.
- Wide payment providers support.
- Responsive design.
- In-house betting odds.
- 24/7 support.
- Flexible, multi-purpose bonus system.

Online gambling content

As to the content which will be available under white label solution, it includes:

- 11,000+ casino games.
- 70,000+ monthly sports events.
- 25,000+ live sport translations.
- 6,400+ daily virtual sports events.
- 600+ NuxGame odd types.
- 35+ eSports.

The Company has not yet finally chosen which gaming brands it will offer to the clients. However, Nuxgame's full content library covers such well-known gaming providers as:

- Evolution Gaming.

- Pragmatic Play.
- Pariplay.
- NetEnt.
- Red Tiger Gaming.
- Ezugi.
- Smartsoft Gaming.
- Golden Race.
- TVBet.
- Tom Horn Gaming.
- Habanero Systems.
- Endorphina.
- Spinmatic.
- Salsa Technology.
- Vivo Gaming.
- Highlight Games.
- Espresso Games.
- Red Rake Gaming.
- Playson.
- Booongo.
- 1x2 Network.
- Leap Gaming.
- Iron Dog Studio.
- Platiplus Gaming.
- HoGaming.
- GameArt.
- DragoonSoft.
- Thunderkick.
- BetGames.
- Nolimit City.
- Woohoo Games.

- Bet Industries.
- Triple Cherry.
- Simple Play.
- BB Games.
- Evoplay Entertainment.
- Caleta Gaming.
- Blueprint Games.
- Revolver Gaming.
- Kiron Interactive.
- RTG Slots.
- Jackpot Software.
- August Gaming.
- Push Gaming.
- OneTouch.
- Kalamba Games.
- OMI Gaming.
- Slotmill.
- PlayPearls.
- Fantasma Games.
- Spearhead Studios.
- Mobilots.
- Gamefish Global.
- Relax Gaming.
- Yggdrasil Gaming.

Payment technologies

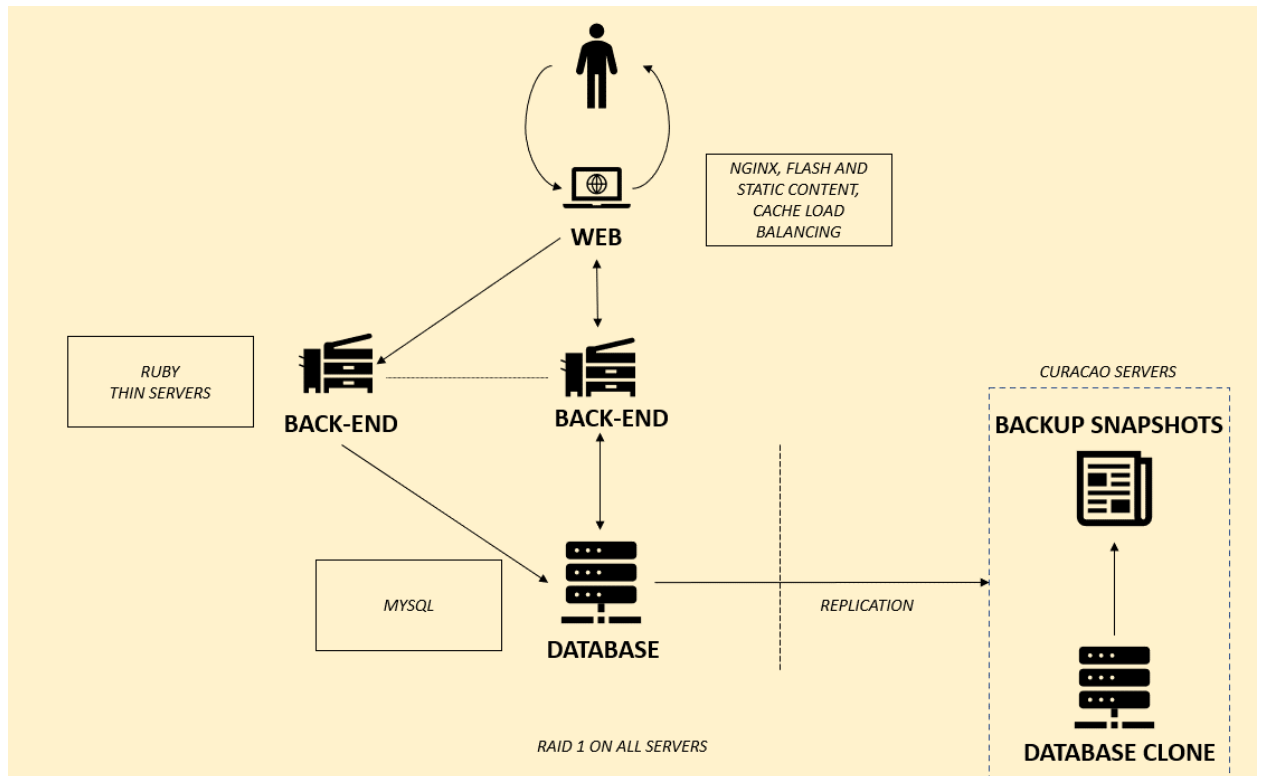
As to payment infrastructure, the Company plans to use integrated payment solution supported by a variety of payment systems.

The Company will ensure availability of the following payment options with the main accent on crypto transactions and fiat as a supplementary:

- Cryptocurrencies: Bitcoin, Litecoin, Ethereum and other popular cryptocurrencies

- Additionally: Visa, Mastercard, Skrill, Neteller, Paysafecard, Trustly, Sofort, SEPA, Instadebit, iDebit, AstroPay, Zimpler etc.

Network diagram



3.5. Business Compliance

The strong and principal position of the Company is to prevent any risks of using its business as a tool for illegal activities.

In order to mitigate the risks and to adhere to the standards set by the legislation on the local and international level the Company plans to set forth strict rules for customer identification and verification that will be based on guidelines of the following laws, regulations, recommendations, guidelines and rules:

- The provisions of Licensor (Curaçao) legal framework, which includes, but not limited to: Lands Decree of the 7th November 2017, no. 2017/3297 establishing the consolidated text of the National Ordinance on the reporting of unusual transactions; The National Ordinance of 23rd November 2015 amending the National Ordinance Identification for Services.
- The regulations and Guidelines of the Financial Action Task Force (FATF): International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation (the FATF recommendations); FATF Guidance on the RBA for Casinos.

In process of expansion the Company will further implement common European rules in the field of anti-money laundering and combating financial terrorism.

The Company will follow the below core principles and practices to prevent illegal actions:

- **Implementing risk-based approach.** Risk-based approach in essence means that the Company will take a more proactive stance when it comes to illicit gambling-related activity. By adopting a risk-based approach, it is possible to ensure that measures to prevent or mitigate money laundering and terrorist financing are commensurate with the risks identified. The principle is that resources should be directed in accordance with priorities so that the greatest risks receive the highest attention. Risk-based approach implemented by the Company will consider customers' location, provided personal information, payment details, manner of gambling and other factors to establish their profile.
- **Know your customer.** The Company undertakes to perform necessary KYC procedures regarding its customers based on risk-based approach - the higher the risk profile is assigned to a customer, the more detailed information such a customer is required to submit in order to make sure that no illegal activity is taking place. Company will take actions to identify customers using Personal Identifiable Information (PII) and official identity documents provided by customers. KYC is essential procedure for the gaming sector to stem the flow of illicit funds being washed through online gaming industry and to weed out the underage customers or customers attempting to use services with multiple accounts and simply to exclude too addicted people.
- **Monitoring of customer behavior.** The Company will keep an eye on the customers' activity in the game to timely track and scrutinize suspicious or unusual activities.
- **All is reported and recorded.** The Company will report suspicious activity to the relevant internal and external stakeholders. Also, all transactions records and related data will be recorded for the period of time as required by the law.
- **Constant training.** Training and screening of the relevant employees as well as providing most recent information about AML/CTF legislation to keep the awareness of such employees at sufficient level at all times.

Responsible gaming policy

Responsible gambling is an important part of the Company's customer service policy; therefore, the Company takes the problems that may arise as a result of gambling addiction very seriously.

The Company considers it its direct duty to protect players from excessive immobility for the game and to prevent the participation of minors in gambling.

The Company wants its product to be as convenient and functional as possible, so that it is perfectly suited for an exciting pastime and fully support and share the worldwide policy of responsible gambling.

For the Company, responsible gambling means that its customers:

- may gamble for pleasure and entertainment but are aware of their likelihood of losing, and understand the associated risks;
- exercise control over gambling activity;
- balance gambling with other activities in their lives and the gambling is not causing problems or harm for themselves or other

The Company's responsible gambling policy is based on the following main elements:

- **Preventing underaged gambling.** The Company's key principle is not to spread gambling across the minors by establishing clear registration process with mandatory verification procedure to check players' real age according to legal age in particular market.
- **Self-exclusion and other methods of protection for vulnerable persons.** The Company undertakes to ensure a possibility for a self-exclusion for gamblers which are need this due to gambling addiction problems. In future, the Company plans to introduce other means of control such as setting time or money limits for gambling (for example, per day or per session etc.), monitoring of players' activity to identify possible troubles and so on.
- **Responsible advertising and marketing.** The Company's promotional activities should not make false or misleading claims and should not appeal to minors or vulnerable persons. Advertising should contain a responsible gambling message.
- **Risk disclosure and transparency.** The Company wishes to build open and trusted relations with its customer. In view of this, the Company will notify and constantly remind its customer about nature and risks of gambling.

Other significant policies

Privacy

The Company is very concerned about privacy matters, namely on security of personal information of players.

This area is connected to the need of keeping safe players' private details from unauthorized access that may occur due to illegal online criminal attacks or otherwise.

Given this, the Company will take its best efforts to:

- clearly indicate what information about a customer is collected and for what purposes, how it is processed and to whom and for what purpose it could be transferred;
- implement strong technical and software measures to prevent any leakages or unauthorized access to and use of the collected customers' data.

Relations with business partners

KYC of customers is highly important for gaming industry, however, KYB (Know your Business) of business partners (like gambling aggregators, content providers, payment institutions etc.) is of no less importance.

The Company will carry out respective due diligence procedures with regard to each partner it is about to contract with. Such measure will safeguard both parties and will provide a transparency in business relations.

4. Financials

4.1. Source of finance

It is planned that the project will be initially funded using shareholder's savings.

Once the project starts generate profit, the Company will use this profit for re-investing as well.

4.2. High-level financial plan

The Company has prepared high-level financial projections about its contemplated business activities during first three years:

Income/cost item	Year 1	Year 2	Year 3
1. Revenue, including GGR	€ 420 000	€ 952 000	€ 1306 000
2. Providers cost (revenue share)	€ 126 000	€ 285 000	€ 391 800
3. Marketing bonuses and promotions	€ 63 000	€ 142 000	€ 195 900
4. Other marketing expenses	€ 42 000	€ 95 200	€ 130 600
5. Team	€ 84 000	€ 105 000	€ 126 000
6. Other (commissions, infrastructure, legal support, overheads)	€ 42 000	€ 47 600	€ 52 240
7. Profit	€ 63 000	€ 275 800	€ 409 460

Revenue

The Company's business model is mainly based on such source of revenue called gross gaming revenue being a players' bets/stakes less players' winnings. The Company does not exclude other means of income such affiliate and referral remunerations, commissions etc.

Expenses

The main predicted costs are royalties to providers for the provision of platform and gambling content, marketing bonuses, other marketing expenses (such as conferences, PR, SMM, direct web-advertising etc.), payroll and contractors costs. In addition, the Company plans to incur additional costs such legal support and license fees, maintenance etc.)