

123Loterias Business Plan

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PURPOSE

123Loterias offers their customers the possibility to participate on the world's biggest lotteries in a fun and safe environment. The company will operate a Lottery Messenger Service via www.123loterias.com

DESCRIPTION OF SERVICES

123Loterias is a lottery messenger service that allows its clients to participate official lotteries from different jurisdictions around the world. Our clients create an account on our website, select the official lottery they want to play 123Loterias will buy the ticket on their behalf, store it and collect any small winnings. In the event of a substantial prize, 123Loterias assist the player in the claiming process.

123Loterias charges a fee on top of the ticket price for the ticket buying service. It does not take any commission on winnings.

Main competitors are: TheLotter (<https://www.thelotter.com/>) , Trillionario (<https://www.wintrillions.com/es/>) and LottoKings (<https://www.lottokings.com/>)

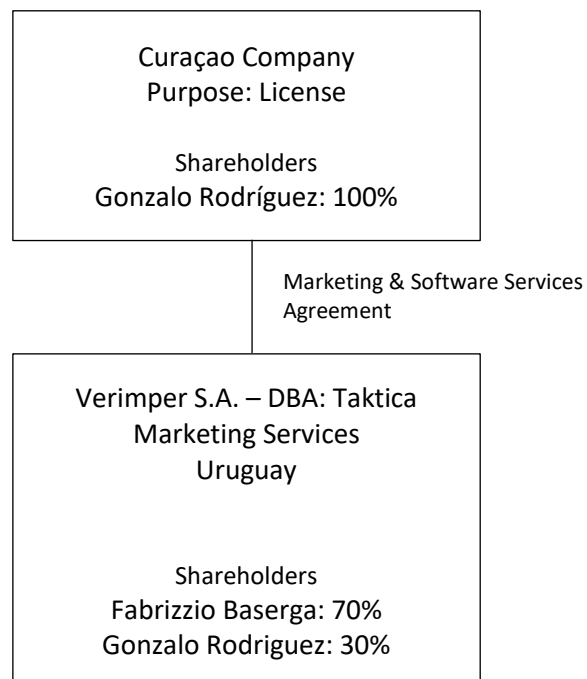
After obtaining a Gaming license, 123loterias will intend to offer casino games and scratch cards.

GOING LIVE DATE

The website is already operational, so the going live date with the license is as soon as it is issued. The casino and scratch games are going to be launched after having the license issued and the providers integrated.

PROPOSED COMPANY STRUCTURE

The Curaçao company will be incorporated with the purpose of offering gaming services out of a regulated jurisdiction. Verimper S.A. is a company that provides marketing services out of Uruguay.



TARGET MARKETS

At this stage, the target market are all countries across Latin America. The website is under translation to Portuguese language to market Brazil.

MARKETING OVERVIEW

The acquisition marketing is focused in BTL tactics. Main traffic drivers are media partners and affiliates.

Marketing activities are managed by Taktica in Uruguay, an agency specialized in Customer Acquisition and Retention. These activities include customer acquisition and retention.

Casino type of games will be offered to the active lottery players as a cross sell product. No specific casino acquisition will be carried out.

TECHNOLOGY

123loterias lottery software is a self-developed technology to operate the business. The software contains all the necessary tools to operate and control the business; and to manage players including KYC and player protection features.

The casino activity will run on a third-party software. The casino provider hasn't been assessed yet and it will be conducted after having the license issued.

Servers are located at Leaseweb in the Netherlands and at Amazon in USA.

CUSTOMER SUPPORT

Customer support and other operational activities will be contracted with Taktica, a marketing and operations provider.

PROVIDERS

As stated throughout the document this is a list of current and future providers:

Provider	Service	Comments
Feenicia current	Payments Processing	Company based out of Mexico providing Credit Card processing for Mexico and Latam.
Directa24 future	Payments Processing	Payments providers to complement Feenicia with alternative payments methods like Bank Transfer, Vouchers, etc.
Taktica future	Marketing & Operations	Company based in Uruguay that provides Software, Marketing & Operational services.
GSLP future	Lottery tickets	Lottery ticket buying service company to support future growth.
ALOT Solutions / Emirat future	Lottery Bets Insurance	Lottery insurance services to migrate business to lotto betting.
Microgaming future	Games Provider	When going into casino offering, Microgaming will be the first option as provider for launch.
Casino Management future	Online Gaming Management Software	When launching casino offering, a Casino Management System provider will be onboarded. For example: Pragmatic Solutions.
Digidum & AdSalsa current	Inbound Traffic Providers	AdSalsa and Digidum are the two biggest traffic sources providers. They run marketing campaigns that provide leads into the business. They are compensated on a campaign basis either under a CPL or CPM format.

FINANCIALS

3 years forecast

	Year 1	Year 2	Year 3
Sales	1,067	2,398	4,232
GGR	935	2,146	3,855
Bonus	(230)	(365)	(442)
NGR	750	1,788	3,467
Cost of Sales	(337)	(705)	(1,207)
Gross Profit	368	1,084	2,259
Marketing	(235)	(505)	(819)
Net Income	81	449	1,297

The 3 years forecast considers a first year estimated investment in marketing of \$235,000. An initial funding of USD \$300,000 has been made from owners investment. Company's own cashflow will provide funds for subsequent needs.

Inflow. Funds from players are going to be received from Feenicia in Mexico and Directa24.

Outflow. The funds received will be used mainly to pay compensation to partners like AdSalsa and Digidum; and for marketing services to Verimper S.A. in Uruguay.