



GLU

Discover the world of cryptocurrencies

Glu Business Plan 2019-2021

February 2019

Version 1.1

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Executive Summary

An Excellent Time to Invest

Discover the world of cryptocurrencies with Glu as your guide. Find what people like you are interested in, be more knowledgeable, and make smarter purchases.

We are Glu, a cryptocurrency business launching in Q2 2019 with a website that will make us the “Trip Advisor” of cryptocurrencies. Our free-to-use service provides information and user-generated reviews and comment on cryptocurrencies. We will be the trusted entry point into the world of cryptocurrencies.

This service generates user traffic, with revenue at this stage coming from businesses that want to list on our site and advertise to our growing user base.

Just as on Trip Advisor you can find a restaurant and then book a table, a second phase will add the option to buy items described on the site. This second phase will launch when regulatory approvals are in place; we will then earn a referral fee or a percentage of the purchases made through the site.

Glu is raising up to \$2M in debt and equity to fund the process of gaining regulatory approval from CSSF in Luxembourg and to provide operating cash during the first 2 years of operation.

Providing the Missing Link for Consumers

Why hasn't there been mass adoption of cryptocurrencies? For mass adoption to take place, to appeal beyond the early adopters, there needs to be *social proof* that a new technology or solution works. Social proof that “people like me use things like this”.

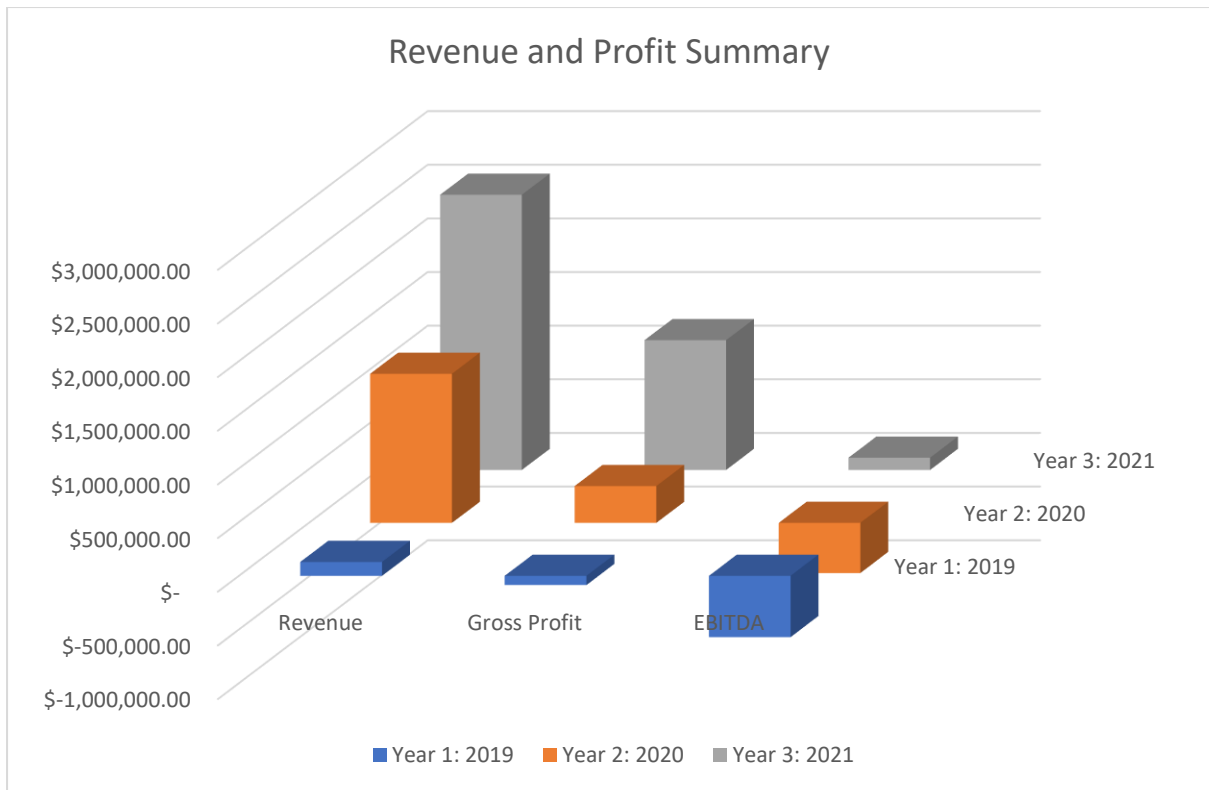
Our initial launch will make us the “Trip Advisor” of cryptocurrencies, combining a comprehensive data set on cryptocurrencies with tools for social engagement such as ratings, reviews, question and answer (Q&A), frequently asked questions (FAQ), news and event information.

This is the missing link for consumers. As such, we provide a valuable service for the crypto industry and become the *de facto* first point of reference for new consumers.

A Clear Route to Profitability

We are now preparing to launch our online service. We project revenues starting in Q3 2019, increasing over time as Glu accumulates a customer base and adds new services.





A Solid Financial Plan

Our three-year financial projection for Glu is shown below. We calculated this using an estimate for the number of customers gained, the frequency of customer transactions and the average transaction size.

Year	Year 1	Year 2	Year 3
Statement Date	31/12/2019	31/12/2020	31/12/2021
Period Length	12 Months	12 Months	12 Months
Revenue	\$ 128,986.22	\$ 1,389,214.32	\$ 2,565,224.08
Cost of Service	\$ 84,186.18	\$ 446,000.00	\$ 636,000.00
Gross Profit	\$ 44,800.04	\$ 943,214.32	\$ 1,929,224.08
Marketing Costs	\$ 130,500.00	\$ 600,000.00	\$ 720,000.00
Gross Profit After Marketing	\$ -85,699.96	\$ 343,214.32	\$ 1,209,224.08
Overheads	\$ 266,200.00	\$ 342,300.00	\$ 447,000.00
Staff Costs	\$ 219,230.90	\$ 468,000.00	\$ 648,000.00
EBITDA	\$ -440,630.86	\$ 132,914.32	\$ 834,224.08
Interest Payments	\$ 150,000.00	\$ 200,000.00	\$ 200,000.00
Net Profit Before Tax	\$ -590,630.86	\$ -67,085.68	\$ 634,224.08
Taxes	\$ -	\$ -	\$ -
Extra Ordinary Expense	\$ -	\$ -	\$ -
Net Income	\$ -590,630.86	\$ -67,085.68	\$ 634,224.08
Dividends	\$ -	\$ -	\$ -
Adjustments	\$ -	\$ -	\$ -
Retained Earnings	\$ -590,630.86	\$ -67,085.68	\$ 634,224.08

Sound Financial Ratios

Our financial plan includes the following financial ratios:

Year	Year 1	Year 2	Year 3
Statement Date	31/12/2019	31/12/2020	31/12/2021
Period Length	12 Months	12 Months	12 Months
Profitability Measures			
Gross Margin Before Marketing	35%	68%	75%
Gross Margin After Marketing	-66%	25%	47%
Cost of Service %	65%	32%	25%
Overheads %	376%	58%	43%
EBITDA%	-443%	-34%	4%
Growth Measures			
Revenue Growth %		977%	85%
Gross Profit Growth %		2005%	105%
EBITDA Growth %		-130%	528%



An Experienced Team of Owners

The current percentage of ownership held, excluding shares held in reserve for employee options, is as follows:

Name	Role	Ownership
Andrew Rivers	Founder	16%
Thomas Gaigher	Founder	16%
Paul Brown	Founder	16%
James Hockey	Founder	16%
Dan Gershony	Investor	17%
Jeremy Bokobza	Investor	17%

A Mission to Reach the World

Our mission guides our actions, spells out our overall goal, and provides us with a clear path:

“Glu exists to continually broaden adoption and participation in the world of cryptocurrencies so that the widest range of people can benefit.”

We Have Unique Position in the Market

Glu is the only cryptocurrency platform to combine the following elements:

- “Trip Advisor” style user-generated content and social proof.
- Consumer-oriented, distinctive, easy-to-use interface.
- The most encompassing source of information on the world of cryptocurrencies.
- Easy journey to buying and participating in cryptocurrency opportunities.

We are Raising Funds to Develop the Business

To fund the next stage of business development we are seeking to raise \$2M in equity and senior structured debt from one or more investors.

Important Strategic Objectives to Deliver a Great Business

For Glu to achieve its stated goals the following delivery objectives must be met:

- Raise early-stage funding in Q2 2019
- Launch “Community Release” in Q2 2019
- Gain regulatory approval from CSSF by Q4 2019
- Launch “Commerce Release” in Q4 2019
- Cashflow Positive by Q3 2020

Supplementing these milestones are goals for user adoption, customers, revenue and profit.



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Glu – The Makings of a Great Business

History

The Founders began working on Glu as a business and technology concept in 2017. Glu was founded in Luxembourg in July 2018, with software assets and other intellectual property transferred from the Founders into Glu.

Founders

The Founders of Glu have worked together for the past six years. All Founders have a background in technology and software development, having previously working on the same product team at Microsoft in the UK.

Subsequently, the Founders have been operating a software technology company in the UK, 345 Systems LLP¹. This remains an active business, with the majority of its revenues coming from services to major UK financial institutions.

The Founders of Glu are:

Dr Andrew Rivers

A former Aeronautical Engineer, Andrew has a track record for delivering major software change project. Used to leading teams and making an impact, Andrew provides impetus, strategy and business experience to the Glu executive. Previous roles in GEC, Microsoft, Nationwide.

Thomas Gaigher

Thomas has a wide range of experience having worked in many different industries in the UK over the last 15 years. An accomplished product designer, Thomas brings a unique creative element to Glu's brand and product design. Previous roles include Microsoft, Nationwide.

Paul Brown

Paul is a highly accomplished architect and engineer, having designed highly successful major systems in the UK banking and EU pharmaceutical sectors. With a passion for technology and a gift for getting the best out of developers, Paul is the engineering mastermind. Previous roles in IBM, ICL, DELL, Microsoft.

James Hockey

James is a master organizer, having help both management and technical roles in several UK companies. James ensures the details are correct and the operations of Glu run smoothly. James has experience in senior management and technical roles including companies at BT, Virgin Media and Microsoft.

Investors

Dan Gershony

Dan has been involved in the cryptocurrency industry for the past 7 years. Currently CTO of Stratis Platform, Dan brings a wealth of industry knowledge and relationships into Glu. Dan is also the founder of CoinVault.

Jeremy Bokobza

Jeremy has also been involved in the cryptocurrency industry for 7 years. Currently Head of Engineering at Stratis Platform, Jeremy also advises several other cryptocurrency businesses.

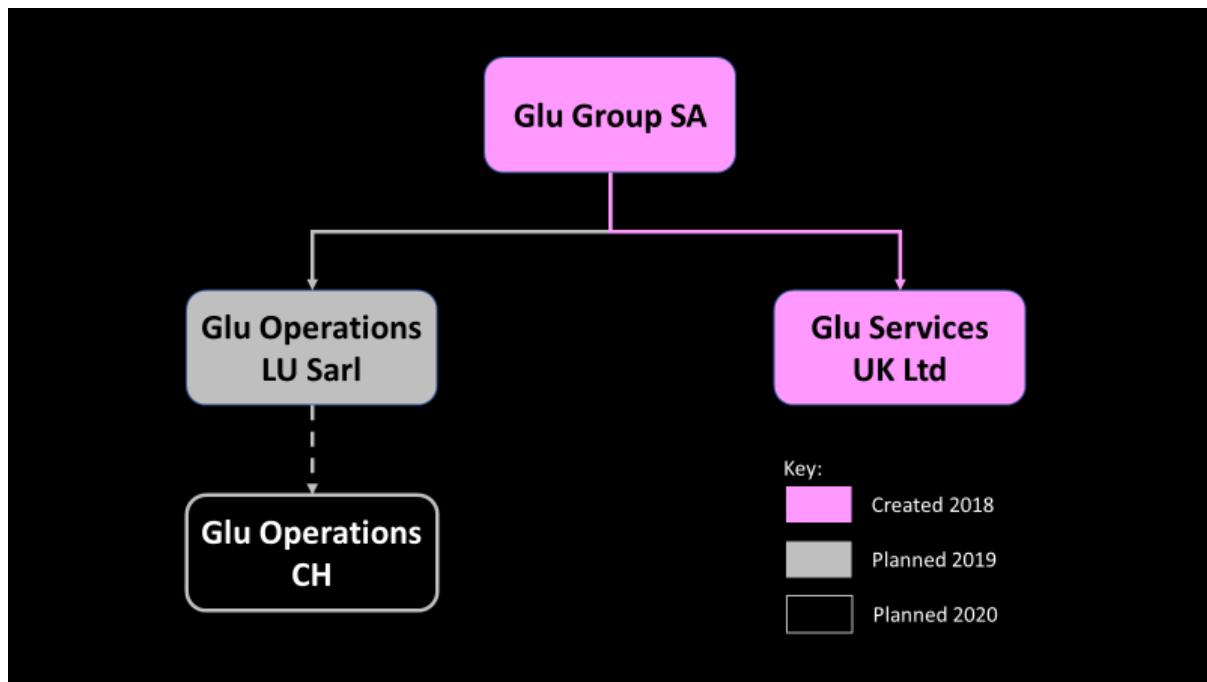
¹ <https://www.345.systems>



A Legal Structure Designed for the Future

When we designed the location of the head office and the locations of the operating subsidiaries, we took expert advice to come up with a great solution. Our operational businesses take advantage of the regulatory certainty in Luxembourg and Switzerland. Our group services are based in the UK where we have access to great talent and connections.

The following diagram shows the legal structure for Glu Group:



Glu Group SA

This is the parent company of the group, based in the centre of Luxembourg City. This company holds the main assets of the company and is a conduit for inter-company financial transactions.

Glu Services UK

This subsidiary is based in the UK, with locations in London and Winchester and takes advantage of the Founders' skills and networks. The business provides development services to Glu Group for the technology platform, and provides IT operations, marketing and customer support functions for Glu Operations.

Glu Operations LU

This subsidiary is also based in the centre of Luxembourg City, collocated with Glu Group SA. Preparations for incorporation are being made at the time of writing, with the intention of the company being established and gaining the appropriate business licence by the end of April 2019. This company forms the main trading arm, and hence is the business entity that will gain the financial trading licences in order to launch the cryptocurrency trading service by the end of 2019.

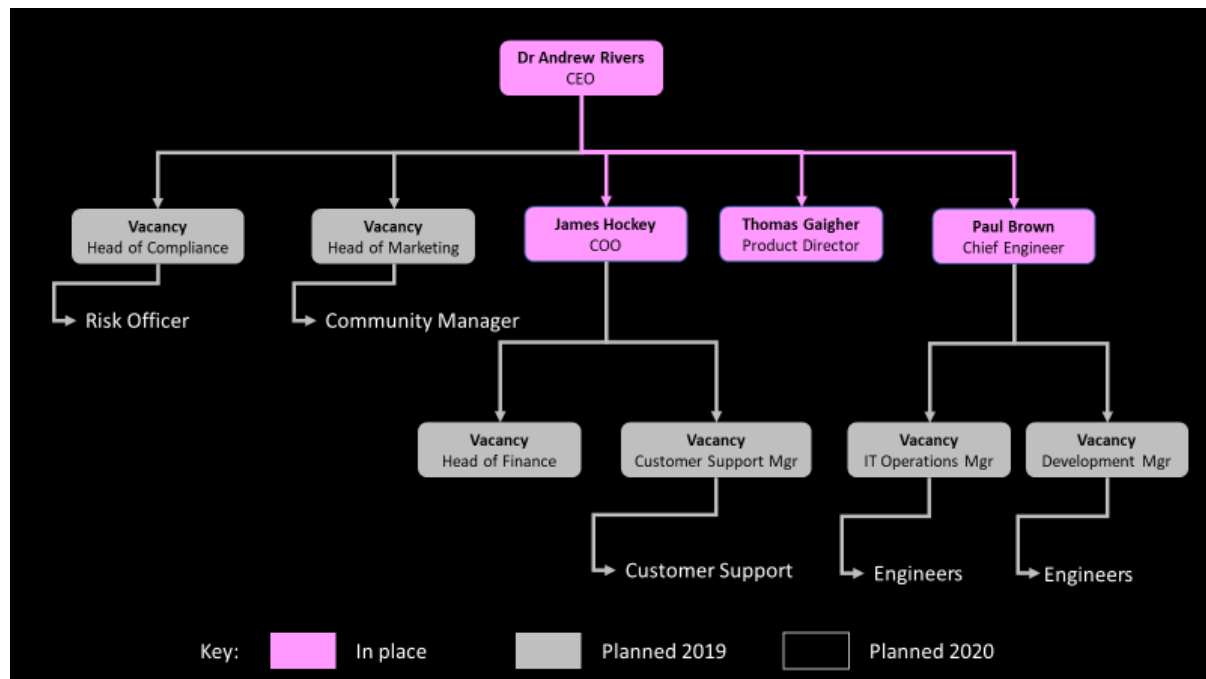
Glu Operations CH

This is a branch of Glu Operations LU, located in Switzerland. This allows Glu to also trade under Swiss law and benefit from a relationship with the Swiss regulator, FINMA. Planned for 2020, this entity also makes Glu more tax efficient through its operations in Switzerland.



Management Structure

Our management structure spans the individual companies in the Group to form a single logical organisation.



The key roles are as follows:

Dr Andrew Rivers, CEO

As CEO, Andrew is responsible for the following:

- Accountable for overall business performance
- Company Strategy
- Investor relations
- Organisational culture and values
- Chairman of the Board
- Interim Sales and Marketing

James Hockey, COO

As COO, James is responsible for the following:

- Financial strategy
- Financial control
- Customer support
- Internal IT
- Internal processes, monitoring and reporting

Paul Brown, Chief Engineer and CTO

As Chief Engineer and CTO, Paul is responsible for the following:

- Technology strategy
- Development of the technology platform
- Operation of the technology platform



- Information security

Thomas Gaigher, Product Director

As Product Director, Thomas is responsible for the following:

- Product strategy
- Product design
- Brand design and content

Head of Marketing

Scheduled for 2019.

The Head of Marketing role is responsible for the following:

- Marketing strategy
- Digital marketing and digital sales
- Social marketing
- Offline marketing
- Brand communication

Community Manager

Scheduled for 2019.

The Community Manager role is responsible for the following:

- Relationships and promotion within the cryptocurrency community
- B2B sales to other cryptocurrency businesses

Head of Compliance

Scheduled for October 2019.

The Head of Compliance is responsible for the following:

- Regulatory reporting
- Customer complaints and issues
- Ensure business activities meet regulatory requirements

Risk Officer

Scheduled for October 2019.

The Risk Officer is responsible for:

- Monitoring operational and financial risk
- Ensuring appropriate controls are in place



SWT

The SWT Analysis (Strengths, Weaknesses, Trends) has been a useful technique for us to better understand our Strengths and Weaknesses, and for more clearly identifying both the opportunities open to us and the potential threats we may face now and into the future.

The SWT analysis has helped us carve a sustainable niche within our market.

Strengths

The Strengths of Glu are the assets and resources that provide us with a competitive advantage or benefit.

Founders have operated a software business since 2015

The founders of Glu have operated a UK software business, 345 Systems LLP, since 2015. The Founders still own this business, although they no longer work in 345 on a day-to-day basis. This demonstrates the ability of the founders to launch and run a technology-based business, to recruit the appropriate people into the business and to implement the necessary systems and controls.

Investors have deep industry knowledge and contacts in crypto

The early investors in Glu, Dan Gershony and Jeremy Bokobza, are well known and respected figures in the cryptocurrency community. Dan is the Chief Technology Officer (CTO) of Stratis Platform. Jeremy is Head of Engineering at Stratis Platform and advises other crypto businesses on ICOs.

Founders have deep experience of building transactional systems

Paul Brown, Chief Engineering Officer, has been instrumental in the architecture and delivery of significant transactional systems in both the Pharmaceutical and Banking industries. Experience gained from these ventures has been fed into the design of Glu to ensure that the service is robust, secure and able to withstand the high workloads required to function as a global cryptocurrency website.

Branding businesses and services

Thomas Gaigher and Andrew Rivers have, between them, developed brand concepts for other businesses and ventures in the past. The iconic monochrome branding of 345 Systems is a case in point. This expertise has fed through into the Glu brand, which expresses complex themes and messages in a succinct and easily recognisable brand.

Well balanced leadership team

The leadership team of Glu each have different strengths and different personalities, which together gives a harmonious blend. The team can collectively display entrepreneurial flair, technical and engineering depth, risk management and action-oriented delivery.

Founders have a long-standing professional relationship

The Founders of Glu hail from a previous business, 345 Systems, and have worked together professionally for 6 years. Some of the Founders have worked together professionally for over 10 years, giving the top team of Glu a stability and cohesiveness that is hard to generate in a short period of time.

Corporate structure designed for financial regulation

The world of cryptocurrency trading is gradually falling in line with the regulatory regimes associated with traditional finance. Glu has been designed from the ground-up to embrace this new world. We understand our compliance requirements from day one, which means that as other crypto businesses are disrupted as they try to make their operations comply, we at Glu can plan on business as usual.



Learning from the mistakes of the forerunners

Glu is not the first swap service, nor is it the first crypto exchange, nor is it the first information site for cryptocurrencies. As the world of cryptocurrency matures, we are able to learn from the best and then innovate beyond that, to provide a compelling service for our members.

Weaknesses

The current Weaknesses of Glu are those areas within our business where we lack expertise, resources, connections or exposure.

Insufficient Track Record in Sales and Marketing

Our Founders do not have the depth of experience in sales and marketing we need for the future, particularly in the digital space, that is required to make us a successful international company.

We will mitigate this weakness through the recruitment of an experienced Head of Marketing.

No Relationship with Regulatory Authority

A key goal of the service is to achieve sufficient regulatory alignment and accreditation to be able to offer cryptocurrency sales through the platform. We have not yet developed a working relationship with the Luxembourg regulator, CSSF, nor have we filled the required roles.

We mitigate this weakness by leveraging our relationship our Luxembourg lawyers, DuPont Partners, who have the required contacts and relationships with CSSF in Luxembourg.

Insufficient Funding to Develop the Service After Initial Launch

The initial investors in Glu have provided sufficient start-up capital to be able to build a working first “minimum viable product”; a second round of funding was always envisaged as a prerequisite to support the launch and development of the live service. The resources required to launch and operate the live service are considerable when compared to those required for the initial build.

Additional funding is required for the following areas:

- Recruitment of leadership roles in Finance, Sales and Marketing, and Compliance
- Operating capital requirements
- Digital marketing
- Building and running Member Services
- Further enhancement of the Engineering team to achieve future goals

We will mitigate this weakness through a fundraising round to issue \$2M of equity and structured debt, beginning Q1 2019.

Trends

More Crypto Tokens and Coins Launching

There is a rapid expansion in the number of crypto tokens and coins launching.

The climate for investment into digital assets and for the subsequent trading of these assets favours services such as Glu that are willing to support a wide range of assets, and to embrace new coins.

Impact of regulation



The industry is already seeing exchanges that are having to either close, move jurisdiction or restructure significantly to meet regulatory requirements. Future exchanges and cryptocurrency services will need to design regulatory compliance into their platforms and processes.

As Glu is designed from the ground-up to meet regulatory requirements; this gives us an edge over long-established businesses.

The Crypto Winter

The cryptocurrency industry has been in the doldrums for the past year. Crypto values have plummeted following the peaks of January 2018 when the Bitcoin Bubble burst. Since then, the markets have been trying to establish fair value for cryptocurrencies, and valuations have sunk steadily.

Our assessment is that valuations have now overshot the mean and cryptocurrencies are undervalued. The market is bottoming out and the next bull run in crypto will start by mid-2019. This bull run will draw new participants into the market, which presents Glu's service as an excellent solution for new entrants.

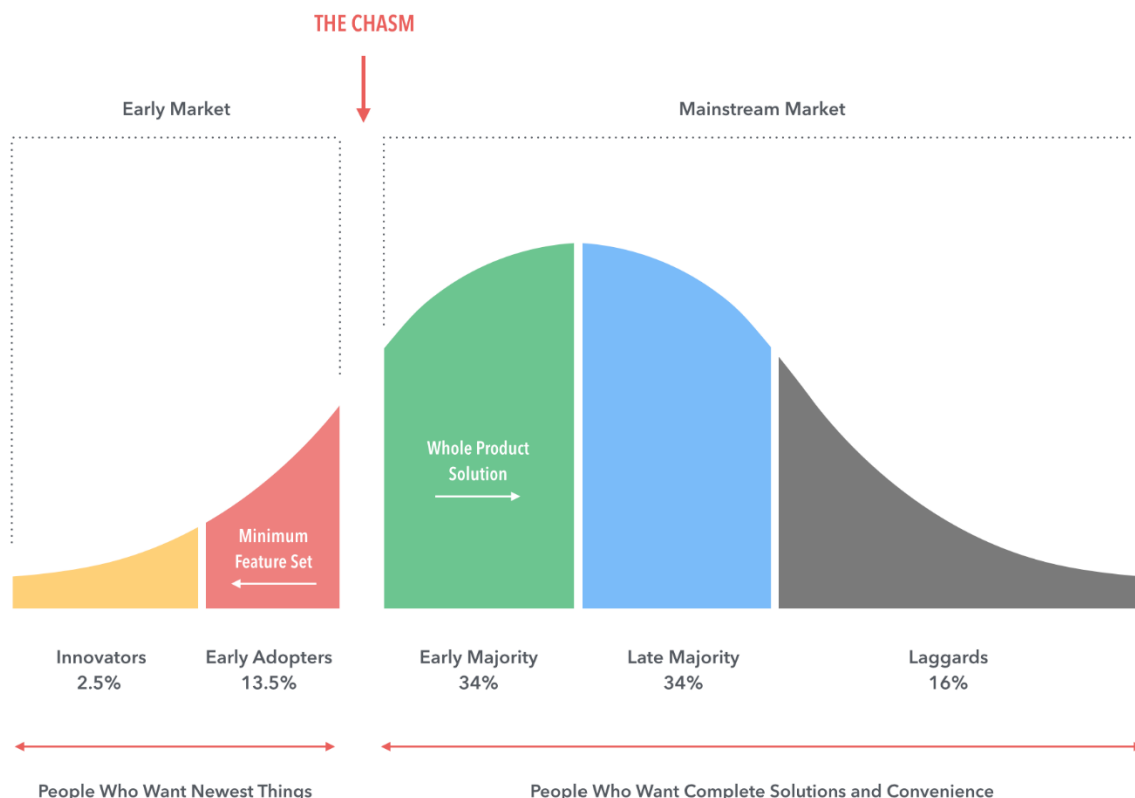


Analysis

Why is Cryptocurrency Adoption so Poor?

Widespread public adoption of cryptocurrencies remains a future dream for many in the industry. Our estimate is that 5% of the population has exposure to some cryptocurrency ownership. There is a widespread goal within the cryptocurrency industry to increase participation, yet progress remains slow.

We reference a widely-known model for technology adoption, The Diffusion of Innovations by Everett Rogers². This rule states that 2.5% of people are Innovators, they readily create and adopt technology. The next 13.5% of people are Early Adopters, they see the potential in new technology once it is viable and adopt it. The next 34% are the Early Majority, the pragmatists. The next 34% are the late majority, conservatives who adopt only when technology is proven. The final 16% are the Laggards who will not adopt new technology unless forced to.



In Crossing the Chasm³, Geoffrey Moore argues that there is a chasm between the Early Adopters and the Early Majority. This chasm is founded in the difference in *mindset* between these groups. ***Early Adopters seek social proof before they adopt new technology.***

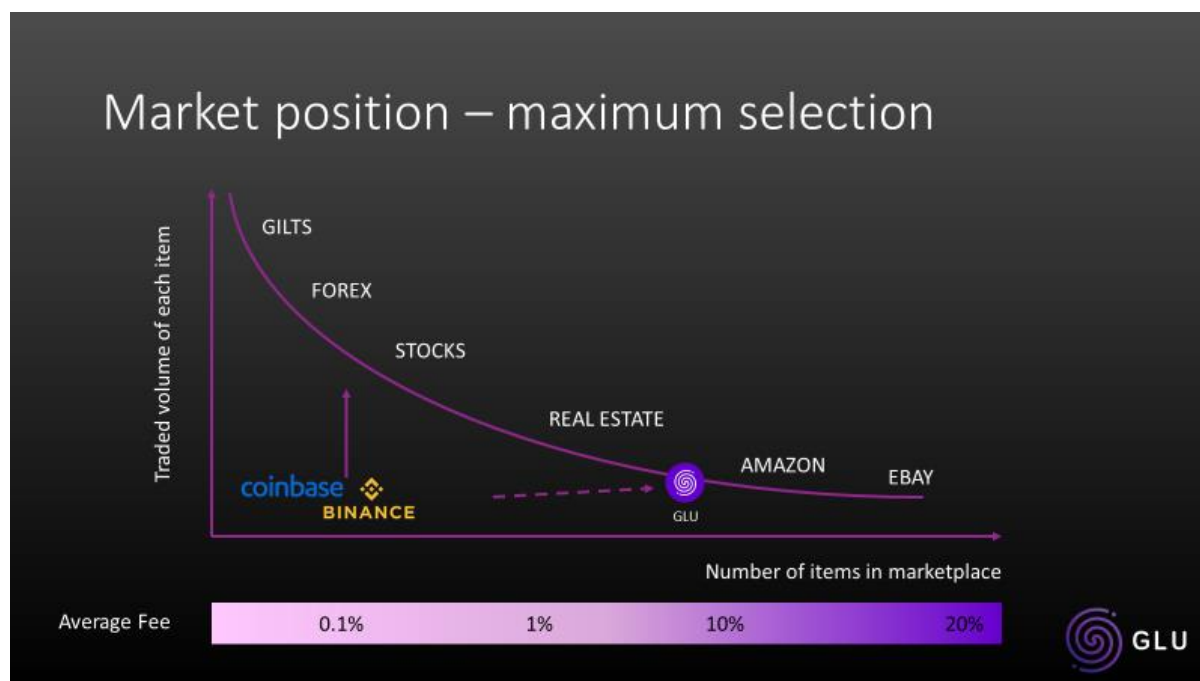
Glu's approach, to be the "Trip Advisor" of cryptocurrency, places us in this specific role of being the providers of the required social proof. This will unlock new adopters for cryptocurrency and make Glu the *de facto* entry point into cryptocurrency for these people.

² https://en.wikipedia.org/wiki/Diffusion_of_innovations

³ Crossing the Chasm: Marketing and Selling Technology Products to Mainstream Customers, Geoffrey Moore, Harper Collins, 1991.

We Understand how Market Depth Affects How a Marketplace Behaves

Markets behave differently depending on the breadth of offering and the number of participants.



With reference to the above diagram, most cryptocurrency trading currently mimics Forex trading. In this type of market there is a small number of items for sale and a high number of buyers and sellers participating at any one time. The function of an exchange is therefore to match buy and sell orders, assuming that these orders are almost always available. This is where most cryptocurrency exchanges are currently competing against each other.

As the number of items increases there becomes a function for a broker to match buyers and sellers. This applies to stocks and real estate. There are buyers and sellers, yet the job of matching these requires the input of the broker. The broker therefore provides value by facilitating the transactions.

As the number of items in a market increases to a high number, such as Amazon and eBay, the value of the items in the marketplace do not give sufficient scope for brokers. The value lies in the ability of the marketplace to match buyers to sellers. The marketplace must be able to understand the preferences of the buyer based on previous behaviour, or on the behaviour of similar buyers, and provide relevant choice.

There are currently thousands of cryptocurrencies and tokens, and the number is increasing all the time. In a future where there are tens of thousands of cryptocurrencies – or even millions – this type of marketplace will be the only viable way that small-cap cryptocurrencies can be traded.

We Understand Our Competitors

Glu's service does not compete directly with existing services, although we regard competitors falling broadly into three categories:

- Cryptocurrency information sites
- Cryptocurrency exchanges
- Cryptocurrency OTC dealers



Cryptocurrency Information Sites

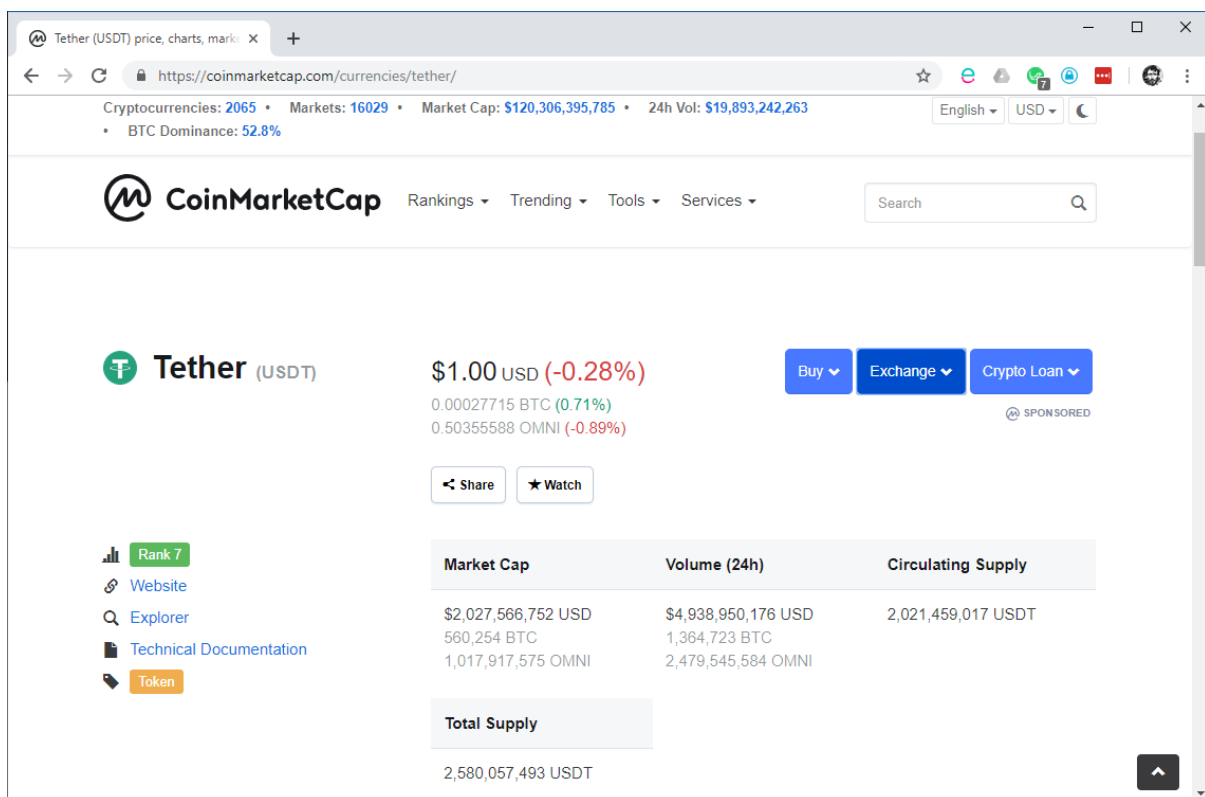
Typically, cryptocurrency information sites focus on prices (current price and historical prices). They also contain cursory information on coins and links to more information.

Examples of competitors are:

CoinMarketCap (<https://coinmarketcap.com/>)

CoinMarketCap maintains price information for over 2,000 coins and is very much the go-to site for crypto prices. Each currency listing, in addition to price information, has links to social media and the coin's website.

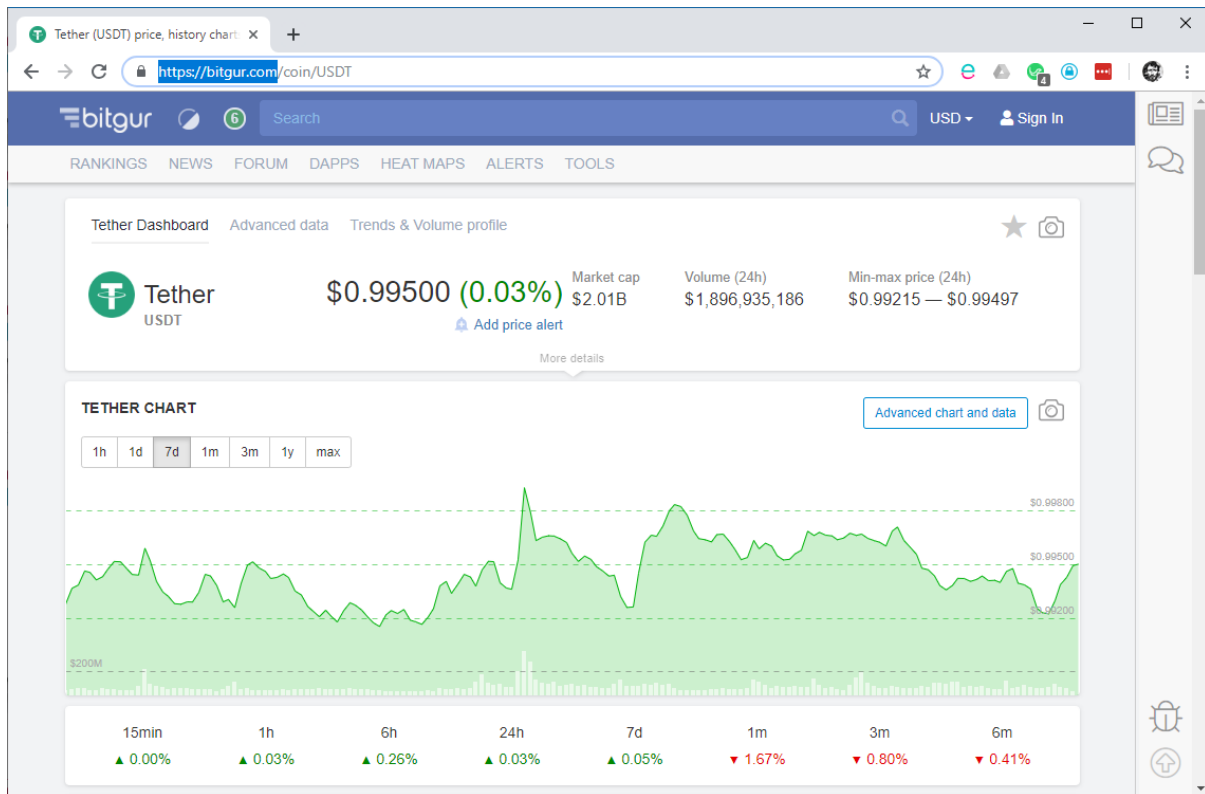
Complaints around CoinMarketCap are that they are slow to respond to changes in the industry, to new coins and they are complacent in their position. CoinMarketCap are the leading information site, and so they have a significant advantage in being the known reference point for price information among experienced crypto owners.



Bitgur (<https://bitgur.com/>)

Bitgur is similar to CoinMarketCap, with more focus on exchange prices and less focus on links to external resources. Bitgur has a more visually appealing design compared to CoinMarketCap yet does not offer a significantly different service.





Glu's Niche

Compared to the above sites, Glu's advantages are:

- We provide richer information on the coins so that our users are better informed.
- We allow users to contribute information so that our users can benefit from social proof.
- We provide means of engagement through Q&A, reviews and comments, allowing our data to be richer because of our user base.
- We are not limited to just cryptocurrencies, our users can benefit from information on other related items such as wallets, blockchain platforms, exchanges and dealers.

Compared to the incumbents we have the following disadvantages:

- Lack of brand name recognition

Cryptocurrency Exchanges

There are many cryptocurrency exchanges, which are typically modelled on traditional financial trading applications. These allow people to create a range of buy and sell orders. An alternative style of exchange is known as a "swap service", and this allows immediate sale / exchange of cryptocurrency.

The competitors listed here are major players in the industry. This list is not exhaustive, but has been selected to highlight the competitive position relative to Glu. Other exchanges that are not listed will fall into similar categories.

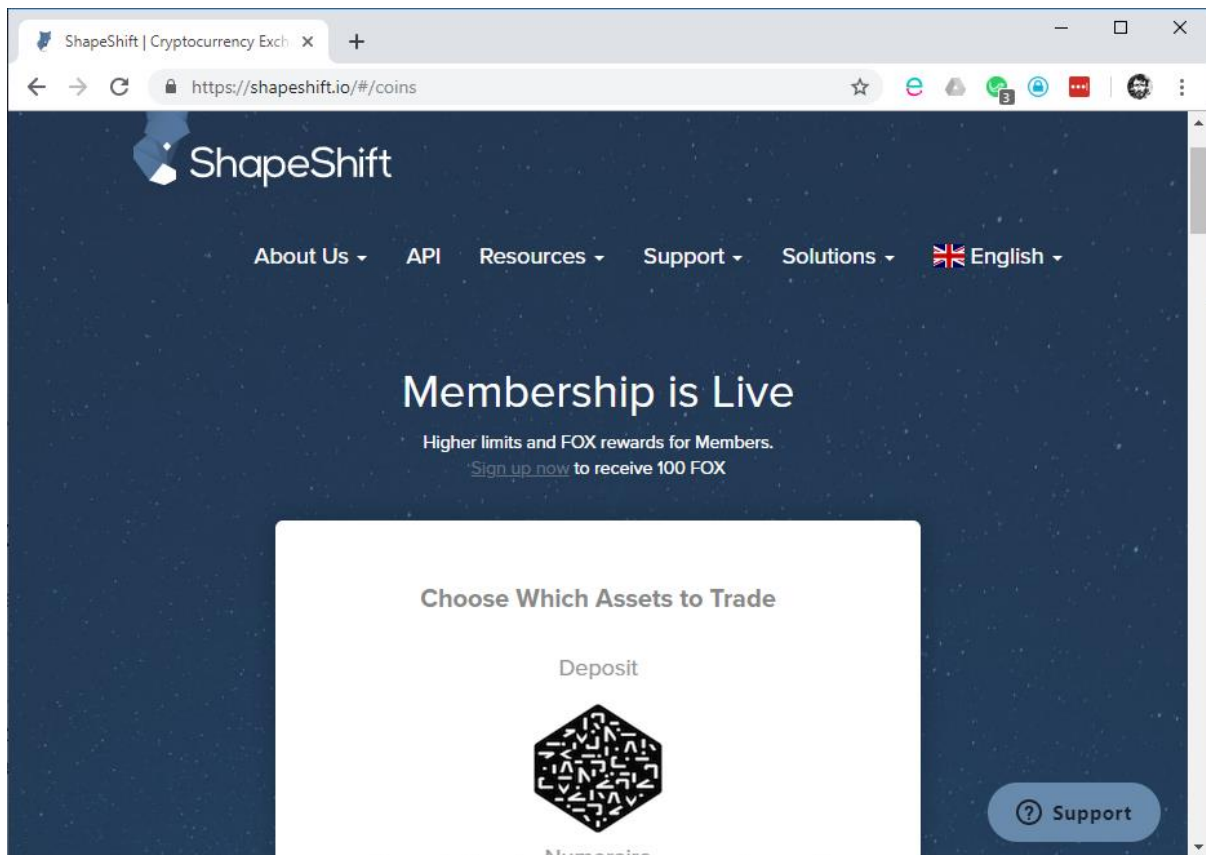
Example competitors are:

ShapeShift (<https://shapeshift.io/#/coins>)

ShapeShift is a swap service that allows immediate swaps of cryptocurrencies. They do not support fiat currency and cannot be used as an entry point. ShapeShift's business model, immediate swaps, means



that they have to hold stock of cryptocurrency and this has caused them significant losses over the past 12 months.



ShapeShift's advantages:

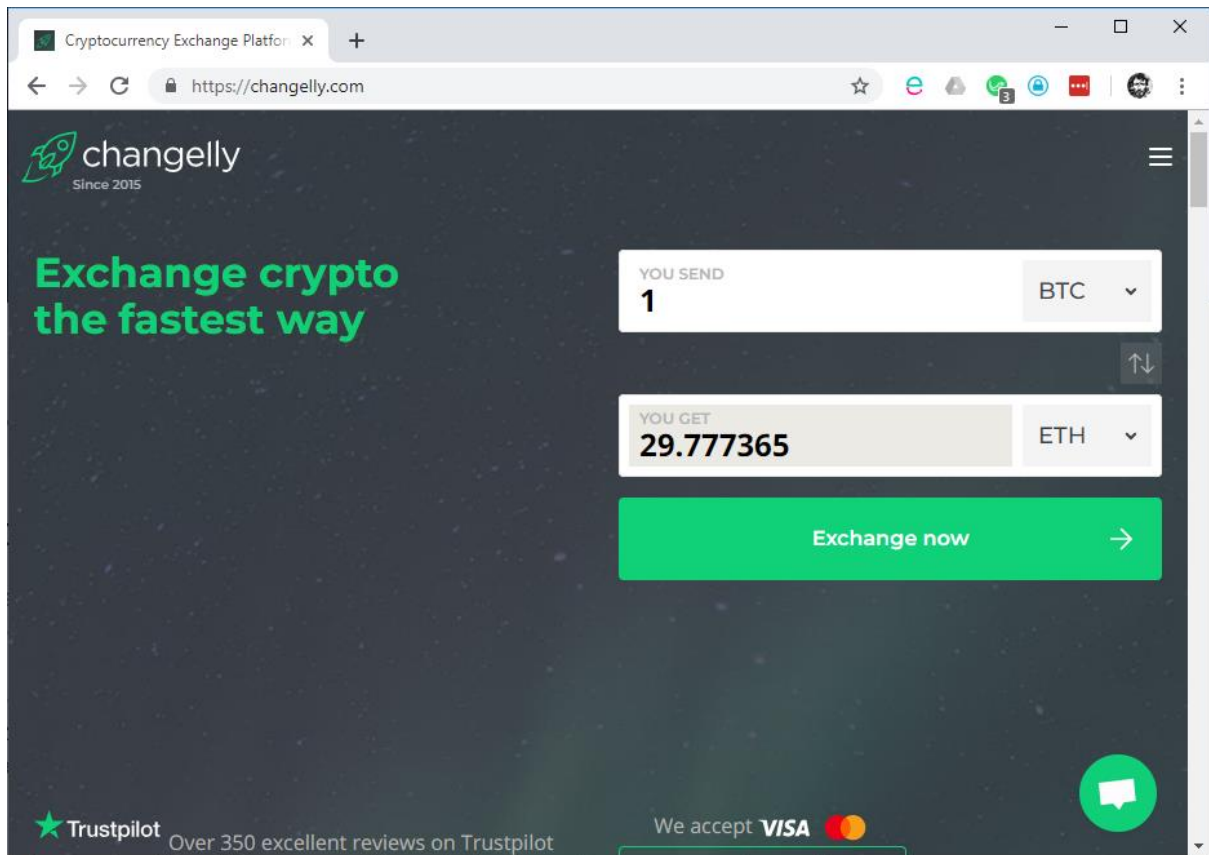
- Brand name recognition as the #1 swap service
- Integration with many wallet providers
- Does not require customers to give up custody of their funds
- Established market links to buy / sell currency to keep liquidity

ShapeShift's disadvantages:

- No fiat currency – cannot be used as an entry point into crypto
- Business model leaves them exposed to currency price changes
- Limited number of coins on offer

Changelly (<https://changelly.com/>)

Changelly is ShapeShift's main competitor, and provides an equivalent service to ShapeShift, although with some differences. Changelly accepts card payments and can therefore be used to buy into cryptocurrencies.



Changelly's advantages:

- Brand name recognition as a major swap service
- Integration with many wallet providers
- Integration with ICO platforms
- Accepts card payments
- Does not require customers to give up custody of their funds
- Higher number of coins on offer than ShapeShift

Changelly's disadvantages:

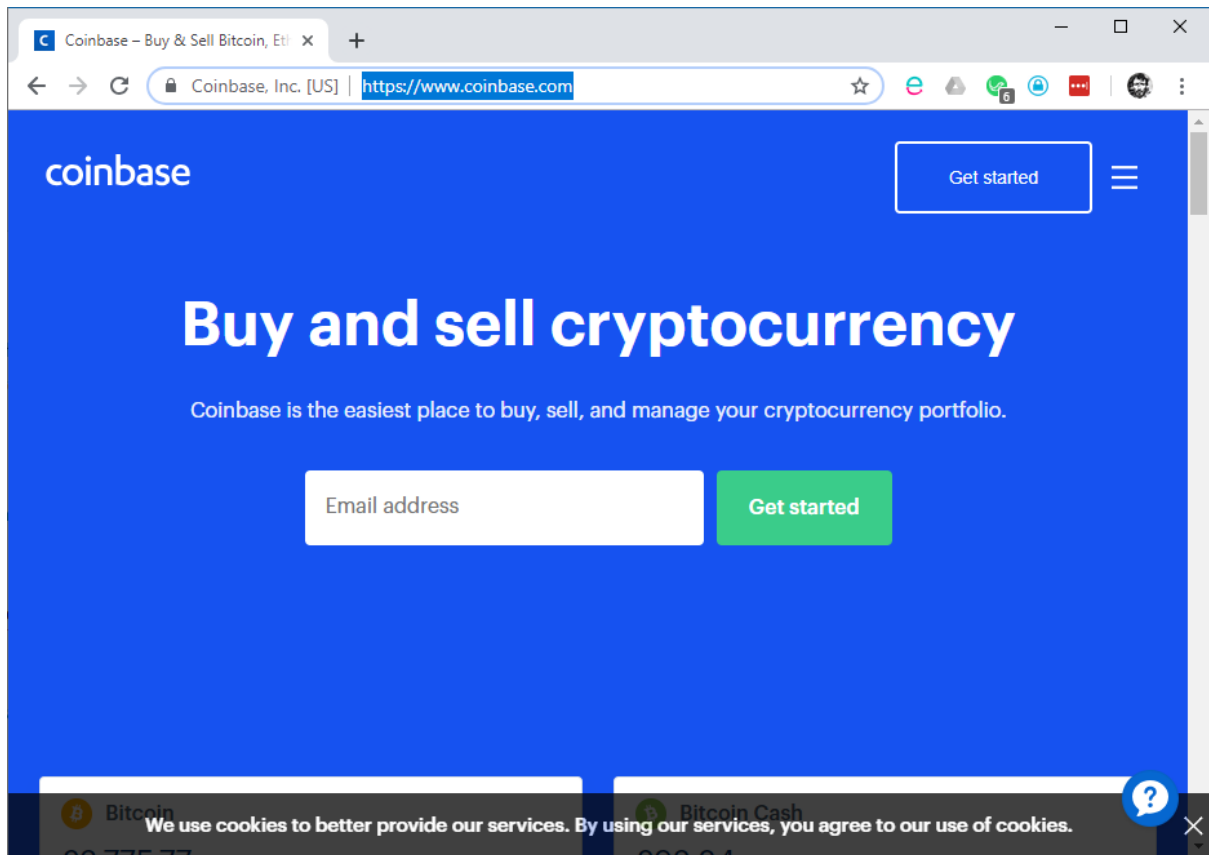
- High charges on fiat currency
- Business model leaves them exposed to currency price changes

Coinbase (<https://www.coinbase.com/>)

Coinbase is the leading cryptocurrency website in the western world. Originally starting as a hosted Bitcoin wallet, Coinbase has grown into a major platform and seeks to become the “crypto bank for the world”.

Coinbase's cryptocurrency exchange requires customers to have their funds in a Coinbase wallet, which effectively means that Coinbase have custody of the funds.





Coinbase's advantages:

- Brand name recognition as the leading cryptocurrency site
- Hosted wallet
- Integrations with external service providers, such as Uber
- Accepts card payments and fiat currency
- Extensive financial resources

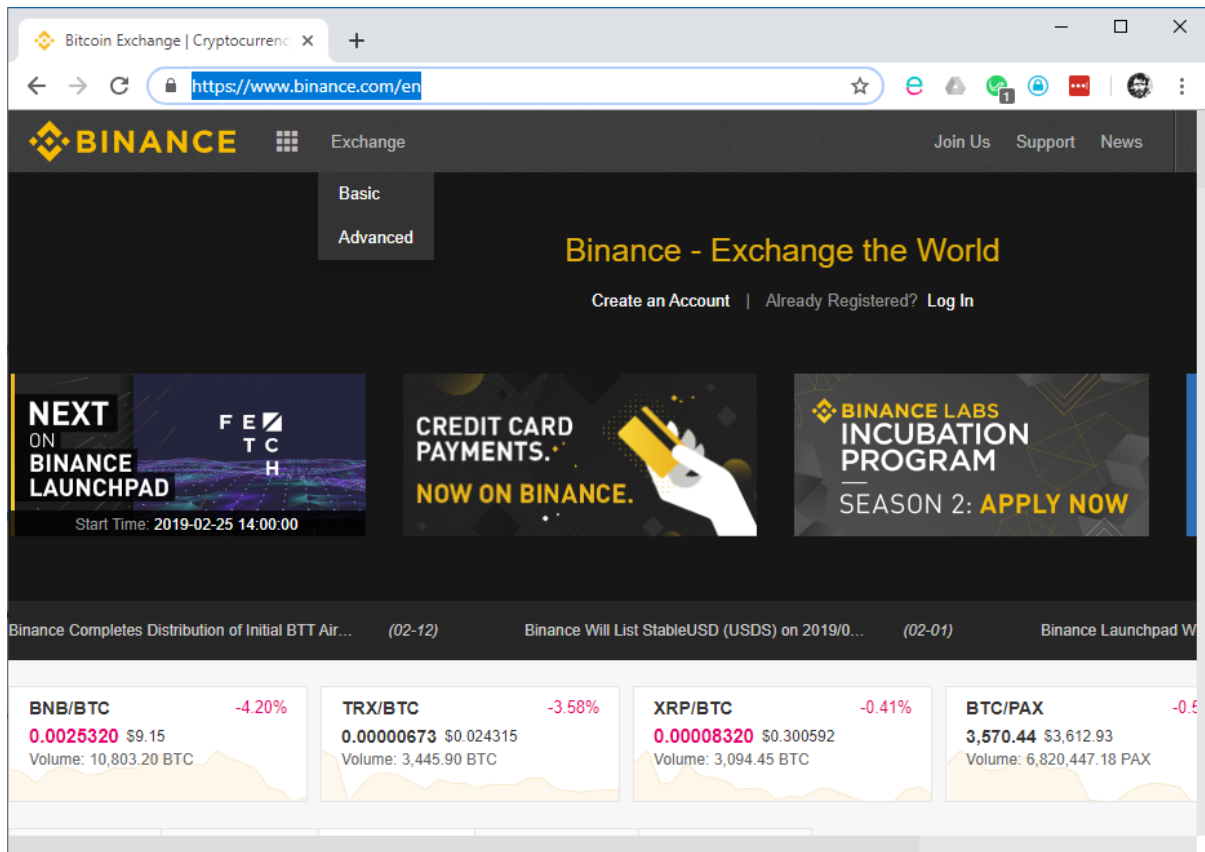
Coinbase's disadvantages:

- Limited number of coins on offer
- Brand is functional, not emotional
- Attracts users through safety not desire

Binance (<https://www.binance.com/en>)

Binance is another of the world's major cryptocurrency exchanges, now located in Malta – having moved from Hong Kong. Binance do not deal in fiat currency





Binance's advantages:

- Brand name recognition as a leading cryptocurrency site
- Wide selection of coins
- Extensive financial resources

Binance's disadvantages:

- Does not support fiat currency
- Aimed at technically adept customers, not consumers
- High cost of taking on new cryptocurrencies

Glu's Niche

Compared to the above exchanges, Glu's advantages are:

- We will offer information on a wide selection of coins so our users are better informed
- We will offer a non-custodial, peer-to-peer means of exchange so that our customers benefit from a more immediate and transparent way of buying
- We provide richer information on the coins so that our customers are better informed about what they buy
- We allow users to contribute information so that they can benefit from each other's insights
- We provide means of engagement through Q&A, reviews and comments so that they can rely on social proof before buying

Compared to the incumbents we have the following disadvantages:



- Lack of brand name recognition
- Trades are not “instant”, as they would be in a custodial exchange

Cryptocurrency OTC Dealers

Trading of altcoins relies heavily on OTC dealers (brokers) that put together deals between buyers and sellers. This is a symptom of there being little functioning online market for these deals.

We will not analyse specific OTC dealers as competitors, we merely note that they exist as a means of trading crypto, especially in large deals. This is because the online markets are not yet developed to the point where they can function for all types of cryptocurrency deals.

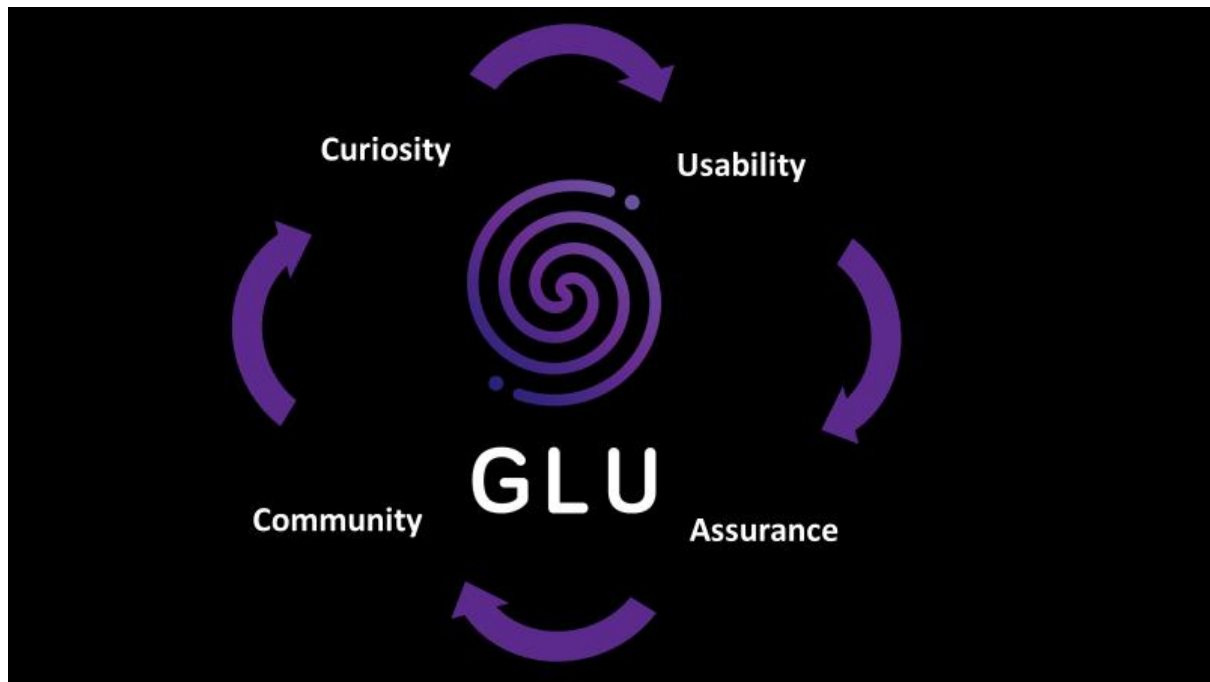


Attracting the Right People in the Right Numbers

Our marketing plan details our products and services, pricing and promotional activities as a broad-brushed overview.

Marketing Focus

Glu's marketing focus is related to the *mindset* and *worldview* of the people we service, not rooted in any traditional demographic. Having said that, it is probably the case that Millennials will form the bulk of our customer base.



We focus on the following themes:

Curiosity

Our customers are interested in learning new things about the world; they see in Glu an opportunity to discover and learn about cryptocurrencies. This informs the information and content that we present on the Glu platform.

Usability

Our customers seek technology that is easy to adopt, that builds on patterns and knowledge they have already acquired. This drives our product design and how we describe this to our potential customers.

Assurance

New adopters of cryptocurrency seek forms of social proof that what they are buying into has a foundation of trust associated with it. Through our system of ratings, reviews, user content and seller verification, we aim to provide reassurance that is not available elsewhere. Our desire to gain regulatory approval is a testament to how seriously we wish to provide assurance.

Community



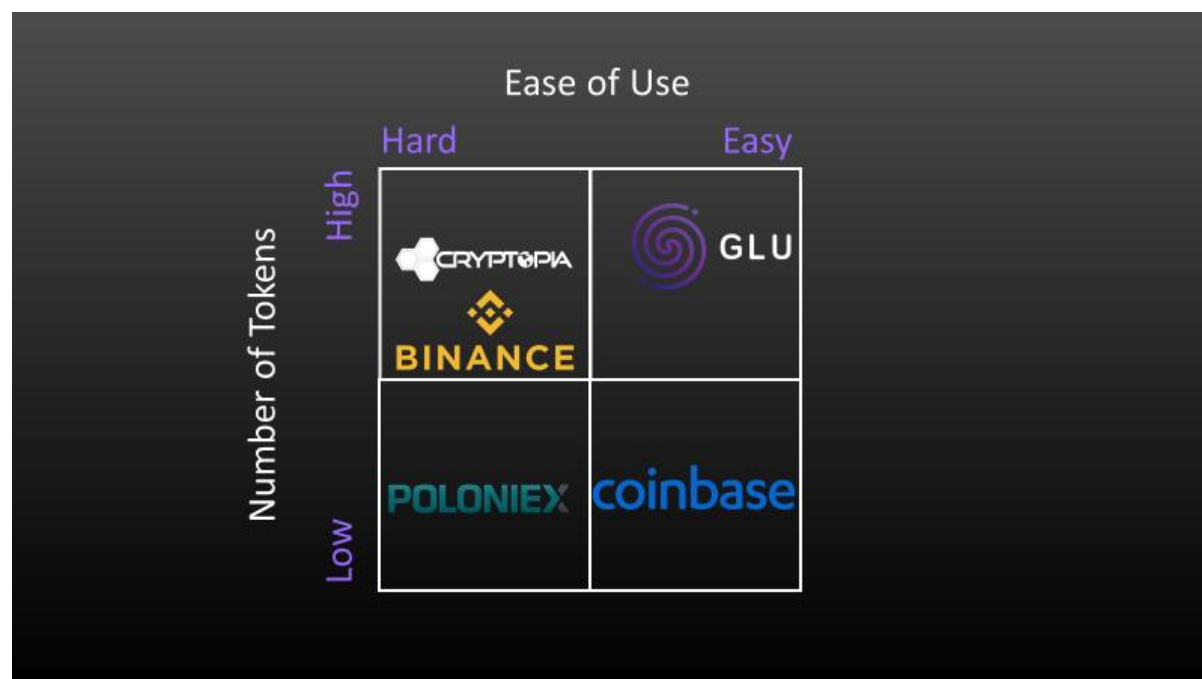
Our customers seek others that are interested join the same things as they are, that are curious in the same ways and share the same solutions. Our platform offers them the chance to share information and consume content that has been generated by similar people.

Market Position

We are unashamedly consumer-focussed. We therefore focus on ease of use, ease of adoption as a primary differentiator.

Our “Trip Advisor” position allows our customers to explore the widest selection possible, and the “Amazon Marketplace” model provides the widest choice to buyers.

This leaves us with a clear position in the market as summed up below:



We Know our Target Customers

Businesses that Benefit

Although we envisage a future where all crypto-related businesses will want to participate in the Glu platform, we will start by appealing to cryptocurrencies.

Other crypto businesses that we will bring onboard over the next 12 months are:

- Wallets
- Crypto payment services
- Blockchain platforms

The Glu Consumer

Our target consumers are tech-savvy Millennials and Gen-Xers. These are people that are comfortable with technology solutions even if they are not yet active in cryptocurrencies.

Our initial sandbox will be to sell throughout the EU, as this market is addressable through passporting of the Luxembourg financial approvals to other EU countries.



We estimate that our target market forms 5% of the EU population, approximately 25M in all. As we progress the service, we will enable customers in other countries, notably in Asia and North America, to trade through the platform.

A Leveraged Marketing Approach

Cryptocurrencies and cryptocurrency businesses each have their own communities of enthusiasts. Our first goal is to leverage these communities and bring them to the Glu platform.

Each crypto business needs to expand its appeal, and so Glu provides a win-win solution:

- Crypto businesses that list on the Glu platform can reach large numbers of new people
- Crypto businesses can bring their existing communities onto the Glu platform, which increases the participation for other crypto businesses

How We Make This Happen

Our marketing will utilise the following strategies to achieve our business goals.

Business Networks and Contacts

We will use our contacts to reach out to other crypto businesses, to encourage them to sign up to the basic service. This will be an ongoing process of prospecting, contacts and conversions following a defined B2B sales process.

We will also use attendance at crypto events and conferences to establish new relationships with other crypto businesses.

Social and Content Marketing

We will provide original, relevant and valuable content in the form of articles, videos, blogs and other media content in order to cement our position of being the trusted source of cryptocurrency information. We will then use social media channels to spread this content.

Digital Marketing

Glu is developing a relationship with a leading UK digital marketing company. This relationship gives us access to tools and insights on user behaviour so that we can maximise the effectiveness of digital marketing spend.



Growing Sales from Zero to Breakeven

We are launching in Q2 2019, and we will grow our sales from zero to the point where we have a great business. We know how we will do this.

Multiple Revenue Streams

We have three main sources of revenue that we will build over the next two years:

Business Subscriber Fees

Crypto businesses that list on the Glu platform will gain an advantage through the platform's reach to our user base.

We sell this service on a freemium model – free basic service, and then seek to upgrade these customers to a paid service. We have segregated our features so that it is in the commercial interest of our subscribers to upgrade to a higher tier of service.

Level	Basic	Pro	Premium
Price (annual)	\$0	\$1000	\$5000
Price (monthly)	\$0	\$100	\$500
Available from	Q2 2019	Q3 2019	Q1 2020
Features	Basic catalog listing Link to website Social links Custom icon and banner image Description Reviews	All Basic features plus: Q&A Promote your news Promote your events Alerts to your followers Nominate ambassadors to moderate content	All Pro features plus: Enable Buy & Sell Integration with your blockchain

This revenue stream does not require regulatory approval and will be developed through 2019 from the launch of the platform.

We already have some traction in this area: we have identified target crypto businesses and already have commitment from some of these to be launch customers.

Our goal is to enlist 1000 crypto businesses on the Pro subscription by the end of 2020 with subscription income of \$123K per month.



Sponsored Listings (Advertising)

In addition to subscription revenues we will offer the opportunity to business subscribers to promote their businesses through sponsored products.

This will be sold as a pay-per-click (PPC) auction, with customers setting daily caps on their advertising spend.

Our product design has locations set aside for sponsored content:

- Sponsored listings on the home page
- Sponsored listings on competitors' product detail pages

Pricing will be based on demand, although our business model assumes \$0.20 per click.

Our goal is to achieve 17.5K paid clicks per month by the end of 2020, bringing additional revenues of \$11K per month.

Transaction and Affiliate Fees

Every sale of cryptocurrency or goods sold on the Glu site will attract a fee. Over time we predict this to become the main source of revenue for Glu.

Our business model assumes that a customer with a Glu account will make a \$250 purchase 3 times per year via our platform, either as an affiliate purchase or through sales on the platform.

Our goal by the end of 2020 is to achieve nearly 8,000 transactions per month on the platform with revenues of approximately \$50K per month.

We make the following assumptions for customer revenue:

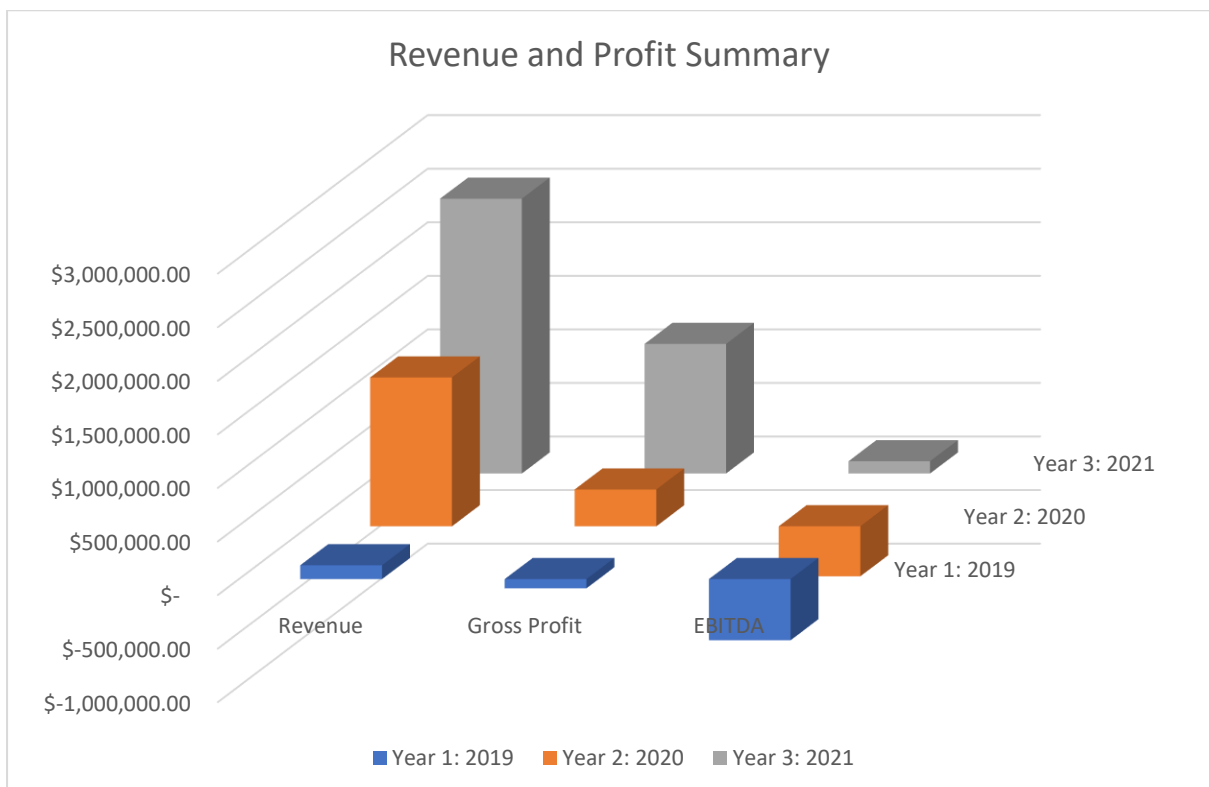
Assumption	Value
Average Trade / Purchase	\$250
Average Fee	2.5%
Customer Transactions per Month	0.25

The projected customer numbers are as follows:





The projected revenues are as follows:



Product Rollout Supporting the Commercial Strategy

The product rollout supports the commercial strategy by prioritising features that lead to early revenue streams. We have 2 major releases planned:

Community Release

This release is the information site where we build a position as the trusted entry point into the world of crypto. During this phase the primary focus is on building a user base for the free information provided by Glu. The primary revenue opportunity will be subscriptions from crypto businesses with supplemental income from sponsored clicks.

The user accounts created in this phase become a customer base that we market commercial services to in the subsequent release.

Commerce Release

This release, scheduled for Q4 2019, is where the Glu service supports buying of cryptocurrencies and affiliate purchases. Subject to regulatory approval, users that have met the appropriate anti-money laundering (AML) and know-your-customer (KYC) tests will be able to buy and sell on the site.

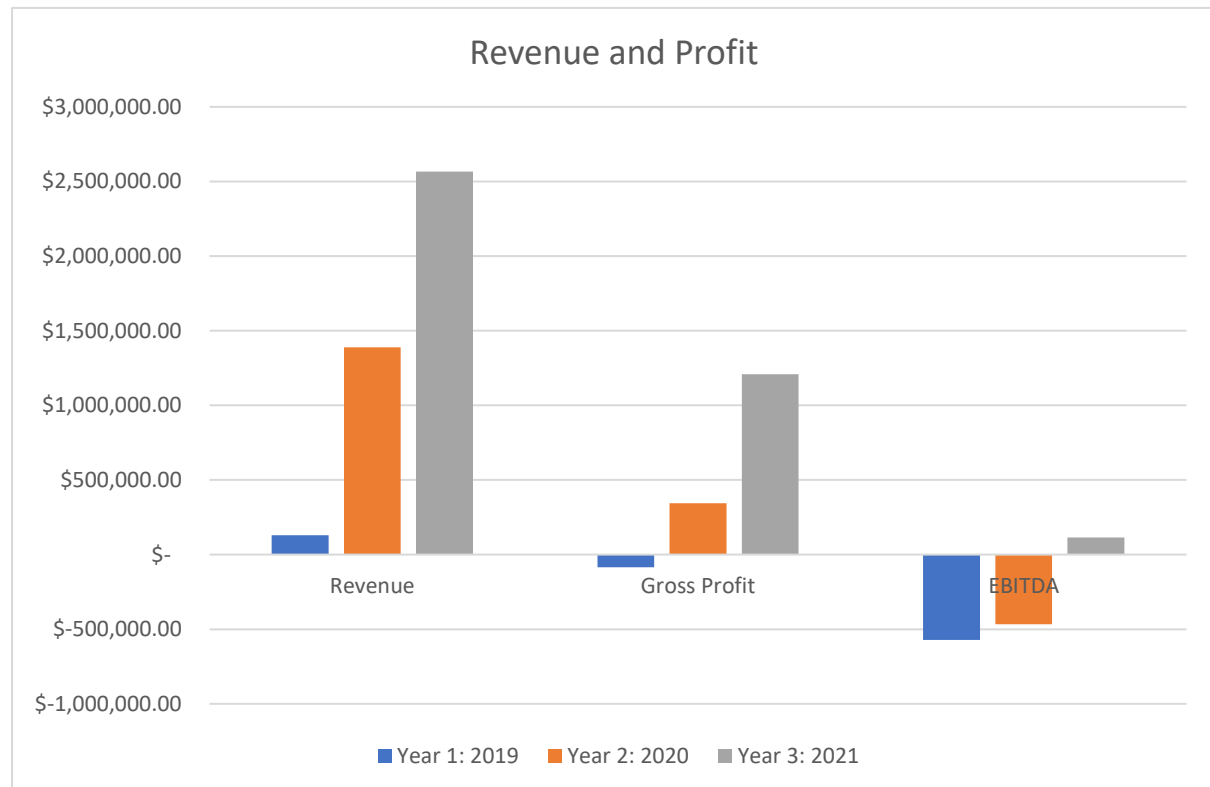
The rollout of the trading platform will also involve connecting different cryptocurrencies onto the platform. The business model currently assumes a \$500 per month standing charge for blockfacturers, although we will review whether a one-off connection charge should also be levied.



Financial Plan

Revenue and Profit Highlights

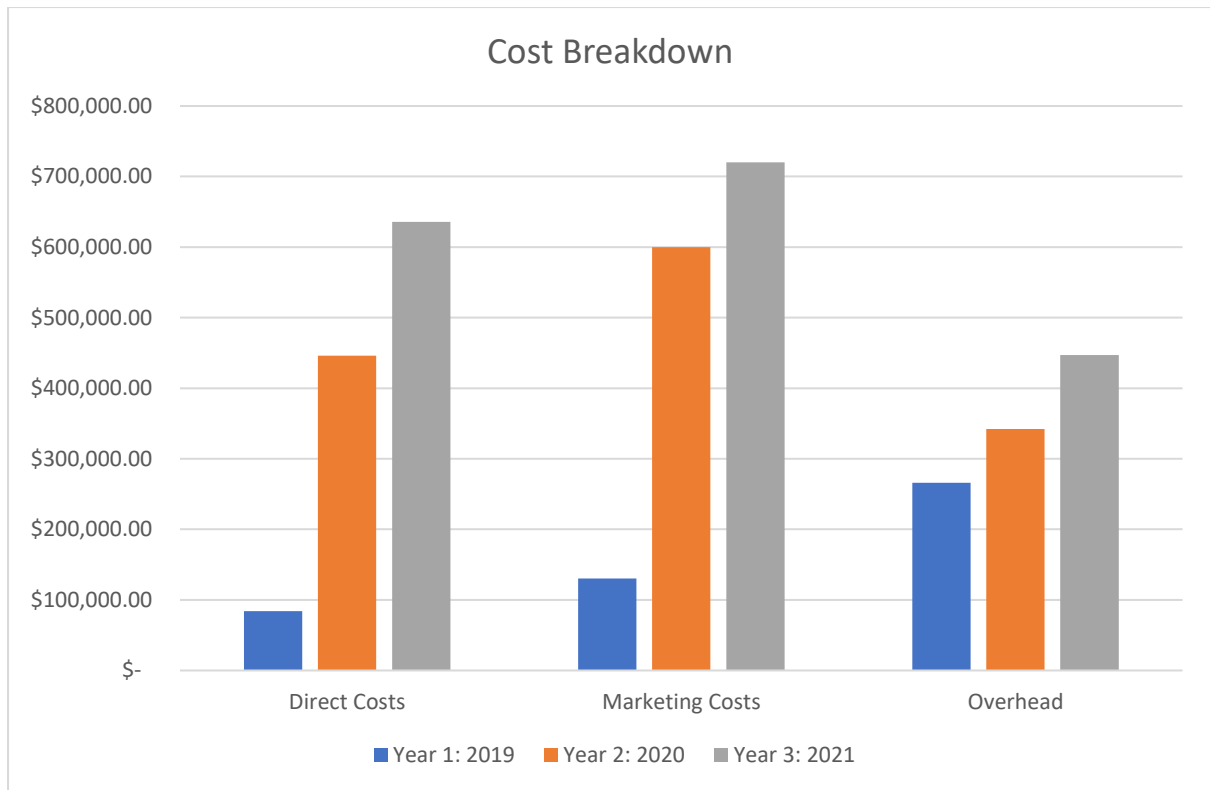
The chart below shows the projected revenue and profit for the next 3 years. Owing to revenues arriving late in 2019 the results predict an overall loss for year 1, with profitability coming in year 2 of the plan. By year 3, the accumulated customer base of Glu will provide solid revenues and profits.



Direct Cost and Overhead Highlights

The chart below shows the forecast breakdown of costs for Glu over the next 3 years. As with many technology service businesses, we envisage that Marketing costs will form a significant part of the overall mix. Owing to the financial nature of the service we have allowed for spend in customer services; this contributes significantly to the direct costs.

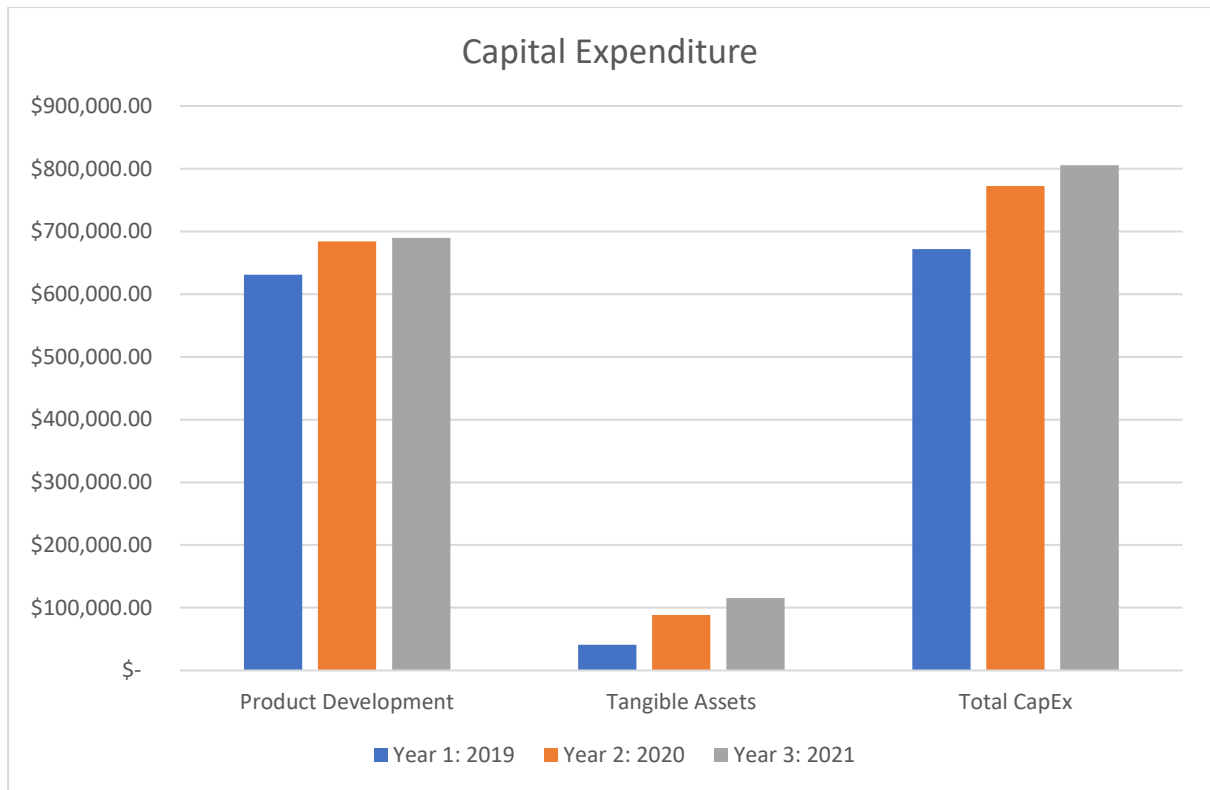




Capital Expenditure

Significant investment in the technology platform forms the bulk of the capital expenditure for Glu over the lifetime of the plan. The investment in product development will be reflected in the value of the technology assets that the company holds.

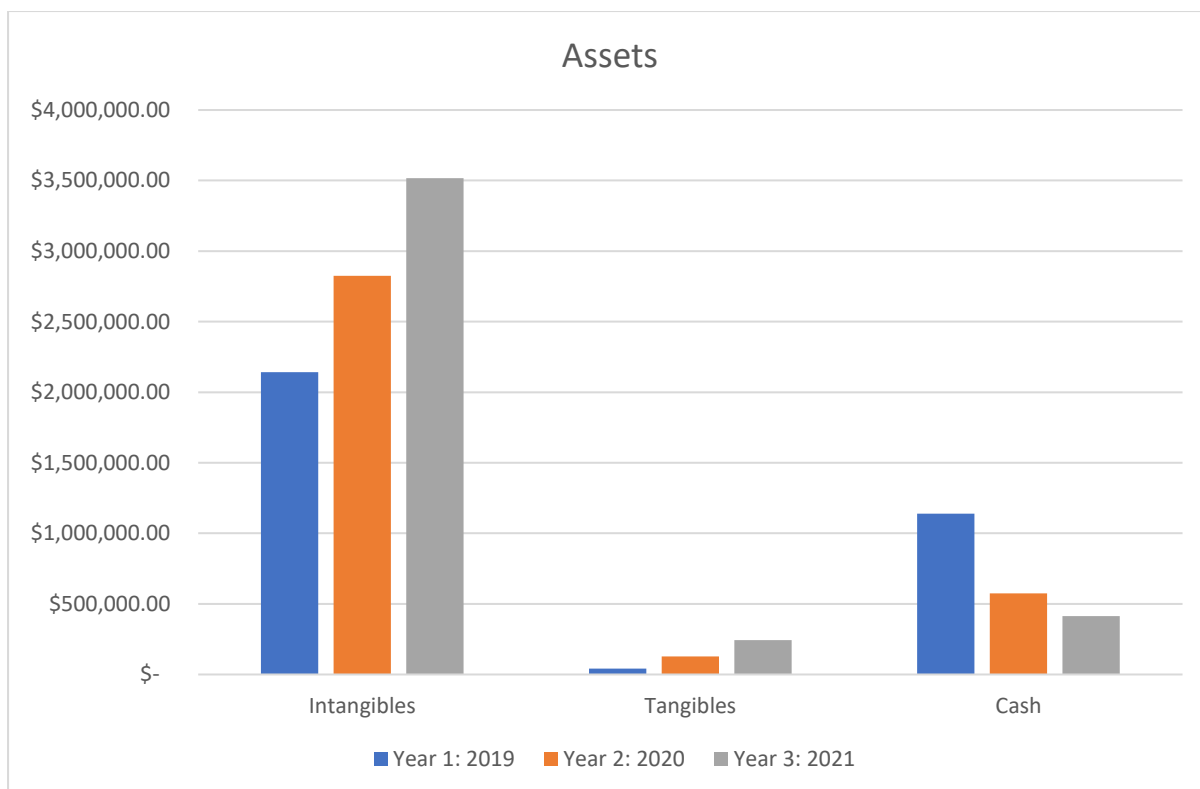




Balance Sheet - Assets

The investment in technology development will yield the following assets on the balance sheet⁴ at the end of each period:

⁴ Cash balance assumes new funding.



Funding Requirements

The development of the Glu business requires funding to provide the necessary working capital over the next 3 years of the plan.

The funding requirement is as follows:

Requirement	Amount
Initial Investment (Equity)	\$7,674
Initial Investment (Convertible Bonds)	\$1,921,727
New Funding (Equity and Senior Bonds)	\$2,000,000



Next Steps

Please contact us to discuss this business plan and start your journey with Glu.

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