



MID-YEAR REPORT

JULY 2023

# CHARITABLE GAMING MARKET BACKGROUNDER

## INNOVATING AN OFTEN OVERLOOKED AND LIGHTLY UNDERSTOOD SUBSECTOR OF THE US GAMBLING INDUSTRY

Charitable gaming in the United States is primarily a land-based centric operation that has been underserved by outdated technology and constrained by antiquated regulations prohibiting its growth. The market is concentrated around a handful of large manufacturers that supply retail systems rooted in underperforming legacy technology to nonprofit organizations – the licensed operators of charitable gaming activities.

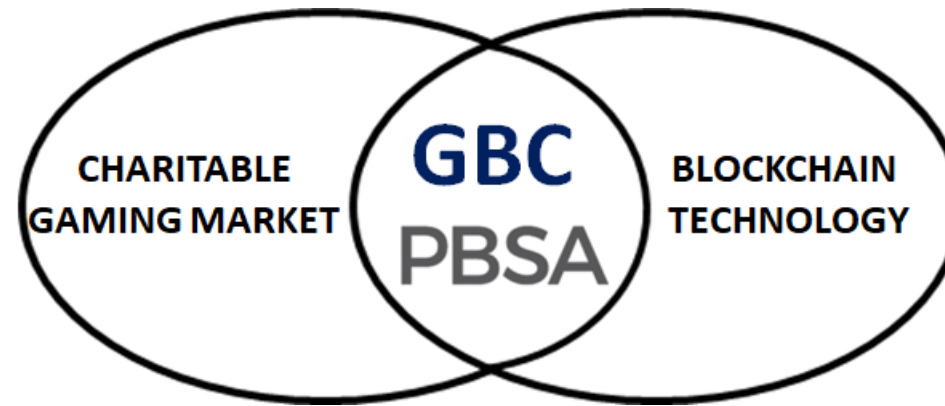
The charitable gaming market is less exposed to new entrants than other verticals of the US gambling industry due to:

- Technology suppliers lack understanding of the nonprofit landscape and navigating its interactions with charitable gaming,
- The knowledge needed to develop specialized systems to satisfy a patchwork of individual state-specific regulatory requirements, and
- Industry attention and focus on sports betting and online casino gaming expansion.

Recent manufacturer-led lobbying initiatives have resulted in changes within several states' regulations to loosen restrictions and permit online raffles. Looking to capitalize on this market transition, manufacturers of electronic raffle systems – deployed in major sports venues and retail outlets such as bingo halls and Veterans of Foreign War (VFW) posts – are now attempting to adapt these land-based raffle systems by layering on an online component. This inefficient, costly and time consuming approach has created a gap in the market, allowing for new entrants with modern technology stacks to enter this new era of online charitable gaming.

# AT THE FOREFRONT OF CHARITABLE GAMING AND BLOCKCHAIN TECHNOLOGY

Led by industry veterans, Gaming Benefits Corporation (GBC) and Peerplays Blockchain Standards Association (PBSA) are well positioned to reshape the stagnant charitable gaming market and digitally transform the emerging online raffle segment utilizing our digital platforms and blockchain technology.



Our cloud-based platform is a complete turnkey solution built on modern technology specifically designed for the online raffle segment. The regulatory-compliant platform:

- Fully automates the sale of raffle tickets, the selection of winners, and the awarding of payouts through a system similar in nature to platforms used by state lottery and casino operators in their regulated online offerings.
- Is configurable to meet current and future online raffle regulations, regardless of the various technical requirements adopted by each state.
- Incorporates a blockchain component that effectively provides the foundational technology for recording, securing and auditing raffle transactions.

Our in-depth understanding of raffle regulations and technology standards, and ability to adapt raffle system technology to a nationwide certification plan with blockchain infrastructure, will serve as competitive advantages that establishes GBC as a market leader in bringing charitable gaming into the 21<sup>st</sup> century.

# HIGHLIGHTS FROM H1 2023

After securing the platform source code and software assets on an internal server, GBC:

- Set up a testing environment and compliance plan that aligned with every possible variations of regulatory requirements in all US states that allow online raffles.
- Began the process of isolating the Raffle Game Server from the platform architecture, and are configuring the test environment to meet the same technical regulations for game servers used by gambling operators in all regulated US states. We anticipate this standalone Raffle Game Server offering will become a premium component of sportsbook, casino and lottery operators' product offering as an extension of their Corporate Social Responsibility (CSR) programs.
- Commenced development of a blockchain based reg-tech solution as a new system for monitoring charitable gaming activities that moves administrative oversight to the blockchain.

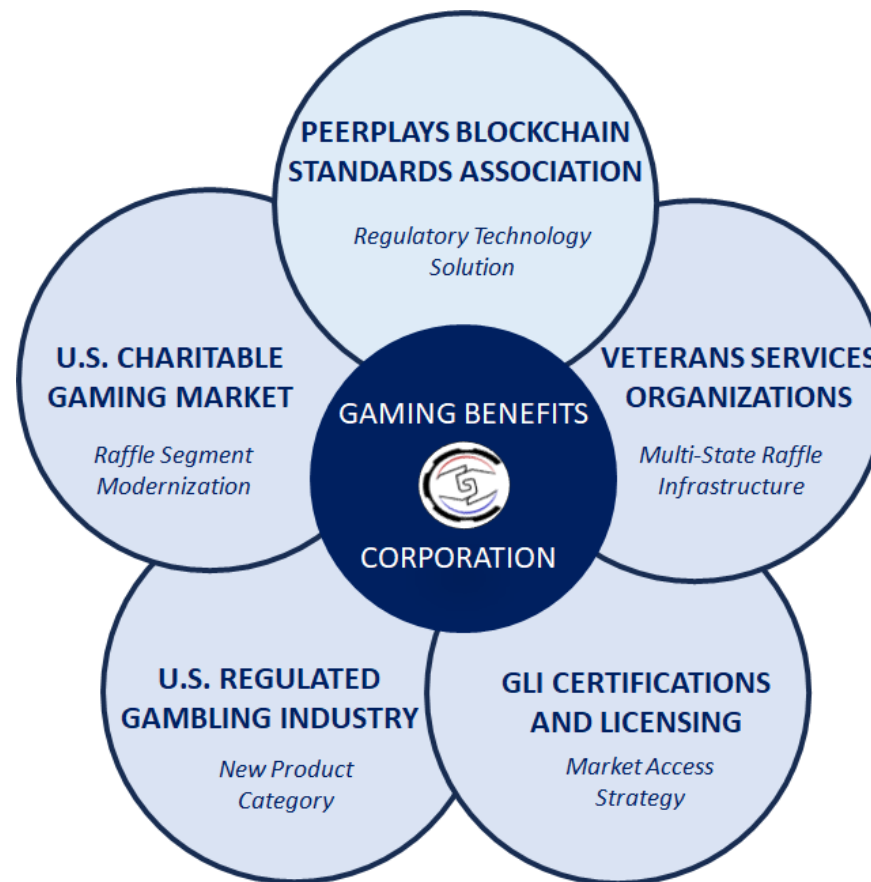
The net result of these initiatives gives rise to a multi-faceted B2C business model for the charitable gaming market enhanced by a blockchain-based component strategy, and a novel B2B solution fit to scale for the US gambling industry – increasing the overall value of our business.

GBC's business model provides a unique opportunity for key industry stakeholders to partner with a company that:

- Owns value generating platform assets – that form the basis for mainstream products for use by nonprofits to transition their charitable raffle campaigns online.
- Operates at the intersection of the charitable gaming market and the US gambling industry – the most highly coveted and fastest growing gaming market in the world.
- Offers exposure to blockchain technology – the biggest technological innovation since the internet.

Heading into H2 2023, GBC is on track to deliver a value proposition that is hard to ignore.

# CORE OBJECTIVES FOR H2 2023



## GBC IS STRATEGICALLY SITUATED TO:

- Modernize the online raffle segment of the charitable gaming market through deployment of our regulatory-compliant platform.
- Launch a multi-state raffle with a nationally recognized veterans services organization – the Veterans of Foreign Wars (VFW).
- Introduce an entirely new product category for the sports betting, casino and lottery verticals of the US gambling industry.
- Secure licenses and GLI certifications in commercially attractive states where potential strategic distribution partners operate.
- Implement an innovative blockchain-based reg-tech solution designed to enhance regulatory oversight and improve compliance.

Core objectives are aimed to drive the mass adoption of GBC regulatory-compliant raffle platform and PBSA reg-tech solution.

# THE ROADMAP TO SUCCESS

## ACCOMPLISHED WITH MILITARY PRECISION

JAN 2023	Closed Follow-on \$500,000 Equity Financing Round Commenced Blockchain-based Regulatory Monitoring System Development
APR 2023	Obtained GLI-31 Certification for Raffle Platform
MAY 2023	Launched Beta Raffle in North Carolina with AMVETS Origination
AUG 2023	Submit Raffle Game Server for GLI-19 and Platform for Multi-State Certification Testing Seek Licenses and Vendor Registrations in Key States
SEPT 2023	Initiate Multi-State Raffle Setup with the Veterans of Foreign War (VFW) Reboot Government Blockchain Association (GBA) Gaming Work Group Explore GBA Blockchain Maturity Model (BMM) Certification Initiate Beta Testing of Blockchain-based Regulatory Monitoring System on Test Net
OCT 2023	Begin Raffle Server Integration with Third-party Sportsbook Platform Exhibit at G2E Trade Show in Las Vegas
NOV 2023	Commence Discussions with GLI on Blockchain-based Reg-Tech Certification Testing
DEC 2023	Form Strategic Partnership with a Licensed Sportsbook and/or Casino Operator

Accomplishment of these key initiatives will justify the motivation and economics behind a future inbound M&A transaction.

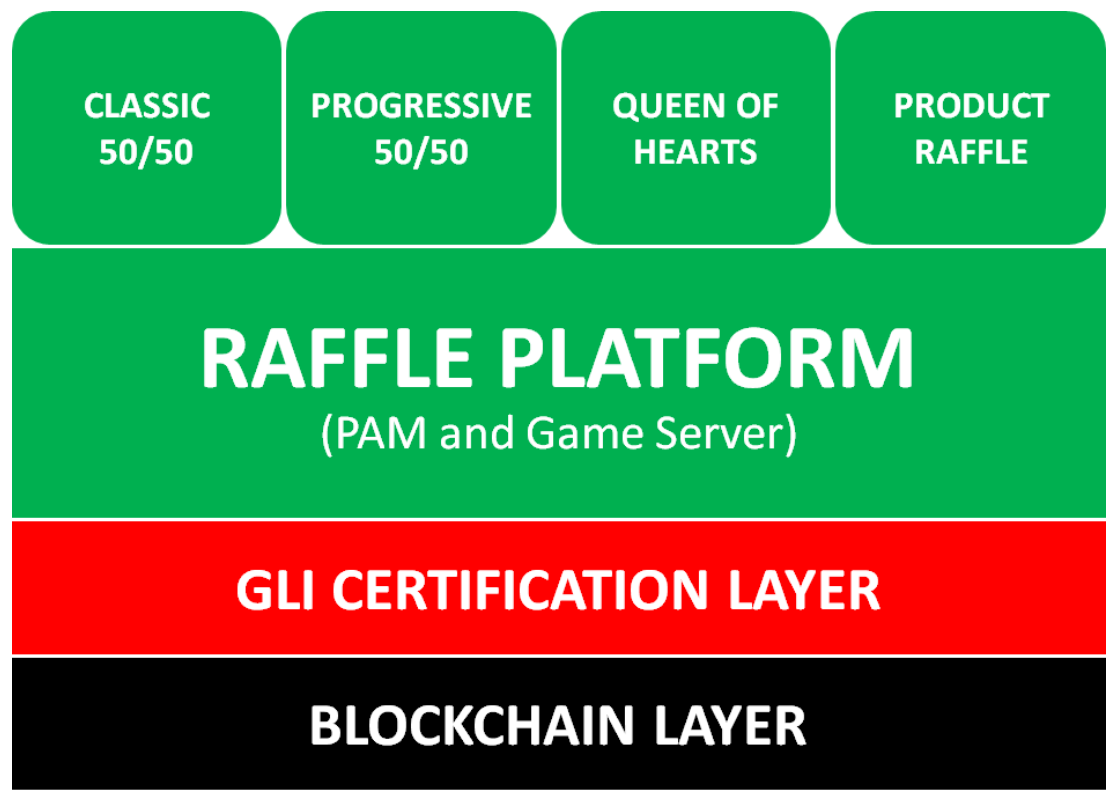


# CHARITABLE GAMING MARKET

Transforming the Raffle Segment

# MODERNIZING THE ONLINE RAFFLE SEGMENT OF THE CHARITABLE GAMING MARKET

GBCs’ platform incorporates the same underlying technology utilized in the casino, sports betting and lottery verticals of the US regulated gambling industry.



The platform architecture consists of a Player Account Management system and Gaming Server that incorporates several raffle products. Additional modules include:

- A certified RNG to ensure the fairness of raffle draws, similar to outcome determination of online casino and lottery games.
- Electronic payment processing capabilities allowing the use of credit and debit cards for purchasing raffle tickets.
- Geolocation technology to limit ticket sales within a particular state.
- KYC technology to validate players are of legal age to purchase raffle tickets as required in regulated gambling markets.

These platform elements have been or in the process of being GLI certified, and are targeted for deployment in states with regulatory frameworks that permit full featured online raffles.

The platform will also include the implementation of a blockchain layer accessible by regulators to monitor every aspect of the raffle process in real time – surpassing the current level of market integrity associated with the regulated US gambling industry.

The platform houses all assets from technology stacks to end user products forged from a single code base.

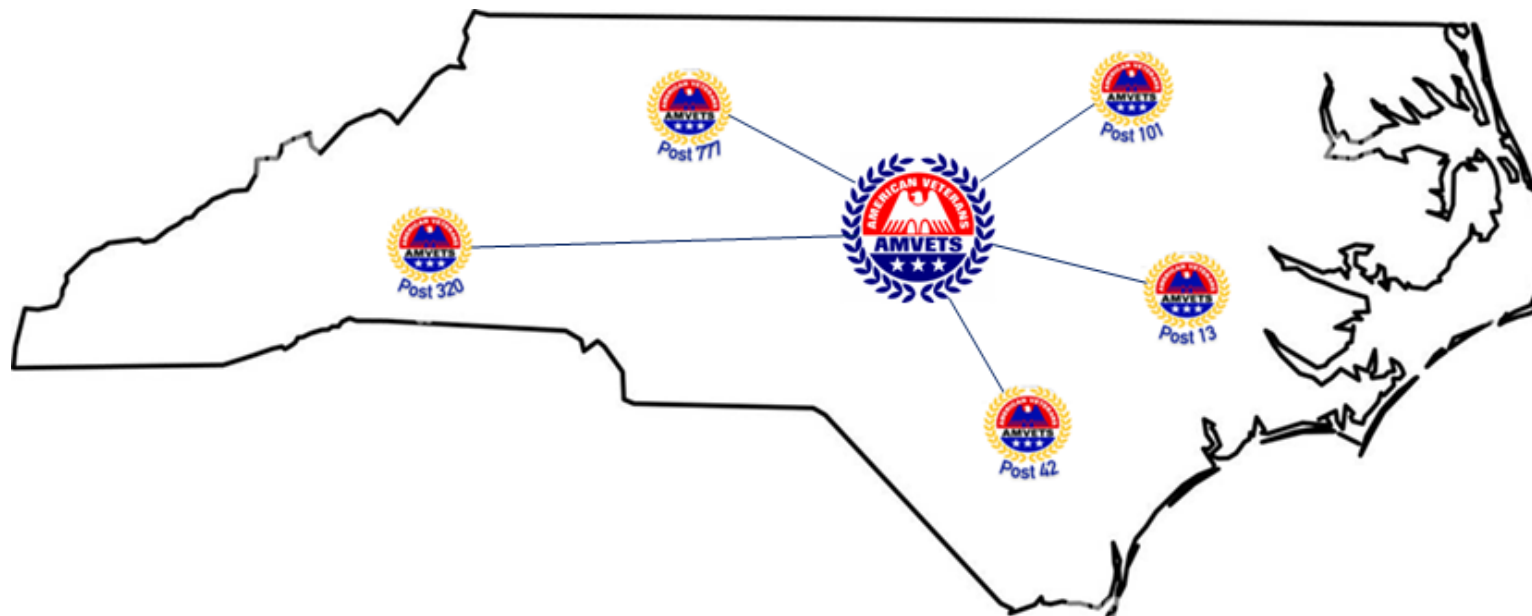


# BUILDING STRATEGIC ALLIANCES WITH VETERAN SERVICES ORGANIZATIONS (VSO)

Laying the foundation that delivers a unique model for distribution of raffle proceeds to the charitable gaming market.

## PHASE I

Platform beta test involved NC AMVETS, the 501c3 NC AMVETS Service Foundation, and AMVETS Department of North Carolina. Websites, landing pages and social channels were created for each statewide post to promote the online 50/50 raffle to their individual member and non-member base. Data was tracked in the back-office to measure support and participation of each post.



## PHASE II

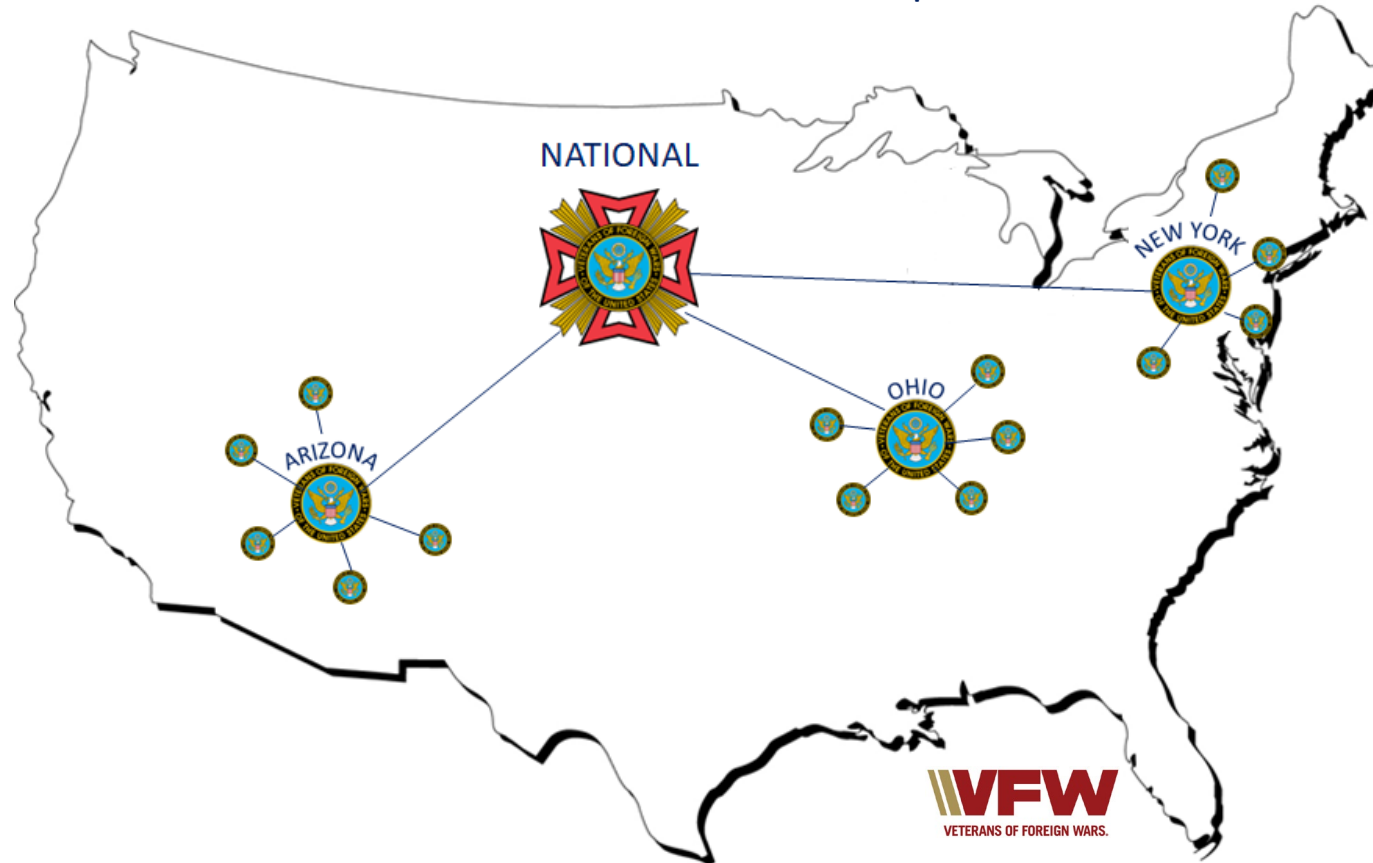
Platform updates to complete:

- Configure the raffle platform and back-end reporting to track ticket sales for each state post and distribute proceeds on pro rata basis based on sales from each post that participates in the statewide online raffle.
- Transfer raffle activity data into blockchain-based reg-tech solution for beta testing.

These platform updates equip GBC with the systems and infrastructure for launching a multi-state raffle with a VSO.

# LAUNCHING A MULTI-STATE RAFFLE WITH THE VETERANS OF FOREIGN WARS (VFW)

Implementing the systems and processes developed during NC AMVETS beta test forms the underlying infrastructure of a multi-state raffle that will involve the VFW National Services Foundation, VFW State Departments and their local posts.



## A MULTI-STATE REGULATORY-COMPLIANT RAFFLE PLATFORM:

- Expands the total addressable market and bolsters the size of jackpots more than an single statewide raffle can provide.
- Leads to substantially more funds raised and distributed to meet the needs of veterans and the local communities they serve.
- Provides GBC with a strategic advantage in economically scaling revenue objectives.

GBC and the VFW will do for multi-state raffles what Powerball and Mega Millions did for multi-state lotteries.

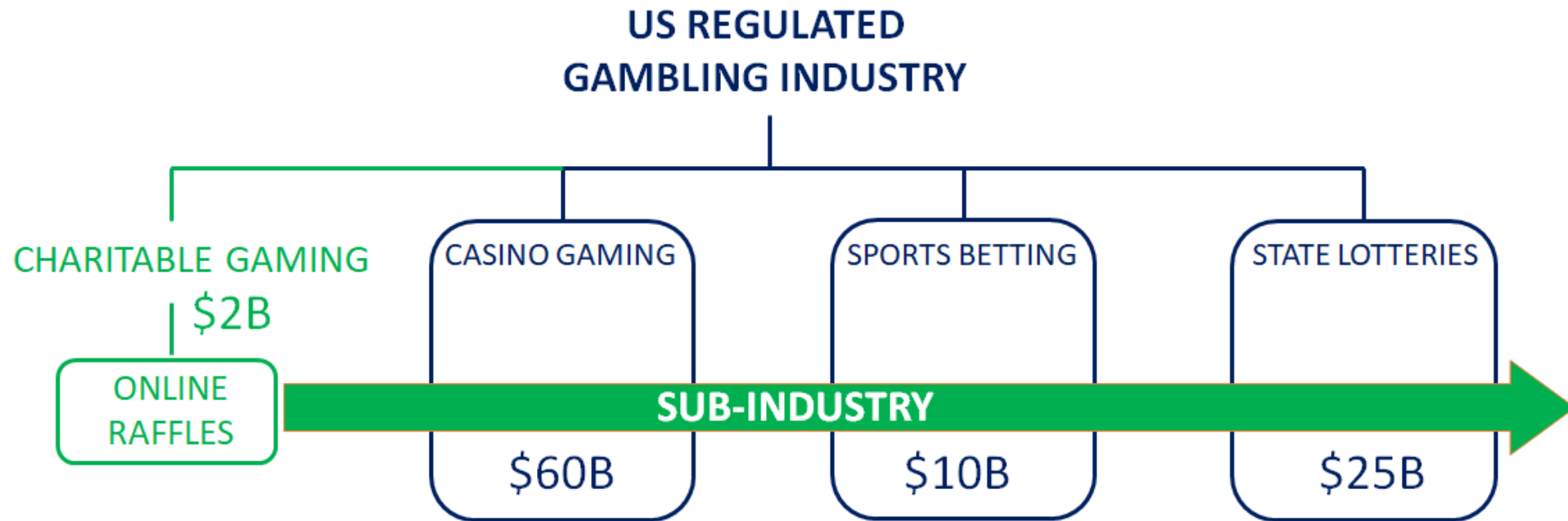


# US GAMBLING INDUSTRY

Creating a New Product Category

# DEVELOPING A SUB-INDUSTRY WITHIN THE US GAMBLING MARKET STRUCTURE

Taking raffles – a product associated primarily with the charitable gaming market – and creating an industry-first new product category for the wider US gambling industry.



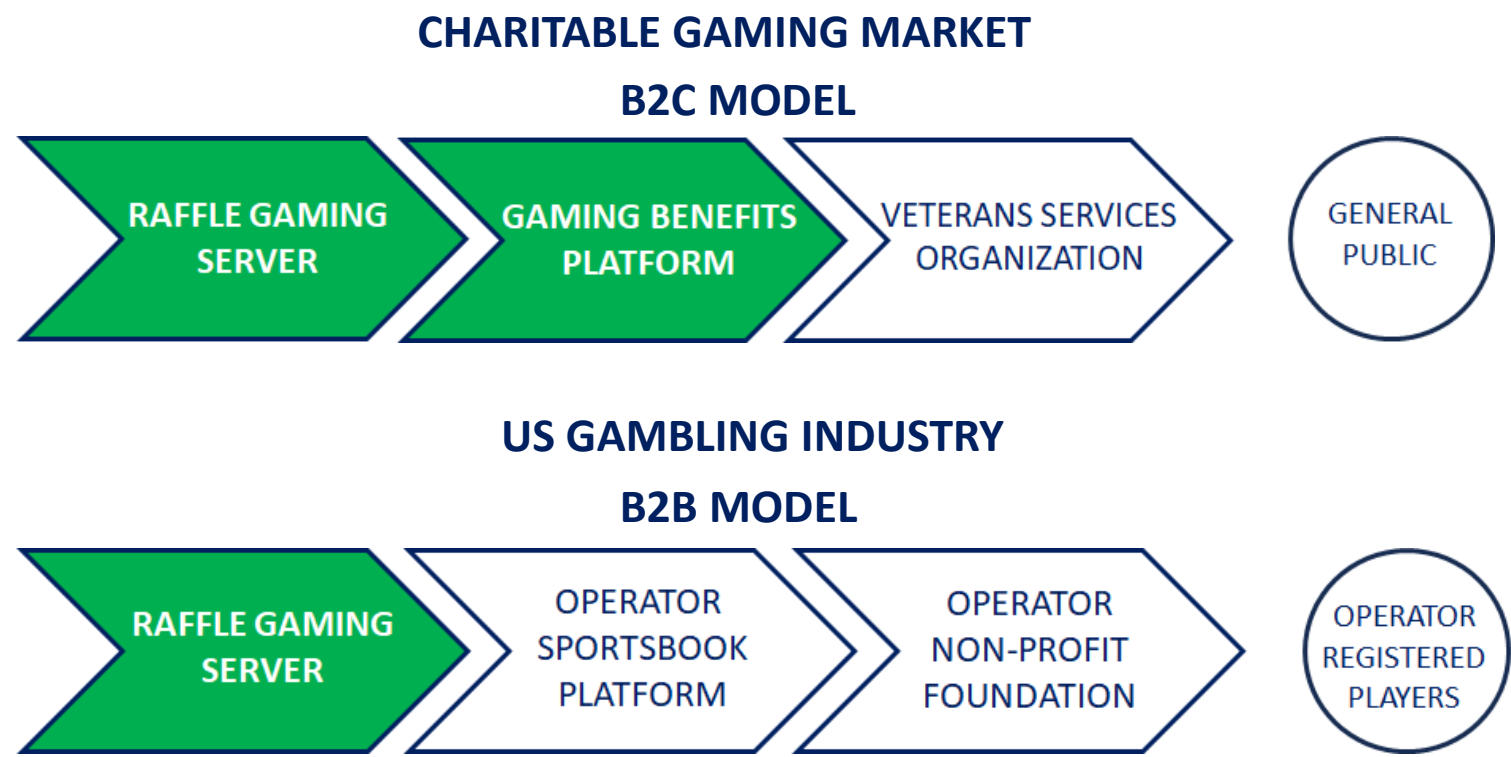
Launching a new suite of raffle products – Classic 50/50, Progressives, Chase-the-Ace – through GBC’s game server:

- Offers an opportunity for casino, sportsbooks and lottery operators to leverage a known product – 50/50 raffles – to their built-in customer base.
- Adds an extra layer of excitement on top of their players’ ordinary betting and gambling experience.
- Enables operators to introduce potentially life changing cash jackpots and product prizes while giving back to the community through enhanced Corporate Social Responsibility (CSR) initiatives.

Pursuit of a horizontal distribution strategy into casino, sports betting and lottery verticals exponentially grows GBC’s operations.

# ESTABLISHING STRATEGIC DISTRIBUTION PARTNERSHIPS WITH GAMBLING ORGANIZATIONS

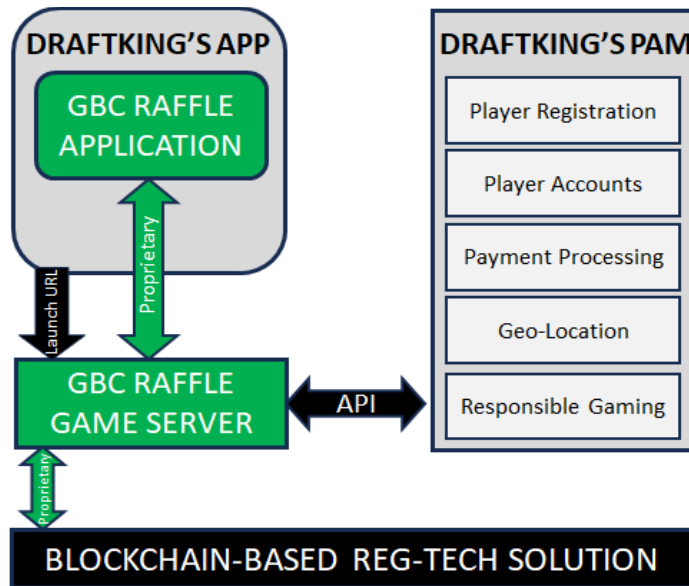
Advancing discussions with targeted gambling organizations once GBC has achieved GLI-19 certification of the Raffle Game Server and has completed a beta test integration with a third-party sportsbook Player Account Management (PAM) system.



The standalone certified Raffle Game Server enables the formation of high-valued strategic distribution partnerships that facilitate optimal deal structures, maximize revenue opportunities and attract acquisition interest.

# EXAMPLE INTEGRATION OF RAFFLE GAME SERVER WITH DRAFTKINGS SPORTSBOOK PAM

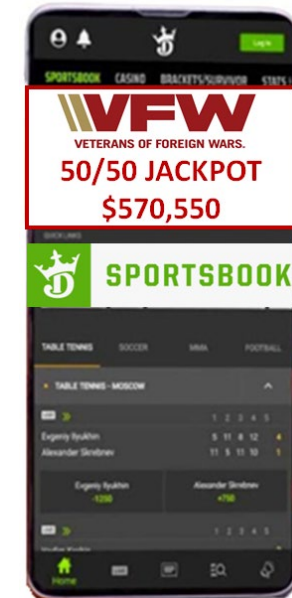
A key component of GBC's growth plan is securing distribution partnerships with US gambling industry leaders.



*Integration shifts Payment Processing, KYC and Geolocation fees from GBC to DraftKings.*

## EVERYONE IN THIS PARTNERSHIP BENEFITS:

- GBC gets to tap into DraftKings massive database of registered players,
- DraftKings' image and reputation is enhanced,
- States receive more tax revenue,
- VFW's raise more funds for needs of veterans, and
- Players have a chance to contribute towards veteran service organizations while having a chance to win substantial jackpots.



*50/50 raffles create a 1+1=3 effect where participants feel satisfied with their ticket purchases regardless if they win or lose.*

A mutually beneficial partnership with DraftKings would provide:

- GBC with the opportunity to feature a VFW 50/50 raffle application on DraftKings mobile sportsbook, and
- DraftKings with the opportunity to expand its product offering and enter a new market – the charitable gaming market.

Establishing a distribution partnership with DraftKings represents a large-scale opportunity to sell raffle tickets directly to their built in customer base that consists of millions of registered players.

# ENABLING LARGE-SCALE RAFFLES ON SPORTSBOOK AND CASINO OPERATOR PLATFORMS

Moving raffle contests from electronic systems to online outlets.

Professional sports franchises that run in-venue 50/50 raffles through the use of a land-based electronic raffle system held during major sporting events has proven to be an instrumental tool for their nonprofit foundations to substantially increase their charitable donations.



- Raffle ticket purchases are limited to individuals physically located in the stadium.
- Jackpot amounts are displayed on digital screens physically located in sports stadiums to tens of thousands of fans.
- Raffle is only run during live sporting event.
- Where the competition is focused.

Licensed sportsbook and casino operators can launch statewide online 50/50 raffles using of our regulatory-compliant platform to raise funds for their nonprofit foundations, substantially increasing their charitable donations and dramatically expanding the potential market opportunity.



- Raffle ticket purchases are available to individuals physically located throughout the state.
- Jackpot amounts are presented on the operator's home screen to their customer base of millions of potential players.
- Raffles run 24/7 allowing players to continuously watch as jackpots grow.
- [What GBC is pioneering.](#)

Expansion into the US gambling industry enables larger volumes of tickets to be sold leading to bigger jackpots, more money raised for gambling operator nonprofit foundations, and distributed to charities through enhanced CSR initiatives.

# PROMOTING GBC'S "BENEFIT" CORPORATION STATUS

Adopting a more robust concept of CSR has a positive impact on gambling operators' brands.

In the US gambling industry, it is the view of state regulators and officials that a fair and equitable portion of proceeds from casino and sportsbook operators should have a societal benefit and serve a public good.



Presently, however, CSR in the US gambling industry doesn't amount to much more than casino and sportsbook operators donating a small portion of their profits to a few local charities and responsible gaming programs – largely in an attempt to improve their corporate image with regulators, lawmakers and the general public.

By partnering with GBC, gambling operators:

- Can better demonstrate that they are making good on their promise to be responsible community partners, contributing economically and socially to local communities across the country.
- Benefit by improving their corporate image amongst regulators and the general public with positive messaging in promoting veteran causes through their mainstream businesses.

The opportunity to integrate a business built on a dual-purpose premise that unites a for-profit structure with a nonprofit charitable mission strongly appeals to the entire spectrum of casino and sportsbook operators.



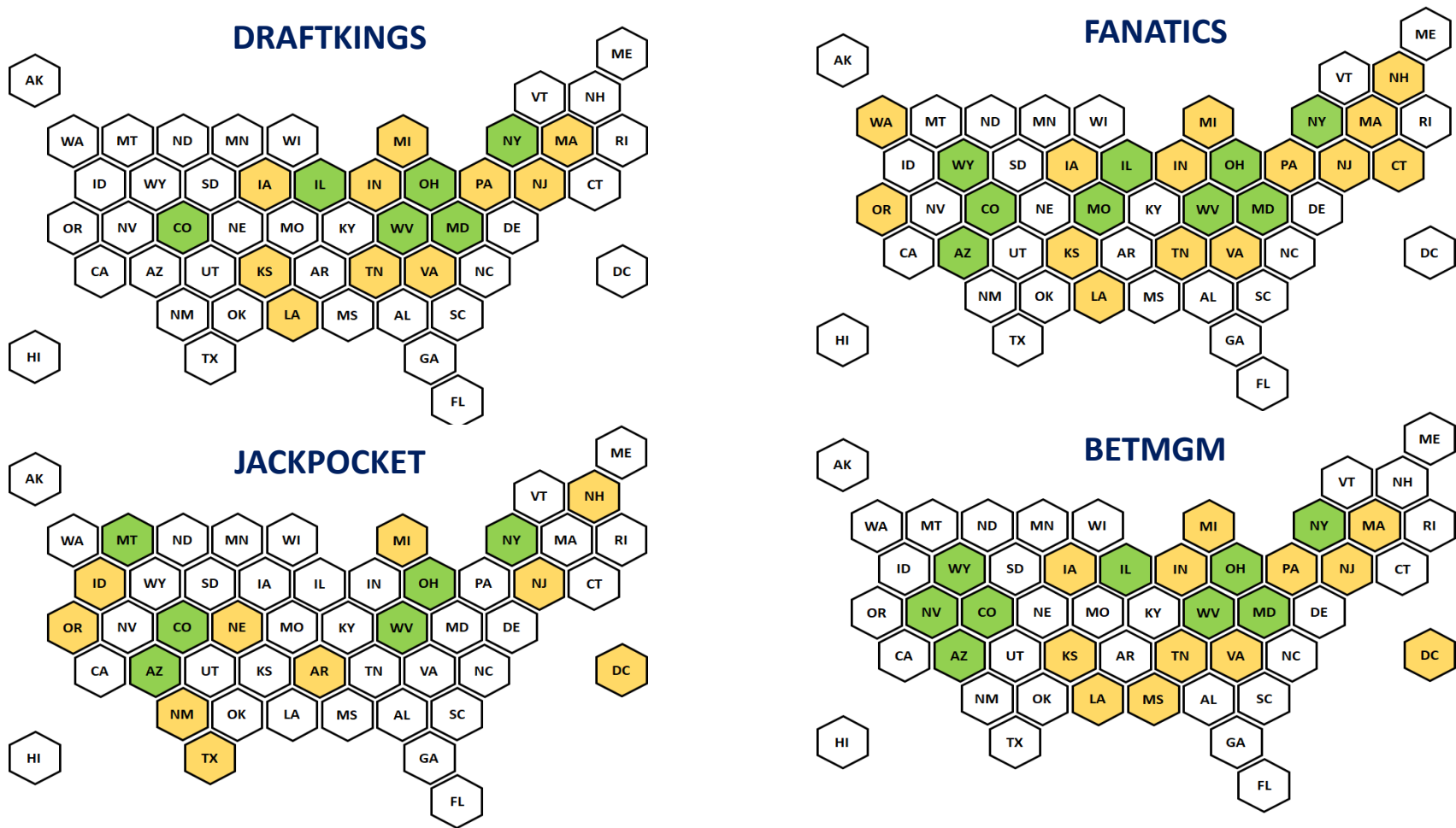


# CERTIFICATIONS & LICENSING

Elevating Our Industry Profile

# PURSuing MARKET ACCESS IN ONLINE SPORTS BETTING STATES MAXIMIZES GROWTH PLAN

Material upside in aligning platform certification and licensing strategy with states that permit online sports betting.



Our regulatory-compliant platform will serve as a catalyst in advancing lobbying efforts to open up new states that have legalized online sports betting but have yet to update their regulations to permit online raffles.

The legalization of online raffles represents the largest expansion of charitable gaming in any state's history, literally opening up a raffle ticket purchasing 'outlet' in every house and on every mobile phone – adding to GBC's total addressable market.

# SEEKING LICENSES IN STATES THAT MAXIMIZES GROWTH PLAN

Submit vendor application forms and GLI certification reports for our regulatory-compliant raffle platform in commercially attractive states for licenses and approvals to conduct statewide online raffles, prioritized in accordance with the following schedule:

## 2H 2023



NEW YORK



NEVADA

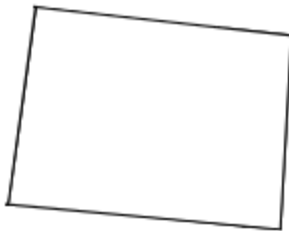


OHIO



MAINE

## 1Q 2024



COLORADO



ILLINOIS



WEST VIRGINIA



ALASKA

The more states where GBC holds corporate licenses and the raffle platform is certified puts the company in a much more favorable position in securing high-valued partnerships through B2B integrations with market leading US gambling organizations.

# PHASE I: GLI CERTIFICATION ROADMAP FOR THE CHARITABLE GAMING MARKET

GBC collaborated with GLI to develop a multi-state compliance plan – integrated in a single unified testing environment – that aligns with all possible variations of state-specific regulatory requirements for online raffles.



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www.gaminglabs.com

### GLI-31 + All Eligible Online Raffle States

<b>Date of Report:</b>	17 April 2023
<b>Issuing Laboratory:</b>	Gaming Laboratories International, LLC 600 Airport Road, Lakewood, NJ 08701
<b>Report Recipient:</b>	Gaming Benefits Corporation 808 Greensboro Road High Point, NC 27260
<b>Jurisdiction:</b>	GLI-31
<b>Technical Standard for Testing:</b>	GLI-31: Electronic Raffle Systems, v.1.1, July 24, 2015
<b>Software Supplier:</b>	Gaming Benefits Corporation 808 Greensboro Road High Point, NC 27260
<b>Submitting Party:</b>	Gaming Benefits Corporation 808 Greensboro Road High Point, NC 27260
<b>Product Tested:</b>	Gaming Benefits Corporation Electronic Raffle System
<b>File Number:</b>	SY-420-GBF-23-01
<b>Testing Result:</b>	Complies

*GLI-31 is the Technical Standard for Electronic Raffle Systems. This standard mandates the technical specifications and functionality for electronic raffles markets.*

## NEXT STEPS

- Submit raffle platform for multi-state certification testing.  
States include:


New York	Nevada	Ohio	Maine
Colorado	Illinois	Alaska	West Virginia
Missouri	Kentucky	Maryland	Montana
N Dakota	S Dakota	Wyoming	

In connection with initiating this multi-state testing, GBC's certification plan is being further developed to cover key aspects and follow best practices associated with technology platforms certified for use in the US regulated online casino, sports betting, and lottery markets – enabling GBC to expand into the US gambling industry in addition to participating the charitable gaming market.

Certifications solidify GBC’s position as having the most flexible, regulatory-compliant platform for the charitable gaming market.

# PHASE II: GLI CERTIFICATION ROADMAP FOR THE US GAMBLING INDUSTRY

GLI-19 certification will become a huge asset for GBC and a seal of approval that further validates the Raffle Game Server meets the high standards of integrity associated with casino, sports betting and lottery verticals of the US gambling industry.



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### GLI-19 + Select Online Sportsbook and Casino States

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<b>Submitting Party:</b>	Gaming Benefits Corporation 808 Greensboro Road High Point, NC 27260
<b>Product Tested:</b>	Gaming Benefits Corporation Electronic Raffle System
<b>File Number:</b>	SY-420-GBF-23-01
<b>Testing Result:</b>	Complies

## NEXT STEPS


- Separate Raffle Game Server from Player Account Management system, and prepare components for certification and integration with sportsbook platforms.
- Integrate Raffle Game Server into third-party sportsbook PAM to prove proof-of-concept and create a demo site to showcase functionality.

*GLI-19 is the Technical Standard for Interactive Gaming Systems. This standard mandates the technical specifications and functionality for regulated US online gambling markets.*

Upon completion of the GLI testing process, GBC will be the first company in the United States to achieve GLI-31 and GLI-19 dual certification status allowing us to engage key stakeholders and market leaders in the US gambling industry.

# PHASE III: GLI CERTIFICATION ROADMAP FOR BLOCKCHAIN-BASED REG-TECH SOLUTION

There are currently no US gambling states that have established technical regulations that embrace blockchain technology to enhance regulatory oversight capabilities and ensure market integrity.



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### New GLI Blockchain Standard

<b>Date of Report:</b>	17 April 2023
<b>Issuing Laboratory:</b>	Gaming Laboratories International, LLC 600 Airport Road, Lakewood, NJ 08701
<b>Report Recipient:</b>	Gaming Benefits Corporation 808 Greensboro Road High Point, NC 27260
<b>Jurisdiction:</b>	GLI-31
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<b>File Number:</b>	SY-420-GBF-23-01
<b>Testing Result:</b>	Complies

*Creation of GLI Blockchain Technical Standard that would mandate technical specifications and functionality of blockchain solutions for enhanced regulatory monitoring.*

GBC is working in conjunction with GLI to identify and document these core blockchain components and attributes where there is a realistic path to create a new GLI blockchain technology standard designed for recording, securing and auditing gaming transactions.

### NEXT STEPS

- Begin beta testing on PBSA test net,
- Commence discussions with GLI on reg-tech regulatory framework, and
- Engage regulators in charitable gaming markets on adoption of reg-tech solution.

This new technology standard will ultimately be used to test and certify against the blockchain-based reg-tech solution for the US gambling industry. It will incorporate the best practices found in other GLI baseline technical standards, in addition to GBC & PBSA insight and recommendations to shape the framework.

GLI has confirmed GBC and PBSA are the only companies currently focused on certifying the utilization of blockchain technology for enhanced regulatory monitoring targeted for use in the charitable gaming market and wider US gambling industry.



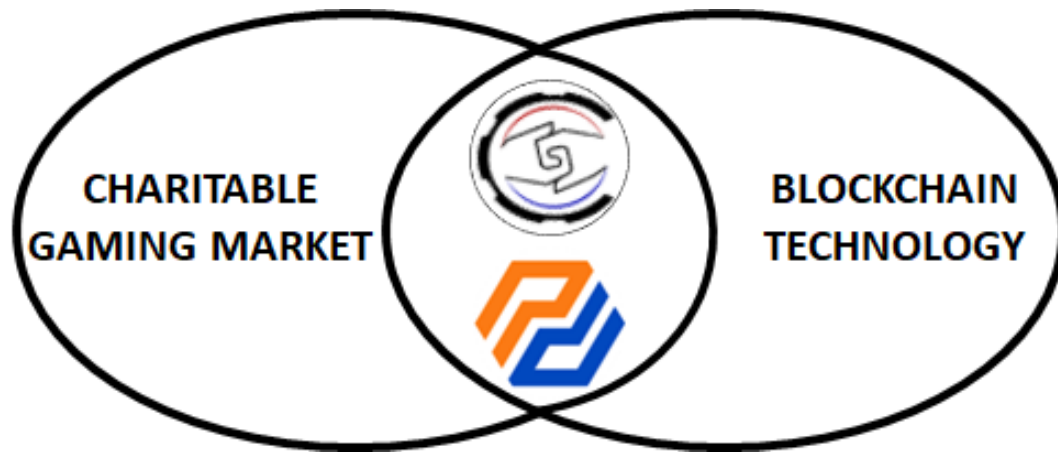
# BLOCKCHAIN TECHNOLOGY

Enhancing Regulatory Oversight

# ALIGNMENT OF BLOCKCHAIN TECHNOLOGY WITH GAMING REGULATOR NEEDS

A new system that moves administrative regulatory oversight of gaming activities to the blockchain.

Current oversight tools utilized by state regulators to see timely market information are inadequate in today's rapidly expanding US online gaming landscape.



*GBC & PBSA are set to become the primary link between the charitable gaming market and blockchain technology through the implementation of a new system for monitoring charitable gaming activities.*

Market oversight and reporting tools that reduce administrative costs are especially important for budget restricted governmental agencies and resource challenged nonprofit organizations.

**The blockchain-based regulatory monitoring system is designed to:**

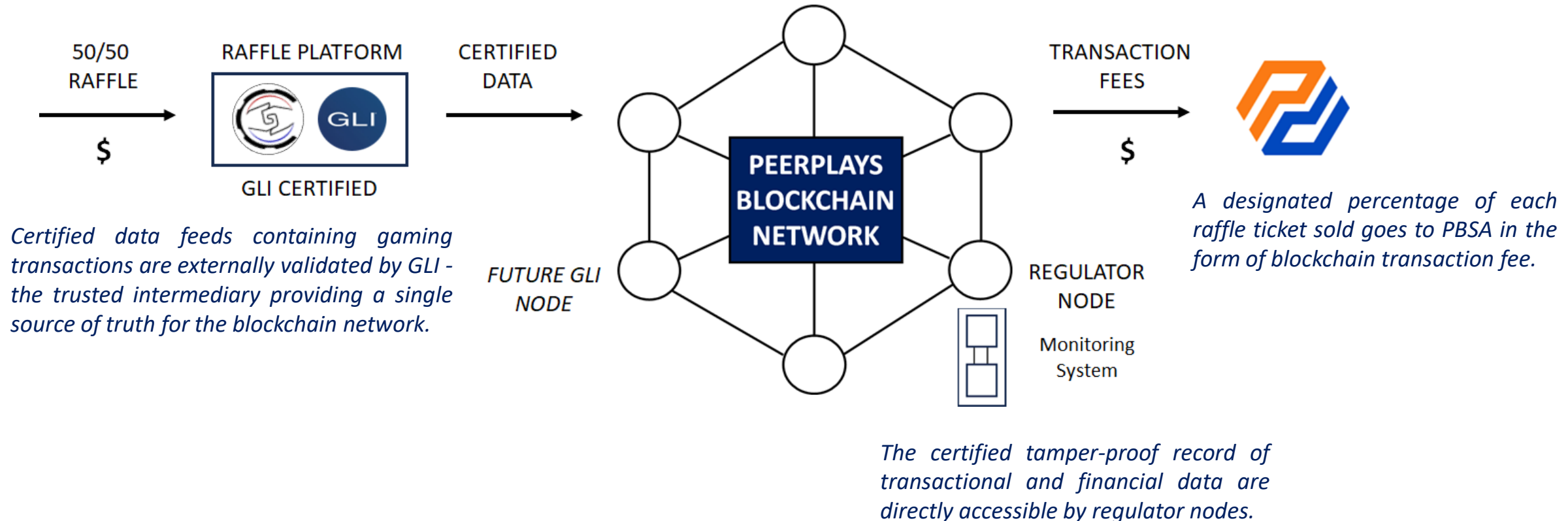
- Reduce the reporting and compliance burden on nonprofit organizations.
- Alleviate the necessity for charitable gaming regulators to dispatch auditors to the field to conduct routine financial audits, leading to cost-savings and efficiencies in the marketplace.
- Create a level of transparency and ensure data integrity that regulators can use to track and confirm that the money going into the gaming system lands with the intended recipients in the anticipated amounts:
  - Raffle winners are paid correctly and are issued tax forms when necessary.
  - Revenue shares are dispersed properly amongst nonprofits, GBC and PBSA.
  - States receive the appropriate tax dollars and faster than traditional systems.

Blockchain technology enables a high transparency standard, a feature highly sought after by regulators to ensure market integrity.



# A BLOCKCHAIN PROJECT WITH A REAL UTILITY AT ITS CORE

The reg-tech solution automatically records data generated from charitable gaming activities into a notarized, tamper-proof log of financial transactions on a blockchain ledger that can be viewed by regulators, providing unparalleled transparency and auditability.



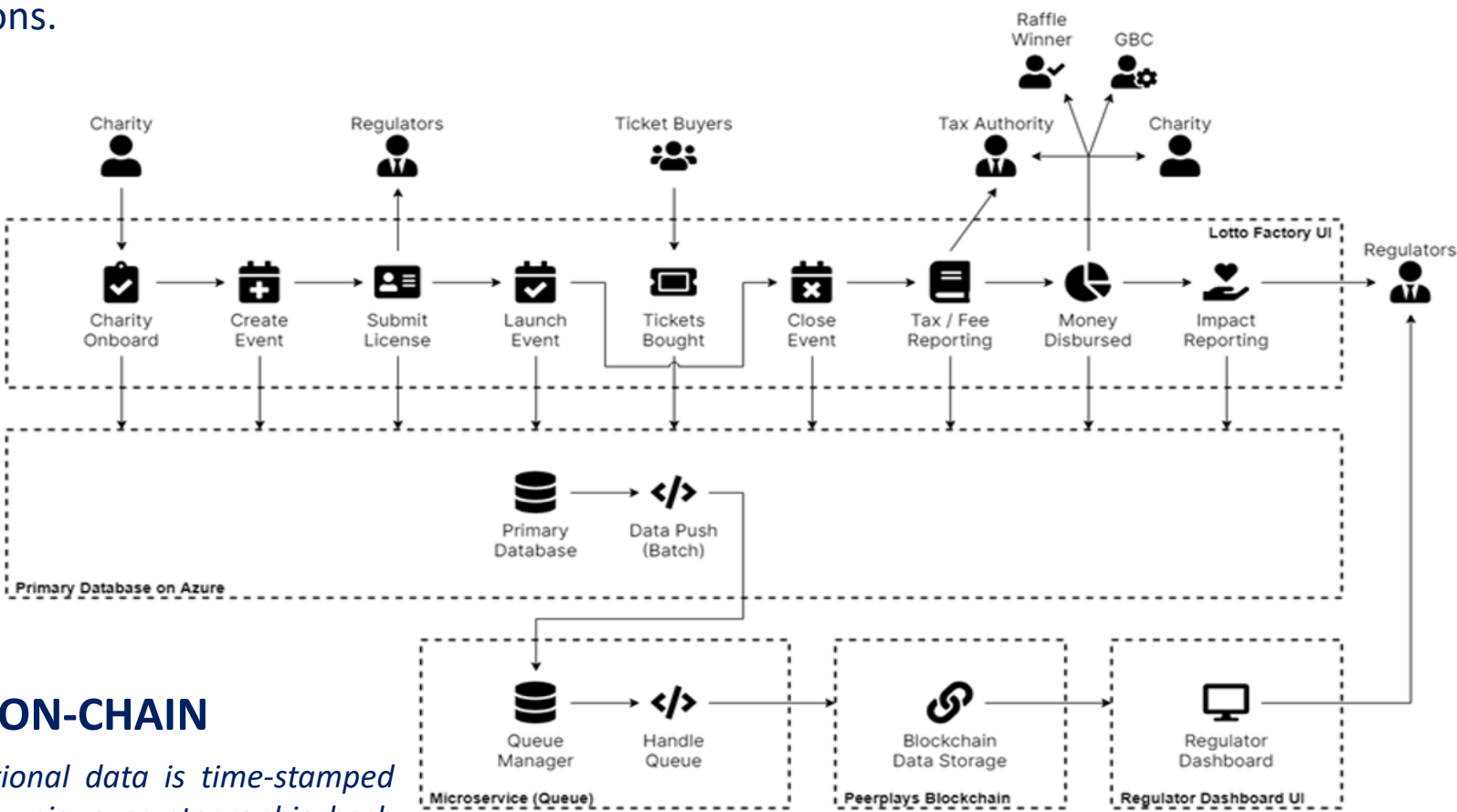
The implementation of this reg-tech solution uniquely positions GBC and PBSA to become the first online raffle platform provider for the blockchain era that connects with the real needs of charitable gaming regulators and nonprofits organizations.

# REGULATORY MONITORING SYSTEM SCHEMATIC

Fully off-chain raffle operations connected to on-chain systems ensures every aspect of the raffle process can be monitored for compliance with market regulations.

## OFF-CHAIN

*GBC platform performs various actions according to off-chain pre-defined rules, transmitting GLI certified data via a secured link to on-chain network nodes.*



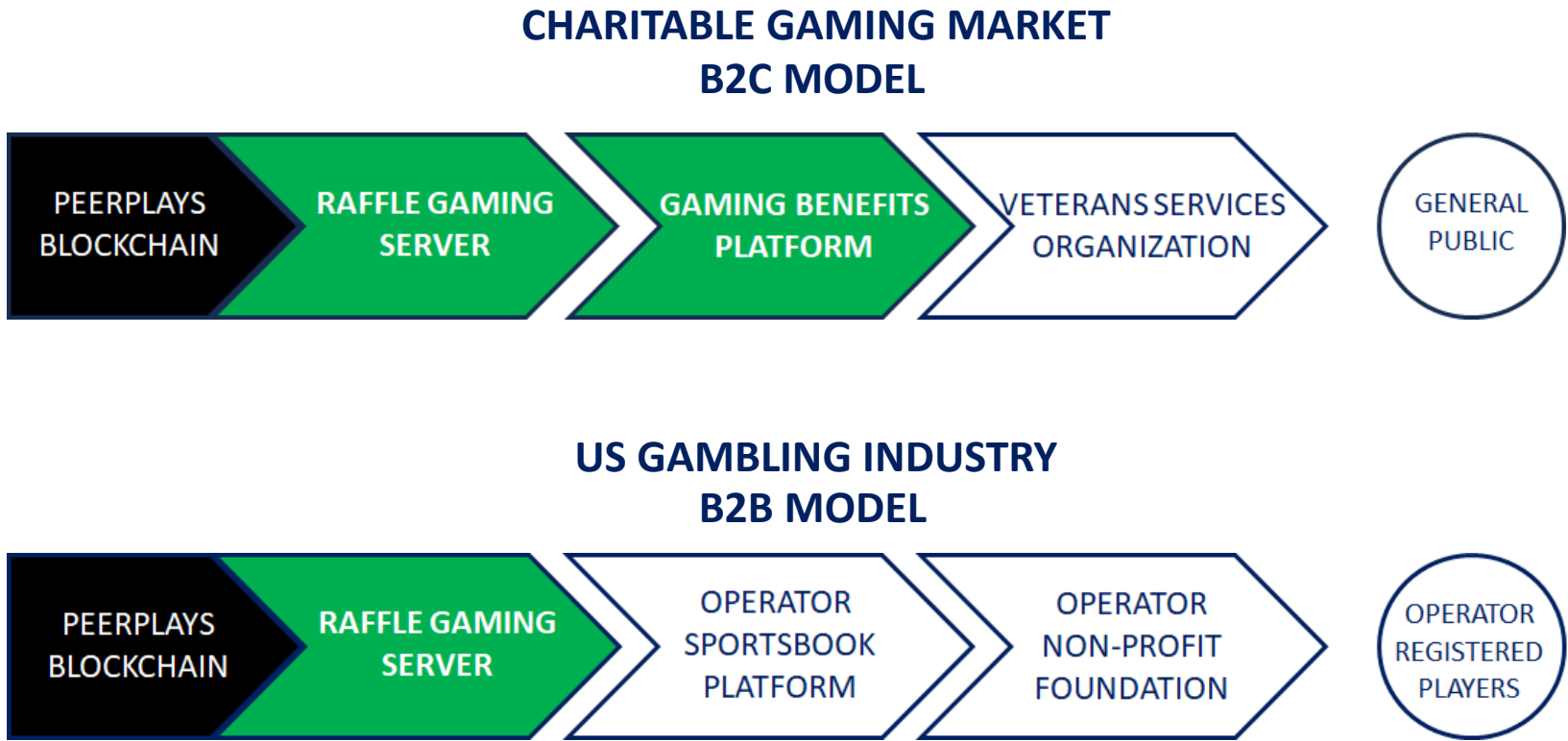
## ON-CHAIN

*The transactional data is time-stamped and given a unique cryptographic hash signature, creating a tamper proof record stored and secured on the blockchain leaving a perfect audit trail.*

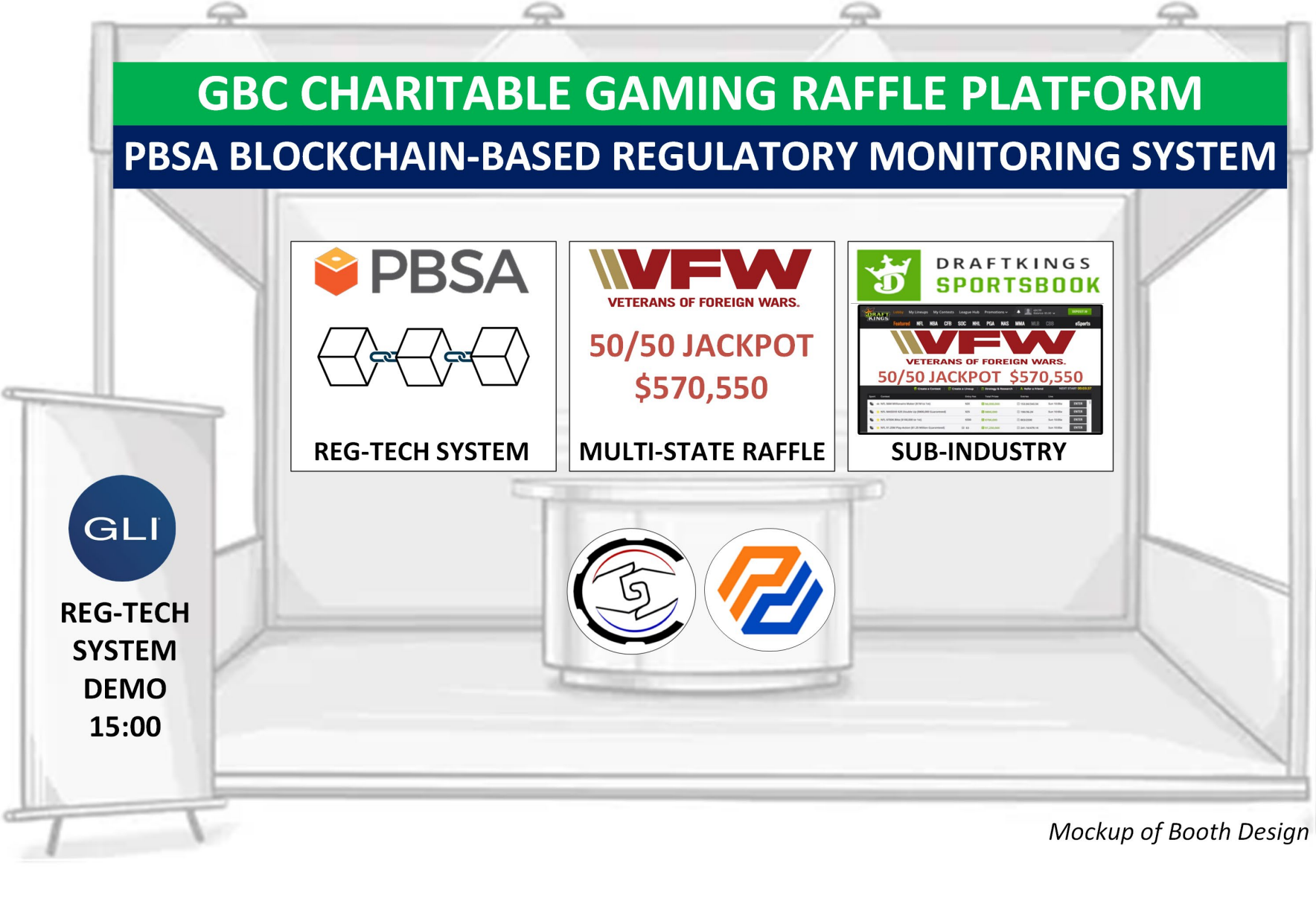
The Peerplays blockchain technology powering the regulatory monitoring system has a real opportunity to become a new standard adopted within the US regulated gambling industry.

# REPLICATING THE REG-TECH SOLUTION FOR THE BROADER US GAMBLING INDUSTRY

After successful implementation in the charitable gaming market, the reg-tech solution integrated with the Raffle Game Server will be replicated for broader use in the US gambling industry through an integration with a sportsbook or casino operator platform.



Any company that can develop and deliver new system technology that deeply aligned with the core objectives of regulatory authorities – enhanced oversight, transparency and enforced compliance – has a lifetime role in the US gambling industry.



Mockup of Booth Design



# INNOVATION PIPELINE

Unlocking Future Opportunities

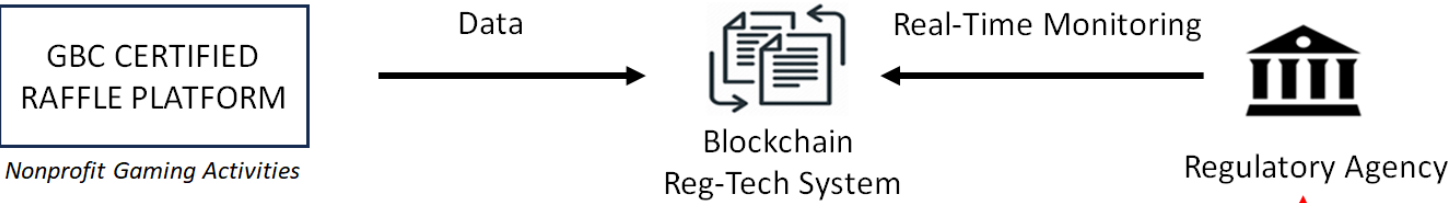
# ACCELERATING COLLECTION OF STATE TAX REVENUE FROM GAMING ACTIVITIES

Our blockchain reg-tech solution will equip regulators with the ability to perform real-time audits into nonprofit organizations' gaming activities. The regulator has certainty that the transactional data they are assessing is accurate and complete, with no room for nonprofits to alter or exclude records. This is of particular importance to regulators in the area of tax collection – reconciling revenues being reported against taxes collected from gaming activities.

## CURRENT



## NEW



## FUTURE



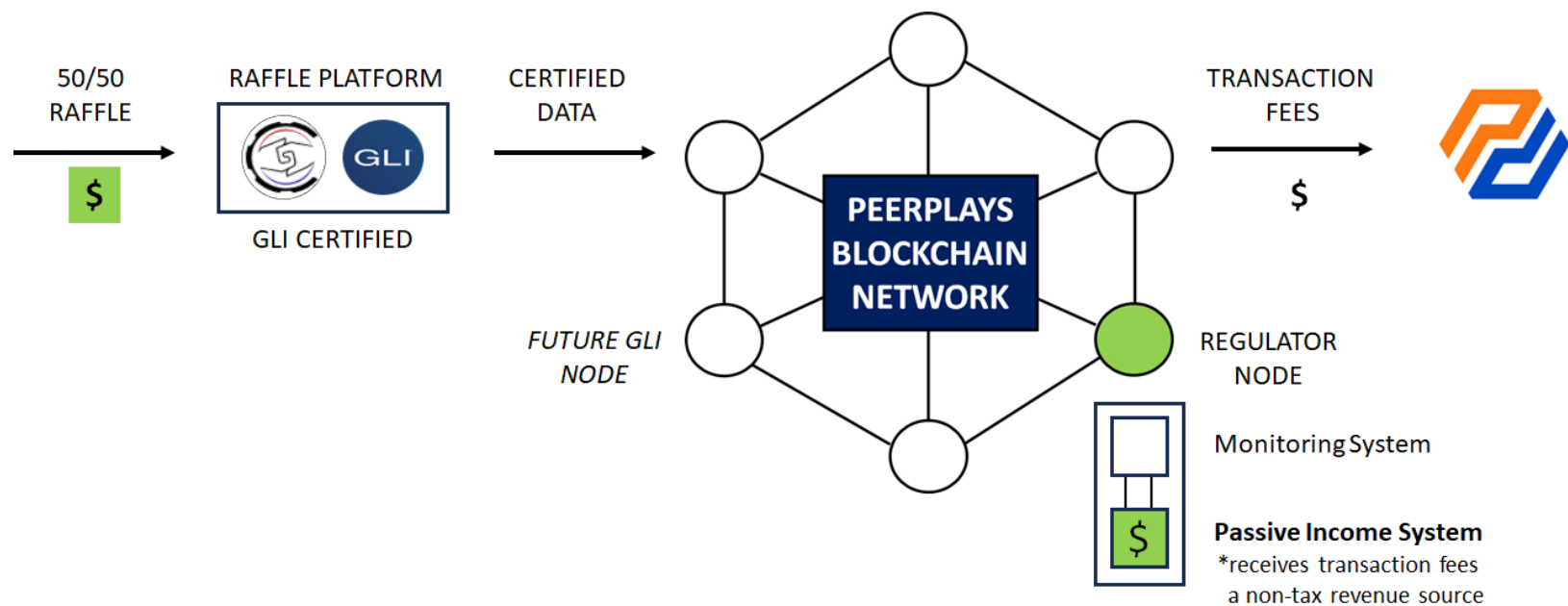
We plan to extend the reg-tech solution with smart contract technology to create a tax collection module. This real-time tax calculation and collection component would enable payments to be sent straight to regulatory agencies as opposed to waiting until the end of the month or quarter to collect tax payouts in bulk.

Accelerating tax revenue collection from gaming activities would be a welcomed development for budget constrained state agencies.

# CREATING A PASSIVE INCOME MODEL FOR CHARITABLE GAMING AGENCIES

The blockchain can be configured to provide charitable gaming agencies with economic incentives – in the form of blockchain transaction fees – for maintaining and securing the network.

GBC has designs to build a transactional token ecosystem that sits atop the regulatory monitoring system for transferring blockchain transaction fees to regulator node participants. Through this passive income revenue-sharing model, a designated percentage of each raffle ticket sold will be distributed to regulator nodes who participate within the blockchain network.



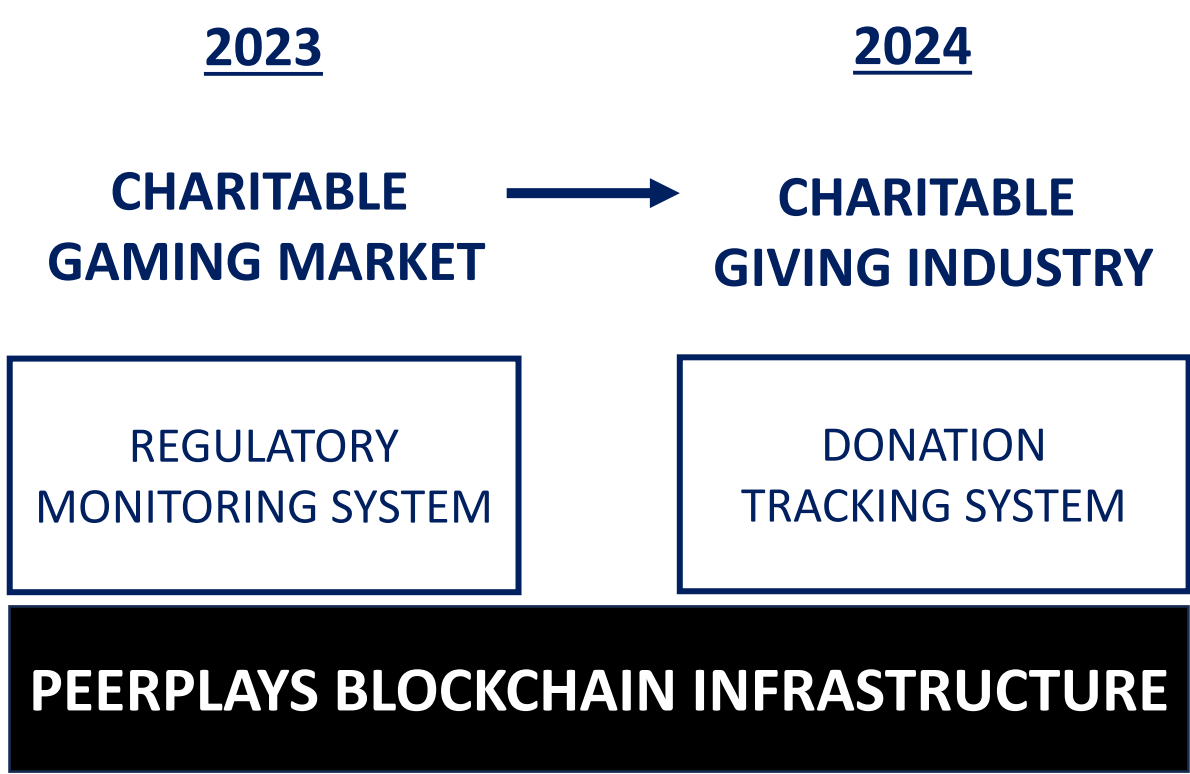
Charitable gaming regulators in states that have yet to legalize online raffles will be invited to participate in the network, allowing them to earn revenue and become acquainted with a real blockchain use case through our reg-tech solution. This implementation and unique opportunity may provide a motivating factor for these regulators to pursue and enact enabling legislation to allow online raffles in emerging states – which would grow GBC's total addressable market.

Giving charitable gaming agencies the ability to become regulator node participants and become eligible to receive a portion of the transaction value from other states' raffle activities has the potential to become a transformational concept.



# INCREASING NONPROFIT'S CREDIBILITY WITH DONORS

As development of the blockchain infrastructure and regulatory monitoring system continues to mature, adjacent opportunities in the charitable giving industry will open up for GBC and PBSA to collectively pursue.



The charitable giving industry is deficient of a system that effectively tracks whether or not donations reach the intended missions or causes. When making a charitable contribution, rarely is the donor offered clear insight into where their funds are going.

The combination of transparency and accountability – core attributes of blockchain technology – when incorporated into the donation and distribution process can significantly change how nonprofits engage with donors and raise funds.

Looking ahead, GBC has designs to repurpose certain aspects of the blockchain-based regulatory monitoring system into a donation tracking system and 'proof of impact' tool. This solution enables donors to dictate the fundraising model and measure the intended impact of their donations.

Smart contracts will act as digital escrow agreements between donors and nonprofit organizations where charitable contributions can essentially be stored and released only as evidentiary milestones are achieved. For example, charitable donations can be directly tracked to the number of meals, shelters and even prosthetics provided to disadvantaged veterans.

A blockchain-based donation tracking system designed to assist nonprofits in promoting a higher level of transparency into how charitable donations are distributed will inevitably lead to more consistent donations.



