

19th June 2020

Dear Sirs,

Re (i) Draft agreement between LEPL Revenue Service of Georgia ("LEPL") and Random Systems International Ltd ("RSI") dated June 28th 2019 (unsigned) (the "Services Agreement"); and

(ii) Call option agreement between Savoir Consulting Ltd and Random Consulting Ltd ("RCL") (in connection with 80% of the share capital of RSI) (unsigned) ("the Call Option").

1. BACKGROUND

As all are aware, RCL is the parent company of RSI. RSI participated in a bid to provide services to LEPL to assist with the regulation, monitoring and tax collection of gambling proceeds in Georgia. and it has diligently worked with LEPL since that date. The bid had to be granted in September 2018, but after many extensions, we were informed on June 30th, 2020, that the bid was won by RSI.

It was previously agreed that RSI would provide supervisory and support services (on an outsourced basis by LEPL) for an agreed fee of €20,000 per month plus disbursements for a minimum period of two years. In addition, it was agreed that an entity, or its nominee could acquire the share capital of RSI at a later stage. but only to be exercised after the guaranteed management fee had been paid or the expiry of the two-year period, whichever was the sooner. On the exercise of the option, RCL would continue to be paid a fixed monthly consultancy fee of €5,000 thereafter for as long as RCL's services were needed.

In the period between the submission and the award of the bid, Random Consulting carried out work in relation to this project, including having to make appearances in Georgia, draft the entire subsidiary legislation and assist the game testing Labs appointed by the government to understand the complex process of monitoring online gambling.

These agreements have never been fully documented, documented correctly, and/or executed, although RSI has made numerous attempts to finalise the Services Agreement over an eighteen-month period. Indeed, LEPL delayed and formally announcing RSI as the bid winner until last month. Despite this, RSI and RCL have worked for over 2 years in good faith to assist whoever and the government of Georgia with its gaming project, despite the evolving nature of the brief given to RCL and RSI (see below).

2. WORK UNDERTAKEN BY RSI AND RCL FROM 2018 AND CURRENT POSITION

RCL and RSI initially began working on the first phase of the project being the organisation, research, and overall project plan. (This was the first phase of the draft Services Agreement which reflected the bid requirements). RSI set up a branch office in Georgia and attended various representatives of government and the LEPL at numerous meetings and telephone conferences all at its cost. At no point was it suggested that RSI had not secured the bid, and in any event work on the project had begun in earnest. There were also several matters which RSI was asked to oversee and assist with services that fell outwith the bid and draft Services Agreement:

- 1.1 RSI and RCL were asked to become responsible for the drafting of the enabling legislation and regulations for the online and offline gambling licensing regime which task was completed. We understand that this is part of the new gaming legislation in Georgia. We are repeatedly told that this work will be compensated at the start of the project.
- 1.2 In December 2018, RSI was asked to look into, with RCL (the latter having independently made a bid for the contract) to replace the proprietary electronic circuit monitoring boards ("SMIBS") supplied by a third party with a more competitive product. After much research, planning and with a huge expense on equipment, board samples and testing, RCL took the decision to develop its own product and which now is available. RCL lost immense amount of opportunity time pursuing other clients on this project.

Despite this, LEPL has yet to formalise the myriad oral agreements upon which RSI and RCL have placed considerable reliance. RSI has not even been compensated for its out of pocket expenses, let alone the loss of management time, or reasonable profit opportunities. To compound matters LEPL decided in the wake of Covid-19 to only pursue the online licensing regime, and placed RSI under unrealistic pressure to fast track some of the detailed regulation criteria before the next political elections.

Additionally (and somewhat provocatively) the nominee presented RSI with the Call Option to execute which did not reflect the agreed commercial terms. It is worth noting that the call option only featured for the first time in, June 30th, 2020. This is attested by the fact the memorandum and articles of incorporation of RSI, on which RCL consulted with the nominee's lawyer during drafting, have no mention of such mechanisms.

3. RSI AND RCL'S POSITION

Both RSI and RCL have relied upon its representations to support the project, considerably to its detriment, as partly documented by the Services Agreement. The current position is commercially untenable. If the party wishes RSI to continue the project, then the following needs to be immediately addressed:

- 1.3 A revised Services Agreement to be signed within 2 weeks of the date hereof which accurately reflects the scope and costing of the revised project.
- 1.4 A revised acquisition agreement as detailed in point 4 below.
- 1.5 RCL's needs to recoup existing disbursements which amount to €125,000 are settled forthwith, such costs exclude the research and development on the SMIBS.
- 1.6 A clear agreement between parties of who is to supply the SMIBS and at what costs.

4. ACQUISITION OF RSI

We are putting the following options for the acquisition of RSI. Since we are cognizant of the fact that the nominee wishes to complete the transaction has to be completed by July 30th, 2021, we are informing you that only option 1 is feasible within this date at this point. All other options require a partial revocation of an injunction in Maltese courts and whose date has been set after the deadline date.

OPTION 1: USE RSI AS A SPECIAL PURPOSE VEHICLE

Both parties agree that RSI is used for the purposes of signing the agreement with LEPL and to receive payments to its Georgian subsidiaries only.

RCL shall have an agreement with RSI to receive its fixed monthly management fee. The other party shall have separate agreement to receive payments on a percentage revenue share basis.

As such no decision are taken within RCL, apart from those that are required for the good conduct of business under Maltese law.

OPTION 2: CREATE NEW CLASS OF SHARES WITHIN RSI

We can create a new class of shares in RSI to distinguish between founder shares and investor shares. The company shall be managed on the regulated SICAV (PIF/CIF) model and if desired by the investor part we are prepared to register the SICAV in Malta or any other appropriate jurisdiction.

This option brings the most benefits to all parties as the value of the company is not dependent on one project, but itself. An investment company related to the gaming industry with successful projects has huge value potential.

OPTION3: OUTRIGHT SALE OF RSI PRIOR TO SIGNING OF AGREEMENT WITH LEPL

An outright acquisition of RSI by nominee with a fee of €240,000 exercisable on the day of the of the agreement, which date must be prior to signing of agreement with LEPL.

RCL shall therefore not be part of the LEPL project and a new agreement with new conditions and terms must be agreed between parties if RCL is desired to continue services.

OPTION4: OUTRIGHT SALE AFTER SIGNING OF AGREEMENT WITH LEPL

An outright acquisition with a fee of €720,000 exercisable on the day the of the agreement. The actual share transfer shall be executed on a date after the signing of the agreement wit LEPL.

RCL shall remain part of the LEPL project and shall use part of the proceeds of the acquisition fee to cover its management fee for a period of 2-years. All other investment to carry out the project must be bourne by the other party.

5. FINALITY

If the parties cannot reach an agreement in principle within 7 days from the date hereof, then RSI will have no option but to accept repudiation of the parties' agreed arrangements and both RCL and RSI will bring proceedings to recover not only its disbursements but also the loss of management time and profit opportunities for the duration of the period in which its extensive assistance was provided in good faith to LEPL and in direct reliance on the latter's assurances and representations . Both RSI and RCL fully reserve their rights.

Yours faithfully

A handwritten signature in green ink, appearing to read 'M. Galea', with a horizontal line drawn underneath it.

Mario Galea

Director