

Business Plan | OnlyBets

Formation of the Applicant:

- **UBO:** Igor Emmanuel Lima de Jesus (Shareholder 100%)

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- **OnlyBets B.V.:** Curaçao, Registration No.166128, 1.000 shares) | Director: e-Management

Business Products and Services:

- A diverse selection of casino games such as slots, table games (e.g., blackjack, roulette), poker, crash games and live dealer games.
- Promotions and bonuses to attract and retain players, including welcome bonuses, loyalty programs, and VIP rewards.
- Secure payment processing options for deposits and withdrawals, ensuring convenience and trust for players.
- Customer support services to assist players with inquiries, technical issues, and responsible gambling support.

Key Management Roles:

1. CEO (Chief Executive Officer): Igor Emmanuel
2. CFO (Chief Financial Officer): Milton
3. CTO (Chief Technology Officer): Cláudio
4. CCO (Chief Compliance Officer): João

Business forecasts for 3 Years

Year 1:

- Market expansion target: Reach the entire audience of Northeast Brazil.
- Net profit target: Achieve a net profit of over \$10 million.
- Cash flow: Projected cash inflow of \$15 million; Projected cash outflow of \$12 million.

Year 2:

- Product diversification target: Introduce new options for sports betting and live casino games.
- Customer loyalty target: Increase customer base by 30% compared to the previous year.
- Geographic expansion target: Expand into international markets, including Latin America and Europe.
- Cash flow: Projected cash inflow of \$25 million; Projected cash outflow of \$18 million.

Year 3:

- Strategic partnerships target: Establish partnerships with sports clubs and world-renowned events.
- Operational efficiency target: Reduce operational costs by 20% compared to the previous year.
- Net profit target: Achieve a net profit of over \$50 million.
- Cash flow: Projected cash inflow of \$40 million; Projected cash outflow of \$30 million.

Strategy of the Business Growth

Goals of Year 1

1. Market Expansion:

- Implement a comprehensive advertising campaign in local media, including radio, television, and social networks, targeting major urban centers in the Northeast. Estimated cost: \$3 million.

- Establish partnerships with regional sports events and local clubs to increase brand visibility in the region. Estimated cost: \$500,000.

- Offer exclusive promotions to Northeast residents to encourage participation and acquire new customers. Estimated cost: \$1 million.

2. Net Profit Target:

- Implement a competitive pricing strategy to maximize revenue and ensure a healthy profit margin.

- Monitor operational costs closely and identify areas for optimization to ensure costs remain within the planned budget.

3. Cash Flow Management:

- Monitor cash flow closely to ensure a healthy cash inflow and efficiently manage cash outflows to maintain a positive balance.

Goals of Year 2

1. Product Diversification:

- Conduct comprehensive market research to identify customer preferences for new betting and gaming options. Estimated cost: \$500,000.

- Introduce a variety of new products based on market research findings, highlighting unique features and benefits for customers. Estimated cost: \$2 million.

- Create exciting launch campaigns for new products to increase customer interest and participation. Estimated cost: \$1.5 million.

2. Customer Loyalty Increase:

- Implement a comprehensive loyalty program to reward loyal customers and encourage repeat business.

- Utilize targeted marketing strategies to offer personalized communications to

customers, highlighting exclusive offers and promotions based on their betting history and preferences.

3. Geographic Expansion:

- Identify entry opportunities in the Latin American and European markets through detailed market analysis.
- Develop specific entry strategies for each target market, tailored to their unique characteristics and preferences.
- Invest in international marketing to increase brand awareness and attract customers in new markets. Estimated cost: \$5 million.

Goals of Year 3

1. Strategic Partnerships:

- Identify partnership opportunities with renowned sports clubs and events to increase brand credibility and expand the customer base.
- Conduct effective negotiations to establish mutually beneficial partnerships that provide brand exposure at major sports events and among fans.

2. Operational Efficiency:

- Conduct a comprehensive review of existing operational processes to identify inefficiencies and implement measures to improve efficiency.
- Invest in innovative technologies and automated systems to optimize processes and reduce operational costs. Estimated cost: \$3 million.

3. Net Profit Target:

- Implement strategies to increase operational efficiency and reduce costs, thereby increasing business profitability.
- Monitor financial indicators closely and make adjustments as needed.

Key Suppliers and Dependencies:

- Game Providers: NetEnt, Microgaming, PgSoft, Evolution Gaming,

Microgaming, Pragmatic Play, Spribe and others.

- Banking and Payment Processors: Paybrokers and Iopay
- Regulatory Compliance Partners: João's Office
- Technology Infrastructure Providers:

Host: Cloudflare

Server: AWS

Risk Management Strategies:

- Diversification of Suppliers: Implement a strategy to diversify suppliers and reduce reliance on single vendors to minimize the impact of supplier disruptions or contract terminations.

- Contingency Planning: Develop contingency plans and alternative arrangements in case of supplier failures, interruptions, or breaches. This may involve identifying backup suppliers or establishing redundancy measures for critical services.

- Contractual Protections: Negotiate contracts with suppliers that include provisions for service level agreements (SLAs), performance guarantees, and dispute resolution mechanisms to mitigate risks associated with service interruptions or quality issues.

- Monitoring and Evaluation: Continuously monitor the performance and reliability of key suppliers, conducting periodic reviews and assessments to identify potential vulnerabilities and address them proactively.

- Insurance Coverage: Consider obtaining insurance coverage, such as business interruption insurance or supply chain insurance, to mitigate financial losses resulting from supplier disruptions or unforeseen events.

Risk Assessment:

- Identification of specific risks associated with the operations of the online casino, such as fraud, cybersecurity, money laundering, and regulatory compliance.
- Analysis of the impact and probability of occurrence of each risk.
- Prioritization of risks based on their severity and probability.

Risk Mitigation:

- Development and implementation of measures to reduce exposure to identified risks.
- Implementation of robust cybersecurity controls to protect player data and prevent hacker attacks.
- Establishment of policies and procedures to ensure compliance with responsible gaming regulations and money laundering prevention.
- Utilization of age and identity verification technologies to ensure players are of legal age and located in jurisdictions where online gambling is legal.

Internal/External Audit:

- Conducting regular internal audits to assess the effectiveness of internal controls and compliance with policies and regulations.
- Engaging independent external auditors to conduct additional financial and compliance audits, ensuring transparency and credibility.

Supervision Committees:

- Establishment of dedicated supervision committees to monitor risks related to the security, compliance, and integrity of online casino operations.
- Regular review of risk reports and audit findings to ensure identified issues are addressed appropriately and timely.

Risk Registers:

- Maintenance of detailed risk registers, documenting identified risks, implemented mitigation measures, and conducted audits.
- Regular updating of risk registers to reflect changes in operational conditions and regulatory requirements.

Legal and governance framework.

1.Board Oversight and Current Membership:

- The current membership of the board is Igor Emmanuel Lima de Jesus.
- The board/UBO will be responsible to manage how to implement the solutions presented by the other board members and sectors.
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- In case the board is deadlocked it must concentrate its efforts on the best

solution for the company and if the decision is not a total consensus they will vote to solve the problem and upon votation if the proposal to solve the problem had, at least $\frac{3}{4}$, the decision had been made.

- The legal support and advice will be provided by the juridical team from João's Office.
- In addition with the board members the representative of juridical team tends by invited to act in accordance with the board positions.

2.Decision Making and Matters Reserved to Board/UBOs:

- The board/UBO will be responsible to manage how to implement the solutions presented by the other board members and sectors.
- The board/UBO will administer and manage all matters related to M&A operations and make the decisions about financial topics with the respective CFO representative.

3. Deadlock Resolution:

- In case the board is deadlocked it must concentrate its efforts on the best solution for the company and if the decision is not a total consensus they will vote to solve the problem and upon votation if the proposal to solve the problem had, at least $\frac{3}{4}$, the decision had been made.

4. Legal Support and Advice:

- The legal support and advice will be provided by the juridical team from João's Office.

5. Additional Attendees at Board Meetings and Policy:

- In addition with the board members the representative of the juridical team tends by being invited to act in accordance with the board positions.

6. ESG Policy (Environmental, Social, and Governance):

Target KPIs and business objectives

Key Performance Indicators (KPIs) and Business Objectives:

1. **Daily Active Users (DAU):** This KPI measures the number of unique users placing bets daily. The goal is to gradually increase the number of DAUs over time, reflecting the growth of the customer base.
2. **Customer Retention Rate:** The customer retention rate measures the percentage of customers who continue to place bets with the betting house over time. The objective is to maintain a high retention rate, indicating customer satisfaction and brand loyalty.
3. **Total Betting Revenue:** This KPI tracks the total revenue generated from customer bets. The objective is to increase total betting revenue over time, reflecting business growth and the attractiveness of the betting platform.
4. **New User Conversion Rate:** The new user conversion rate measures the percentage of website visitors who become paying customers. The goal is to increase the conversion rate by improving the user experience and encouraging sign-ups.
5. **Gross Profit Margin:** The gross profit margin represents the percentage of total revenue retained after deducting direct costs associated with providing betting services. The objective is to maintain or increase the gross profit margin over time, ensuring the financial viability of the business.

Measuring Success and Long-Term Objectives:

The success of the betting house is measured by the continuous expansion of

the customer base, increasing total betting revenue, and maintaining high customer retention rates. Long-term objectives include:

1. Sustainable Growth: Expand into new geographic markets and diversify product offerings to attract a broader customer base.
2. Technological Innovation: Invest in innovative technologies to enhance user experience, offer more diverse betting options, and ensure the security and protection of customer data.
3. Regulatory Compliance: Stay updated with gambling industry regulations and ensure compliance with local laws and requirements in all jurisdictions where the company operates.
4. Corporate Social Responsibility (CSR): Implement CSR policies and initiatives to promote responsible gambling, protect vulnerable players, and positively contribute to the communities where the company operates.

These indicators and objectives are essential for evaluating the performance of the betting house and guiding its long-term business strategies.

Policies and Procedures

1. The policies will be done externally by the juridical team aforementioned and its application procedure will be the company's responsibility.
 2. The company's intended timelines and commitment to keep the GCB apprised about it is within 30-60 days in case it had been changed.
 3. The board believes in the João's juridical team because they already have contact with this kind of work and has a great reputation in the market.
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1. Whether the policies and procedures are done internally, or externally.
 2. The intended timelines and commitment to keeping the GCB apprised; and
 3. Why the board believes, acting reasonably, that the person/entity doing the policies and procedures is qualified, competent and not conflicted.

(The GCB shall mandate an audit/review of the policies and procedures after their submission.)

