

BUSINESS PLAN

UPSPORTS.BET

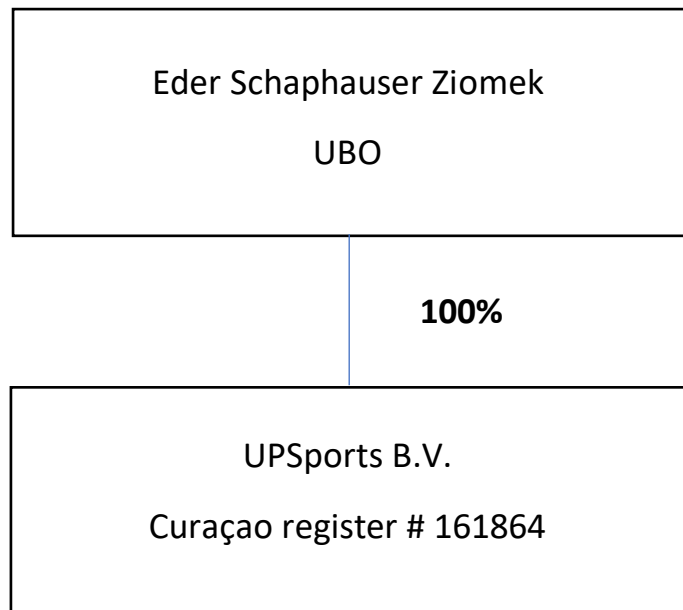
2022

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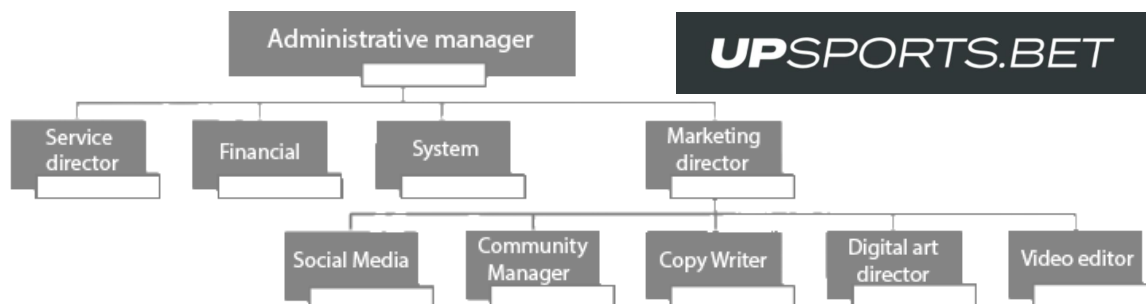
Corporate Structure



Note: In total there are 2 partners (50% ownership each), which one of them is Eder Schaphauser Ziomek. The other partner is Felipe Avelino Dias. Eder is the only partner that speaks English, Felipe only speak Portuguese.

Subsidiaries: As we are still in start-up mode, we do not yet have any subsidiaries or billing agents. In the near future, we will begin the process of incorporating these (e.g. in Cyprus).

✓ Company Structure



- Technical Infrastructure

Location and structuring of the site for the operation of the enterprise, taking into account environments for Administrative, IT, Financial, Meeting Room and Marketing. In the mobilization, one must take into account the current and future dimensioning, both of the physical space, as well as technological support in care (ability of the region to provide quality internet, 24-hour ordinance operation, weekends and holidays, access, traffic and mobility). The cost is described in the budget worksheet.

✓ Key Individuals

- **Eder Schaphauser Zicmek** – UBO and partnet (CEO, overall responsibility)
- **Felipe Avelino Dias** – Partner (responsible for Marketing and Finances)

The two partners are part of the team of a company named Upsports Serviços Empresariais LTDA, fully incorporated in Brazil, with register number (CNPJ) 44.450.789/0001-58, founded in 12/01/2021, in Balneário Camburiú City, in Santa Catarina State. The Company e currently active and its principal activity is Agency and Intermediation of services and business in general, except real state. They are eager to start a new online

gaming website called Upsports.bet with the necessary regulatory oversight of Curacao. The website is currently accessible via:

<https://upsports.bet>

Username: contatesteste100

Password: contatesteste100

- **Carlos Ferrão – Legal Advisor**



Financials

○ Upfront investment

- Curacao company cost – €8,000
- CEG licensing cost – €13,250
- Sporting Tech Platform (also known as Pronet Gaming) signup cost – €15,000. The software provider is responsible for all technical aspects, so we do not have any IT costs which we need to pay for directly.
- Staff/Employees – initially 5 employees for customer support and all other key functions will be done by the three partners. €1,500 per month total (€300 per employee). The partners will initially not draw any salary.
- Office costs – €800 per month.
- Marketing costs – initially zero, as we will do it in-house (Felipe is an marketing expert), plus utilise the affiliate system which doesn't require any upfront payment, only commissions on player losses.

Total upfront investment: €43,000 approx. for first 3 months. Following this the website's own cash flow should be sufficient to fund ongoing operational costs.

○ Source of Wealth

- **Eder Schaphauser Ziomek** – €36k from savings.
- **Felipe Avelino Dias** - €14k from Upsports Serviços Empresariais LTDA – we will use funding from our existing Company to fund this venture.



Financial estimations

○ First year

- Turnover (net GGR): €960,000
- Costs: €916,800 (includes affiliate commissions of roughly 25%, platform fees of roughly 23%, and all other operating costs)
- Net Profit: €43,200
- Net Profit Margin: 4.5%

○ Second year

- Turnover (net GGR): €1,920,000
- Costs: €1,829,760 (includes affiliate commissions of roughly 25%, platform fees of roughly 23%, and all other operating costs)
- Gross Profit: €90,240
- Gross Profit Margin: 4.7%

○ Third year

- Turnover (net GGR): €2,880,000
- Costs: €2,736,000 (includes affiliate commissions of roughly 25%, platform fees of roughly 23%, and all other operating costs)
- Gross Profit: €144,000
- Gross Profit Margin: 5%



Operations

Software: We will be using a third-party software called Pronet Gaming (<https://pronetgaming.com/about-us>). They are one of the world's largest and well-known software providers.

Content: we will be offering sportsbook and casino games. All of these will be third-party content and provided by Pronet Gaming. Essentially all content will be provided together with the software.

Website: our website is available in <http://upsports.bet> . Access details are as follows:

- <https://upsports.bet>
- username: contatete100
- password: contatete100

Marketing: Felipe will be responsible for all marketing activities. We will also utilise affiliate marketing.

Finances: Felipe will be responsible for the finances. We will use PayBrokers (Paybrokers.com.br) as payment service providers. We haven't signed a contract yet as we are still setting up the business and need a license first.

Customer Support: We will hire 5 customer support agents and provide support via live chat.

AML/Fraud: the software provider has integrated AML/Fraud detection procedures, and these will be automatically flagged when certain events occur e.g. AML thresholds, multi-accounting, etc. Our team will then manually do the relevant investigations.