

VODDS BUSINESS PLAN

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Prepared for:

Curacao License Application

1. Executive Summary

Opportunity

Problem Summary

There are hundreds of Sportsbook providers in the market offering varying matches and prices on sports events. As a punter, regardless of whether he is a professional or a recreational punter, one will have to register with many different bookmakers in order to get better price options for a bet. In addition, European bookmakers typically restricts winning punters and these clients will have to keep registering with new bookmakers.

Solution Summary

We will provide an aggregator solution for punters to compare prices from various bookmakers and exchanges. The solution will come with a central wallet that funds the respective books available in the platform. Users will be able to obtain a better price automatically for their bets compared to manually looking for the best price through having multiple browsers and bookmaker accounts logged in at the same time.

Market

International sports betting is estimated to have a market capitalization of \$250 billion. According to Statistica, a highly-reputable firm, licensed online sportsbooks account for upwards of \$39.7 billion of this revenue. With sports betting opening up in America, this means there is a huge market for growth and expansion especially for operators outside of The United States. Other than The US, Asia Pacific is another huge market for the sports betting industry. With increase wealth and expansion in digital connectivity, it's estimated that the APAC region will increase at a rate of 12.9% per annum.

1. Opportunity

Problem and Solution

There are currently a few thousand sports betting online operators all over the world, each offering different events, odds and pay-outs for sports events. It is almost impossible for a customer to always find the best price in the market for the event which they wish to stake on. On top of that, most sportsbook operators only welcome what we call mugs and recreational punters. A professional or winning punter is always not welcomed and will usually have their accounts restricted.

To counter this problem, we came up with an aggregator (Vodds.com) which consolidates the prices and events of various sportsbooks. The aggregator automatically selects the best price for any event as well as aggregates the odds when stakes are larger than the limits on a single sportsbook. The books selected are largely Asian operators as well as betting exchanges who do not restrict winning punters. In addition, a central wallet on the platform makes it more convenient for users as it eliminates the need for them to sign up with all the different operators. This also helps professionals obtain more liquidity for their bankroll. Another very smart and useful feature of the aggregator is an automatic queuing function which allows a user to specify a price, stake and duration he wants to monitor the market and the system will execute the bet when the parameters are met. All the above conditions make this a perfect solution for everyone interested in sports betting, regardless of whether one is a recreational punter or a professional making a living from it.

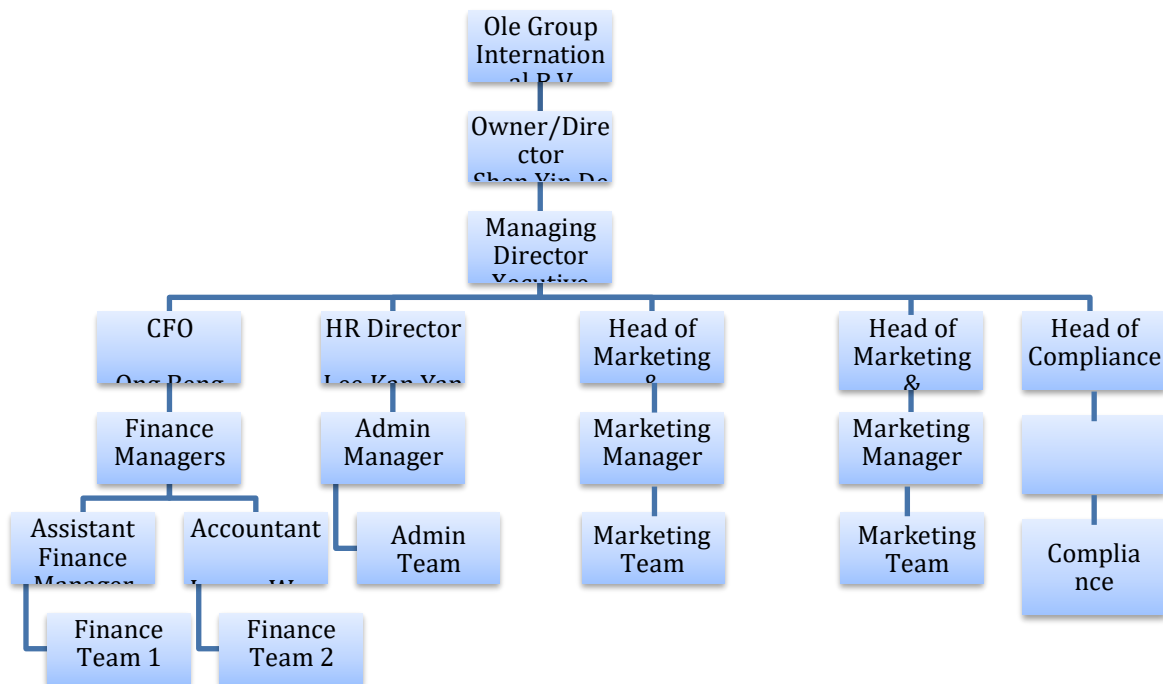
Target Market

Since the solution is suitable for any type of customer, the target market is relatively wide and flexible. We do notice from our past experience in the market that there tends to be more professionals from the European market and more recreational punters from the APAC region. The profit structure of the aggregator is actually commission on turnover offered by the bookmakers. As such, all categories of punters are welcomed. The Asian books available on the aggregator focuses on Asian Handicap betting. This naturally appeals more to the Asian market. Asian handicap betting also has less of a bookmakers' advantage compared to fixed odds betting which then attracts the professionals.

Competition

Currently there are only 3 other operators in the market providing similar solutions. The books provided on each operator differs slightly. Given the size of the sports betting market, there is definitely more demand than supply in the industry. The different operators are further differentiated by the limits they provide on their platform as different Asian accounts have slightly different limits based on the relationship they have with the bookmakers.

2. Organisation Chart



3. Financing and P&L forecast

Source of funds

The funding of this business will be from provided by the sole director and owner Mr Shen Yin De who has years of experience in the gaming industry. The funds will be from his savings. Since there is no position taken against customers' bets, there is minimal liability in the business. The majority of the funding has been spent on development of the software and maintaining it.

Profit and Loss

We expect to generate a significant amount of commission from the first year of operations. This is the Projected Profit and Loss for the next 3 years.

Profit and Loss Statement	AY2025 (Projected)	AY2026 (Projected)	AY2027 (Projected)
Income	EUR (€)	EUR (€)	EUR (€)
Commission	1,000,469	1,150,682	1,288,764
Less: Expenses			
License and Platform Fees	420,000	420,000	420,000
Payment Solution charges	61,765	64,853	68,096
Salary	55,915	61,507	67,657
Office Rental	33,000	36,300	39,930
Miscellaneous Operating Expenses	54,735	60,209	66,229
Marketing Expenses	32,361	37,215	42,797
Nett Profit	342,693	470,598	584,055

4. Execution

Experience

The UBO Mr Shen Yin De has had previous experience running a BPO serving online gaming companies. He understands the business and knows what is required for the business to be successful. While running the BPO business, he also established a strong IT team who has vast experience creating a bespoke software that links up easily with other sportsbook providers and CRM solutions. Being an online business, the strength of the IT infrastructure is vital in it's speed of implementation and success of the business.

Marketing

Since sports betting is more restrictive, more efforts were made online rather than below the line marketing. The first and foremost focus was on search engine optimisation (SEO), which is the core of any online marketing. Keyword research has been done on crucial and relevant keywords like "Sports betting aggregator", "Asian Handicap Betting" and "Best Asian Sportsbooks".

The next marketing focus was on affiliate websites and online partners. These have been proven to be the most effective channels to gain client base. For professionals, we target websites that provide statistical data, news and forums. These tend to have more professional followers due to their content. For recreational punters, we will approach live scores websites, bookmaker reviews and tipsters websites, which tend to attract more recreational players with their bonus promotions. Our target market will be the European and CIS markets which are allowed by our license as well as bookmakers we work with. As a guide, restricted markets for now will be the following and will be updated as regulations change.

- Canada
- China
- Curacao
- France
- Iran
- Iraq
- Israel
- Lebanon
- Libya
- Netherlands
- North Korea
- Philippines
- Portugal
- Singapore
- Somalia
- Sudan
- Syria
- Turkey
- UAE
- USA

Operations

We will be utilizing AWS servers for hosting our solution, more of which will be provided in the technical details submitted during application. The main customer service team is located in Manila and provides round the clock support for sign ups, payments and common issues faced by clients. Currently, the team has a manpower strength of nine members operating 3 shifts a day. A minimum period of 3 months' of training is provided for any new hire to ensure that they are well versed with sports betting rules and regulations and familiarizing of our own aggregator product. The staff will also have to be familiar with the different bookmakers that we provide on the platform.

The software used for our platform will be outsourced to an IT team located in Vietnam. The reason being that the IT team and cost in Vietnam is cheaper compared to more developed countries, while the service level is comparable. We will also be integrating with Pragmatic Play, a licensed and renowned online casino operator.

For banking, we will engage Electronic Monetary Institutions (EMIs) from Malta as well as Cyprus for transfers in Europe. The other alternative payment solutions we intend to work with will be from Skrill and Neteller (Paysafe), Jeton and Ecopayz. These are all licensed payment solutions providers working extensively in Europe and CIS countries, which will be our target markets.

Risk evaluation and management

The management conducts weekly and monthly audits to assess all aspects of risks associated with the business. Periodically, we will also engage external parties to help audit the robustness of our processes. The process of our risk evaluation involves the different levels in the organisation and the process is as follows:

Risk Identification

1. Regulatory Compliance: Identify risks related to non-compliance with gambling regulations and AML (Anti-Money Laundering) laws.
2. Cybersecurity: Assess risks associated with data breaches, hacking, and other cyber threats.
3. Financial Risks: Identify risks related to financial transactions, including fraud and money laundering.
4. Operational Risks: Evaluate risks in daily operations, such as system failures or service disruptions.

Risk Analysis

1. Qualitative Analysis: Assess the likelihood and impact of identified risks using expert judgment and historical data.
2. Quantitative Analysis: Use statistical methods to evaluate the potential financial impact of risks.
3. Risk Matrix: Plot risks on a matrix to prioritize them based on their severity and probability.

Risk Evaluation

1. Risk Appetite: Determine the level of risk the casino is willing to accept.
2. Risk Ranking: Rank risks based on their potential impact and likelihood.
3. Cost-Benefit Analysis: Evaluate the costs of mitigation against the benefits of reducing the risk.

Risk Mitigation Processes

1. Risk Avoidance.
 - a. Policy Changes: Implement new policies to eliminate certain risks, such as stricter KYC (Know Your Customer) procedures.
 - b. Process Redesign: Alter business processes to avoid risk-prone activities.
2. Risk Reduction:
 - a. Controls and Safeguards: Implement controls to reduce the likelihood or impact of risks, such as multi-factor authentication and encryption.
 - b. Training and Awareness: Educate employees about risks and how to mitigate them.
 - c. Technology Solutions: Use advanced software and tools to monitor and manage risks, including fraud detection systems.
3. Risk Retention:
 - a. Contingency Planning: Develop plans to manage risks that cannot be avoided or transferred.
 - b. Reserves: Set aside financial reserves to cover potential losses.

Monitoring and Review

1. Regular Audits: Conduct internal and external audits to ensure compliance with risk management policies.
2. Continuous Monitoring: Use real-time data and analytics to monitor risks continuously.
3. Feedback Loops: Establish mechanisms for feedback and continuous improvement.

Legal and governance framework

The board of directors are updated weekly on the financial performance of the business. This will include financial reports, cash flow statements, income statements and the balance sheets.

On a monthly basis, they are provided updates on the operations, project updates (if any), and on a periodical basis, Risk and Audit reports, and long term strategic reports.

Matters Reserved for the Board of Directors

1. Strategic Decisions:
 - a. Approval of the company's long-term strategy and objectives.
 - b. Major investments, acquisitions, and disposals.
 - c. Changes to the company's capital structure.
2. Financial Oversight:
 - a. Approval of annual budgets and financial statements.
 - b. Dividend policy and significant changes to accounting policies.
 - c. Major capital expenditures and financial commitments.
3. Corporate Governance:
 - a. Appointment and removal of directors and senior executives.
 - b. Establishment and oversight of board committees.
 - c. Approval of corporate governance policies and practices.
4. Risk Management:
 - a. Approval of the risk management framework and policies.
 - b. Oversight of significant risk exposures and mitigation strategies.
 - c. Ensuring the integrity of financial and operational controls.
5. Compliance and Ethics:
 - a. Approval of compliance policies, including AML and KYC procedures.
 - b. Oversight of ethical standards and corporate social responsibility initiatives.

The UBO does not involve himself in the day to day operations. As such, if there is a deadlock in the decision making, the Company managing directors will be the decision makers.

Legal support and advice is provided by the managing directors.

The senior executives and Head of departments are usually invited to the board meetings.

Target KPIs and business objectives

1. Target KPIs

- a. Nett and Gross Gaming Revenue (NGR/GGR) - Growth of 10% annually
- b. Customer conversion rate - 15% increment monthly
- c. Customer Acquisition rate - 15% monthly
- d. Player Retention Rate - 35%

2. Long Term Objectives

- a. Sustainable Growth: Focus on expanding the player base while maintaining high levels of player satisfaction and engagement.
- b. Market Expansion: Entering new geographical markets and diversifying the player.
- c. Innovation and Technology: Investing in new technologies to enhance the gaming experience, such as virtual reality (VR) and artificial intelligence.

Policies and Procedures

Policies and procedures are both done internally and externally with the advice from the managing directors.

Since the business has been in operation, we are confident in maintaining and keeping our financial and regulatory commitments to the GCB.

The policies and procedures are provided and advised by the board upon consultations with the respective legal, compliance and regulatory bodies.