

(To be incorporated)

# **Silvertech**

## **N.V**

### **Business Plan**

## Contents

|       |                                                                              |   |
|-------|------------------------------------------------------------------------------|---|
| 1.    | Introduction and Executive Summary                                           | 3 |
| 1.1   | Gambling in Turkey & Brazil.                                                 | 3 |
| 1.2   | Objectives                                                                   | 3 |
| 2.    | Online Gaming Solutions                                                      | 4 |
| 3.    | Target markets and segments                                                  | 4 |
| 3.1   | Product and services                                                         | 4 |
| 3.2   | Merchant account service                                                     | 4 |
| 3.3   | Application Programming Interface (API) with 3 <sup>rd</sup> party providers | 6 |
| 4.    | Corporate Governance & Organisational structure                              | 6 |
| 4.1.  | Board of directors                                                           | 6 |
| 4.2   | Operations                                                                   | 6 |
| 4.3   | IT function                                                                  | 7 |
| 5     | Financial Projections                                                        | 8 |
| 5.1   | Statement of 3 years Income                                                  | 8 |
| 5.2   | General assumptions and notes                                                | 8 |
| 5.2.1 | Number of Customers                                                          | 8 |
| 5.2.2 | Transaction value                                                            | 8 |
| 5.3   | Fee & Commission income                                                      | 9 |
| 5.4   | Direct costs                                                                 | 9 |
| 5.4.1 | Payroll costs                                                                | 9 |

## 1. Introduction and Executive Summary

**Silvertech N.V.** will be a Limited Liability Company organized and existing under the laws of Curacao, with its registered address at E-Commerce Park Vrenderberg, P.O Box 422. The object of activity of this company is to organize, market, promote, manage, support and operate all types of remote gambling activities, comprising all types of games, betting and other operation of betting exchange, interactive casinos, bingos, lotteries etc.

The abovementioned company will be seeking to expand their activity in the online gambling market in Turkey, Brazil and other permitted jurisdictions.

We have compiled a business plan based on the careful analysis of the current structure of the market as well as expected future development of the gambling market in our target jurisdictions.

### 1.1 Gambling in Turkey & Brazil.

According to non-official data and secondary evidence, in 2020 there were over 7 million active individuals participating in online gaming activities in Turkey. In contrast, data suggests that the market in Brazil represents some 42 million active users as of 2022.

Despite there being a vast number of online sites catering for this player-base in both jurisdictions, the market is still in its growth stage offering scope for new entrants, or be it ones with good market knowledge and experience.

### 1.2 Objectives

The objectives of this the new sub-license:

- To capitalise on the lucrative online gambling industry in Turkey and Brazil with a proven platform provider, thus supporting operations and a sustainable growth;
- To exploit synergies created between The Company and the providers through direct and indirect resell agreements. In addition, harmonising existing experience in the development of bespoke systems to secure a fast and reliable online gambling experience.
- To increase the revenue stream especially from the mass Brazilian market and once regulation comes into effect be able to bid for the government license.

## 2. Online Gaming Solutions

The team and technical knowhow of Pronetgaming coupled with our decade long will enable the company to offer a product that is second to none in the industry. The platform of Pronetgaming has been tested and proven for well over a decade in both the Turkish and Brazilian market making it a clear winner above the competition for our new venture on the new sub-licence.

With fast, reliable trader and support services covering Poker, Live and virtual Casino Games, Sportsbook and trader and payment services, The Company will offer a market leading, comprehensive solution that further incorporates a wide spectrum of pre-match and live variety of betting options setting out its strategy for offering 24/7 support to customers.

## 3. Target markets and segments

The (to-be) incorporated Curacao company will provide online gambling services on a B2C level with the aim of opening to JV's with incorporated and licensed companies in the future. For this reason, it is envisaged that The Company will exercise passport rights of its existing gambling software, by way of API's and new sites to facilitate fruitful partnerships, especially in the Brazilian market and beyond.

### 3.1 Product and services

The Company will be providing the following services:

- Live Casino games
- Virtual Casino
- E-Sports
- Sportsbook (Live & Pre-Match)
- Trading
- Cashier – Wallet System
- Fraud Services
- Reporting Tools

### 3.2 Merchant account service

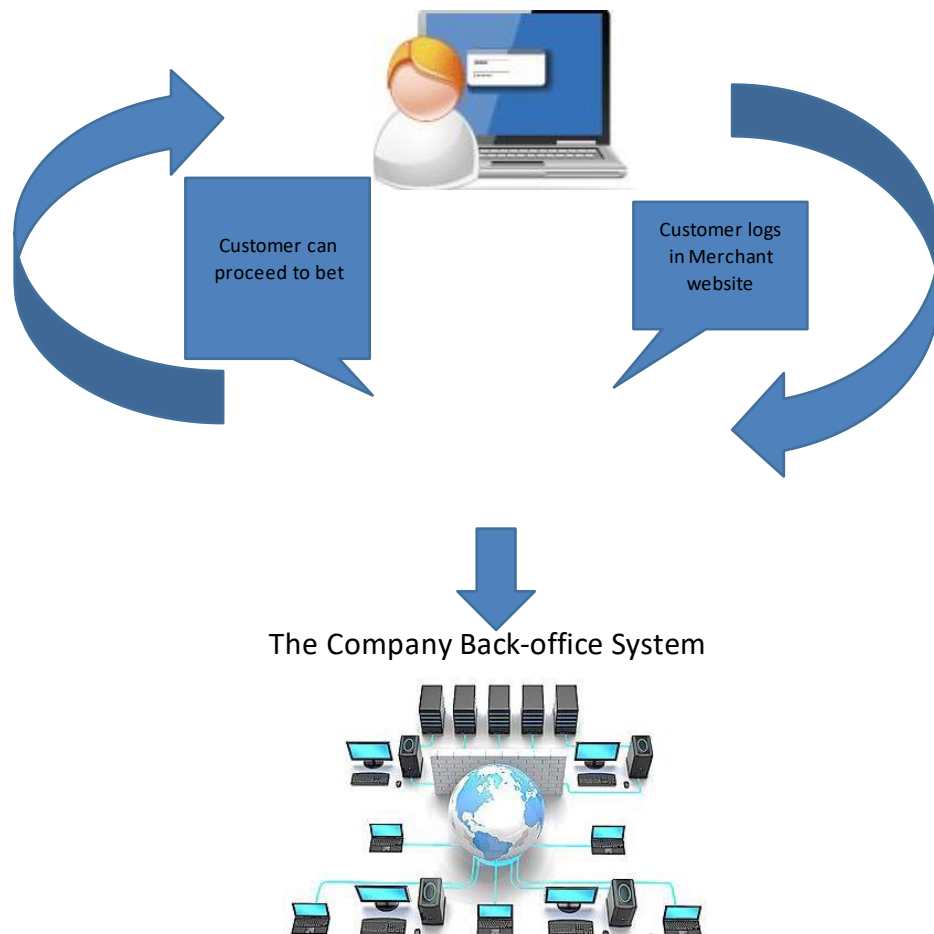
The Company will provide a interface to its back-office portal whereby the company will be able to monitor real-time the end user's transaction on the site. This will be a very comprehensive tool which will include the risk levels, trading tools, number of games/amounts wagered, total risks, minimum/maximum pay-outs, risk analyses, marketing, game info, percentages etc.

Odds management and trader services will initially be covered by the feed provider; however, the staff will then have the option to manage their own odds within given parameters for marketing purposes.

The below diagram illustrates the customer and company relationship in online gambling. Once the customer lands on the website, they will be requested to complete a basic KYC form to register on the site. After this step, the customers can pick from one of the many payment options (certain payment systems are subject to further KYC) to make a deposit on the site and start wagering. The whole process is captured on the back-end.

The Company's operator solution will be configured to process basic KYC requests which will be utilising SSL encryption technology. Once the availability of funds on the customer account is verified the portal will enable the customer to wager bets or participate in casino games.

**Flow Chart 1 - Customer process through Merchant**



### 3.3 Application Programming Interface (API) with 3<sup>rd</sup> party providers

The company will take most content from the Pronetgaming platform. However, in certain instances, where its more economically more viable, the company will make direct integration with providers. Namely, Spribe, Pragmatic Play and WeAreCasino. All such providers are linked via an API. The technical teams will carry out all necessary processes to establish an Application Programming Interface (API) between all providers and the operator system. The Company will harmonise their content and others in a state of the art, seamless casino module. Couple this with a seamless cashier system and the whole package is the ultimate player experience in online gambling industry. This will also ensure, operator satisfaction as a flawless system.

## 4. Corporate Governance & Organisational structure

### 4.1. Board of directors

It is envisaged that the corporate governance of the (to-be) incorporated Curacao company will be mutually agreed with the founding shareholder. In this respect, the Qualifying Shareholder will reserve the right to appoint member(s) to the Board of Directors.

### 4.2 Operations

Given that the to-be incorporated business is highly dependent on the Information Technology (IT), one of the main priorities will be to ensure that the IT department will be adequately resourced with the necessary competence levels commensurate to the project growth in business.

The company will significantly gain from the synergy with the team at Pronetgaming and our CSP – eMoore N.V. alike given the mutual, significant experience in the sector. In fact, this synergy will be determinant also for the to-be incorporated company to achieve its medium-term objective of securing a reliable system that supports revenue stream while offering a state-of-the-art system for operators and end users.

### 4.3 IT function

The table below illustrates the proposed roles of the to-be incorporated company's IT structure which will be headed by the Head of IT and who will be mainly responsible for managing the development and implementation of operational and organizational strategies, policies and practices.

| Application & Software Development                                                                                                           | IT Support                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Data &amp; Business Analysts</li><li>• Developers/Architects</li><li>• QA/Software Testers</li></ul> | <ul style="list-style-type: none"><li>• IT Security Administrators</li><li>• Network Administrators</li><li>• System Administrators</li><li>• Database Administrators</li><li>• User Support</li><li>• Application Support</li><li>• Helpdesk Support</li></ul> |

Finally, to support the projected business volumes being introduced by the stakeholders, additional resources will be required in the compliance to handle account openings and in the call centre which responsibilities will include but not limited to provide 24x7 customer support and support of live chat system and fraud monitoring.

## 5 Financial Projections

### 5.1 Statement of 3 years Income

|                                    | <b>2024</b> | <b>2025</b> | <b>2026</b> |
|------------------------------------|-------------|-------------|-------------|
|                                    | <b>EUR</b>  | <b>EUR</b>  | <b>EUR</b>  |
|                                    |             |             |             |
| <b>Fee income</b>                  |             |             |             |
| Gross income                       | 3,456,000   | 3,801,600   | 5,184,000   |
| <b>Direct costs:</b>               |             |             |             |
| 3 <sup>rd</sup> Party Content Fees | 1,417,000   | 1,558,600   | 2,125,000   |
| Server Costs                       | TBC         | TBC         | TBC         |
| Certification                      | 148,000     | 148,000     | 148,000     |
| Office (rent)                      | 85,000      | 89,000      | 94,000      |
|                                    |             |             |             |
| <b>Income</b>                      | 1,806,000   | 2,006,000   | 2,817,000   |
|                                    |             |             |             |
| Directors fees                     | 10,000      | 11,000      | 12,000      |
| Staff Costs                        | 1,260,000   | 1,323,000   | 1,390,000   |
| Administrative costs               | 28,000      | 30,000      | 30,000      |
| Marketing Costs                    | 120,000     | 144,000     | 150,000     |
|                                    |             |             |             |
| Profit before tax                  | 388,000     | 498,000     | 1,235,000   |
|                                    |             |             |             |

### 5.2 General assumptions and notes

#### 5.2.1 Number of Customers

It is envisaged that the initial active customer base will be in the region of 20,000. It is projected that in the first twelve months of operations, 3,000 individual customers will participate on the services of the new website, which represent approximately 15% of the total customer base.

#### 5.2.2 Transaction value

The table below indicated the average monthly transactions on the whole system:

|                                |        |
|--------------------------------|--------|
| Average loading/month (volume) | 24,000 |
| Average loading/ (EUR)         | €12    |

### 5.3 Fee & Commission income

Projected revenue consists of fees charged to pay the platform will be (16%) for sports betting, (25%) for casino products.

### 5.4 Direct costs

Direct costs are made up of 3<sup>rd</sup> party fees, server costs, certification fees, licencing and CSP fees along with office rent.

#### 5.4.1 Payroll costs

Payroll costs represent the cost of the staff employed by the to-be incorporated company to those projected in order to support the envisaged business volume introduced by the operators. It is assumed that the company will employ the following additional employees:

|                         | <b>2023</b> | <b>2024</b> | <b>2025</b> | <b>2026</b> |
|-------------------------|-------------|-------------|-------------|-------------|
| Chief Operating Officer | 1           | 1           | 1           | 1           |
| Chief Finance Officer   | 1           | 1           | 1           | 1           |
| HR Manager              | 1           | 1           | 1           | 1           |
| IT Director             | 1           | 1           | 1           | 1           |
| Finance Officers        | 2           | 2           | 3           | 3           |
| Operations Manager      | 2           | 2           | 3           | 3           |
| Customer care officers  | 8           | 12          | 12          | 14          |
| Marketing manager       | 3           | 3           | 4           | 4           |
| Call centre - Manager   | 2           | 3           | 3           | 3           |
| Call centre - Officers  | <u>10</u>   | <u>12</u>   | <u>12</u>   | <u>14</u>   |
| TOTAL                   | <u>31</u>   | <u>38</u>   | <u>41</u>   | <u>45</u>   |