

Eight Central Limited

BUSINESS PLAN

Version: 1.0
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Audience: Curacao Egaming
Date: 20/02/2017

Previous Version	Current Version	Changes	Editor
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1. Business Description

Ultimate Marketing is intended as the holding company for entities incorporated and licenced in jurisdictions that allow for a wide range of real money remote gambling activities with cost-effective corporate structures and gambling duties.

Some of the activities listed below, have been started and are currently operating under a licence issued in Montenegro. The business has been considering moving those activities to a Curacao licenced entity for some time and has now reached the decision to do so, in order to pursue the Betfair white label opportunity as well.

The business has engaged with Certria, a corporate service provider in Curacao, and Curacao eGaming to incorporate the company Eight Central Limited and obtain a gaming licence for all the activities described in this document.

The capital to back the business will come from personal wealth of the ultimate beneficiary of Ultimate Marketing and no other shareholders will be involved. The business does not expect to raise funds from investors in future. The strategy is to pursue activities that do not require a high initial investment and reach profitability quickly.

2. Company Background

The management team and the owner of Ultimate Marketing have worked at senior management level in the remote gambling industry for several years. They also operate other businesses in the same sector licenced in other jurisdictions and have grown the current group of companies to over 40 members of staff over 4 offices in just over 2 years.

The corporate mission is to provide a wide range of services in the sports betting space with a mixed risk profile, in order to take advantage of the senior management existing relationships and know-how to monetise opportunities of interest.

The team includes a well-established middle management layer that have worked together for several years and understand all aspects of the business.

The choice of Curacao as a jurisdiction is motivated by the inclusive licence, the favourable taxation on profits for Ezone businesses, and the lack of restriction on servers and technology location.

3. Products/Services

The activities listed below will be operated under different brands where applicable:

- A. Bookmaking - accepting fixed odds bets on sporting events from customers over the phone, instant messaging and email. Brand: Bet-Football – www.bet-football.com
- B. Agency - providing online betting accounts with several Asian bookmakers and European exchanges, acting as a facilitator of the flux of funds in and out of

those accounts granting credit or settling transactions between the bookmaker/exchange and the customer. Brand: Bet-Football – www.bet-football.com

- C. Betting Brokerage - where an order is received over the phone, instant messaging or email and executed finding liquidity for large stakes across multiple bookmakers. Brand: Bet-Football – www.bet-football.com
- D. Betting Exchange - Accepting bets on sporting events onto a shared-liquidity peer-to-peer betting mechanism. Brand: Orbit Exchange – www.orbitexch.com
- E. Spread betting - accepting spreads bets on sporting events from customers. Brand: SharpStar – www.star088.com
- F. Casino - accepting wagers on random-number generator and live dealer based games. Brand: TBC

4. Technologies/Special Know-How

4.1 Bet-Football

The consumer website only allows visitors to request accounts from our agency business or as a customer for our bookmaker and brokerage service. The site is simply a wordpress blog with a connected database. Bets are recorded and statements produced once a week using excel and shared spreadsheets.

4.2 SharpStar

The consumer website has been developed in-house and is hosted using Amazon Cloud services.

The agency site and the back office have been developed in-house and is hosted using Amazon Cloud services.

Prices and bet acceptance are performed by a trading partner which our back office connects to directly via an API.

4.3 Orbit Exchange

The consumer facing website and the back office are provided by Betfair under a white label agreement which we need the Curacao licence to be able to sign and go live with.

The agency site is developed in-house and hosted in the Isle of Man. The company has shortlisted some suppliers and is awaiting final proposals to select one. All suppliers have extensive experience and all relevant licences to provide services in the gambling industry.

5. Markets

The target markets for the services listed above are detailed below with percentage of volumes expected in Year 1 of licence being granted:

- A. Bookmaking – Europe (55%) and Asia (45%)

- B. Agency – Europe (100%)
- C. Betting Brokerage - Europe (70%) and Asia (30%)
- D. Betting Exchange – Europe (40%), India (40%), and Asia (20%)
- E. Spread betting – Asia (80%) and Europe (20%)
- F. Casino - Asia (80%) and Europe (20%)

The company does not intend to acquire players, either directly or through agents, from the United States of America or the United Kingdom, due to the regulatory framework in those countries.

6. Distribution Channels

We aim to distribute all our services via two main channels.

6.1 Agency model

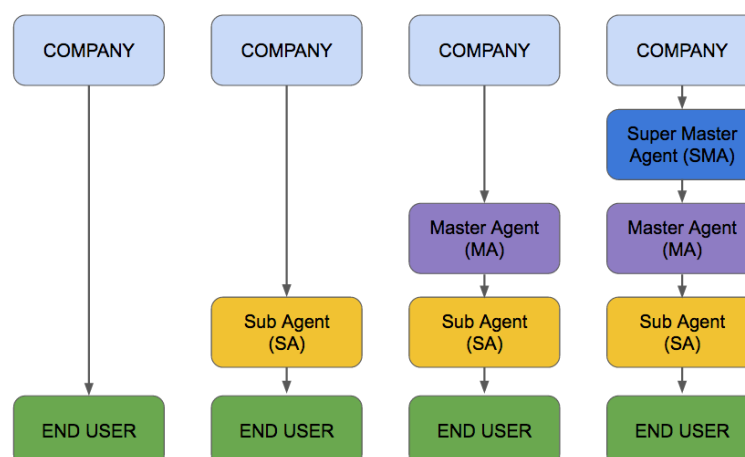
We will provide agent accounts to a network of partners which will promote our exchange, spread betting product or other bookmakers on our behalf to their network of punters. Such partners (“sub-agents”) will be responsible for:

- account creation and management for their referred customers
- handling money transaction from and to their referred customers on our behalf
- settling any amounts due to us based on regular statements being sent to them within agreed timeframes

The relationship will be defined and terms stipulated by an agreement including terms specifically in relation to:

- customer access and KYC
- payment terms and commissions
- relationship with the entity ultimately being promoted
- any credit being granted to the sub-agent

We will allow for several tiers where the company deals with the top agent who may have a network of sub-agents who in turn have a network of more sub-agents who then deal with end users. A schematic is presented below for clarity:



6.2 Affiliates

We hold relationships with webmasters and affiliates who introduce customers in our target markets in exchange for a percentage of the commission we make from other bookmakers and exchanges, or for a percentage of the net revenue we generate from customers betting on our services.

7. Competition

We deem our competition to be substantially different in their proposition to not present a significant risk to our bottom line.

Our agency business mainly competes with similar companies licenced in Curacao, Montenegro and Alderney or not licenced at all, that target mainly Asian and European customers. We expect the market to remain sufficiently large and potentially grow, as a by-product of regulatory pressures, to grant our expected volumes and growth.

The brokerage business is very well positioned with large professional punters and syndicates and our brand is recognised enough to attract further business. Our strategic intent is to grow our share of wallet with existing customers over the next 12 months, and then focus on acquiring new business. We believe this market to be growing rather than remaining flat therefore we can expect growth regardless of competitors' performance. The bookmaking business will benefit from this same growth as we will be laying larger stakes as a consequence.

The spread betting product is a completely new proposition in Asia and we have attracted and started talks with enough large agent networks to expect significant growth.

The exchange white-label will see a steady income from day 1 as we will be migrating customers we act as an agent to on other exchanges onto our proprietary brand, where we can monetise losing customers further and retain larger shares of the commissions on winnings.

8. Financial Projections

Year	1	1	1	1	1	1	1	1	1	1	1	1	1	2	3
Month	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL	TOTAL	TOTAL
Revenues EUR															
Bookmaking	55,000.00	55,000.00	55,000.00	35,000.00	35,000.00	35,000.00	50,000.00	50,000.00	55,000.00	55,000.00	65,000.00	65,000.00	610,000.00	652,700.00	698,389.00
Agency	95,000.00	95,000.00	95,000.00	70,000.00	70,000.00	70,000.00	100,000.00	110,000.00	110,000.00	110,000.00	115,000.00	115,000.00	1,200,000.00	1,344,000.00	1,505,280.00
Betting Brokerage	120,000.00	125,000.00	130,000.00	90,000.00	95,000.00	130,000.00	145,000.00	145,000.00	145,000.00	155,000.00	165,000.00	175,000.00	1,620,000.00	2,835,000.00	3,260,250.00
Betting Exchange	55,000.00	55,000.00	60,000.00	60,000.00	60,000.00	60,000.00	70,000.00	70,000.00	70,000.00	75,000.00	75,000.00	75,000.00	785,000.00	1,099,000.00	1,538,600.00
Spread Betting	20,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	35,000.00	35,000.00	35,000.00	45,000.00	45,000.00	55,000.00	395,000.00	592,500.00	888,750.00
Total	345,000.00	355,000.00	365,000.00	280,000.00	285,000.00	350,000.00	410,000.00	410,000.00	415,000.00	445,000.00	465,000.00	485,000.00	4,610,000.00	6,523,200.00	7,891,269.00
Costs EUR															
Staff	70,000.00	70,000.00	70,000.00	70,000.00	75,000.00	75,000.00	75,000.00	80,000.00	80,000.00	80,000.00	85,000.00	85,000.00	915,000.00	1,052,250.00	1,104,862.50
IT	85,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	305,000.00	350,000.00	375,000.00
Corporate	20,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,000.00	20,000.00	20,000.00
Other	75,000.00	85,000.00	85,000.00	70,000.00	70,000.00	90,000.00	90,000.00	90,000.00	90,000.00	90,000.00	100,000.00	100,000.00	1,035,000.00	1,250,000.00	1,500,000.00
Total	250,000.00	175,000.00	90,000.00	90,000.00	95,000.00	185,000.00	95,000.00	100,000.00	190,000.00	100,000.00	105,000.00	105,000.00	1,580,000.00	2,672,250.00	2,999,862.50
EBITDA	95,000.00	180,000.00	275,000.00	190,000.00	190,000.00	165,000.00	315,000.00	310,000.00	225,000.00	345,000.00	360,000.00	380,000.00	3,030,000.00	3,850,950.00	4,891,406.50

These conservative forecasts are based on:

- Licence being granted at the start of March 2017.
- Profits generated on most of these activities in previous years of trading under Montenegro licence.
- A conservative revenue growth of 40% in year 2 and 20% in year 3.
- An increase of fixed costs for staff in year 2 to support growth.
- Process improvement and software-powered automation in year 2 to introduce further efficiency in the model and improve bottom line.