

Business Plan Silkwave Tech B.V.

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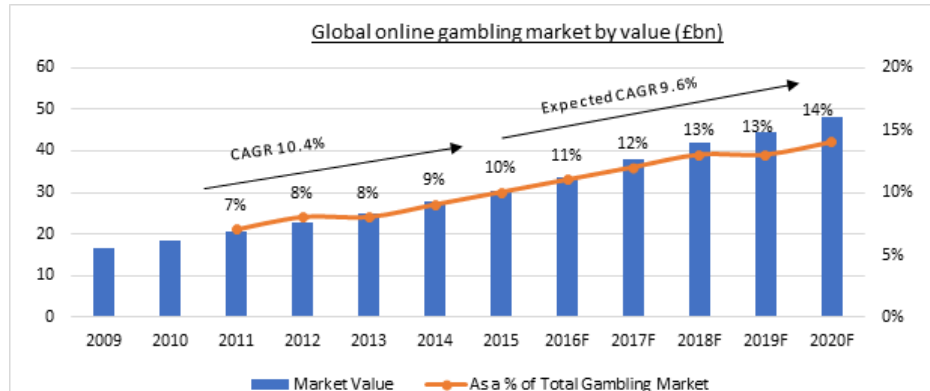
Executive Summary

The idea of the formation of the company came about by a team of veterans in the online gaming industry that want to maximise the potential of the online gaming industry with the help of technology to optimise user experience. The industry has grown significantly in a short period of time and with such growth comes opportunity however the team feels the growth of the industry and associated technology has not been growing at the same rate. Using the latest technologies along with the simplified customer workflows we aim to offer a fast, secure and straightforward product to multiple key markets. Silkwave Solutions Limited, an EU based limited company incorporated in Cyprus, will be the sole owner of the Curacao business entity Silkwave Tech B.V. which will hold a Curacao gaming licence. Silkwave Solutions Limited is the parent company and will fund the operation with circa €1.4 million euros, with potential further investment within the first 12-24 months of operations, depending on performance. It will also process transactions on behalf of the Curacao entity. The brand name under which the company will operate is Dreamwins (Dreamwins.com).

Opportunity

Problem Summary

The current casino market is a highly lucrative and growing business which was valued at over 50 billion GBP in 2020. However, it is also a competitive and saturated industry with most of the businesses involved offering the same product, games and promotions. The competing companies offer the same product as each other, owing to the fact that the technology used is predominantly limited and outdated, and promotional offerings are typically complicated and difficult for the users to understand. This, in return, creates negative user experiences, limiting the potential growth of competitor brands.



Source: H2 Gambling Capital and iGaming Business Magazine

Solution Summary

The product Silkwave are proposing for the market is based on the latest technology keeping the user experience in mind. In Dreamwins.com we have developed a product which is extremely fast and responsive and offers a very simple user flow for registration, login and play. The promotional offering is based on fair and understandable conditions where the user can see what is offered to them and is compensated without any complicated wagering requirements. The offers can also be personalised based on the customer's behaviours and we use the best tools in the market to understand this data (Tableau BI) and to serve the offers in a convenient manner and time (Fast Track CRM). The third point we are proposing in Dreamwins.com is that we offer speedy cash-in and cash-out which gives the customer the peace of mind that their money is safe and available at all times.

Product

The product will be a Curacao licensed online casino website integrated with the best providers in the industry to offer casino games as well as the payment methods to the customer.

Dreamwins.com will be offering the below game providers, mostly served via Hub88 and iGaming Platform aggregators.

Content Suppliers

Payment Suppliers

Dreamwins.com will have a comprehensive payments infrastructure, including the most reputable Payment Service Providers and aggregators in the market. Silkwave will use Payments IQ as its payments aggregator and gateway and will have a cascading system for payments which will mean that the customer will never be left without options for pay ins and pay outs. Some of these payment providers are outlined below, and Silkwave Solutions Limited has also leveraged two expert payment and risk management consultancy agencies (Paydirection and TechIQ) to ensure that Dreamwins.com will have the best possible variety of payment options and banking solutions to ensure stability and security of business and player funds at all times, with no loss or interruption.

Banking Suppliers

Silkwave has bank accounts set up in multiple currencies with One.io, and is in the process of opening accounts with ISX, ConnectPay and BVNK. The business funds and player funds will be segregated, and fast and effective settlement of player funds will be of upmost importance therefore the team will be continually reviewing the banking infrastructure and ensuring optimal set up.

Other Suppliers

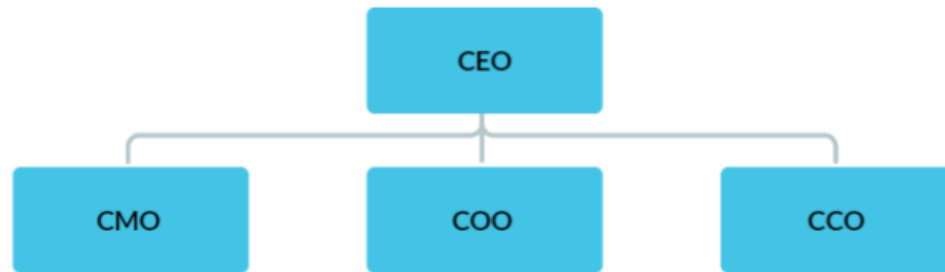
Dreamwins.com will utilise some of the industry's top third-party services, including Fast Track CRM, UniOne and LinkMobility for promotional communications, Proto CX for live customer support, and MyAffiliates for affiliate management. Again, using these modern and industry leading technologies, the product will stand out amongst the competition particularly for its high quality user experience.



Corporate Overview

Silkwave is a company that will be made up of key experts with over 40 years combined experience across marketing and online gaming. The C-level recruitment process is currently in motion and final stage candidates have impressive experience including senior management roles in Tier 1 gaming operators such as LeoVegas, William Hill, Mr Green and Bet365. The C-level candidates have vast experience especially in acquisition and retention marketing in areas such as Affiliation, CRM, Casino management and SEO, having held positions such as CMO, Commercial Director, Marketing Director, Head of Affiliation and Product Lead. The C-level staff will bring with them a network of affiliate partners which will be leveraged upon launch of the brand, based on the strong and lucrative relationships in similar past ventures.

The COO will head a team of Customer Support and Risk & Fraud analysts and team leads, which will provide 24/7 coverage to customers. The CMO will lead a marketing team focussed on maximising the exposure of the brand across affiliate partners in the markets of interest. The CCO will ensure that commercial agreements with payment providers, game providers and any other 3rd party service providers are in optimal condition from a business and customer perspective. The CEO will head this management team and ensure business continuity across operations, legal, finance and cash flow management.



Wyze Management B.V. is the Managing Director of Silkwave Tech B.V.

Other key roles which are currently in the recruitment process are the MLRO and Finance Manager, and the current status and timeline/deadline for these positions are outlined below.

Recruitment in Process

Steps and Timelines

MLRO



Finance Manager



CEO



CMO



COO



CCO



Risk Evaluation and Management

Risk is assessed, mitigated, audited and overseen by following the Risk Management Model as outlined in the comprehensive Risk Management Policy document drawn up by Silkwave Tech B.V., which can be provided supplementary to this business plan.

Changes to the Risk Management Policy require approval by the Board of Directors and C-level Management of Silkwave Tech B.V. Changes in operating procedures, standards, guidelines and technologies, provided they are consistent with this policy, may be authorized by the Chief Executive Officer. The Board of Directors has the authority to approve this policy, and annually approves the merit thereafter. The C-level Management are responsible for ensuring the directives are implemented and administered in compliance with the approved policy. The primary responsibility for enforcement of this policy and its operating procedures rests with the Chief Executive Officer and our employees. No part of this policy or its supporting operating procedures should be interpreted as contravening or superseding any other legal and regulatory requirements placed upon Silkwave Tech B.V.

Silkwave Tech B.V.'s model risk governance encourages all key stakeholders to have effective communication, be transparent, and actively participate in model risk management, which includes effective challenge of models and their related governance and risk management processes. It is the responsibility of the Board of Directors, Chief Executive Officer and Senior Management to promote a working environment that supports and encourages effective challenges to risk analysis, validation, testing, development, and other processes related to Silkwave Tech B.V.'s model risk management.

Appropriate change management before implementing or when changing models and related technologies is an important component of model governance. Change management processes address changes in such areas as model development and implementation, personnel, policies, testing and validation, IT systems, regulatory requirements, and internal controls. In this regard, Silkwave Tech B.V. may hire third-parties with specialized expertise in the technologies used to develop models, underscoring the importance of appropriate third-party risk management. Meeting minutes from the Board of Directors provide evidence of appropriate oversight of model risk management. The meeting minutes are to be well-documented, and include sufficient information to reflect that the Board of Directors and Chief Compliance Officer are fully informed about the relevant facts and understand the risks associated with Silkwave Tech B.V. use of models, deliberate significant issues, act independently, provide effective challenge, when necessary, make decisions based on the best interests of Silkwave Tech B.V., and approve previous meeting minutes.

Legal and Governance Framework

Decisions relating to the Risk Management Policy and Model is reserved for the board of directors and C-level management. Major, as well as day-to-day management of the company (in line with this Policy, as well as other company policies approved by the board such as KYC Policy, AML policy, Compliance Policy etc) is reserved for the C-level management, and the company cannot be deadlocked as the CEO has the controlling vote in any tie situation between the four C-level management members. The C-level management brief the board of directors on major updates in the business on a quarterly basis in board meetings in which the board of directors and C-level management are present. Legal support and advice is provided by multiple corporate service providers and legal firms depending on the jurisdiction of the issue at hand.

Policies and Procedures

Initial company policies and procedures have been prepared internally along with the expert assistance of an external independent consultant, Olga Kondrashova, and all policies and procedures are readily available to be provided to the GCB. These are to be reviewed at least quarterly and any amends to these policies will be flagged to the GCB right away when required. The external consultant is qualified to draft these policies, having decades of experience in Risk Management and policy creation for the gaming industry as well as major companies in the financial sector, and holds an MBA from Harvard University.

Strategy

Dreamwins.com will operate in markets in and outside of Europe. We believe that there is a strong possibility of markets driving revenues outside of Europe, however we also believe in having a European customer base since it is a valued, stable and mature market. European focus will be on countries such as Ireland and Norway. Additional target markets include New Zealand. Thereafter a further evaluation will be done on other markets of interest.

Competition

- In the proposed market that Dreamwins.com initially will enter the competition is fierce with most of the big operators such as Betsson, Leo Vegas, Comeon Group, Kindred etc. active.
- There are also new players entering the markets every month. However, the overall market is still growing and older brands with legacy-ridden corporate structures and policies are losing market share to more innovative and fast moving organizations.

Our Advantages

- Unique product designed for the markets we enter with localization of the product. This will be achieved by ensuring the correct language on content on the site as well as offering 24/7 customer support in the same language. Promotions and marketing will also be based on the country of operation such as specifying bonus based on holidays of the country. The

payments providers and content providers will also be offered based on a localized service thus ensuring the player has the option to use his favourite method of payment as well as playing his favourite game depending on the country of origin.

- Combining both the technology and automation of processes but also having the right and experienced staff for manual checks and intervention we will ensure that all payments coming into and going out of the system are executed as fast as possible thus giving the customer the comfort and trust that their money is available to them.
- Modern designed website with unique technical features, offering a product which looks fresh amongst competitors and has a fast and secure account opening flow by working with newer technologies, as well as automating certain elements of the KYC and process and generally giving the player a smooth and enjoyable experience.
- Unique, segmented, tailored approach for retention execution.
- Experienced and skilful team that can work in an agile manner, understand the players needs and deliver on these.

Marketing Acquisition Plan

- The main acquisition source will be affiliate collaborations through extensive networks brought by the experienced C-level management
- Aggressive and attractive promotional offers will ensure the brands are highly competitive.
- Strong SEO focus to create organic traffic and also safeguard against affiliates cannibalizing on traffic towards our brands,
- Programmatic (Twin and retargeting traffic) and Social media digital marketing focus

Marketing Retention Plan

- Use of the industry leading CRM platform, Fast Track, to optimise every element of opted-in player communications, across email, SMS and on-site messaging
- Data analysis driven approach

- Segmentation of players per market
- Automated instant rewards to players based on their game performance to increase safe session time as well as decrease churn.
- Daily, weekly, monthly promotions to reduce churn
- Anti-churn actions (reactivation by email, sms)

With a well converting casino and procedures in place to take care of CRM we will initially push traffic from selected affiliation channels, focusing primarily on revenue share deals. Once the product has successfully gained positive feedback from players and affiliates, and player value is strong we will invest further in marketing and offer competitive acquisition (CPA and Hybrid) deals.

Three Year Projections

	FTDs	UDCs	NGR	Marketing Cost	CoS	OpEx	EBITA
Pre-launch (3 Months)	0	0	0	0	0	€259,092	-€259,092
Year 1	26,050	45,067	€17,850,008	€9,095,135	€7,251,566	€647,500	€855,807
Year 2	39,793	88,911	€44,455,270	€15,519,270	€18,059,953	€755,000	€10,121,046
Year 3	34,500	89,677	€50,052,876	€13,376,000	€20,333,981	€755,000	€15,587,895
Total	100,343	223,654	€112,358,155	€37,990,405	€45,645,500	€228,7046	€26,435,203

- Immediately produce around 500 New Depositing Customers per month from selected traffic sources and key partners in English speaking markets. With the affiliate network of the C-level management, Silkwave is highly confident that this number is easily achievable, based on past results.

- Marketing budget starting at €250,000 and gradually growing to over €1,000,000 as revenues increase month on month
- Within 6 months produce around 1,800 NDCs per month through affiliate marketing, gradually moving into non-English speaking European and International markets as the team grows and revenues allow for increases in budget. These markets will be exclusively jurisdictions covered by the Curacao license, and no other regulated markets will be entered into.
- Within 18 months produce around 5,000 NDCs per month through various channels including affiliation, programmatic marketing and social media

We expect an ROI of 6-12 months with a gradual increase in marketing expenses (~30% of GGR) and operational costs to be kept relatively low by taking a lean approach to team size leveraging a lean Cost of People strategy. The CCO will make commercial deals with providers, platform and third parties that ensure efficient Cost of Sales levels. With an incremental marketing strategy for the casino and expected growth we will aim to produce 3,000-5,000 NDCs consistently per month within 12-18 months of operations.

Road Map

Month	October '23	November '23	December '23	January '24	February '24	March '24
Company Setup	x					
Technical Setup	X	X	X			
Curacao Licence Obtained				X		
Soft Launch (EN speaking markets)				X		
Hard Launch (European markets)					X	
Non-Europe Launch						X