

Palpite na Rede Gaming Solutions N.V.

Business Plan

Forecast 2024 - 2028

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## 1. Business Overview

Palpite na Rede has an aggressive strategy, with focus will be on sports betting, with strong investment in digital marketing and high-impact sponsorships. Since its licensing, Palpite na Rede has become a well-known brand in the industry, overcoming challenges and showing a sustain growth among the players. The company has a solid view for its future, with a strong plan to compete with the best in the iGaming industry.

Palpite na Rede Gaming Solutions N.V. is currently sublicensed by Antillephone N.V. under the number 8048/JAZ2022-015 since February 16, 2022, using SL7 Tecnologia em Serviços de Informática LTDA.

The operational domain is:

- [palpitenarede.com](https://palpitenarede.com)

The company UBO is:

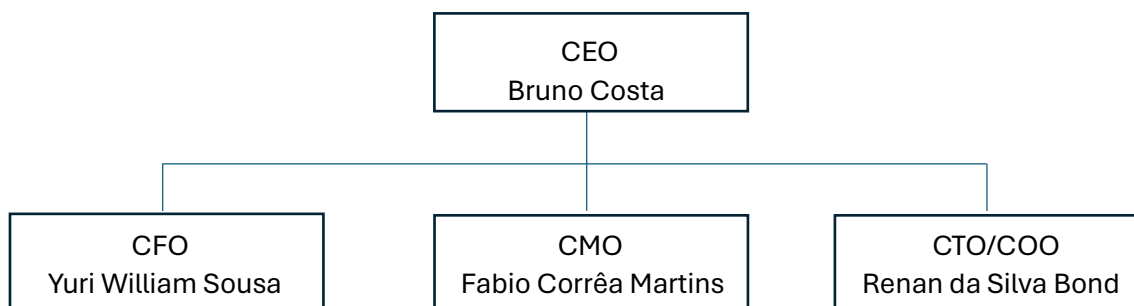
- **Bruno Miguel Leitão da Costa** – Mr. Costa is an experienced professional, proved to be an excellent director, knowing how to make the most of his managerial skills, always motivating and directing the company to the next level, an maintain the growth required to stay in this industry.

The company's main partners are:

- SL7 Tecnologia em Serviços de Informática LTDA
- EGS Digital Limited - Consultants
- EveryMatrix N.V.
- Intuition Software Solutions Ltd. (Pragmatic)

## 2. Company's Management Structure

The company's organogram is presented below:



- **Bruno Miguel Leitão da Costa** – Business Executive with more than 7 years of experience in IT & iGaming industries. Solid background in product management, business development, innovation, and partnerships. Experienced in managing projects with multidisciplinary and multicultural teams.
- **Yuri William Sousa de Jesus** – Licensed lawyer with over 6 years of experience with a demonstrated history of working in Legal and Customer Services departments at

iGaming companies. Responsible for monitoring of AML alerts and responsible gaming department.

- **Fabio Corrêa Martins** – Professional with more than 10 years of experience in CRM, Digital Marketing and Product Management. Strong acquired knowledge in new products development, multidisciplinary team management and marketing campaigns.
- **Renan da Silva Bond** – Computed Engineer with over 6 years of experience in product and project management with a demonstrated history of working in software development for startup companies in Brazil.

### 3. Business Forecast 2024 - 2028

Palpite na Rede will shake the gaming market aggressively, promoting the brand through a broad and aggressive marketing strategy.

| P&L                         | YEAR 1    |                   | YEAR 2    |                   | YEAR 3    |                   | YEAR 4    |                   | YEAR 5    |                   |
|-----------------------------|-----------|-------------------|-----------|-------------------|-----------|-------------------|-----------|-------------------|-----------|-------------------|
| Turnover                    | €         | 300,000,000       | €         | 450,000,000       | €         | 630,000,000       | €         | 756,000,000       | €         | 831,600,000       |
| Payout                      | -€        | 282,000,000       | -€        | 423,000,000       | -€        | 592,200,000       | -€        | 710,640,000       | -€        | 781,704,000       |
| <b>Gross Gaming Revenue</b> | <b>€</b>  | <b>18,000,000</b> | <b>€</b>  | <b>27,000,000</b> | <b>€</b>  | <b>37,800,000</b> | <b>€</b>  | <b>45,360,000</b> | <b>€</b>  | <b>49,896,000</b> |
| Bonus Cost                  | -€        | 6,000,000         | -€        | 9,000,000         | -€        | 12,600,000        | -€        | 15,120,000        | -€        | 16,632,000        |
| <b>Net Gaming Revenue</b>   | <b>€</b>  | <b>12,000,000</b> | <b>€</b>  | <b>18,000,000</b> | <b>€</b>  | <b>25,200,000</b> | <b>€</b>  | <b>30,240,000</b> | <b>€</b>  | <b>33,264,000</b> |
| Gaming Platform             | -€        | 540,000           | -€        | 810,000           | -€        | 1,134,000         | -€        | 1,360,800         | -€        | 1,496,880         |
| Payment Providers           | -€        | 900,000           | -€        | 1,350,000         | -€        | 1,890,000         | -€        | 2,268,000         | -€        | 2,494,800         |
| <b>Gross Profit</b>         | <b>€</b>  | <b>10,560,000</b> | <b>€</b>  | <b>15,840,000</b> | <b>€</b>  | <b>22,176,000</b> | <b>€</b>  | <b>26,611,200</b> | <b>€</b>  | <b>29,272,320</b> |
| Marketing                   | -€        | 2,500,000         | -€        | 3,000,000         | -€        | 3,500,000         | -€        | 3,500,000         | -€        | 4,000,000         |
| Company Structure           | -€        | 1,500,000         | -€        | 1,750,000         | -€        | 1,900,000         | -€        | 1,900,000         | -€        | 2,150,000         |
| Human Resource              | -€        | 2,450,000         | -€        | 2,870,000         | -€        | 3,150,000         | -€        | 3,530,000         | -€        | 3,670,000         |
| Others                      | -€        | 1,000,000         | -€        | 1,200,000         | -€        | 1,500,000         | -€        | 1,700,000         | -€        | 2,000,000         |
| <b>Total Cost</b>           | <b>-€</b> | <b>7,450,000</b>  | <b>-€</b> | <b>8,820,000</b>  | <b>-€</b> | <b>10,050,000</b> | <b>-€</b> | <b>10,630,000</b> | <b>-€</b> | <b>11,820,000</b> |
| <b>NET PROFIT</b>           | <b>€</b>  | <b>3,110,000</b>  | <b>€</b>  | <b>7,020,000</b>  | <b>€</b>  | <b>12,126,000</b> | <b>€</b>  | <b>15,981,200</b> | <b>€</b>  | <b>17,452,320</b> |

### 4. Strategy for Business Growth and Marketing Plan

Palpite na Rede planning and conducted market research to understand the dynamics of the Brazilian iGaming market, including customer preferences, competitors, and regulatory environment. Due to the results of this research, the six main points below were established:

#### 4.1 PROMOTIONS

- Promotions concept with local touch.
- Benefit configuration on BO.
- Images and banners validation.
- Bonus cost budget control.

#### 4.2 SOCIAL MEDIA MANAGEMENT

- Brazilian social media management.
- Content and post planning.
- Engage with BR followers.
- Manage Influencer campaigns.

#### **4.3 DESIGN TEAM**

Brand concept creation.  
Promotional images creation.  
Platform and web wireframes.  
Designer Platform and web mock-ups.

#### **4.4 CRM**

Defining the customer base segments.  
Promotional calendar for BR players.  
E-mail Marketing campaign.  
Retention and loyalty strategy.

#### **4.5 AFFILIATE MANAGEMENT**

Creating an affiliate network.  
Conducting campaigns with affiliates.  
Monitoring and management of affiliates.  
Commission budget planning and control.

#### **4.6 WEB DEVELOPMENT**

Development of Landing Pages.  
Platform pages development.  
Websites development.  
Personalized marketing emails creation.

### **5. Main Suppliers**

#### **5.1. Platform**

SL7 Tecnologia em Serviços de Informática LTDA

#### **5.2. Providers**

EGS Digital Limited - Consultants

EveryMatrix N.V.

Intuition Software Solutions Ltd. (Pragmatic)

#### **5.3. PSPs**

Infopag Tecnologia e Serv de Pagtos Ltda Epp

### **6. Risk Evaluation**

#### **6.1 REGULATORY RISKS**

Assess potential regulatory changes or uncertainties in the iGaming industry, particularly in Brazil, regarding licensing requirements, taxation, and compliance with gambling laws.

## 6.2 MARKET COMPETITION

Evaluate the level of competition in the Brazilian iGaming market, considering both established competitors and emerging entrants, and analyze their strategies, market share, and competitive advantages.

## 6.3 CYBERSECURITY THREATS

Identify cybersecurity risks such as data breaches, hacking attempts, and malware attacks that could compromise the security and integrity of the platform, leading to loss of customer trust and legal repercussions.

## 6.4 OPERATIONAL RISKS

Evaluate operational risks associated with platform downtime, payment processing issues, technical glitches, or disruptions in service delivery, which could result in revenue loss and damage to the brand reputation.

## 6.5 FINANCIAL RISKS

Assess financial risks such as volatility in exchange rates, fluctuations in revenue streams, liquidity constraints, or unexpected expenses, and develop contingency plans to mitigate potential financial losses.

## 6.6 CUSTOMER RISK

Analyze customer-related risks, including customer acquisition costs, churn rates, and negative publicity due to dissatisfaction or disputes, and implement measures to enhance customer satisfaction, loyalty, and retention.

# 7. Legal and Governance Framework

## 7.1 REGULATORY COMPLIANCE

Assess compliance with local and international regulations governing iGaming operations, including licensing requirements, anti-money laundering (AML) laws, data protection regulations (such as GDPR), and responsible gambling practices.

## 7.2 CONTRACTUAL OBLIGATIONS

Review contracts with vendors, partners, and third-party service providers to ensure compliance with legal requirements, safeguarding intellectual property rights, and outlining dispute resolution mechanisms.

## 7.3 RISK MANAGEMENT POLICIES

Establish robust risk management policies and procedures to identify, assess, and mitigate legal risks associated with business operations, including regular audits and compliance checks.

## **7.4 CORPORATE GOVERNANCE**

Evaluate corporate governance structures, including the composition of the board of directors, internal controls, and transparency mechanisms, to ensure accountability and adherence to ethical standards.

## **7.5 INTELLECTUAL PROPERTY PROTECTION**

Protect intellectual property rights, including trademarks, copyrights, and patents, through appropriate legal mechanisms, such as registration, licensing agreements, and enforcement of intellectual property laws.

## **7.6 REGULATORY MONITORING AND UPDATES**

Stay informed about changes in the legal and regulatory landscape related to iGaming, including updates in legislation, case law, and regulatory guidance, and adapt business practices accordingly to maintain compliance and mitigate legal risks.

## **8. Target KPIs**

### **8.1 CUSTOMER ACQUISITION COST (CAC)**

Measure the cost of acquiring each new customer through marketing and sales efforts, aiming to optimize this metric over time to ensure efficient use of resources.

### **8.2 CUSTOMER LIFETIME VALUE (CLV)**

Calculate the total value a customer brings to the business over their entire relationship with the company. By increasing CLV, you ensure that the revenue generated from each customer exceeds the cost of acquiring and servicing them.

### **8.3 RETENTION RATE**

Monitor the percentage of customers who continue to use the platform over a specified period, aiming to increase retention through improved user experience, customer support, and loyalty programs.

### **8.4 AVERAGE REVENUE PER USER (ARPU)**

Track the average revenue generated by each user within a given timeframe, focusing on increasing ARPU through upselling, cross-selling, and personalized offers.

### **8.5 CHURN RATE**

Measure the rate at which customers stop using the platform or unsubscribe from services, aiming to minimize churn by addressing factors contributing to customer dissatisfaction and enhancing engagement strategies.

### **8.6 CONVERSION RATE**

Monitor the percentage of website visitors or leads who take desired actions, such as signing up for an account, making a deposit, or placing a bet. Aim to optimize conversion rates through targeted marketing campaigns, website optimization, and user experience enhancements.

## 9. Policies and Procedures

The operational policies and procedures in place were provided by the business consultants according to the compliance criteria from the Master License. The maintenance of the policies and procedures is under the scope of the CEO and COO/CTO.

All policies and procedures will be constantly observed and any alteration and/or revision will be reported to GCB immediately.