

# TGI ENTERTAINMENT N.V.

## BUSINESS PLAN

For the presentation to the Gaming Control Board in  
Curaçao

February 2024

Strictly confidential

## EXECUTIVE SUMMARY

**TGI Entertainment N.V.** (hereinafter “TGI ENTERTAINMENT”) was incorporated on 6th March 2015, with its registered address at Kaya Richard J.Beaujon Z/N, Po Box 6248, Curaçao, Dutch Caribbean; to conduct interactive games, whether games of skill and/or of chance, including sports, casino, and other games.

TGI ENTERTAINMENT holds a sublicense in Curaçao under gaming License number 1668/JAZ issued by Curaçao eGaming.

Our mission statement is: *“To provide safer, smoother, faster, and hassle-free solutions to the Internet Gaming Industry”.*

This section provides a brief description of the company's setup and intentions to be licensed by the Ministry of Finance and/or Gaming Control Board (GCB) to conduct remote gaming operations (B2C) under the new National Ordinance of Games of Chance ‘LOK’.

It also offers an overview of TGI ENTERTAINMENT N.V.'s operating environment in the online gaming industry and community. It also provides an overview of the current operating environment of TGI ENTERTAINMENT N.V. in the online gaming industry and community.

### THE ONLINE GAMING ENVIRONMENT:

#### ***INTERNET USE***

The number of Internet users around the world is constantly on the increase. According to the **Computer Industry Almanac**, the worldwide number of Internet users surpassed 1 billion in 2005—up from only 45M in 1995 and 420M in 2000. This figure is set to increase up to 2 billion Internet users, by 2031.

Much of current and future Internet user growth is coming from such populous countries as China, India, Brazil, Russia and Indonesia. In the next decade, many Internet users will be supplementing PC Internet usage with Smartphone and mobile device Internet usage.

In developing countries many new Internet users will come from cell phone and Smartphone Internet usage. The U.S. continues to lead the way with nearly 200M Internet users at the end of 2025. The two most populous countries—China and India—are now in 2<sup>nd</sup> and 4<sup>th</sup> place respectively for Internet users worldwide. Other populous countries such as Brazil, Russia and Indonesia have also moved into this ranking. (Source: [www.c-i-a.com/pr0106.htm](http://www.c-i-a.com/pr0106.htm)).

The marketing research company **Etforecast** estimates that in the year 2026 over one billion people will make use of the Internet. This number represents around 16.5 percent of the total world population. The number of web surfers was 400 million in the year 2000. The numbers grow most rapidly in Asia, Latin America and less-developed European Countries. The number of users in Europe totals around 95 million users. In 2025 the total number of Internet users in Europe will surpass the total number of Internet users in the USA. (Source: [www.DFT.nl](http://www.DFT.nl))

The percentage of users in South East Asia is rapidly matching the percentage of users in the USA. The Koreans are addicted to the Internet. On average, users in Korea are surfing the web 18 hours per day. Hong Kong has more than 62 percent of its population on-line. (Source: [www.IDB.com](http://www.IDB.com))

### **REMOTE GAMING**

The entire gaming market is an area of rapid growth, still with excellent business potential on an international scale, and with growth rates of above 50% p.a. throughout.

The above-average growth in the gaming market may be explained through the presence of three main factors, namely:

- **Liberalisation** – in addition to the heavy demand for ‘entertainment products’ on the part of the consumers, the forthcoming liberalisation has a growth-promoting effect in Continental Europe. It is expected that areas that are still protected and state-owned monopolistic companies will be put under great pressure, on the part of the EU regulations and guidelines in particular. First judgements passed in this field (e.g. Gambelli) already point in that direction and European legal experts assume that a liberalisation will take place within the next 2-3years.

- ***Degree of Market Development*** – On the English market, which is the most developed market of Europe, sports bets are an important part of every major sports event and therefore an essential part of the leisure industry. Other European markets are also fast developing creating a steady growth in demand.
- ***New Technologies and Distribution Channels*** – Against a backdrop of an increasing demand for sports bets as well as further technological developments in the field of information technologies, more and more attractive niches and markets present themselves to innovative suppliers disposing of the necessary resources in the field of the gaming industry.

## **COMPETITION**

While there is competition in the international market, it is a relatively mature market and market positions are fluid. The current companies and their products in the market exhibit the hallmarks of a first-generation industry. These first-generation entrants are characterized by a narrow focus on the small, “early-adopter” portion of the market; underdeveloped marketing and customer retention strategies; limited and poorly implemented technology; and a confusing user experience stemming from a blind transplant of “brick-and-mortar” metaphors to the computer.

Today these weaknesses are masked by the explosive growth affecting all vendors, but they leave the field ripe for games based on a next-generation software platform. It is precisely this opening into the realm of remote gaming that TGI ENTERTAINMENT intends to exploit.

## **MARKET DEVELOPMENT ESTIMATES FOR THE GAMING INDUSTRY**

Whilst needing to overcome some significant regulatory and legal hurdles, it is possible that worldwide revenues for all forms of gambling on mobile phones can reach \$16 billion by 2028, according to a research report entitled “Mobile Gambling: Casinos, Lotteries & Betting”, now available from Alexander Resources, a leading research, consulting and education firm specializing in wireless communications.

The current online gaming landscape is marked by significant growth, innovation, and the increasing integration of advanced technologies such as AI and AR/VR. The mobile gaming segment continues to dominate consumer expenditure, accounting for nearly half of the global market. This dominance underscores the importance of mobile platforms in the industry's dynamics. The console segment, predicted to yield \$56.1 billion in revenues

during 2023, is poised to drive revenue growth with a commendable year-on-year expansion of +7.4%. This growth is partly due to the release of major titles delayed from previous years, contributing to a robust line-up of games expected to bolster revenue streams

Streaming and content creation around gaming have also seen notable trends, with platforms like YouTube Gaming witnessing a significant jump in viewership, highlighting gaming's status as a mass medium. Innovations in technology, including Web3, AR/VR, and AI, are reshaping the gaming space, creating new opportunities for gameplay, ownership, and immersive experiences. Web3, despite its challenges in creating engaging games, presents opportunities for seamless trade and ownership of in-game items. AR/VR technologies are advancing, with applications expected to expand beyond gaming into sectors like healthcare and education, transforming them with gamified experiences. AI's impact is profound, with its use in generating dynamic NPCs and scalable 3D asset generation promising to revolutionize game development and publishing

The gaming investment landscape is focusing on not just content creation but also on leveraging technology to create immersive experiences and new business models. The integration of generative AI, for example, is optimizing game development processes, reducing costs, and enabling the creation of diverse assets efficiently. This technological integration suggests a shift towards live services and content that can engage players over extended periods. Such innovations highlight the gaming industry's rapid adaptation to new technologies, emphasizing the importance of innovative business models and distribution strategies that go beyond traditional gaming

In summary, the current online gaming landscape is characterized by the expansion of mobile gaming, the resurgence of console gaming fueled by delayed major releases, and the transformative influence of technologies like AI and AR/VR. The industry is moving towards creating more immersive and personalized gaming experiences, leveraging technological advancements to drive growth and engage a broader audience.

## **PURPOSE AND STRUCTURE OF THE BUSINESS PLAN:**

The purpose of this Business Plan is to set out the intents and purposes in connection with TGI ENTERTAINMENT's application for a Remote Gaming License in order to operate offshore hazard games, under the new Curaçao license "LOK".

The information in this report is based on information compiled from that supplied by the Management of TGI ENTERTAINMENT and is to be used solely for and in connection with the aforementioned application.

The Business Plan is divided into the following sections:

- Section 1 – The company: provides information about the structure of the company, its management, operational activities, and human resources;
- Section 2 - Operational activities: delineates the marketing, technical aspects, responsible gaming and Anti-Money laundry measures in place;
- Section 3 – Latest financial statements and the financial projections for the next 3 years for TGI ENTERTAINMENT's operations;

## **SECTION 1 – THE COMPANY:**

### **CORPORATE HISTORY**

This section provides information about the structure of the company, its management, its operational activities, and its human resources.

The promoter of the company first started, more than 10 years ago, with a comparative forum bringing to the online gambler the many different options available to them over the internet. As over the following years the Internet had expanded, dozens of online gambling sites were introduced. The approach that the promoter had was to cut down on the amount of hours customers spend surfing the net and researching the various options, because potential users can become overwhelmed with information, and because the decision of where to deposit hard-earned cash quickly can become a daunting experience.

Thereafter the promoter set up their own gaming sites, while also supporting third party sites through affiliate relations with the many gambling companies.

The promoter setup TGI ENTERTAINMENT on 6<sup>th</sup> March 2015, a company registered in Curaçao, to carry out the above operations a few years back.

The promoter has always condoned only responsible gambling in moderation, and also openly warn the customers that they should never gamble with money which cannot afford to be lost.

TGI ENTERTAINMENT. is the operator of a number of casino sites on **EveryMatrix** software and pursuing the new licence in Curaçao, “LOK”:

Bet Live Casino      [www.betlivecasino.com](http://www.betlivecasino.com)

Exclusivebet      [www.exclusivebet.com](http://www.exclusivebet.com)

Casino.tv      [www.casino.tv](http://www.casino.tv)

The casinos are verified on their payout ratios by the Games providers’ auditors on a monthly basis. The websites will be also certified by eCOGRA seal in due course.

A call-center and marketing and support services for the above is currently being handled from the United Kingdom, where the promoter of TGI ENTERTAINMENT have an office for operations in London.

TGI ENTERTAINMENT, the applicant for a remote gambling licence issued by the GCB , will be running the operations of the above gaming sites.

## **CORPORATE GOAL**

TGI ENTERTAINMENT was established to offer remote gaming over the internet.

TGI ENTERTAINMENT now intends to explore the potential of the fast-growing international markets for remote gaming and has chosen Curaçao as the appropriate licence for its gaming operations. In this way, the company will have access to the progressive regulatory regime Curaçao offers in the realm of remote gaming, will have a licence from a reputable issuer, as well as the suitable support and surrounding services that the country is able to offer to corporate entities.

Curaçao is an attractive location because of its robust, modern telecommunications infrastructure, mature business environment, and use of the English language for conducting business.

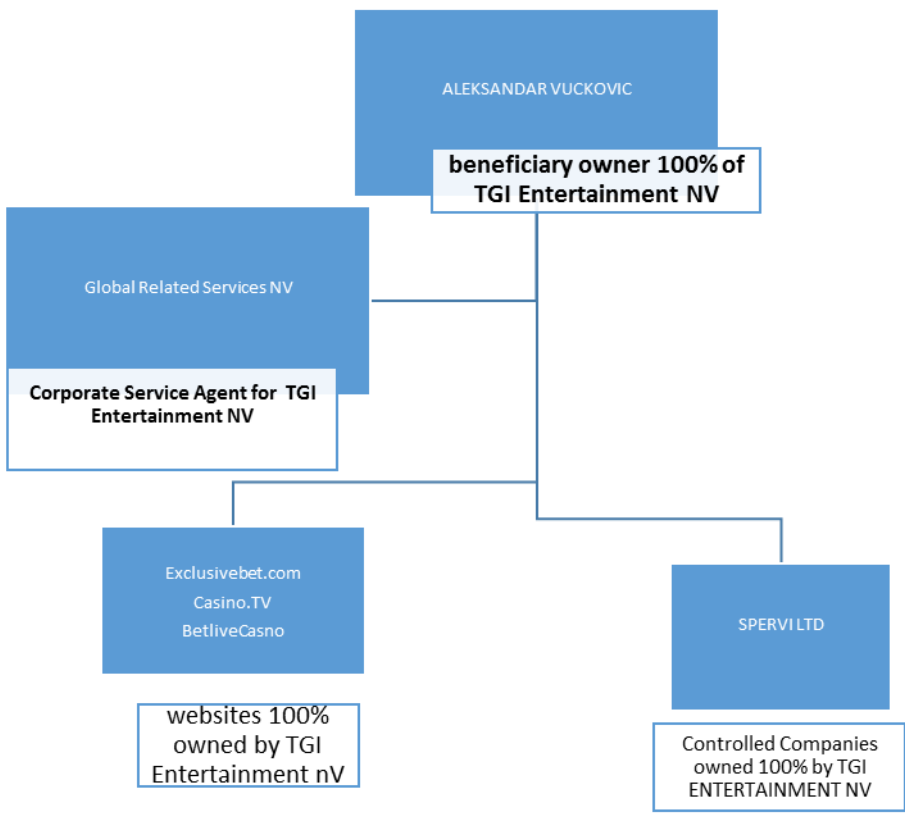
## **ORGANIZATIONAL STRUCTURE:**

TGI ENTERTAINMENT was incorporated on 6<sup>th</sup> March 2015, with a view of offering remote gaming over the Internet.

TGI ENTERTAINMENT N.V. owns its subsidiary Spervi Limited from Cyprus. Spervi Limited provides billing agent services to TGI ENTERTAINMENT.

Figure 1.1 gives an overview of the organizational structure that has also been implemented in the Memorandum and Articles of Association of the company.

**Figure 1.1:** Organizational Structure TGI ENTERTAINMENT



Mr Aleksandar Vuckovic, a Serbian citizen, is the majority shareholder (100%) with 1 Ordinary shares in the company.

## **SECTION 2 – OPERATIONAL ACTIVITIES:**

TGI ENTERTAINMENT will itself handle all technical operations, including hardware maintenance and software development support, as well as marketing, and will also operate a call centre from London, United Kingdom

### **MARKETING ACTIVITIES**

In Europe, the gaming industry presents ample opportunities for innovative promotion, especially utilizing cross-media strategies that span internet, mobile, and interactive TV platforms in regions without local license requirements. TGI ENTERTAINMENT aims to craft a distinctive marketing package that not only positions its services prominently in the minds of consumers but also endeavours to establish TGI ENTERTAINMENT as a strong, recognizable brand. This involves differentiating the brand from competitors through unique value propositions and leveraging the intrinsic appeal of our casino style, board, and card games. Obviously, in those countries where there is no requirement of a local licence.

To achieve this, TGI ENTERTAINMENT plans to collaborate closely with Every Matrix and strategic partners to continuously refine and enhance the quality of our game offerings. A pivotal component of our marketing strategy is to utilize advanced software and technology, highlighting our commitment to innovation. Promotional efforts will be strategically deployed through a mix of digital and traditional channels, including targeted online advertising, social media campaigns, influencer partnerships, and content marketing to create buzz and attract attention within our target demographics.

Furthermore, TGI ENTERTAINMENT will actively participate in gaming and betting fairs, employing visually compelling flyers and brochures to showcase our technological prowess and game portfolio. A focused approach will be taken to penetrate niche markets, employing data analytics to tailor marketing efforts and personalize user experiences. This multifaceted marketing strategy aims to not only captivate and expand our user base but also to foster a strong community around our brand, ensuring long-term engagement and loyalty.

By emphasizing continuous improvement in game quality and adopting a holistic marketing strategy that spans various platforms and technologies, TGI ENTERTAINMENT is poised to carve out a significant presence in the competitive online gaming landscape. This comprehensive approach to marketing will solidify our brand's reputation for quality, innovation, and user-centric experiences, setting us apart in a crowded market.

Marketing in the gaming industry within the LATAM region requires understanding the unique dynamics of its markets and leveraging digital trends to maximize reach and engagement. The region has shown considerable growth in the gaming sector, with countries like Peru, Chile, Uruguay, and Brazil being key players. Each country presents specific opportunities and challenges, from regulatory environments to consumer preferences

Digital sales have revolutionized the gaming market in LATAM, moving away from traditional retail to direct online distribution. This shift has not only reduced costs associated with physical packaging but also expanded the reach of games across different platforms. The popularity of digital platforms like Google Playstore and Appstore has surged, with a significant increase in gamers downloading games online. This trend highlights the importance of a robust digital presence and the utilization of online distribution channels for game developers and distributors

The LATAM gaming community values customer satisfaction, localized payment options, and marketing strategies that resonate with their cultural and social nuances. Developers and distributors in the region are advised to prioritize customer service, provide localized payment solutions, and utilize relevant social media platforms for advertising. Popular games in the region, such as "Preguntados," "Rock of Ages," and "League of Legends," demonstrate the diverse interests of the gaming community, ranging from intellectual quiz games to strategic and competitive team-based games

To effectively market in the LATAM gaming industry, it's essential to understand the preferences and behaviors of the local gaming community. Embracing digital sales models, focusing on customer satisfaction, offering localized payment options, and tailoring marketing strategies to the unique characteristics of each country can help developers and distributors succeed in this vibrant and growing market.

## **TECHNOLOGY AND SOFTWARE:**

TGI ENTERTAINMENT will continue operating its website using software licensed by EveryMatrix.

EveryMatrix, the leading gaming software provider in the world, will continue offering to TGI ENTERTAINMENT the latest and most sophisticated online casino gambling software, featuring over 260 games with new game releases scheduled each and every month. Game selection includes includes: Table Games: Blackjack, Roulette, Paigow, Baccarat, Sic Bo, Keno and Craps. Video Poker Games: Jacks or Better, Aces & Faces, Double Joker, Deuces Wild, Joker Power Play, Tens or Better, with most games available in 10 Play, 50 Play and 100 Play. Progressive Games: Cash Splash, Cash Splash Video Slot, Fruit Fiesta, Fruit Fiesta Video slot, Jackpot Deuces, King Cashalot, Lotsaloot, Lotsaloot Video Slot, Major Millions, Major Millions Video Slot, Poker Ride, Progressive Cyberstud, Roulette Royale, SupaJax, Treasure Nile, Triple 7's Progressive Blackjack, Tunzamunni, Wowpot & Wowpot Video Slot. Reel Slots: Over 100 slot games from Astronomical to Zany Zebra. Video Slots: Including the world-famous Tomb Raider, Genies Gems, Mermaids Millions plus over many more.

TGI ENTERTAINMENT via Every Matrix as games aggregator will be able to partner with the following Games providers:

Evolution, NetEnt, Pragmatic, Play n Go and others also reputable providers in the gaming industry internationally.

TGI ENTERTAINMENT is committed to security of its players and its operations, including eCOGRA (UK based) approval.

## **RESPONSIBLE GAMING POLICY**

TGI ENTERTAINMENT has a Responsible Gaming philosophy and its policy is implemented on its websites such as [www.betlivecasino.com](http://www.betlivecasino.com) and [www.exclusivebet.com](http://www.exclusivebet.com). Besides, TGI ENTERTAINMENT offers and runs 24/7 Customer services for immediate assistance to players.

TGI ENTERTAINMENT, as a current Curaçao operator in the gaming industry, implemented responsible gaming measures essential for safeguarding customers and ensuring the integrity of its business. Here are key measures applied based on Curaçao standards and regulations:

**Employ Self-Exclusion Programs:** TGI ENTERTAINMENT offers self-exclusion programs allowing clients to voluntarily exclude themselves from gambling activities. This also includes eliminating direct marketing to self-excluded individuals and denying them access to credit and comps

**Ensure Transparent and Fair Gaming Practices:** Transparency in operations, vetting game providers, and ensuring clear terms, odds, and payout percentages are crucial for building trust between TGI ENTERTAINMENT and the players

**Implemented KYC and Age Verification Procedures:** Stringent Know Your Customer (KYC) checks and age verification procedures are vital to prevent underage gambling and ensure that only eligible individuals participate in gaming activities

**Provided Player Limit Tools:** TGI ENTERTAINMENT offers mechanisms for players to set deposit, loss, wagering amounts, and time limits on their gambling activities to promote safe and responsible gaming

**Educate and Train Employees:** TGI ENTERTAINMENT ensures that staff receive training on responsible gaming practices, including how to identify and interact with customers showing signs of problematic gambling behaviors

TGI ENTERTAINMENT **collaborates with Specialized Organizations:** BeGambleAware, GamCare, and Gamblers Anonymous to provide support and resources for players in need

These measures, among others, are taken by TGI ENTERTAINMENT to creating a safe and responsible gaming environment. They not only protect vulnerable individuals but also contribute positively to the industry's reputation and the broader community. Adopting a proactive approach to responsible gaming is not only a regulatory requirement but also a critical component of ethical business practices in the gaming industry. TGI ENTERTAINMENT embraces it fully.

## **RISK MANAGEMENT**

TGI ENTERTAINMENT considers that risk evaluation and management in the gaming industry involves assessing various potential threats and vulnerabilities that could impact the integrity, security, and legality of gaming operations. These risks can range from regulatory compliance issues to financial risks and concerns related to cybersecurity and fraud. Mitigating these risks requires a comprehensive approach involving policies, procedures, audits, committees, and individuals responsible for overseeing and managing risk.

This is an overview on how TGI ENTERTAINMENT's risks are evaluated and managed:

**Risk Assessment:** The first step is to identify and assess potential risks. This involves analyzing regulatory requirements, operational processes, technology systems, and external threats. Risk assessments may be conducted regularly by TGI ENTERTAINMENT Risk Team to identify emerging risks and update mitigation strategies accordingly.

**Mitigation Strategies:** Once risks are identified, mitigation strategies are implemented to reduce the likelihood and impact of these risks. This may include implementing robust internal controls, enhancing security measures, conducting employee training programs, and utilizing advanced technology solutions to detect and prevent fraudulent activities.

**Policies and Procedures:** TGI ENTERTAINMENT translates some of those mitigation strategies into policies and procedures to govern various aspects of their operations, including compliance with regulatory requirements, customer due diligence, responsible gaming practices, and data protection. These policies are regularly reviewed and updated to reflect changes in regulations and industry best practices.

**Audit and Compliance:** Regular audits are conducted to assess compliance with internal policies, regulatory requirements, and industry standards. Internal audit teams or external audit firms (like eCogra) may perform audits to evaluate the effectiveness of risk management processes and identify areas for improvement.

**Committees and Oversight:** TGI ENTERTAINMENT have a specific Risk Team responsible for monitoring risk management activities and providing guidance to senior management. Risk Team may include representatives from various functional areas, such as compliance, finance, operations, and technology.

**Communication and Reporting:** The Gaming Control Board (GCB) or relevant regulatory authorities play a crucial role in overseeing the gaming industry in Curacao and ensuring compliance with applicable laws and regulations. TGI ENTERTAINMENT Risk Team is looking forward to learning further about the reporting required by the new legislation, in order to prepare its systems for it and produce them in due course.

### **SECTION 3 - LATEST FINANCIAL STATEMENTS FROM TGI ENTERTAINMENT N.V.**

TGI ENTERTAINMENT latest financial statements are as follows:

#### **2.2 Statement of income and expenses for the year 2022**

|                                  |   | <b>2022</b> | <b>2021</b> |
|----------------------------------|---|-------------|-------------|
|                                  |   | <b>EUR</b>  | <b>EUR</b>  |
| <b>Turnover</b>                  | 5 | 5,901,890   | 7,270,192   |
| Direct costs                     | 6 | 5,531,970   | 7,012,544   |
| <b>Gross margin</b>              |   | 369,920     | 257,648     |
| IT and other operating expenses  | 7 | 10,358      | 19,513      |
| Administrative expenses          | 8 | 241,265     | 68,507      |
|                                  |   | (251,623)   | (88,020)    |
| <b>Operating result</b>          |   | 118,297     | 169,628     |
| Financial result                 | 9 | (49,848)    | (171,735)   |
| <b>Result before tax</b>         |   | 68,449      | (2,107)     |
| Tax                              |   | -           | -           |
| <b>Net result for the period</b> |   | 68,449      | (2,107)     |

## 2.1 Balance sheet as at 31 December 2022

(After proposal result)

|                            |   | 31-Dec-22      | 31-Dec-21      |
|----------------------------|---|----------------|----------------|
| Assets                     |   | EUR            | EUR            |
| <b>Financial assets</b>    |   |                |                |
| Investment in subsidiaries | 1 | 3,544          | 2              |
| <b>Current assets</b>      |   |                |                |
| CEG retainer fees          |   | 2,200          | 1,000          |
| Prepaid tax retainer       |   | 2,650          | -              |
| Related parties            | 2 | 324,403        | 405,271        |
| Cash and cash equivalents  | 3 | <u>322,538</u> | <u>437,682</u> |
|                            |   | 651,791        | 843,953        |
| Total assets               |   | <u>655,335</u> | <u>843,955</u> |
| <b>Liabilities</b>         |   |                |                |
|                            |   | 31-Dec-22      | 31-Dec-21      |
|                            |   | EUR            | EUR            |
| <b>Shareholders equity</b> |   |                |                |
| Share capital              | 4 | 1              | 1              |
| Retained earnings          |   | 5,837          | 7,944          |
| Result for the year        |   | <u>68,449</u>  | <u>(2,107)</u> |
|                            |   | 74,287         | 5,838          |
| <b>Current liabilities</b> |   |                |                |
| Accounts payable           |   | 520,491        | 792,007        |
| Provision subsidiaries     |   | 17,562         | -              |
| Accrued expenses           |   | 5,161          | 8,276          |
| C/A shareholder            |   | <u>37,834</u>  | <u>37,834</u>  |
|                            |   | 581,048        | 838,117        |
| Total equity & liabilities |   | <u>655,335</u> | <u>843,955</u> |

And these are the predictions and forecasts for the next years:

This financial forecast provides insight into TGI ENTERTAINMENT expected performance over the specified period, including projected turnover, expenses, and net profit.

| Figures in EUR currency         | <b>2022</b> | <b>2023</b>       | <b>2024</b>       | <b>2025</b>       |
|---------------------------------|-------------|-------------------|-------------------|-------------------|
|                                 | <b>EUR</b>  | <b>Forecasted</b> | <b>Forecasted</b> | <b>Forecasted</b> |
| Turnover                        | 5,901,890   | 6,492,079         | 7,141,287         | 8,000,000         |
| Direct Costs                    | 5,531,970   | 5,642,609         | 5,755,462         | 6,000,000         |
| Gross margin                    | 369,920     | 849,470           | 1,385,825         | 2,000,000         |
| IT and other operating expenses | 10,358      | 95,000            | 125,000           | 160,000           |
| Administrative expenses         | 241,265     | 310,000           | 325,000           | 375,000           |
| Operating profit                | 118,297     | 444,470           | 935,825           | 1,465,000         |
| Financial result                | (49,848)    | (50,000)          | (65,000)          | (70,000)          |
| Result before tax               | 68,449      | 394,470           | 870,825           | 1,395,000         |
| Tax                             |             |                   |                   |                   |
| Net result for the period       | 68,449      | 394,470           | 870,825           | 1,395,000         |