

Business Plan

Tech 365 NV.

Business Plan and Financial Projections

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Confidentiality Statement

This is a confidential document between Tech 365 NV (the “Company”) and the Curacao Gaming Authority (the “Authority”). It contains confidential and / or proprietary information that may not be disclosed or discussed with

anyone outside the aforementioned organisations without written approval of Tech 365 NV and the Authority.

Purpose

The purpose of this document is to provide the Curacao Gaming Authority with a brief insight into the operations of Tech365 NV, a company set-up to obtain and operate a remote casino gaming platform. The company is applying for a Casino remote gaming license utilizing the Everymatrix LTD gaming platform.

Mission Statement

Tech 365 NV is part of the Royan Holding LTD group of companies, established in Malta according to the Malta laws. We provide world wide digital betting and gaming service with a special focus to the EU and other european countries inclusive southern and eastern Europe but also in the middle east and near asia as far as online gaming is not restricted by local laws.

We place the customer at the centre of what we do – focusing on market leading quality, continuous improvement and game changing developments for our customers and category.

We're on a mission to make betting and gaming better.

The iGaming Industry

Overview

The global iGaming industry has grown significantly over the last few years, and is forecast to continue doing so in the future. Independent estimates suggest that the overall online gaming market is expected to be worth \$51.96 billion in 2018. If so, the market will have doubled since 2009 despite low levels of global economic growth.

Europe is at the heart of this sector. Recently a number of jurisdictions, including France, Italy, Spain and Denmark, have introduced legislation to regulate their gaming markets. Further territories are expected to follow suit. In 2015, according to the European Gaming and Betting Association, nearly 48% of online gaming gross win generated globally was attributable to the EU market. 20 million EU customers currently enjoy online betting and gaming and European Gross Gaming Revenue is expected to increase from €16.5 billion in 2015 to €24.9 billion in 2020.

Tech 365 NV believes that, by acquiring a Curacao iGaming Licence, the company will enhance their competitive advantage in the iGaming Market. The attraction of a Curacao licence is that it offers:

- Regulation by a Regulator which is highly regarded by consumers and governments in international markets;
- Support from a government which recognises the importance and validity of responsible operators within the iGaming sector;
- Fairness and certainty in tax matters.
- Excellent hosting infrastructure

The list above, even though not in any way exhaustive, outlines why new operators have decided since “decades” to choose Curacao as their iGaming destination. We are confident that these benefits combined with Tech 365 NV’s expertise as part of the Royan Holding group will ensure that Tech 365 NV is successful.

Company

Tech 365 NV Betting & Gaming

Our Technological Edge

Tech 365 NV is a pure digital business – unencumbered by a legacy retail estate

Tech 365 NV will adopt mobile and develop an own front-end platform for enhanced product development flexibility.

Tech365 NV has the culture of a tech start-up, using and exploring lean and agile methodologies.

A special team ethos

- Tech 365 NV adopts the latest software development techniques, including ‘Agile’ and ‘Tribes and Squads’, giving our people unique satisfaction and ownership over their work.

Senior Management team of Tech 365 NV

Michael Schoeter CEO and Executive Director

Michael has long and vast experience in the gaming market. He worked over years as retail manager of an in Germany located betting company with a various number of land based betting shops all over Germany, mainly in a region called Rhine - Ruhr, a highly urbanized region with round about 6 million inhabitants on not more than 4535 square kilometers. As the company’s retail manager, Mr Schoeter allways had direct customer contact and nobody knows more about the customer’s demands.

CFO and Executive Director

Deniz Esen

Deniz has also a long and vast experience as CEO of a in western europe located retail company in the betting branche. He operated this company since 2004 with at present more than 50 betting shops and more than 100 employees. Furthermore he ist he UBO of Royan Holding LTD, which is the shareholder of Tech 365 NV.

Company in Curacao

Tech 365 NV was incorporated on the XX. The company's registration number is -

In its initial phase, Tech365 NV will operate a largely in house business model. As far as services will not be operated in house, the majority of its outsourced services will be provided under contract from third parties. The most critical functions or services will be provided by the platform operator (licensed in Curacao; the Key Official, who will also act as the point of contact with the MGA and as MLRO; and the Executive Director who will make all strategic and executive decisions in relation to the company's activities.

The Organisation Structure of the company is depicted in Figure 1 whilst the outsourced operating model is shown at Figure 2.

Figure 1: Organisations Structure

Key Official

Mr XX, has been appointed as the Key Official and sole director of the company.

The Key Official personally supervises the operations XXX and is responsible to ensure that the company carry out all their statutory obligations relating to the license, ensuring that:

- by the 20th of the month all gaming taxes of the previous month are paid.
- any incidents are reported in a timely manner to the Curacao Gaming Authority.
- an intermediary form is compiled and submitted to the Authorities for any new agreements reached or terminated such that the Curacao Gaming Authority has an up to date list of all intermediaries.
- within 180 days from the end of the financial year, audited financial statements are submitted to the Curacao Gaming Authorities
- that the reporting of player account balances is carried out on a monthly basis.
- he is available and constantly ready to be the main contact point between the Curacao Authorities and Tech 365 NV

Money Laundering Reporting Officer (MLRO)

As the MLRO of the company, the Key Official is also responsible for:

- Receiving reports of knowledge or suspicion of Money Laundering (ML) and Terrorism Funding (TF);
- Considering such reports to determine whether a suspicion of ML/TF subsists;
- Reporting knowledge or suspicion of ML/TF to the FIAU; and
- Responding promptly to any request for information made by the FIAU.

The Company Directors

The Directors of Tech 365 NV will be responsible for:

- adopting and maintaining a 'Protect and Develop Strategy' to grow and protect the company businesses, licences, assets and employees
- making decisions on the recommendation of the German marketing operation to develop the online product offerings with particular emphasis on marketing strategies
- determining the viability of other online Gaming and Entertainment investment opportunities for the companies
- assessing, on an ongoing basis, the online Gaming market to evaluate risks, opportunities, new products and new legislation
- ensuring that the company understands, enacts and discharges all financial and legal obligations to the Curacao gaming authorities in accordance with any and all licences that may be issued to the company
- ensuring the company is properly resourced and equipped to meet its objectives
- approving the financial and operational plans for the business and ensuring that Tech365 NV meets the wider strategic objectives of the Royan Holding group with respect to the German market and any subsequent territories entered;

Partners

Corporate

Corporate and accounting services will be provided by eMoore N.V. Willemstad, Curacao.

Payment Processing

Tech 365 NV has chosen Moneymatrix LTD. as their Payment Service Provider. Moneymatrix LTD is a global PCI DSS Level 1 MTSA payment provider of technology-based multi-channel payments services and fraud and risk management solutions for demanding businesses. Moneymatrix offers more than 100 international payment solutions.

Moneymatrix LTD,
Level 5, Suite 1 B,

Portomase Business Tower,
St. Julians , ST 94011
Malta

The payment methods Skrill and Neteller will be provided by Paysafe Limited.
Paysafe Merchant Service Limited

Audax House
Finch Road
Douglas
Isle of Man

Technology / Back end

Tech 365 N.V will use the technology and back end Everymatrix LTD for their offer.

Everymatrix LTD
Clifton Street, 3 RD. Floor
EC 4 HB London
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Support Services and Fraud Management

Support and Fraud Management with the exeption of fraud managemend regarding payment processes (s.above) will be done in house by an highly experienced team. The team members are trained since more than 10 years by monitoring and supervising the retail gaming business of Tech 365 N.V. 's UBO

Customer Communication

Customer communication software will be provided by IBM Watson Customer Engagement.

IBM UK LTD,
POBOX 41, North Harbour,
Portsmouth,
Hampshire PO 6 3 MV

Marketing

Affiliate Marketing Service will be done in house

AML and Data Protection

AML and Data Protection will be done in house

Web design and front-end web development

Web design and front-end development will be outsourced to Guido Brosius
Guido Brosius,
Lessing Str 10
47445 Moers,
Germany

The Gaming System

For their operations, Tech 365 N.V. will make use of Everymatrix betting system, which provides tailored betting experiences for all customers with sophisticated tracking and analysis of player behaviour.

The Everymatrix sportsbook offers access to more than 20,000 live events per month and over 2,000 proprietary betting markets.

Live Betting accounts for an increasingly large percentage of operator turnover and the Everymatrix Live Betting platform gives Tech365 an extremely competitive edge in this booming betting market. Today's punters want to feel part of the action and see their bets settled in real time while they are watching on TV or even while they are at the stadium.

With the continuing evolution of smart phones enabling punters to play anywhere, Live Betting is set to become even more popular and a major growth engine in the future.

Casino games will be integrated via Everymatrix's API in our website. Casino games will be provided by various, worldwide operating game providers like Micogaming, Evolution, Netent, Kryptologic, Isoftbet, Novomatic; Merkur and others. Slot machines of Novomatic and Merkur are very common and popular in the german spaeking markets and the have a kind of monopol in the german and austrian retail market (gaming halls)

Due to that, the online versions of these slotmachines are likewise popular in the german speaking online gaming market.

The Market

Marketing

Tech 365 N.V. Customer potential

The focus in 18/19 will be on sports betting because Tech 365 N.V. will be allowed to use an existing data base of european, mostly in Germany located punters. But despite of this casino games will be offered as well to all customers not only as an accessory gaming service. On the contrary, Tech365 is eager to develop it's casino games service as a part of the services able to stand alone

SWOT Analysis

Strengths

Tech 365 N.V. will be utilising an already established platform which is already licensed in various jurisdictions as in Malta as well as in Curacao. Via the already existing database and due to the operational expertise of Deniz and his experienced team, which knows the European, especially the German speaking markets very well, Tech 365 N.V. should be able - according to our economic estimations - to operate out of a position of strength.

Opportunities

Further developments of the partnership with TV channels (TV ads, online integration, more free to play games) and the fast paced growth of the German speaking markets, especially the huge German market itself due to the explicit legalisation of betting by the European Highcourt will help to make Tech 365 N.V. a success.

Threats

With gambling regulation harmonisation being a long way off in the European Union, the major threat that the company will face will come from jurisdictions which have regulated gaming and require a local license for operators to operate in their jurisdiction. This would require the company to obtain licenses in various jurisdictions. At present, there is no betting licence required by the German authorities (s.above)

Financial Projections

Source of Funds	Tech365 is a fully, by Royan Holding LTD (Malta), owned subsidiary
Data /UBO Germany	Our financial projections are based- regarding sportbetting - on financial data, the Germany based betting company of the UBO (retail with 50 land based betting shops) provided us. Regarding casino, our financial projections are based, regarding the first year prognosis, on figures, we estimate as to be realistic
Data retail (UBO- Germany	Average ticket/ wager € 9.40 Average monthly wagers € 1.910.000 (sportsbetting) Average monthly customer winnings € 1.375.000 Monthly GGR UBO Retail Germany € 535.000 Per year € 6.420.000
	Average monthly costs shop/ each € 5.000 " " " " all € 250.000 Per year € 3.000.000
	Average different costs monthly € 20.000

	Per year	€ 240.000
	Company revenue net before tax	€ 2.760.000
Tech365 1. year	For calculation purposes we calculate for the first year 1/3 of the wagers compared with UBO's retail company. Average ticket / wager is estimated as to be identic (€ 9.40)	
Sportsbetting	Sportsbetting (monthly)	€ 1.910.000
s	1/3	€ 636.666 = € 630.000
	Average winnings 80%	€ 509.000
	Average GGR monthly	€121.000
	Per year	€ 1.452.000
	Minus Affiliate costs average 25%	€ 363.000
	Rev.Share platform provider av. 10%	€ 145.200
	General costs / staff / office / Accounting, customer communication etc. Monthly	€ 30.000
	Per year	€360.000
	Marketing costs / TV / Testimonial	€200.000
	Total	€1.068.000
	Company revenue before tax licence fees (sportbetting) 384.000	€ 384.000
	Minus Taxes	
	Minus Licence fees	
Casino	For calculation puposes we calculate for the first year 50% of the wagers from sportsbetting.	
	Casino wagers (monthly 50% of € 636.666=630.000)=	€ 315.000
	Average winnings 90%	€ 283.500
	Average GGR monthly	€ 32.000
	Per year	€ 384.000
	Minus Affiliate costs av. 30%	€ 115,200
	Rev.Share game provider av. 12%	€ 46.080
	Rev.Share platform provider Incl. fixed fees av. 10%	€ 38.400
	General costs (incl. in s.above)	-----
	Total	€ 199.480
	Company revenue before taxes/	

Licence fees (casino)	€ 115.520
Company revenue before taxes	
Licence fees	
Total first year	€ 499.520

Second year.

We calculate an increase of customers and GGR of 30%

GGR		€ 1.936.000
Affiliate costs	25%	€ 484.000
Rev.Share platform provider	10%	€ 193.600
General costs/staff/office etc. p.m	€40.000	
Per year		€ 480.000
Marketing Expenses		€ 300.000
Total		€ 1.457.600

Company revenue sportsbetting	
Before Tax and licence fees	€ 478.400

Casino (+ 30% increase customer and GGR)

GGR per year		€ 512.000
Affiliate costs	30%	€ 170.666
Rev.Share game provider	11%	€ 56.320
Rev.Share platform provider	10%	€ 51.200
Separate marketing expences		€ 50.000

Total casino before taxes and licence fees	€ 183.814
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Total company 2 year before taxes and	
Licence fees	€ 662.214

3 year and following years

We calculate with regular increase rates of 30% customers and GGR.

According to the increase of customers and GGR, we will increase our marketing efforts and of course we will be subject to increasing internal costs (staff/ office etc.)

Our aim is, to reach a company total of	€ 1.000.000
before taxes and licence fees in the third year	

in the fourth year	€ 1.500.000
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	fifth year	€ 2.200.000
	sixth year	€ 3.000.000