

# INVESTMENT OPPORTUNITY

## GAMING ALLIANCE GROUP

Member of Fortress Alliance Group

### Background

Gaming Alliance is a member of Fortress Alliance Group. It is located in the Hub of the Mediterranean, on the Island of Malta, offering award-winning solutions to the Gaming industry. Our team of innovative and visionary people working with high profile Gaming partners to ensure we deliver best Solution

Gaming Alliance is a leading betting and Gaming supplier able to create fully flexible software and hardware solutions for both online and land based in the Gaming industry. Our vision has been and continues to be, to keep developing, improving and striving towards creating market-leading solutions.



***A unique investment opportunity to be at the vanguard of the six-star (6\*) hotel and casino hospitality industry in Malta; This investment is an exclusive chance to penetrate the elite casino market in Malta combined with service and accommodation second to none.***

The hotel will be a boutique six-star (6\*) hotel, with ninety-three (93) rooms covering three thousand, eight hundred and forty-six square metres (3,846 sqm) complete with a swimming pool, spa and fitness facility. Initially operating eighteen (18) gaming tables, one hundred and eighty (180) slot machines, the casino also boasts a roof top restaurant.

Situated in the heart of Malta, this investment, is in an area visited by international and local, high level clientele. Accessible by road; water front access with a berth at the nearby 'Mega Yacht' marina; executive aviation transportation available from Malta International Airport connecting from eighty-five (85) destinations worldwide.

This opportunity has the potential to attract the niche of the one million, five hundred thousand (1.5 million) tourists to Malta each year. The casino will host junket players mainly coming from Russia, Israel, Italy and Turkey as well as high net worth players from the Middle East, India and China.

# The Investment Properties

## Hotel & Casino – Fully Licenced

***The Casino will be one of only four functioning in Malta. Operating from a fabulous historical building this will provide a unique atmosphere to enjoy the whole experience of gambling along with luxury dining opportunities***

## The CASINO

Initially the casino will operate eighteen (18) gaming tables and one hundred and eighty (180) slot machines. A full license has been granted to extend this to twenty-five (25) gaming tables and three hundred and seventy-five (375) slot machines for the remainder of the ninety-nine (99) years commencing 1999. This extension license is therefore valid for a further eighty-one (81) years, until 2099. The need to fully utilize the license and increase the number of tables and slot machines will require the acquisition of additional floor space; either from within the adjacent hotel building; or with permission, the expansion of the casino to include a floating “floor” over the marina.

Malta has one of the best Gaming Laws of the world, an excellent taxation system, a stable economy and a growing gaming sector. Being one of four casinos on Malta this investment comes with the added Kudos of one of the few “Casino Royals” of the world due to the magnificent building the casino is in. The Casino target is twenty-five percent (25%) of the actual market share, with the income from hosting junket players mainly from Russia, Israel, Italy and Turkey. Additional income will be from sections of the casino being available exclusively to host prestigious international poker tournaments.

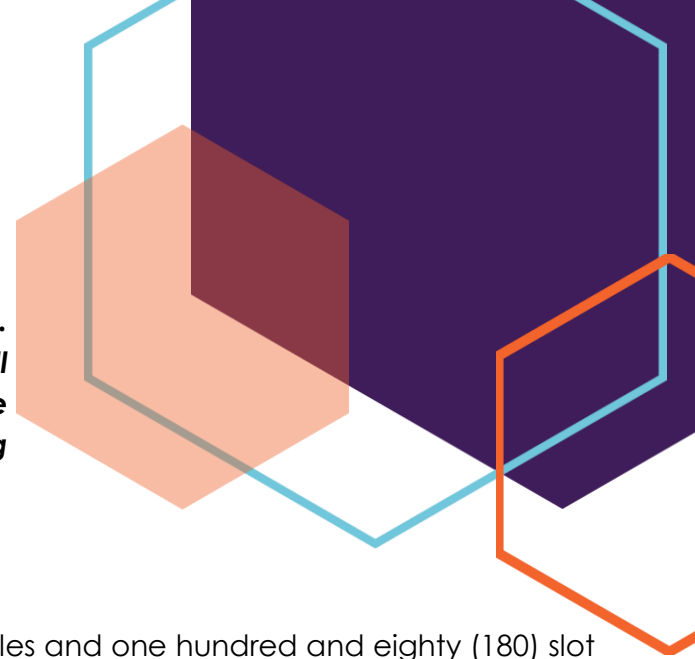
Online gaming will bring new revenue streams to the casino and the opportunity to have crypto currency will open up the online service to generate further income.

Within the casino the focus is on superior customer care and to use “state of the art” new gaming technology. This is possible with the extensive industry knowledge of Gaming Alliance; this will bring together the latest solutions in the Gaming industry whilst striving continually towards market leading solutions.

The roof top luxury restaurant provides a relaxed high level of service to the casino player who wishes to take a break from the “table” however there will be floor service for those players wishing to remain on the floor and maximize their time at a table or slot machine. The casino is designed to provide an environment which is conducive to frequent and prolonged visits by its clientele.

The whole operation of the casino will be managed by a management team selected from worldwide leading and proven casino operators with international experience and an extensive repertoire of skills and leadership qualities.

Several management companies have confirmed their interest in the operation of the casino. Two of these are well known European leading casino operators.



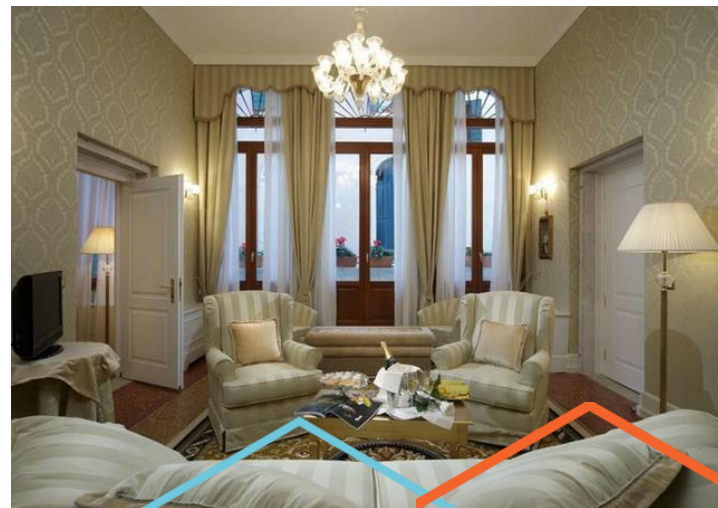
## The HOTEL

The hotel is adjacent to the casino, operating as a luxurious, six-star (6\*) hotel with a total of ninety-three (93) bedrooms. These include thirty-seven (37) Deluxe rooms of thirty-eight square metres (38sqm) and thirty-eight (38) Junior suites of fifty square metres (50sqm). The spacious Junior suites, by the sea, offer clientele a generously proportioned, beautifully designed space to enjoy six-star (6\*) boutique luxury.

Guests will have access to an all-day dining restaurant covering one hundred and eighty (180) guests as well as an outdoor restaurant terrace covering seventy (70) guests. A signature restaurant and bar will be situated on the first floor, covering one hundred and sixty (160) guests, for the opportunity to enjoy fine dining. These flexible areas can be intimate spaces for personalised customer service and expansive to accommodate corporate functions, allowing the hotel to adapt to its diverse clientele.

The leisure activities on offer will include health and fitness facilities; a swimming pool and a spa. Also provided will be a conference room of two hundred and forty square metres (240sqm) to target the available business clientele amongst this niche market.

The controller of the hotel will be selected from a worldwide recruitment process where only the top performers in this industry will be interviewed. The controller will have proven experience of leading a professional team offering superior six-star (6\*) service. The hotel has been qualified by Colliers International in the category of Small Leading Hotels of the World, a global luxury brand operating in sixty-nine (69) countries.





## LICENSES

***Gaming Alliance Group has access and Can assist with renewal of licenses for both the CASINO and the Hotel. The Group also has access to multi diverse Resources to get the operations up and running at the shortest possible time***



The investment will require renewal class one (1), two (2), three (3) and four (4) licenses. A brief description of each of the essential licenses follows with an explanation of why it is applicable:

**Class one** (1) gaming license – Casino Style Games, Lotteries, Slots mainly for On-Line

For operators managing their own risk on repetitive games of chance, which may be fully automated through the use of a Random Number Generator (RNG)

**Class two** (2) gaming license – Fixed odds and Pool betting, usually related to Sports.

Operators offering services by creating a market and backing that market; bets offered may also be hedged. Operator manages the significant financial risk on events through monitoring and controls.

**Class three** (3) gaming license – Poker, Betting Exchanges, Skins, Tournaments, Bingo - Land based

Operators provide the gaming service, manage funds transfers and receive a commission on games played, but are not a party to the bets placed.

**Class four** (4) gaming license – Provides a Remote Gaming platform to other licenses.

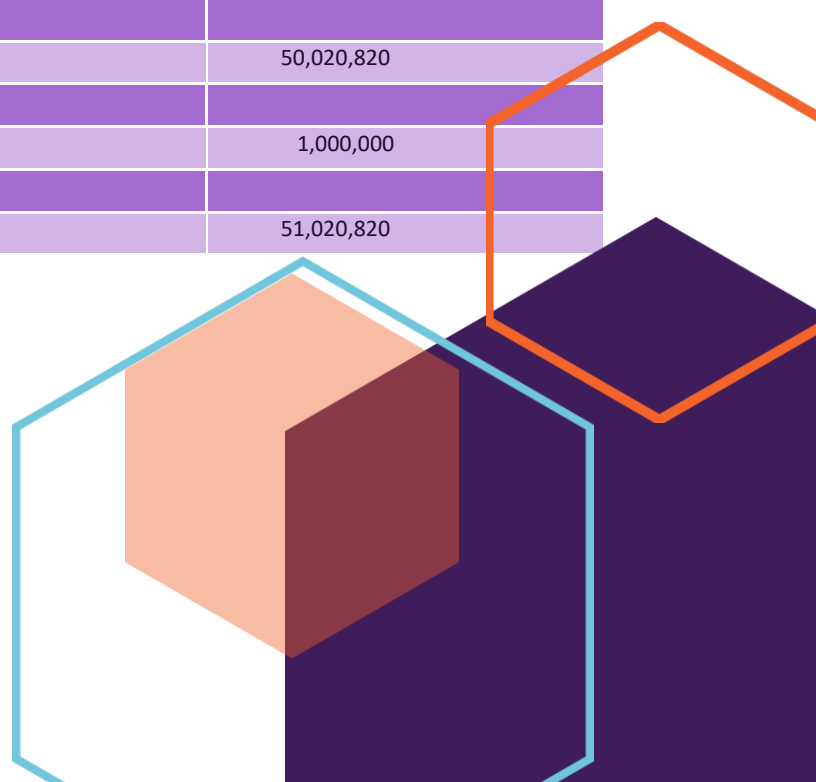
This license allows owners of Remote Gaming technology to provide hosting and control facilities on their Information and Communications Technology (ICT) infrastructure or 'platform' on a business to business (B2B) basis.

# Financial Estimates

## Expected Budge & Financial Projections

*The estimated start up investment requirement is estimated at around €50 million Euros.*

Funds for:		Start up funds
Lease until 2098		14,000,000
Hotel building and finishing and opening		16,000,000
Casino refurbishment and equipment		6,000,000
Online casino		350,000
Due diligence, legal fees etc.		400,000
Corporate structure and start up fee		1,000,000
Payment Gateways; Crypto Currency		100,000
MGA Licences:	Class 1-	100,000
MGA Licences:	Class 2-	100,000
MGA Licences:	Class 3-	40,000
MGA Licences:	Class 4-	40,000
MGA Licences:	Application fee	9,320
MGA Licences:	Yearly Licence fee	
MGA Licences:	Approval fees for transfer	1,500
MGA Licences:	Renewal fees for four licences	
<b>TOTAL</b>		<b>38,140,820</b>
Residential Building		7,980,000
3 duplex penthouses		1,400,000
Amusement building, the vault, rental and fitting		2,500,000
<b>TOTAL</b>		<b>50,020,820</b>
Casino working capital (CASH)		1,000,000
<b>TOTAL</b>		<b>51,020,820</b>



## Major Annual Running Costs

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>MGA Licences:</b>					
<b>MGA Renewal fee</b>	25,000	25,000	25,000	25,000	25,000
<b>MGA Renewal 4 classes</b>	6,000	6,000	6,000	6,000	6,000
<b>Yearly land lease, casino and hotel</b>	300,000	300,000	300,000	300,000	300,000
<b>Yearly lease, residential and vaults</b>	200,000	200,000	200,000	200,000	200,000
<b>Payment Gateways; Crypto Currency</b>	100,000	100,000	100,000	100,000	100,000
<b>Yearly costs</b>	631,000	631,000	631,000	631,000	631,000

## Income Statement Distribution (start)

Income Statement	%
Gross Revenues	100.00%
Less: Cost of Goods	40.00%
<b>Gross Margin</b>	<b>60.00%</b>
Operating Expenses	9.00%
Salaries & Benefits	39.00%
Utilities	3.00%
Other Expenses	6.00%
Depreciation	20.00%
<b>Total Operating Expenses</b>	77.00%
Net Income Before Interest & Tax	54.00%
Net Interest Income (Expense)	3.00%
<b>Net Income (Loss)</b>	23%

## Cash & Distribution (Start)

Cash Flow	K	€
<b>Starting Cash</b>		1,000
Receipts		
<b>Collections</b>		39,436
<b>Total Receipts</b>		40,436
<b>Disbursements</b>		
<b>Payments to Suppliers</b>		400
<b>Salaries &amp; Benefits</b>		22,405
<b>Utilities</b>		80
<b>Other Expenses</b>		1,300
<b>Interest Expense</b>		800
<b>Tax Payments</b>		-
<b>Total Disbursements</b>		24,985
<b>Net Increase (Decrease) in Cash</b>	-	23,985
<b>Ending Cash</b>		16,451

## Balance Sheet (Start)

Balance Sheet	K	€
<b>Assets</b>		
Cash & Equivalents		1,000
Inventory		6,000
Accounts Receivable		36,856
Property, Plant, Equipment		30,750
Less: Depreciation	-	500
<b>Total Assets</b>		<b>74,106</b>
<b>Liabilities</b>		
Accounts Payable		500
Debt		35,456
Deferred Taxes		-
Total Liabilities		1,400
Equity		36,750
<b>Total Liabilities &amp; Equity</b>		<b>74,106</b>



## Dirty P&L

P&L	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	7,275	7,651	8,354	8,813	9,337
Gross Revenues	32,161	34,725	36,407	38,154	40,030
Less COGS	2,580	2,399	1,730	1,654	1,417
Gross Margin	36,856	39,977	43,031	45,313	47,950
Operating Exp.					
Start-Up Exp. Dep.	- 50,021	- 35,570	- 20,097	- 5,101	12,949
Other Exp. & Headcount	- 22,405	- 24,504	- 28,035	- 27,263	- 28,584
Net Income (Before Taxes)	- 35,570	- 20,097	- 5,101	12,949	32,315



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