

Sena Bet B.V.

Business Plan

26.03.2024

EXECUTIVE SUMMARY

The robust economic performance of Peru and Ecuador over the past decade has created fertile ground for various industries, including the online casino and sports betting sector. Despite occasional political challenges, the surge in digital transactions, particularly during the COVID-19 lockdown, has propelled the relevance of online gambling platforms. As leaders in the industry with nearly a decade of experience, our objective at Senabet B.V. is to harness this growth through strategic planning and execution, leveraging our expertise, market insights, financial resources, and cutting-edge technologies.

We anticipate continued growth in both the Peruvian and Ecuadorian markets, fueled by increasing interest and participation in online casino and sports betting activities. Our confidence in the sector's future is bolstered by Google Trends data, indicating sustained interest over time and the emergence of new competitors such as Betano, demonstrating the sector's attractiveness for players and investors alike. Moreover, the affiliate marketing landscape in both markets presents significant opportunities, with Peru on the cusp of becoming a top global source for generic affiliate traffic.

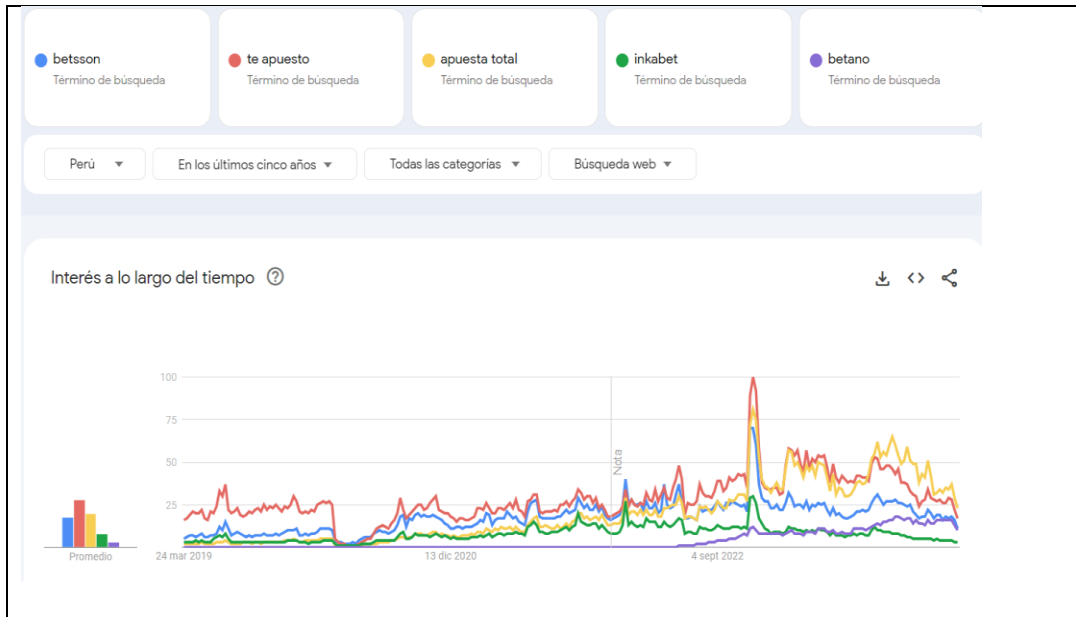
We are completely sure that the impending sector regulation will come to strengthen the industry and provide legal support, that certainly will translate into operators' confidence and therefore greater involvement of other investors, both internal and external. This stable confidence will nudge potential customers to initiate in this category important investments.

In terms of market dynamics, both Peru and Ecuador boast a vibrant and competitive environment, with over 40 permanent competitors in each market. Strategic partnerships between global and local operators, exemplified by Betsson Group's acquisition of Inkabet for USD 25 million, underscore the industry's growth potential. Additionally, the launch of second brands by major competitors like Betsson Group and Intercorp reflects a commitment to diversification and market expansion. Senabet B.V. is poised to capitalize on these market conditions, aiming to strengthen our brand presence and achieve sustained profitability over the next five years.

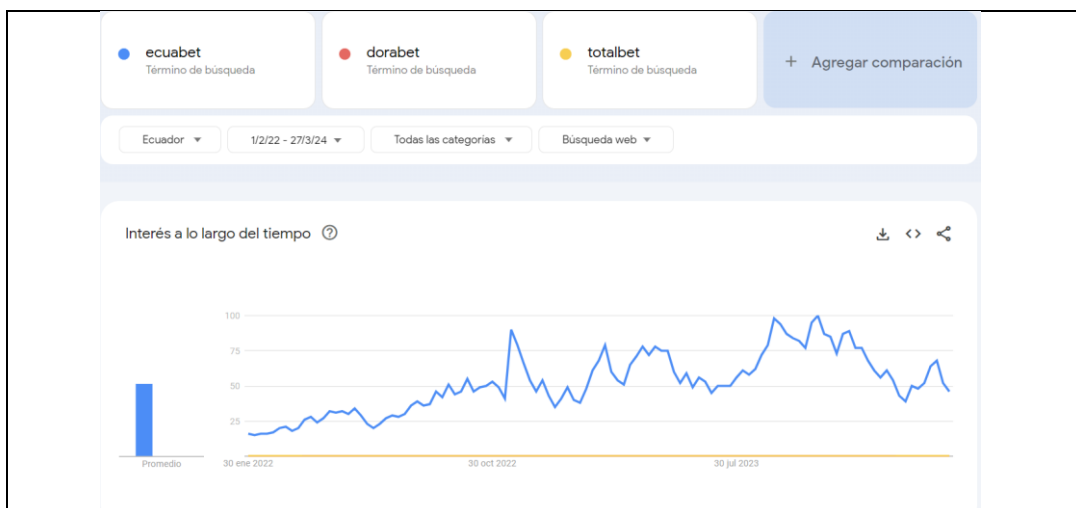
I. MARKET ANALYSIS:

Demand:

1. The Online Casino and Sports Betting sector in Peru and Ecuador is witnessing continuous growth, driven by increasing digitalization and consumer demand for convenient entertainment options. Google Trends data highlights the sustained interest in online gambling activities, with a notable surge following events like the 2022 FIFA World Cup. The potential for new competitors to attract players further underscores the sector's dynamism and attractiveness.



Source: <https://trends.google.com/trends/explore?date=today%205-y&geo=PE&q=betsson,te%20apuesto,apuesta%20total,inkabet,betano>



Source: <https://trends.google.com/trends/explore?date=2022-02-01%202024-03-27&geo=EC&q=ecuabet,dorabet,totalbet>

2. Both markets serve as significant sources of players for affiliate marketing, with Peru and Ecuador showing considerable potential for affiliate traffic generation.

The growth of the online casino segment remains robust, despite economic challenges in both countries, positioning it as a key driver of market expansion.

- a. In march 2024, it was close to the Global Top 20 source for generic affiliate traffic, with more than 2.5 million generic monthly referrals.
- b. Online casinos have a constant growth despite the economical country situation.

Affiliate website traffic by country

In the evolving world of igaming affiliates, a clear divide is emerging: traditional affiliate sites versus large media outlets with igaming sections. DeepCI.com is closely monitoring this trend, noting the formidable SEO leverage that media giants bring, despite a smaller portion of their traffic being igaming-focused, and has made the following observations:

Media influence: Large media sites, despite their broad focus, are beginning to overshadow traditional igaming affiliates in Google's SEO rankings due to their vast reach and domain authority.

Market dynamics: Traditional igaming affiliates are feeling the pressure but there are standout performers adapting and thriving amidst these changes.

Location	Sports Traffic	Casino Traffic	Total Traffic
UK	16,047,898	1,242,934	17,290,832
USA	8,844,845	3,290,005	12,134,850
Sweden	8,414,351	862,978	9,277,329
Brazil	7,487,674	390,180	7,877,854
Poland	5,224,420	653,563	5,877,983
Greece	5,431,795	120,469	5,552,264
France	3,544,146	467,594	4,011,740
South Africa	2,829,203	930,071	3,759,274
Italy	2,704,382	734,850	3,439,232
Ireland	3,160,353	28,052	3,188,405
Russia	2,827,269	244,962	3,072,231
Germany	1,537,168	1,065,013	2,602,181
India	2,064,807	308,190	2,372,997
Philippines	1,567,234	508,750	2,075,984
Canada	1,031,408	719,361	1,750,769
Romania	789,830	793,032	1,582,862
Australia	788,379	494,661	1,283,040
Spain	1,063,663	218,169	1,281,832
Bangladesh	564,050	535,094	1,099,144
Peru	1,033,081	27,519	1,060,600
Mexico	914,377	145,014	1,059,391

Supply:

The competitive landscape in both Peru and Ecuador is characterized by a dynamic environment, with numerous established players and opportunities for new entrants.

1. More than 40 permanent competitors and a clear space for new players. New competitors are constantly appearing, and some even reach historical leaders, such as Betano with Inkabet (a company that has been in the market for more than 10 years).
2. Large global competitors seek to partner with local operations, such as Betsson Group in Peru buying Inkabet for USD 25 million.
3. Large competitors, global or local, launch second brands, such as Betsson Group launching in Peru Betsafe and Tonybet, or Intercorp launching Olimpo, in Ecuador the presence of Doradobet with Dorabet.

II. PRODUCT AND MARKETING STRATEGY:

1. **Marketing objective:** At Senabet B.V., our objective is to establish ourselves as a Top 5 Online Casino brand in the Peruvian and Ecuadorian markets, offering an unparalleled gaming experience characterized by excitement and substantial winnings: where fun and winnings are guaranteed.
2. **Target audience:** We target individuals aged 18 to 45, belonging to the BC socioeconomic level, who are digitally active and seek easy and secure entertainment options. Our goal is to cater to this demographic by providing a user-friendly platform that ensures a seamless gaming experience.
3. **Product Strategy:** Our product strategy revolves around simplicity, user-friendliness, and variety. We aim to offer a diverse range of games on a platform that is intuitive and easy to navigate. Additionally, we will leverage technological advancements to provide direct access to popular games and continuously evaluate layout changes to enhance user engagement: i) give customers more direct access to popular games and those that we want to promote, and ii) constantly evaluate layout changes that allow testing games and dynamics of use.
4. **Pricing Strategy:** We will implement a strategic pricing strategy aimed at incentivizing customer engagement and retention. This includes offering various bonuses throughout the customer journey to maximize conversion and minimize risk factors:
 - a. Signup Bonuses
 - b. First Deposit Bonuses
 - c. Discretionary bonuses
 - d. Cash tournaments
 - e. Cash back

f. Recovery campaign bonds

5. Promotion and Advertising Strategy: Our promotion and advertising strategy will focus on differentiation and competitiveness, supported by impactful tactical initiatives.

- a. Communication Strategy: To design fun, close, colorful, bright, celebratory and youth brands. The communication tone will be similar to that of consumption categories such as beverages, confectionery and ice cream.
- b. Tactical Actions:
 - i. Installation of an Affiliate Network
 - ii. Use of the image of a celebrity recognized by the target audience
 - iii. Support with Streamers related to the target audience
 - iv. Effective use of customer relationship management (CRM) tools

6. Distribution Strategy: Our distribution strategy emphasizes accessibility and convenience, ensuring that customers can access our platform from any device and make deposits using a variety of payment methods available in the market. This approach aims to maximize reach and streamline the customer experience.

7. Budget, Plans and Actions

Our marketing budget will be allocated strategically to support various promotional campaigns and tactical initiatives aimed at driving customer acquisition and retention. Additionally, we have outlined specific plans and actions tailored to capitalize on external events such as sports tournaments and holidays, leveraging these opportunities to enhance brand visibility and engagement.

Marketing Budget (USD):

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Always on	4,957	4,983	5,009	5,036	5,063	5,091	5,119	5,148	5,177	10,445	-	5,269	61,297
Summer	4,957	4,983											9,940
Branding			5,009					5,148					10,157
Mother's day					5,063								5,063
Father's day						5,091							5,091
National Holidays							5,119						5,119
SC Anniversary									5,177				5,177
Halloween										5,207			5,207
Christmas												5,269	5,269
Cyberdays				5,036						5,238			10,274
Streamers	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Affiliates	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Influencer/Image	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Others	897	897	897	897	897	897	897	897	897	897	897	897	10,769
TOTAL	8,855	8,880	8,906	8,933	8,960	8,988	9,016	9,045	9,075	14,343	3,897	9,167	108,066

By executing our product and marketing strategy with precision and agility, Senabet B.V. is poised to establish itself as a leading player in the Peruvian and

Ecuadorian online casino and sports betting markets, driving growth and delivering sustained profitability in the years to come.

8. Plans and Actions:

- a. Summer/Valentine's Day:
 - i. Promotional campaign by external context.
 - ii. Objective: Customer loyalty.
 - iii. Mechanics: Deposit bonus.
- b. Branding: Launch campaign of the new platform, communicating the new functionalities: new registration template, payment methods, sportsbook, among others.
- c. Mother's Day:
 - i. Promotional campaign by external context.
 - ii. Objective: Acquisition of new clients.
 - iii. Mechanics: Raffle for TVs, cell phones and movie tickets.
- d. Father's Day:
 - i. Promotional campaign by external context.
 - ii. Objective: Acquisition of new clients.
 - iii. Mechanics: Raffle for TVs, cell phones and movie tickets.
- e. National holidays:
 - i. Promotional campaign by external context.
 - ii. Objective: Customer loyalty.
 - iii. Mechanics: Delivery of free spins to active customers.
- f. SomosCasino Anniversary:
 - i. Brand campaign.
 - ii. Objective: Customer acquisition and loyalty.
 - iii. Mechanics: Delivery of free spins to new and active customers.
- g. Halloween:
 - i. Promotional campaign by external context.
 - ii. Objective: Customer acquisition.
 - iii. Mechanics: Deposit bonus.
- h. Christmas:
 - i. Promotional campaign by external context.
 - ii. Objective: Customer loyalty.
 - iii. Mechanics: Deposit bonus.
- i. Cyberdays:
 - i. Promotional campaign by external context.
 - ii. Objective: Customer acquisition.
 - iii. Mechanics: Deposit bonus.
- j. Affiliates:
 - i. Mechanics: Development of an affiliate network.
 - ii. Objective: Customer acquisition.

- k. Celebrity image: Hiring the brand image of Juan Carlos Orderique (well-known local celebrity, associated with fun, innocent pranks and family-oriented TV shows).
 - i. Objective: Customer acquisition.
 - ii. Mechanics: Implementation of advertising panels on public roads, publications in RRSS (FB&IG) stories, feed (organic and with guidelines), web banners.
- l. Streamers: Transmission of own content with presence of the brand and use of the page.

III. OPERATIVE PLAN

Betconstruct, our platform provider, oversees platform management, including global payment methods and servers. For payments in Peru, we utilize local banking seamlessly. In Ecuador, we are in the process of implementing a solution.

In Q2 2024, we plan to transition to VIBRA Gaming, a global leader, for server management, software, integrations, and service uptime. This technological upgrade will provide enhanced flexibility and tools for our clients.

IV. FINANCIAL PLAN AND BUSINESS FORECAST

Our operation will be fully bootstrapped, requiring no external funding. In 2024, we anticipate an increase in expenses due to the payment of the new gambling tax, transitioning technology providers from Betconstruct to VIBRA Gaming, and team expansion.

Based on these factors, along with our marketing and financial plans, we project a 27% increase in operating expenses. However, the company will maintain a positive Operating Profit, which is expected to grow from S/225,000 in 2023 to S/627,000 in 2026, representing a 2.78x increase.

USD	2022	2023 39%	2024 35%	2025 30%	2026 30%
BET	11,189,059.84	15,500,000.00	20,925,000.00	27,202,500.00	35,363,250.00
Prices	10,713,836.20	14,841,681.39	20,036,269.87	26,047,150.83	33,861,296.08
GGR	475,223.64	658,318.61	888,730.13	1,155,349.17	1,501,953.92
Gaming Tax	-	78,998.23	106,647.62	138,641.90	180,234.47
Direct expenses	26,137.30	154,497.35	195,971.42	243,962.85	306,351.70
Provider fee	19,008.95	36,000.00	36,000.00	36,000.00	36,000.00
15% (Aver)	7,128.35	118,497.35	159,971.42	207,962.85	270,351.70
General expenses	184,000.00	199,065.76	248,888.77	306,655.40	387,552.02
Marketing	115,000.00	108,065.76	145,888.77	189,655.40	246,552.02
Employees	54,000.00	79,000.00	91,000.00	105,000.00	125,000.00
Others	15,000.00	12,000.00	12,000.00	12,000.00	16,000.00
Operating Profit	265,086.34	225,757.27	337,222.32	466,089.01	627,815.72

*Difference between Operating Profit and Business Result is explained by the active balances of the clients (sum of cash balances)

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
TOTAL INCOME	93,948	96,290	98,738	101,297	103,972	106,769	109,694	112,753	115,952	119,299	122,801	126,465
EMPLOYEES	5,840	6,054	6,567	6,054	6,778	6,567	7,502	6,054	6,567	6,054	6,778	8,014
MARKETING	8,855	8,880	8,906	8,933	8,960	8,988	9,016	9,045	9,075	9,105	9,135	9,167
ADMIN	2,133	672	441	6,636	6,636	6,764	6,636	6,636	6,636	6,636	6,636	6,636
TAXES	897	897	897	897	897	897	897	897	897	897	897	897
PRICES	66,308	53,108	53,108	53,108	53,108	53,108	53,108	53,108	53,108	53,108	53,108	53,108
PAYMENT METHODS	1,376	1,406	1,438	1,470	1,505	1,541	1,578	1,618	1,659	1,702	1,747	1,794
DEBTS	1,283	1,283	1,283	1,283	1,283	1,283	1,283	1,283	1,283	1,283	1,283	1,283
TOTAL EXPENSES	86,692	72,300	72,640	78,382	79,167	79,148	80,021	78,641	79,225	78,785	79,585	80,900
BUSINESS RESULTS	7,255	23,990	26,098	22,915	24,805	27,621	29,673	34,111	36,727	40,514	43,216	45,566

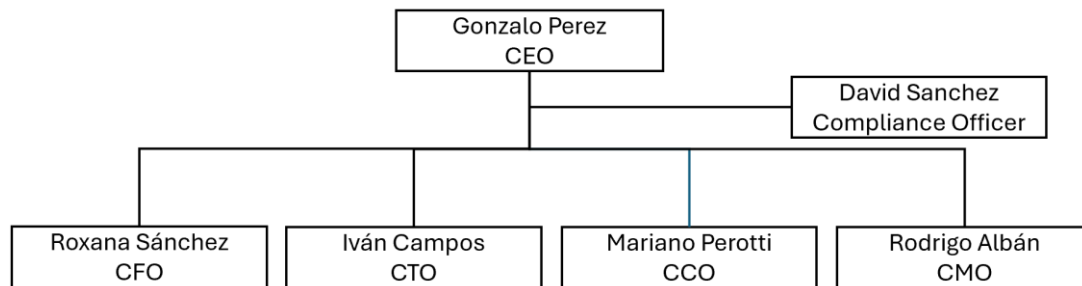
V. SCENARIO AND PERSPECTIVES

In 2024, regulatory measures will formalize and strengthen the sector. Both economies exhibit high levels of informality, with a sizable independent economically active population. Despite prevailing political instability over the past seven years, the sector has continued to grow due to maintained legal stability.

VI. MANAGEMENT STRUCTURE AND CORPORATE GOVERNANCE

The board is composed of the three UBOS of the company. The quorum and the decisions are made by majority of votes. In this case, the board can not be deadlocked since there will always be a majority as from the UBOS when they vote and make decisions.

The board can receive support and advice from lawyers outside the company.



About the team responsible for carrying out the operations, will be:

- a. Support, Risk and Customer Service
- b. Treasury, Accounting
- c. Marketing
- d. Leadership team

The company shows a high level of risk assessment and management. We have a team that continually monitors the information. We also have policies of data protection, developing business continuity and disaster recovery plans. These policies guarantee to minimize risks and cost overruns for the organization.

VII. COMPANY POLICIES AND PROCEDURES

Policies and procedures are made internally.

There is a commitment to keep the GCB informed within the time limits laid down by the relevant standard.

The person who implements policies and procedures has ongoing training through courses and specializations in the areas requested by the GCB. It also has proven experience in the activities carried out by the company, which makes the person qualified and competent. This person has no conflicts in its activities because it is independent in the exercise of its duties.