

Exedra N.V.

EGB.COM



Business Plan

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1. Overview of the Services, Brand and Intellectual Property

Exedra N.V. is a Curacao company with company number 139149 duly licensed to provide gaming services under sublicense number 8048/JAZ2017-018 issued by Antillephone N.V., a master license holder.

Exedra N.V. was incorporated on March 8, 2016 and obtained the above mentioned sublicense on March 14, 2017. The sublicense has been used and kept current and updated ever since.

The sole ultimate beneficial owner of the company has been Maryna Valladares, a resident and citizen of Israel.

From the very start Exedra N.V. has been managed by eMoore N.V., a professional corporate service provider and management company located in Curacao.

Exedra N.V. operates EGB.COM, a gaming website. The domain name is owned by Exedra N.V.

EGB¹ (originally stood for “eSports Gaming Bet”), is a well-established online betting brand that specializes in eSports. The company has been at the forefront of the eSports betting industry for over a decade, providing a platform for fans to engage and bet on their favorite eSports games.

EGB’s business model is centered around providing a safe, secure, and user-friendly platform for eSports enthusiasts to place bets on various popular video games such as Counter-Strike: Global Offensive, League of Legends, Dota 2, and many more.

EGB operates globally on the markets opened for online gaming, with a significant presence in Eastern Europe, South America, and Asia.

Over the years, EGB has built a strong reputation in the market due to its commitment to transparency, customer service, and responsible gaming.

Due to extensive game selection, competitive odds, and innovative features EGB has successfully attracted and retained 930,000 of users.

In addition to accepting bets on eSports events, in 2021 EGB started offering online casino games. At the moment the company is testing traditional online sports betting offering (i.e. bets on sports like football, tennis, etc.).

EGB uses innovative and tech-driven online gaming platforms and integrations provided by Wodgam HK and Softswiss² that leverage cutting-edge software to facilitate operations of EGB and are built on advanced technology that ensures a seamless, secure, and enjoyable

¹ Exedra N.V. and EGB will be used interchangeably for the purposes of this business plan.

² Refer to Section 6 “Key Suppliers and Material Dependences” for further details regarding the software platforms utilized by EGB.

gaming experience for players. Such technology not only allows EGB to offer a wide array of games and betting options but also enables EGB to manage its operations efficiently.

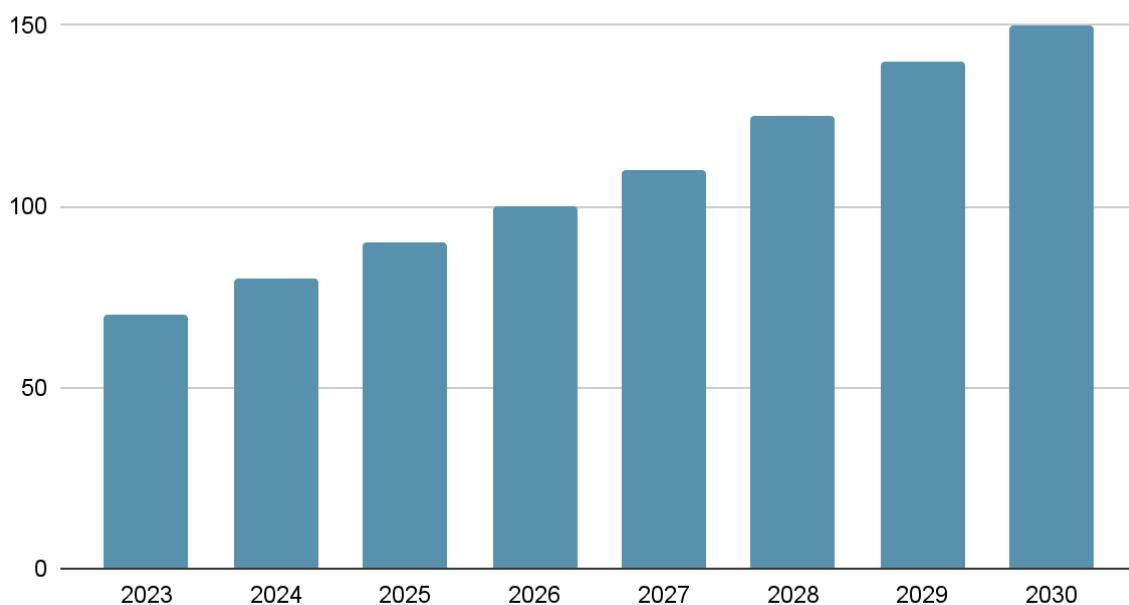
One of the unique aspects of EGB's business model is the strategic shift of certain processes to the end-users. This approach empowers players by giving them more control and also enables EGB to operate with a lean team. Despite having a smaller workforce compared to traditional online gaming operators, EGB is able to deliver superior service and maintain high operational standards due to its technological capabilities.

EGB understands the importance of responsible gaming and is committed to promoting it. EGB have implemented all necessary technical and organizational measures to ensure a safe and responsible gaming environment for players.

2. Market Analysis

Online eSports betting remains the core market for EGB. A study conducted by a market research and consulting company Grand View Research³ sheds light on the eSports online betting market, which is currently valued at \$70 billion as of 2023. It is forecasted to reach \$153 billion by 2030. While this growth may not be groundbreaking, it certainly indicates a steady upward trend in the industry. This expansion is driven by several factors, including the increasing accessibility and popularity of eSports among a broad audience, thanks to advancements in internet and mobile technologies, including growth of the 5G network.

Market size, billions \$



Such an expansion presents an opportunity for EGB to tap into the growing interest in eSports betting. By leveraging the latest technological advancements and catering to the burgeoning eSports audience, EGB aims to position itself at the forefront of this sector. This will not only contribute to the platform's growth but also offer new opportunities for engagement and revenue generation in the eSports betting landscape.

At the same time it is understood that the eSports betting industry is highly competitive, with several established and emerging companies vying for market share. Major competitors of EGB include GGbet, Unikrn, BetBoom. These companies have a strong online presence and offer a wide variety of eSports betting options.

EGB's primary target audience consists of eSports enthusiasts aged between 18 to 35 years. This demographic is tech-savvy, enjoys online gaming, and is open to engaging in eSports betting. EGB also targets individuals who are new to eSports betting but are interested in exploring it as a form of entertainment.

³ Online Gambling Market Size, Share & Trends Analysis Report By Type (Sports Betting, Casinos, Poker, Bingo), By Device (Desktop, Mobile), By Region (North America, Europe, APAC, Latin America, MEA), And Segment Forecasts, 2023 - 2030;
<https://www.grandviewresearch.com/industry-analysis/online-gambling-market#>

Current market trends impacting the industry can be summarized as follows:

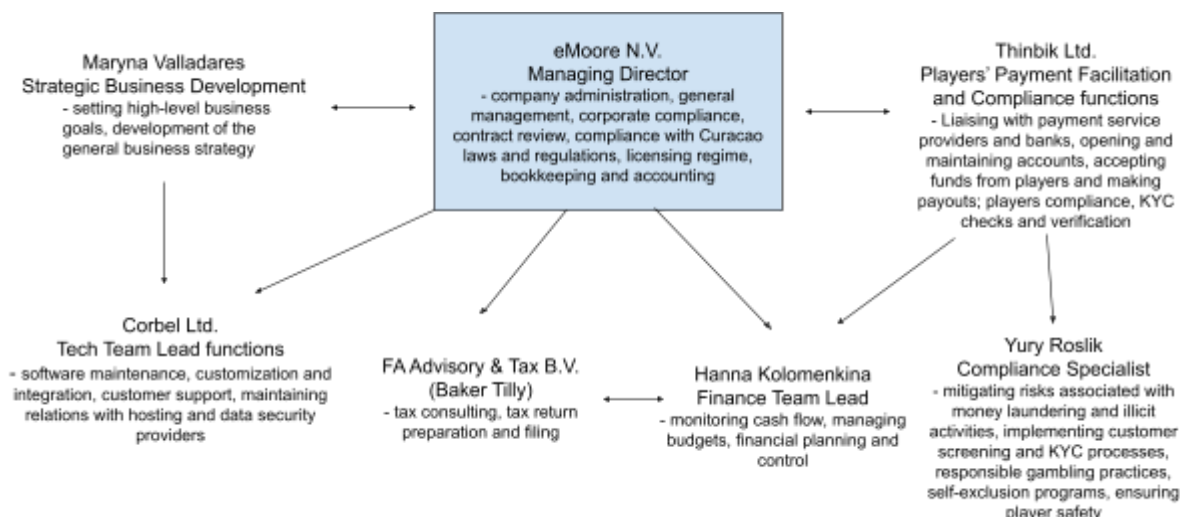
1. **Rising Popularity of eSports.** The global eSports market is experiencing rapid growth, driven by factors such as increasing internet penetration, technological advancements, and the rising popularity of online gaming. This trend is creating significant opportunities for eSports betting companies like EGB.
2. **Shift Towards Online Betting.** The traditional betting industry is undergoing a digital transformation, with more bettors shifting towards online platforms. This shift is being fueled by the convenience, variety, and accessibility offered by online betting platforms.
3. **Increased Regulatory Scrutiny:** The online betting industry is facing increased regulatory scrutiny across various jurisdictions. This trend underscores the importance of promoting responsible gaming and adhering to all relevant regulations.
4. **Technological Innovations:** Advancements in technology are reshaping the betting industry. Companies are leveraging technologies such as AI, blockchain, and data analytics to enhance their platforms and offer a superior user experience.
5. **Growing Acceptance of Cryptocurrency:** The acceptance of cryptocurrency as a mode of payment is on the rise in the betting industry. This trend is driven by the benefits of cryptocurrencies such as anonymity, fast transactions, and low fees.

In view of the above, the eSports betting market presents promising growth prospects. However, it is crucial for EGB to continually innovate and adapt to changing market trends to maintain its competitive edge and meet the evolving needs of its users.

3. Company Organization and Management Structure

EGB was initially set up and continues to operate as a lean and distributed team with a focus on outsourcing certain functions to third-party professionals. In particular, corporate management functions are performed by eMoore N.V., being a corporate managing director of Exedra N.V. All internal technological and infrastructural functions are carried out by Corbel Ltd., an IT company⁴.

EGB management organogram is as follows:



EGB's business model is unique in its high level of engagement of EGB users in generating betting content: the process, which is usually outsourced to third-party providers. In particular, certain experienced users suggest wagering lines (betting odds).

Thus, EGB management is based on effective interaction between the company's management, its business partners and providers, and site users.

⁴ Refer to Section 6 "Key Suppliers and Material Dependences" for further details regarding the role of Corbel Ltd.

4. Business Forecasts

Following the inclusion of traditional betting in addition to eSports betting and casino offerings EGB's revenue composition stands at 66% from betting activities and 33% from casino operations.

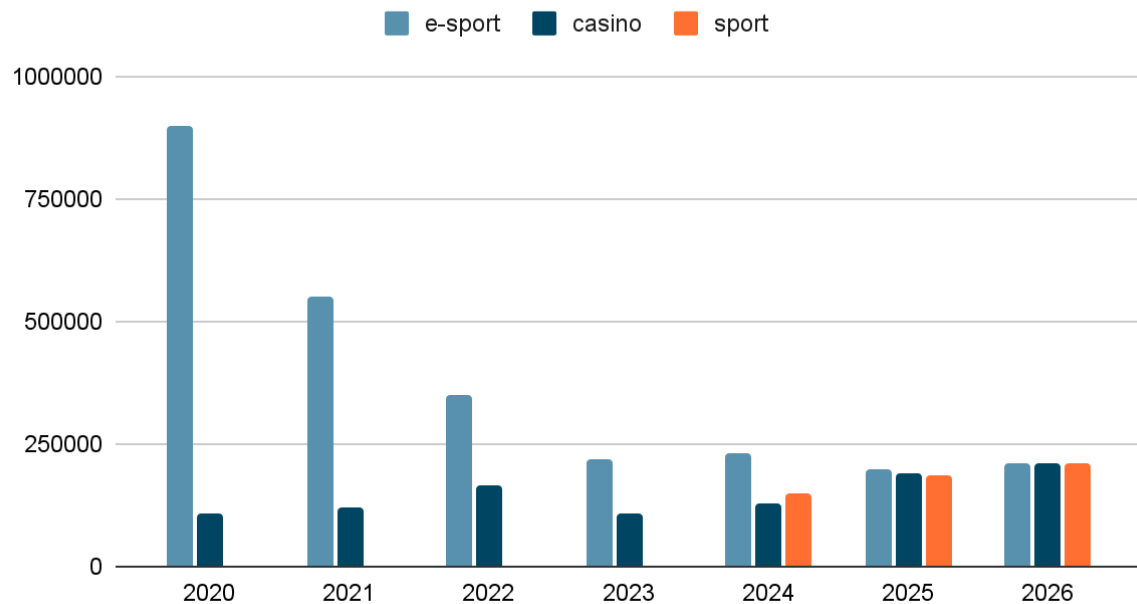
The traditional sports section on the EGB site is present, but so far it does not meet users' expectations due to the offering of a limited number of betting lines. Because of this, the turnover in the sports section remains at a minimum level. With the planned expansion to add full-scale traditional sports betting to the platform, a substantial impact is anticipated on the EGB's revenue structure. Specifically, it is forecasted that the revenue from betting activities will double as a result of broadening EGB's market reach and appealing to a wider audience interested in traditional sports. This increase in betting revenue is expected not only to enhance the profitability but also to positively influence EGB's casino revenue stream.

Given the historical consistency in the ratio of the casino revenue maintaining at 33% of EGB's total revenue, a proportional increase in casino earnings is projected as well. The rationale behind this is twofold: firstly, the influx of new users attracted by traditional sports betting is likely to spill over into increased participation in casino games; secondly, the overall expansion of the EGB user base and the enhanced engagement levels across its platform should stimulate more active gaming and betting, thereby elevating both streams of revenue.

To summarize, the strategic addition of traditional sports betting is expected to double the EGB's betting revenue, which in turn, as projected, will catalyze a proportional increase in the casino revenue, maintaining its share at 33%. This expansion strategy is poised to significantly boost EGB's profitability and solidify EGB's position in the competitive online betting and gaming market.

It is assumed that if a full range of gaming services is offered to users (i.e. eSports betting, sports betting, casino, and possibly poker), the revenue will grow accordingly.

Revenue, markets - \$ (2024 and 2026 forecast)



Annual total revenue:

- 2020: \$1,079,445
- 2021: \$669,741
- 2022: \$515,600
- 2023: \$305,696
- 2024: \$500,000 (forecast)
- 2025: \$600,000 (forecast)
- 2026: \$630,000 (forecast)

EGB has managed to significantly reduce its operational costs in recent years. However, they are expected to increase slightly due to the introduction of traditional sport betting.

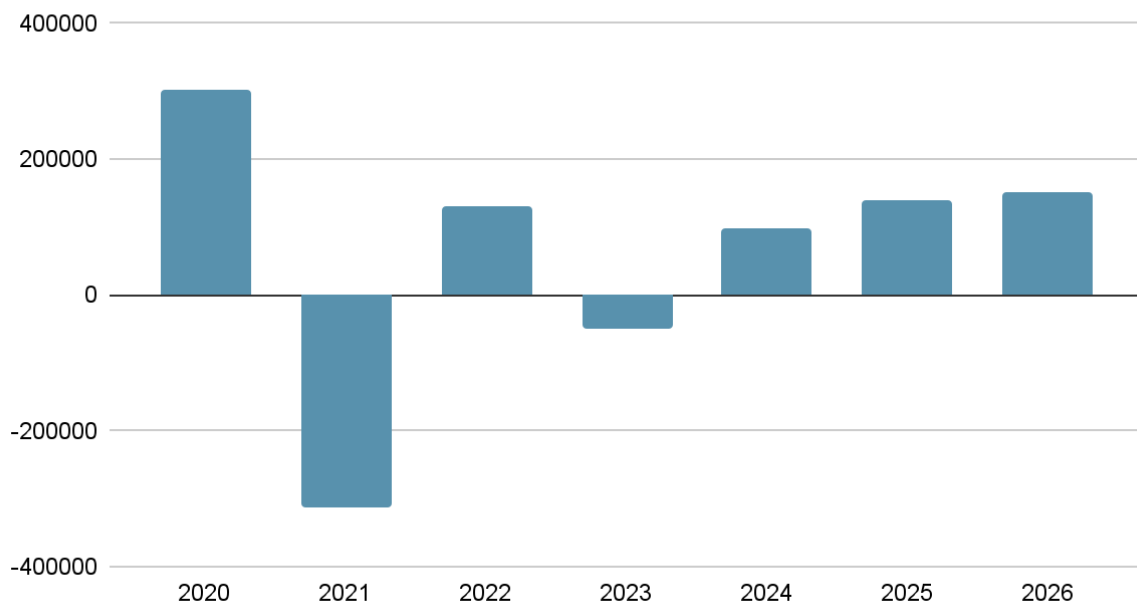
Annual operational costs:

- 2020: \$669,741
- 2021: \$888,495
- 2022: \$312,005
- 2023: \$295,089
- 2024: \$340,000 (forecast)
- 2025: \$400,000 (forecast)
- 2026: \$420,000 (forecast)

General, administrative and other expenses amount to approximately \$100,000 yearly.

Consequently, the net revenue (income) can be calculated as follows:

Net revenue, \$



Annual net revenue (income):

2020: \$302,212

2021: \$-312,686

2022: \$132,793

2023: \$-50,424

2024: \$99,000 (forecast)

2025: \$145,000 (forecast)

2026: \$150,000 (forecast)

As can be seen from the numbers, following the COVID pandemic in 2020, which led to the closure of all eSports tournaments, and the war conflict in Ukraine in 2022 (Eastern Europe used to be EGB's one of the major markets), EGB incurred losses. In response to these force majeure events EGB has been shifting its focus from purely eSports betting business to an omnivorous gaming operator offering various forms of gaming.

To ensure continued profit growth, EGB plans on expanding its services further into Latin American and Asian markets. These regions have shown steady increase in the popularity of online gaming. It is expected that EGB's platform is well-positioned to capture a significant market share.

To achieve these goals, EGB will invest in marketing and development. The business's marketing strategy will be focused on raising brand awareness in new markets and driving user engagement on the EGB platform. EGB will work with its software providers on enhancing the EGB platform's functionality and usability, as well as implementing new features based on user feedback and market trends.

5. Growth Strategy; Financial and Marketing Plans

The global rise in popularity of eSports coupled with the increasing acceptance of online betting has created a favorable environment for businesses to thrive. However, EGB also recognizes the challenges posed by regulatory changes and increased competition in the industry.

Moving forward, EGB's primary goal is to consolidate its position as a leading player in the eSports betting market while exploring opportunities for diversification and expansion. EGB aims to achieve this through continuous improvement of its platform, strategic marketing initiatives, and partnerships with key stakeholders in the eSports ecosystem.

As previously highlighted, EGB has been expanding its service portfolio by including traditional sports betting in addition to its existing eSports betting and casino offerings. This strategic move is aimed at increasing the audience and offering a broader range of betting opportunities, which, in turn, should contribute to the growth of the business. Integrating traditional sports into the EGB platform will allow EGB to attract new users interested in various sports and strengthen its competitive advantage in the market. Currently, EGB is actively working on technical integration and forming partnerships with data providers to ensure a high-quality service for traditional sports betting.

One of the EGB's competitive advantages is partnership with Softswiss, a leading provider of casino software. This partnership allows EGB to offer more than 8000 games to its users, providing an unparalleled variety of gaming options. Furthermore, the EGB platform is designed with user-friendly interfaces and easy navigation, ensuring a smooth and enjoyable gaming experience for the users.

The EGB platform offers various convenient features to its users, for instance, an interactive chat room. This feature allows users to exchange opinions about games, share insights, and engage in lively discussions. It adds a social element to the gaming experience, transforming it from a solitary activity into a community event. The chat feature is not just a place for discussing betting; it's also a platform for fun and engaging conversations. Users can share their thoughts, jokes, and stories, fostering a sense of camaraderie and making the betting experience more enjoyable.

One of the most effective methods of promotion for the EGB brand is through streamers from video live-streaming and broadcast platforms like Twitch, YouTube, and Kick. These influencers showcase the unique features of the EGB platform that set it apart from competitors.

EGB's media advertising strategy also includes collaboration with online cinemas, video hosting services, and dubbing studios to boost the EGB brand visibility. EGB has also worked closely with eSports tournament organizers and studios that cover eSports events, further enhancing EGB's presence in the video gaming community.

Additionally, EGB has established its own content creation network on platforms like YouTube and TikTok, reaching over 2 million views per month. This helps EGB to engage with its target audience directly and efficiently.

EGB's marketing strategy also includes working with affiliate partners and focusing on SEO promotion to increase its platform visibility on Google and other search engines.

To retain its existing users, EGB runs regular promotions and offers bonuses. EGB strives to find an approach to suit each user's preferences and needs, ensuring they feel valued and incentivized to continue using the services in balance with EGB's responsible gaming principles.

To sum up, EGB's marketing and sales strategy is multi-faceted, combining influencer marketing, media advertising, content creation, affiliate marketing, SEO promotion, and user retention strategies. This comprehensive approach will allow EGB to reach a wide audience, attract new users, re-engage existing ones, and maintain a strong user base overall.

In 2024-2026 EGB plans to expand more extensively into the markets of Asia and South America. EGB is currently conducting in-depth research into the various countries within these regions and exploring diverse approaches to effectively penetrate these markets. EGB's preliminary strategy for this expansion includes understanding of the regulatory landscape, as well as the unique gaming culture, preferences, and trends in each target country. EGB aims to tailor its services to meet the specific needs and expectations of these new user bases. This includes localizing content to resonate with the cultural nuances of each region and ensuring the EGB platform complies with all regulatory requirements, is accessible and user-friendly for all potential users.

6. Key Suppliers and Material Dependencies

The betting infrastructure is provided by Wodgam HK Limited, a Hong Kong company that owns intellectual property rights in a betting platform, which is licensed by EGB. This allows EGB to always be aware of the latest technologies and use the most modern solutions to ensure a high level of service. EGB has used this platform from the very beginning and there is no indication that this arrangement might be at risk.

The casino integration is provided by Softswiss (Dama N.V.), a long-established B2B gaming operator, a holder of Curacao gaming license. Due to this partnership, more than 8000 games are made available to EGB users. This wide variety of options contributes to the comprehensive entertainment experience that EGB strives to offer its players. Use of Softswiss's integrations plays a significant role in the business's ability to maintain a competitive edge and continue to broaden EGB user base.

Both license agreements with platform providers are made for an indefinite period and do not provide for termination without cause or on a short notice. In case the licensor decides to terminate, EGB will have plenty of time to switch to another betting or casino software provider, considering there is an abundance of gaming software solutions available on the market.

For software maintenance, customization and integration, customer support, maintaining relations with hosting and data security providers, and other ancillary functions EGB has used services of Corbel Ltd., a Cyprus IT company. EGB has maintained long-term relations with Corbel Ltd. This partnership ensures the reliability and stability of the EGB technological platform as a whole, which is important for ensuring player comfort and loyalty. The service agreement with Corbel Ltd. does not provide for termination at will.

All players' payments are facilitated by Thinbik Ltd., a wholly owned subsidiary incorporated in Cyprus with company number HE 393453, whose registered office is at Agiou Nikolaou, 33, 5th floor, Office 502 Ekgomi, 2408, Nicosia, Cyprus. EGB has a service agreement with Thinbik Ltd. Thinbik Ltd. holds all relations with payment service providers, e-wallets and other payment systems: skrill, neteller, unlimint, coinspaid and others. Considering the business has operated since 2016, it has long-standing relationships with payment service providers.

Since early 2021 EGB has banked with Finance Incorporated Limited (Paymix), a banking institution licensed in Malta. Thinbik Ltd. banks with Paymix and Unlimint, an electronic money institution licensed in Cyprus.

EGB has complied with all due diligence, KYC, and operational requirements of the above financial institutions.

7. Risk Evaluation and Management

EGB engages in continuous market analysis to stay ahead of industry trends and potential threats. EGB maintains robust internal audit processes, ensuring that every aspect of its operations is regularly scrutinized for vulnerabilities.

EGB actively gathers feedback from its players to understand their concerns and perceptions, which helps the company to identify areas for improvement, and regularly hosts a community engagement event called "Hidden Temple,"⁵ where questions from all interested users are answered.

To mitigate identified risks, EGB has developed a series of strategies and procedures tailored to address specific concerns effectively. These include:

- **Emergency Action Plans:** EGB has comprehensive emergency response strategies with multi-year experience in place to deal with unforeseen events, ensuring that EGB can maintain operations with minimal disruption.
- **Employee Training:** Regular training sessions for the team ensure that everyone is aware of potential risks and knows how to respond appropriately.
- **Financial Reserves:** EGB strives to maintain financial reserves to cushion the company against unforeseen financial challenges, ensuring stability and continuity.

Specialized oversight groups have been established in all departments responsible for monitoring risk management within EGB. These working groups meet regularly, usually on a weekly basis, to discuss the current risk landscape and the effectiveness of mitigation measures.

Additionally, EGB keeps a close eye on legislative changes to ensure full compliance with all regulations affecting our sector.

Thinbik Ltd., a wholly owned subsidiary that facilitates players' settlements on behalf of EGB, is audited on the yearly basis by an audit firm in Cyprus according to the International Financial Reporting Standards.

⁵ https://egb.com/news/hidden_temples

8. Legal and Governance Framework

The board of Exedra N.V. is composed of one director. The director is responsible for overseeing the company's operations, ensuring that the company's activities align with its strategic goals and are in compliance with Curacao laws and regulations. The director interacts regularly with stakeholders to discuss and review the company's performance and strategic direction.

As the company has a single UBO, all strategic decisions, including those related to strategic planning are reserved for the UBO. This ensures that the UBO maintains control over the company's direction.

Given the company's governance structure with a single director and single shareholder, deadlock situations are unlikely to occur. However, in the event of a disagreement, the UBO has the final say, ensuring that decisions can be made promptly and efficiently.

The company retains law firms and consultants to provide legal support and advice on a case-by-case basis. This ensures that the company remains compliant with all relevant laws and regulations and that any legal issues are addressed promptly and effectively. The company employs FA Advisory & Tax B.V. (Baker Tilly) for tax consulting, tax return preparation and filing in Curacao.

In addition to the director, key team members and/or the UBO can be invited to board meetings. This allows for a comprehensive discussion of the company's performance, challenges, and strategic direction. The company maintains an open-door policy, encouraging the participation of those who can provide valuable insights and contributions to the meeting.

EGB is committed to maintaining high standards of environmental, social, and governance practices. EGB strives to minimize its environmental impact, for example, by working remotely and minimizing commute.

9. Target KPIs and Business Objectives

EGB employs a data-driven approach to strategic planning, leveraging historical performance data to forecast future trends and set realistic targets. This involves:

- **Performance Analysis:** Regularly reviewing past performance against set KPIs to identify growth patterns, operational bottlenecks, and areas for improvement.
- **Market Research:** Continuously monitoring industry trends, competitor moves, and market demands to adapt EGB's strategies promptly and effectively.
- **Adaptive Planning:** EGB's planning process is dynamic, allowing the business to adjust its strategies based on current performance data and emerging market opportunities. This agility ensures EGB remains competitive and can react to new trends swiftly.

To ensure long-term success, the business model is designed to be flexible, enabling EGB to pivot our strategies in response to market changes, technological advancements, or regulatory shifts. This includes:

- **Investing in Technology:** Continuously upgrading the EGB platform and adopting cutting-edge technologies to enhance user experience and operational efficiency.
- **Risk Management:** Implementing robust risk management practices to identify potential threats early and devise contingency plans.
- **Stakeholder Engagement:** Maintaining open lines of communication with players, team members, regulators to gather feedback and adapt the business practices accordingly.

EGB's approach to measuring success and setting long-term business objectives is rooted in a comprehensive understanding of the core market, which is eSports, an unwavering commitment to its users, and an agile, data-driven strategy that allows EGB to adapt in a rapidly evolving industry landscape.

10. Policies and Procedures

The EGB's policies and procedures are developed internally, leveraging the expertise of the team and the insights of the board. This approach allows EGB to create policies that are tailored to its unique needs and circumstances. The board has confidence in the qualifications and competence of the team responsible for developing EGB's policies and procedures. The team members have extensive experience in their respective fields and a deep understanding of the regulatory landscape. They are committed to maintaining the highest standards of professionalism and integrity, ensuring that the policies and procedures are not only compliant but also aligned with best practices.

The company is committed to maintaining open and transparent communication with the GCB. EGB aims to provide the regulator with all EGB's policies at request and keep the GCB apprised of any significant changes or developments in a timely manner.

The main policies and procedures are as follows:

- EGB Terms and Conditions accessible online at https://egb.com/public/terms_and_conditions.
- EGB Privacy Policy accessible online at https://egb.com/public/privacy_policy.
- EGB Betting Rules accessible online at https://egb.com/public/betting_rules.
- Responsible Betting Policy https://egb.com/public/responsible_betting. Overall, EGB is fully committed to responsible gambling. Various measures to ensure the safety and well-being of the users are integrated within the EGB platform, such as deposit limits, self-exclusion options, and providing resources for problem gambling.
- EGB Anti Money Laundering and Counter Terrorist Financing Policy. This Policy is based on applicable legal and regulatory requirements and is intended to prevent EGB and its services from being misused for money laundering, terrorist financing or facilitating other financial crime.
- EGB "Know-Your-Client" Policy. This involves verifying the identity of players and assessing their suitability, along with the potential risks of illegal intentions towards the business relationship.
- Player Account and Fund Management Policy.
- Data Security Policy.