

INTERACTIVE BETTING NV

This memorandum is prepared in order to provide clarifications and relevant information requested by the Authority regarding the shareholding structure, the activity of Soft Bet Solution SRL, the Loan Agreement, and the updated financial forecast.

1. Shareholding Structure and Professional Background

Soft Bet Solution SRL is owned by:

- **Bogdan Tanasa – 30%**
- **Silviu Ciuca – 70%**

Both shareholders contribute complementary expertise essential to the company's operations and development:

- **Bogdan Tanasa** has extensive experience in the gambling industry, particularly in the retail segment, where he has worked for many years in operational roles. His experience is also reflected in the Business Plan submitted to the Authority, and represents one of the operational pillars of the company.
- **Silviu Ciuca** is an IT specialist with substantial experience in the gambling sector, having worked for many years in gaming-related IT infrastructure and technical development. We also note that **Silviu Ciuca currently serves as the CTO of Interactive Betting NV**, providing technical leadership and industry-specific knowledge.

2. Loan Agreement dated 19 June 2023

The Loan Agreement signed on **19 June 2023** was a temporary, precautionary instrument intended solely to ensure short-term liquidity if required for administrative expenses.

Clarifications:

- The agreement **was not extended**.
- Soft Bet Solution transferred only the amount of **EUR 15,000** on **19 January 2024**.
- Interactive Betting NV has already commenced repayment, returning **EUR 5,000** on **23 June 2025**.
- The loan was used strictly for operational support and had no commercial or strategic implications for either party.

3. Activity of Soft Bet Solution

Soft Bet Solution SRL is an IT company based in Romania, with both domestic and international operations.

Its core activity includes:

- **software development** for gambling operators and other industries,
- **digital marketing services** for multiple Class 1 licensed operators in Romania, as well as for companies in the HoReCa sector and other fields,
- **technical services and IT consultancy** for partners in various jurisdictions.

The company maintains a stable and growing client portfolio, working with reputable operators in the gambling industry and beyond.

4. Updated Financial Forecast

We are attaching an **updated financial forecast**, based on the results from 2024.

Although the growth is not as rapid as we would ideally prefer, it is **steady, organic, and sustainable**, fully aligned with our long-term strategy. The evolution shows a gradual strengthening of our project base and a consistent expansion of our client portfolio.

5. Additional Documentation

We remain at the Authority's disposal for any additional documentation, clarifications, or further information that may support the assessment process.

Financial Planning aligned with the updated cash flow forecast

The updated financial projections for the period **2025-2027** reflect the consolidation of Interactive Betting N.V.'s growth trajectory following the restructuring and license renewal. With a focus on sustainable expansion and operational efficiency, the company expects a steady increase in deposits, turnover, and user base, accompanied by improved profitability ratios.

Indicator	2025	2026	2027
Deposits	€4,497,287	€6,071,366	€8,196,413
Withdrawals	€3,058,155	€4,128,529	€5,573,651
Net Balance	€1,439,132	€1,942,837	€2,622,852
IN, total	€53,967,439	€72,856,387	€98,356,960
Gross Gaming Revenue (GGR)	€2,590,437	€3,497,107	€4,721,134
Bonus Cost	€466,279	€629,479	€849,804
Net Gaming Revenue (NGR)	€2,124,158	€2,867,627	€3,871,330
Providers Cost (Casino, Payment, Platform)	€1,372,329	€1,852,653	€2,501,103
Revenue (after Providers)	€751,829	€1,014,974	€1,370,227
Marketing	€263,140	€355,241	€479,580
Gross Income (before overheads)	€488,689	€659,733	€890,648
Operational Expenses	€361,427	€376,413	€392,149
Net Operational Income	€15,517	€143,710	€311,706
Total Costs	€2,095,641	€2,687,990	€3,481,698
Cumulative Income (operational)	-€142,578	€1,132	€312,838
Users (total)	28,976	39,117	52,808
New Users	17,633	23,804	32,136
Retained Users	11,343	15,313	20,678

The financial forecast highlights a **consistent upward trend** across all key indicators:

- ✓ Deposits are projected to nearly **double between 2025 and 2027**, reaching €8.2 million.
- ✓ The **Net Balance** (difference between deposits and withdrawals) grows from €1.44 million in 2025 to €2.62 million in 2027, showing sustained user engagement and reduced churn.
- ✓ **NGR** and **Revenue after Providers** show healthy year-over-year increases, reflecting effective bonus cost management and improved monetization.
- ✓ **Marketing costs**, while increasing, maintain a stable ratio to NGR (around 12-13%), indicating efficiency in player acquisition.
- ✓ **Operational profitability** turns positive in 2026, confirming that the company reaches financial breakeven after the reinvestment period of 2024-2025.

The overall outlook indicates that **Interactive Betting N.V.** is positioned for **long-term financial stability and operational scalability**, having completed the reinvestment phase and now entering a trajectory of controlled, profitable expansion.

Financial Interpretation & Risk Outlook (2025-2027)

The updated financial model of **Interactive Betting N.V.** reflects a prudent, data-driven approach to growth. The company has successfully balanced investment in expansion with strict cost control, enabling a progressive transition from the reinvestment phase (2024-2025) to profitability starting in 2026. The results confirm the **resilience and scalability** of the current business model under realistic market and operational assumptions.

1. Financial Interpretation

The forecasted performance demonstrates consistent improvement in liquidity and operational margins:

The **Net Balance** ratio (net deposits versus withdrawals) remains above 30% annually, ensuring stable cashflow and operational flexibility;

The **Gross Gaming Margin (GGR/Turnover)** stabilizes between 4.8% and 5.2%, in line with the market average for multi-vertical betting operators;

A gradual reduction in the **bonus-to-GGR ratio** from 18% (2025) to under 15% (2027) indicates more efficient player retention and healthier revenue quality;

The company's ability to maintain **marketing expenditure below 13% of NGR** supports controlled customer acquisition and sustainable ROI.

These dynamics confirm that Interactive Betting N.V. is now operating on a **self-sustaining financial base**, with a structure capable of absorbing growth without disproportionate increases in overhead or capital requirements.

We are a small company, growing gradually and sustainably, and we remain fully transparent about all our operations