



novibet

Business Plan - Curacao license

Executive Summary

Novibet brand launched in Europe in 2010 and currently holds licenses in Malta, Italy, Greece, Cyprus, Ireland, and Mexico. Licensed and regulated in Europe by Hellenic Gambling Commission (HGC), Malta Gambling Authority (MGA), National Betting Authority (NBA), Agenzia Delle Dogane e dei Monopoli (ADM), Irish Revenue Commissioners, and SEGOB in Mexico, Novibet is committed to delivering the best sports betting and gaming experience to an ever-expanding customer base.

Novibet is offering an extensive selection of live sports betting markets and high-quality casino games. Novibet is currently the #2 brand in Greece and is an established brand across a range of regulated markets in Europe and plans to replicate its success in core markets and expand its global TAM by entering new markets via licensing or via market access agreements or via the Curacao license.

Through our Curacao license, we intend to launch a strong Sportsbook and Casino offering in India.

We emphasize the below four key pillars, which make us stand out from the competition:

- Easiness & Simplicity; Ease of sign-up & Ease of using our app/website
- Product Range; Competitive Sports Betting and Casino Product
- Value for Money. Offer the best bonuses, promotions, and Odds for both new and existing customers.
- Ultra-easy and outstanding user experience. Real-time personalization

Novibet's innovative sportsbook offers a wide range of markets and player engagement tools:

- Offers hundreds of markets and over 60,000 pre-match and live events per month covering the vast majority of the sports calendar
- Novibet tailors its offering for each jurisdiction promoting key sports with dedicated traders
- Highly profitable in-play offering with minute-by-minute markets and integrated live streaming
- Trading teams that are capable of trading over 400,000 live events per year from over 20 sports
- Novibet has secured official data from Betgenius from all US major sports
- Fast, responsive and advanced native apps on mobile

Regarding our marketing strategy, the setup of the marketing operations will be centralized and directed by the HQ Marketing team. However, the localization marketing needs will be run by the local Marketing team, always respecting the Group Brand guidelines.

Respective of our Retention Strategy we will have a Real time digital approach exploiting our CRM technology, smart offering and multiple communication channels.

Our online marketing strategy will focus on full-funnel activity, with a particular emphasis on display marketing and video activity, as well as affiliation.

We will be serving the new instances through our current infrastructure in Azure.

In our Curacao license we will leverage the existing tools and suppliers for our existing markets and adapt to the new markets' needs. We will use Optimove as a CRM tool, Zendesk for Customer Support and Nuvei will assist us in implementing the most popular payment providers along with local payment methods in India and any potential new country.

1) Business Overview

Novibet brand launched in Europe in 2010 and currently holds licenses in Italy, Greece, Ireland and Mexico.

Licensed and regulated in Europe by Hellenic Gambling Commission (HGC), National Betting Authority (NBA), Malta Gambling Authority (MGA), Agenzia delle Dogane e dei Monopoli (ADM), Irish Revenue Commissioners and SEGOB in Mexico, Novibet is committed to delivering the best sports betting and gaming experience to an ever-expanding customer base.

We are dedicated in building our expertise and heavily investing our efforts in creating an entertaining, fair, and safe Customer experience. Our CSR activities have received worldwide acclaim (Gold medal at SBC 2022) with our products and technology gaining multiple global awards (SBC Awards 2022, EGR Marketing & Innovation Awards 2022, EGR Marketing & Innovation Awards 2021 etc).

The group’s GGR has been growing at a 100% CAGR for the past four years, and we have been cash flow positive for the same period, mainly based on our internally generated proprietary platform (valued at 4 million euros for 2021 Financial Statements) .

As an innovative and adaptable operator, Novibet has a product offering that is constantly evolving to meet and exceed existing and upcoming trends.

A. Business summary and history

Founded in 2010, Novibet is currently the #2 brand in Greece with an established brand across a range of regulated markets in Europe and is expanding into additional global markets, including the US, Canada, Asia, Oceania and Latin America.

- Competitive Sports Betting Product
- Best-in-Class Casino Platform

~\$200M 2023E Net Gaming Revenue	~\$37M 2023E EBITDA
107% GGR CAGR over the last 4 years	3.8x 2021 12 month LTV/CAC Ratio
~69% Avg. First month Retention Rate in 2021	350.000+ Annual Unique Active Customers
\$37bn+ TAM for 2026 for new markets	100% Regulated Revenues
~266% Novibet Marketing ROI	600+ Employees across platform and operations

Novibet is offering an extensive selection of live sports betting markets and high-quality casino games.

- Superior KPIs including industry-leading customer retention, life-time value and acquisition costs
- Operations in Greece, Ireland, Italy, Malta and Mexico.
- Robust integrated proprietary technology platform
- 20+ sports disciplines, 40.000 live sports events per month and over 5,000 first-class casino games
- More than 600 employees across platform development and operations
- Offices in Athens, Malta, employees in Italy and UK
- Novibet is launching in the US, Latin America, Canada, Asia and Oceania over the upcoming years

B. Goals and objectives

Strategic Launch into New Markets

Novibet plans to replicate its success in core markets and to expand its global total addressable market by entering new markets via licensing or via market access agreements or via the Curacao license.

The forecasted expansion to new markets presents a significant upside to base forecasts

- ~57% CAGR incl. all new markets (2022 - 2025)
- \$579 mil. 2025 NGR.

Through our Curacao license we intend to launch a strong Sportsbook offering with live sports betting markets and via our proprietary technology we will ensure holistic customer excellence and disrupt the market in a customer centric way. Also we will offer our leading Casino product. Having partnered with the world's leading online casino content providers, Novibet today provides the best games over 5000 including Slots, Live Casino Tables and many more types of games.

We emphasize the below four key pillars, which make us stand out from the competition:

- Easiness & Simplicity; Ease of sign-up & Ease to use our app/website
- Product Range; Competitive Sports Betting and Casino Product
- Value for Money. Offer the best bonuses, promotions and Odds for both new and existing customers
- Ultra-easy and outstanding user experience. Real-time personalization

We intend to establish socially responsible practices (CSR) to improve our social and / or environmental commitments.

We will be seeking to implement sustainable practices to improve both our Social and economic responsibility.

- Social: improving equal opportunities and diversity, ensuring safety at work, seeking to benefit society and the supply chain, exercising corporate philanthropy, offering education programs, establishing fair trade practices, increasing employee engagement and respecting employees rights.
- Economic: establishing fair pricing, offering competitive pay, supporting local suppliers, maintaining corporate governance, seeking operational cost savings, building an

economically viable business model, being transparent with investors, maximizing profits and seeking to improve financial performance.

C. Detailed description of products and services

a) Products and services currently offering on rest countries

Innovative Sports Betting Offering

Novibet's innovative sportsbook offers a wide range of markets and player engagement tools

- Offers hundreds of markets and over 60.000 pre-match and live events per month covering the vast majority of the sports calendar
- Novibet tailors its offering for each jurisdiction promoting key sports with dedicated traders
- Highly profitable in-play offering with minute-by-minute markets and integrated live streaming
- Trading teams that are capable of trading over 400,000 live events per year from over 20 sports
- Novibet has secured official data from Betgenius from all US major sports (NBA, NFL, MLB)
- Fast, responsive and advanced native apps on mobile

Multiple Data Feeds integrated

- BetGenius
- BetRadar
- SportCast
- IMG
- Opa betting services
- Digital sports tech
- BetsAPI

Multiple Trading solutions developed

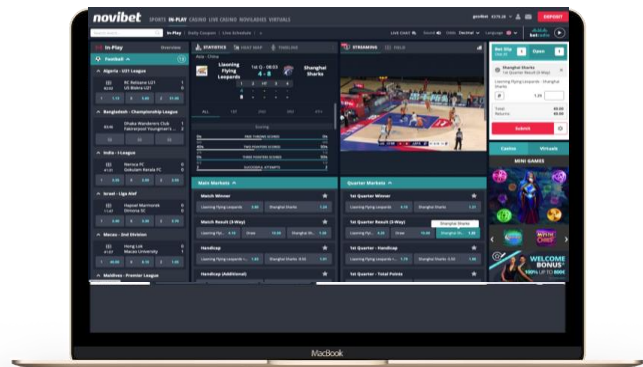
- Internal trading desk
- supervised automated
- Fully automated with failovers

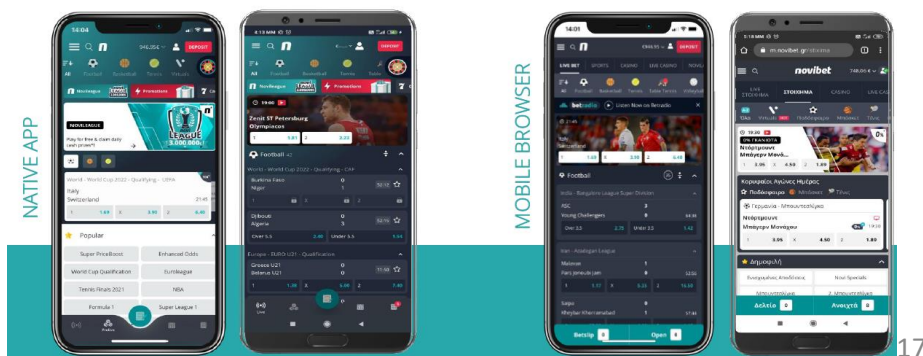
Advanced In- House Product Algorithms

- Live minute Markets
- Automatic Cash out
- Bet Builder

Higher Customer Engagement

- Predictor Challenges
- Live Sports Streaming
- Personalized Daily offers





Expansive iGaming Casino Product Offering

Novibet's flagship casino product has enabled the company to establish its European market position

- With Europe being a market crowded with sportsbooks, Novibet chose to differentiate itself by building a leading casino product
- Secured direct deals with the largest suppliers of games and content with access to proprietary branded studios
- Novibet offers the largest casino games portfolio available in Greece with 5,000+ video slots, 220+ live tables and 180+ progressive jackpot games
- Dedicated casino page for female customers "NoviLadies" offers a tailored slots portfolio and an appealing look and feel
- Novibet has secured the necessary licenses to offer Poker which is currently in final stages of development
- Available on desktop and mobile with native applications for iOS and Android



b) Products and services we aim at offering in the next years of our worldwide operations

Innovative Sports Betting Offering

- **IN-HOUSE PROPRIETARY TECHNOLOGY PLATFORM.**

Mobile app. Desktop & responsive mobile platform.

- **CASH OUT**
Hybrid cash out options, fast withdrawal speed
- **WIDE RANGE OF MARKETS**
More than 50,000 events per month.
- **COMPETITIVE ODDS & 100% PAYOUT**
Bigger winnings vs competition sportsbooks
- **COMPETENT AND ACCESSIBLE CUSTOMER SERVICE OPTIONS**
Availability and efficiency of customer service
- **LIVE BETTING (In play offering)**
18 live sports. 40,000 events provided in live environment. Minute markets, player props, and stats markets with an official feed on every occasion.
- **JUICY BONUSES AND VIP REWARDS PROGRAMS**
To help onboarding & establish loyalty
- **PAYMENT METHODS VARIETY**
Many deposit options (98% coverage). One of the few providers that offer Paypal
- **BET BUILDER at PRE LIVE & LIVE**
We offer it in 3 sports, tennis, basketball and soccer, with cashout included.
- **ULTRA-EASY AND OUTSTANDING UX**
Easy to find and place the exact bet, easy to sign up, ease to use website & app

2) Marketing Strategy

A. Advertising and promotion plans

The setup of the marketing operations as well as Marketing budget allocation and optimization will be centralized and directed by the HQ Marketing team. The marketing plan and activities calendar will be crafted by the local team - due to specialization and market knowledge - and will be approved by HQ Chief Marketing Officer. However the localization marketing needs i.e the adaptations of promotional assets - so that they resonate on an emotional level with the relevant audiences - will be run by the local Marketing team, always respecting the Group Brand guidelines.

B. Retention Strategy - Real time digital approach exploiting our CRM technology, smart offering and multiple communication channels

Based on our data analytics and AI power, we can scale our focus on personalization for multiple regions by providing the flexibility to implement global programs that incorporate at the same time a localized strategy.

We have implemented a centralized orchestration of our multichannel campaigns, so each customer receives the optimal communication at the right time from the right channel. Our goal is to improve our interaction with our customers and achieve a personalized customer experience, without being intrusive, while ensuring all compliance & data privacy processes are being followed.

Our retention strategy will be focused on maximizing the customer lifetime value and reducing churn:

- Define basic lifecycle stages in order to provide a loyalty-building customer experience (Registered, New, Active, Churned customers etc)
- Delight our top customers - 60% of revenue in industry is generated by the top 20% of customers
- Focus on reactivation of churned customers
- Improve customer experience journeys based on customers' feedback

C. Online Strategy

Our online marketing strategy will focus on **full funnel activity**, with a particular emphasis on **display marketing and video activity**, as well as **affiliation**.

We will leverage **Display advertising** by creating targeted ads that reach our audience at **every stage of our user journey**, from awareness to consideration to decision. We will use data and insights to understand the most effective placements, formats, and messaging for our ads. **Video activity** will also play a key role in our strategy. We will create engaging video content that resonates with our audience and showcases our product portfolio to our prospecting customers. We will distribute this content through targeted channels, such as programmatic platforms. **Affiliation** will be a key part of our acquisition strategy as well. We will partner with relevant websites to promote our brand to their audiences, while using data to identify the most effective affiliates and negotiate mutually beneficial agreements.

Overall, our focus on full funnel activity, display marketing, video activity, and affiliation will help us reach and engage our target audience at every stage of the purchase journey, driving strong results for our business.

Our data driven marketing efforts will allow us to identify our best performing channels, audiences, and campaigns, to further increase our **return on investment**.

Our team works with the **SMART goal framework** in mind [Specific-Measurable-Achievable, Relevant & Time based], we set an objective and we include each step necessary for success. All elements of the SMART framework work together in order to create a goal that is carefully planned, clear and trackable.

- We achieve **Precise targeting** by identifying our audience and reach customers that are more likely interested in our product offering
- We are **Relevant**: Reaching users at the right time with the right messaging without wasting our efforts on uninterested eyeballs
- **Efficient Budget allocation**: avoiding wastage of budget with rich targeting capabilities of digital platforms
- **Real time optimization** based on real time data, constant monitoring and analysis of data that enables us to drive growth with cost efficient results

Ultimately our **agile digital marketing approach** is a way of managing our marketing activities that help us meet the evolving needs of our new & existing customers, while adapting to the **new technological developments**.

Our Channels & Platforms:

Lower Funnel: Acquisition

- Affiliation
- SEO

Mid Funnel - Consideration

- Programmatic Display
- Video Display

Website and App Analytics Tools

- Google Analytics
- Firebase

3) Operations Plan

A. Locations of Operations

Novibet is an established, innovative, and profitable global iGaming and sports betting company with proprietary technology. Our In-house developed and cloud served advanced technology platform will be a great asset in our new launches, where the In-house developed and managed online sports betting product will be used along with the PAM services that our technology offers.

Evelnex BV, as a part of Novibet's Group, will use Novibet's proprietary platform that provides the flexibility to have absolute control on what product is added without relying on a B2B platform provider's selection and deals and allows us to integrate with several well established 3party suppliers.

A Cyprus company, Astrud limited, has been created acting as a Payment agent meeting the requirements of the EU based Third Parties such as Payment Service Providers (PSPs) and Electronic Money Institutions EMIs or Banks.

B. Capital and labor requirements

We will be serving our new instances through our current infrastructure in Azure. This setup enables us to easily scale our infrastructure, on which we are running our proprietary gaming platform, and adapt to the load that we incur at any point in time.

The setup of the operations will be centralized and directed by HQ offices located in Greece. Novibet currently employs 660 + employees and has two tech hubs in Malta and Greece.

C. Suppliers

- **KYC:** GBG long-lasting relationship with Novibet will be maintained in our new launches with the addition of TruNarrative's solution in order to ensure maximum pass rates and regulatory compliance via their PEP and Sanctions Screening and ongoing monitoring of anti-money laundering activities.

GBG is an identity verification, location intelligence and fraud prevention company. GBG offers software and data that help organizations validate and verify the identity and location of their customers.

TruNarrative facilitates multi jurisdiction customer onboarding, financial crime detection, risk & regulatory compliance. Company offers unified decisioning across identity verification, fraud, eKYC, AML and account monitoring

- **Hosting (data centers):** We partnered with Microsoft Azure as our Public cloud provider. Currently we are running our whole operation from the Azure region of West Europe which is located in Amsterdam, Netherlands. Microsoft Azure is a leading provider of public cloud and its data centers hold various security certificates.

- **CRM tool:** Optimove's performance in our current markets contributed significantly to the success of our marketing campaigns and customer retention. Using Optimove's platform will deliver similar results in our new launches.

Optimove is the leading CRM Marketing Hub, empowering brands to create and manage large-scale customer-led journeys across all channels. It is considered a leader in Marketing Automation, Marketing Analytics, and Customer Journey Analytics categories.

- **Payments:** The use of one of the top payment aggregators globally, Nuvei, will assist us in implementing the most popular payment providers along with local payment methods in our new countries. An indication of the payment providers that will be available in our platform are:

- Visa
- Mastercard
- Maestro
- Paysafe
- Neteller
- Skrill
- Paypal
- Bankwire
- Novibet cash

Nuvei's modular, flexible and scalable technology allows leading companies to accept next-gen payments, offer all payout options and benefit from card issuing, banking, risk and fraud management services.

- **CS Tool:** Zendesk is the most efficient and trusted customer support software in the gambling industry and a partner of Novibet for several years. Our experienced agents will continue using Zendesk for engaging and assisting customers in multiple jurisdictions.

Zendesk is a complete customer service solution. Their platform allows businesses to interact with customers via various communication channels such as chat, email, voice etc.

- **Fraud Prevention Tool:** Iovation’s FraudForce is a rules-based platform that leverages global device-based insight to stop fraud and abuse. FraudForce stops online and mobile fraud in real time. It uses powerful device recognition technology and a unique approach to device intelligence that leverages device-to-device and device-to-account associations, device history, and 35M detailed reports of confirmed fraud from a global network of fraud and security analysts.
- **Marketing agencies:** We plan to partner with local agencies to support the local market communication efforts. We will cooperate with Advertising and Promotion Agencies like Creative, Above the Line Comms Agencies, Digital Creative Agencies, PR Agencies and Media Buying houses. These agencies will support the Central Marketing operations. The central HQ process will be formulated in a way aimed at minimizing friction and resource wasting.

4) Financial Plan

Below you can find a three year Business Plan based on the assumptions that Novibet under the Curacao license will operate in India.

Key Assumptions:	
Products Offered	Sportsbook & Casino
Start Date - Sportsbook	2024
Start Date - Casino	2024
Number of Markets	India
Annual Growth of addressable market	10.0%
SB % on GGR	70.0%
CA % on GGR	30.0%
1 Scenario	Base scenario

The targeted Market share of Novibet on the total addressable market Gross Gaming Revenues (GGR) stands at 5% in Year 1 of operation and increases to 9% in Year 3.

The company from Year 1 is profitable.

P&L	Y1	Y2	Y3
	Full Year	Full Year	Full Year
Serviceable Addressable Market	330,000,000	363,000,000	399,300,000
Market Share (% of GGR)	5.00%	7.00%	9.00%
Active Customers closing year			
Average Turnover per player			
Total Turnover			
Gross Gaming Revenue	16,500,000	25,410,000	35,937,000
SB GGR	11,550,000	17,787,000	25,155,900
CA GGR	4,950,000	7,623,000	10,781,100
Bonus	-5,775,000	-7,623,000	-10,062,360
% Bonus over GGR	35.00%	30.00%	28.00%
NGR	10,725,000	17,787,000	25,874,640
SB Feed	-658,350	-983,621	-1,348,356
Streaming	-300,000	-300,000	-300,000
Casino Providers	-628,155	-938,391	-1,287,263
PSP	-1,105,500	-1,651,650	-2,264,031
Cost of Sales as % of GGR	16.32%	15.24%	14.47%
Gross profit	8,032,995	13,913,338	20,674,989
GP margin	74.9%	78.2%	79.9%
Marketing	-4,125,000	-5,590,200	-7,187,400
Taxes	0	0	0
Personnel expenses (incl CS, Tech, Fraud, CA, SB)	-953,700	-1,468,698	-2,077,159
Administrative expenses	-132,148	-203,508	-287,818
Other Expenses	-356,400	-548,856	-776,239
SG&A as % of GGR	8.74%	8.74%	8.74%
EBITDA	2,465,747	6,102,076	10,346,373
EBITDA Margin	15%	24%	29%
Depreciation (Market Access)	-15,000	-15,000	-15,000
Interest Expense	0	0	0
Profit Before Tax	2,450,747	6,087,076	10,331,373
Corporate Tax	0	0	0
Profit After Tax	2,450,747	6,087,076	10,331,373

Relevant assumptions for the Costs side are illustrated below. Costs are estimated as percentages on Gross Gaming Revenues (GGR).

Assumptions			
Marketing Cost	25%	22%	20%
Gaming taxes	0%	0%	0%
PSP fees	6.70%	6.50%	6.30%
Sportsbook feed	5.70%	5.53%	5.36%
Streaming services	300,000	300,000	300,000
Casino Providers	12.69%	12.31%	11.94%
License fees	15,000	15,000	15,000
Personnel cost	6.4%	5.78%	5.25%
Administrative expenses	0.9%	0.80%	0.72%
Other expenses	2.3%	2.16%	2.00%
Corporate Taxes	0.00%	0.00%	0.00%