



TELEMATIK INTERACTIVE BULGARIA

INITIAL PUBLIC OFFERING

by Sofia International Securities and Primo Siglo

24/01/2022

KEY OFFERING TERMS

OFFERING SIZE

400,000 newly-issued common shares.

If demand exceeds the offered lot, an additional 400,000 shares owned by parent entity Eldorado Corporation AD will be offered.

PRICE RANGE

BGN 50 to 75 per share (final price will be the lowest from the qualified requests)**

IMPLIED VALUATION

EUR 100 – 150m
P/E 10-15x

TIMELINE *

Offers submission	14 – 18 Feb
Results announcement	21 Feb
Payment date	23 Feb
Registration date	around 15 Mar
Beginning of trade	around 23 Mar

MARKET

BSE – Bulgarian Stock Exchange

DIVIDEND POLICY

Not less than 40% of Net Income

** BGN pegged to EUR at 1.95583

OPPORTUNITY

PURE B2C AND B2B ONLINE PLAY - CASINO AND SPORT BETTING

COMPANY

3 y Revenue growth at CAGR 231%

3 y Active clients growth at CAGR 174%

Estimated 15% market share in Bulgaria

IPO

IPO for 10% of the shares and sale of up to 10% of existing shares subject to investor interest.

USE OF FUNDS

Expansion in Peru and Ukraine through acquisition or establishing a new local entity.



ABOUT US

B2C

Telematik Interactive is in the top 3 online gambling operators in Bulgaria. Running under the brand of Palms Bet (www.palmsbet.com) it offers online slot games, live casino, bingo, table games and sportsbooking.

Focus on casino games with 85-90% of sales.

B2B

Through its subsidiary CT Interactive, the group offers slot games and an internally developed platform for online casino operators:

- ✓ Portfolio of c200 slot and other casino games;
- ✓ Licensed in 14 jurisdictions;
- ✓ presented on over 800 casinos worldwide.

The booming success in recent years has provided opportunities and resources to plan expansion in other jurisdictions.



MARKET POTENTIAL

BULGARIA

Population 7 million

€ 6,063 avg annual net salary

3.1 m labor force

€ 19 bn disposable income

PERU

Population 33 million

€ 4,396 avg annual net salary

16.2 m labor force

€ 71 bn disposable income

UKRAINE

Population 44 million

€ 4,473 avg annual net salary

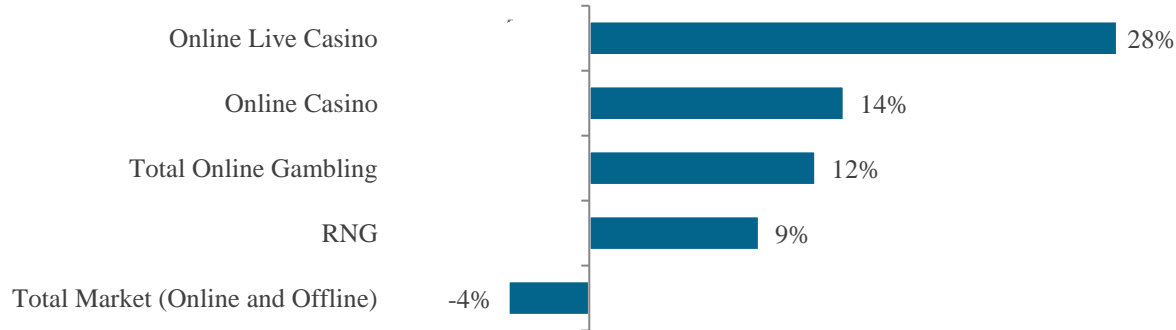
17.3 m labor force

€ 77 bn disposable income

- ❑ Well known markets – shared experience from local offices of the land-based business; our games already presented and known on the local markets;
- ❑ Local competition with relatively low intensity;
- ❑ Markets in early stage of development. Ukraine gambling legalized only in 2021.

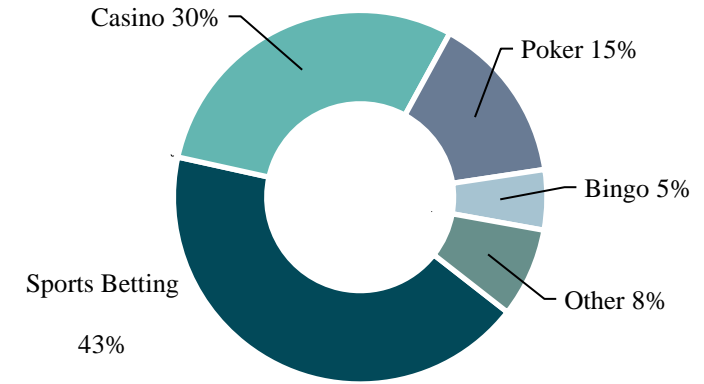
MARKET DEVELOPMENT

Global Gambling Market CAGR (2016-2020)



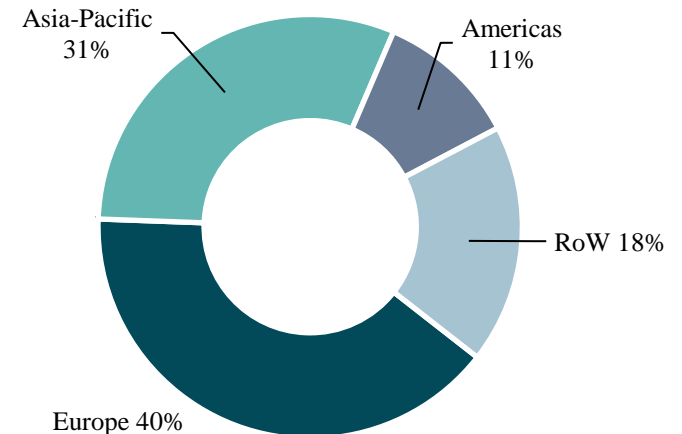
Source: H2GC

Online Gambling Industry by Segment, 2020



Source: MarketLine

Online Gambling Industry by Region, 2020



- According to H2GC, world gambling market totaled €298m in 2020.
- Different surveys estimate online to hold just 13-15% of total gambling but, it accounts for most of the growth in the industry with online casino outpacing sport betting.
- LatAm online gambling is largely untapped and makes up a mere 2% of global but is estimated to be among fastest growing in the next couple of years with CAGR of 19%, according to H2GC.
- Telematik is positioned in the fastest growing segment and targets most promising markets

TRACTION

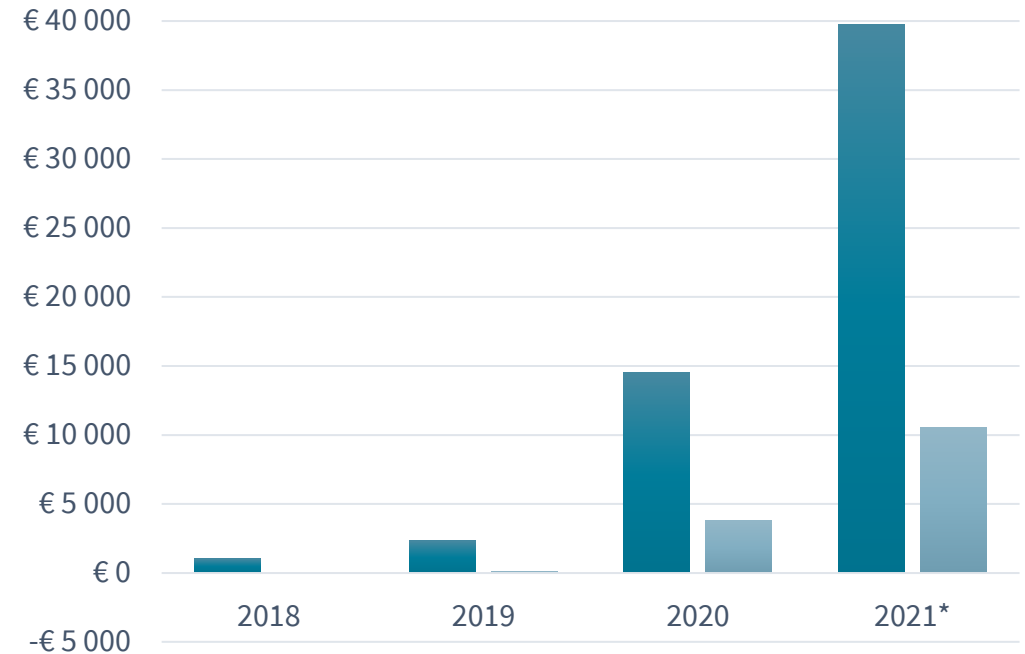
Forecasting for success

	2018	2019	2020	2021*
Revenue, ('000)	€ 1 050	€ 2 355	€ 14 527	€ 39 759
Net Profit ('000)	-€ 26	€ 147	€ 3 776	€ 10 548
Net Profit Margin	-3%	6%	26%	27%
Sales growth	92%	124%	517%	174%

* Estimated consolidated results

- Secular switch to online gambling has already been providing for triple digit growth. Pandemic added a boost to the existing trend;
- Highly scalable model and cost control resulted in sizable expansion in margins;
- The new B2B segment estimated to start adding €300k monthly to the consolidated revenue at a much higher margin.

Revenue and Net Profit (in '000)



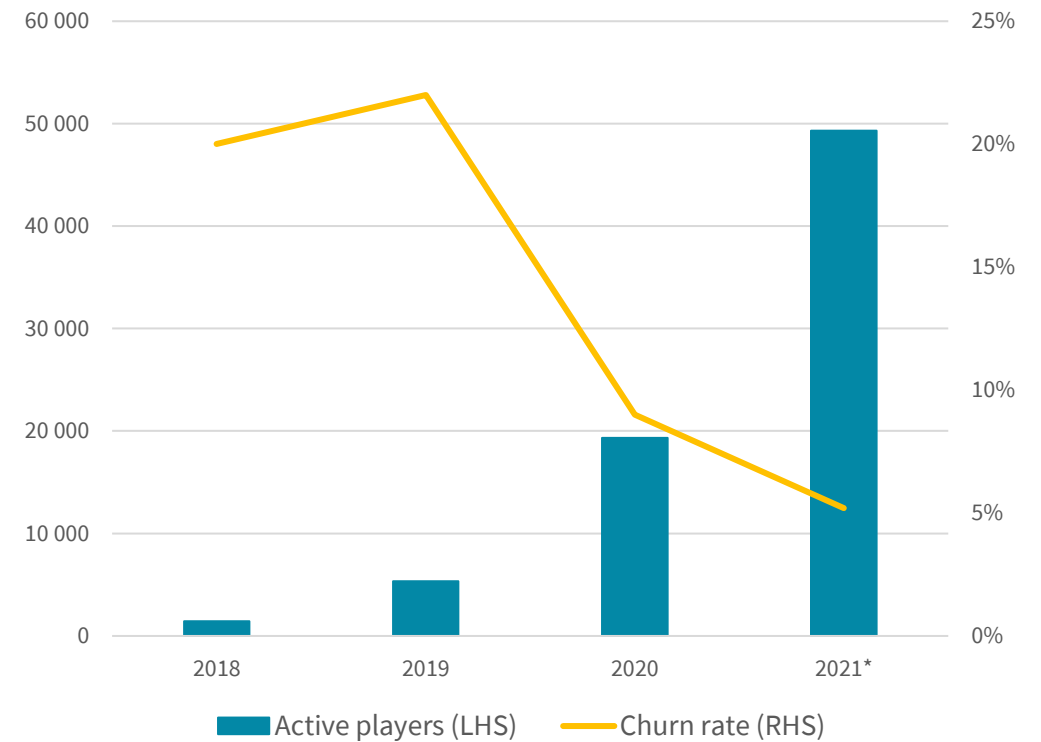
KEY STATISTICS

	2018	2019	2020	2021*
<i>Client stats monthly avg</i>				
Active players	1 432	5 329	19 340	49 321
Avg Revenue Per User	€ 61	€ 37	€ 63	€ 66
Conversion rate	37%	49%	53%	56%
Churn rate	20%	22%	9%	5%

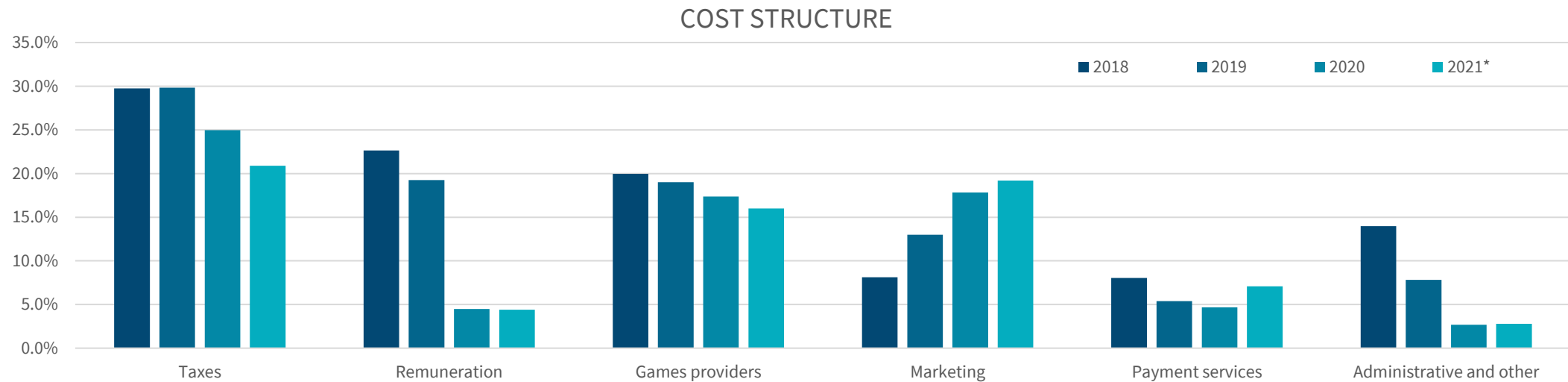
* TIB only estimations

- The company expanded its clients base 34x in just 3 years;
- Marketing efficiency is a key factor for growth and profitability. Improved targeting substantially increased conversion rate;
- Focus on customer service and unique loyalty program increased revenue per user and squeeze share of clients dropped to just 7%;
- The vision for sustainable growth - customers satisfaction, constantly evolving products and high “Responsible games” standards.

Attracting and retaining clients



BENEFITING FROM SCALE



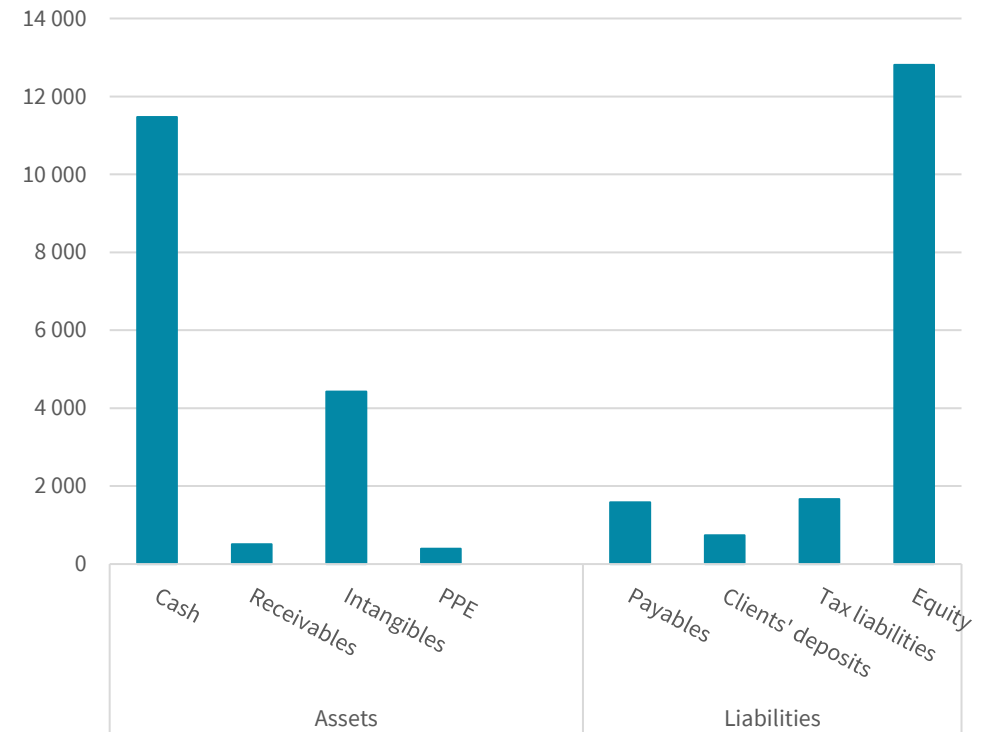
* TIB only estimations

- With higher sales TIB moved to lower fee brackets with its game providers, thus realizing notable costs savings. Own games portfolio to reduce further monthly fee expenses with 15-20% in 2022;
- Economies of scale shrunk share of expenses, most notably remuneration and administrative;
- Higher investment in marketing to gain market share and to build brand awareness;
- Increased spending on software and technical capabilities brought significant efficiencies in marketing expenses and improved customers engagement.

FINANCIAL POSITION

- TIB's business model has a low capital intensity. Long-term assets consist almost entirely of online casino platform and c200 slot games, acquired in 2021;
- The remaining assets consists of cash in bank accounts and payment operators.
- B2C clients deposit cash in advance, so B2B segment accounts for most of receivables, clients and tax receivables;
- The company has no debt or other long term due amounts, thus liabilities comprise entirely of current tax and accounts payables and clients deposits.

Balance sheet items 2021, in EUR '000



* Estimated consolidated results



THANK YOU

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