



## BUSINESS IDEA

*Moosh.pt will be one of the leading players in the online casino- and sportsbetting in Portugal. Through local knowledge and industry expertise this will be realized within two years.*

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# EXECUTIVE SUMMARY

The Portuguese gambling market has a turnover of €1,5 billion, with an underlying annual growth of an estimated 20%. The growth comes primarily in the mobile sector, where Portugal is a comparatively under-developed market. Moosh.pt strives to be one of the market leaders in this segment.

The Portuguese market for online casino and sports betting has recently undergone a big shift, from a traditional monopoly to a licence market open for all. As long as companies apply for a licence and prove that they will abide by the Portuguese laws and pay stipulated tax on gambling revenues, the license will be granted and give them freedom to operate in the market.

Moosh.pt has undergone the arduous process of applying for a license, and is now one of the first licensed sites to offer online casino and sports betting in this market.

Given the valuations of similar companies across Europe, the road to success will be a fairly short one. The company is now ready for launch and will have a full offering of casino games and sports betting, both licensed by the government.

Moosh.pt has the potential to be very successful, having a number of key elements in place:

- The company will be one of the first broad range betting companies to have a license,
- The management team has vast experience from previous successful gambling launches,
- The platforms secured are industry leaders,
- The company is fully funded to date, and
- The market in general is showing enormous growth and potential.



# MOOSH.PT

*One of the first gaming sites in Portugal – with a government license.*

## COMPANY STRUCTURE

Moosh.pt is a new online gaming site, with a government license to act freely within sports betting and online casino on the Portuguese market. Portugal, similar to many other European markets, is undergoing a change from a grey market into a licensed market.

Behind the site stands the Blueyellow group, where investors are now offered a limited opportunity to join. The Blueyellow group is comprised of a holding and 3 companies beneath it. Caravel Entertainment will be the license holder of the main business activity.

**Caravel Entertainment Limited** (Malta) is a purpose-built company for the Portuguese online gaming regulated market. Set up in June 2017, the company was licensed in June 2019 and plans to make its commercial launch by the fall of 2019.

**Blue Crown Limited** (Malta) is the marketing aggregator of the group. This entity will manage the main marketing investments of the group.



**Dracar Marketing** (Portugal) is the Portuguese service company, providing Marketing and Operations management and execution, as well as hosting the Customer Service, Payments and Risk departments of the project.

## BUSINESS MODEL

The company will with Moosh.pt provide fixed odds betting and casino games to consumers based in Portugal. This website has an underlying technology, namely platform and sportsbook engine, provided by SB Tech. SB Tech is one of the industry leaders, and is used by many of the larger European online casinos, already operative in Portugal. Moosh.pt will use a curated selection of casino game providers including powerhouse NetEnt and iSoftBet. The choice of partners has been considered significantly with the strategy of short time-to-market in mind, as this is a new regulated environment with plenty of opportunity for fast growth.

The fact that these leading platform providers have chosen to work with Moosh.pt is testament to our management's previous success and reputation in the local market.

The company will keep a light structure, using outsourcing for several services and departments and internalizing management, marketing and customer support.

Aside from key service providers, the main investment will be on marketing, as usual in the industry.

Caravel's business model is fully based on the revenues generated from its operation in the Portuguese online gaming environment.

## FOCUSING ON MARKETING AND THE BRAND

In a market that is somewhat commoditized by the rules of the regulation (which offer several product limitations) Caravel aims to peg its USP on the marketing and brand level, with high local presence and expertise. As a key



advantage for this approach, Caravel is lead operationally by one of the longest standing and successful local marketing managers for online gaming, with a proven track record on the Portuguese market.

Competitors currently in the market are mostly big legacy brands in Portugal (from when the country was considered an unregulated market), leveraging its brand awareness and database, and local offline casinos, interested in keeping the loyalty of their users outside of their buildings and getting a revenue stream from the online as well.

*Caravel aims to peg its USP on the marketing and brand level.*

Being purpose built and light in structure, Caravel Entertainment will be more flexible than most competitors in finding the best solutions to break into the market and progressively take a sustainable market share.

**TARGET GROUP**

The online regulated market, which has previously been unable to attract all the consumers from the unregulated market, is already nearing 1,000.000 users in just over a year from the first license issued, and the user base is growing steadily. Although this is no homogeneous group, it carries some specificities as digital literacy and sports fans and/or casino games players, mostly men.

Caravel will not pursue a niche strategy and will strive to take its market share on a mainstream approach from both the existing player base and the potential ones. However, based on the existing experience in the team, it will focus on male individuals from 25 to 55 years old, which is the sweet spot between number of users and Average Revenue per User.



Male individuals 25–55 years old

# MARKET ANALYSIS

*The Portuguese online gaming industry has been regulated since 2015 and is estimated at 185M€ in Gross Gaming Revenue during 2019.*

## THE PORTUGUESE GAMING MARKET

The Portuguese Gaming industry has been somewhat uncompetitive for more than 10 years. As a striking example, between 2005 and 2008 Bwin was the name sponsor of the Portuguese Football League. Also, there was already legal online gaming before, via the platform of Santa Casa da Misericórdia (Santa Casa), which offered Euromillion, Scratch cards, and some loto games.

### GAMES AUTHORIZED BY REGIME JURÍDICO DO JOGOS E APOSTAS ONLINE (RJO) 2015

1. Fixed-odds sports bets;
2. Totalisator/paris mutual or fixed-odds horse racing bets;
3. Games of chance, for example including the following types:
  - a. Baccarat
  - b. French banque
  - c. Blackjack/21
  - d. Bingo
  - e. Slot machines
  - f. Poker
  - g. Roulette

## REGULATIONS OF ONLINE GAMING

The law published in 2015 enabled the launch of the first operator in 2016: Regime Jurídico do Jogos e Apostas Online (RJO).

Gaming in Portugal is dominated by Santa Casa, which boasted almost 2.800M€ in annual sales, with a Gross Gaming Revenue (GGR) above 920M€. The offline casinos combined generated just below 300M€ in GGR and the Bingo operators 50€M.

# 185M€

## GGR online casinos Portugal 2019

Online gaming (within the RJO) in the regulated market reported 120M€ in 2017, 150M€ in 2018 and is estimated at 185M€ in 2019. This growth rate is expected to continue. All combined Portugal regulated gaming generated above 1.400 M€ in GGR last year.

In terms of users, this market is nearing 1,5 million accumulated users. The current online gaming market has 6 operators, 4 with both fixed-odds sports betting and casino license and 2 with just a casino license, for a total of 10 licenses.

The market is still untouched in many ways, and offers great growth potential for a fast mover like Moosh.pt.

## Local regulated gaming

2019 Gaming total: 1.500M€ GGR	930M€	Santa Casa
	300M€	Landbase Casinos
	50M€	Bingo
	185M€	Online Gaming

### Offline Casinos

The offline casinos retain their geographical monopolies, and Santa Casa has the offline monopoly of fixed-odds sports betting (currently active and with more than 1.2M users to date since its launch in September 2015) and horse betting (not live yet) as well as their previous portfolio of games (Euromillion, Lottery, Scratch Cards, sports pool betting, and some others) both offline and online.

### Restrictions

No Live Casino is authorized, just RNG games, Poker for now is in a ring-fenced liquidity in Portugal (although there is already an international agreement between some regulators to open between them) and sports betting is only allowed on a portfolio (the regulator specifically names the sports, events and bet types that are authorized, and everything else is prohibited).

### Licensing

To obtain a license an operator must show financial, technical and human resource capability, legal good standing, and have the technological platform certified by an independent and authorized lab and homologated by the regulator. The license costs are not significant but there is a requirement of bank collaterals of 500k€+100k€ for each game category named above (a, b and c).

### Taxation

The taxation on fixed-odds sports bets is based on Turnover (TO) and has a fix rate of 8% that applies to annual amounts (calendar year) up to 30M€ and a variable rate between 8% and 16% applied to any amounts that might be above that threshold.

Taxation on Casino Games is far friendlier and is based on GGR with a rate of 15% for amounts up to 5M€ and between 15% and 30% to amounts above that threshold.



### SUMMARY

As a summary, the range of games available is good, as it authorized sports and casino bets since the beginning, including slot machines (which was not the case initially in Spain, for instance), as is the casino taxation. The Sports taxation is the main issue, but this is possible to change next year. The market entry has many hurdles of all kinds, as described above which actually present a good opportunity to break through for new operators as some of the “usual suspects” have opted to stay out.



# GO-TO-MARKET STRATEGY

*Positioning Moosh.pt with a message to “Hit the mouche”*

## Background

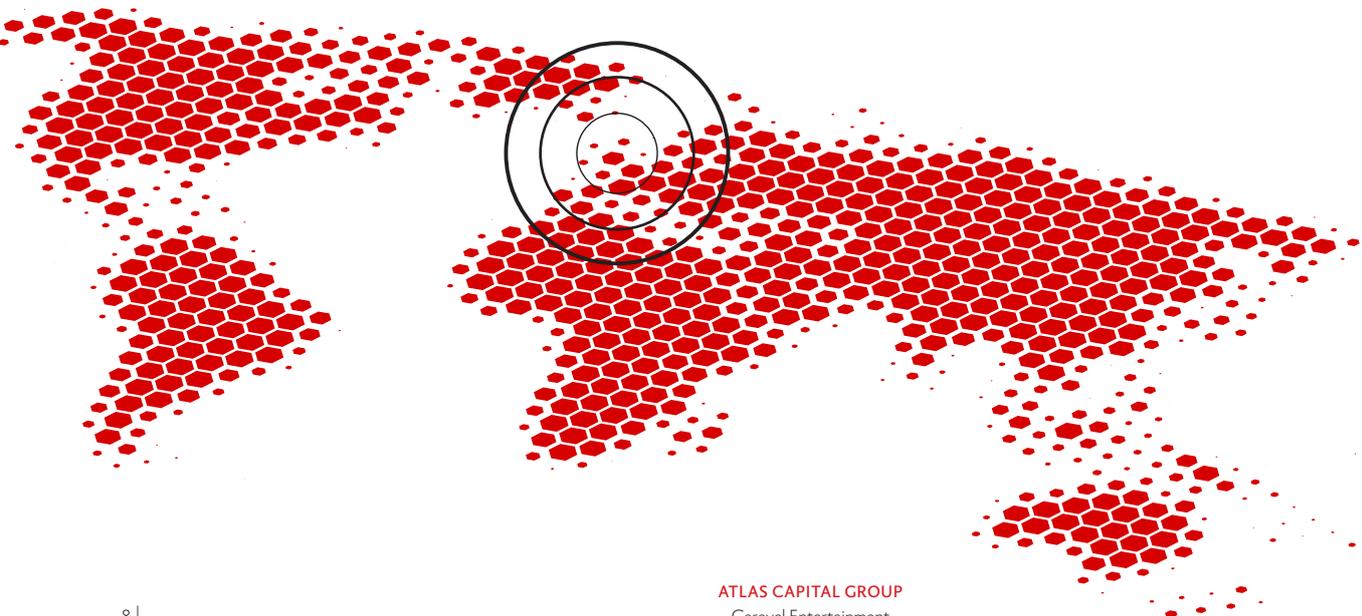
Caravel will be entering a fairly new market where USP based on product and pricing will be challenging, as the regulation rules limit the first and the taxation on sports basically renders the second a severe risk to profitability. Most of the current operators are basing their approach on legacy. Betcltic and Pokerstars have the brand awareness specific to this market and also previous databases that they have harnessed to grow their player base quickly. The offline casinos groups (Estoril-Sol, Amorim and Solverde) set from their existing databases and name recognition (although Amorim is using a specific brand for the online). Finally Bet.pt, who uses SB Tech platform (as Caravel), is the current market leader, taking advantage of having

been the second to launch, counting on some indecision on Betcltic's side and leveraging a massive media space that is controlled by the owners.

## MARKETING STRATEGY

Given the above context, Caravel will focus on positioning itself as a different brand. The brand name and visuals are already making the case for this.

Moosh.pt is a made up word which uses the sound of the word *Mouche*, that means the center of the target. “Hit the mouche” will be the core of our message as a challenge and synonymous of for example “Choose the right bet” or “Get lucky in our casino games”. It is a sound as much as a word. It is playful, emphatic and definitely a differentiator.





## Marketing activities



The Marketing USP will be to offer an experience on Moosh that goes beyond just placing the bet and waiting on winnings. It will offer a narrative, a before and after. From finding an interesting story on your sports media on bets regarding upcoming games, to being challenged to outsmart your football expert, to being able to interestingly share your activity with friends.

Caravel will focus as much resources as possible on giving more entertainment to its audience, diverting some investment from media and leveraging word-of-mouth. Speaking directly to fans, not pushing a hard sell message,

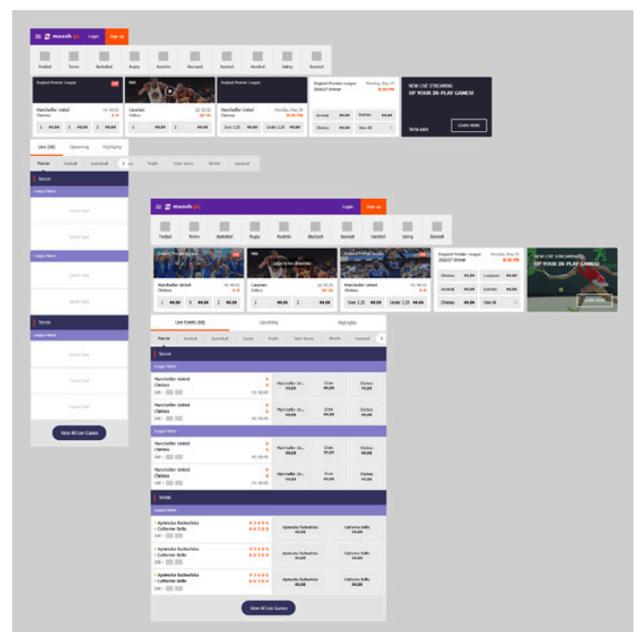
*Moosh.pt will offer more than just placing your bet..*

embracing this communication age by treating everybody not just as consumers but as an audience.

The main acquisition driver will be sport, working in tandem

with a big CRM effort on X-sell. Casino direct acquisition will also exist however, in a different way as casino players don't have so much specific editorial interests as do sportsbook players.

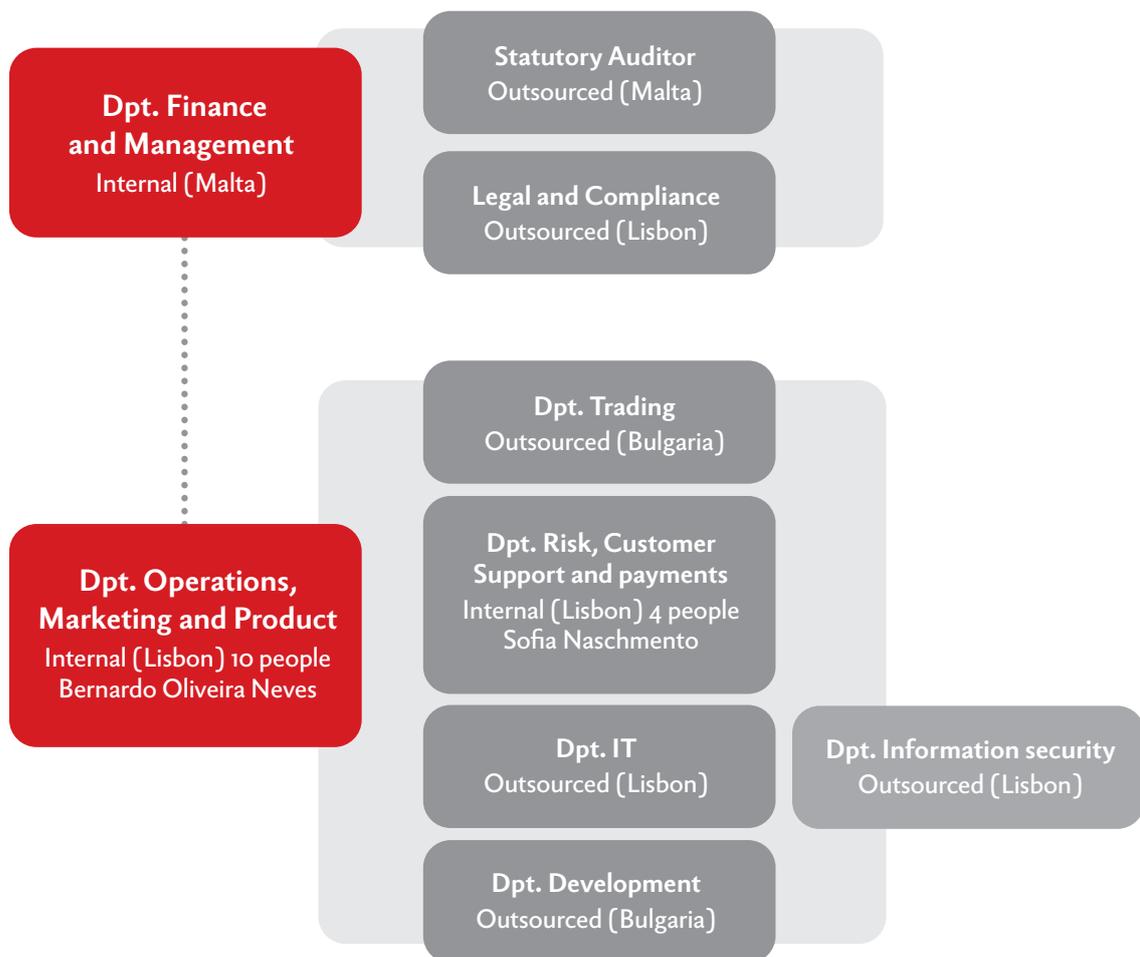
The initial months after commercial go-live will be focused on fine-tuning the platform, the experience and the communication and once we find out right balance we are just going to increase the investment.



# THE TEAM

*In a highly competitive market, one of the big advantages for Moosh.pt will be the management team. With long experience and previous success in their portfolio, this team has the knowledge and the contacts to create a successful business with limited resources.*

The team behind Moosh.pt has the relevant experience and a successful history. Led by Bernardo Oliveira Neves, the team assembled know what it takes to create a successful business and has the contacts and expertise to achieve this. The entire team is based in Lisbon, Portugal.





**BERNARDO OLIVEIRA NEVES**  
**Head of Portugal and Director of Dracar Marketing**

Working in Online Gaming since 2010 and leading the marketing team for Betcltic in Portugal since 2012, Bernardo has a proven track record of delivering budget results and managing teams. Bernardo was highly involved in the launch of Betcltic in the regulated market, from being the business lead in the conversations with the government to preparing and executing the business plans that resulted in this brand being the first to launch and with a massive success.

**SOFIA NASCIMENTO**  
**CS Manager at Dracar**

Sofia has managed Customer Service in Betcltic between 2013 and early 2017. She led a team of 70 people, many recruited by herself, providing customer support to several international markets. During the re-launch of Betcltic in Portugal she directly oversaw the dedicated CS team to ensure a smooth process.

**ANTÓNIO FARÇADAS**  
**VIP Manager at Dracar**

With a past as an account manager in banking, António was in the 2 years previous to join Dracar working as a VIP Account Executive at Betcltic, focused on the Portuguese Market.

The total team needed to create a successful business is small, and will comprise some 10–15 people, all handpicked from the managements' vast network in the industry.

**OPERATIONS, MARKETING & PRODUCT**

**FINANCE / MARKETING**



# FINANCIALS

Thanks to the experience of our management team, Moosh.pt will be able to target the right channels of marketing right from the start. Contracts are already in place with leading affiliates, and our VIP-team has secured great packages from the leading football clubs in Portugal. Paired with a slim team, costs for operations will be kept to a minimum, and focus will be put on marketing and customer acquisition.

The company is fully funded to date, and is now doing a last raise of capital for marketing during the first year of operations.

The company expects to start turning a profit within the first year of operations, and this is based on a fairly pessimistic scenario.

These numbers are based on the Portuguese market alone. Although the company is strictly focused on this market, a couple of clear expansion strategies exist: Spain, France and Italy are all big markets, with a similar system to that of Portugal.

Brazil is a huge market, and with Portuguese media being consumed in a big way in Brazil, a quick expansion into Brazil is a very real possibility. The first target is to make the company self-financed, after this the company will quickly start giving dividends to its owners.



## Marketing and targeted revenues

	Year 1	Year 2	Year 3
Marketing Investment	1.800.000 €	2.500.000 €	2.500.000 €
Gross Gaming Revenue	4.200.000 €	12.000.000 €	20.000.000 €
Operational Contribution	-300.000 €	2.000.000 €	5.000.000 €

# EXIT STRATEGY

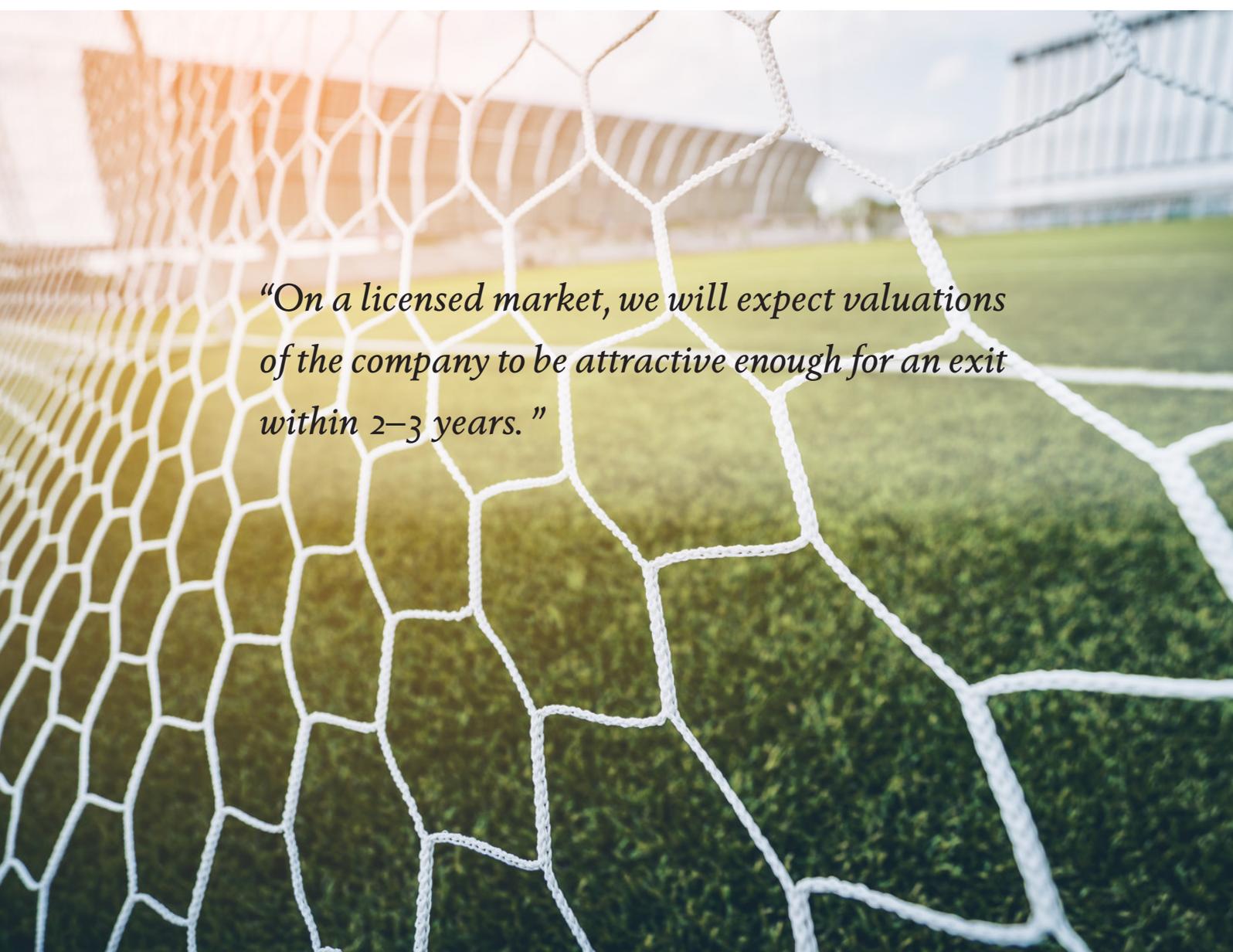
As with most companies, there are three potential scenarios open to investors:

- **Dividends from a profitable business.** The company will first use profits to increase marketing, but after this dividends to owners will be high.
- **Buyout.** Over the last 10-15 years, a very large number of medium-sized casino- and betting companies have been acquired, and there is no shortage of buyers at good valuations.
- **IPO.** A large number of similar companies have proven that the IPO track is very viable, with valuations being decided by number of active players and Gross Gaming Revenue (GGR).

Whichever way the company eventually decides to go, the initial focus will obviously be to build a successful business. With the budgeted numbers, the company expects to turn a profit within a year after launch.

*The company expects to turn a profit within a year after launch.*

On a licensed market, we will expect valuations of the company to be attractive enough for an exit within 2–3 years.



*“On a licensed market, we will expect valuations of the company to be attractive enough for an exit within 2–3 years.”*

# INVESTMENT ANALYSIS

*A licensing model with great opportunities for the licensees to make profits.*

## **A lucrative market**

The casino- and sports betting industry has been exciting to follow over the past decade, with successful companies springing up and being acquired by the dozen every year. With the Portuguese market being comparatively underdeveloped, the opportunity to be part of one of the first licensed companies is very interesting.

The licensing model that Portugal is now doing on the market leaves great opportunities for the licensees to make profits. With a very experienced and local team, we have very high expectations on market penetration as well as profitability.

There seems to be virtually no limit to the number of companies that can be successful in a small market, with several examples of European countries having 40-50 active industry companies. With the limited number of companies that will be active in Portugal, profit margins can be expected to be comparatively very high.

## **A GREAT TEAM**

One of the most interesting USPs for Moosh.pt is the management team and their experience from previous successes. With the management all being vested in the company, costs for customer acquisition will be kept as low as possible and market shares will quickly be gained.

The team experience further guarantees that we will have the best platforms and other technology available on the market, paired with a nice user experience. With competing companies all offering virtually the same technology base, the added graphics and general feel will be very important. Our team's knowledge of the local culture and the target groups specific preferences will be very valuable.



## **CLEAR VALUATIONS**

Although we have not set our sights on one specific exit strategy, a great benefit of this industry is that there are very clear valuations to benchmark, whether for sale of the business or for an IPO. These metrics are more or less industry standards, and are based on number of customers along with GGR values.

Recent acquisitions and IPO's in similar markets has been in the range of €75M – €150M, valuations often achieved within two years of launch. It is our belief that Moosh.pt can reach at least a similar valuation within three years.

# ABOUT ATLAS CAPITAL GROUP

*Atlas Capital Group S.A. is an independent company that gathers information on investment opportunities and summarizes and provides this information to its shareholders and members.*

Atlas Capital Group S.A. is designed primarily for private investors, companies as well as individuals, and is comprised of a limited number of investors. Each investor is personally invited, and Atlas Capital Group's recommendations and services are for members only. Atlas Capital Group is independent, with no ties to any other financial corporation.

## **EXCLUSIVE PROJECTS**

Atlas Capital Group S.A. offers a number of investment vehicles that are tailored to our members' personal circumstances. These vehicles are exclusive to our members, and gives access to investments that are normally only open to

investors with very high net worth. Our products are open to all our members, and we focus on several investment types, including real estate, structured capital products and equities

## **ACTIVE OWNER**

Atlas Capital Group S.A. always strives to be an active owner in our investments, and we are often engaged with the boards of the companies we invest in. This is our way of guaranteeing that we always have influence and control of the development of our investment projects.

Atlas Capital Group S.A. has its head office in Luxembourg.

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