

## License fees



Novamedia is the owner, 'developer' and investor in lottery concepts with which successful charity lotteries have been established and implemented worldwide to raise funds for charities. Novamedia asks a licence fee for the use of these brands and formats by third parties. This fee is used to recoup the high investment required to set up a lottery. After all, Novamedia bears the financial risks. The fees are also used for the (continued) development of its formats.

Novamedia receives these fees from charity lotteries in The Netherlands and abroad. The amount of licence fee differs from country to country, partly depending on the local situation. As the operator, Novamedia is also responsible for managing the lottery in all of these countries. The structure of the organisation, and thus the management fee, differs according to the country.

In Great Britain, the format licence fee of People's Postcode Lottery is 4% of the revenue of the lottery. The licence fee of the Swedish Postcode Lottery is 4.08% of the revenue. For the Dutch lotteries working with Novamedia's brands and formats, the percentage of the licence fee is 2.2% of the lottery's revenue. In The Netherlands, Novamedia receives a fixed, index-linked annual fee for managing the three lotteries. This was € 878,000 in 2019.

### **Percentages are comparatively low**

In 2012, F.W. Grosheide, Emeritus Professor of Private Law/Intellectual Property Law (for the Netherlands, at the request of the Dutch Postcode Lottery) and in 2014 Jan Rosén, Professor of Private Law at the University of Stockholm (for Sweden, at the request of Novamedia) were asked to give an opinion on the market conformity of fees in the Netherlands and Sweden. Both concluded that the percentages are comparatively low. This was also the conclusion reached by the accountancy firm KPMG in 2014 in a study in the Netherlands commissioned by the Dutch Gaming Authority.

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