

CW MARKETING B.V.

Annual Report and Financial Statements
31 December 2022

Unaudited

Company Registration Number: 143854

Contents

	Pages
General information	1
Income statement	2
Statement of financial position	3
Notes to the financial statements	4 – 8

General information

For the year ended 31st December 2022

Registration

CW Marketing B.V. (hereinafter: "the Company") was incorporated on June 6th, 2017 and is established in Curaçao.

Reporting period

These annual accounts have been prepared for the financial year ended on 31 December 2022

Activities

The activities of the Company, having its legal seat at Curaçao, primarily consist of:

Managing and supporting gaming platforms for remote gaming, including software and hardware components of such platforms, whether for casino, poker or other games, whether to be operated through internet, mobile or interactive media.

Registered office

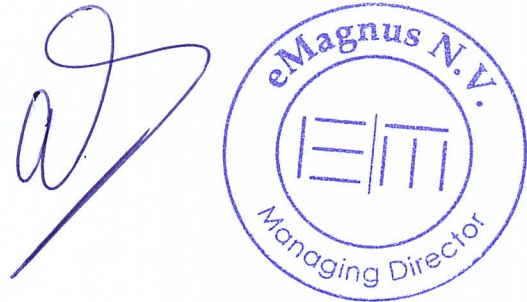
Schout Bij Nacht
Doormanweg 40, Damacor
P.O Box 4745
Curaçao

Income Statement

For the year ended 31st December 2022

	Note	2022 €	2021 €
Gross Gaming Revenue	2	16.978.417	22.884.924
Cost of Sales	3	(13.454.574)	(13.495.652)
Gross Profit		3.523.843	9.389.272
Administrative Expenses	4	(1.958.795)	(1.135.047)
Profit before tax		1.565.048	8.254.225
Tax expense		-	-
Profit for the year		1.565.048	8.254.225

The notes on pages 4 to 8 are an integral part of these financial statements.



The image shows a handwritten signature in blue ink to the left of a circular blue stamp. The stamp contains the text "eMagnus N.V." at the top and "Managing Director" at the bottom, with a stylized logo in the center consisting of the letters "E" and "M" separated by a vertical line.

Statement of Financial Position

As at 31st December 2022

	Note	2022 €	2021 €
ASSETS			
Current assets			
Trade and other receivables	5	8.012.647	7.357.240
Cash and cash equivalents		3.946.996	2.820.839
Total assets		<u>11.959.642</u>	<u>10.178.079</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	6	1.000	1.000
Retained earnings		11.329.469	9.764.421
Total equity		<u>11.330.469</u>	<u>9.765.421</u>
LIABILITIES			
Current liabilities			
Trade and other payables		402.332	152.690
Player funds		226.842	259.968
Total liabilities		<u>629.174</u>	<u>412.658</u>
Total equity and liabilities		<u>11.959.643</u>	<u>10.178.078</u>

The notes on pages 4 to 8 are an integral part of these financial statements.




Notes to the financial statements

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these individual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1. General

The financial statements are prepared according to the stipulations in chapter 9 Book 2 of the Netherlands Civil Code. These financial statements are presented in EUR, the Company's functional currency.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

1.2. Continuity

These financial statements have been prepared based on going concern basis. The going concern basis of presentation assumes that the company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Management is of the opinion, that the company's shareholders or other group companies will give the necessary support in case the assumption above mentioned is not realized. Consequently, the Company has applied accounting principles based on going concerns.

1.3. Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date.

Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

1.4. Valuation of assets and liabilities

1.4.1. General

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention, unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are valued according to the cost model.

1. Summary of significant accounting policies – continued

1.4. Valuation of assets and liabilities - continued

1.3.2. Financial Fixed Assets

Where significant influence is exercised, associated companies are valued under the net asset value method, but not lower than a nil value. This net asset value is based on the same accounting principles as applied by the Company.

Associated companies with negative net equity value are valued at nil. If the Company fully or partly guarantees the liabilities of the associated company concerned or has the effective obligation respectively to enable the associated company to pay its (share of the) liabilities, a provision formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from associated company are taken into account.

Where no significant influence is exercised associated companies are valued at cost and if applicable less impairments in value.

1.3.3. Accounts receivable

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

1.3.4. Equity

Financial instruments are classified as equity, if they have the substance of equity instruments; the legal form is of no consequence.

1.3.5. Current liabilities

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted

1.3.6. Accruals and deferred income

Upon initial recognition, accruals and deferred income are stated at fair value and then valued at amortized costs.

1.5. Accounting policies in respect of determination

1.5.1. Turnover

Turnover represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes. Revenues from services are recognized in proportion to the services rendered. The cost price of these services is allocated to the same period.

1. Summary of significant accounting policies - continued

1.5. Accounting policies in respect of determination - continued

1.5.2. Other Operating Expenses

Costs are taken into account under the historical cost convention and allocated to the period concerned.

1.5.3. Net financial result

Interest income and expenses consist of interest received from or paid to third parties.

1.5.4. Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realization is likely.

2. Gross Gaming Revenue

Gross gaming revenue consists of bets placed by clients minus wins of clients arise from their bets. In addition, it consists of balance corrections and other trivial adjustments and other income

3. Cost of Sales

	2022	2021
	€	€
Clients bonus cost	384.568	478.649
Payment services fees	119.497	650.762
Platform Fee	1.306.851	674.935
Casino provider fees	5.039.820	6.458.534
Sportsbook provider fees	386.335	866.720
Affiliates Costs	5.658.762	3.623.069
White label costs	347.889	696.328
Hosting and Cloud services	210.853	46.656
	<u>13.454.574</u>	<u>13.495.652</u>

4. Administrative Expenses

	2022	2021
	€	€
KYC verification fees	5.280	1.700
Messaging services	19.915	4.000
Design services	73.200	50.800
Accounting and admin Fees	11.200	-
Corporate Services	454.972	51.981
Bank charges	17.746	11.762
Compliance fees	14.600	40.362
License fee	17.444	7.212
Marketing fees	739.252	15.151
Software Fees	139.017	94.138
Legal Fees	3.924	-
Other professional fees	69.674	-
Player support and operation Fees	392.570	857.941
	<u>1.958.795</u>	<u>1.135.047</u>

5. Trade and other receivables

	2022	2021
	€	€
Amounts due by related party	8.012.647	7.357.240
	<u>8.012.647</u>	<u>7.357.240</u>

The amounts due by shareholder is interest-free, unsecured and payable on demand.

6. Equity

	Issued Share Capital	Retained Earnings	Total
	€	€	€
As at 31 December 2021	1.000	9.764.421	9.765.421
Profit for the period	-	1.565.048	1.565.048
Dividends distribution	-	-	-
As at 31 December 2022	<u>1.000</u>	<u>11.329.469</u>	<u>11.330.469</u>

7. Trade and other payables

	2022	2021
	€	€
Amounts due to related parties	316.073	50.886
Amounts due to third parties	<u>86.259</u>	<u>101.804</u>
	<u><u>402.332</u></u>	<u><u>152.690</u></u>

8. Statutory provision regarding appropriation of result

In the articles of incorporation, it states that the profit shall be at free disposal of the general meeting. Any distribution of the profit shall be made after approval of the annual account. Consequently, the following has been presented concerning the appropriation of the result.

9. Appropriation of result

The management of the company proposes to appropriate the result as follows:

The positive result for the year 2022 in the amount of EUR 1.565.048 (2021: EUR 8.254.225) will be added in full to the other reserves.