

Connaught Media B.V.
Curaçao

Annual report 2021

Table of contents

	<u>Page</u>
1 Report	3
1.1 General	4
1.2 Accountants compilation report	5
2 Financial statement	6
2.1 Balance sheet as at 31 December 2021	7
2.2 Statement of income and expenses for the year 2021	8
2.3 Notes to the financial statements	9
2.4 Notes to the balance sheet	11
2.5 Notes to the statement of income and expenses	12
3 Other information	13
3.1 Statutory provision regarding appropriation of result	14
3.2 Appropriation of result	14
3.3 Subsequent events	14

1. Report

1.1 General

Connaught Media B.V. (hereinafter: "the Company") was incorporated on October 6th, 2017 and is established in Curaçao.

Reporting period

These annual accounts have been prepared for the fiscal year ended on 31 December 2021.

Activities

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

Organizing, marketing, promoting, managing, supporting and operating all types of remote gaming activities, comprising all types of games, betting and other operation of betting exchange, interactive casinos, bingos, lotteries, poker and other interactive games for clients established or residing outside of Curaçao.

To the board of directors and the shareholders of
Connaught Media B.V.
Curaçao

ACCOUNTANT'S COMPILATION REPORT

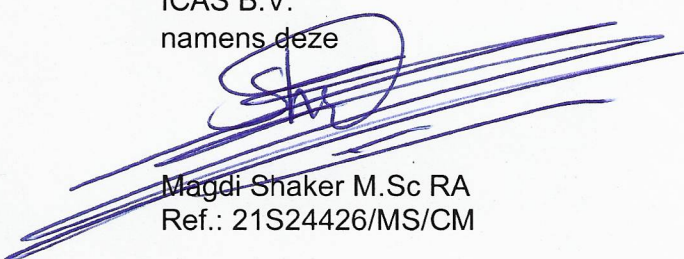
The financial statements of Connaught Media B.V. based in Curaçao have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2021 and the profit and loss account for the year 2021 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Curaçao law, including the Dutch Standard 4410, 'Compilation engagements', which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Curaçao Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding Connaught Media B.V. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA, Dutch Code of Ethics). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

Willemstad, April 26, 2024
ICAS B.V.
namens deze



Magdi Shaker M.Sc RA
Ref.: 21S24426/MS/CM

2. Financial statements

2.1 Balance sheet as at 31 December 2021*(After proposal result)*

		EUR	EUR
		12/31/2021	12/31/2020
Assets			
Current assets			
Other receivables	1	6,098	-
Current accounts	2	14,876,584	5,386,633
		14,882,682	5,386,633
Total assets		14,882,682	5,386,633
Equity & Liabilities			
		EUR	EUR
		12/31/2021	12/31/2020
Shareholders equity			
Share capital	3	1,000	1,000
Retained earnings		1,237,997	1,865,627
Result for the year		1,243,050	(627,630)
		2,482,047	1,238,997
Short term liabilities			
Other Liabilities and accruals	4	12,400,635	4,147,636
		12,400,635	4,147,636
Total equity & liabilities		14,882,682	5,386,633

2.2 Statement of income and expenses for the year 2021

		EUR 2021	EUR 2020
Turnover	5	18,423,801	11,116,646
Direct costs	6	17,059,937	11,069,236
Gross margin		1,363,864	47,410
IT and other operating expenses	7	5,764	7,094
Administrative & general expenses	8	8,334	8,968
		(14,098)	(16,062)
Operating result		1,349,766	31,348
Financial results	9	(106,716)	(658,978)
Result before tax		1,243,050	(627,630)
Income tax expense		-	-
Net result for the period		1,243,050	(627,630)

2.3 Notes to the financial statements

General

The financial statements are prepared according to the stipulations in chapter 9 Book 2 of the Curaçao Civil Code and accounting principles generally accepted in the Netherlands.

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.

Continuity

These financial statements have been prepared based on going concerns 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.

Translation of foreign currency

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

Accounting policies in respect of the valuation of assets and liabilities

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.

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.

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.

Equity

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

Current liabilities

Upon initial recognition, current liabilities are stated at fair value and then valued at amortized cost.

Accounting policies in respect of determination

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.

Other operating expenses

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

Net financial result

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

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.

2.4 Notes to the balance sheet

	EUR 12/31/2021	EUR 12/31/2020
1. Other receivables		
Prepaid expenses	5,098	-
A-one Data Ltd. retainer	<u>1,000</u>	<u>-</u>
	6,098	-

	EUR 12/31/2021	EUR 12/31/2020
2. Current accounts		
Current account Connaught International Ltd.	8,937,711	1,425,096
Current account shareholder	<u>5,938,873</u>	<u>3,961,537</u>
	14,876,584	5,386,633

3. Shareholders equity

The capital of the company consists of 1,000 shares with a nominal value of EUR 1 each.

	Issued Share capital	Accum. Results	Total
	EUR	EUR	EUR
Balance as at January 1 st	1,000	1,237,997	1,238,997
Movements	-	1,243,050	1,243,050
Balance as at December 31 st	1,000	2,481,047	2,482,047

	EUR 12/31/2021	EUR 12/31/2020
4. Other Liabilities and accruals		
Profit tax payables	11,195	11,195
Affiliate commission payable	293,520	-
Trade accounts payable	19,360	134,387
Player balances	622,739	318,095
Accrual tax fees	1,700	-
Accrual accounting fees	1,500	-
Accrual expenses Connaught International Ltd.	<u>11,450,621</u>	<u>3,683,959</u>
	12,400,635	4,147,636

2.5 Notes to the statement of income and expenses

	EUR 2021	EUR 2020
5. Turnover		
Gaming revenue	18,423,801	11,116,646
	<u>18,423,801</u>	<u>11,116,646</u>
6. Direct costs		
Commission affiliates	3,454,010	1,320,080
Media buys expenses	6,376,136	3,812,380
SEO/link buys expenses	115,700	69,178
Production and design expenses	179,038	107,050
Sponsorships expenses	1,144,326	684,209
Outsourced media expenses	181,572	108,564
Transaction and setup fees	845,064	384,248
Consultancy expenses	2,154,936	3,295,861
Marketing expenses	448,441	268,129
Bonus cost gaming	2,160,714	1,019,537
	<u>17,059,937</u>	<u>11,069,236</u>
7. IT and other operating expenses		
Gaming license fees	5,764	6,896
ICT maintenance & support fees	-	198
	<u>5,764</u>	<u>7,094</u>
8. Administrative & general expenses		
Management fees	2,500	2,500
Membership & contribution fees	75	75
Domiciliation fees	350	350
License fees National bank	75	75
Corporate secretarial fees	320	1,475
Accounting expenses	3,000	2,900
Notary expenses	275	-
Legal fees	-	-
Tax services fees	1,450	1,525
Other general expenses	289	68
	<u>8,334</u>	<u>8,968</u>
9. Financial results (loss)		
Adjustment investment subsidiary	-	(62,688)
Unrealized gain/(loss) on exchange differences	(106,716)	(596,290)
	<u>(106,716)</u>	<u>(658,978)</u>

Connaught Media B.V.

3. Other Information

3.1 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.

3.2 Appropriation of result

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

The positive result for the year 2021 in the amount of EUR 1,243,050 will be added in full to the other reserves.

This proposal needs to be determined by the General Meeting and has therefore not yet been processed in the annual accounts 2021 for the company.

3.3 Subsequent events

There are no events after the balance sheet date that have significant impact on these financial statements, that require further disclosure.

Name:

Position:

Signature:

Global Related Services B.V.

Statutory director
