

Owl in N.V.

Groot Kwartierweg 10, Livestrong Building
Willemstad, Curaçao

FINANCIAL STATEMENTS 2023

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Owl in N.V.
Willemstad

Director's report

We are pleased to present you with the Financial Statements for the period January 1, 2023 through December 31, 2023.

During the period under review, the Company recorded a net profit of EUR 2,168,102. Details of which are set out in the attached Profit and Loss account.

Curaçao,



eMoore N.V.
Managing Director

Groot Kwartierweg 10
Curaçao



Balance sheet as at 31 December 2023

(After appropriation of result)

ASSETS

		<u>31-12-2023</u>	<u>31-12-2022</u>
		€	€
Fixed assets			
Intangible assets	1	<u>1,316</u>	<u>1,316</u>
Financial assets			
Participation	2	<u>9,126</u>	<u>1,000</u>
Current assets			
Receivables from related parties	3	286,189	24,629
Other receivables	4	<u>10,975,301</u>	<u>15,092,644</u>
		<u>11,261,490</u>	<u>15,117,273</u>
Cash and cash equivalents	5	<u>1,482,693</u>	<u>6,099,292</u>
Total assets		<u><u>12,754,625</u></u>	<u><u>21,218,881</u></u>

SHAREHOLDER'S EQUITY AND LIABILITIES

Shareholder's equity	6		
Share capital		1	1
Share premium		2,775	2,775
Retained earnings		<u>1,091,790</u>	<u>2,423,688</u>
		<u>1,094,566</u>	<u>2,426,464</u>
Current liabilities			
Accounts payable	7	8,035,012	11,673,966
Profit tax payable	8	125,047	118,451
Dividend payable		<u>3,500,000</u>	<u>7,000,000</u>
		<u>11,660,059</u>	<u>18,792,417</u>
Total shareholder's equity and liabilities		<u><u>12,754,625</u></u>	<u><u>21,218,881</u></u>

Profit and loss account for the year 2023

	<u>2023</u>	<u>2022</u>
	€	€
Revenues	65,992,100	57,715,616
Operational costs	⁹ <u>(58,915,970)</u>	<u>(46,577,710)</u>
Net operating result	<u>7,076,130</u>	<u>11,137,906</u>
Wages and salaries	51,441	42,500
Social security charges	1,002	835
Rent expenses	30,345	28,005
Other general and administrative expenses	¹⁰ <u>519,376</u>	<u>463,324</u>
Total general and administrative expenses	<u>602,164</u>	<u>534,664</u>
Total of operating result	<u>6,473,966</u>	<u>10,603,242</u>
Provision expenses	(62,978)	-
Interest expenses	-	(105)
Currency translation differences	<u>(4,219,320)</u>	<u>(2,899,991)</u>
Financial income and expense	<u>(4,282,298)</u>	<u>(2,900,096)</u>
Total of result before tax	2,191,668	7,703,146
Profit tax	<u>(31,692)</u>	<u>(118,451)</u>
	2,159,976	7,584,695
Result participation	¹¹ <u>8,126</u>	<u>-</u>
NET RESULT FOR THE YEAR	<u>2,168,102</u>	<u>7,584,695</u>

Owl in N.V.

Notes to the financial statements

Entity information

Registered address and registration number trade register

The registered and actual address of Owl in N.V. is Groot Kwartierweg 10, Livestrong Building, in Willemstad, Curaçao. Owl in N.V. is registered at the Chamber of Commerce under number 151201.

General notes

The most important activities of the entity

Owl in N.V. is a limited liability company that was incorporated in Curaçao, Willemstad on September 12, 2019.

The Company is solely engaged in e-gaming activities.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements have been prepared in accordance with Book 2 of the Curaçao Civil Code using the Guidelines for annual reporting of the Dutch Accounting Standards Board.

Assets and liabilities are stated at face value unless indicated otherwise.

Disclosure of changes in accounting policies

The principles of valuation and determination of result remained unchanged compared to the previous year.

Conversion of amounts denominated in foreign currency

The financial statements are presented in euros, which is the functional and presentation currency of Owl in N.V.

Assets and liabilities denominated in foreign currencies are translated into administration currency at the rate of exchange prevailing at balance sheet date. Transactions in foreign currencies are translated at the exchange rates in effect on the day of the transaction. Items in the Statement of Income and Expenses were revalued at the average rate of exchange during the period under review.

Exchange gains or losses are reflected in the profit and loss account.

Exchange rates used:

1 EUR =	USD
2023	1.10364
2022	1.06749

Owl in N.V.

Accounting principles

Intangible assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset is higher than its realisable value.

Domains have a finite useful life and are amortised on a straight line basis over 5 years.

Financial assets

Participations are valued according to the net asset value method.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements.

Cash and cash equivalents

Cash at banks represent bank balances. Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

Current assets

Current assets are initially valued at the fair value of the consideration to be received. Trade receivables are subsequently valued at the amortised cost price. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the services provided and the costs and other charges during the year.

Exchange differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur.

Other income and expenses, including taxation, are recognized and reported in accordance with the accrual concept.

General and administrative expenses

General and administrative expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods and services sold.

Notes to the balance sheet

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
1 Intangible assets		
Domain	<u>1,316</u>	<u>1,316</u>

Intangible assets

	<u>Domain</u>
	€
Book value as at 1 January 2023	1,316
Book value as at 31 December 2023	<u>1,316</u>

2 Participation

As at 31 December 2023 this item can be detailed as follows:

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Participation in NestlingCorn Limited	<u>9,126</u>	<u>1,000</u>

Owl in N.V. has a 100% ownership in NestlingCorn Limited with domiciliation in Nicosia, Cyprus.

The valuation is on a net asset value basis. Net asset value as of December 31, 2023 is EUR 9,126 . Result 2023: EUR 5,974.

During the year ended December 31, 2023, the company changed its valuation method for investment in participation from the cost model to the net asset value model. The change was made to provide more relevant information regarding the value of the investment which is in accordance with the applicable standards.

This change has been applied in 2023. The difference between the value as at December 31, 2022 as per the cost model and the value as per the net asset model is corrected in the profit for the year. The effect of this change is as follows:

An increase in profit for the year ended December 31, 2023, by EUR 2,151.

Owl in N.V.

Participation in NestlingCorn Limited

The movement of the investment in participation is as follows:

	<u>2023</u>	<u>2022</u>
	€	€
Book value as at 1 January	1,000	1,000
Correction beginning balance *	2,151	-
Result participation for the year	<u>5,975</u>	<u>-</u>
Book value as at 31 December	<u><u>9,126</u></u>	<u><u>1,000</u></u>

* Detail correction beginning balance

	<u>Cost model</u>	<u>Net asset value model</u>	<u>Effect of change</u>
Balance 01.01.2022	1,000	-	(1,000)
Result for the year	-	3,303	3,303
Reversal of provision	-	(152)	(152)
Balance 31.12.2022	<u><u>1,000</u></u>	<u><u>3,151</u></u>	<u><u>2,151</u></u>

3 Receivables from related parties

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Receivable from NestlingCorn Limited	<u><u>286,189</u></u>	<u><u>24,629</u></u>

Receivable from NestlingCorn Limited

	<u>2023</u>	<u>2022</u>
	€	€
Balance as at 1 January	24,629	26,245
Movement for the year	<u>261,560</u>	<u>(1,616)</u>
Balance as at 31 December	<u><u>286,189</u></u>	<u><u>24,629</u></u>

4 Other receivables

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Receivables - PSP wallet balances *	9,844,136	12,903,616
Prepaid expenses	<u>1,131,165</u>	<u>2,189,028</u>
	<u>10,975,301</u>	<u>15,092,644</u>

* The receivables with payment service providers (PSP wallets) are receivables from various financial institutions that facilitate the payment process between the Company and its customers. The receivable at year end consists of the total deposits minus withdrawals of the players and minus a commission for services provided. The amounts are settled in most cases weekly, monthly or quarterly to the bank accounts of the Company depending on the amount to be settled. No interest is accruable on the funds considering these are part player funds and part settled revenue in transit.

5 Cash and cash equivalents

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Cash-in-transit	-	1,073,043
Paymix Ltd, current account	838,541	2,564,133
Migom Bank Ltd., current account *	-	64,873
Xpate Ltd., current account	-	733,969
Aims Financial Ltd., current account	-	1,663,274
Emerald Financial Group Ltd., current account	758	-
The Kingdom Bank Corporation, current account	104,452	-
Verser Pay Ltd., current account	496,030	-
ZEN.COM, current account	<u>42,912</u>	<u>-</u>
	<u>1,482,693</u>	<u>6,099,292</u>

All cash and cash equivalents are at the Company's free disposal.

*** Migom Bank Ltd., current account**

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Migom bank Ltd. balance	62,978	64,873
Provision for doubtful recovery of bank balance	<u>(62,978)</u>	<u>-</u>
Total	<u>-</u>	<u>64,873</u>

Due to the uncertainty surrounding the recoverability of outstanding balances with Migom Bank Ltd., a provision has been created. This provision accounts for the potential risk of partial or full non-recovery of assets, ensuring that any financial impact is appropriately reflected in the financial statements. The provision will be reassessed periodically based on the recoverability of the amount.

Owl in N.V.

6 Shareholder's equity

The Company's authorized share capital amounts to EUR 1 and consists of 1 share with a nominal value of EUR 1,00.

As at 31 December 2023 1 share was issued and fully paid-up.

Movements in the shareholder's equity accounts are as follows:

	Share capital	Share pre- mium	Retained earnings	Total
	€	€	€	€
Balance as at 1 January 2023	1	2,775	2,423,688	2,426,464
Appropriation of result	-	-	2,168,102	2,168,102
Dividend distribution	-	-	(3,500,000)	(3,500,000)
Balance as at 31 December 2023	1	2,775	1,091,790	1,094,566

On 29 December 2023, Owl in N.V. declare and make payable an interim dividend in the amount of EUR 3,500,000 to the shareholder.

7 Accounts payable

	31-12-2023	31-12-2022
	€	€
Accounts payable	8,035,012	11,673,966

As at 31 December 2023 this item can be detailed as follows:

Accounts payable

	31-12-2023	31-12-2022
	€	€
Bandwidth expenses	2,152	2,152
Commission expenses	-	167,179
Software expenses	2,401,672	1,641,134
Legal and professional expenses	-	19,343
Marketing expenses	2,104,132	6,821,942
Rent expenses	2,506	2,227
Affiliate expenses	113,646	210,956
Management expenses	4,250	-
Customer support expenses	309,285	-
Customer balance*	945,535	805,105
Customer bonus balance*	2,151,834	2,003,928
Total	8,035,012	11,673,966

*Customer balance and customer bonus balance are balances the Company owes to the player and are available on demand on the player account for withdrawal or betting activities. The balances reflected in the Financial Statements are the summarized balance of all players as per 31 December 2023.

Owl in N.V.

8 Profit tax payable

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Profit tax	<u>125,047</u>	<u>118,451</u>

Notes to the profit and loss account

9 Operational costs

	<u>2023</u>	<u>2022</u>
	€	€
Marketing and affiliate expenses	19,842,185	12,493,095
Software and IT expenses	20,030,019	16,809,550
Customer support expenses	1,849,101	1,269,035
Hosting expenses	122,156	197,856
Service level agreement expenses	17,500	12,784
Commission expenses	17,031,499	15,790,090
Sublicense fee	9,576	5,300
Write off	13,934	-
	<u>58,915,970</u>	<u>46,577,710</u>

10 Other general and administrative expenses

	<u>2023</u>	<u>2022</u>
	€	€
Management expenses	207,475	227,954
Legal and professional expenses	48,621	60,065
Bank expenses	263,280	175,305
	<u>519,376</u>	<u>463,324</u>

Disclosure of income tax expense

The company applied for foreign sourced income, hence a profit tax rate of 15% is applicable on the domestic net result incurred by the Company. As a result the profit tax is calculated at EUR 31,692.