

Webmedia Development N.V.

Groot Kwartierweg 10
Livestrong Building
Curaçao

FINANCIAL STATEMENTS 2021

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Webmedia Development N.V.

Director's report

We are pleased to present you with the Financial Statements for the period January 1, 2021 through December 31, 2021.

During the period under review, the Company recorded a net loss of EUR 87,649. Details of which are set out in the attached Profit and Loss account.

Curaçao,

eMoore N.V.
Managing Director

Groot Kwartierweg 10
Livestrong Building
Curaçao

Balance sheet as at 31 December 2021

(Before distribution of result)

Assets

		<u>31-12-2021</u>	<u>31-12-2020</u>
		EUR	EUR
Financial fixed assets			
Investments in participations	1	<u>1,000</u>	<u>1,000</u>
Current assets			
Other receivables	2	38,874	12,365
Accruals and prepaid expenses	3	<u>2,321</u>	<u>2,496</u>
		<u>41,195</u>	<u>14,861</u>
Cash and cash equivalents	4	<u>-</u>	<u>16,062</u>
Total assets		<u><u>42,195</u></u>	<u><u>31,923</u></u>
Shareholder's equity and liabilities			
Shareholder's equity	5		
Share capital		92	92
Other reserves		(223,179)	(190,779)
Result for the year		<u>(87,649)</u>	<u>(32,400)</u>
		<u>(310,736)</u>	<u>(223,087)</u>
Current liabilities			
Accounts payable	6	13,687	6,868
Payable to related party	7	191,556	86,873
Other accounts payable	8	144,119	158,386
Accrued expenses	9	<u>3,569</u>	<u>2,883</u>
		<u>352,931</u>	<u>255,010</u>
Total shareholder's equity and liabilities		<u><u>42,195</u></u>	<u><u>31,923</u></u>

Profit and loss account for the year 2021

		<u>2021</u>	<u>2020</u>
		EUR	EUR
Operational income	10	42,949	156,183
Operational expenses	11	<u>(33,590)</u>	<u>(122,787)</u>
Net operating result		9,359	33,396
General and administrative expenses	12	<u>69,584</u>	<u>58,967</u>
Result before interest and taxes		(60,225)	(25,571)
Bank charges		(190)	(2,170)
Currency translation differences		<u>(27,703)</u>	<u>(4,659)</u>
Financial income and expense		<u>(27,893)</u>	<u>(6,829)</u>
Result before tax		(88,118)	(32,400)
Profit tax	13	<u>-</u>	<u>-</u>
		(88,118)	(32,400)
Reversal of Accrued Tax (Prior Yrs)		<u>469</u>	<u>-</u>
Total of result after tax		<u><u>(87,649)</u></u>	<u><u>(32,400)</u></u>

Webmedia Development N.V.

Notes to the financial statements

Entity information

General notes

The most important activities of the entity

Webmedia Development N.V. is a limited liability company that was incorporated on October 11, 2013 under the laws of Curaçao. The Company is registered with the Chamber of Commerce and Industry of Curaçao under number 130645.

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 EUR, which is the functional and presentation currency of Webmedia Development 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

2021 1.1324

2020 1.2282

Accounting principles

Financial assets

Shares in group companies are stated at acquisition cost or, in the event of a permanent impairment, at a lower value based on the equity as determined from the financial statements of the respective group companies.

Cash and cash equivalents

Cash at bank includes 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. . 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 goods/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.

Notes to the balance sheet

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
1 Investments in participations		
Percutias Limited	<u>1,000</u>	<u>1,000</u>

The participation in Percutias Limited, a company incorporated in Cyprus, was acquired on April 16, 2018. The company holds 100% of the issued share capital of this participation.

The Company's participation is measured at cost (EUR 1,000); as at 31 December 2021, its equity amounted to EUR 46,896, and management has assessed that, with no indication of permanent impairment, no adjustment to the carrying amount is required.

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
2 Other receivables		
Current account - Neteller	4,913	6,684
Current account - ecoPayz	11,424	1,559
Current account - InovaPay	5,883	1,011
Current account - Skrill	2,182	2,241
Current account - Pay4Fun	531	870
Third party account	<u>13,941</u>	<u>-</u>
	<u>38,874</u>	<u>12,365</u>

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
3 Accruals and prepaid expenses		
Sublicense expenses	-	175
Income tax receivable*	<u>2,321</u>	<u>2,321</u>
	<u>2,321</u>	<u>2,496</u>

*Income tax receivable

The tax refund has been outstanding for more than one year due to the tax inspectorate's review and clearance procedures, which may take a prolonged period.

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
4 Cash and cash equivalents		
Wirecard Bank		
EUR current account	-	14,275
CHF current account	-	46
GBP current account	<u>-</u>	<u>1,741</u>
	<u>-</u>	<u>16,062</u>

5 Shareholder's equity

The Company's authorized share capital amounts to USD 100.00 and consists of 100 shares with a nominal value of USD 1.00 each.

Movements in shareholders' equity were as follows:

	Share capital	Other reserves	Result for the year	Total
	EUR	EUR	EUR	EUR
Balance as at 1 January 2021	92	(190,779)	(32,400)	(223,087)
Appropriation of result	-	(32,400)	32,400	-
Result for the year	-	-	(87,649)	(87,649)
Balance as at 31 December 2021	92	(223,179)	(87,649)	(310,736)

6 Accounts payable

Accounts payable *

*Aging summary

	31-12-2021	31-12-2020
	EUR	EUR
Accounts payable *	13,687	6,868
Less than 30 days	-	4,404
More than 30 days	13,687	2,464
Total	13,687	6,868

7 Payable to related party

	31-12-2021	31-12-2020
	EUR	EUR
Current account shareholder	168,891	80,056
Current account Percutias Limited	22,665	6,817
	191,556	86,873
	2021	2020
	EUR	EUR

Current account shareholder

Balance as at 1 January	80,056	71,697
Movement for the year	88,835	8,359
Balance as at 31 December	168,891	80,056

As at December 31, 2018, the Company has a current account balance with its shareholders, who are considered related parties. No formal agreement exists regarding repayment or interest. The balance arises from routine business transactions.

Webmedia Development N.V.

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Current account Percutias Limited		
Balance as at 1 January	6,817	-
Movement for the year	<u>15,848</u>	<u>6,817</u>
Balance as at 31 December	<u><u>22,665</u></u>	<u><u>6,817</u></u>

The Company has a co-operation agreement with its participation for payment processing services related to its online betting operations, under which customer payments are collected on behalf of the Company, revenue is recognised on a gross basis, and the participation is paid an annual service fee of EUR 10,000, recognised as an operating expense, with amounts collected but not yet transferred recognised as receivables.

	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
8 Other accounts payable		
Profit tax	-	469
Players liability balance	144,119	115,219
Other payables	<u>-</u>	<u>42,698</u>
	<u><u>144,119</u></u>	<u><u>158,386</u></u>
	<u>31-12-2021</u>	<u>31-12-2020</u>
	EUR	EUR
9 Accrued expenses		
Legal and professional expenses	<u><u>3,569</u></u>	<u><u>2,883</u></u>

Notes to the profit and loss account

	<u>2021</u>	<u>2020</u>
	EUR	EUR
10 Operational income		
Net gaming revenue	42,908	156,183
Other income	<u>41</u>	<u>-</u>
	<u>42,949</u>	<u>156,183</u>
	<u>2021</u>	<u>2020</u>
	EUR	EUR
11 Operational expenses		
Sublicense expenses	11,446	13,909
Support expenses	425	1,525
Software expenses	-	13,805
Consultancy expenses	-	7,832
License expenses	218	9,459
Staff expenses	-	25,300
Affiliate expenses	3,097	15,813
Agent expenses	10,000	10,000
Payment service provider expenses	38,818	33,280
Write off - payment service provider	<u>(30,414)</u>	<u>(8,136)</u>
	<u>33,590</u>	<u>122,787</u>
	<u>2021</u>	<u>2020</u>
	EUR	EUR
12 General and administrative expenses		
Management expenses	5,000	5,000
Legal and Professional expenses	64,584	53,651
Other expenses	<u>-</u>	<u>316</u>
	<u>69,584</u>	<u>58,967</u>

13 Profit tax

The Company's profit tax is determined in accordance with the territorial tax regime of Curaçao. Under this regime, a profit tax rate is applied to the taxable domestic net result.