

CNCL B.V.

Financial Statements
for the year ended December 31, 2022

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CNCL B.V.**Statement of income****For the year ended December 31, 2022****(All amounts in EUR)**

	Note	2022	2021
Betting revenue	14	195,652,116	168,804,427
Operational cost	15	(183,815,366)	(159,859,869)
Net operating result		11,836,750	8,944,558
Other income		6,226,896	5,659,620
General and administrative expenses	16	(321,115)	(75,429)
Total general and administrative expenses		(321,115)	(75,429)
Exchange differences		(76,878)	(22,187)
Interest income		398,625	16,796
Finance result		321,747	(5,391)
Result before provision for profit tax		18,064,278	14,523,358
Profit tax		(221)	-
NET RESULT FOR THE YEAR		18,064,057	14,523,358

See accompanying notes.

CNCL B.V.

Statement of financial position

For the year ended December 31, 2022

(All amounts in EUR)

		31-Dec	
	Note	2022	2021
Assets			
Non-current assets			
<i>Intangible assets</i>	4		
Software and web design		-	-
<i>Tangible fixed assets</i>	5		
Property, plant and equipment		-	-
<i>Financial fixed assets</i>	6		
Investment in subsidiary	6.1	1,000	1,000
Loans receivable	6.2	13,806,228	2,052,603
Total non-current assets		13,807,228	2,053,603
Current assets			
Receivable from related parties	7	29,589,040	32,049,049
Other receivables	8	885,958	312,181
Cash at banks	9	36,101	320,124
Total current assets		30,511,099	32,681,354
Total assets		44,318,327	34,734,957
Equity and liabilities			
Equity			
Issued capital	10	88	88
Merger reserves		35,471	35,471
Dividend paid		(17,417,021)	(3,772,893)
Retained Earnings		29,670,711	15,147,353
Net result for the year		18,064,057	14,523,358
Total equity		30,353,306	25,933,377
Current liabilities			
Payable to related parties	11	1,328,577	-
Accounts payable	12	10,773,831	5,682,504
Accrued expenses	13	1,862,613	3,119,076
Total current liabilities		13,965,021	8,801,580
Total liabilities and equity		44,318,327	34,734,957

See accompanying notes.

CNCL B.V.**Statement of changes in equity****For the year ended December 31, 2022****(All amounts in EUR)**

	Issued capital	Accumulated losses	Merger reserves	Total
Balance, December 31, 2020	88	(26,862,389)	39,805,930	12,943,629
Profit for the year	-	14,523,358	-	14,523,358
Other comprehensive income	-	-	-	-
Dividends paid	-	(1,533,610)	-	(1,533,610)
Total comprehensive income for the year	-	12,989,748	-	12,989,748
Balance, December 31, 2021	88	(13,872,641)	39,805,930	25,933,377
Profit for the year	-	18,064,277	-	18,064,277
Other comprehensive income	-	-	-	-
Dividends paid	-	(13,644,128)	-	(13,644,128)
Total comprehensive income for the year	-	4,420,149	-	4,420,149
Balance, December 31, 2022	88	(9,452,492)	39,805,930	30,353,526

See accompanying notes.

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Statement of cash flows

For the year ended December 31, 2022

(All amounts in EUR)

	Note	2022	2021
Cash flow from operating activities			
Profit for the year		18,064,057	14,523,358
(Increase) in deposit		-	(400)
(Increase) / decrease in receivable from related parties		2,460,009	(3,464,683)
(Increase) / decrease in Psp receivable		(613,373)	(231,157)
Decrease in prepaid expenses		39,596	73,863
Increase / (decrease) in accounts payable		5,091,327	(10,220,123)
Increase / (decrease) in accrued expenses		(1,256,463)	2,060,587
Increase in payable to related parties		1,328,577	-
Increase in other payables		-	1,161,500
Net cash generated from operating activities		25,113,730	3,902,945
Cash flow from investing activities			
Decrease in property, plant and equipment		-	579
Decrease in intangible assets		-	600
Net cash generated from investing activities		-	1,179
Cash flow from financing activities			
(Increase) in loans receivable		(11,753,625)	(2,052,603)
Dividends paid		(13,644,128)	(1,533,610)
Net cash generated from financing activities		(25,397,753)	(3,586,213)
Net increase in cash		(284,023)	317,911
Cash at the beginning of the year		320,124	2,213
Cash at the end of the year	9	36,101	320,124

See accompanying notes.

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Notes to financial statements

1. General information

CNCL B.V. (the company) was established on February 07, 2019 in Curaçao as a private limited liability company. The address of its registered office is Groot Kwartierweg 10, Curaçao. The company was registered in the Commercial Register of the Curaçao Chamber of Commerce & Industry under number 149289.

The company had taken over all the assets and liabilities of Azurolongo N.V., a limited liability company domiciled in Curaçao, by a way of deed of merger dated July 23, 2020 and the effective date of merger was July 24, 2020. The company had considered book-value method for all the assets and liabilities taken over as of effective date of merger i.e., July 24, 2020.

The main objectives of the company are:

1. To organize, market, promote, manage, support and operate all types of remote gaming activities, comprising of 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.
2. The corporation is authorized to perform everything requisite or profitable to the accomplishment of its purpose or incidental thereto or connected therewith in the widest sense of the word.
3. The corporation has no authority to invoke the annulment of legal acts performed by the corporation, which exceeded the corporate objective.

The management of the company is borne by a board of directors. As of December 31, 2022, the management of the company is borne by a single statutory director:

- eMoore N.V.

Statutory Director

2. Summary of significant accounting policies

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

Basis of presentation

The separate financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention. The financial statements are presented in EUR and all values are presented in actual, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

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Previous year's figures have been regrouped to conform to current year's presentation.

Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

Property, plant and equipment are recorded at cost less accumulated depreciation. Depreciation is accounted for on the straight-line method based on estimated useful lives, and rate of depreciation as follows-

Computer equipment - 25% (Residual Value - Nil%)

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of income.

Intangible assets

Intangible assets are initially recognized at cost and amortized over the useful life of the assets.

Investments

Investment in subsidiary is valued at cost, net of impairment loss, if any.

Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Foreign currency transactions

The financial statements are presented in EUR, which is the company's functional and presentation currency. Transactions denominated in foreign currencies are translated at the exchange rate prevailing when the transaction is realized. The exchange results are recorded in the statement of income.

Monetary assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rates prevailing at the end of the year.

Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IFRS 9 are classified as financial assets at fair value through profit or loss, loans and receivables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

The company's financial assets include cash and cash equivalents, loans receivable, prepaid expenses and other assets.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The company's financial liabilities include accounts payable, accrued expenses and other payables.

Subsequent measurement

The subsequent measurement of financial assets and liabilities depends on their classification.

Revenue recognition

Casino revenue is represented by the difference between the amounts of bets placed by customers less amounts won, net of bonuses and loyalty points, if any. The revenue is recognized at the fair value of the consideration.

Impairment of long-lived assets

Long-lived assets, other than goodwill, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets is measured by comparison of the carrying amount of the assets to the net undiscounted future cash flows expected to be generated from the assets. If the future undiscounted cash flows are not sufficient to recover the carrying value of the assets, the assets' carrying value is adjusted to fair value. The company regularly evaluates its long-lived assets for indicators of possible impairment. To date no impairment has been recorded.

Concentration of credit risk and certain other risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. The company does not have significant exposure to any individual client or counter party. Management of credit risk involves a number of considerations, such as financial profile of the counter party, specific terms and duration of the contractual agreement. There exists a risk of non-performance, however management believes that the company's exposure to credit risk associated with non-performance of its counter party is minimum.

New standards, amendments and interpretations issued but not effective for the financial year beginning January 01, 2022 and not early adopted

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the company.

3. Profit taxes

The Company incurred a positive result before provision for profit tax for the year of EUR 18,064,278. As the Company applied for foreign sourced income, a profit tax rate of 22% is applicable on the domestic net result incurred by the Company. Consequently, the profit tax is calculated at EUR 221.

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4. Intangible assets

	2022	2021
Software and web design*	51,734	51,734
Less: Accumulated amortization	(51,734)	(51,134)
Less: Amortization for the year	-	(600)
	-	-

*It pertains to the value of the intangible assets transferred from Azurolongo N.V. on account of merger.

5. Tangible fixed assets

Property, plant and equipment

As at December 31, 2022, property, plant and equipment are comprised of the following:

	Computer equipment	Total
Original cost	2,315	2,315
Accumulated depreciation	(2,315)	(2,315)
Book value	-	-
During 2022		
Investments	-	-
Depreciation	-	-
Movement	-	-
Original cost	2,315	2,315
Accumulated depreciation	(2,315)	(2,315)
Book value	-	-

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6. Financial fixed assets

6.1 Investment in subsidiary

As at December 31, 2022 and December 31, 2021, the company holds 100% investment in Annitak Limited, a company incorporated and domiciled in the Republic of Cyprus.

	<u>2022</u>	<u>2021</u>
Investment in Annitak Limited	1,000	1,000
(1,000 equity shares with a nominal value of EUR 1 each)		
	<u>1,000</u>	<u>1,000</u>

The company has elected not to present consolidated financial statements. Its owners have been informed and do not object to presenting separate financial statements.

6.2. Loans receivable

	<u>2022</u>	<u>2021</u>
Loan receivable from related party		
Loan to WCG Limited		
Opening balance	1,480,807	-
Movement during the year	11,355,000	1,480,807
	<u>12,835,807</u>	<u>1,480,807</u>
Accumulated Interest loan	415,421	16,796
Movement during the year	13,251,228	1,497,603
	<u>13,806,228</u>	<u>2,052,603</u>
 Loan to Kabe Limited	 555,000	 555,000
	<u>13,806,228</u>	<u>2,052,603</u>

The above loans are repayable on demand.

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7. Receivable from related parties

	<u>2022</u>	<u>2021</u>
Annitak Limited	29,588,952	32,048,961
	<u>29,588,952</u>	<u>32,048,961</u>

The above receivable does not carry any interest and is repayable on demand.

	<u>2022</u>	<u>2021</u>
Receivable from shareholders	88	88
	<u>88</u>	<u>88</u>

Receivable from shareholders represents amount due from them net of expenses incurred by the shareholders on behalf of the company. The receivable does not carry any interest and is repayable on demand.

8. Other receivables

	<u>2022</u>	<u>2021</u>
Prepaid expenses*	4,167	43,763
Psp wallets receivables**	881,391	268,018
Rent deposit	400	400
	<u>885,958</u>	<u>312,181</u>

* PREPAID EXPENSES

	<u>2022</u>	<u>2021</u>
Rent expenses	-	2,000
License expenses	-	4,500
IT expenses	-	34,105
Software expenses	4,167	3,158
	<u>4,167</u>	<u>43,763</u>

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** PSP WALLETS RECEIVABLES

	2022	2021
Pacific	321,339	-
MainGroup	320,704	-
Virtual Pay	144,771	151,547
Fiat Systems	30,136	-
Skrill	19,829	3,036
Finateco	18,468	-
Ezee Wallet	18,022	111,590
Rastpay	4,514	-
Neteller	1,845	1,845
Kynexas	1,763	-
	881,391	268,018

9. Cash and cash equivalents

	2022	2021
Balances with		
MiFinity	24,788	6,104
Payment Execution	10,274	314,020
Cryptopay	1,039	-
	36,101	320,124

10. Issued capital

The issued capital of the company as at the balance sheet date consists of 100 common shares with a nominal value of USD 1 and subscribed for EUR 88.

EUR 13,644,128 and EUR 1,533,610 were declared and paid as dividends in 2022 and 2021.

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11. Payable to related parties

	2022	2021
WCG Limited	797,454	-
Azure Marketing Services B.V.	531,123	-
	<u>1,328,577</u>	<u>-</u>

The above payables do not carry any interest and are repayable on demand.

12. Accounts payable

	2022	2021
Payable to third parties	160,025	288,962
Profit tax payable	112,337	112,116
Withdrawals pending	-	2,335,738
Players balance liability	5,141,445	1,001,347
Other accounts payable	<u>5,360,024</u>	<u>1,944,341</u>
	<u>10,773,831</u>	<u>5,682,504</u>

13. Accrued expenses

	2022	2021
Gaming expenses	1,804,713	1,361,230
Management and administration expenses	54,000	1,753,946
Annual compliance expenses	2,700	2,700
Audit expenses	<u>1,200</u>	<u>1,200</u>
	<u>1,862,613</u>	<u>3,119,076</u>

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14. Revenue (Net)

	2022	2021
Bets and wins		
Bets accepted – Cresus	3,686,703,562	3,291,216,713
Wins – Cresus	(3,530,510,210)	(3,158,376,962)
Bets accepted – L8	544,703,826	867,557,393
Wins – L8	(521,999,758)	(831,635,758)
Bets Accepted - Prive	410,641,936	-
Wins – Prive	(393,887,240)	-
Gaming variances	-	43,041
	<u>195,652,116</u>	<u>168,804,427</u>

15. Operational cost

	2022	2021
Direct cost	96,473,394	82,718,157
Management and Administration expenses	51,885,277	42,506,704
Sublicense expenses	11,492	-
Consultancy expenses	33,375,335	32,924,462
IT expenses	138,417	123,654
Other direct expenses	162,022	582,080
Software & Support expenses	(25,321)	298,148
Marketing & Advertising expenses	19,750	-
Depreciation	-	579
Amortization	-	600
	<u>181,975,725</u>	<u>159,154,384</u>

16. General and administration expenses

	2022	2021
Legal and Professional expenses	1,839,641	705,485
Bank charges	114,360	72,341
Rent expenses	4,968	3,088
Other expenses	137,146	-
	<u>2,096,115</u>	<u>780,914</u>

17. Fair value

Fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to arrive at the fair value:

Cash and cash equivalents, prepaid expenses, accounts payable, accrued expenses, other assets and other payables approximate the carrying amount largely due to the short-term maturity.

Loans receivable and interest receivable have been disclosed at a value which fairly approximates the value which is expected to be received.

18. Contingencies, commitments and legal proceedings

The company has no contingent or future purchase liabilities and is not involved in any legal actions.

19. Related party transactions and balances

Name of the related party	Relationship	Holding %	Balance as on December 31, 2022 (EUR)	Balance as on December 31, 2021 (EUR)
Annitak Limited	Group company	NA	29,588,952	32,048,961
WCG Limited	Group company	NA	12,453,774	1,497,603
Kabe Limited	Group company	NA	555,000	555,000
Azure Marketing Services B.V.	Group company	NA	(531,123)	-
Kevin Abela*	Shareholder	100	88	88

*The shareholding of the company has been transferred to Kevin Abela from Christopher van Rosberg on February 14, 2021.

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Transactions during the year:

Name of the related party	Nature of transaction	2022 (EUR)	2021 (EUR)
Annitak Limited	Payment of expenses on behalf of CNCL B.V.	(2,460,009)	6,505,424
Skylark Investments Capital Limited	Payment of expenses on behalf of Skylark Investments Capital Limited	-	(3,038,291)
WCG Limited	Loans and interest receivable	11,753,625	1,497,603
	Other expenses on behalf of WCG Limited	(797,454)	(2,450)
Kabe Limited	Loans receivable	-	555,000
Azure Marketing Services B.V.	Payment of expenses	(531,123)	-

20. Subsequent events

In connection with the preparation of the financial statements, the company evaluated subsequent events after the balance sheet date of December 31, 2022. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2022.

21. Authorization for issue

These financial statements for the year ended December 31, 2022 were approved by the board of directors and authorized for issue on December 29, 2023.

Board of Directors:

Name

Function

Signature

eMoore N.V.
By: C.Drommond

Statutory Director
Proxy Holder

C Drommond

