

CNCL B.V.

Financial Statements
for the year ended December 31, 2023

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CNCL B.V.

Statement of income

For the year ended December 31, 2023

(All amounts in EUR)

	Note	2023	2022
Betting revenue	14	220,338,453	195,652,116
Commission income		8,535,696	6,226,896
Operational cost	15	(197,317,870)	(183,819,152)
Net operating result		31,556,279	18,059,860
General and administrative expenses	16	(517,460)	(317,329)
Total general and administrative expenses		(517,460)	(317,329)
Exchange differences		(533,001)	(76,878)
Interest income		584,974	398,625
Finance result		51,973	321,747
Result before provision for profit tax		31,090,792	18,064,278
Profit tax		(111,076)	-
NET RESULT FOR THE YEAR		30,979,716	18,064,278

See accompanying notes.

CNCL B.V.

Statement of financial position

For the year ended December 31, 2023

(All amounts in EUR)

		31-Dec	
	Note	2023	2022
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	11,942,136	13,806,228
Total non-current assets		11,943,136	13,807,228
Current assets			
Receivable from related parties	7	32,524,446	29,589,040
Other receivables	8	2,860,935	885,958
Cash at banks	9	1,141,049	36,101
Total current assets		36,526,430	30,511,099
Total assets		48,469,566	44,318,327
Equity and liabilities			
Equity			
Issued capital	10	88	88
Merger reserves		35,471	35,471
Dividend paid		(45,175,407)	(17,417,021)
Retained Earnings		47,734,989	29,670,711
Net result for the year		30,979,716	18,064,278
Total equity		33,574,857	30,353,527
Current liabilities			
Payable to related parties	11	1,437,752	1,328,577
Accounts payable	12	11,071,081	10,773,610
Accrued expenses	13	2,385,876	1,862,613
Total current liabilities		14,894,709	13,964,800
Total liabilities and equity		48,469,566	44,318,327

See accompanying notes.

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Statement of changes in equity

For the year ended December 31, 2023

(All amounts in EUR)

	Issued capital	Retained Earnings	Merger reserves	Total
Balance at January 2022	88	29,670,711	35,471	25,933,377
Profit for the year	-	18,064,278	-	18,064,278
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	88	47,734,989	35,471	43,997,655
Dividends	-	(13,644,128)	-	(13,644,128)
Balance at 31 December 2022	88	34,090,861	35,471	30,353,527
Profit for the year	-	30,979,716	-	30,979,716
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	88	65,070,577	35,471	61,333,243
Dividends	-	(27,758,386)	-	(27,758,386)
Balance at 31 December 2023	88	37,312,191	35,471	33,574,857

See accompanying notes.

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Statement of cash flows

For the year ended December 31, 2022

(All amounts in EUR)

	Note	2023	2022
Cash flow from operating activities			
Profit for the year		30,979,716	18,064,278
Decrease in other receivable		(124,953)	-
(Increase) / decrease in receivable from related parties		(2,935,406)	2,460,009
(Increase) / decrease in Psp receivable		(1,845,524)	(613,373)
Increase in prepaid expenses		(4,500)	39,596
Increase / (decrease) in accounts payable		297,471	5,091,106
Increase / (decrease) in accrued expenses		523,263	(1,256,463)
Increase in payable to related parties		109,175	1,328,577
Increase in other payables		-	-
Net cash generated from operating activities		26,999,242	25,113,730
Cash flow from investing activities			
Decrease in property, plant and equipment		-	-
Decrease in intangible assets		-	-
Net cash generated from investing activities		-	-
Cash flow from financing activities			
Decrease in loans receivable		1,864,092	(11,753,625)
Dividends paid		(27,758,386)	(13,644,128)
Net cash generated from financing activities		(25,894,294)	(25,397,753)
Net increase in cash		1,104,948	(284,023)
Cash at the beginning of the year		36,101	320,124
Cash at the end of the year	9	1,141,049	36,101

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 have been prepared in accordance with International Financial Reporting Standards (IFRS), therefore, are prepared under the historical cost convention. The financial statements are presented in EUR and all values are presented rounded up.

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.

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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.

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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, 2023 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 30,979,716. 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 111,076.

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4. Intangible assets

	<u>2023</u>	<u>2022</u>
Software and web design*	51,734	51,734
Less: Accumulated amortization	(51,734)	(51,734)
Less: Amortization for the year	-	-
	<u>-</u>	<u>-</u>

*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, 2023, 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 2023		
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, 2023 and December 31, 2022, the company holds 100% investment in Annitak Limited, a company incorporated and domiciled in the Republic of Cyprus.

	<u>2023</u>	<u>2022</u>
Investment in Annitak Limited (1,000 equity shares with a nominal value of EUR 1 each)	1,000	1,000
	<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>2023</u>	<u>2022</u>
Loan receivable from related party		
Loan to WCG Limited		
Opening balance	12,835,807	1,480,807
Movement during the year	(2,449,066)	11,355,000
	<u>10,386,741</u>	<u>12,835,807</u>
Accumulated Interest loan	1,000,395	415,421
Movement during the year	11,387,136	13,251,228
Loan to Kabe Limited	555,000	555,000
	<u>11,942,136</u>	<u>13,806,228</u>

The above loans are repayable on demand.

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7. Receivable from related parties

	<u>2023</u>	<u>2022</u>
Annitak Limited	32,524,358	29,588,952
	<u>32,524,358</u>	<u>29,588,952</u>

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

	<u>2023</u>	<u>2022</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>2023</u>	<u>2022</u>
Prepaid expenses*	8,667	4,167
Psp wallets receivables**	2,726,915	881,391
Rent deposit	400	400
Provision for bad debts	(85,047)	-
Funds in transit	210,000	-
	<u>2,860,935</u>	<u>885,958</u>

*** PREPAID EXPENSES**

	<u>2023</u>	<u>2022</u>
Rent expenses	-	-
License expenses	4,500	-
IT expenses	-	-
Software expenses	4,167	4,167
	<u>8,667</u>	<u>4,167</u>

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** PSP WALLETS RECEIVABLES

	2023	2022
Pacific	222,375	321,339
MainGroup	449,615	320,704
Virtual Pay	138,562	144,771
Fiat Systems	55,212	30,136
Skrill	11,739	19,829
Finateco	(2,611)	18,468
Ezee Wallet	4,698	18,022
Rastpay	118,272	4,514
Neteller	1,845	1,845
Kynexas	468,111	1,763
APS	170,367	-
DNS	807,187	-
Kasha	30,311	-
Sofpay	251,232	-
	2,726,915	881,391

9. Cash and cash equivalents

	2023	2022
Balances with		
MiFinity	18,902	24,788
Payment Execution	417,292	10,274
Cryptopay	28,979	1,039
DixiPay	5,582	-
FinXP	185	-
OpenPayd	670,109	-
	1,141,049	36,101

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 28,050,844 were declared and paid as dividends in 2023.

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11. Payable to related parties

	<u>2023</u>	<u>2022</u>
WCG Limited	797,454	797,454
Azure Marketing Services B.V.	520,298	531,123
DVixen Technology Limited	120,000	-
	<u>1,437,752</u>	<u>1,328,577</u>

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

12. Accounts payable

	<u>2023</u>	<u>2022</u>
Payable to third parties	-	160,025
Profit tax payable	114,333	112,116
Withdrawals pending	-	-
Players balance liability	6,707,194	5,141,445
Other accounts payable	4,249,554	5,360,024
	<u>11,071,081</u>	<u>10,773,610</u>

13. Accrued expenses

	<u>2023</u>	<u>2022</u>
Gaming expenses	2,141,876	1,804,713
Management and administration expenses	244,000	54,000
Annual compliance expenses	-	2,700
Audit expenses	-	1,200
	<u>2,385,876</u>	<u>1,862,613</u>

CNCL B.V.**14. Revenue (Net)**

	2023	2022
Bets and wins		
Bets accepted – Cresus	3,913,622,297	3,686,703,562
Wins – Cresus	(3,737,833,789)	(3,530,510,210)
Bets accepted – L8	-	544,703,826
Wins – L8	-	(521,999,758)
Bets Accepted - Prive	1,029,593,914	410,641,936
Wins – Prive	(985,043,969)	(393,887,240)
Gaming variances	-	-
	<u>220,338,453</u>	<u>195,652,116</u>

15. Operational cost

	2023	2022
Direct cost	105,376,514	96,473,394
Management and Administration expenses	46,578,049	51,885,277
Sublicense expenses	12,500	11,492
Consultancy expenses	39,308,175	33,375,335
IT expenses	40,772	138,417
Payment Service Providers expenses	1,802,723	162,022
Legal and Professional expenses	2,521,100	1,778,786
Software & Support expenses	78,037	(25,321)
Marketing & Advertising expenses	1,600,000	19,750
	<u>197,317,870</u>	<u>183,819,152</u>

16. General and administration expenses

	2023	2022
Legal and Professional expenses	92,123	60,855
Bank charges	481,745	114,360
Rent expenses	2,544	4,968
Other expenses	(58,952)	137,146
	<u>517,460</u>	<u>317,329</u>

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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, 2023 (EUR)	Balance as on December 31, 2022 (EUR)
Annitak Limited	Group company	NA	32,524,358	29,588,952
WCG Limited	Group company	NA	10,386,741	12,835,807
Kabe Limited	Group company	NA	555,000	555,000
Azure Marketing Services B.V.	Group company	NA	(520,298)	(531,123)
Kevin Abela*	Shareholder	100	88	88
DVixen Technology Limited	Group company	NA	120,000	-

*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	2023 (EUR)	2022 (EUR)
Annitak Limited	Payment of expenses on behalf of CNCL B.V.	2,935,406	(2,460,009)
WCG Limited	Loans and interest receivable	(1,864,092)	11,753,625
	Other expenses on behalf of WCG Limited	(797,454)	(797,454)
Kabe Limited	Loans receivable	555,000	555,000
Azure Marketing Services B.V.	Payment of expenses	(520,298)	(531,123)
DVixen Technology Limited	Payment of expenses	120,000	-

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, 2023. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2023.

21. Authorization for issue

These financial statements for the year ended December 31, 2023 were approved by the board of directors and authorized for issue on July xx, 2024.

Board of Directors:

Name

Function

Signature

eMoore N.V.

By: C. van der Reeuw

Statutory Director
Proxy Holder


Sept 2, 2024