

ORANGE ENTERTAINMENT B.V.

ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended December 31, 2023

INDEX	Page
Company Information	1
Directors' report	2
<u>Financial Statements</u>	
Income Statements	3
Balance Sheet	4
Notes to the Financial Statements	5 - 7

Company Information

Registered Business Address	Emancipatie Boulevard Dominico F. "Don" Martina 31 Willemstad, Curaçao
Registration Number	158249
Incorporation Date	August 10, 2021
Nominal Capital	1,000 share(s) with a nominal capital of EUR 1.00 each
Nature of Business	Online Gaming
Managing Director	e-Management N.V.

Orange Entertainment B.V.
Curaçao

Directors' report
for the year ended December 31, 2023

In our capacity of managing director of Orange Entertainment B.V., we have the pleasure in presenting the annual report and the financial statements of the Company for the year ended December 31, 2023.

Principal activity of the Company

The Company is mainly engaged in internationally organizing, marketing, promoting, managing, supporting and operating all types of remote gaming activities, comprising all types of games, betting and other operations of betting exchange, interactive casinos, bingos, lotteries and other interactive games for clients established or

Accountability

All financial information have been processed in a competent way.

The financial statements have been prepared in accordance with applicable accounting principles, and to the best of our knowledge gives a true and fare view of the assets, liabilities and financial performance of the Company.

Result and dividends

The result of the year are set out on page 3.

The Company incurred a Net Result of EUR -19,446 for the year 2023.

During 2023 the Company has issued EUR 100,000 as interim dividend. This dividend will be ratified in the Annual General Meeting of Shareholders.

Fiscal position

The fiscal year of the Company runs from January 01, 2023 through December 31, 2023.

The Company is subject to a profit tax rate of 22% and applies the territoriality principle for calculating its profit tax due. This entails that only domestic profits are subject to profit taxes.

In accordance to the online gaming laws and regulations and the purpose clause of the Company, the business of the company shall exclusively be conducted outside of Curaçao and therefore the company is basically generating foreign profits. Based on current tax legislation, the Company should demonstrate which part of the profit is regarded as foreign profit through the ratio between domestic and non-domestic causal costs.

Current & Future Developments

There were no important current events, which has a bearing on the understanding of the financial statements. The company has paid out an interim dividend of EUR 100,000 to its shareholder.

Willemstad, October 14, 2024

On behalf of the Managing Director of
Orange Entertainment B.V.

e-Management N.V.



Orange Entertainment B.V.
Curaçao

Income Statements

for the period January 01, 2023 through December 31, 2023.

	notes	2023 EUR	2022 EUR
Revenue			
Revenue	2	29,732,325	15,116,763
Interest Income		-	512
Direct Costs	3	(13,666,748)	(6,724,371)
Net Revenue		16,065,576	8,392,904
Expenses			
Management Fee		12,000	11,000
Corporate Services		34,022	31,682
Accounting Services		2,724	3,232
Legal Services		4,015	115,111
Gaming License Fees		12,000	11,550
Payment Agent Services		5,900,375	1,377,263
Interest Paid on Loans		-	271
Customer Support Expenses		-	174,000
Data and BI Management		11,989	8,256
Consulting Expenses		9,343,259	4,544,870
Bad Debt		302	71,409
Fraud		3,937	25,761
Bank Charges		145,199	35,182
Other Support Expenses		112,278	56,100
Other Operating Expenses		27,284	81,194
Total Expenses		15,609,384	6,546,881
Operating profit		456,192	1,846,022
Exchange Rate Differences		(51,922)	(500)
Financial Gains and (Losses)		(423,717)	(346,185)
Profit before taxes		(19,446)	1,499,337
Net Result		(19,446)	1,499,337

e-Management N.V., Director



Orange Entertainment B.V.
Curaçao

Balance Sheet
for the year ended December 31, 2023

ASSETS	notes	2023	2022 EUR
Non-Current Assets			
Investments in subsidiaries	4	1,000	1,000
Total Fixed Assets		<u>1,000</u>	<u>1,000</u>
Current Assets			
Trade accounts and other receivable	5	1,000	1,000
Intercompany accounts		38,984	-
Payment agent receivable		1,483,781	1,326,332
Cash and cash equivalents	6	<u>2,038,385</u>	<u>707,162</u>
Total Current Assets		<u>3,562,150</u>	<u>2,034,494</u>
TOTAL ASSETS		<u><u>3,563,150</u></u>	<u><u>2,035,494</u></u>

EQUITY and LIABILITIES	notes	2023	2022 EUR
Capital and Reserves			
Nominal capital		1,000	1,000
Retained earnings	7	1,399,337	-
Result current year		<u>(19,446)</u>	<u>1,499,337</u>
		<u>1,380,891</u>	<u>1,500,337</u>
Current Liabilities			
Payable to subsidiaries		1,000	1,000
Trade accounts and other payables	8	2,178,896	531,269
Accrual expenses	9	<u>2,363</u>	<u>2,888</u>
Total Liabilities		<u>2,182,259</u>	<u>535,157</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,563,150</u></u>	<u><u>2,035,494</u></u>

e-Management N.V., Director



Notes to the Financial Statements
for the year ended December 31, 2023

(1) Significant accounting policies

a) Basis of Accounting

The financial statements of the Company has been prepared in accordance with applicable accounting principles.

Assets and liabilities have been recognized against historical costs and stated at their nominal value, unless mentioned otherwise.

b) Revenue recognition

Sales Revenue represent players' losses reported from the admin system. Revenue is recognized in the statement of financial performance on an accrual basis.

c) Foreign Currencies

Transactions denominated in other currencies are translated into EUR at the average exchange rates prevailing during each month. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the exchange rates prevailing at that date.

Any realized gain or loss arising from a change in exchange rate is included as financial gains or losses in the Income Statements.

d) Taxation

Profit tax is accounted for using the taxes payable method. The profit tax expense charge to the statement of financial performance is the estimated tax payable for the current year, adjusted for any differences between the estimated and actual tax payable in prior years.

Based on the company's activities, it will be applying the territoriality principle for determining its profit tax due.

e) Cash and cash equivalents

Cash and cash equivalents include cash and deposits held at banks and/or financial institutions.

	2023	Dec-22
	EUR	EUR
(2) Revenue		
Bets	596,409,507	319,660,698
Winnings	(566,911,808)	(304,543,935)
Operating income	29,497,699	
Other Income	234,626	-
	29,732,325	15,116,763

	2023	Dec-22
	EUR	EUR
(3) Direct Costs		
Bonus Expense	6,146,912	3,500,229
ICT, design and hosting expenses	563,819	35,250
Affiliates Marketing	39,730	294,191
Payment Processing Fees	3,841,031	1,538,695
Gaming Software License Fees	3,075,257	1,356,007
	13,666,748	6,724,371

Notes to the Financial Statements
for the year ended December 31, 2023

	2023 EUR	Dec-22 EUR
(4) Investments in subsidiaries		
Proton Bulls U.K.	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
<i>Represents 100% held in the share capital of Proton Bulls in U.K.</i>		
	2023 EUR	Dec-22 EUR
(5) Trade accounts and other receivable		
<u>Due from related parties</u>		
Due from shareholder	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
	2023 EUR	Dec-22 EUR
(6) Cash and cash equivalents		
<u>Bank</u>		
Paymix	69,514	1,058
<u>Merchant Accounts</u>		
Payment Service Providers	1,968,871	706,104
	<u>2,038,385</u>	<u>707,162</u>
	2023 EUR	Dec-22 EUR
(7) Movement of Equity		
Share capital	1,000	1,000
Retained earnings	1,499,337	-
Distribution of interim dividend	(100,000)	-
Total retained earnings	<u>1,399,337</u>	<u>-</u>
Current year result	(19,446)	1,499,337
Closing balance	<u>1,380,891</u>	<u>1,500,337</u>

Notes to the Financial Statements
for the year ended December 31, 2023

	2023	2022
	EUR	EUR
(8) Trade accounts and other payables		
<u>Trade accounts payable</u>		
Creditors	824,345	241,412
Players Liability	304,804	258,540
Withdrawals Clearing	119,276	31,318
	<u>1,248,426</u>	<u>531,269</u>
<u>Other payables</u>		
*Deferred Income	930,470.48	
	<u>930,470.48</u>	
	<u>2,178,896</u>	<u>531,269</u>

**Deferred income represents confiscated funds due to violation of Terms & Conditions of the casino by players. During 2023, the company confiscated a total amount of EUR 1,163,088. Although no claims have been made by customers as of the balance sheet date, the company has adopted a prudent approach due to the significant amount of confiscated funds and by doing so recognizing a potential risk of future claims. As the likelihood of a successful player claim diminishes over time, the deferred income is gradually recognized as actual income over a five-year period, in alignment with the statute of limitations in Curaçao. The company will continue to monitor the risk associated with these confiscated funds and future ones and may recognize the full balance as income sooner if it becomes evident that no claims will be made within the remaining statute of limitations.*

	2023	Dec-22
	EUR	EUR
(9) Accrual expenses		
Accounting Expenses	2,363	2,888
	<u>2,363</u>	<u>2,888</u>