

Gammix STS B.V.

Financial Statements

for the years ended December 31, 2022 and December 31, 2021

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Table of Contents

Statement of financial position	3
Statement of profit or loss	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to financial statements	7

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Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2022	2021
Assets			
Current assets			
Cash and cash equivalents (Net)	4	268,179	1,158,010
Accounts receivable (Net)		11,939,247	5,733,970
Prepaid expenses		-	7,753
Receivable from group companies (Net)		1,579,738	1,981,886
Total current assets		13,787,164	8,881,619
Non-current assets			
Investment in subsidiary	5	-	152,236
Total non-current assets		-	152,236
Total assets		13,787,164	9,033,855
Equity and liabilities			
Current liabilities			
Accounts payable		8,474,320	5,232,034
Accrued expenses		-	2,700
Profit tax payable		-	36
Other payables		477,459	80,559
Total current liabilities		8,951,779	5,315,329
Equity			
Issued capital	6	762	762
Retained earnings / (Accumulated losses)		4,834,623	3,717,764
Total equity		4,835,385	3,718,526
Total liabilities and equity		13,787,164	9,033,855

See accompanying notes.

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Statement of profit or loss

(All amounts in EUR)

	Note	2022	2021
Revenue	7	34,529,695	31,333,789
Direct cost	8	-30,144,249	-28,000,780
Gross profit / (loss)		4,385,446	3,333,009
Administrative expenses	9	-3,308,183	-2,337,413
Other income		-	109,493
Profit/ (loss) from operations		1,077,263	1,105,089
Finance cost	10	268,399	-209,462
Profit/ (loss) before tax		1,345,662	895,627
Profit tax expense	3	36	-36
Profit / (loss) for the year		1,345,698	895,591
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		1,345,698	895,591
Attributable to the owners		1,345,698	895,591

See accompanying notes.

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Statement of changes in equity

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated loss)	Total
Balance, December 31, 2020	762	5,493,529	5,494,291
Profit / (loss) for the year	-	895,591	895,591
Other comprehensive income	-	-	-
Dividends paid	-	-2,671,356	-2,671,356
Total comprehensive income / (loss) for the year	-	-1,775,765	-1,775,765
Balance, December 31, 2021	762	3,717,764	3,718,526
Profit / (loss) for the year	-	1,345,698	1,345,698
Other comprehensive income	-	-	-
Dividends paid	-	-228,839	-228,839
Total comprehensive income / (loss) for the year	-	1,116,859	1,116,859
Balance, December 31, 2022	762	4,834,623	4,835,385

See accompanying notes.

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Statement of cash flows

(All amounts in EUR)

	Note	2022	2021
Cash flow from operating activities			
Profit / (loss) for the year		1,345,698	895,591
(Increase) / decrease in accounts receivable		-6,205,277	960,930
(Increase) / decrease in prepaid expenses		7,753	-7,753
(Increase) / decrease in receivable from group companies		402,148	351,558
(Increase) / decrease in receivable from shareholders		-	1,396,005
Increase / (decrease) in accounts payable		3,242,286	-1,382,330
Increase / (decrease) in accrued expenses		-2,700	-
Increase / (decrease) in profit tax payable		-36	-78,836
Increase / (decrease) in other payables		396,900	-148,942
Net cash generated from operating activities		-813,228	1,986,223
Cash flow from investing activities			
(Increase) / decrease in investment in subsidiary		152,236	-
Net cash generated from investing activities		152,236	-
Cash flow from financing activities			
Dividends paid		-228,839	-2,671,356
Net cash generated from financing activities		-228,839	-2,671,356
Net increase / (decrease) in cash		-889,831	-685,133
Cash at the beginning of the year		1,158,010	1,843,143
Cash at the end of the year	4	268,179	1,158,010

See accompanying notes.

Gammix STS B.V.

Notes to financial statements

1. General Information

Gammix STS B.V. (the company) was established on February 14, 2012 in Curaçao as a private limited liability company. The address of its registered office is Korporaalweg 10, Curaçao. The company was registered in the Commercial register of Curaçao Chamber of Commerce & Industry under the number 125471.

The main objectives of the company are:

1. To provide off-shore games of chance and wagering, through the internet in compliance with the regulations of the Government of Curaçao. This service shall be referred to for all purposes as "Internet Casino/Internet Wagering/Internet Sportsbook" provided it concerns aforementioned services which will be rendered from an area that has been designated as an E-zone in conformity with the local E-zone law.
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 managing director:

- Xecutive Corporate Management B.V. Managing 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, as modified by revaluation at fair value through profit and loss. 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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Cash and cash equivalents

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

Accounts receivable

Accounts receivable is recognized initially at fair value less provision for impairment. The amount of the provision is calculated based on ageing. The addition to the provision is recognized in the statement of income within 'administrative expenses'.

Investment

Investment in subsidiary is valued as per the equity method.

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, accounts 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.

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Subsequent measurement

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

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 profit or loss.

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

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

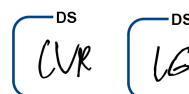
Long-lived assets, other than goodwill, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets is measured by comparison of the carrying amount of the asset to the net undiscounted future cash flows expected to be generated from the asset. 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 asset 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 counterparties failed to perform as contracted. The company does not have significant exposure to any individual client or counterparty. Management of credit risk involves a number of considerations, such as financial profile of the counterparty, 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 counterparty is minimum.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 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.



Gammix STS B.V.

3. Profit taxes

The company is subject to a territorial tax system, wherein the income earned in Curaçao is subject to 22% of profit taxes and the foreign source income is not subject to profit taxes.

4. Cash and cash equivalents (Net)

	<u>2022</u>	<u>2021</u>
Balances with		
Payment Execution	122,818	56,270
Interbanx	49,436	49,436
Sai Bank	43,430	43,430
Binance	30,268	215,853
Aims	21,714	-
Wirecard	513	4,629
Payouts	-	862,317
Ecommbox	-	43,040
Coinpayments	-	-116,965
	<u>268,179</u>	<u>1,158,010</u>

5. Investment in subsidiary

As at December 31, 2022 and 2021, the company holds Nil and 100% respectively (1,000 shares of EUR 1 each) in Danguad Ltd., a company incorporated and domiciled in Republic of Cyprus.

Danguad Ltd.

	<u>2022</u>	<u>2021</u>
Investment at the beginning	152,236	152,236
Less: Sale of shares in subsidiary	-152,236	-
	<u>-</u>	<u>152,236</u>

Equity accounting for 2021 could not be carried out as the financials of the subsidiary were not readily available at the time of closing the books.

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6. Issued capital

The issued capital of the company as at December 31, 2022 and December 31, 2021, consists of 1,000 common shares with a nominal value of USD 1 per share and subscribed for EUR 762 (equivalent to USD 1,000).

EUR 228,839 and EUR 2,671,356 were declared and paid as dividends in 2022 and 2021 respectively.

7. Revenue (Net)

	2022	2021
Casino revenue (Net)	33,731,825	31,157,012
Platform integration fees	-	850
Other fees	797,870	175,927
	<u>34,529,695</u>	<u>31,333,789</u>

8. Direct cost

	2022	2021
License and server fees	29,790,046	27,829,225
Referral commissions	330,208	164,148
Setup costs	22,000	-
Platform fees	1,995	7,407
	<u>30,144,249</u>	<u>28,000,780</u>

9. Expenses by nature

	2022	2021
General expenses	3,308,183	2,337,293
Foreign exchange loss	-	120
	<u>3,308,183</u>	<u>2,337,413</u>

General expenses include

	2022	2021
Subcontract services	1,974,800	972,150
Write off of assets (Net)	596,445	-
Discount allowed	573,517	553,268
Professional fees	91,019	381,134
Bad debts	69,949	430,250
Rent expenses	2,453	491
	<u>3,308,183</u>	<u>2,337,293</u>

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10. Finance cost

	2022	2021
Bank charges and others	-268,399	209,462
	-268,399	209,462

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

12. Contingencies and commitments

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

13. 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.

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14. 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 July 31, 2023.

Board of Directors:

<u>Name</u>	<u>Function</u>	<u>Signature</u>
Xecutive Corporate Management B.V.	Managing Director	DocuSigned by:  3508179679034CB... DocuSigned by:  E9C1A4A3F74E4ED...