

Moonrail Limited B.V.

Financial Statements

for the year ended December 31, 2020 and
for the period October 01, 2018 - December 31, 2019

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Moonrail Limited B.V.

Statement of financial position

(All amounts in EUR)

		(Restated)	
		31-Dec	
	Note	2020	2019
Assets			
Current assets			
Cash and cash equivalents	4	20,850,976	4,145,416
Inventory	5	769	30,631
Receivable from subsidiary		125,229	-
Prepaid expenses		69,292	-
Total current assets		21,046,266	4,176,047
Non-current assets			
Intangible assets	6	57,182	-
Investment in subsidiary	7	1,000	1,000
Total non-current assets		58,182	1,000
Total assets		21,104,448	4,177,047
Equity and liabilities			
Current liabilities			
Accounts payable		422,263	256,648
Accrued expenses		158,176	106,353
Dividend payable		149,477	1,789,676
Payable to players		1,396,144	507,138
Profit tax payable	3	13,163	-
Total current liabilities		2,139,223	2,659,815
Equity			
Issued capital	8	10,000	10,000
Additional capital		-	1,310,328
Retained earnings / (Accumulated losses)		18,955,225	196,904
Total equity		18,965,225	1,517,232
Total liabilities and equity		21,104,448	4,177,047

See accompanying notes.

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Statement of profit or loss

(All amounts in EUR)

	Note	2020	Oct 01, 2018 - Dec 31, 2019
Revenue (Net)	9	27,512,874	3,126,380
Direct cost	10	-4,859,627	-446,358
Gross profit / (loss)		22,653,247	2,680,022
Amortization	6	-4,389	-
Administrative expenses	11	-6,026,254	-490,006
Selling and distribution expenses	12	-243,386	-17,063
Profit / (loss) from operations		16,379,218	2,172,953
Finance income / (cost) (Net)	13	12,756,783	-186,373
Profit / (loss) before tax		29,136,001	1,986,580
Profit tax expense	3	-13,163	-
Profit / (loss) for the year		29,122,838	1,986,580
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		29,122,838	1,986,580
Attributable to the owners		29,122,838	1,986,580

See accompanying notes.



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Statement of changes in equity

(All amounts in EUR)

	Issued capital	Additional capital	Retained earnings / (Accumulated losses)	Total
Capital issued on October 01, 2018	10,000	-	-	10,000
Additional capital	-	1,310,328	-	1,310,328
Profit / (loss) for the period	-	-	1,986,580	1,986,580
Other comprehensive income	-	-	-	-
Dividends declared	-	-	-1,789,676	-1,789,676
Total comprehensive income / (loss) for the period	-	-	196,904	196,904
Balance, December 31, 2019 (Restated)	10,000	1,310,328	196,904	1,517,232
Withdrawals	-	-1,310,328	-	-1,310,328
Profit / (loss) for the year	-	-	29,122,838	29,122,838
Other comprehensive income	-	-	-	-
Dividends declared and paid	-	-	-10,215,040	-10,215,040
Dividends declared	-	-	-149,477	-149,477
Total comprehensive income / (loss) for the year	-	-	18,758,321	18,758,321
Balance, December 31, 2020	10,000	-	18,955,225	18,965,225

See accompanying notes.




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Statement of cash flows

(All amounts in EUR)

		(Restated)
		Oct 01, 2018 -
	Note	Dec 31, 2019
Cash flow from operating activities		
Profit / (loss) for the year		29,122,838
Add: Amortization		1,986,580
Add: Profit tax expense		4,389
(Increase) / decrease in inventory		13,163
(Increase) / decrease in receivable from subsidiary		29,862
(Increase) / decrease in prepaid expenses		-30,631
Increase / (decrease) in accounts payable		-125,229
Increase / (decrease) in accrued expenses		-69,292
Increase / (decrease) in dividend payable		165,615
Increase / (decrease) in payable to players		256,648
		51,823
		-1,640,199
		1,789,676
		889,006
		507,138
Net cash generated from operating activities		28,441,976
Cash flow from investing activities		4,615,764
(Increase) / decrease in intangible assets		-61,571
(Increase) / decrease in investment in subsidiary		-
		-1,000
Net cash generated from investing activities		-61,571
Cash flow from financing activities		-1,000
Capital issued		-
Additional capital		10,000
Dividends declared and paid		-1,310,328
		1,310,328
		-10,364,517
		-1,789,676
Net cash generated from financing activities		-11,674,845
Net increase / (decrease) in cash		-469,348
Cash at the beginning of the year		16,705,560
Cash at the end of the year	4	4,145,416
		4,145,416
		20,850,976
		4,145,416

See accompanying notes.



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Notes to financial statements**1. General information**

Moonrail Limited B.V. (the company) was established on October 01, 2018 in Curaçao as a private limited liability company. The address of its registered office is Fransche Bloemweg 4, Curaçao. The company was registered in the Commercial register of Curaçao Chamber of Commerce & Industry under the number 148182.

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, 2020, the management of the company is borne by a single statutory director:

- | | |
|---------------------------------------|--------------------|
| - Executive Corporate Management B.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.

The comparative period's financial statements are prepared for a period greater than one year, from October 01, 2018, being the date of incorporation to December 31, 2019, as per the Articles of Association.

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Previous year's comparatives have been regrouped / restated to conform to current year's presentation.

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.

Intangible assets

Intangible assets are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the statement of profit or loss.

The intangible assets with a finite life are amortized using the straight-line method and the intangible assets with an infinite life are tested for impairment on an annual basis.

The residual values, useful lives and method of amortization of intangible assets are reviewed at each financial year end and adjusted if appropriate.

Investment

Investment in subsidiary is valued at cost, less impairment losses, if any.

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.



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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, 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

Gaming 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 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 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 the 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 January 01, 2020 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 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 subject to 0% of profit taxes.

4. Cash and cash equivalents

	2020	2019
Funds held at		
Crypto wallets	13,516,807	2,138,007
Payment service providers (PSPs)	3,716,172	2,007,409
Bank	3,617,997	-
	20,850,976	4,145,416

5. Inventory

Inventory includes virtual skins.




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6. Intangible assets

	Domains	Brands	Total
Balance at December 31, 2019			
Original cost	-	-	-
Accumulated amortization	-	-	-
Book value	-	-	-
Movements during the year			
Additions	17,371	44,200	61,571
Amortization	-	-4,389	-4,389
Net movement	17,371	39,811	57,182
Balance at December 31, 2020			
Original cost	17,371	44,200	61,571
Accumulated amortization	-	-4,389	-4,389
Book value	17,371	39,811	57,182

7. Investment in subsidiary

As at December 31, 2020 and December 31, 2019, the company holds 100% investment in Jholt Ltd, a company incorporated and domiciled in the Republic of Cyprus.

	2020	2019
Jholt Ltd (1,000 Equity shares of EUR 1.00 each)	1,000	1,000
	1,000	1,000

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

8. Issued capital

The issued capital of the company as at December 31, 2020 and December 31, 2019, consists of 10,000 common shares with a nominal value of EUR 1 and subscribed for EUR 10,000.

EUR 10,364,517 and EUR 1,789,676 were declared as dividends for the year 2020 and 2019 respectively.




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9. Revenue (Net)

	2020	2019
Gross gaming revenue	40,464,505	4,020,320
Less: Cost of sales	-12,951,631	-893,940
Net gaming revenue	27,512,874	3,126,380

10. Direct cost

	2020	2019
PSP charges	2,808,569	351,083
Changes in inventory	1,285,976	95,275
Platform and server fees	701,431	-
Anti-fraud services	63,651	-
	4,859,627	446,358

11. Administrative expenses

	2020	2019
Professional and consultancy fees	5,547,195	485,149
Bad debts	291,725	-
Training expenses	60,860	-
Payment processing charges	59,718	-
Software expenses	36,258	-
License fees	10,484	-
Annual management fees	6,424	-
Other expenses	13,590	4,857
	6,026,254	490,006

12. Selling and distribution expenses

	2020	2019
Advertising and promotion expenses	228,625	14,734
Business travel expenses	14,761	2,329
	243,386	17,063

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13. Finance income / (cost) (Net)

	2020	2019
Unrealized exchange gain / (loss)	12,631,414	-139,490
Realized foreign exchange gain / (loss)	354,413	-46,586
Bank charges	-227,584	-297
Interest expenses	-1,460	-
	12,756,783	-186,373

14. 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.

15. Capital management

The company's capital mainly consists of shareholder contributions. The company is not subject to any externally imposed capital requirements. The directors monitor the return on capital on an annual basis. There are no debts as on December 31, 2020.

16. Financial risk management

The company has primarily exposure to credit risk and liquidity risk. The directors of the company review these risks on a time-to-time basis.

Credit risk

Credit risk refers to the risk that a PSP/wallet will default on its contractual obligation resulting in a monetary loss to the company. The company mainly faces its credit risk on the amount receivable from PSP/wallet, which is reviewed on an ongoing basis and provisions are made as and when deemed necessary. Each PSP/wallet is also evaluated for its credit worthiness.

Liquidity risk

Liquidity risk refers to the risk faced by the company, when it is not able to meet its financial obligations that are settled by cash or other financial assets. On a regular basis, the company monitors its actual and forecasted cash flows to avoid liquidity risks.

Currency risk

Currency risk refers to the financial risk arising from the exchange rate fluctuation. The company continually monitors the foreign currency risk and takes steps, where practical, to ensure that the net exposure is kept to an acceptable level.




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17. Contingencies, commitments and legal proceedings

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

18. Related party balances and transactions

Name of the related party	Relationship	% holding	Balance as on December 31, 2020 (EUR)	Balance as on December 31, 2019 (EUR) [Restated]
Ossi Eemeli Ketola	Shareholder	100	-10,000	-1,320,328
Jholt Ltd	Subsidiary	100	126,229	1,000

Transactions during the year:

Name of the related party	Nature of transaction	2020 (EUR)	Oct 01, 2018 - Dec 31, 2019 (EUR) [Restated]
Ossi Eemeli Ketola	Withdrawal of additional capital	1,310,328	-
	Additional contribution	-	-1,310,328
	Capital subscription	-	-10,000
Jholt Ltd	Payment of expenses on behalf of Jholt Ltd	125,229	-
	Capital subscription	-	1,000

19. Subsequent events

In connection with the preparation of the financial statements, the company evaluated subsequent events after the balance sheet date of December 31, 2020. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2020.




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20. Authorization for issue

These financial statements for the year ended December 31, 2020 were approved by the board of directors and authorized for issue on January 31, 2022.

Board of Directors:NameFunctionSignature

Executive Corporate Management B.V.

Statutory Director



Andy Senior



Christopher van Rosberg