

Moonrail Limited B.V.

Financial Statements
for the year ended December 31, 2022

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Moonrail Limited B.V.

Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2022	2021
Assets			
Current assets			
Cash and cash equivalents	4	35,702,734	24,891,053
Receivable from subsidiary		4,225,014	2,377,085
Prepaid expenses		53,024	1,874
Total current assets		39,980,772	27,270,012
Non-current assets			
Intangible assets	5	29,341	44,074
Investment in subsidiary	6	1,000	1,000
Total non-current assets		30,341	45,074
Total assets		40,011,113	27,315,086
Equity and liabilities			
Current liabilities			
Accounts payable		807,675	540,317
Accrued expenses		140,961	155,363
Dividend payable		149,477	149,477
Payable to players		16,082,105	2,184,676
Profit tax payable	3	9,198	2,787
Total current liabilities		17,189,416	3,032,620
Equity			
Issued capital	7	10,000	10,000
Retained earnings / (Accumulated losses)		22,811,697	24,272,466
Total equity		22,821,697	24,282,466
Total liabilities and equity		40,011,113	27,315,086

See accompanying notes.

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Statement of profit or loss

(All amounts in EUR)

	Note	2022	2021
Revenue (Net)	8	34,602,550	27,766,941
Direct cost	9	-3,109,734	-2,363,015
Gross profit / (loss)		31,492,816	25,403,926
Amortization	5	-14,733	-14,736
Administrative expenses	10	-6,083,715	-7,867,259
Selling and distribution expenses	11	-186,187	-168,807
Other income		300,497	-
Profit / (loss) from operations		25,508,678	17,353,124
Finance income / (cost) (Net)	12	-976,575	534,633
Profit / (loss) before tax		24,532,103	17,887,757
Profit tax expense	3	7,128	375
Profit / (loss) for the year		24,539,231	17,888,132
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		24,539,231	17,888,132
Attributable to the owners		24,539,231	17,888,132

See accompanying notes.

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Statement of changes in equity

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Total
Balance, December 31, 2020	10,000	18,955,225	18,965,225
Profit / (loss) for the year	-	17,888,132	17,888,132
Other comprehensive income	-	-	-
Dividends declared and paid	-	-12,570,891	-12,570,891
Total comprehensive income / (loss) for the year	-	5,317,241	5,317,241
Balance, December 31, 2021	10,000	24,272,466	24,282,466
Profit / (loss) for the year	-	24,539,231	24,539,231
Other comprehensive income	-	-	-
Dividends declared and paid	-	-26,000,000	-26,000,000
Total comprehensive income / (loss) for the year	-	-1,460,769	-1,460,769
Balance, December 31, 2022	10,000	22,811,697	22,821,697

See accompanying notes.

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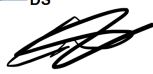
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Statement of cash flows

(All amounts in EUR)

	Note	2022	2021
Cash flow from operating activities			
Profit / (loss) for the year		24,539,231	17,888,132
Add: Amortization		14,733	14,736
Profit tax expense		-	-375
(Increase) / decrease in inventory		-	769
(Increase) / decrease in receivable from subsidiary		-1,847,929	-2,251,856
(Increase) / decrease in prepaid expenses		-51,150	67,418
Increase / (decrease) in accounts payable		267,358	118,054
Increase / (decrease) in accrued expenses		-14,402	-2,813
Increase / (decrease) in payable to players		13,897,429	788,532
Increase / (decrease) in profit tax payable		6,411	-10,001
Net cash generated from operating activities		36,811,681	16,612,596
Cash flow from investing activities			
(Increase) / decrease in intangible assets		-	-1,628
Net cash generated from investing activities		-	-1,628
Cash flow from financing activities			
Dividends declared and paid		-26,000,000	-12,570,891
Net cash generated from financing activities		-26,000,000	-12,570,891
Net increase / (decrease) in cash		10,811,681	4,040,077
Cash at the beginning of the year		24,891,053	20,850,976
Cash at the end of the year	4	35,702,734	24,891,053

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 Korporaalweg 10, 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, 2022, the management of the company is borne by a single statutory director:

- | | |
|--------------------------------------|--------------------|
| - Xecutive 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.

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.

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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.

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.

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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.

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.

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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 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

	2022	2021
Funds held at		
Crypto wallets	24,459,384	12,740,400
Bank	6,865,540	10,586,426
Payment service providers (PSPs)	4,377,810	1,564,227
	35,702,734	24,891,053

5. Intangible assets

	Domains	Brands	Total
Balance at December 31, 2021			
Original cost	18,999	44,200	63,199
Accumulated amortization	-	-19,125	-19,125
Book value	18,999	25,075	44,074
Movements during the year			
Additions	-	-	-
Amortization	-	-14,733	-14,733
Net movement	-	-14,733	-14,733
Balance at December 31, 2022			
Original cost	18,999	44,200	63,199
Accumulated amortization	-	-33,858	-33,858
Book value	18,999	10,342	29,341

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6. Investment in subsidiary

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

	2022	2021
Jholt Ltd	1,000	1,000
(1,000 Equity shares of EUR 1.00 each)		
	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.

7. Issued capital

The issued capital of the company as at December 31, 2022 and December 31, 2021, consists of 10,000 common shares with a nominal value of EUR 1 and subscribed for EUR 10,000.

EUR 26,000,000 and EUR 12,570,891 were declared as dividends for the year 2022 and 2021 respectively.

8. Revenue (Net)

	2022	2021
Gross gaming revenue	41,418,399	37,655,329
Less: Cost of sales	-6,815,849	-9,888,388
Net gaming revenue	34,602,550	27,766,941

9. Direct cost

	2022	2021
PSP charges	1,472,017	1,604,587
Platform and server fees	1,400,133	641,441
Anti-fraud services	228,684	116,987
License and server fees	8,900	-
	3,109,734	2,363,015

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10. Administrative expenses

	2022	2021
Professional and consultancy fees	6,092,592	7,088,867
Software expenses	24,582	37,644
Bad debts	-	595,146
Payment processing charges	-	81,243
Training expenses	-	40,200
License fees	-	8,425
Other expenses	-33,459	15,734
	6,083,715	7,867,259

11. Selling and distribution expenses

	2022	2021
Business travel expenses	122,063	79,285
Advertising and promotion expenses	64,124	89,522
	186,187	168,807

12. Finance income / (cost) (Net)

	2022	2021
Interest expenses	11,567	289,474
Bank charges	-273,069	-572,899
Exchange gain / (loss)	-715,073	818,058
	-976,575	534,633

13. 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.

14. 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, 2022.

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15. 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.

16. Contingencies, commitments and legal proceedings

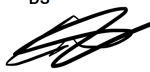
The company has no contingent or future purchase liabilities and is not involved in any legal actions.

17. Related party balances and transactions

Name of the related party	Relationship	% holding	Balance as on December 31, 2022 (EUR)	Balance as on December 31, 2021 (EUR)
Ossi Eemeli Ketola	Shareholder	100	-10,000	-10,000
Jholt Ltd	Subsidiary	100	4,225,014	2,377,085

Transactions during the year:

Name of the related party	Nature of transaction	2022 (EUR)	2021 (EUR)
Jholt Ltd	Payment of expenses on behalf of Jholt Ltd	1,849,264	2,250,856

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18. 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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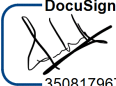

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19. Authorization for issue

These financial statements for the year ended December 31, 2022 were approved by the board of directors and authorized for issue on April 21, 2025.

Board of Directors:

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