

Black Ocean B.V.

Financial Statements

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

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Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2022	2021
Assets			
Current assets			
Accounts receivable		889,113	24,555
Receivable from subsidiary		440,770	26,745
Receivable from shareholders		100	100
Prepaid expenses		25,515	-
Total current assets		1,355,498	51,400
Non-current assets			
Security deposits		400	-
Investment in subsidiary	4	1,000	1,000
Total non-current assets		1,400	1,000
Total assets		1,356,898	52,400
Equity and liabilities			
Current liabilities			
Accounts payable		293,174	8,450
Accrued expenses	5	468,025	7,833
Payable to group company	6	76,920	76,920
Total current liabilities		838,119	93,203
Equity			
Issued capital	7	100	100
Retained earnings / (Accumulated losses)		518,679	-40,903
Total equity		518,779	-40,803
Total liabilities and equity		1,356,898	52,400

See accompanying notes.



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Statement of profit or loss

(All amounts in EUR)

	Note	2022	2021
Revenue	8	1,790,976	42,357
Direct cost	9	-847,005	-41,707
Gross profit / (loss)		943,971	650
Selling and distribution expenses		-120,288	-
Administrative expenses	10	-258,398	-10,550
Profit / (loss) from operations		565,285	-9,900
Finance cost	11	-5,703	-3,540
Profit / (loss) before tax		559,582	-13,440
Profit tax expense	3	-	-
Profit / (loss) for the year		559,582	-13,440
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		559,582	-13,440
Attributable to the owners		559,582	-13,440

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	100	-27,463	-27,363
Profit / (loss) for the year	-	-13,440	-13,440
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-13,440	-13,440
Balance, December 31, 2021	100	-40,903	-40,803
Profit / (loss) for the year	-	559,582	559,582
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	559,582	559,582
Balance, December 31, 2022	100	518,679	518,779

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		559,582	-13,440
(Increase) / decrease in accounts receivable		-864,558	-24,555
(Increase) / decrease in receivable from subsidiary		-414,025	-26,745
(Increase) / decrease in prepaid expenses		-25,515	10,950
(Increase) / decrease in security deposits		-400	-
Increase / (decrease) in accounts payable		284,724	8,450
Increase / (decrease) in accrued expenses		460,192	4,700
Increase / (decrease) in payable to group company		-	41,640
Increase / (decrease) in payable to subsidiary		-	-1,000
Net cash generated from operating activities		-	-
Cash flow from investing activities			
(Increase) / decrease in investment in subsidiary		-	-
Net cash generated from investing activities		-	-
Cash flow from financing activities			
Increase / (decrease) in issued capital		-	-
Net cash generated from financing activities		-	-
Net increase / (decrease) in cash		-	-
Cash at the beginning of the year		-	-
Cash at the end of the year		-	-

See accompanying notes.

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

Black Ocean B.V. (the company) was established on April 07, 2020 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 153155.

The main objectives of the company are:

1. To organize, market, promote, manage, support and operate all types of remote gaming activities, comprising 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:

- 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 Euro (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.

Investments

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



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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 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.

Subsequent measurement

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

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Revenue recognition

Gaming revenue is represented by a certain percentage of 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 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 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.

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.



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4. Investment in subsidiary

As at December 31, 2022 and 2021, the company owns 100% of shares of the following company incorporated and domiciled in the Republic of Cyprus:

	<u>2022</u>	<u>2021</u>
Ocean Payella Processing Ltd. (1,000 Equity shares of EUR 1.00 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.

5. Accrued expenses

	<u>2022</u>	<u>2021</u>
License and server fees	242,133	-
Commission fees	210,930	
Compliance and processing support fees	12,262	2,433
Annual compliance fees	2,700	5,400
	<u>468,025</u>	<u>7,833</u>

6. Payable to group company

Payable to group company represents the expenses incurred by group company on behalf of the company. It does not carry any interest and is repayable on demand.

7. Issued capital

The issued capital of the company as on December 31, 2022 and December 31, 2021 consists of 100 common shares with a nominal value of EUR 1 each and subscribed for EUR 100.

No dividend was declared in 2022 and 2021.

8. Revenue

	<u>2022</u>	<u>2021</u>
Net gaming revenue	1,670,466	32,357
Software services	120,510	10,000
	<u>1,790,976</u>	<u>42,357</u>

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9. Direct cost

	2022	2021
License and server fees	845,909	40,690
Software expenses	1,096	1,017
	847,005	41,707

10. Administrative expenses

	2022	2021
Professional fees	223,852	2,100
Compliance and processing support fees	9,829	2,000
Travel expenses	9,355	-
Rent expenses	4,316	500
Compliance fees	4,050	-
Annual management fees	3,250	3,250
Annual compliance fees	2,750	2,700
Other expenses	996	-
	258,398	10,550

11. Finance cost

	2022	2021
Bank charges	5,703	3,540
	5,703	3,540

12. 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:

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



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13. Contingencies, commitments and legal proceedings

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

14. 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.

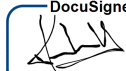
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15. Authorization for issue

These financial statements for the year ended December 31, 2022 were approved by the board of directors and authorized for issue on November 11, 2023.

Board of Directors:

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