

Continental Solutions Limited B.V.

Financial Statements

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

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Continental Solutions Limited B.V.

Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2022	2021
Assets			
Current assets			
Cash and cash equivalents	4	2,006,283	492,397
Prepaid expenses		17,502	-
Receivable from group companies		84,949	-
Receivable from shareholders		88	88
Total current assets		2,108,822	492,485
Non-current assets			
Other assets		-	-
Total non-current assets		-	-
Total assets		2,108,822	492,485
Equity and liabilities			
Current liabilities			
Payable to group companies		-	557,118
Accounts payable		21,002	-
Payable to players		184,819	137,704
Accrued expenses		-	2,750
Total current liabilities		205,821	697,572
Equity			
Issued capital	5	88	88
Retained earnings / (Accumulated losses)		1,902,913	-205,175
Total equity		1,903,001	-205,087
Total liabilities and equity		2,108,822	492,485

See accompanying notes.

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Statement of profit or loss

(All amounts in EUR)

	Note	2022	2021
Revenue	6	21,208,744	8,463,584
Direct cost	7	-16,979,858	-7,802,065
Gross profit / (loss)		4,228,886	661,519
Selling and marketing expenses	8	-2,037,676	-755,980
Administrative expenses	9	-83,122	-8,011
Profit / (loss) from operations		2,108,088	-102,472
Finance cost		-	-
Profit / (loss) before tax		2,108,088	-102,472
Profit tax expense	3	-	-
Profit / (loss) for the year		2,108,088	-102,472
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		2,108,088	-102,472
Attributable to the owners		2,108,088	-102,472

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	88	-102,703	-102,615
Profit / (loss) for the year	-	-102,472	-102,472
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-102,472	-102,472
Balance, December 31, 2021	88	-205,175	-205,087
Profit / (loss) for the year	-	2,108,088	2,108,088
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	2,108,088	2,108,088
Balance, December 31, 2022	88	1,902,913	1,903,001

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		2,108,088	-102,472
(Increase) / decrease in prepaid expenses		-17,502	17,311
(Increase) / decrease in receivable from group companies		-84,949	-
Increase / (decrease) in payable to group companies		-557,118	285,575
(Increase) / decrease in accounts payable		21,002	-
Increase / (decrease) in payable to players		47,115	82,411
Increase / (decrease) in accrued expenses		-2,750	2,750
Net cash generated from operating activities		1,513,886	285,575
Cash flow from investing activities			
(Increase) / decrease in other assets		-	-
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		1,513,886	285,575
Cash at the beginning of the year		492,397	206,822
Cash at the end of the year	4	2,006,283	492,397

See accompanying notes.

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Continental Solutions Limited B.V.

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

Continental Solutions Limited B.V. (the company) was established on December 11, 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 and Industry under the number 148806.

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:

- 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 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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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.

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.

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.

Subsequent measurement

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

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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 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 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.

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4. Cash and cash equivalents

	2022	2021
Balances with		
Skrill Limited	517,291	277,932
Gumballpay	481,650	-
Saltarpay	414,144	-
AstroPay	208,959	16,223
Payment Center	158,321	-
Kluwp	153,018	-
Ezeewallet	36,527	-
Jeton	34,850	-
Gigadat	1,363	-
Cash to code	160	-
EcoPayz	-	151,859
Neteller	-	44,331
Piastrix	-	1,343
Inovapay	-	539
Pay4Fun	-	170
	2,006,283	492,397

5. Issued capital

The issued share capital of the company as on December 31, 2022 and December 31, 2021 consists of 100 shares with a nominal value of USD 1 and subscribed for EUR 88.

No dividends were declared in 2022 and 2021.

6. Revenue

	2022	2021
Gaming revenue	21,208,744	8,463,584
	21,208,744	8,463,584

7. Direct cost

	2022	2021
License and server fees	11,346,920	5,992,348
Payment wallet charges	5,592,397	1,809,717
Software expenses	40,541	-
	16,979,858	7,802,065




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8. Selling and marketing expenses

	2022	2021
Affiliate commission expenses	1,716,731	354,171
Advertising expenses	320,945	401,809
	2,037,676	755,980

9. Administrative expenses

	2022	2021
Professional fees	76,682	1,650
Annual management fees	2,990	2,836
Annual compliance fees	2,750	2,750
Rent expenses	350	350
Other expenses	350	425
	83,122	8,011

10. 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 approximates the carrying amount largely due to the short-term maturity.

11. Contingencies, commitments and legal proceedings

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

12. 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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13. 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 December 06, 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...