

Free Games B.V.

Financial Statements

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

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

Free Games B.V.

Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2022	2021
Assets			
Current assets			
Cash and cash equivalents	4	130,708	-
Prepaid expenses		16,050	1,201
Total current assets		146,758	1,201
Non-current assets			
Other assets		-	-
Total current assets		-	-
Total assets		146,758	1,201
Equity and liabilities			
Current liabilities			
Accrued expenses	5	-	2,700
Payable to shareholders	6	181,586	14,220
Total current liabilities		181,586	16,920
Equity			
Issued capital	7	91	91
Retained earnings / (Accumulated losses)		-34,919	-15,810
Total equity		-34,828	-15,719
Total liabilities and equity		146,758	1,201

See accompanying notes.




Free Games B.V.

Statement of profit or loss

(All amounts in EUR)

	Note	2022	2021
Revenue		-	-
Direct cost	8	-8,111	-3,093
Gross profit / (loss)		-8,111	-3,093
Administrative expenses	9	-10,863	-9,156
Profit / (loss) from operations		-18,974	-12,249
Finance cost	10	-135	-
Profit / (loss) before tax		-19,109	-12,249
Profit tax expense	3	-	-
Profit / (loss) for the year		-19,109	-12,249
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		-19,109	-12,249
Attributable to the owners		-19,109	-12,249

Free Games B.V.

Statement of changes in equity

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Total
Balance, December 31, 2020	91	-3,561	-3,470
Profit / (loss) for the year	-	-12,249	-12,249
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-12,249	-12,249
Balance, December 31, 2021	91	-15,810	-15,719
Profit / (loss) for the year	-	-19,109	-19,109
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-19,109	-19,109
Balance, December 31, 2022	91	-34,919	-34,828

See accompanying notes.

Free Games B.V.

Statement of cash flows

(All amounts in EUR)

	Note	2022	2021
Cash flow from operating activities			
Profit / (loss) for the year		-19,109	-12,249
(Increase) / decrease in prepaid expenses		-14,849	-757
(Increase) / decrease in receivables from Free Games Ltd.		-	2,974
Increase / (decrease) in accounts payable		-	-1,262
Increase / (decrease) in accrued expenses		-2,700	-650
Increase / (decrease) in payable to shareholders		167,366	9,241
Increase / (decrease) in payable to Free Games SAC		-	-79,248
Increase / (decrease) in profit tax payable		-	-1,230
Net cash generated from operating activities		130,708	-83,181
Cash flow from investing activities			
(Increase) / decrease in other assets		-	-
Net cash generated from investing activities		-	-
Cash flow from financing activities			
Issue of capital		-	-
Net cash generated from financing activities		-	-
Net increase / (decrease) in cash		130,708	-83,181
Cash at the beginning of the year		-	83,181
Cash at the end of the year	4	130,708	-

See accompanying notes.

Free Games B.V.

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

Free Games B.V. (the company) was incorporated on February 24, 2016 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 138968.

The main objectives of the company are as follows:

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 exchanges, interactive casinos, bingos, lotteries, poker and other interactive games.
2. The business of the company shall exclusively be conducted in an economic zone as expressed in the National Ordinance dated the twelfth day of February two thousand and one (P.B. 2001, number 18).

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:

- | | |
|---------------------------------------|-------------------|
| - Executive 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 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.

Free Games B.V.

Foreign currency transaction

The company's financial statements are presented in EUR, which is also the company's functional currency. Transactions denominated in foreign currencies are translated at the exchange rate prevailing when the transaction is realized. The exchange results rerecorded 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 and prepaid expenses.

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 accrued expenses and other payables.

Subsequent measurement

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

Free Games B.V.

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 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 period 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
Balance at bank – IGB	130,708	-
	130,708	-

5. Accrued expenses

	2022	2021
Annual compliance fees	-	2,700
	-	2,700

Free Games B.V.

6. Payable to shareholders

Payable to shareholders represents expenses incurred by shareholders on behalf of the company net of amount due from them. The payable does not carry any interest and is repayable on demand.

7. Issued capital

The issued capital of the company as at December 31, 2022 and December 31, 2021 consists of 100 shares with nominal value of EUR 1 each and subscribed for EUR 91.

No dividends were declared in 2022 and 2021.

8. Direct cost

	2022	2021
License and server fees	8,111	3,093
	8,111	3,093

9. Administrative expenses

	2022	2021
Annual compliance fees	6,800	5,450
Annual management fees	3,213	2,556
Rent expenses	500	350
Professional fees	150	450
Other expenses	200	350
	10,863	9,156

10. Finance cost

	2022	2021
Bank charges	135	-
	135	-

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, prepaid expenses, accrued expenses and other payables approximate the carrying amount largely due to the short-term maturity.

Free Games B.V.

12. Contingencies, commitments and legal proceedings

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.

Free Games B.V.

14. Authorization for issue

These financial statements for the year ended December 31, 2022 were approved by the managing director and authorized for issue on May 25, 2023.

Board of Directors:*Name**Function**Signature*

Xecutive Corporate
Management B.V.

Managing
Director

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By Christopher van Rosberg / Lorenza Godett
Directors