

Bitx Operations N.V.

Financial Statements

for the period September 14, 2022 to December 31, 2023

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Statement of financial position

(All amounts in EUR)

	Note	31-Dec 2023
Assets		
Current assets		
Prepaid expenses	4	29,055
Total current assets		29,055
Non-current assets		
Investment in subsidiary		-
Total non-current assets		-
Total assets		29,055
Equity and liabilities		
Current liabilities		
Payable to shareholders	5	68,441
Accounts payable		440
Total current liabilities		68,881
Equity		
Issued capital	6	100
Retained earnings / (Accumulated losses)		-39,926
Total equity		-39,826
Total equity and liabilities		29,055

See accompanying notes.

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Statement of profit or loss

(All amounts in EUR)

	Note	Sep 14, 2022 - Dec 31, 2023
Revenue		-
Direct cost	7	-7,747
Gross profit / (loss)		<u>-7,747</u>
Administrative expenses	8	-32,179
Profit / (loss) from operations		<u>-39,926</u>
Finance cost		-
Profit / (loss) before tax		<u>-39,926</u>
Profit tax expense	3	-
Profit / (loss) for the period		<u>-39,926</u>
Other comprehensive income		-
Total comprehensive income / (loss) for the period		<u><u>-39,926</u></u>
Attributable to the owners		-39,926

See accompanying notes.

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Statement of changes in equity

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Total
Capital issued on September 14, 2022	100	-	100
Profit / (loss) for the period	-	-39,926	-39,926
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the period	-	-39,926	-39,926
Balance, December 31, 2023	100	-39,926	-39,826

See accompanying notes.

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Statement of cash flows

(All amounts in EUR)

	Sep 14, 2022 - Note Dec 31, 2023
Cash flow from operating activities	
Profit / (loss) for the period	-39,926
(Increase) / decrease in prepaid expenses	-29,055
Increase / (decrease) in payable to shareholders	68,441
Increase / (decrease) in accounts payable	440
Net cash generated from operating activities	-100
Cash flow from investing activities	
(Increase) / decrease in investment in subsidiary	-
Net cash generated from investing activities	-
Cash flow from financing activities	
Capital issued	100
Net cash generated from financing activities	100
Net increase / (decrease) in cash	-
Cash at the beginning of the period	-
Cash at the end of the period	-

See accompanying notes.

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

Bitx Operations N.V. (the company) was established on September 14, 2022 in Curaçao as a 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 161842.

The main objectives of the company are:

1. a. To supply, market, promote, manage, support and operate all types of remote gaming activities, comprising all types of games, betting and other interactive games;
- b. To act as an online software gaming provider in the widest sense of the word, for clients established in or outside of Curaçao 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 exceed the corporate objective.

The management of the company is borne by a board of directors. As of December 31, 2023, the management of the company is borne by a single statutory director:

- Executive Corporate Management B.V.

Statutory Director

2. Summary of material 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.

The financial statements have been prepared for a period of more than one year from September 14, 2022, being the date of incorporation, to December 31, 2023, as per the articles of incorporation.

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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 statement of profit or loss.

The company's financial assets include 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 accounts payable and other payables.

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 1 January 2023 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 15% taxes on income up to 500,000 ANG and 22% above it and the foreign source of income is subject to 0% of profit taxes.

4. Prepaid expenses

	<u>2023</u>
License and server fees	19,055
Professional fees	5,400
Annual management fees	3,750
Rent expenses	500
Other expenses	350
	<u>29,055</u>

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5. Payable to shareholders

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

6. Issued capital

The issued capital of the company as at December 31, 2023 consists of 100 common shares with a nominal value of USD 1 each and subscribed for EUR 100.

No dividends were declared in 2023.

7. Direct cost

	2023
License and server fees	7,747
	7,747

8. Administrative expenses

	2023
Professional fees	23,135
Annual compliance fees	5,775
Annual management fees	1,719
Rent expenses	500
Other expenses	1,050
	32,179

9. 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:

Prepaid expenses, accounts payable, and other payables approximate the carrying amount largely due to the short-term maturity.

10. Contingencies, commitments and legal proceedings

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

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11. Subsequent events

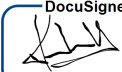
In connection with the preparation of the financial statements, the company evaluated subsequent events after the balance sheet date of December 31, 2023. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2023.

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12. Authorization for issue

These financial statements for the period ended December 31, 2023 were approved by the board of directors and authorized for issue on May 2, 2024.

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...