

XYZ Entertainment B.V.

Financial Statements

for the year ended December 31, 2022 and
for the period May 25, 2021 - December 31, 2021

DS
CVR

DS


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

DS



DS



XYZ Entertainment B.V.

Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2022	2021
Assets			
Current assets			
Investment in subsidiary	4	1,000	1,000
Receivable from subsidiary	5	518,732	476,632
Prepaid expenses		662	-
Total current assets		520,394	477,632
Non-current assets			
Deposits		2,793	-
Total non-current assets		2,793	-
Total assets		523,187	477,632
Equity and liabilities			
Current liabilities			
Accrued expenses		2,700	2,700
Accounts payable		1,638	9,183
Profit tax payable		1,732	1,010
Payable to shareholders	6	2,750	494
Total current liabilities		8,820	13,387
Equity			
Issued capital	7	100	100
Retained earnings / (Accumulated losses)		514,267	464,145
Total equity		514,367	464,245
Total equity and liabilities		523,187	477,632

See accompanying notes.



XYZ Entertainment B.V.

Statement of profit or loss

(All amounts in EUR)

	Note	2022	May 25, 2021 - Dec 31, 2021
Revenue	8	110,046	509,581
Direct cost	9	-30,796	-25,082
Gross profit / (loss)		79,250	484,499
Administrative expenses	10	-18,150	-11,750
Selling and distribution expenses		-10,256	-7,594
Profit / (loss) from operations		50,844	465,155
Finance cost		-	-
Profit / (loss) before tax		50,844	465,155
Profit tax expense	3	-722	-1,010
Profit / (loss) for the year		50,122	464,145
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		50,122	464,145
Attributable to the owners		50,122	464,145

See accompanying notes.



XYZ Entertainment B.V.

Statement of changes in equity

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Total
Capital issued on May 25, 2021	100	-	100
Profit / (loss) for the period	-	464,145	464,145
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the period	-	464,145	464,145
Balance, December 31, 2021	100	464,145	464,245
Profit / (loss) for the year	-	50,122	50,122
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	50,122	50,122
Balance, December 31, 2022	100	514,267	514,367

See accompanying notes.

XYZ Entertainment B.V.

Statement of cash flows

(All amounts in EUR)

	Note	2022	May 25, 2021 - Dec 31, 2021
Cash flow from operating activities			
Profit / (loss) for the year		50,122	464,145
(Increase) / decrease in receivable from subsidiary		-42,100	-476,632
(Increase) / decrease in prepaid expenses		-662	-
(Increase) / decrease in deposits		-2,793	-
Increase / (decrease) in accrued expenses		-	2,700
Increase / (decrease) in accounts payable		-7,545	9,183
Increase / (decrease) in profit tax payable		722	1,010
Increase / (decrease) in payable to shareholders		2,256	494
Net cash generated from operating activities		-	900
Cash flow from investing activities			
(Increase) / decrease in investment in subsidiary		-	-1,000
Net cash generated from investing activities		-	-1,000
Cash flow from financing activities			
Increase / (decrease) in issued capital		-	100
Net cash generated from financing activities		-	100
Net increase / (decrease) in cash		-	-
Cash at the beginning of the year		-	-
Cash at the end of the year		-	-

See accompanying notes.

XYZ Entertainment B.V.

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

XYZ Entertainment B.V. (the company) was established on May 25, 2021 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 the Curaçao Chamber of Commerce & Industry under number 157447.

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 exceed 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 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 comparative financial statements have been prepared for a period less than one year from May 25, 2021, being the date of incorporation, to December 31, 2021, as per the articles of incorporation.

DS DS
CVR

XYZ Entertainment B.V.

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.

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 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 or through comprehensive income 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 prepaid expenses, deposits 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.

Two blue DocuSign envelopes are shown side-by-side. Each envelope has a small 'DS' logo in the top right corner and a handwritten signature in blue ink. The signature on the left is 'CVR' and the signature on the right is a stylized 'X'.

XYZ Entertainment B.V.

Subsequent measurement

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

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 subject to 0% of profit taxes.



XYZ Entertainment B.V.

4. Investment in subsidiary

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

	2022	2021
Mann Porcessing Ltd (1,000 Equity shares of EUR 1.00 each)	1000	1,000
	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

5. Receivable from subsidiary

	2022	2021
Mann Porcessing Ltd	518,732	477,632
	518,732	477,632

The above receivable does not carry any interest and is repayable on demand.

6. Payable to shareholders

Payable to shareholders represent expenses incurred by the shareholders on behalf of the company, net of amounts 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 a nominal value of EUR 1 each and subscribed for EUR 100.

No dividend was declared in 2022 and 2021.

8. Revenue

	2022	2021
Net gaming revenue	110,046	509,581
	110,046	509,581



XYZ Entertainment B.V.

9. Direct cost

	2022	2021
License and server fees	19,729	4,431
Payment processing fees	9,305	20,651
Software expenses	1,762	-
	30,796	25,082

10. Administrative expenses

	2022	2021
Professional fees	7,113	-
Compliance fees	4,050	-
Annual compliance fees	2,700	2,700
Annual management fees	2,688	2,730
Rent expenses	1,750	650
Incorporation fees	-	3,750
Other expenses (net)	-150	1,920
	18,151	11,750

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:

Prepaid expenses, deposits, accrued expenses, accounts payable, other assets and other payables have been disclosed which approximate the carrying amount largely due to the short-term maturity.

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.

DS
CVR

DS
[Signature]

XYZ Entertainment B.V.

14. 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 15, 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...