

978 Tech N.V.

Financial Statements

for the year ended December 31, 2022 and
for the period February 23, 2021 - December 31, 2021

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Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2022	2021
Assets			
Current assets			
Prepaid expenses		-	7,082
Unbilled revenue		1,067,345	-
Total current assets		1,067,345	7,082
Non-current assets			
Property, plant and equipment	4	141	267
Deposits		650	650
Total non-current assets		791	917
Total assets		1,068,136	7,999
Equity and liabilities			
Current liabilities			
Accounts payable		-	19,859
Accrued expenses		2,700	-
Payable to shareholders	5	2,689,664	44,387
Total current liabilities		2,692,364	64,246
Equity			
Issued capital	6	1	1
Retained earnings / (Accumulated losses)		-1,624,229	-56,248
Total equity		-1,624,228	-56,247
Total liabilities and equity		1,068,136	7,999

See accompanying notes.

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Statement of profit or loss

(All amounts in EUR)

	Note	2022	Feb 23, 2021- Dec 31, 2021
Revenue		1,117,441	-
Direct cost	7	-305,948	-14,546
Gross profit / (loss)		811,493	-14,546
Selling and distribution expenses		-2,330,797	-18,073
Administrative expenses	8	-48,551	-23,546
Depreciation	4	-126	-83
Profit / (loss) from operations		-1,567,981	-56,248
Finance cost		-	-
Profit / (loss) before tax		-1,567,981	-56,248
Profit tax expense	3	-	-
Profit / (loss) for the year		-1,567,981	-56,248
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		-1,567,981	-56,248
Attributable to the owners		-1,567,981	-56,248

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 February 23, 2021	1	-	1
Profit / (loss) for the period	-	-56,248	-56,248
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the period	-	-56,248	-56,248
Balance, December 31, 2021	1	-56,248	-56,247
Profit / (loss) for the year	-	-1,567,981	-1,567,981
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-1,567,981	-1,567,981
Balance, December 31, 2022	1	-1,624,229	-1,624,228

See accompanying notes.

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Statement of cash flows

(All amounts in EUR)

	Note	2022	Feb 23, 2021- Dec 31, 2021
Cash flow from operating activities			
Profit / (loss) for the year		-1,567,981	-56,248
Add: Depreciation		126	83
(Increase) / decrease in prepaid expenses		7,082	-7,082
(Increase) / decrease in unbilled revenue		-1,067,345	-
(Increase) / decrease in deposits		-	-650
Increase / (decrease) in accounts payable		-19,859	19,859
Increase / (decrease) in accrued expenses		2,700	-
Increase / (decrease) in payable to shareholders		2,645,277	44,387
Net cash generated from operating activities		-	349
Cash flow from investing activities			
(Increase) / decrease in property, plant and equipment		-	-350
Net cash generated from investing activities		-	-350
Cash flow from financing activities			
Increase / (decrease) in issued capital		-	1
Net cash generated from financing activities		-	1
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

978 Tech N.V. (the company) was established on February 23, 2021 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 156923.

The main objectives of the company are:

1. The purpose of the company is 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 and other interactive games, for clients established or residing outside of Curaçao.
2. The company has the power to perform every act and thing profitable or requisite to the accomplishment of its purpose or connected therewith in the widest sense of the word, including the participation in-, and the incorporation and management of other enterprises and companies.
3. The company is authorized to enter into a corporate agreement in writing as meant in article 2:127 of the Civil Code.

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:

- XCM Group 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 the years presented, unless otherwise stated.

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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 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 are prepared for a period less than one year, from February 23, 2021, being the date of incorporation to December 31, 2021, as per the Articles of Association.

Previous year's figures have been regrouped to conform to current year's presentation.

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.

Investments

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

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 income.

Monetary assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rates prevailing at the end of the year.

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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 prepaid expenses, unbilled revenue 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.

Revenue and costs

Revenue and costs are recognized in the year in which the services have been rendered.

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Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial year in which they are incurred.

Property, plant and equipment are recorded at cost less accumulated depreciation. Depreciation is accounted for on the straight-line method based on estimated useful lives as follows:

Assets	Depreciation rate (%)	Residual value (%)
Server	40	10

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

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 the 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 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.

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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. Property, plant and equipment

	2022	2021
Server	267	350
Less: Depreciation	-126	-83
	141	267

5. Payable to shareholders

Payable to shareholders represent 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, 2022 and December 31, 2021, consists of 1 common share with a nominal value of EUR 1 and subscribed for EUR 1.

No dividends were declared in 2022 and 2021.

7. Direct cost

	2022	2021
Software expenses	283,098	-
License and server fees	22,850	14,546
	305,948	14,546

8. Administrative expenses

	2022	2021
Professional fees	45,851	23,546
Annual compliance fees	2,700	-
	48,551	23,546

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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, unbilled revenue, accounts payable, accrued expenses, other assets 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.

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, 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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12. 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 March 20, 2024.

Board of Directors:NameFunctionSignature

XCM Group B.V.

Statutory Director

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