

# **978 Tech N.V.**

## **Financial Statements**

for the years ended December 31, 2023 and December 31, 2022

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## 978 Tech N.V.

## Statement of financial position

(All amounts in EUR)

|                                          |      | 31-Dec           |                   |
|------------------------------------------|------|------------------|-------------------|
|                                          | Note | 2023             | 2022              |
| <b>Assets</b>                            |      |                  |                   |
| <b>Current assets</b>                    |      |                  |                   |
| Receivable from shareholders             | 7    | 2,271,777        | -                 |
| Unbilled revenue                         |      | 2,783,942        | 1,067,345         |
| <b>Total current assets</b>              |      | <b>5,055,719</b> | <b>1,067,345</b>  |
| <b>Non-current assets</b>                |      |                  |                   |
| Property, plant and equipment            | 4    | 35               | 141               |
| Investment in subsidiary                 | 5    | 1,000            | -                 |
| Deposits                                 |      | 650              | 650               |
| <b>Total non-current assets</b>          |      | <b>1,685</b>     | <b>791</b>        |
| <b>Total assets</b>                      |      | <b>5,057,404</b> | <b>1,068,136</b>  |
| <b>Equity and liabilities</b>            |      |                  |                   |
| <b>Current liabilities</b>               |      |                  |                   |
| Accrued expenses                         |      | 5,400            | 2,700             |
| Payable to subsidiary                    | 6    | 47,805           | -                 |
| Payable to shareholders                  | 7    | -                | 2,689,664         |
| Profit tax payable                       |      | 16,836           | -                 |
| <b>Total current liabilities</b>         |      | <b>70,041</b>    | <b>2,692,364</b>  |
| <b>Equity</b>                            |      |                  |                   |
| Issued capital                           | 8    | 1                | 1                 |
| Retained earnings / (Accumulated losses) |      | 4,987,362        | -1,624,229        |
| <b>Total equity</b>                      |      | <b>4,987,363</b> | <b>-1,624,228</b> |
| <b>Total liabilities and equity</b>      |      | <b>5,057,404</b> | <b>1,068,136</b>  |

See accompanying notes.

## 978 Tech N.V.

## Statement of profit or loss

(All amounts in EUR)

|                                                  | <b>Note</b> | <b>2023</b>       | <b>2022</b>       |
|--------------------------------------------------|-------------|-------------------|-------------------|
| Revenue                                          |             | 10,350,170        | 1,117,441         |
| Direct cost                                      | 9           | -270,023          | -305,948          |
| Gross profit / (loss)                            |             | <b>10,080,147</b> | <b>811,493</b>    |
| Selling and distribution expenses                |             | -3,372,000        | -2,330,797        |
| Administrative expenses                          | 10          | -79,614           | -48,551           |
| Depreciation                                     | 4           | -106              | -126              |
| Profit / (loss) from operations                  |             | <b>6,628,427</b>  | <b>-1,567,981</b> |
| Finance cost                                     |             | -                 | -                 |
| Profit / (loss) before tax                       |             | <b>6,628,427</b>  | <b>-1,567,981</b> |
| Profit tax expense                               | 3           | -16,836           | -                 |
| Profit / (loss) for the year                     |             | <b>6,611,591</b>  | <b>-1,567,981</b> |
| Other comprehensive income                       |             | -                 | -                 |
| Total comprehensive income / (loss) for the year |             | <b>6,611,591</b>  | <b>-1,567,981</b> |
| Attributable to the owners                       |             | <b>6,611,591</b>  | <b>-1,567,981</b> |

See accompanying notes.

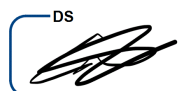
## 978 Tech N.V.

## Statement of changes in equity

(All amounts in EUR)

|                                                         | <b>Issued capital</b> | <b>Retained earnings /<br/>(Accumulated losses)</b> | <b>Total</b>      |
|---------------------------------------------------------|-----------------------|-----------------------------------------------------|-------------------|
| <b>Balance, December 31, 2021</b>                       | <b>1</b>              | <b>-56,248</b>                                      | <b>-56,247</b>    |
| Profit / (loss) for the year                            | -                     | -1,567,981                                          | <b>-1,567,981</b> |
| Other comprehensive income                              | -                     | -                                                   | -                 |
| <b>Total comprehensive income / (loss) for the year</b> | <b>-</b>              | <b>-1,567,981</b>                                   | <b>-1,567,981</b> |
| <b>Balance, December 31, 2022</b>                       | <b>1</b>              | <b>-1,624,229</b>                                   | <b>-1,624,228</b> |
| Profit / (loss) for the year                            | -                     | 6,611,591                                           | <b>6,611,591</b>  |
| Other comprehensive income                              | -                     | -                                                   | -                 |
| <b>Total comprehensive income / (loss) for the year</b> | <b>-</b>              | <b>6,611,591</b>                                    | <b>6,611,591</b>  |
| <b>Balance, December 31, 2023</b>                       | <b>1</b>              | <b>4,987,362</b>                                    | <b>4,987,363</b>  |

See accompanying notes.



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## Statement of cash flows

(All amounts in EUR)

|                                                       | Note | 2023          | 2022       |
|-------------------------------------------------------|------|---------------|------------|
| <b>Cash flow from operating activities</b>            |      |               |            |
| Profit / (loss) for the year                          |      | 6,611,591     | -1,567,981 |
| Add: Depreciation                                     |      | 106           | 126        |
| Add: Profit tax expense                               |      | 16,836        | -          |
| (Increase) / decrease in prepaid expenses             |      | -             | 7,082      |
| (Increase) / decrease in receivable from shareholders |      | -2,271,777    | -          |
| (Increase) / decrease in unbilled revenue             |      | -1,716,597    | -1,067,345 |
| Increase / (decrease) in accounts payable             |      | -             | -19,859    |
| Increase / (decrease) in accrued expenses             |      | 2,700         | 2,700      |
| Increase / (decrease) in payable to subsidiary        |      | 47,805        | -          |
| Increase / (decrease) in payable to shareholders      |      | -2,689,664    | 2,645,277  |
| <b>Net cash generated from operating activities</b>   |      | <b>1,000</b>  | <b>-</b>   |
| <b>Cash flow from investing activities</b>            |      |               |            |
| (Increase) / decrease in investment in subsidiary     |      | -1,000        | -          |
| <b>Net cash generated from investing activities</b>   |      | <b>-1,000</b> | <b>-</b>   |
| <b>Cash flow from financing activities</b>            |      |               |            |
| Increase / (decrease) in issued capital               |      | -             | -          |
| <b>Net cash generated from financing activities</b>   |      | <b>-</b>      | <b>-</b>   |
| <b>Net increase / (decrease) in cash</b>              |      | <b>-</b>      | <b>-</b>   |
| <b>Cash at the beginning of the year</b>              |      | <b>-</b>      | <b>-</b>   |
| <b>Cash at the end of the year</b>                    |      | <b>-</b>      | <b>-</b>   |

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, 2023, the management of the company is borne by a single statutory director:

- XCM Group 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 the years presented, unless otherwise stated.

#### 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.

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**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.

**Investment**

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 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 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 accrued expenses and other payables.

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**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.

**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 reliable. 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.

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**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, 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. Property, plant and equipment**

|                                | <b>2023</b> | <b>2022</b> |
|--------------------------------|-------------|-------------|
| Server                         | 350         | 350         |
| Less: Accumulated depreciation | -315        | -209        |
|                                | <b>35</b>   | <b>141</b>  |

**5. Investment in subsidiary**

As at December 31, 2023, the company holds 100% investment in 978 Tech Ltd, a company incorporated and domiciled in the Republic of Cyprus.

|                                        | <b>2023</b>  | <b>2022</b> |
|----------------------------------------|--------------|-------------|
| 978 Tech Ltd                           | 1,000        | -           |
| (1,000 Equity shares of EUR 1.00 each) | <b>1,000</b> | <b>-</b>    |

The company has elected not to present consolidated financial statements. Its owners have been informed and do not object to presenting separate financial statements.

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**6. Payable to subsidiary**

|              | <b>2023</b>   | <b>2022</b> |
|--------------|---------------|-------------|
| 978 Tech Ltd | 47,805        | -           |
|              | <b>47,805</b> | <b>-</b>    |

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

**7. Receivable from / payable to shareholders**

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

**8. Issued capital**

The issued capital of the company as at December 31, 2023 and December 31, 2022, consists of 1 common share with a nominal value of EUR 1 and subscribed for EUR 1.

No dividends were declared in 2023 and 2022.

**9. Direct cost**

|                         | <b>2023</b>    | <b>2022</b>    |
|-------------------------|----------------|----------------|
| Software expenses       | 208,800        | 283,098        |
| Payment processing fees | 46,805         | -              |
| License and server fees | 14,418         | 22,850         |
|                         | <b>270,023</b> | <b>305,948</b> |

**10. Administrative expenses**

|                        | <b>2023</b>   | <b>2022</b>   |
|------------------------|---------------|---------------|
| Professional fees      | 76,914        | 45,851        |
| Annual compliance fees | 2,700         | 2,700         |
|                        | <b>79,614</b> | <b>48,551</b> |

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### **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:

Unbilled revenue, accrued expenses, other assets and other payables 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, 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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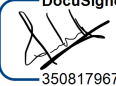
**14. Authorization for issue**

These financial statements for the year ended December 31, 2023 were approved by the board of directors and authorized for issue on February 26, 2025.

**Board of Directors:**NameFunctionSignature

XCM Group B.V.

Statutory Director

DocuSigned by:  
  
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