

AGENICS N.V.

FINANCIAL STATEMENTS

31 December 2022

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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	2022 €	2021 €
ASSETS			
Current Assets			
Cash and cash equivalents	4	9,520	94,902
Trade and other receivables	5	117,411	224,013
Total Current Assets		126,931	318,915
Non-current Assets			
Investments in subsidiary	6	2,845	2,845
Intangible assets		1,891	1,891
Total Non-current Assets		4,736	4,736
TOTAL ASSETS		131,666	323,650
LIABILITIES AND EQUITY			
Current Liabilities			
Account payable	7	18,053	36,196
Other current liabilities		13,450	13,450
Total Current Liabilities		31,503	49,646
Equity			
Share capital	8	4,450	4,450
Additional capital		390,000	240,000
Retained earnings		(294,286)	29,555
Total Equity		100,164	274,005
TOTAL LIABILITIES AND EQUITY		131,666	323,650

The notes to the financial statements form an integral part of these financial statements.

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STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME AS AT 31 DECEMBER 2022

	Notes	2022 €	2021 €
Revenues			
Gross win		581,527	1,386,550
Direct Costs			
License fees		(379,559)	(292,225)
Data processing		(13,658)	(10,332)
Agent's fee		(87,229)	(207,982)
Advertising and marketing		(68,664)	(189,782)
Software development & support		(3,861)	(483,208)
Copyright Services		(4,879)	(8,641)
Total Direct Costs		(557,849)	(1,194,379)
Gross profit		23,678	194,379
Operational expenses	9	(347,519)	(581,089)
Operating result		(323,841)	(386,709)
Financial expenses		0	0
Result before taxes		(323,841)	(386,709)
Profit tax expense	10	0	0
Result for the year		(323,841)	(386,709)
Total comprehensive income for the year		(323,841)	(386,709)

The notes to the financial statements form an integral part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2022

	Notes	Share Capital €	Additional capital €	Retained earnings	Total €
Balance as of December 31, 2021		4,450	240,000	29,555	274,005
Non-refundable capital contribution		-	150,000		150,000
Result for the year				(323,841)	(323,841)
Balance as of December 31, 2022		<u>4,450</u>	<u>390,000</u>	<u>(294,286)</u>	<u>100,164</u>

The notes to the financial statements form an integral part of these financial statements.

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STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2022

	2022	2021
	€	€
Cash flow from operating activities		
Result for the year	(323,841)	(386,709)
Result before taxes	(323,841)	(386,709)
Cash flow from operating activities:		
Increase in trade and other receivables	106,602	332,138
Increase in accounts payable	(18,143)	(136,705)
Net cash generated from operations	(235,382)	(191,277)
Cash flow from investing activities		
	0	0
Net cash used in investing activities	0	0
Cash flow from financing activities		
Non-refundable capital contribution	150,000	240,000
Net cash used in financing activities	150,000	240,000
Net change in cash and cash equivalents	(85,382)	48,723
Cash and cash equivalents at the beginning of the year	94,902	46,179
Cash and cash equivalents at the end of the year	9,520	94,902

The notes to the financial statements form an integral part of these financial statements.

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Notes to the financial statements

1. General Information

Agenics N.V. (the "Company") was incorporated in Curacao on February 13th 2019 as a limited liability company. Its registered office is at Abraham De Veerstraat 9, Willemstad, Curacao. The company was registered in the Commercial register of Curaçao Chamber of Commerce & Industry under number 149347.

The main objectives of the Company are:

1. To organize, market, promote, manage, support and operate all types of remote gaming activities, comprising all types of games, betting and other operations of betting exchange, interactive casinos, bingos, lotteries and other interactive games for clients established or residing outside of Curaçao.
2. The Company 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.

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:

- Mr. Andrii Pohuliaiev Statutory Director

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of Presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention. These financial statements have been prepared in Euro (EUR) and all values are presented in Euro, 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 deposits held at call with banks, other short-term highly liquid investments with its original maturities of three (3) months or less, and bank overdrafts.

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Notes to the financial statements

Financial 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 and loss.

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

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 the profit and 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 the statement of profit and loss.

The Company's financial assets include cash and cash equivalents, prepaid expenses 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 the profit and 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, loan payable, accrued expenses and other payables.

Subsequent measurement

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

Revenue recognition

Casino revenue is presented by the difference between the amounts of bets placed by customers less amounts won, net of bonuses and loyalty points, if any. The revenue is recognized at the fair value of the consideration.

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Notes to the financial statements

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 counterparty. 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 January 1st, 2022 and not previously 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 of 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

Cash and cash equivalents is specified as follows:

	2022	2021
Cash at banks	9,520	94,902
	9,520	94,902

5. Trade and other receivables

Trade and other receivables is specified as follows:

	2022	2021
Receivable from group company	112,627	219,229
Current account shareholder	4,450	4,450
Prepaid expenses	334	334
	117,411	224,013

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Notes to the financial statements

6. Investment in subsidiary

Set out below are the details of the subsidiary held by the Company as at December 31, 2022:

NAME	Country of incorporation	Principal Activities	Holding %	EURO
Gamingvolta Operation Ltd.	Cyprus	Online Gaming	100	1,000

7. Accounts payable

Accounts payable is specified as follows:

	2022	2021
Profit tax payable	0	18,143
Service providers	18,053	18,053
	18,053	36,196

8. Issued Capital

The issued share capital of the Company as at December 31, 2022, consist of 500 shares with a nominal value of USD 10.00 each and subscribed for USD 5,000.00 (EUR 4,450.00).

9. Operational expenses

	2022	2021
Professional fees	37,749	433
Consulting expenses	278,967	491,025
Legal expenses	0	43,783
Communication expenses	418	30,438
Bank Service Charge	9,426	12,252
Other operational expenses	20,940	3,158
	347,519	581,089

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Notes to the financial statements

10. Profit tax expense

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. There were no tax expenses for fiscal year 2022.

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, accounts payable, accrued expenses, other assets and other payables approximates the carrying amount largely due to the short-term maturity.

Loan payable has been disclosed at a value which fairly approximates the value which is expected to be repaid.

12. Subsequent events

In connection with the presentation 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.