

Dynamik Marketing B.V.

Financial Statements

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

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Statement of financial position

(All amounts in HKD)

		31-Dec	
	Note	2023	2022
Assets			
Current assets			
Cash and cash equivalents		266,026	177,047
Receivable from shareholders	4	917	917
Other assets	5	86,140,619	90,325,472
Total current assets		86,407,562	90,503,436
Non-current assets			
Other assets		-	-
Total non-current assets		-	-
Total assets		86,407,562	90,503,436
Equity and liabilities			
Current liabilities			
Accounts payable		367,912	180,040
Other payables		29,326,539	26,474,853
Total current liabilities		29,694,451	26,654,893
Equity			
Issued capital	6	917	917
Retained earnings / (Accumulated losses)		56,712,194	63,847,626
Total equity		56,713,111	63,848,543
Total equity and liabilities		86,407,562	90,503,436

See accompanying notes.

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Statement of profit or loss

(All amounts in HKD)

	Note	2023	2022
Revenue		3,647,367	-46,103,320
Direct cost	7	-1,895,792	-5,067,680
Gross profit / (loss)		1,751,575	-51,171,000
Administrative expenses	8	-11,806,087	-9,301,244
Selling and distribution expenses		-4,760	-115,170
Profit / (loss) from operations		-10,059,272	-60,587,414
Finance cost (net)	9	2,923,840	3,655,577
Profit / (loss) before tax		-7,135,432	-56,931,837
Profit tax expense	3	-	-
Profit / (loss) for the year		-7,135,432	-56,931,837
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		-7,135,432	-56,931,837
Attributable to the owners		-7,135,432	-56,931,837

See accompanying notes.

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Statement of changes in equity

(All amounts in HKD)

	Issued capital	Retained earnings / (Accumulated losses)	Total
Balance, December 31, 2021	917	120,779,463	120,780,380
Profit / (loss) for the year	-	-56,931,837	-56,931,837
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-56,931,837	-56,931,837
Balance, December 31, 2022	917	63,847,626	63,848,543
Profit / (loss) for the year	-	-7,135,432	-7,135,432
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-7,135,432	-7,135,432
Balance, December 31, 2023	917	56,712,194	56,713,111

See accompanying notes.

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Statement of cash flows

(All amounts in HKD)

	Note	2023	2022
Cash flow from operating activities			
Profit / (loss) for the year		-7,135,432	-56,931,837
(Increase) / decrease in other assets		4,184,853	32,462,598
Increase / (decrease) in accounts payable		187,872	-4,108
Increase / (decrease) in other payables		2,851,686	24,478,539
Net cash generated from operating activities		88,979	5,192
Cash flow from investing activities			
(Increase) / decrease in other assets		-	-
Net cash generated from investing activities		-	-
Cash flow from financing activities			
Increase / (decrease) in issued capital		-	-
Net cash generated from financing activities		-	-
Net increase / (decrease) in cash		88,979	5,192
Cash at the beginning of the year		177,047	171,855
Cash at the end of the year		266,026	177,047

See accompanying notes.

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

Dynamik Marketing B.V. (the company) was established on July 24, 2020 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 154613.

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 exceeded 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:

- | | | |
|---|------------------------------------|--------------------|
| - | Xecutive 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.

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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.

Foreign currency transactions

The financial statements are presented in HKD, 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 cash and cash equivalents 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 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. Receivable to shareholders

Receivable from shareholders represents receivable from shareholders net of expenses incurred on behalf of the company. The receivable does not carry any interest and is repayable on demand.

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5. Other assets

	2023	2022
C/A - Sharp Klick Limited	85,737,095	90,321,793
C/A - Eight Central	222,381	-
C/A - Intelligent Services Holdings Limited	99,120	-
C/A - Eight Stars	78,344	-
Deposit	3,679	3,679
	86,140,619	90,325,472

6. Issued capital

The issued capital of the company as on December 31, 2023 and December 31, 2022 consists of 100 shares with a nominal value of EUR 1 each and subscribed for HKD 917.

No dividend was declared in 2023 and 2022.

7. Direct cost

	2023	2022
Software expenses	1,212,036	1,431,324
Platform costs - Octavia	676,491	90,621
Platform costs - TripleBet	7,265	-
Payment costs - Pint	-	3,445,633
License and server fees	-	50,576
Other direct cost	-	49,526
	1,895,792	5,067,680

8. Administrative expenses

	2023	2022
Management fees	8,264,717	6,277,290
Professional fees	1,101,316	668,161
Rent expenses	-	35,291
Other administrative expenses	2,440,054	2,320,502
	11,806,087	9,301,244

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Other administrative expenses include

	2023	2022
Computer expenses	2,431,982	2,309,003
Dues and subscriptions	4,880	8,554
Communication expenses	3,192	2,945
	2,440,054	2,320,502

9. Finance cost (net)

	2023	2022
Exchange gain (net)	-2,963,664	-3,859,643
Bank charges	64,947	182,731
Bank revaluations	-25,123	18,918
Interest expenses	-	2,417
	-2,923,840	-3,655,577

10. 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, other assets and other payables have been disclosed at a value which is fairly approximate the value which is expected to be received.

11. Contingencies, commitments and legal proceedings

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

12. 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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13. 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 April 29, 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...