

HappyLuck B.V.

Financial Statements

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

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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



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Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2023	2022
Assets			
Current assets			
Cash and cash equivalents	4	103,296	144,111
Receivable from subsidiary	5	92,811	135,132
Prepaid expenses		40,344	30,100
Total current assets		236,451	309,343
Non-current assets			
Investment in subsidiary	6	1,000	1,000
Total non-current assets		1,000	1,000
Total assets		237,451	310,343
Equity and liabilities			
Current liabilities			
Accounts payable		273,323	212,880
Accrued expenses	7	48,000	36,000
Payable to shareholders	8	75,248	34,718
Total current liabilities		396,571	283,598
Equity			
Issued capital	9	100	100
Retained earnings / (Accumulated losses)		-159,220	26,645
Total equity		-159,120	26,745
Total liabilities and equity		237,451	310,343

See accompanying notes.



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Statement of profit or loss

(All amounts in EUR)

	Note	2023	2022
Revenue	10	2,208,746	2,199,683
Direct cost	11	-2,180,890	-2,093,872
Gross profit / (loss)		27,856	105,811
Selling and marketing expenses		-84,360	-60,770
Administrative expenses	12	-113,155	-44,718
Profit / (loss) from operations		-169,659	323
Finance cost	13	-16,206	-14,306
Profit / (loss) before tax		-185,865	-13,983
Profit tax expense	3	-	-
Profit / (loss) for the year		-185,865	-13,983
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		-185,865	-13,983
Attributable to the owners		-185,865	-13,983

See accompanying notes.



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Statement of changes in equity

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Total
Balance, December 31, 2021	100	40,628	40,728
Profit / (loss) for the year	-	-13,983	-13,983
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-13,983	-13,983
Balance, December 31, 2022	100	26,645	26,745
Profit / (loss) for the year	-	-185,865	-185,865
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-185,865	-185,865
Balance, December 31, 2023	100	-159,220	-159,120

See accompanying notes.



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Statement of cash flows

(All amounts in EUR)

	Note	2023	2022
Cash flow from operating activities			
Profit / (loss) for the year		-185,865	-13,983
(Increase) / decrease in receivable from subsidiary		42,321	-16,462
(Increase) / decrease in prepaid expenses		-10,244	-29,550
Increase / (decrease) in accounts payable		60,443	117,815
Increase / (decrease) in accrued expenses		12,000	9,300
Increase / (decrease) in payable to shareholders		40,530	9,850
Net cash generated from operating activities		-40,815	76,970
Cash flow from investing activities			
(Increase) / decrease in investment in subsidiary		-	-
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		-40,815	76,970
Cash at the beginning of the year		144,111	67,141
Cash at the end of the year	4	103,296	144,111

See accompanying notes.



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Notes to financial statements

1. General information

HappyLuck B.V. (the company) was established on June 26, 2018 in Curaçao as a private limited liability company. The address of its registered office is at Korporaalweg 10, Curaçao. The company was registered in the commercial register of the Curaçao Chamber of Commerce & Industry under the number 147343.

The main objectives of the company are as follows:

1. a. To provide off-shore games of chance and wagering, through the internet in compliance with the regulations of the Government of Curaçao. This service shall be referred to for all purposes as "Internet Casino / Internet Wagering / Internet Sportsbook";
- b. The online purchase and sale of software;
- c. The online distribution of software.

Aforementioned services which will be rendered from an area that has been designated as an E-zone in conformity with the local E-zone law.

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 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 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 statement of 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 statement of profit or 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 statement of 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.

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Subsequent measurement

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

Revenue recognition

Gaming revenue is represented 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.

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 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 Curacao 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.



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4. Cash and cash equivalents

	2023	2022
Balances at bank		
KoalaPays	37,567	37,567
Narvi	36,384	-
Bilderlings	29,345	106,544
	103,296	144,111

5. Receivable from subsidiary

	2023	2022
C/A ITPAH Ltd	92,811	135,132
	92,811	135,132

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

6. Investment in subsidiary

As at December 31, 2023 and December 31, 2022, the company holds 100% investment in ITPAH Ltd, a company incorporated and domiciled in the Republic of Cyprus.

	2023	2022
ITPAH Ltd	1,000	1,000
(1,000 ordinary shares of EUR 1 each)		
	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.

7. Accrued expenses

	2023	2022
Compliance and processing support fees	48,000	36,000
	48,000	36,000

8. Payable to shareholders

Payable to shareholders represents expenses incurred by the shareholders on behalf of the Company net of amount due from them. This does not carry any interest and is repayable on demand.



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9. Issued capital

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

No dividends were declared in 2023 and 2022.

10. Revenue

	2023	2022
Bets placed	4,993,235	5,367,877
Less: Bets won	-2,784,489	-3,168,194
Gross gaming revenue	2,208,746	2,199,683

11. Direct cost

	2023	2022
Software expenses	1,259,600	147,000
IT support and maintenance fees	763,160	1,305,885
Payment gateway fees	139,081	225,771
Compliance and processing support fees	12,000	12,000
License and server fees	7,049	403,216
	2,180,890	2,093,872

12. Administrative expenses

	2023	2022
Contribution and subscription fees	74,636	3,397
Annual management fees	20,500	20,000
Rent expenses	5,588	1,622
Professional fees	5,331	12,550
Compliance fees	3,600	4,050
Annual compliance fees	2,750	2,750
Other expenses	750	349
	113,155	44,718



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13. Finance cost

	2023	2022
Bank charges	16,206	14,306
	16,206	14,306

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

15. Contingencies, commitments and legal proceedings

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

16. 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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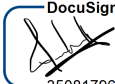


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17. Authorization for issue

These financial statements for the year ended December 31, 2023 were approved by the board of directors and authorized for issue on November 05, 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...