

Independent Auditors' Report

To the Shareholders of HGCU B.V.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HGCU B.V., set out on pages 3 to 17, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company for the year ended 31 December 2021 were not audited and we do not express an opinion on the comparative figures.

Other Information

The directors are responsible for the other information. The other information comprises the director's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed, in our opinion:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the director's report and other information. We have nothing to report in this regard.

Responsibilities of the Directors

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS as adopted by the EU, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Independent Auditors' Report (continued)

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Karl Bonanno
 for and on behalf of
 ECOVIS Malta Limited
 Certified Public Accountants and Registered Auditors

4 May 2023

HGCU B.V.

Company reg no. 146613

**Non-Statutory Annual Report and Financial Statements
For the Year Ended 31 December 2022**

HGCU B.V.
For the Year Ended 31 December 2022
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HGCU B.V.

Director's Report

31 December 2022

The director presents the report and the financial statements of HGCU B.V. ("the Company") for the year ended 31 December 2022.

Principal Activities

The Company's principal activity is to carry on the business of setting up, maintaining, hosting and licensing of gaming platforms for remote gaming including software components of such platforms.

Review of Business Development and State of Affairs

The Company registered a profit for the year of €19,219,870 (2021: €3,742,796). Revenue generated during the year amounted to €25,516,190 (2021: €5,320,449) which reflects an increase of €20,195,741. Cost of sales for the year amounted to €2,028,968 (2021: €370,371) and administrative expenses incurred increased by €3,060,070 from €1,207,282 in 2021 to €4,267,352 in 2022.

The director expects the level of business and the Company's financial position will be sustained in the near future. The statement of comprehensive income is shown on page 3.

Post Balance Sheet Events

No significant events have occurred after the balance sheet date which require mention in this report.

Future Developments

The Company is not envisaging any changes in operating activities for the forthcoming year.

Dividends

During the year ended 31 December 2022, dividends amounting to € 19,630,000 were paid (2021: NIL).

Financial risk management

The Company is exposed to a variety of risks and hence operates a risk management strategy with the objective of controlling and minimising the impact on the financial performance and position. A detailed review of the risk management policies employed by the Company with the exposures to market risk, credit risk, liquidity risk and capital risk management is included in note 11. of the financial statements.

Director

The director of the Company who held office during the year was:

Xecutive Corporate Management B.V.

HGCU B.V.

Director's Report

31 December 2022

Statement of Director's Responsibilities

The director prepares financial statements for each financial period which give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that period.

In preparing the financial statements, the director is required to:

- adopt the going concern basis unless it is inappropriate to presume that the Company will continue in the business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The director is responsible for designing, implementing and maintaining internal control as the director determines is necessary to enable the preparation of the financial statements that are free from material misstatement whether due to fraud or error. The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial Reporting Framework

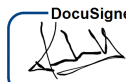
The director has resolved to prepare the Company's financial statements for the year ended 31 December 2022 in accordance with the International Financial Reporting Standards as adopted by the EU.

Auditor

ECOVIS Malta Limited, Certified Public Accountants, have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the Annual General Meeting.

Approved and signed by the sole director on 04 May 2023.

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Christopher van Rosberg
On behalf of Xecutive Corporate
Management B.V.
Director

DocuSigned by:



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Andy P. Senior
On behalf of Xecutive Corporate
Management B.V.
Director

Registered Address:

Fransche Bloemweg 4
Curacao

HGCU B.V.**Statement of Comprehensive Income****For the Year Ended 31 December 2022**

		2022	2021
		€	€
Revenue	4.	25,516,190	5,320,449
Cost of sales		2,028,968	370,371
Gross profit		23,487,222	4,950,078
Administrative expenses		4,267,352	1,207,282
Profit before tax		19,219,870	3,742,796
Taxation	5.	-	-
Profit for the year		19,219,870	3,742,796
Total comprehensive income for the year		19,219,870	3,742,796

HGCU B.V.**Statement of Financial Position****As at 31 December 2022**

	Note	2022 €	2021 €
ASSETS			
Current assets			
Trade and other receivables	6.	4,488,952	1,548,579
Cash and cash equivalents	7.	1,163,628	2,685,928
Total current assets		5,652,580	4,234,507
TOTAL ASSETS		5,652,580	4,234,507
EQUITY AND LIABILITIES			
Equity			
Share capital	8.	82	82
Retained earnings		3,175,197	3,585,327
Total equity		3,175,279	3,585,409
Liabilities			
Current liabilities			
Amount due to parent company		1,096,394	-
Trade and other payables	9.	1,380,907	649,098
Total current liabilities		2,477,301	649,098
TOTAL EQUITY AND LIABILITIES		5,652,580	4,234,507

The financial statements set out on pages 3 to 17 were approved and signed by the sole director on 04 May 2023.

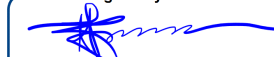
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3508179679034CB...

Christopher van Rosberg
On behalf of Xecutive Corporate
Management B.V.
Director

DocuSigned by:



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Andy P. Senior
On behalf of Xecutive Corporate
Management B.V.
Director

HGCU B.V.**Statement of Changes in Equity****For the Year Ended 31 December 2022**

	Note	Share Capital €	Additional Capital €	Retained earnings €	Total equity €
Balance at 01 January 2022		82	-	3,585,327	3,585,409
Transactions with owners					
Ordinary dividends		-	-	(19,630,000)	(19,630,000)
		82	-	(16,044,673)	(16,044,591)
Comprehensive income					
Profit for the year - Total comprehensive income		-	-	19,219,870	19,219,870
Balance at 31 December 2022		82	-	3,175,197	3,175,279

	Note	Share capital €	Additional Capital €	Retained earnings €	Total equity €
Balance at 01 January 2021		82	29,461	(157,469)	(127,926)
Transactions with owners					
Decrease in capital contribution	8.	-	(29,461)	-	(29,461)
		82	-	(157,469)	(157,387)
Comprehensive income					
Profit for the year - Total comprehensive income		-	-	3,742,796	3,742,796
Balance at 31 December 2021		82	-	3,585,327	3,585,409

The notes on pages 7 to 17 form an integral part of these financial statements.

HGCU B.V.**Statement of Cash Flows****For the Year Ended 31 December 2022**

		2022	2021
	Note	€	€
Cash flows from operating activities:			
Profit from operations		19,219,870	3,742,796
Profit from operations		19,219,870	3,742,796
Increase in trade and other receivables		(2,940,373)	(1,408,226)
Increase in trade and other payables		731,809	293,213
Net cash flows from operating activities		17,011,306	2,627,783
Cash flows used in financing activities:			
Payments of dividends by reporting entity		(19,630,000)	-
Payments of capital contribution		-	(29,461)
Payments from parent company		1,096,394	-
Repayment from loans to group companies		-	8,900
Net cash flows used in financing activities		(18,533,606)	(20,561)
Net (decrease)/increase in cash and cash equivalents		(1,522,300)	2,607,222
Cash and cash equivalents at beginning of year		2,685,928	78,706
Cash and cash equivalents at end of the year	7.	1,163,628	2,685,928

HGCU B.V.**Notes to the Financial Statements****For the Year Ended 31 December 2022****1. General information**

The Company is incorporated and domiciled in Curacao. The registered office of the Company is Fransche Bloemweg 4 Curacao. These financial statements were approved for issue by the Director on 04 May 2023.

2. Application of new and revised IFRSs**a. *Standards, interpretations and amendments to published standards effective in the current year***

The Company has adopted the following amendment to IFRSs:

- Amendments to IFRS 3: Reference to the Conceptual Framework (effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022)
- Amendments to IAS 16: Property, Plant and Equipment - Proceeds before Intended Use - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use (effective for annual periods beginning on or after 1 January 2022)
- Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)
- Annual Improvements to IFRS Standards 2018–2020 (effective for annual periods beginning on or after 1 January 2022)
 - Amendments to IAS41: Agriculture – aligning the fair value measurement requirements in IAS 41 with those in IFRS 13
 - Amendments to IFRS 1 – First time Adoption of International financial Reporting Standards – the application of IFRS 1 by a subsidiary that becomes a first-time adopter of IFRS Accounting Standards after its parent
 - Amendments to IFRS 9: Financial Instruments – clarifies which fees to include in the derecognition analysis The application of the amendment do not have any impact on the financial statements
 - Amendments to Illustrative examples accompanying IFRS16 – removes the illustration of payments from the lessor for lessee-owned leasehold improvements

The application of the amendments did not result in any material impact on the financial statements.

b. *Standards, interpretations and amendments to published standards that are not yet effective*

Up to the date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective for the current reporting period and which have not been adopted early.

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (amendments are applied retrospectively for annual periods beginning on or after 1 January 2024)
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective for annual reporting periods beginning on or after 1 January 2023)

HGCU B.V.**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****2. Application of new and revised IFRSs continued****b. Standards, interpretations and amendments to published standards that are not yet effective continued**

- Amendment to IAS 1: Deferral of Effective Date - The amendment defers the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2024.
- Amendments to IAS 1: Amendments regarding the classification of debt with covenants (effective for annual periods beginning on or after 1 January 2024)
- Amendments to IFRS 4: Extension of the Temporary Exemption from Applying IFRS 9 (The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - (effective date - deferred indefinitely)
- Amendments to IFRS 17: Insurance Contracts – (effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 8: Definition of Accounting - (effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 12: Deferred Tax - deferred tax on leases and decommissioning obligations - (effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IFRS 16: Leases to clarify how a seller-lessee subsequently measures sale and leaseback transactions - (effective for annual reporting periods beginning on or after 1 January 2024)

The changes resulting from these standards are not expected to have a material effect on the financial statements of the Company.

3. Significant Accounting Policies**a. Basis of preparation****i. Basis of measurement**

The financial statements have been prepared on the historical cost basis as modified to include fair values where it is stated in the accounting policies below.

ii. Functional and presentation currency

The financial statements are presented in Euro (€), which is the Company's functional currency.

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation are recognised in profit or loss.

HGCU B.V.**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****3. Significant Accounting Policies continued****a. Basis of preparation continued****iii. Statement of compliance**

The financial statements have been prepared and presented in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU.

iv. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make judgments, estimates and assumptions that affect the application of accounting policies.

Estimates and judgments are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. In management's opinion, the accounting estimates and judgments made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

b. Financial assets**i. Recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

HGCU B.V.**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****3. Significant Accounting Policies continued****b. Financial assets continued****i. Recognition and measurement continued**

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

ii. Impairment

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forwardlooking factors specific to the debtors and the economic environment.

HGCU B.V.**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****3. Significant Accounting Policies continued****b. Financial assets continued****ii. Impairment continued**

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

c. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

d. Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents comprise deposits held at call with banks and ewallets. Cash equivalents are short-term investments that are held to meet short-term cash commitments rather than for investment or other purposes. Bank overdrafts, which are repayable on demand and form an integral part of Company's cash and management, are a component of cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. Cash and cash equivalents exclude balances held on behalf of customers, which are held separately and distinct from the funds of the Company, and whose use is restricted.

e. Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares are recognised as a deduction from equity.

f. Financial liabilities

Financial liabilities are classified at initial recognition, as financial liabilities at fair value through profit or loss, loan and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings payables, net of directly attributable transaction costs.

The Company's financial liabilities included trade and other payables and other financial liabilities. Trade and other payables are stated at their nominal value unless the effect of discounting is material. Other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. Amounts due to related parties are carried at cost.

HGCU B.V.**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****3. Significant Accounting Policies continued****g. Trade and other payables**

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequent measured at amortised cost using the effective interest method.

h. Revenue recognition**i. Rendering of services**

Revenue from the provision of services is recognised in proportion to the state of completion of the transaction at end of the reporting period.

Revenue comprises the fair value of the consideration received or receivable for license fee income received and services provided in the ordinary course of the Company's activities. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met.

ii. Licence fees

License fees are recognised on an accrual basis in accordance with the substance of the relevant agreement.

iii. Interest income

Interest income is recognised when the inflow of economic benefits associated with the transaction is probable and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis.

iv. Other income

Other income is recognised as it occurs unless collectability is in doubt.

i. Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

HGCU B.V.**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****3. Significant Accounting Policies continued****i. Taxation continued**

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The company is subject to a territorial tax system, wherein the income earned in Curacao is subject to 22% of profit taxes and the foreign source income is subject to 0% of profit taxes.

4. Revenue

	2022	2021
	€	€
Rendering of services	25,516,190	5,320,449

5. Taxation

Deferred tax assets are recognised only to the extent that realisation of the related tax benefit is probable. As at 31 December 2022, the company had €47,258 accumulated tax losses to carry forward against future taxable income. The deferred tax assets amounting to €10,397 is immaterial and has not been recognised in these financial statements.

6. Trade and other receivables

	2022	2021
	€	€
Trade receivables	1,022,719	336,774
Accrued income	3,466,233	1,211,805
Total	4,488,952	1,548,579

7. Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement are as follows:

	2022	2021
	€	€
Bank balances	1,163,628	2,685,928

HGCU B.V.**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****8. Equity****a. Share Capital**

	2022	2021
	€	€
Authorised		
100 ordinary shares of \$1 each	82	82
Issued		
100 ordinary shares of \$1 each, fully paid up	82	82

b. Retained earnings

Retained earnings represent accumulated profits or losses. During the year, the Company distributed an interim dividend of €19,630,000 equivalent to €196,300 per fully paid common share.

9. Trade and other payables

	2022	2021
	€	€
Trade payables	527,324	27,043
Accruals	853,583	622,055
Total	1,380,907	649,098

HGCU B.V.**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****10. Related parties****a. Parent company and ultimate controlling parties**

The Company's immediate parent company is Hacksaw Gaming Ltd., a Company incorporated and domiciled under the laws of Malta which owns 100% of the Company's shares. The ultimate parent company is Hacksaw AB which is registered in Sweden.

b. Related party transactions and balances

	2022	2021
	€	€
Purchases of services:		
Software licences	2,000,000	300,000
Insurance	22,418	64,077
Administration and marketing	4,181,465	1,135,208
Management fee	6,750	9,000
Total	6,210,633	1,508,285
Payables to related parties:		
Trade payables to fellow subsidiary (note 9)	(525,000)	(26,134)
Amount due to parent company	(1,096,394)	-
Total	(1,621,394)	(26,134)

All outstanding balances with related parties are priced on an arm's length basis and are to be settled in cash. No provision for doubtful debts was provided for on amounts due from related parties. Amounts due from related parties are unsecured, interest-free and repayable on demand.

No guarantees have been given or received.

11. Financial risk management

The Company is exposed to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk (currency risk and cash flow and interest rate risk)

Risk management framework

The Company's overall risk management, covering risk exposures, focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the respective Company's financial performance. The Company did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial years. The management of the Company's financial risk is based on a financial policy approved by the ultimate parent's Board of Directors and exposes the Company to a low level of risk.

HGCU B.V.**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****11. Financial risk management continued**

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

a. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and cash and cash equivalents.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the country in which customers operate.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly.

None of these customers' balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, their geographic location, trading history with the Company and existence of previous financial difficulties.

Expected credit loss assessment on trade receivables

The Company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from agencies [Rating agency Global S&P].

Based on the impairment assessment carried out by the Company, the expected credit losses are not significant. Therefore, no impairment was recognised for the year ended 31 December 2022.

The Company does not hold any collateral as security in this respect.

Cash and cash equivalents

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. No credit loss was recognised as it is considered to be below the materiality level.

The Company deals only with financial institutions on payment intermediaries with high quality credit ratings and does not consider that there was any material credit risk concentration at the end of the reporting period.

The Company does not hold any collateral as security in this respect.

HGCU B.V.**Notes to the Financial Statements (continued)****For the Year Ended 31 December 2022****11. Financial risk management continued****b. Liquidity risk**

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise trade and other payables and amounts due to related parties. Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Company's obligations.

Management monitors liquidity risk by reviewing expected cash flows. The Company liquidity risk is not deemed to be significant in view of the matching of cash inflows and outflows arising from intragroup financing that it can access to meet liquidity needs.

c. Market risk**Currency risk**

Currency risk is the risk that changes in foreign exchange rates will cause fluctuations to the fair values and cash flows of the Company's financial instrument holdings.

The exposure to currency risk arises from various currencies relating to the operating activities, recognised assets and liabilities, and net investments in foreign operations.

Currency risk is minimised by monitoring foreign currency cash flows and entering into forward exchange contracts and other hedging transactions.

The net exposure to foreign currency as at 31 December 2022 was not deemed to be significant by the director and accordingly a sensitive analysis disclosing how profit or loss would have been effected by changes in the exchange rate is not deemed necessary.

Cash flow and interest rate risk

Since the Company has no significant variable interest-bearing assets and liabilities, its income and operating cash flows are substantially independent of changes in market interest rates. On this basis, management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period to be immaterial.

12. Capital risk management

It is the policy of the director to maintain an adequate capital base in order to sustain the future development of the business and safeguard the ability of the Company to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares, return capital to shareholders or adjust the amount of dividends paid to shareholders.

The Company's equity, as disclosed in the statement of financial position, constitutes its capital. The Company maintains the level of capital by reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the Company's activities, the capital level as at the end of the reporting period is deemed adequate by the director.

13. Fair values of financial assets

At 31 December 2022 and 31 December 2021 the carrying amounts of cash at bank, receivables and payables reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

HGCU B.V.
For the Year Ended 31 December 2022

Schedules

Operating Account

	2022	2021
	€	€
Sales		
Revenue	25,516,190	5,320,449
Cost of Sales		
Insurance charges	23,668	64,077
Licence fees	2,005,300	306,294
Total cost of sales	2,028,968	370,371
Gross profit	23,487,222	4,950,078

HGCU B.V.**For the Year Ended 31 December 2022****Schedules****Schedule of Administrative Expenses**

	2022	2021
	€	€
Administrative expenses		
Accountancy fees	8,488	11,148
Administration and marketing fees	4,181,465	1,135,208
Bank charges	22,361	7,855
Compliance fees	3,600	2,100
Lease rentals on operating lease	3,344	-
Postage	120	-
Professional fees	48,168	48,729
Provision for bad and doubtful debts	(2,188)	2,188
Realised loss on exchange	1,994	54
Total	4,267,352	1,207,282