

MuchGaming B.V.

Financial Statements

for the years ended December 31, 2022 and December 31, 2021

DS DS
CVR LG

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Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2022	2021
Assets			
Current assets			
Inventory	4	472,221	973,363
Prepaid expenses		11,850	2,120
Total current assets		484,071	975,483
Non-current assets			
Other assets		-	-
Total non-current assets		-	-
Total assets		484,071	975,483
Equity and liabilities			
Current liabilities			
Accounts payable		98,750	160,166
Accrued expenses	5	-	176,094
Payable to shareholders		77,792	5,100
Profit tax payable		891	891
Total current liabilities		177,433	342,251
Equity			
Issued capital	6	100	100
Retained earnings / (Accumulated losses)		306,538	633,132
Total equity		306,638	633,232
Total liabilities and equity		484,071	975,483

See accompanying notes.

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Statement of profit or loss

(All amounts in EUR)

	Note	2022	2021
Revenue		575,982	1,098,208
Direct cost	7	-927,036	-2,082,147
Gross profit / (loss)		-351,054	-983,939
Advertising and promotion expenses		-27,684	-22,495
Administrative expenses	8	-46,188	-30,368
Other income	9	98,332	1,556,500
Profit / (loss) from operations		-326,594	519,698
Finance cost		-	-
Profit / (loss) before tax		-326,594	519,698
Profit tax expense	3	-	-891
Profit / (loss) for the year		-326,594	518,807
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		-326,594	518,807
Attributable to the owners		-326,594	518,807

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, 2020	100	114,325	114,425
Profit / (loss) for the year	-	518,807	518,807
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	518,807	518,807
Balance, December 31, 2021	100	633,132	633,232
Profit / (loss) for the year	-	-326,594	-326,594
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-326,594	-326,594
Balance, December 31, 2022	100	306,538	306,638

See accompanying notes.

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Statement of cash flows

(All amounts in EUR)

	Note	2022	2021
Cash flow from operating activities			
Profit / (loss) for the year		-326,594	518,807
Add: Profit tax expense		-	891
(Increase) / decrease in inventory		501,142	-643,816
(Increase) / decrease in receivable from shareholders		-	100
(Increase) / decrease in prepaid expenses		-9,730	1,080
(Increase) / decrease in other assets		-	27,374
Increase / (decrease) in accounts payable		-61,416	-55,339
Increase / (decrease) in accrued expenses		-176,094	145,803
Increase / (decrease) in payable to shareholders		72,692	5,100
Net cash generated from operating activities		-	-
Cash flow from investing activities			
(Increase) / decrease in other assets		-	-
Net cash generated from investing activities		-	-
Cash flow from financing activities			
Capital issued		-	-
Net cash generated from financing activities		-	-
Net increase / (decrease) in cash		-	-
Cash at the beginning of the year		-	-
Cash at the end of the year		-	-

See accompanying notes.

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

MuchGaming B.V. (the company) was established on March 20, 2020 in Curaçao as a private limited liability company. The address of its registered office is Fransche Bloemweg 4, Curaçao. The company was registered in the Commercial Register of the Curaçao Chamber of Commerce & Industry is registered under number 153126.

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, 2022, the management of the company is borne by a single director:

- Xecutive Corporate Management B.V.

Statutory Director

2. Summary of significant 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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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 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 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.

Subsequent measurement

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

Revenue recognition

Revenue and costs are recognized in the year to which it relates to.

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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 January 01, 2022 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 22% of profit taxes and the foreign source income is subject to 0% of profit taxes.

4. Inventory

This represents crypto currency balances as on December 31, 2022. As per IFRS, there is no specific technical guidance on accounting of cryptos. Based on various technical guidance issued by the accounting bodies, the cryptos are being treated as inventories. Hence, IAS 2 – Inventories shall become applicable, resulting in valuation at lower of cost and net realizable value.

5. Accrued expenses

	2022	2021
Agency commission fees	-	173,394
Annual compliance fees	-	2,700
		176,094

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6. Issued capital

The issued capital of the company as at December 31, 2022 and December 31, 2021 consists of 100 shares with a nominal value of EUR 1 each and subscribed for EUR 100.

No dividends were declared in 2022 and 2021.

7. Direct cost

	2022	2021
License, server and software development fees	913,493	1,852,649
Payment processing fees	13,543	28,370
Support services	-	360
Agency commission fees	-	200,768
	927,036	2,082,147

8. Administrative expenses

	2022	2021
Annual management fees	32,250	22,900
Rent expenses	5,588	3,868
Compliance fees	5,400	-
Annual compliance fees	2,750	2,700
Other expenses	200	450
Professional fees	-	450
	46,188	30,368

9. Other income

	2022	2021
Foreign exchange gain	98,293	807,643
Other income	39	748,857
	98,332	1,556,500

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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:

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

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, 2022. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2022.



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13. Authorization for issue

These financial statements for the year ended December 31, 2022 was approved by the board of directors and authorized for issue on June 19, 2023.

Board of Directors:

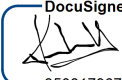
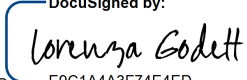
Name

Function

Signature

Xecutive Corporate
Management B.V.

Statutory Director

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