

MuchGaming 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 EUR)

		31-Dec	
	Note	2023	2022
Assets			
Current assets			
Inventory	4	1,377,365	472,221
Prepaid expenses	5	18,694	11,850
Total current assets		1,396,059	484,071
Non-current assets			
Other assets		-	-
Total non-current assets		-	-
Total assets		1,396,059	484,071
Equity and liabilities			
Current liabilities			
Accounts payable		-	98,750
Accrued expenses	6	112,825	-
Payable to shareholders		77,792	77,792
Profit tax payable		1,067	891
Total current liabilities		191,684	177,433
Equity			
Issued capital	7	100	100
Retained earnings / (Accumulated losses)		1,204,275	306,538
Total equity		1,204,375	306,638
Total liabilities and equity		1,396,059	484,071

See accompanying notes.

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Statement of profit or loss

(All amounts in EUR)

	Note	2023	2022
Revenue		1,966,443	575,982
Direct cost	8	-1,026,964	-927,036
Gross profit / (loss)		939,479	-351,054
Advertising and promotion expenses		-38,871	-27,684
Administrative expenses	9	-43,644	-46,188
Other income	10	41,815	98,332
Profit / (loss) from operations		898,779	-326,594
Finance cost		-	-
Profit / (loss) before tax		898,779	-326,594
Profit tax expense	3	-1,042	-
Profit / (loss) for the year		897,737	-326,594
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		897,737	-326,594
Attributable to the owners		897,737	-326,594

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	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
Profit / (loss) for the year	-	897,737	897,737
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	897,737	897,737
Balance, December 31, 2023	100	1,204,275	1,204,375

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		897,737	-326,594
Add: Profit tax expense		1,042	-
(Increase) / decrease in inventory		-905,144	501,142
(Increase) / decrease in prepaid expenses		-6,844	-9,730
Increase / (decrease) in accounts payable		-98,750	-61,416
Increase / (decrease) in accrued expenses		112,825	-176,094
Increase / (decrease) in payable to shareholders		-	72,692
Profit taxes paid		-866	-
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 Korporaalweg 10, 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, 2023, the management of the company is borne by a single 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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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, 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. Inventory

This represents crypto currency balances as on December 31, 2023. 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.

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5. Prepaid expenses

	2023	2022
License and server fees	14,094	-
Management fees	3,750	-
Rent expenses	500	-
Other expenses	350	-
	18,694	-

6. Accrued expenses

	2023	2022
Agency commission fees	112,825	-
	112,825	-

7. Issued capital

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

No dividends were declared in 2023 and 2022.

8. Direct cost

	2023	2022
License, server and software development fees	834,590	913,493
Agency commission fees	178,753	-
Payment processing fees	13,621	13,543
	1,026,964	927,036

9. Administrative expenses

	2023	2022
Annual management fees	32,250	32,250
Compliance fees	5,400	5,400
Rent expenses	3,044	5,588
Annual compliance fees	2,750	2,750
Other expenses	200	200
	43,644	46,188

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10. Other income

	2023	2022
Foreign exchange gain	41,795	98,293
Other income	20	39
	41,815	98,332

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:

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

12. Contingencies, commitments and legal proceedings

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

13. 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.

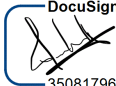


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14. Authorization for issue

These financial statements for the year ended December 31, 2023 was approved by the board of directors and authorized for issue on July 24, 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...