

MuchGaming B.V.

Financial Statements

for the years ended December 31, 2024 and December 31, 2023

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Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2024	2023
Assets			
Current assets			
Inventory	4	3,943,113	1,377,365
Prepaid expenses	5	14,200	18,694
Receivable from subsidiary	6	59,996	-
Other assets	7	72,103	-
Total current assets		4,089,412	1,396,059
Non-current assets			
Investment in subsidiary	8	1,000	-
Total non-current assets		1,000	-
Total assets		4,090,412	1,396,059
Equity and liabilities			
Current liabilities			
Accounts payable		994,358	-
Accrued expenses	9	146,327	112,825
Payable to shareholders		79,154	77,792
Profit tax payable		1,508	1,067
Total current liabilities		1,221,347	191,684
Equity			
Issued capital	10	100	100
Retained earnings / (Accumulated losses)		2,868,965	1,204,275
Total equity		2,869,065	1,204,375
Total liabilities and equity		4,090,412	1,396,059

See accompanying notes.

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Statement of profit or loss

(All amounts in EUR)

	Note	2024	2023
Revenue	11	3,200,483	1,966,443
Direct cost	12	-2,336,572	-1,026,964
Gross profit / (loss)		863,911	939,479
Advertising and promotion expenses		-88,931	-38,871
Administrative expenses	13	-45,900	-43,644
Other income	14	937,063	41,815
Profit / (loss) from operations		1,666,143	898,779
Finance cost		-	-
Profit / (loss) before tax		1,666,143	898,779
Profit tax expense	3	-1,453	-1,042
Profit / (loss) for the year		1,664,690	897,737
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		1,664,690	897,737
Attributable to the owners		1,664,690	897,737

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, 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
Profit / (loss) for the year	-	1,664,690	1,664,690
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	1,664,690	1,664,690
Balance, December 31, 2024	100	2,868,965	2,869,065

See accompanying notes.

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Statement of cash flows

(All amounts in EUR)

	Note	2024	2023
Cash flow from operating activities			
Profit / (loss) for the year		1,664,690	897,737
Add: Profit tax expense		1,453	1,042
(Increase) / decrease in inventory		-2,565,748	-905,144
(Increase) / decrease in prepaid expenses		4,494	-6,844
(Increase) / decrease in receivable from subsidiary		-59,996	-
(Increase) / decrease in other assets		-72,103	-
Increase / (decrease) in accounts payable		994,358	-98,750
Increase / (decrease) in accrued expenses		33,502	112,825
Increase / (decrease) in payable to shareholders		1,362	-
Profit taxes paid		-1,012	-866
Net cash generated from operating activities		1,000	-
Cash flow from investing activities			
(Increase) / decrease in investment in subsidiary		-1,000	-
Net cash generated from investing activities		-1,000	-
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, 2024, 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.

Investment

Investment in subsidiary is valued at cost, less impairment losses, if any.

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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, 2024 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, 2024. 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

	2024	2023
Payment processing fees	6,000	-
Management fees	3,750	3,750
License and server fees	3,600	14,094
Rent expenses	500	500
Other expenses	350	350
	14,200	18,694

6. Receivable from subsidiary

	2024	2023
Xhold Ltd	59,996	-
	59,996	-

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

7. Other assets

	2024	2023
C/A JuSi B.V.	72,103	-
	72,103	-

8. Investment in subsidiary

As at December 31, 2024, the company holds 100% investment in Xhold Ltd, a company incorporated and domiciled in the Republic of Cyprus.

	2024	2023
Xhold Ltd	1,000	-
(1,000 Equity shares of EUR 1.00 each)		
	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.

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9. Accrued expenses

	2024	2023
Agency commission fees	146,327	112,825
	146,327	112,825

10. Issued capital

The issued capital of the company as at December 31, 2024 and December 31, 2023 consists of 100 shares with a nominal value of EUR 1 each and subscribed for EUR 100.

No dividends were declared in 2024 and 2023.

11. Revenue

	2024	2023
Income from casinos	3,200,483	1,966,443
	3,200,483	1,966,443

12. Direct cost

	2024	2023
License, server and software development fees	2,178,245	834,590
Agency commission fees	146,327	178,753
Payment processing fees	12,000	13,621
	2,336,572	1,026,964

13. Administrative expenses

	2024	2023
Annual management fees	33,750	32,250
Compliance fees	5,400	5,400
Professional fees	3,000	-
Annual compliance fees	2,900	2,750
Rent expenses	500	3,044
Other expenses	350	200
	45,900	43,644

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14. Other income

	2024	2023
Other income	881,414	20
Payment processing income	72,103	-
Foreign exchange gain	-16,454	41,795
	937,063	41,815

15. 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.

16. Contingencies, commitments and legal proceedings

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

17. Subsequent events

In connection with the preparation of the financial statements, the company evaluated subsequent events after the balance sheet date of December 31, 2024. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2024.

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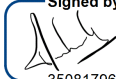
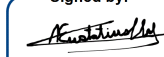

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18. Authorization for issue

These financial statements for the year ended December 31, 2024 was approved by the board of directors and authorized for issue on February 20, 2025.

Board of Directors:

<u>Name</u>	<u>Function</u>	<u>Signature</u>
Xecutive Corporate Management B.V.	Statutory Director	Signed by:  3508179679034CB... Signed by:  E9C1A4A3F74E4ED... Signed by:  8737E2B30CF043F...