

Natural Nine B.V.

Financial Statements

for the year December 31, 2023 and
the period June 03, 2022 - 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

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Natural Nine B.V.

Statement of financial position

(All amounts in USD)

	Note	31-Dec 2023	2022
Assets			
Current assets			
Cash and cash equivalents	4	7,902,560	-
Prepaid expenses	5	25,934	3,262
Total current assets		7,928,494	3,262
Non-current assets			
Intangible assets	6	600,124	-
Total non-current assets		600,124	-
Total assets		8,528,618	3,262
Equity and liabilities			
Current liabilities			
Accounts payable		85,422	159
Payable to shareholders	7	19,653	14,522
Payable to players		4,276,100	-
Accrued expenses	8	-	2,932
Loans payable	9	1,615,451	4,590
Total current liabilities		5,996,626	22,203
Equity			
Issued capital	10	107	107
Retained earnings / (Accumulated losses)		2,531,885	-19,048
Total equity		2,531,992	-18,941
Total liabilities and equity		8,528,618	3,262

See accompanying notes.

Natural Nine B.V.

Statement of profit or loss

(All amounts in USD)

	Note	2023	Jun 03, 2022 - Dec 31, 2022
Revenue	11	6,599,733	-
Direct cost	12	-2,117,387	-4,678
Gross profit / (loss)		4,482,346	-4,678
Administrative expenses	13	-1,862,600	-14,370
Marketing expenses		-97,783	-
Other income		30,412	-
Profit / (loss) from operations		2,552,375	-19,048
Finance cost	14	-1,442	-
Profit / (loss) before tax		2,550,933	-19,048
Profit tax expense	3	-	-
Profit / (loss) for the year		2,550,933	-19,048
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		2,550,933	-19,048
Attributable to the owners		2,550,933	-19,048

See accompanying notes.

Natural Nine B.V.

Statement of changes in equity

(All amounts in USD)

	Issued capital	Retained earnings / (Accumulated losses)	Total
Capital issued on June 03, 2022	107	-	107
Profit / (loss) for the period	-	-19,048	-19,048
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the period	-	-19,048	-19,048
Balance, December 31, 2022	107	-19,048	-18,941
Profit / (loss) for the year	-	2,550,933	2,550,933
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	2,550,933	2,550,933
Balance, December 31, 2023	107	2,531,885	2,531,992

See accompanying notes.

Natural Nine B.V.

Statement of cash flows

(All amounts in USD)

	Note	2023	Jun 03, 2022 - Dec 31, 2022
Cash flow from operating activities			
Profit / (loss) for the year		2,550,933	-19,048
(Increase) / decrease in prepaid expenses		-22,672	-3,262
Increase / (decrease) in accounts payable		85,263	159
Increase / (decrease) in payable to shareholders		5,131	14,522
Increase / (decrease) in payable to players		4,276,100	-
Increase / (decrease) in accrued expenses		-2,932	2,932
Increase / (decrease) in loans payable		1,610,861	4,590
Net cash generated from operating activities		8,502,684	-107
Cash flow from investing activities			
(Increase) / decrease in intangible assets		-600,124	-
Net cash generated from investing activities		-600,124	-
Cash flow from financing activities			
Increase / (decrease) in issued capital		-	107
Net cash generated from financing activities		-	107
Net increase / (decrease) in cash		7,902,560	-
Cash at the beginning of the year		-	-
Cash at the end of the year	4	7,902,560	-

See accompanying notes.

Notes to financial statements

1. General information

Natural Nine B.V. (the company) was established on June 03, 2022 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 Curaçao Chamber of Commerce & Industry under the number 160998.

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 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 period 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 USD 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.

The comparative financial statements are prepared for a period lesser than one year, from the date of incorporation June 03, 2022 to December 31, 2022, as per the Articles of Incorporation.

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.

Intangible assets

Intangible assets are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the statement of profit or loss.

The intangible assets with a finite life are amortized using the straight-line method and the intangible assets with an infinite life are tested for impairment on an annual basis. The residual values, useful lives and method of amortization of intangible assets are reviewed at each financial year end and adjusted if appropriate.

Foreign currency transactions

The financial statements are presented in USD, 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 USD 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 cash and cash equivalents and prepaid expenses.

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.

Revenue recognition

Casino 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.

Subsequent measurement

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

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 1 January 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. Cash and cash equivalents

	2023	2022
Hot/Cold wallet	7,717,557	-
Fireblocks - USDC	126,226	-
Fireblocks - ETH	42,366	-
Fireblocks - USDT	16,302	-
Fireblocks - Other	109	-
	7,902,560	-

5. Prepaid expenses

	2023	2022
License and server fees	15,171	3,262
Compliance fees	5,812	-
Annual management fees	4,036	-
Rent expenses	538	-
Other expenses	377	-
	25,934	3,262

6. Intangible assets

	2023	2022
Trademark and domain	600,124	-
	600,124	-

7. Payable to shareholders

Payable to shareholders represents amounts expenses incurred by the shareholders on behalf of the company net of payment made by the company. The amount payable is repayable on demand and does not carry any interest.

8. Accrued expenses

	2023	2022
Annual compliance fees	-	2,932
	-	2,932

9. Loans payable

	2023	2022
Kingside Pty Ltd	813,960	-103,585
Noah Dummett	598,377	108,175
Bainy	215,414	-
River Card	-12,300	-
	1,615,451	4,590

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

10. 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 each and subscribed for USD 107.

No dividends were declared in 2023 and 2022.

10. Revenue

	2023	2022
Net gaming revenue	6,599,733	-
	6,599,733	-

12. Direct cost

	2023	2022
Gaming provider fees	1,043,719	-
Website maintenance and support	873,904	-
Data and servers	49,706	132
Affiliates cost	46,447	-
Customer support	37,449	1,406
License and server fees	12,965	3,140
Website development	2,250	-
Other direct cost	50,947	-
	2,117,387	4,678

13. Administrative expenses

	2023	2022
Consulting fees	1,456,251	-
Professional fees	161,752	4,411
Administrative fees	17,860	-
Rent expenses	6,038	533
Compliance fees	5,846	-
Annual management fees	4,072	2,019
Annual compliance fees	3,014	2,932
Incorporation fees	-	3,996
Other expenses	207,767	479
	1,862,600	14,370

14. Finance cost

	2023	2022
Exchange fluctuations	1,442	-
	1,442	-

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:

Cash and cash equivalents, prepaid expenses, accounts payable, accrued expenses 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, 2023. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2023.

18. 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 August 20, 2024.

Board of Directors:

<u>Name</u>	<u>Function</u>	<u>Signature</u>
Xecutive Corporate Management B.V.	Statutory Director	

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