

Media 21 B.V.

Financial Statements

for the year ended December 31, 2022 and
for the period May 21, 2021 - December 31, 2021

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Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2022	2021
Assets			
Current assets			
Cash and cash equivalents	4	126,571	17,142
Prepaid expenses		13,400	4,126
Total current assets		139,971	21,268
Non-current assets			
Investment in subsidiary	5	1,000	1,000
Deposits		400	400
Total non-current assets		1,400	1,400
Total assets		141,371	22,668
Equity and liabilities			
Current liabilities			
Accounts payable		294,206	65,442
Payable to players		67,485	13,793
Accrued expenses	6	5,500	31,353
Payable to shareholders	7	1,899,744	656,671
Payable to subsidiary	8	186,276	365,282
Total current liabilities		2,453,211	1,132,541
Equity			
Issued capital	9	100	100
Retained earnings / (Accumulated losses)		-2,311,940	-1,109,973
Total equity		-2,311,840	-1,109,873
Total equity and liabilities		141,371	22,668

See accompanying notes.



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Statement of profit or loss

(All amounts in EUR)

	Note	Dec 31, 2022	May 21, 2021 - Dec 31, 2021
Revenue	10	983,742	91,964
Direct cost	11	-233,190	-112,884
Gross profit / (loss)		750,552	-20,920
Selling and marketing expenses		-1,225,233	-1,010,421
Administrative expenses	12	-677,804	-58,543
Profit / (loss) from operations		-1,152,485	-1,089,884
Finance cost	13	-49,482	-20,089
Profit / (loss) before tax		-1,201,967	-1,109,973
Profit tax expense	3	-	-
Profit / (loss) for the year		-1,201,967	-1,109,973
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		-1,201,967	-1,109,973
Attributable to the owners		-1,201,967	-1,109,973

See accompanying notes.

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Statement of changes in equity

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Total
Capital issued on May 21, 2021	100	-	100
Profit / (loss) for the period	-	-1,109,973	-1,109,973
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the period	-	-1,109,973	-1,109,973
Balance, December 31, 2021	100	-1,109,973	-1,109,873
Profit / (loss) for the year	-	-1,201,967	-1,201,967
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	-1,201,967	-1,201,967
Balance, December 31, 2022	100	-2,311,940	-2,311,840

See accompanying notes.



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Statement of cash flows

(All amounts in EUR)

		May 21, 2021 -
	Note	Dec 31, 2022
		Dec 31, 2021
Cash flow from operating activities		
Profit / (loss) for the year		-1,201,967
(Increase) / decrease in prepaid expenses		-9,274
(Increase) / decrease in deposits		-
Increase / (decrease) in accounts payable		228,764
Increase / (decrease) in payable to players		53,692.00
Increase / (decrease) in accrued expenses		-25,853
Increase / (decrease) in payable to shareholders		1,243,073
Increase / (decrease) in payable to subsidiary		-179,006
Net cash generated from operating activities		109,429
Cash flow from investing activities		
(Increase) / decrease in investment in subsidiary		-
Net cash generated from investing activities		-1,000
Cash flow from financing activities		
Increase / (decrease) in issued capital		-
Net cash generated from financing activities		100
Net increase / (decrease) in cash		109,429
Cash at the beginning of the year		17,142
Cash at the end of the year	4	126,571

See accompanying notes.

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Notes to financial statements

1. General information

Media 21 B.V. (the company) was established on May 21, 2021 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 157422.

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 exceed 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 statutory director:

- Executive 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 separate 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 Euro (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.

The comparative financial statements are prepared for a period lesser than one year, from May 21, 2021, being the date of incorporation to December 31, 2021, as per the Articles of Association.



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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.

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.

Investments

Investment in subsidiary is valued at cost, net of impairment loss, if any.

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 statement of profit or loss.

The financial assets include cash and cash equivalents, prepaid expenses and deposits.

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 financial liabilities include accounts payable, accrued expenses and other payables.



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Subsequent measurement

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

Revenue recognition

Gaming 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.

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 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. Cash and cash equivalents

	<u>2022</u>	<u>2021</u>
Balances at bank	126,571	17,142
	<u>126,571</u>	<u>17,142</u>

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5. Investment in subsidiary

As at December 31, 2022 and December 31, 2021, the company owns 100% of shares of the following company incorporated and domiciled in Republic of Cyprus:

	2022	2021
Digital 21 Ltd (1,000 Equity shares of EUR 1.00 each)	1,000	1,000
	1,000	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.

6. Accrued expenses

	2022	2021
Payment processing fees	5,500	7,500
Sales commission	-	21,153
Annual compliance fees	-	2,700
	5,500	31,353

7. Payable to shareholders

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

8. Payable to subsidiary

	2022	2021
Digital 21 Ltd	186,276	365,282
	186,276	365,282

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

9. Issued capital

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

No dividends were declared in 2022 and 2021.



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10. Revenue

	2022	2021
Net gaming revenue	983,742	91,964
	983,742	91,964

11. Direct cost

	2022	2021
License and server fees	120,521	112,884
Software expenses	112,669	-
	233,190	112,884

12. Administrative expenses

	2022	2021
Professional fees	640,366	40,204
Payment processing fees	18,000	7,500
Compliance fees	7,650	-
Rent expenses	5,588	1,772
Annual management fees	3,250	2,167
Annual compliance fees	2,750	2,700
Incorporation expenses	-	3,750
Other expenses	200	450
	677,804	58,543

13. Finance cost

	2022	2021
Exchange losses	28,766	3,250
Bank charges	20,527	16,839
Interest expenses	189	-
	49,482	20,089



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

15. Contingencies, commitments and legal proceedings

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

16. 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.

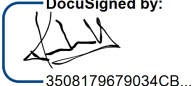


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17. Authorization for issue

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

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...