

Usoftgaming N.V.

Financial Statements

for the years ended December 31, 2021 and December 31, 2020

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Statement of financial position

(Amount in EUR)

		31-Dec	
	Note	2021	2020
Assets			
Current assets			
Prepaid expenses		424	-
Receivable from subsidiary	4	2,030,239	2,248,673
Other assets	5	928,789	928,789
Total current assets		2,959,452	3,177,462
Non-current assets			
Deposits		6,225	6,225
Investment in subsidiaries	6	-	2
Total non-current assets		6,225	6,227
Total assets		2,965,677	3,183,689
Equity and liabilities			
Current liabilities			
Accounts payable		-	267,100
Accrued expenses		-	1,825
Profit tax payable		2,606	7,754
Payable to shareholders	7	13,030	13,030
Total current liabilities		15,636	289,709
Equity			
Issued capital	8	1,000	1,000
Retained earnings / (Accumulated losses)		2,949,041	2,892,980
Total equity		2,950,041	2,893,980
Total equity and liabilities		2,965,677	3,183,689

See accompanying notes.

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Statement of profit or loss

(Amount in EUR)

	Note	2021	2020
Revenue (Net)	9	9,348,171	6,842,278
Direct cost	10	-7,576,008	-4,058,593
Gross profit / (loss)		1,772,163	2,783,685
Results from subsidiaries	6	-2	-2,198
Selling and marketing expenses	11	-1,987,911	-125,585
Administrative expenses	12	-2,262	-17,425
Write back of excess liabilities		268,925	-
Profit / (loss) from operations		50,913	2,638,477
Finance cost	13	-	-249,539
Profit / (loss) before tax		50,913	2,388,938
Profit tax expense	3	5,148	-2,881
Profit / (loss) for the year		56,061	2,386,057
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		56,061	2,386,057
Attributable to the owners		56,061	2,386,057

See accompanying notes.

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Statement of changes in equity

(Amount in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Total
Balance, December 31, 2019	1,000	506,923	507,923
Profit / (loss) for the year	-	2,386,057	2,386,057
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	2,386,057	2,386,057
Balance, December 31, 2020	1,000	2,892,980	2,893,980
Profit / (loss) for the year	-	56,061	56,061
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the year	-	56,061	56,061
Balance, December 31, 2021	1,000	2,949,041	2,950,041

See accompanying notes.

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Statement of cash flows

(Amount in EUR)

	Note	2021	2020
Cash flow from operating activities			
Profit / (loss) for the year		56,061	2,386,057
Adjustment on profit tax expense		-5,148	2,881
(Increase) / decrease in prepaid expenses		-424	-
(Increase) / decrease in receivable from subsidiary		218,434	-2,248,673
(Increase) / decrease in other assets		-	-404,160
Increase / (decrease) in accounts payable		-267,100	253,707
Increase / (decrease) in accrued expenses		-1,825	-
Increase / (decrease) in payable to shareholders		-	11,830
Increase / (decrease) in payable to subsidiary		-	-3,840
Net cash generated from operating activities		-2	-2,198
Cash flow from investing activities			
(Increase) / decrease in investment in subsidiaries		2	2,198
Net cash generated from investing activities		2	2,198
Cash flow from financing activities			
Increase / (decrease) in issued capital		-	-
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**

Usoftgaming N.V. (the company) was established on September 06, 2016 in Curaçao as a 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 under number 141305.

The main objectives of the company are:

1. To provide off-shore games of chance and wagering, through the internet in compliance with the regulations - of the Government of Curaçao. This service shall be referred to for all purposes as "Internet Casino/Internet Wagering/Internet Sportsbook" provided it concerns aforementioned services which will be rendered from an area that has been designated as an E-zone in conformity with the local E-zone law.

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, including the participation in and managing of other companies and enterprises.

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 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.

Previous year's figures have been regrouped to conform to current year's presentation.

Investments

Investment in subsidiaries are valued as per equity method.

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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 or through comprehensive income 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 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.

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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 1 January 2021 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.

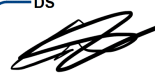
3. Profit taxes

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 not subject to profit taxes.

4. Receivable from subsidiary

	2021	2020
Pulsion Processing Ltd	2,030,239	2,248,673
	2,030,239	2,248,673

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

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5. Other assets

	2021	2020
Quebec Inc.	928,789	928,789
	928,789	928,789

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

6. Investment in subsidiaries

As at December 31, 2020, the company holds 1,200 ordinary shares of nominal value EUR 1 each in the share capital of Servit Processing Ltd. incorporated on January 13, 2016, registered at 170, Pater House, Level 1 (Suite 180), PSA | LA Street, Malta. This company was liquidated voluntarily during the year 2021.

As at December 31, 2021 and December 31, 2020, the company holds 1,000 ordinary shares of nominal value EUR 1 each in the share capital of Pulsion Processing Ltd incorporated on October 10, 2019, registered at Meteoron street, 10A Lakatamia, 2305, Nicosia, Cyprus.

	2021	2020
Servit Processing Ltd. (1,200 Equity shares of EUR 1.00 each)	1,200	1,200
Less: Loss of current year	-	-1,198
Less: Prior years' losses	-1,198	-
Less: Liquidation adjustment	-2	-
 Pulsion Processing Ltd (1,000 Equity shares of EUR 1.00 each)	 1,000	 1,000
Less: Loss of current year	-	-1,000
Less: Prior years' losses	-1,000	-
	-	2

The company has elected not to present consolidated financial statements. Its owners have been informed and do not object to presenting separate financial statements.

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.

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8. Issued capital

The issued capital of the company as on December 31, 2021 and December 31, 2020 consists of 1,000 common shares with a nominal value of EUR 1 each and subscribed for EUR 1,000.

No dividend was declared in 2021 and 2020.

9. Revenue (Net)

	2021	2020
Net gaming revenue	9,348,171	6,842,278
	9,348,171	6,842,278

10. Direct cost

	2021	2020
Manager fees	3,840,000	-
Domain fees	2,389,980	3,022,488
License and server fees	766,326	233,330
Affiliate fees	362,683	795,578
Software expenses	217,019	7,197
	7,576,008	4,058,593

11. Selling and marketing expenses

	2021	2020
Marketing services	1,579,263	125,585
Marketing commissions	408,648	-
	1,987,911	125,585

12. Administrative expenses

	2021	2020
Agency fees	1,710	7,000
Compliance fees	314	4,965
Professional fees	238	-
Annual compliance fees	-	2,925
Annual management fees	-	2,250
Other general expenses	-	285
	2,262	17,425

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13. Finance cost

	2021	2020
Exchange loss	-	249,539
	-	249,539

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:

Prepaid expenses, accounts payable, accrued expenses, other assets and other payables have been disclosed at a value which is fairly approximate the value which is expected to be received.

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, 2021. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2021.

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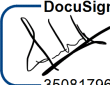


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17. Authorization for issue

These financial statements for the year ended December 31, 2021 were approved by the managing director and authorized for issue on May 22, 2025.

Board of Directors:

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