

Perfect Storm B.V.

Financial Statements

for the years ended December 31, 2023 and December 31, 2022

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Perfect Storm B.V.

Statement of financial position

(All amounts in EUR)

		31-Dec	
	Note	2023	2022
Assets			
Current assets			
Receivable from subsidiary	4	2,516,927	689,101
Intangible asset - Bitcoin balances	5	4,796,773	1,505,100
Receivable from shareholders	6	143,086	57,770
Prepaid expenses		42,436	74,673
Total current assets		7,499,222	2,326,644
Non-current assets			
Investment in subsidiary	7	1,000	1,000
Security deposit		60,400	55,400
Total non-current assets		61,400	56,400
Total assets		7,560,622	2,383,044
Equity and liabilities			
Current liabilities			
Accounts payable		344,005	148,489
Accrued expenses	8	351,955	156,289
Dividend payable	9	2,300,000	-
Profit tax payable	3	3,151	4,101
Total current liabilities		2,999,111	308,879
Equity			
Issued capital	9	1,000	1,000
Retained earnings / (Accumulated losses)		4,282,928	2,034,487
Unrealized gain / (loss) on revaluation of bitcoin balances	5	277,583	38,678
Total equity		4,561,511	2,074,165
Total liabilities and equity		7,560,622	2,383,044

See accompanying notes.

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Statement of profit or loss

(All amounts in EUR)

	Note	2023	2022
Revenue (Net)	10	21,049,821	8,082,802
Direct cost	11	-3,814,592	-2,583,453
Gross profit / (loss)		17,235,229	5,499,349
Administrative expenses	12	-6,856,748	-1,725,330
Other income		1,126	-
Profit / (loss) from operations		10,379,607	3,774,019
Finance cost	13	-25,923	-163,859
Profit / (loss) before tax		10,353,684	3,610,160
Profit tax expense	3	-5,243	-3,413
Profit / (loss) for the year		10,348,441	3,606,747
Unrealized gain / (loss) on revaluation of bitcoin balances	5	238,905	-88,279
Total comprehensive income / (loss) for the year		10,587,346	3,518,468
Attributable to the owners		10,587,346	3,518,468

See accompanying notes.

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Statement of changes in equity

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Unrealized gain / (loss) on revaluation of bitcoin	Total
Balance, December 31, 2021	100	-122,260	126,957	4,797
Profit / (loss) for the year	-	3,606,747	-	3,606,747
Other comprehensive income	-	-	-88,279	-88,279
Interim dividends paid	-	-1,450,000	-	-1,450,000
Dividends declared	-	-	-	-
Total comprehensive income / (loss) for the year	-	2,156,747	-88,279	2,068,468
Additional capital	900	-	-	900
Balance, December 31, 2022	1,000	2,034,487	38,678	2,074,165
Profit / (loss) for the year	-	10,348,441	-	10,348,441
Other comprehensive income	-	-	238,905	238,905
Interim dividends paid	-	-8,100,000	-	-8,100,000
Dividends declared	-	-	-	-
Total comprehensive income / (loss) for the year	-	2,248,441	238,905	2,487,346
Additional capital	-	-	-	-
Balance, December 31, 2023	1,000	4,282,928	277,583	4,561,511

See accompanying notes.




Perfect Storm B.V.

Statement of cash flows

(All amounts in EUR)

	2023	2022
Cash flow from operating activities		
Profit / (loss) for the year	10,587,346	3,518,468
Add: Profit tax expense	-950	-575
Unrealized gain / (loss) on revaluation of bitcoin balances	238,905	-88,279
(Increase) / decrease in receivable from subsidiary	-1,827,826	9,302
(Increase) / decrease in receivable from shareholders	-85,316	-4,686
(Increase) / decrease in prepaid expenses	32,237	-74,119
(Increase) / decrease in security deposit	-5,000	-5,000
Increase / (decrease) in accounts payable	195,516	147,481
Increase / (decrease) in accrued expenses	195,666	-9,190
Increase / (decrease) in dividend payable	2,300,000	-800,000
Net cash generated from operating activities	11,630,578	2,693,402
Cash flow from investing activities		
(Increase) / decrease in intangible asset	-3,530,578	-1,244,302
Net cash generated from investing activities	-3,530,578	-1,244,302
Cash flow from financing activities		
Dividends declared and paid	-8,100,000	-1,450,000
Increase / (decrease) in issued capital	-	900
Net cash generated from financing activities	-8,100,000	-1,449,100
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**

Perfect Storm B.V. (the company) was established on June 28, 2019 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 150536.

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:

- Executive 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 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.

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Intangible assets

Intangible assets are measured initially at cost. Subsequent measurement is done using the revaluation model at fair value. Any gain/loss on revaluation is recognized in the statement of profit or loss. Impairment testing is done at the end of each year.

Investment

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

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.

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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 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. Receivable from subsidiary

	2023	2022
Nine Yards Limited	2,516,927	689,101
	2,516,927	689,101

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

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5. Intangible asset- Bitcoin balances

This represents Crypto currency balances outstanding as on December 31, 2023. As per IFRS, Crypto currency balances are treated as Intangible asset as the company would earn benefits in the future and is not held for sale in the ordinary course of business. These assets have been measured using the revaluation model using IAS 38- Intangible assets, wherein the asset is initially recognized at cost and subsequently revalued at the market value as on December 31, 2023.

6. Receivable from / payable to shareholders

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

7. Investment in subsidiary

As at December 31, 2023 and December 31, 2022, the company holds 100% investment in Nine Yards Limited, a company incorporated and domiciled in the Republic of Cyprus.

	2023	2022
Nine Yards Limited (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.

8. Accrued expenses

	2023	2022
Commission expenses	291,955	-
Compliance and processing support	60,000	40,000
Software expenses	-	99,159
License and server fees	-	8,180
Professional fees	-	3,490
Match betting odds	-	3,166
Computer expenses	-	2,294
	351,955	156,289

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9. Issued capital

The issued capital of the company as on December 31, 2023 and December 31, 2022 consists of 1,000 shares and 100 shares respectively with a nominal value of EUR 1 each and subscribed for EUR 1,000 and EUR 100 respectively.

EUR 8,100,000 and EUR 1,450,000 were declared as dividend in 2023 and 2022 respectively.

10. Revenue (Net)

Revenues include sale of surplus virtual in-game skins to third party marketplaces and other gaming revenues.

11. Direct cost

	2023	2022
Software expenses	2,923,056	1,146,430
License and server fees	784,432	1,299,719
Match betting odds	107,104	126,724
Wallet charges	-	10,580
	3,814,592	2,583,453

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12. Administrative expenses

	2023	2022
Consulting fees	2,742,687	1,098,431
Commission expenses	2,166,412	247,192
Professional fees	1,088,772	157,113
Advertising and promotion	518,300	65,024
Rent expenses	127,265	9,138
Computer expenses	87,736	94,435
Travel expenses	61,942	23,793
Compliance & processing support	20,000	20,000
Training expenses	17,306	-
Gift expenses	16,000	-
Annual Management fees	3,750	-
Annual compliance fees	2,750	1,750
Telephone expenses	886	688
Dues and subscription	-	5,303
Donation	-	2,463
Other expenses	2,942	-
	6,856,748	1,725,330

13. Finance cost

	2023	2022
Bank charges	35,763	15,192
Foreign exchange gain/(losses)	-9,840	148,667
	25,923	163,859

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 approximates 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.

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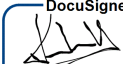
16. Subsequent events

In connection with the preparation of the financial statements, the company evaluated subsequent events after the balance sheet date of December 31, 2023. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2023.

17. 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 April 12, 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...