

Velorum Corporation N.V.

groot Kwartierweg 10
Livestrong Building
Curaçao

FINANCIAL STATEMENTS 2023

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Velorum Corporation N.V.
Willemstad

Director's report

We are pleased to present you with the Financial Statements for the period January 1, 2023 through December 31, 2023.

During the period under review, the Company recorded a net profit of EUR 5,998,770. Details of which are set out in the attached Profit and Loss account.
Curaçao,

C. Drommond

EMS Management Services N.V.
Managing director

Groot Kwartierweg 10
Livestrong Building
Curaçao

Balance sheet as at 31 December 2023

Assets

		31-12-2023	31-12-2022
		€	€
Financial fixed assets			
Investment in participations	1	1,000	-
Loan receivable	2	24,142	22,871
		<u>25,142</u>	<u>22,871</u>
Current assets			
Receivables from related parties	3	2,581,904	287,918
Receivables	4	5,644,898	2,419,561
		<u>8,226,802</u>	<u>2,707,479</u>
Cash and cash equivalents	5	4,659,454	4,612,193
Total assets		<u><u>12,911,398</u></u>	<u><u>7,342,543</u></u>
Shareholder's equity and liabilities			
Shareholder's equity	6		
Share capital		1	1
Other reserves		2,148,922	(1,786,475)
Result for the year		5,998,770	3,935,397
		<u>8,147,693</u>	<u>2,148,923</u>
Current liabilities			
Payable to related parties	7	98,870	1,154,190
Accounts payable	8	4,628,343	3,979,217
Other payables and accrued expenses	9	36,492	60,213
		<u>4,763,705</u>	<u>5,193,620</u>
Total shareholder's equity and liabilities		<u><u>12,911,398</u></u>	<u><u>7,342,543</u></u>

Profit and loss account for the year 2023

		<u>2023</u>	<u>2022</u>
		€	€
Operational income	10	8,889,449	7,825,980
Operational expenses	11	<u>(3,625,185)</u>	<u>(3,639,048)</u>
Net operating result		5,264,264	4,186,932
General and administrative expenses	12	<u>264,683</u>	<u>251,170</u>
Result before interest and taxes		<u>4,999,581</u>	<u>3,935,762</u>
Interest income		1,271	35,307
Write off platform receivables		-	(30,635)
Revaluation of participation		1,000	-
Interest expenses		(2,590)	(3,072)
Currency translation differences		<u>(492)</u>	<u>(1,965)</u>
Financial income and expense		<u>(811)</u>	<u>(365)</u>
Result before tax		4,998,770	3,935,397
Profit tax	13	<u>-</u>	<u>-</u>
		4,998,770	3,935,397
Dividend income		<u>1,000,000</u>	<u>-</u>
Total of result after tax		<u>5,998,770</u>	<u>3,935,397</u>

Velorum Corporation N.V.

Notes to the financial statements

Entity information

Registered address and registration number trade register

The registered and actual address of Velorum Corporation N.V. is Groot Kwartierweg 10, Livestrong Building, in Willemstad, Curaçao. Velorum Corporation N.V. is registered at the Chamber of Commerce under number 127675.

General notes

The most important activities of the entity

The Company is solely engaged in e-gaming activities.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements have been prepared in accordance with Book 2 of the Curaçao Civil Code using the Guidelines for annual reporting of the Dutch Accounting Standards Board.

Assets and liabilities are stated at face value unless indicated otherwise.

The functional currency

The financial statements are presented in EUR, the functional currency of the Company.

Conversion of amounts denominated in foreign currency

The financial statements are presented in euros, which is the functional and presentation currency of Velorum Corporation N.V..

Assets and liabilities denominated in foreign currencies are translated into administration currency at the rate of exchange prevailing at balance sheet date. Transactions in foreign currencies are translated at the exchange rates in effect on the day of the transaction. Items in the Statement of Income and Expenses were revalued at the average rate of exchange during the period under review.

Exchange gains or losses are reflected in the profit and loss account.

Exchange rates used:

1 USD = EUR

2022 0.9366

2021 0.8830

Accounting principles

Financial assets

Shares in group companies are stated at acquisition cost or, in case of a permanent impairment of the value of the shares at, lower equity value as determined on the basis of the financial statements of the group companies.

Cash and cash equivalents

Cash at bank includes bank balances. Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year.

Other income and expenses, including taxation, are recognized and reported in accordance with the accrual concept.

Notes to the balance sheet

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
1 Investment in participations		
VSL Vyking Software Ltd.	<u>1,000</u>	<u>-</u>

The participation in VSL Vyking Software Ltd. based in Cyprus was acquired on September 10, 2019. The company owns 100% of the issued capital in the participation. The subsidiary VSL Vyking Software Ltd. is accounted for at cost. In 2023, the carrying amount of the participation was revalued to its original acquisition cost.

On November 7, 2022, the name of the participation, IP Sample Enterprises Ltd., was changed to VSL Vyking Software Ltd.

The participation in Velorum Malta Ltd. based in Malta was acquired on December 12, 2012. The company owns 99.9% of the issued capital in the participation. The subsidiary Velorum Malta Ltd. is accounted for at cost.

Velorum Malta Ltd. was liquidated in June 2022, and this event has been reflected in the financial statements.

	<u>2023</u>	<u>2022</u>
	€	€
VSL Vyking Software Ltd.		
Book value as at 1 January	-	-
Revaluation of assets	<u>1,000</u>	<u>-</u>
Book value as at 31 December	<u>1,000</u>	<u>-</u>
	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
2 Loan receivable		
Spacewind Enterprises Ltd.	<u>24,142</u>	<u>22,871</u>

Velorum Corporation N.V.

	<u>2023</u>	<u>2022</u>
	€	€
Spacewind Enterprises Ltd.		
Balance as at 1 January		
Principal value	19,000	19,000
Accumulated interest	<u>3,871</u>	<u>3,016</u>
Book value as at 1 January	<u><u>22,871</u></u>	<u><u>22,016</u></u>
Movements		
Interest for the year	<u><u>1,271</u></u>	<u><u>855</u></u>
Balance as at 31 December		
Principal value	19,000	19,000
Accumulated interest	<u>5,142</u>	<u>3,871</u>
Book value as at 31 December	<u><u>24,142</u></u>	<u><u>22,871</u></u>

As at balance sheet date the company granted a facility loan to Spacewind Enterprises Ltd. with a principal amount of EUR. 250,000 bearing an interest rate of 3.5%. This loan will mature on April 30th, 2027.

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
3 Receivables from related parties		
Current account Velorum Malta Ltd.	-	4,635
Current account VSL Vyking Software Ltd.	1,326,809	281,199
Current account International Software Solutions LLC.	1,244,986	-
Current account Spacewind Enterprises Ltd.	<u>10,109</u>	<u>2,084</u>
	<u><u>2,581,904</u></u>	<u><u>287,918</u></u>

As at 31 December 2023, a dividend of EUR 1,000,000 was declared by Velorum Corporation N.V. and is receivable by VSL Vyking Software Ltd. The dividend has been recognized as income in the financial year 2023.

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
4 Other receivables		
Trade receivables	5,619,540	2,408,816
Other receivables	3,446	1,742
Prepaid expenses	10,494	-
Receivables from PSP merchandises	<u>11,418</u>	<u>9,003</u>
	<u><u>5,644,898</u></u>	<u><u>2,419,561</u></u>

Velorum Corporation N.V.

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
5 Cash and cash equivalents		
Finance Incorporated Limited, current account	4,654,719	4,227,177
Finance Incorporated Limited, player funds account	<u>4,735</u>	<u>385,016</u>
	<u>4,659,454</u>	<u>4,612,193</u>

6 Shareholder's equity

Velorum Corporation N.V. issued 2 shares with a nominal value of 1 USD per share.

Movements in the shareholder's equity were as follows:

	Share capital	Other reserves	Result for the year	Total
	€	€	€	€
Balance as at 1 January 2023	1	(1,786,475)	3,935,397	2,148,923
Appropriation of result	-	3,935,397	(3,935,397)	-
Result for the year	-	-	<u>5,998,770</u>	<u>5,998,770</u>
Balance as at 31 December 2023	<u>1</u>	<u>2,148,922</u>	<u>5,998,770</u>	<u>8,147,693</u>

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
7 Payable to related parties		
Current account International Software Solutions LLC.	-	277,647
Current account Square Moon Enterprises Ltd.	-	30,000
Current account Bonkers Ltd.	-	750,263
Current account shareholder	<u>98,870</u>	<u>96,280</u>
	<u>98,870</u>	<u>1,154,190</u>

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€

8 Accounts payable

Players liability	<u>4,628,343</u>	<u>3,979,217</u>
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	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€

9 Other payables and accrued expenses

Other payables	27,376	39,802
Accruals	<u>9,116</u>	<u>20,411</u>
	<u>36,492</u>	<u>60,213</u>

Notes to the profit and loss account

	<u>2023</u>	<u>2022</u>
	€	€

10 Operational income

Net gaming revenue	8,764,024	7,437,340
Other gaming revenue	<u>125,425</u>	<u>388,640</u>
	<u>8,889,449</u>	<u>7,825,980</u>
	<u>2023</u>	<u>2022</u>
	€	€

11 Operational expenses

Commission expenses	-	844,453
Processing expenses	1,510,914	1,531,890
IT expenses	1,293,225	1,240,504
Software license expenses	817,499	17,956
Marketing expenses	<u>3,547</u>	<u>4,245</u>
	<u>3,625,185</u>	<u>3,639,048</u>
	<u>2023</u>	<u>2022</u>
	€	€

12 General and administrative expenses

Management expenses	129,479	120,356
Administrational expenses	77,275	37,003
Bank expenses	57,929	59,685
Provision for doubtful debt	<u>-</u>	<u>34,126</u>
	<u>264,683</u>	<u>251,170</u>

13 Profit tax

The company incurred a positive result before provision for profit tax of EUR 5,998,770. Consequently, the profit tax was calculated as nil due to offsetting losses.