

Prolific Trade N.V.

Groot Kwartierweg 10
Livestrong Building
Curaçao

FINANCIAL STATEMENTS 2022

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Prolific Trade N.V.
Willemstad

Director's report

We are pleased to present you with the Annual Report for the period January 1, 2022 through December 31, 2022.

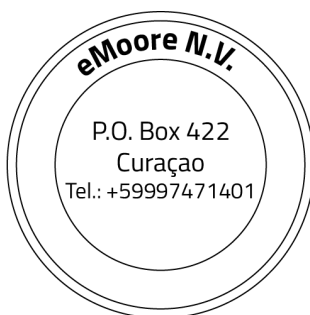
During the period under review, the Company recorded a net profit of EUR 426,996,372. Details of which are set out in the attached Profit and Loss account.

Curaçao,

C Drommond

eMoore N.V.
Managing Director

Groot Kwartierweg 10
Curaçao



Prolific Trade N.V.**Balance sheet as at 31 December 2022***(Before appropriation of result)***ASSETS**

		<u>31-12-2022</u>	<u>31-12-2021</u>
		€	€
Fixed assets			
Intangible assets	1	6,145	-
Financial assets			
Investment in participations	2	-	112
Loan receivables from related parties	3	4,800,000	50,115
		<u>4,800,000</u>	<u>50,227</u>
Current assets			
Receivables			
Receivables from related parties	4	1,853,702	15,395
Other receivables	5	462,884,114	35,425,761
		<u>464,737,816</u>	<u>35,441,156</u>
Cash and cash equivalents	6	8,916,906	2,579,294
TOTAL ASSETS		<u><u>478,460,867</u></u>	<u><u>38,070,677</u></u>

SHAREHOLDER'S EQUITY AND LIABILITIES

Shareholder's equity	7		
Issued and fully paid share capital		8	8
Retained earnings		25,309,907	2,267,961
Result for the year		<u>426,996,372</u>	<u>33,041,946</u>
		<u>452,306,287</u>	<u>35,309,915</u>
Provisions			
Other provisions	8	29,843	-
Current liabilities, accruals and deferred income			
Accounts payable	9	25,690,554	2,215,944
Payables to related parties	10	-	111,934
Profit tax payable		434,183	432,884
		<u>26,124,737</u>	<u>2,760,762</u>
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		<u><u>478,460,867</u></u>	<u><u>38,070,677</u></u>

Income statement for the year 2022

	<u>2022</u>	<u>2021</u>
	€	€
Net turnover	678,902,101	47,505,422
Operational costs	¹¹ <u>(154,276,239)</u>	<u>(8,668,663)</u>
Operational result	524,625,862	38,836,759
General and administrative expenses	¹² <u>618,820</u>	<u>165,043</u>
Result before interest and taxes	<u>524,007,042</u>	<u>38,671,716</u>
Interest income	-	115
Correction on interest income	(115)	-
Currency translation differences	<u>(96,979,301)</u>	<u>(5,198,997)</u>
Financial result	<u>(96,979,416)</u>	<u>(5,198,882)</u>
Result before profit tax	427,027,626	33,472,834
Profit tax expense	<u>(1,299)</u>	<u>(430,000)</u>
	427,026,327	33,042,834
Result participation	<u>(29,955)</u>	<u>(888)</u>
NET RESULT FOR THE YEAR	<u>426,996,372</u>	<u>33,041,946</u>

Prolific Trade N.V.

Notes to the financial statements

General notes

The most important activities of the entity

Prolific Trade N.V. is a limited liability company that was incorporated in Curaçao, Willemstad on July 22, 2019. The Company is registered with the Chamber of Commerce and Industry of Curaçao under number 150731.

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.

Disclosure of changes in accounting policies

The principles of valuation and determination of result remained unchanged compared to the previous year.

Conversion of amounts denominated in foreign currency

The financial statements are presented in euros, which is the functional and presentation currency of Prolific Trade 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 EUR =	USD	BRL
2022	1.06749	5.64080
2021	1.13240	6.38997

Accounting principles

Intangible assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset is higher than its realisable value.

Domains have a finite life and are amortized on a straight line basis over 3 years.

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Financial assets

Participations are valued according to the net asset value method.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements.

Loans receivables are valued at the fair value of the consideration to be received including any accumulated interest receivables incurred.

Cash and cash equivalents

Cash at banks represent 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 services provided and the costs and other charges during the year.

Exchange differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur.

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

Notes to the balance sheet

1 Intangible assets

As at 31 December 2022 this item can be detailed as follows:

	Domain
	€
Book value as at 1 January 2022	-
Movements	
Additions	6,749
Amortization for the year	(604)
Balance movements	<u>6,145</u>
Balance as at 31 December 2022	
Cost price	6,749
Accumulated amortization	<u>(604)</u>
Book value as at 31 December 2022	<u><u>6,145</u></u>

The company purchased one domain in September 2022. Domains have a finite useful life and are amortised on a straight line basis over 3 years.

2 Investment in participations

	31-12-2022	31-12-2021
	€	€
Participation in Horangi Trading Limited	<u>-</u>	<u>112</u>

The participation in Horangi Trading Limited based in Cyprus is acquired since April 21, 2021. The company own 100% of the issued capital in the participation.

The investment in Horangi Trading Limited is accounted for at net asset value.

The movements in the participation were as follows:

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Participation in Horangi Trading Limited

	<u>2022</u>	<u>2021</u>
	€	€
Book value as at 1 January	112	-
Investments	-	1,000
Result participation for the year	(29,955)	(888)
Addition to provision	29,843	-
	<u> </u>	<u> </u>
Book value as at 31 December	<u> - </u>	<u> 112 </u>

3 Loan receivables from related parties

As at 31 December 2022 this item can be detailed as follows:

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Receivable from Horangi Trading Limited	-	50,115
Receivable from Ultimate Beneficial Owner	4,800,000	-
	<u> </u>	<u> </u>
	<u>4,800,000</u>	<u>50,115</u>

Receivable from Horangi Trading Limited

	<u>2022</u>	<u>2021</u>
	€	€
Book value as at 1 January	50,115	-
Issue in financial year	-	50,000
Addition of interest	-	115
Reclassification	(50,000)	-
Corrections	(115)	-
	<u> </u>	<u> </u>
Book value as at 31 December	<u> - </u>	<u> 50,115 </u>

The company granted a loan to Horangi Trading Limited with a principal amount of EUR 50,000 on November 19, 2021. The maturity date of the loan is December 31, 2022 and the applicable annual interest rate is 2%.

The parties entered into a termination agreement to terminate this loan agreement with the effective date January 5, 2022. Hence in 2022, the transfer of this amount will be reclassified to the inter-company balance with Horangi Trading Limited.

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Receivable from Ultimate Beneficial Owner

	<u>2022</u>	<u>2021</u>
	€	€
Book value as at 1 January	-	-
Issue in financial year	<u>4,800,000</u>	<u>-</u>
Book value as at 31 December	<u><u>4,800,000</u></u>	<u><u>-</u></u>

The company granted a mortgage to the Ultimate Beneficial Owner on November 23rd, 2022 for the principal amount of EUR 4,800,000. The mortgage have an applicable annual interest rate of 3% with a fixed monthly annuity repayment schedule and maturing on December 1st, 2057.

4 Receivables from related parties

As at 31 December 2022 this item can be detailed as follows:

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Receivable from Horangi Trading Limited	1,753,584	3,458
Receivable from Black & White Ltd	20,079	11,937
Receivable from Blaze Ltd	<u>80,039</u>	<u>-</u>
	<u><u>1,853,702</u></u>	<u><u>15,395</u></u>

Receivable from Horangi Trading Limited

	<u>2022</u>	<u>2021</u>
	€	€
Balance as at 1 January	3,458	-
Movement for the year	<u>1,750,126</u>	<u>3,458</u>
Balance as at 31 December	<u><u>1,753,584</u></u>	<u><u>3,458</u></u>

Receivable from Black & White Ltd

	<u>2022</u>	<u>2021</u>
	€	€
Balance as at 1 January	11,937	-
Movement for the year	<u>8,142</u>	<u>11,937</u>
Balance as at 31 December	<u><u>20,079</u></u>	<u><u>11,937</u></u>

Prolific Trade N.V.

Receivable from Blaze Ltd

	<u>2022</u>	<u>2021</u>
	€	€
Balance as at 1 January	-	1,086,746
Movement for the year	<u>80,039</u>	<u>(1,086,746)</u>
Balance as at 31 December	<u><u>80,039</u></u>	<u><u>-</u></u>

5 Other receivables

As at 31 December 2022 this item can be detailed as follows:

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Deposits	1,865	1,865
Receivable from third parties	2,613	16,566
Receivable from Payment Service Providers	49,778,258	4,705,175
Crypto wallets	412,747,338	30,700,655
Prepaid expenses	<u>354,040</u>	<u>1,500</u>
	<u><u>462,884,114</u></u>	<u><u>35,425,761</u></u>

6 Cash and cash equivalents

As at 31 December 2022 this item can be detailed as follows:

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Cash-in-transit	3,634,414	127,962
Paymix Ltd, current account	5,205,835	2,420,015
Paymix Ltd, mastercard	73,050	31,317
ISX Money, current account	<u>3,607</u>	<u>-</u>
	<u><u>8,916,906</u></u>	<u><u>2,579,294</u></u>

All cash and cash equivalents are at the Company's free disposal.

7 Shareholder's equity

The Company's authorized share capital consists of 500 shares with a nominal value of USD 10.00 each.

As at 31 December 2022, 1 share amounts to EUR 8 (USD 10.00) was issued and fully paid-up.

Movements in the shareholder's equity accounts are as follows:

	Issued and fully paid share capital	Retained earnings	Result for the year	Total
	€	€	€	€
Balance as at 1 January 2022	8	2,267,961	33,041,946	35,309,915
Result for the year	-	-	426,996,372	426,996,372
Appropriation of result	-	33,041,946	(33,041,946)	-
Dividend distribution	-	(10,000,000)	-	(10,000,000)
Balance as at 31 December 2022	8	25,309,907	426,996,372	452,306,287

8 Other provisions

As at 31 December 2022 this item can be detailed as follows:

	31-12-2022	31-12-2021
	€	€
Provision participations	29,843	-

Provision Horangi Trading Limited

	2022	2021
	€	€
Balance as at 1 January	-	-
Addition to provision	29,843	-
Balance as at 31 December	29,843	-

9 Accounts payable

As at 31 December 2022 this item can be detailed as follows:

	31-12-2022	31-12-2021
	€	€
Creditors	6,076,932	651,117
Player balance	19,613,622	1,564,827
	25,690,554	2,215,944

10 Payables to related parties

As at 31 December 2022 this item can be detailed as follows:

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
Payables to Blaze Ltd	-	110,934
Payables to Ultimate Beneficial Owner	-	1,000
	<u>-</u>	<u>111,934</u>

Payables to Blaze Ltd

	<u>2022</u>	<u>2021</u>
	€	€
Balance as at 1 January	110,934	-
Impairments	<u>(110,934)</u>	<u>110,934</u>
Balance as at 31 December	<u>-</u>	<u>110,934</u>

Payables to Ultimate Beneficial Owner

	<u>2022</u>	<u>2021</u>
	€	€
Balance as at 1 January	1,000	-
Movement for the year	<u>(1,000)</u>	<u>1,000</u>
Balance as at 31 December	<u>-</u>	<u>1,000</u>

Notes to the income statement

11 Operational costs

	2022	2021
	€	€
Marekting and affiliate expenses	64,452,941	1,845,703
Software & IT / Hosting expenses	33,271,683	1,741,154
Customer support expenses	1,380,781	156,507
Customer compliance support expenses	133,170	70,525
Webhosting expenses	2,268,456	179,379
Payment processing expenses	52,766,470	4,641,594
Depreciation expenses	604	-
License fee - CEG	2,134	33,801
	<u>154,276,239</u>	<u>8,668,663</u>

12 General and administrative expenses

	2022	2021
	€	€
Management expenses	376,051	92,967
Legal and professional expenses	123,334	16,444
Consultancy expenses	-	8,395
Office rent expenses	25,124	19,619
Bank expenses	121,730	26,118
Crypto wallet expenses	1,775	828
Travel and accomodation expenses	86,398	11
Other expenses	1,547	661
Write off payables	(117,139)	-
	<u>618,820</u>	<u>165,043</u>

Disclosure of income tax expense

The company applied for foreign sourced income, hence a profit tax rate of 22% is applicable on the domestic net result incurred by the Company. As a result the profit tax is calculated at EUR 1,299.